

## Troubleshooting Reimbursement Problems

Healthcare Automation's Reimbursement Center consulting staff often works as an investigative team, searching for clues about why billing offices experience difficulties collecting and where those difficulties are based. Jeanne Lugli, General Manager of the Reimbursement Center, leaves no stone unturned. "We look at everything: reports, history, conversations with staff," says Lugli. "You never know where you'll find the issues."

Lugli has prepared the following checklist for herself and her staff when troubleshooting reimbursement issues.

### Cash Receipts

- Are there significant fluctuations in cash trends from month to month?
- If there are, what payors have increased or decreased?
- What is the percentage of cash collections vs. net revenue booked?
- Are there specific problem payors?
- If so, have meetings been scheduled to solve problems?
- Do all bills have provider numbers of contracts where required?

### Write-offs

- Is revenue being booked correctly and accurately?
- Have contractual adjustments been made at the time Medicare and/or Medicaid claims were booked?
- What is the trend of write-offs over the past year?
- What were the causes of the write-offs? High turnover? Lack of follow up? What can be done to minimize the write-offs immediately, in the future, etc.?
- Are the contracts for pricing set up correctly?
- Are the users familiar with the software?

### Revenue

- What is the revenue trend compared to cost?
- Are there tremendous fluctuations in revenue?
- If so, are the fluctuations due to changes in the therapy mix or the payor mix?
- What is the net revenue vs. list?
- Is revenue being booked accurately?

### DSO (Days Sales Outstanding)

- What is the current DSO?
- What is the history of the DSO?
- How many collectors do you have vs. A/R balance and vs. number of open accounts?
- Which payors have the majority of outstanding bills over 180 days? Are these payors "difficult payors" or should the payments be expedited?
- What documentation are you sending with a claim? Is this sufficient?

### Accounts Receivable

- Is the manager reviewing the "high dollar aging"? How frequently?
- What is the status of the first 10 patients on the "high dollar aging"?
- Are write-offs being done on a timely basis?
- Is an audit of collection activity performed?
- What is the payor mix?
- How often is billing done? (Daily, weekly, monthly)
- How much time is dedicated to collections?
- What obstacles are the collectors encountering?
- Can you provide the payors with a small discount to get them to pay quicker?
- How quickly is cash posted so the secondary or self-pay portion can be billed?
- How quickly are denials processed?



- ❑ What is the reason for denials? Is the service not authorized? Do claims contain errors?

Answering these questions for your organization can dramatically increase your understanding of your billing center and your revenue issues. For more information, or to engage our consulting staff, please contact Joan Zavala at 978-327-6501 or e-mail at [Jzavala@Healthcare-Automation.com](mailto:Jzavala@Healthcare-Automation.com).