



INSIGHTS FROM THE BDO CENTER FOR HEALTHCARE EXCELLENCE & INNOVATION

OPTIMIZE CASH POSTING WITH ASSESSMENT AND AUTOMATION

The healthcare provider revenue cycle consists of several key components, but one that often warrants a critical assessment is cash posting. In some systems, cash posting simply includes insurance and patient receipts. However, in many healthcare systems, cash posting includes other department receipts (e.g., dietary, birthing classes, sports physicals) and a number of balancing and reconciliation tasks. The process is an integral part of the provider revenue cycle and involves many different internal and external stakeholders, including revenue-generating departments, fiscal services, billing, follow-up, patient financial services, the financial institution and, ultimately, the patient.

Unfortunately, healthcare systems often have backlogs in the cash posting area, and there are numerous opportunities for improved efficiency. Cash posting is a unique area of the revenue cycle that does not necessarily have a curriculum, certification, or educational series to teach the intricacies of the work. The leading national vendors for electronic health records (EHRs) have created advanced technology to help automate much of the process but integrating effective workflows to complement the technological advancements is key. If cash is not posted in a timely manner, there can be many downstream impacts, including appeal timeliness, documentation request submissions and timely secondary billing.

Further, if cash is not posted correctly, billing errors with patients, clients, account balancing, and follow-up could result. This often leads to non-value-added work — such as follow-up teams statusing claims already paid, and patient financial services handling calls from patients who have paid on their accounts but have not received proper credit.





GATHERING THE TEAM

To ensure these errors and inefficiencies are limited, a comprehensive evaluation and assessment that includes all stakeholders may be performed. The process should likely include open communication and identification of both deficiencies and opportunities, as well as a collaborative implementation of new processes. Stakeholders to consider are cash posters, fiscal services, billing and follow-up teams, patient financial services, IT, EHR technical support, the management team, and the financial institution.

Cash Posters

Observing and interviewing the team performing the work cannot be overvalued. The posters can articulate and demonstrate the nuances of the work and allow the assessor to document time spent and resolution workflow. This can be used later to validate volume and level of priority.

Fiscal Services

The accounting team is the ultimate end user of the cash posting process. Reconciliation is key, but so are budgeting, forecasting, and providing an accurate and timely estimation of receivables secured from the cash posting process.

Billing, Follow-up, and Patient Financial Services

Including representatives from this group serves two purposes:

1. Engage the member in the conversations and share details about how, why, and when cash is posted. Often, perceived errors stem from the failure of a process, not a person.
2. Sharing examples of missing or misapplied payments may identify areas of opportunity and process improvement.

IT

IT is often one of the most critical departments to include in a cash posting assessment. After the list of optimization opportunities is drafted and prioritized, IT can be pivotal in exploring what automation enhancements are available and explaining the pros and cons of each.

EHR Technical Support

The EHR vendor often can speak to the logistics of the system and offer perspective from other customers to help evaluate the workflow validity. System enhancements can be discussed or drafted because of these discussions.

Management

The leadership in the cash posting, fiscal services, billing, and IT areas should be represented, as new or revised policies and procedures often need drafted. Every decision should be reviewed by management to ensure reconciliation and the integrity of data is maintained or improved.

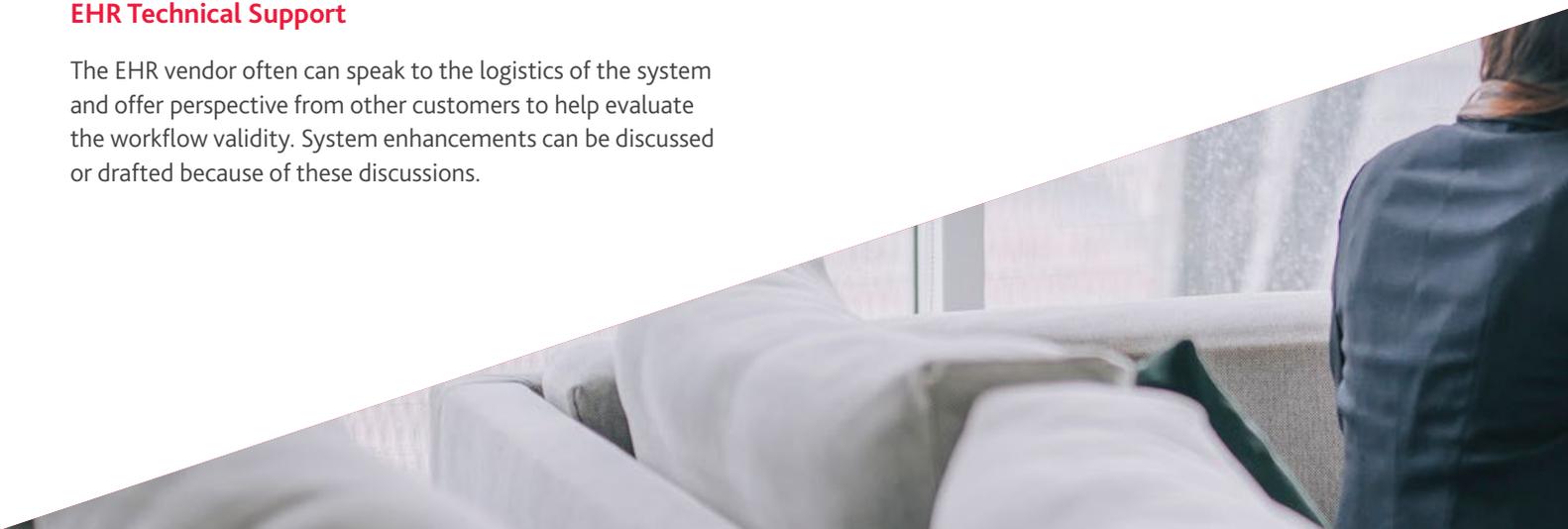
Financial Institution

The bank partner often has reconciliation solutions that can enhance the system's EHR balancing capabilities, which can eliminate duplicative internal spreadsheets, reports, and procedures. Further, most national financial institutions have several clients using the same EHR and have created a networking community for problem-solving. Adding the bank partner to this assessment ensures all resources are being evaluated and maximized where applicable.

Patient

A final stakeholder to consider in evaluation and assessment is the patient. When payments are not applied correctly, the patient may receive a statement for a balance already paid.

In another scenario, the patient may receive a statement many months after the service was delivered due to a delay in posting or inaccurate posting. This situation causes unnecessary angst and after-service dissatisfaction. While the patient will not be included in the assessment directly, the outcome of delivering better customer service should be a core guiding principle in the process.



BEST PRACTICES FOR OPTIMIZING CASH POSTING

Automate

Automating posting activities is necessary to achieve best-practice designation. From our observations, top-ranking facilities typically have implemented electronic payment posting for over 98% of their receipts. On average, a poster spends two minutes per check (or five minutes per batch) posting manual payments. Maximizing electronic remittance posting allows for same-day posting on most receipts, another industry benchmark obtained by best-practice organizations.

Applying advanced routing logic to undistributed payments reduces manual intervention. If a poster is manually moving these payments, an average of two minutes per payment is spent.

Leveraging auto-adjust automation creates a seamless transition from electronic posting to general ledger realization. A poster could spend several hours a week working a clearing account performing this activity.

Evaluating error code volume and frequency and automating resolution is also a valuable assessment opportunity. Time spent resolving errors varies, but any opportunity to automate the activity is a reduction in non-value-added activity.

Educate

Once all automation opportunities have been exhausted, the workflow redesign should be shared with all end users and stakeholders. At-the-elbow support may be required, as well as daily communication to encourage feedback and provide support.

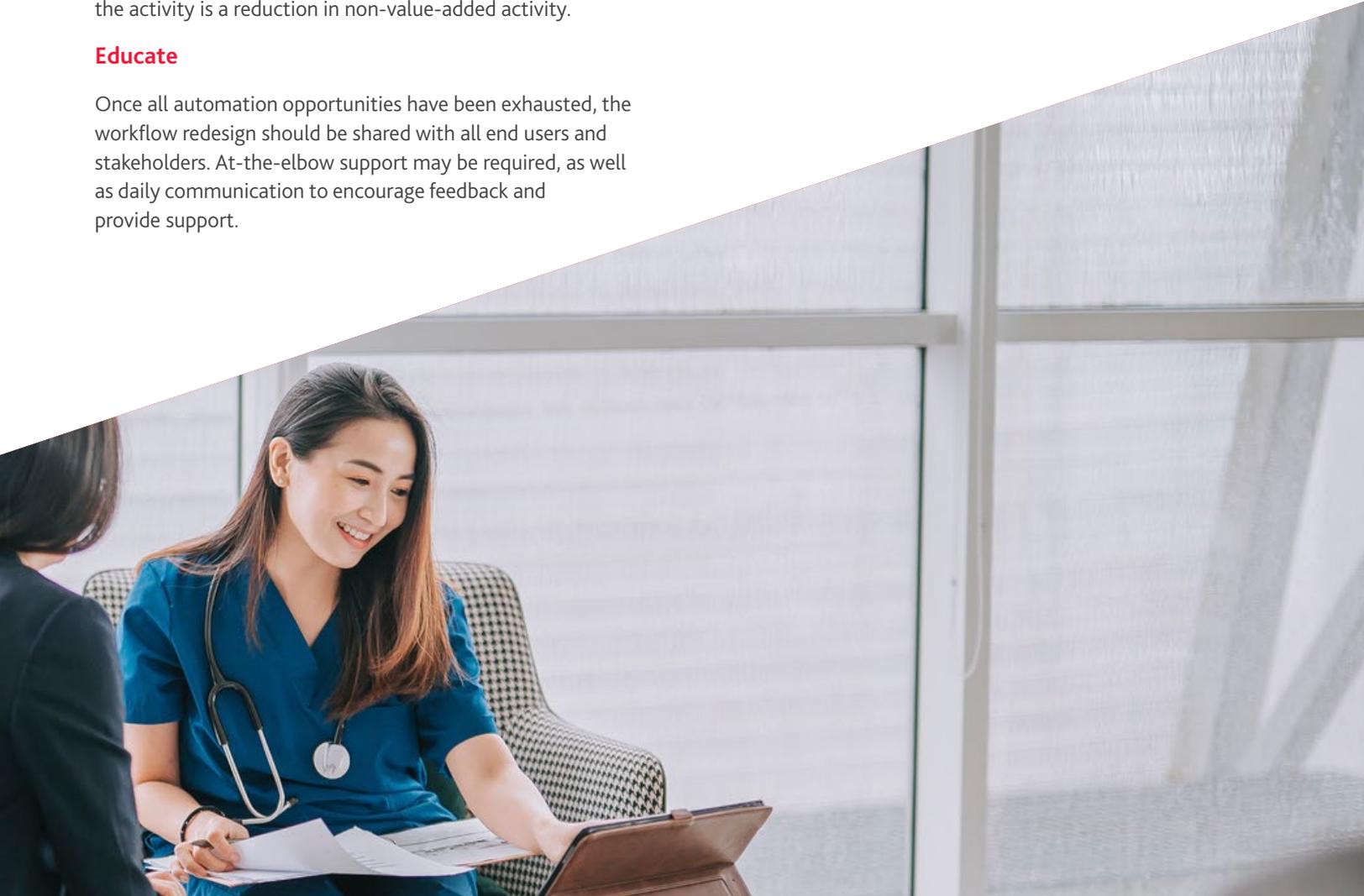
Allocate

All workflows should be clearly allocated to the educated team members. Recent assessments have created a 'specialty team' that handles more complex posting inquiries, including missing payment investigations and obtaining additional needed information from the payors.

Evaluate

The assessment implementation should be followed by an observation period to validate use of the new workflows, account for improved efficiency and identify any missed opportunities.

The cash posting process is often a productive area to leverage automation. Often, cash posters – not the leadership team – fully understand what automation and reconciliation opportunities exist. To evaluate a cash posting department and workflow, several internal and external stakeholders should be included. A successful assessment can result in a collaboration of people evaluating the process and leveraging the automation technology available.





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