Successfully Managing Accounts Receivable

Billing and collections are a practice-wide effort that begins with the front-desk staff.

BY PATRICIA M. SALMON, CHBC

Experience has taught me that 5% to 10% of practice revenue is missed due to inefficiencies in capturing and converting charges into receipts. In many practices, an emphasis is placed on claims submission and follow-up, typically back-office functions. To prevent high receivables and lost revenues, practices need to focus on generating clean claims right from the start.

Clean claims require a variety of accurate information, including (but not limited to) the correct spelling of the patient's name, the patient's date of birth, accurate group and ID numbers, subscriber data, correct CPT codes and modifiers, and accurate ICD-9 codes to support medical necessity. Everyone in the office contributes to the accuracy of those data, none more so than the front-desk staff. If you are having problems with your receivables, take the time to evaluate your front desk. You may be surprised to find that it is not designed with billing in mind.

IMPACT ON ACCOUNTS RECEIVABLE

Tasks assigned to the front-desk staff are the foundation on which claims submission and collection are built. This section reviews a few of those tasks as well as the impact they have on the bottom line.

Collecting and Posting Patients' Demographic Data

Almost every aspect of the patient's experience in your office is affected by the accurate collection of demographic data. The failure to ensure that the patient has completed the registration form may leave the practice without critical data for submitting a clean claim. Equally important, errors made when registering patients in the computer can result in their improper identification and/or returned claims due to the transposition of birth dates, insurance numbers, and the like. Not regularly updating demographic information on returning patients affects claims submission and can also result in returned patient statements due to incorrect addresses.

Collecting and Posting Insurance Information

Your bottom line is affected on many levels if the front-desk staff does not regularly collect and update insurance information. Will a given patient's visit fall under his medical coverage or his vision care plan? Does he need a referral for this visit? What is his copay? Is the insurance of the patient listed on the registration form his primary or secondary insurance? Any misstep in gathering this critical information could lead to denied claims or the need to return money to an insurance company due to incorrect submission to a secondary carrier.

Monitoring the Completeness and Accuracy of Forms

In addition to the patient's registration form, the front-desk staff is responsible for ensuring the completeness of patients' health history forms, financial responsibility forms, ABNs, and HIPAA privacy forms. A lack of appropriate signatures can mean staff will be unable to transfer the responsibility for a denied insurance balance to the patient. The charge will then have to be written off.

Collecting Copays, Deductibles, Refraction Charges, Old Balances

Technically, a failure to collect a copay violates your agreement with your managed care carrier. Equally important, a failure to collect copays results in the practice's billing for small balances and thus results in increased billing costs.

Posting Charges/Over-the-Counter Payments

What seems like a fairly straightforward task can have a tremendous impact on a practice's bottom line. The failure to accurately interpret and post CPT and ICD-9 codes can result in a denial at best or the submission of an inaccurate claim at worst. Not posting charges daily delays claims submission and thus payments.

STAFFING FOR BILLING SUCCESS

The front-desk receptionist is critical to the smooth operation of the practice, because almost everything in the office begins and ends at the front desk. These receptionists are central to the patient's first impression of the practice, and they can set the tone for the visit. They affect patient flow through scheduling and their efficient management of the check-in process, and they collect the insurance and demographic data critical to processing a clean claim.

Nevertheless, practices often fail to consider the diversity of abilities needed in front-desk receptionists. They must have excellent communications, mathematical, and problem-solving skills as well as a positive attitude and an attention to detail. These individuals must be able to motivate themselves, work well with others, follow through on a task, and collect money from patients. They must understand the rules and nuances of top carriers in addition to the billing process and what is required for clean claims.

In working with practices, I frequently find that the front desk is staffed with the employees who have the least experience. Although these individuals may turn out to be effective at the front desk, not interviewing candidates with needed skills in mind can set them up to fail.

One way to solve problems in accounts receivable is to critically evaluate your front-desk staff. Are job duties logically and efficiently organized, or are staff members in charge of check-in and check-out trying to answer the phones and schedule appointments in the midst of greeting patients and collecting copays? Do employees' skills fit their tasks? I have heard it said that the best check-out person is a "burned out" collector, because he is not afraid to ask for money and is trained to do it appropriately.

TRAINING WITH BILLING IN MIND

Even the most experienced employee needs initial and ongoing training. In my experience, employees tend to fail for three reasons: (1) they do not know what they are supposed to do, because there are no organized job descriptions or consistent policies and procedures; (2) they do not know why they are supposed to perform their assigned tasks; and (3) they do not know how to perform those duties.

Because of the average practice's busy pace, employees are often trained by "trailing" the person whom they will replace. The problem with this method is that the trainer is also trying to do his job and usually cannot provide the individualized attention needed. Successful training requires time, consistency, feedback, and tools. The front-desk staff need to understand the basic mechanics of billing and their role in it. They need to be trained on the variety of insurances accepted by your practice, and they need to be kept up to date on changes in insurance information.

I recommend developing an insurance manual for the front desk that consists of one page of information for each of the major carriers with which you participate. What does the insurance card(s) look like for that carrier? What are the typical copays? What needs to be precertified? Not only will such a manual be an excellent training tool, but it will also be a valuable resource to your staff.

Be sure the front-desk staff receives training on the basics of CPT and ICD-9 coding. They should not be responsible for selecting either the CPT or the ICD-9 code for any patient encounter. If they are posting charges, however, they need to understand CPT/ICD-9 linkage for medical necessity, select modifiers, and the like.

Last but not least, these individuals need ongoing interaction with the billing department. Having members of the back office complain about the mistakes made at the front desk does not solve anything. Set up time for the two groups to meet in order to review and work out problems.

A healthy bottom line is like a fine chain: each link depends on the others. Your front-desk staff is the first link in your chain. Be sure they are strong. ❑

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