

VertexDr

IMPROVING THE FINANCIAL
HEALTH OF YOUR PRACTICE

Debbie Ricci and Donna Russo

a MERIDIAN MEDICAL MANAGEMENT company



Please silence or turn off all
electronic devices at this time.

THANK YOU

Agenda

Key Performance Indicators

- **What are they?**
- **What do they mean?**
- **How do you calculate them?**

Patient Balances

- **Influencing factors**
 - **Demographics**
 - **Insurance Eligibility**
 - **Payment Estimators**
 - **Written Payment Policies**
 - **Credit Cards/Card on File**

“Unless you measure where you are and where you want to go, you have neither the knowledge of where you stand nor any direction on reaching your goals.”

MGMA Benchmark Guide

Key Performance Indicators – (KPI)

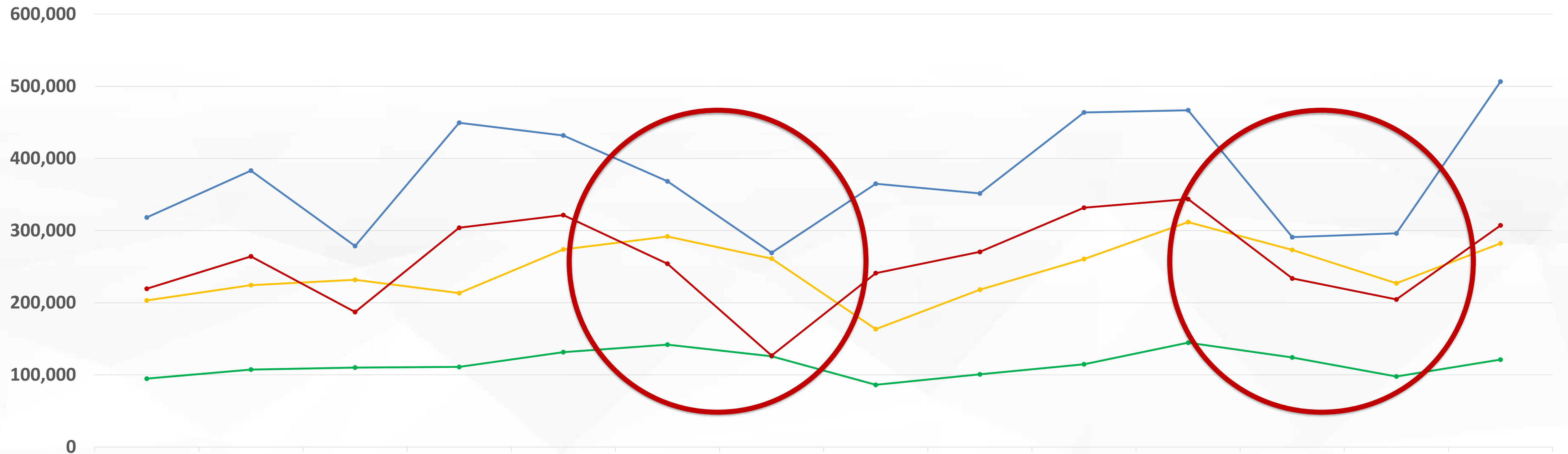
Key Performance Indicators, also known as KPI or Key Success Indicators, measure the financial health of your practice.

- **Days in Account Receivable (Days in AR)**
- **Gross Collection Ratio (GCR)**
- **Aging Buckets (Current, >30, >60, >90, >120)**

Statistics – Chart

Key Indicators	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Charges	383,184	278,638	449,496	431,867	368,377	269,268	365,001	351,600	463,774	466,838	290,916	296,176	506,649
Payments	107,365	110,113	111,052	131,512	141,917	125,786	86,192	100,760	114,740	144,620	124,163	97,795	121,134
Gross Coll %	34%	31%	32%	33%	34%	35%	32%	32%	32%	32%	31%	30%	30%
Cont Adjs	224,394	231,791	213,306	273,936	291,816	261,131	163,461	218,147	260,571	311,832	273,208	226,984	282,317
Total A/R	264,182	187,203	303,941	321,499	254,062	126,746	241,050	270,552	331,746	343,635	233,771	204,577	307,233
A/R > 120 - %	9%	12%	6%	5%	6%	12%	7%	7%	6%	6%	8%	9%	8%
A/R > 120 - \$	23,579	23,132	17,141	16,159	14,596	15,101	18,065	19,419	18,877	19,959	19,540	18,386	23,580
Days in A/R	26	17	25	25	19	11	22	25	26	25	18	17	26

Statistics Trends



	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Charges	318,238	383,184	278,638	449,496	431,867	368,377	269,268	365,001	351,600	463,774	466,838	290,916	296,176	506,649
Payments	94,804	107,365	110,113	111,052	131,512	141,917	125,786	86,192	100,760	114,740	144,620	124,163	97,795	121,134
Cont Adjs	203,177	224,394	231,791	213,306	273,936	291,816	261,131	163,461	218,147	260,571	311,832	273,208	226,984	282,317
Total A/R	219,471	264,182	187,203	303,941	321,499	254,062	126,746	241,050	270,552	331,746	343,635	233,771	204,577	307,233

Days in AR (DAR)

- **Days in AR – Average number of days it takes to collect a payment; may also be referred to as a turnover ratio.**
- **Calculation:**
 - Step 1 - Take 3 months of charges/total # of days in the three months = Average Daily Charges.**
 - Step 2 - Take the Ending AR/Average daily charge amount calculated in step 1.**
- **The lower the number of days the faster the practice is collecting their money!**

Key Indicator - Days In AR

Days in A/R Calculation

3 Months Charges	1,093,741	
# of Days in the Months	91	12019.13

Ending AR	307,233	
Average Daily Charges	12,019	25.56199

3 months of charges/# of days in the Month. Ending AR/Avg Daily Charges

Note: Lag may also be appropriate depending on the practice.

	Jan-17	Feb-17	Mar-17
	290,916	296,176	506,649
	124,163	97,795	121,134
	31%	30%	30%
	273,208	226,984	282,317
	233,771	204,577	307,233
	8%	9%	8%
	19,540	18,386	23,580
	18	17	26
	31	28	32

Days in AR (DAR)

Events that effect Days in AR calculation:

- **Worker's Compensation**
- **Auto or liability claims**
- **Letters of protection**
- **Patient budget payment/Large self-pay balances**

Gross Collection Ratio (GCR)

- **GCR -This number represents the percent collected on billed charges.**
- **Calculation: $X \text{ Month Payments} / X \text{ Months Charges}$**
 - **Number of months used will vary by preference and practice but will be the same for payments and charges**

Key Indicators – Gross Collections

GCR Calculation

6 Months Payments	703,212	
6 Months Charges	2,375,953	30%

6 Month Payments/6 Months Charges

Note: If days in AR are higher than 30 a lag may be appropriate

Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
351,600	463,774	466,838	290,916	296,176	506,649
100,760	114,740	144,620	124,163	97,795	121,134
32%	32%	32%	31%	30%	30%
218,147	260,571	311,832	273,208	226,984	282,317
270,552	331,746	343,635	233,771	204,577	307,233
7%	6%	6%	8%	9%	8%
19,419	18,877	19,959	19,540	18,386	23,580
25	26	25	18	17	26

Events That Affect GCR

Lower GCR :

- **High fees – creating high adjustments**
- **High volume carriers with low reimbursement rates (Medicaid)**

Higher GCR:

- **Low fees – creating lower adjustments**
- **Collection of payments at time of service**

Other factors:

- **Overall payer mix will impact GCR**

Aging Buckets

Current, >30, >60, >90, >120 Days

Represent time periods for unpaid receivables. This is the primary tool used to identify and evaluate the effectiveness of front-end and collection processes.

Events That Impact Aging And Potential Collectability

- **As aging increases, the collectability of the receivable decreases**
- **Aging may be higher in practices with a large self-pay population, workers compensation claims or auto accident/liability claims.**
- **A practice with higher Days in AR will typically have larger >120-day aging bucket.**

Examples Of Aging Buckets

- **Current – 60%**
- **>30 days 20%**
- **>60 days 5 %**
- **>90 days 5%**
- **>120 days 10%**

(*the percentage will fluctuate based on specialty, payer mix and self pay population)

Processes To Improve Patient Collections

According to MGMA, 1 in every 4 healthcare dollars come from patients. With millions of insured patients paying higher premiums and struggling with high deductibles, patient balances are an increasing part of a practice's receivables.

Facts About Patient Collections

- **It's 2 to 4 times more expensive to collect from the patient**
- **20 Million people have high deductible plans, this is becoming more the normal**
- **Medical Debt is the highest contributing factor for bankruptcy – 78% had insurance**
- **Average deductible increase to \$5,200 individual and \$10K for family**
- **Average patient medical bill is paid more than 60 days out**
- **Premium raising faster the inflation**
- **Another factor- patients need to understand the services received and the value**

Patient Balances

- **Influencing factors**
 - **Demographics**
 - Address, Phone, Email, Guarantor, Copies of Insurance Card And ID
 - **Insurance Eligibility**
 - Rules Engine, Eligibility Tools, Carrier Websites
 - **Payment Estimators**
 - VertexDR
 - Insurance Carriers
 - **Written Payment Policies**
 - Financial Policy - Waivers
 - **Credit Cards/Card on File**

Front End Billing and Collection Functions

Prior to the visit:

- **Demographic verifications including mailing address, telephone number(s), e-mail address, responsible party information**
- **Run Insurance eligibility**
- **Check to see if patient requires a referral and/or pre-certification or pre-authorization for scheduled services**
- **Remind patients to come prepared to pay their copay and/or any outstanding balance on their account**

Check In For The Visit

- **Confirm demographics listed in billing software with patient**
- **Scan front and back of insurance card(s)**
- **Confirm eligibility of insurance**
- **Collect copay and/or outstanding balance on patient's account**
- **Obtain credit card information if using “Card on file” functionality**

Payment Estimator Tools

VertexDr has a built in Payment Estimator Tool

- The tool allows the practice to enter the CPT codes and modifiers, to determine the anticipated out of pocket expense
- Located on the activities menu in the patient account
- Eligibility can be run from this tool

VertexDr Payment Estimator

VertexDr Payment Estimator

Patient Payment Estimator
Specify the CPT codes to estimate patient liability.

Patient
TEST, TEST
100 MAIN STREET
Windsor, CT 06095

Insurance
(UHC) UNITED HEALTHCARE

	Deductible	Remaining
In Network:	650.00	650.00
Not In Network:	1300.00	1300.00

	In Network	Not In Network
Coinsurance:	0.10	0.30
Patient Copay:	0.00	

Charge	Mod	Min Allowed	Max Allowed	Avg Allowed
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
Total Allowed:		0.00	0.00	0.00

	Min Liability	Max Liability	Avg Liability
In Network Patient Liability:	0.00	0.00	0.00
Not In Network Patient Liability:	0.00	0.00	0.00

Estimate **Print Estimate** **Eligibility** **OK** **Cancel**

VertexDr Payment Estimator Reports

VertexDr Payment Estimator

Patient Payment Estimator
Specify the CPT codes to estimate patient liability.

Patient
TEST, TEST
100 MAIN STREET
Windsor, CT 06095

Insurance
(UHC) UNITED HEALTHCARE

	Deductible	Remaining
In Network:	650.00	650.00
Not In Network:	1300.00	1300.00

Payment Estimator Report Options

In Network Patient Liability Out of Network Patient Liability

Select Liability:

Override Liability value:

OK Cancel

Charge	Min Liability	Max Liability	Avg Liability
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.00	0.00	0.00
Total Allowed:	0.00	0.00	0.00

Min Liability **Max Liability** **Avg Liability**

In Network Patient Liability:

Not In Network Patient Liability:

Estimate Print Estimate Eligibility OK Cancel

Many insurance company websites have payment estimator tools

- **CIGNA - Cost of Care Estimator**
- **Aetna – Payments Estimator & Fee Schedule Tool**
- **United Healthcare – Claim Estimator**

Consistent Written Payment Policies

- **Financial Expectations**
 - Patient Responsibility
 - Obtaining referrals
- **Written Payment Policies Communication Methods**
 - Website
 - Welcome Package
 - Appointment Reminder Calls
- **Administration Fees – Should be included in your policies**
 - No Show Fees, Completion of Forms, Record Requests.

Credit Card On File

- **VertexDr, in conjunction with Zirmed, will charge a patient's credit card the same day their insurance pays or on a recurring schedule.**
- **This allows for a patient's credit card to be charged after the insurance has paid their portion of the allowed amount without sending a statement to the patient.**

Benefits Of Credit Card On File - Practice

- **Efficient method for the provider to receive timely payment for their services.**
- **May be used to pay patient balances after the insurance has paid or for recurring payments.**
- **Reduction in bad debt and/or collection agency fees.**

Benefits Of Credit Card On File - Patients

- **The credit card information is not stored in the VertexDr system. It is stored, off-site, at a credit card compliant vendor server, e.g. Zirmed.**
- **Patient authorization agreement form is completed, signed and dated confirming the maximum dollar amount their credit card may be charged.**
- **An informational statement may be generated alerting the patient that their credit card has been charged and amount of the transaction.**

Credit Card IVR Functionality (RCM Clients)

- **Zirmed customers can have full IVR functionality embedded in the VertexDR system allowing patients to make payments 24/7.**
- **Non-Zirmed credit card customers will have modified IVR functionality allowing patients to contact the IVR 24/7; the IVR program will send a fax daily to the office of all credit card payments taken through the system for the office to process the payment.**

Healthcare Financing Credit Cards

- **CareCredit www.carecredit.com.**
- **Zero, or low, percentage credit cards from various vendors.**

Presentation Available Post Forum



VertexDr

VERTEXDR TRAINING PORTAL



VertexDr

THANK YOU!

vertexdr.com | 1.800.327.0955

a MERIDIAN MEDICAL MANAGEMENT company