

Optimizing AR Management Process for a Renowned Billing Company

The Client



A renowned billing company based in California. Established in 2001, the company specializes in 70 medical specialties and has over 2000 employees in the US. Currently it partners with a variety of healthcare organizations in 40+ states.

Challenge



The client was losing out a major portion of its revenue to denials, which were impacting its balance sheet severely. The client approached us for a solution to help them improve accounts receivable collections as well as leverage our experience in denial management to create a strategy to avoid a recurrence in future.

Solution



We started the project by understanding the root cause of the denials. For this, we analysed three months of denial data through a root cause analysis method. Based on our analysis we executed the following:

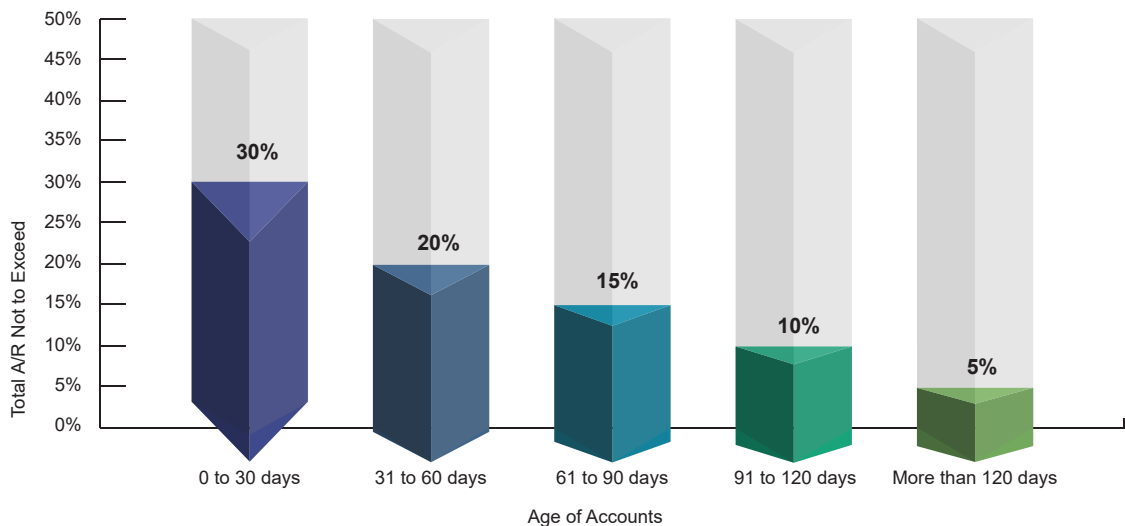
Identify what more than 120+ A/R age consisted of. If it was a bunch of uncollectable account receivables or one's older than 6 months we made sure it was removed off the table. We also analysed account receivables for improper authorization or pre-certification and tried to get them retro-authorized. Insurances for which timely filing deadline were missed out, we ensured immediate submission of the claims with proper documentation (primary EOB, perhaps chart notes, etc.). For many cases, we even got on the phone with the adjuster to sort the differences.

We recommended an A/R aging that depended on the distribution of the financial classes of patients. Parallely, we suggested representation of the distribution in a way (as in the below table) that ensures that as the receivables age, they should decline as a percentage of the A/R. Any change in the representation would mean a significant change in the way the practice is being handled.

“A period of high claim denials, posed a challenge for our medical billing company. During this time, our team was not only struggling to keep 'new' receivables current, but also were failing to collect on the older AR. This is where MedBillingExperts came in. Their team of knowledgeable AR & collection experts provided a booster shot to our AR department. They were able to collect on 'newer' as well as 'older' amounts that would have not been cost-effective to do ourselves. Going with MedBillingExperts was one of our best outsourcing decisions.”

-VP, Collections

Recommended Distribution of A/R by Age



We suggested aging commercial insurance and self-pay separately and identifying how each one is performing. Prior to this the practice blended the two together in the aging process. As a result, when the aged A/R showed a mass increase in the percentage of accounts over 120 days of age, it was impossible to determine if this was because of self-pay, commercial insurance accounts or both.

Besides the above, there were other reasons that were also affecting the financial condition of the practice. Primary among these were:

- Incorrect Information
- Insufficient Knowledge

To eliminate these, we recommended the inclusion of AR analysts in the team whose task would be to monitoring A/R payment ratio and A/R charge ration periodically, besides educating the staff on insurance rejections and changes on insurance rules time-to-time.



Our solution benefited the client in the following way:

- Three months into the project, the percentage of denials showed a 30% drop. In the next 3 months, it further reduced by 60%.
- The backlog of denials started falling drastically month over month till they fell to a record low.
- The streamlined operations, led to a substantial savings, which translated into 40% increase in revenues within 6 months of implementation.

Key Achievements

Month	Charges	Collections	Total AR	90+ AR	90+ %	Coll Rate
Jul'17	161,412	95,824	155,898	257,236	17%	31%
Aug'17	187,586	105,615	161,408	293,202	19%	32%
Sep'17	177,322	102,166	161,331	279,488	21%	32%

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to know more about our AR management services.

Since last 13 years, MedBillingExperts has offered robust, reliable and cost-effective healthcare back-office support services - ranging from revenue cycle management, billing and coding to AR management, denial management and claim adjudication - to physicians, clinics, care centers, hospitals, medical billing companies and insurance providers.

It is our mission to obtain accurate, complete and timely payment from all third-party payers and patients for our clients using highly trained staff, proven billing methodologies, effective control systems and state-of-the-art technology while adhering to the highest legal, ethical moral and practical business standards in the industry. And it is this single-minded focus that has helped us capture a substantial market size of about 200+ physicians, 120+ hospitals and 70+ medical billing companies in the US in no time.

We are here today because of the following attributes:

- Medicare, Coding and HIPAA compliant processes
- 500+ AAPC certified coders
- Service from 8 global delivery centers for time-bound delivery
- Competitive rates to ensure 40% savings in expenses
- 24X7 Outsourcing Facility
- Weekly AR report with reduction in CAPEX costs

