



# ACCOUNTS RECEIVABLE MANAGEMENT RE-ENGINEERING

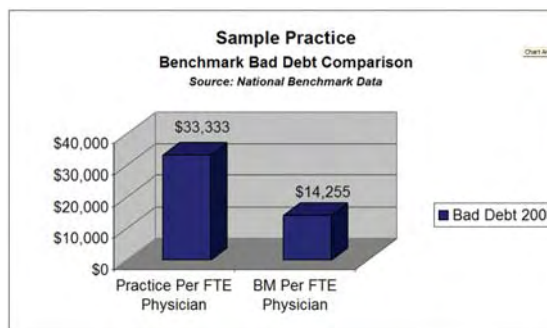
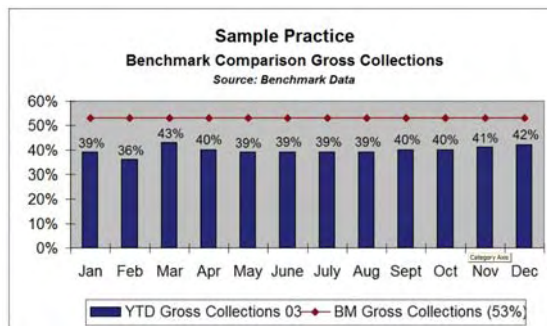
Practice managers know that practice revenues can be greatly impacted by collection activities. Yet as the process of following claims through the adjudication process grows increasingly complex, positively impacting revenues is becoming even more challenging. Dixon Hughes can help. Our experienced healthcare consultants utilize a proven strategy to help you implement Accounts Receivable (AR) Management Re-engineering.

## Our Approach

Accounts Receivable Management Re-engineering is the process in which workflows associated with following up on unpaid claims are optimized. The Dixon Hughes approach incorporates four stages.

### Stage One

- Review current processes and document workflows.
- Assess the workload in relationship to current staff skill sets and provide recommendations.
- Benchmark collection activities against those of peers.



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### Stage Two

- Develop recommendations specific to your specialty, staff skill sets and market dynamics.
- Review the AR statistical model and provide results to the management team.
- Develop a practice-specific strategy for optimizing collections activities.
- Initiate meetings with AR team to include front-office personnel and management as appropriate and present AR baseline statistics.

- Re-engineer current job responsibilities (front and back office) as necessary in order to work accounts in the most efficient and effective manner with the goal of reimbursement maximization.

### Stage Three

Develop policies and procedures for working accounts that are based on “best practices” formulated across the nation and that incorporate your practice’s unique needs and style. Areas of focus may include the following:

- Accounts Receivable Monthly Workflow – develop timelines and approach for working accounts
- Patient Collections – including scripts to use when collecting from patients
- Payment Plan Structures – including specific dollar thresholds for charge ranges
- Practice Financial Policy – developed with your special needs in mind
- Hardship Guidelines – including worksheet for financial calculations
- Audit Processes – ensure that the processes developed today *happen in the future*
- Collection Activities – including sample letters
- Claims Submission – document the process for reference and consistency

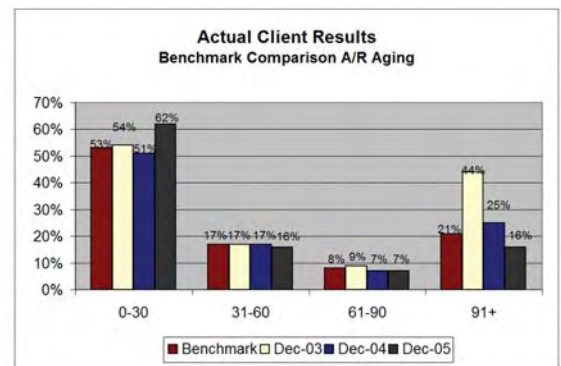
### Stage Four

- Develop goals relative to AR statistics and measure progress continuously.
- Provide training for staff in key areas, such as front-desk collections.

Statistic	Acceptable Range	Current Statistic	Maximum Points	Points Assigned
<b>Gross Collections</b>	53% - 56% (Median & 75th %)	2004 Avg 43% 2005 Avg 44%	15	13.5
<b>Adjusted Collections</b>	95.8% - 99.3% (Median & 75th %)	2004 Avg 98% 2005 Avg 96%	10	9
<b>Chgs, Pymts &amp; Adj</b>	Relatively Consistent Trends	Stable	15	12
<b>AR Aging</b>	Close to or less than benchmark for 90+	91 + below benchmark 16%	20	20
<b>Gross Days in AR</b>	47 - 56 (Median & 75th %)	2004 Avg 48 2005 Avg 41	20	20
<b>Bad Debt</b>	\$13,438 - \$23,446 (Median & 75th %) annual	2004 \$32K 2005 \$25K	20	18
	\$5,746 (Median & 75th %) annual	Current		
<b>Overall AR Grade</b>			100	92.5

### Results

Creating easy-to-understand goals and involving all of the right people are crucial steps in obtaining commendable results in accounts receivable management. Demonstrating progress is essential, as teams naturally strive for success. Of course, creating an environment where accountability is part of the culture reinforces that established policies are effective and can pave the way for progress. Finally, initiating the process as early as possible in the patient relationship, beginning with patient benefit verification and registration, has proven to be a characteristic of practices effectively managing their accounts receivables. These results that are not uncommon for the practices we serve.



### Contact us.

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