



June 11, 2020

We know that this year has been tough on all practices. Many are trying to figure out how to bounce back from months of being closed, re-open the practice and face the many patient care challenges. With most practices collecting on the current balance of your accounts receivable (AR), your aged AR (>60-days) is growing. It's time to take a proactive look at what is the collectability of your balances greater than 60- days outstanding.

An efficient process for AR should provide the cash flow necessary to cover current expenses. The more efficient your AR process the quicker you collect the money you have earned increasing profitability. During these stressful times, you cannot afford to leave money on the table or be slow in collecting it past due balances.

Industry statistics should be applied to your normal processing cycle to measure your effectiveness in collecting AR. Data reveals that only 70% of claims are paid the first time they are submitted, according to research by the Centers for Medicare and Medicaid Services (CMS). The other 30% of claims are either denied (20%) or lost or ignored (10%). And of those claims, 60% of them are never resubmitted to payers. This means medical practices never collect on a full 18% of claims outstanding. We call that gap *leakage*.

Leakage is the uncollected money greater than 60 days outstanding that is never managed and written off. These monies are profit that is never recognized. As the insurance AR gets older, it becomes more uncollectable moving from 60 to 90 to 120+ days in age. Managing AR is actively working your patients balances by insurance (payer) to get the payments into your bank account and properly posted to your AR providing accurate reporting.

Do you have a defined AR Management process? Is your staff capable of performing the key tasks of AR management? Namely, it is their responsibility to identify any breakdowns that delay payment, to include clearinghouse issues, technical issues, process issues, and personnel issues. In our experience, we have discovered that AR Management is the lowest priority for many practices. AR is the task that always gets pushed off when the office gets busy. Patient AR is an even lower priority. Out of sight, out of mind until there is a cash flow crisis.

OMS is launching our AR Management offering to assist you with recognizing where your current AR problems lie and facilitate turning your AR process into a well-oiled machine. The focus is to identify potential leakage and help in developing your processes to mitigate these losses.

The initial step in the offering is **The Cash Flow Impact AR Report (CFI)**. This is a stand-alone report that will analyze your accounts receivables, cash flow impact, collectability, and leakage while comparing your performance to industry norms and goals. All while also measuring the effectiveness of your internal claims filing and AR process and your AR team. Once the report is completed a teleconference will be scheduled to review findings and recommendations. The fee for the report and consultation is \$499 (multiple location discounts available). Once the initial report is completed, we offer multiple levels of additional services to assist you with your AR goals.

We would like to set up a call with you to discuss this offering. Please let us know when you are available. Reach out us at 210.249.0234 pressing 101 for Sales. Or email us at [info@optmedsol.com](mailto:info@optmedsol.com).