

Your Practice's Financial Health

A SOAP Note

Subjective

Your medical practice presents today with recurring feelings of frustration and anxiety with secondary pain. The majority of the pain is felt in accounts receivable, as delays and denials double and triple the amount of effort it takes to get paid. The pain is getting moderately worse overtime, especially after 90 days of no payment.

ROS: You and your staff are experiencing increased claim denials, but can't find the time to adequately resolve the issues. You've heard that on average about 10% of insurance payments are underpaid and you feel it may be worse at your practice.

Past Hx: You've attempted to implement improvement processes, but you and your staff are stretched too thin. Three years ago you brought billing in-house from an agency who did it for you after frustration around transparency and billing.

I'm not collecting as much money as I think I should be.

My claims aren't being paid as fast as they should be.

I think I'm being underpaid from insurance companies.

I'm frustrated by the effort it takes to get paid what I'm owed.

I need ideas for how to improve my revenue cycle.



HOW ARE YOU FEELING?

Objective

Your Practice's Vital Signs

Tests / Measurements	Results	Normal
Net Collections	81% (L)	90%
Ave. Reimbursement Per Visit	\$162 (WNL)	\$160
Days in AR	57 (H)	43
Scheduling Efficiency	60 (L)	>80
AR Over 120 Days	38% (H)	23%
Claim Denial Rate	8% (H)	< 4%
Unpaid Encounters	10% (WNL)	10%

Patient Revenue System:

Measurements for how well you are collecting patient due balances was undetermined; insufficient data. Typically patient payments account for >30% of practice revenue, especially during first 6 calendar months of the year.

Claim Management System:

Unmeasured status for preventable denials and appeal success due to inactivity. Opportunity for substantial improvement.

Overhead to Revenue Equation:

Undetermined, follow up as part of treatment plan.

Assessment

1. Net Collections Failure to Thrive
2. Moderate AR Dysfunction; secondary Elevated Claim Denial, NOS
3. High Risk of Revenue Decline
4. Likely Underpayment
5. Positive Outlook on Revenue Improvement w/Treatment

\$311,040 Annual Increase Example

- 80% Net Collections = \$207,360/month
- Improve by 10% = \$25,920/month increase
- Add \$311,040 each year, which is like adding a full extra month and a half of revenue.

Example of 4 provider group seeing 80 patients per day. Majority of improvements realized simply by catching underpayments. And, eligibility is key to improve patient-due cash collection.

\$77,760 Annual Increase Example

- Improve Scheduling Efficiency; reduce no-show
- Increase 2 patient visits/day = \$6,480/month
- Add \$77,760 each year, which is like adding a full one-third of a month's revenue.

Example of 4 provider group seeing 80 patients per day. Efficiency improvements made through appointment reminders which decreases no-shows.

Plan

1. Conduct a Practice Analysis
2. Increase Net Collections
3. Reduce Days in AR
4. Improve Scheduling Efficiency. [Use Calculator.](#)
5. Calendar a team meeting about Scheduling efficiency and its impact on revenue. [See guide.](#)
6. Analyze benefit of adding outsourced billing services to extend your team's bandwidth. [See guide.](#)

Schedule a Practice Analysis
Call (510) 284 - 2425

Let's design a treatment plan to improve your revenue!

[Click to Schedule Appointment](#)

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