

# Revenue Cycle Management

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# Collections Percentage

## Reimbursement Summary

Primary Insurance Carrier	Patient Allocation	% of total pat. alio	Insurance Allocation	% of total ins. alloc.	Total Charges	% of total chgs.	Patient payments (deposits excluded)	% of pat. alloc.	Insurance payments	% of ins. alloc.	Total payments	% of total chgs.	Patient adjustments	% of pat. alloc.	Insurance adjustments	% of ins. alloc.	Total adjustments	% of total chgs.
	\$637,810.37	85.0	11,047,208.71	82.2	11,684,819.08	82.2	\$262,368.52	41.1	13,081,229.76	31.9	13,343,598.28	32.0	\$336,146.97	52.7	27,185,211.90	66.2	17,521,358.87	66.0
	\$1,870.64	0.2	\$53,342.84	0.1	\$55,013.48	0.1	\$1,484.22	88.8	\$20,421.24	38.3	\$21,805.46	39.8	\$186.42	11.2	\$32,391.60	60.7	\$32,578.02	59.2
	\$86,959.01	11.6	\$6,645,557.81	13.3	\$6,732,516.82	13.3	(\$350.40)	-0.4	\$1,515,742.10	22.8	\$1,515,391.70	22.5	\$87,318.41	100.4	\$5,020,919.80	75.6	\$5,108,238.21	75.9
	\$9,060.98	1.2	\$1,150,301.29	2.3	\$1,159,362.27	2.3	\$7,527.66	83.1	\$435,806.02	37.9	\$443,333.68	38.2	\$521.53	5.8	\$658,199.06	57.2	\$658,720.59	56.8
	\$10,753.34	1.4	\$479,323.87	1.0	\$490,077.21	1.0	\$10,357.13	96.3	\$138,555.47	28.9	\$148,912.60	30.4	\$396.21	3.7	\$340,771.25	71.1	\$341,167.46	69.6
	\$1,989.89	0.3	\$166,909.85	0.3	\$168,899.74	0.3	\$1,560.79	78.4	\$13,547.08	8.1	\$15,107.87	8.9	\$69.10	3.5	\$152,375.82	91.3	\$152,444.92	90.3
	\$2,069.63	0.3	\$421,083.85	0.8	\$423,153.48	0.8	\$2,060.85	99.6	\$202,596.90	48.1	\$204,657.75	48.4	(\$32.88)	-1.6	\$164,326.37	39.0	\$164,293.49	38.8
	<b>\$750,113.86</b>		<b>19,983,728.22</b>		<b>50,713,842.08</b>		<b>\$285,008.77</b>	<b>38.0</b>	<b>15,407,898.57</b>	<b>30.8</b>	<b>15,692,907.34</b>	<b>30.9</b>	<b>\$24,605.76</b>	<b>56.6</b>	<b>33,554,195.80</b>	<b>67.2</b>	<b>13,978,801.56</b>	<b>67.0</b>

	Inception to Current Month	Collectible %		Inception to Current Month	Collectible %
Total Receipts	<b>15,692,907.34</b>	<b>31.59%</b>	Total Receipts	<b>15,692,907.34</b>	<b>30.97%</b>
Total Adjustments	<b>33,978,801.56</b>		Total Adjustments	<b>34,978,801.56</b>	

\$1 million dollars of adjustments difference between one month to the next only had .62% difference

## Days in Accounts Receivable Ratio

This ratio calculates the average number of days it takes to collect an accounts receivable.

In order to calculate this ratio you need the following two things:

1. The accounts receivable balance at a specific point in time.
2. The revenue generated by the company over a specific period.

For example, at the end of 2013

Accounts Receivable Balance at 12/31/13	\$2,000,000
Revenue for calendar year 2013	\$24,500,000
Average Daily Revenue ( $\$24,500,000/365$ days)	\$67,123
Days in Account Receivable (A/R of $\$2,000,000/\$67,123$ )	29.80

What this says is that on average it will take 29.8 days to collect what is owed to you.

## Days in Accounts Receivable Ratio

What is also important is seeing how Anthem and Medicare compare for this ratio

For example, at the end of 2013

Accounts Receivable balance at 12/31/13 for Medicare	\$700,000
Medicare revenue for calendar year 2013	\$11,025,000

Average Daily Revenue ( $\$11,025,000/365$ days)	\$30,205
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Days in Account Receivable (A/R of $\$700,000/\$30,205$ )	23.17
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This says that it takes 23.17 days to collect what is owed by Medicare to you

Accounts Receivable balance at 12/31/13 for Anthem	\$950,000
Anthem revenue for calendar year 2013	\$8,000,000

Average Daily Revenue ( $\$8,000,000/365$ days)	\$21,918
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Days in Account Receivable (A/R of $\$950,000/\$21,918$ )	43.34
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This says that it takes 43.34 days to collect what is owed by Anthem to you

Remember that this is an average which means you may have some insurers paying you at 120 days which is why you still need to review the accounts receivable aging reports each month

## Days in Accounts Receivable Ratio

What is also important is seeing how Anthem and Medicare compare for this ratio

For example, at the end of 2013

Accounts Receivable balance at 12/31/13 for Medicare \$700,000

Medicare revenue for calendar year 2013 \$11,025,000

Average Daily Revenue ( $\$11,025,000/365$  days) \$30,205

Days in Account Receivable (A/R of  $\$700,000/\$30,205$ ) 23.17

This says that it takes 23.17 days to collect what is owed by Medicare to you

Accounts Receivable balance at 12/31/13 for Anthem \$730,820

Anthem revenue for calendar year 2013 \$8,219,180

Average Daily Revenue ( $\$8,000,000/365$  days) \$22,518

Days in Account Receivable (A/R of  $\$950,000/\$21,918$ ) 32.45

This says that it takes 32.45 days to collect what is owed by Anthem to you

By working hard on all the Anthem accounts and knocking down the Anthem A/R by \$219,180 the days in A/R drop by about 11 days and the practice has this extra revenue now for the year without doing anything but working on getting this insurer to pay the way your other insurers were paying

## Days in Accounts Receivable Ratio

This ratio calculates the average number of days it takes to collect an accounts receivable.

In order to calculate this ratio you need the following two things:

1. The accounts receivable balance at a specific point in time.
2. The revenue generated by the company over a specific period.

For example, at the end of 2013

Accounts Receivable Balance at 12/31/13	\$1,780,820
Revenue for calendar year 2013	\$24,719,180
Average Daily Revenue ( $\$24,500,000/365$ days)	\$67,724
Days in Account Receivable (A/R of $\$2,000,000/\$67,123$ )	26.30

What this says is that on average it will now take 26.3 days to collect what is owed to you.

# Technical Denials Report

Transaction SubSubGroup	January	February	March	April	May	June	July	2011
Eligibility								
00000826 - NO AUTHORIZATION (OUTPATIENT)	-496	1,619	-94		-15,665		1,562	-13,074
<b>Total: Eligibility</b>	<b>-496</b>	<b>1,619</b>	<b>-94</b>		<b>-15,665</b>		<b>1,562</b>	<b>-13,074</b>
Med.Records								
00000835 - TIMELY FILING W/O MED RECORDS					-2,881			-2,881
<b>Total: Med.Records</b>					<b>-2,881</b>			<b>-2,881</b>
Pt Accting								
00000260 - CLOSE ACCOUNT	-18							-18
00000262 - SMALL BALANCE W-O	-57	-85	-140	1	-55	-30	-9	-374
<b>Total: Pt Accting</b>	<b>-75</b>	<b>-85</b>	<b>-140</b>	<b>1</b>	<b>-55</b>	<b>-30</b>	<b>-9</b>	<b>-392</b>
Pt Care								
00000907 - MEDICARE LCD	-17,168	3,038		10,322	-4,334	-7,914	-3,180	-19,237
<b>Total: Pt Care</b>	<b>-17,168</b>	<b>3,038</b>		<b>10,322</b>	<b>-4,334</b>	<b>-7,914</b>	<b>-3,180</b>	<b>-19,237</b>
<b>Total: Technical Denials</b>	<b>-17,739</b>	<b>4,572</b>	<b>-234</b>	<b>10,323</b>	<b>-22,935</b>	<b>-7,944</b>	<b>-1,627</b>	<b>-35,584</b>

**Review A/R adjustments and write-off reports for which you have more control over (such as timely filing, no preauthorization, appeals being denied, etc.)**



# Account Receivables Detailed Aging

Patient Id	Patient Name	Deposit	0 - 30	31-60	61-90	91-120	120+	Total
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<b>Patient Subtotal</b>		<b>(\$12.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$12.00)</b>	<b>(\$24.00)</b>
	%	<b>50.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50.00</b>	<b>(0.02)</b>
<b>Insurance Subtotal</b>		<b>\$0.00</b>	<b>\$16,088.22</b>	<b>\$36.76</b>	<b>\$0.00</b>	<b>\$1,234.32</b>	<b>(\$15.82)</b>	<b>\$17,343.48</b>
	%	<b>0.00</b>	<b>92.76</b>	<b>0.21</b>	<b>0.00</b>	<b>7.12</b>	<b>(0.09)</b>	<b>1.37</b>
<b>Total</b>		<b>(\$12.00)</b>	<b>\$16,088.22</b>	<b>\$36.76</b>	<b>\$0.00</b>	<b>\$1,234.32</b>	<b>(\$27.82)</b>	<b>\$17,319.48</b>
	%	<b>(0.07)</b>	<b>92.89</b>	<b>0.21</b>	<b>0.00</b>	<b>7.13</b>	<b>(0.16)</b>	<b>1.26</b>
<i>The section for WPS TriCare for Life (169) contains 105 patients</i>								

<b>Patient Total</b>		<b>(\$8,401.82)</b>	<b>\$29,081.10</b>	<b>\$5,402.26</b>	<b>\$6,937.08</b>	<b>\$10,237.13</b>	<b>\$65,160.98</b>	<b>\$108,416.73</b>
	%	<b>(7.75)</b>	<b>26.82</b>	<b>4.98</b>	<b>6.40</b>	<b>9.44</b>	<b>60.10</b>	<b>7.89</b>
<b>Insurance Total</b>		<b>(\$15.00)</b>	<b>\$1,037,055.70</b>	<b>\$182,468.53</b>	<b>\$2,088.34</b>	<b>\$39,477.73</b>	<b>\$3,838.06</b>	<b>\$1,264,913.36</b>
	%	<b>0.00</b>	<b>81.99</b>	<b>14.43</b>	<b>0.17</b>	<b>3.12</b>	<b>0.30</b>	<b>92.11</b>
<b>Total</b>		<b>(\$8,416.82)</b>	<b>\$1,066,136.80</b>	<b>\$187,870.79</b>	<b>\$9,025.42</b>	<b>\$49,714.86</b>	<b>\$68,999.04</b>	<b>\$1,373,330.09</b>
	%	<b>(0.61)</b>	<b>77.63</b>	<b>13.68</b>	<b>0.66</b>	<b>3.62</b>	<b>5.02</b>	

*This report contains 1,287 patients*

- Insurance balances over 90 days – If balances are high then think of hiring an outside company to catch your staff up, and then hold your staff accountable
- Refunds found after 60 days should be refunded immediately





# Managing Account Receivables & Impact on Days in A/R

- Invest time upfront in counseling patients as to their financial responsibility
- Spend time researching payment assistance programs on behalf of patients to help bridge the financial gap of what is owed for their treatment
  - Tools to assist in this process Bobbi Buell's assistPoint at [www.assistpoint.com](http://www.assistpoint.com)
  - ACCC's 2017 Patient Assistance and Reimbursement Guide at [www.accc-cancer.org/publications/PatientAssistanceGuide.asp](http://www.accc-cancer.org/publications/PatientAssistanceGuide.asp)
- Patient balances over 6 months without a payment – Use other billing companies to follow up on collections of these balances without actually putting them into collections



# Missed Drug Report for Supportive Care

All offices

	INVENTORY BALANCE May	PURCHASES May	INVENTORY BALANCE May	TOTAL USED May			TOTAL BILLED OUT	TOTAL USED	DIFFERENCE
PROCRT 60K	0	0	0	0					
PROCRT 40K	0	4	2	2					
PROCRT 20K	0	0	0	0					
ARANESP 200 MCG	7	14	9	12	J0885	PROCRT 1K	80	80	0
ARANESP 300 MCG	6	3	7	2	J0881	ARANESP 1MCG	5400	5400	0
ARANESP 100 MCG	2	8	5	5	J2505	NEULASTA 6MG	48	48	0
ARANESP 150 MCG	0	0	0	0	J1442	NEUPOGEN 1MCG	2400	2400	0
ARANESP 500 MCG	2	3	2	3					
ARANESP 25 MCG	0	0	0	0					
ARANESP 40 MCG	4	8	11	1					
ARANESP 60 MCG	9	4	7	6					
NEULASTA 6MG	13	60	25	48					
NEUPOGEN 300MCG	2	0	2	0					
NEUPOGEN 480MCG	7	1	3	5					

Office Location 1

	INVENTORY BALANCE May	PURCHASES May	INVENTORY BALANCE May	TOTAL USED May			TOTAL BILLED OUT	TOTAL USED	DIFFERENCE
PROCRT 60K				0					
PROCRT 40K	0	4	2	2					
PROCRT 20K				0					
ARANESP 200 MCG	1	4	3	2	J0885	PROCRT 1K	80	80	0
ARANESP 300 MCG	1		1	0	J0881	ARANESP 1MCG	1500	1500	0
ARANESP 100 MCG	2	4	3	3	J2505	NEULASTA 6MG	31	31	0
ARANESP 150 MCG				0	J1442	NEUPOGEN 1MCG	0	960	-960
ARANESP 500 MCG	1	1	1	1					
ARANESP 25 MCG				0					
ARANESP 40 MCG	1	4	5	0					
ARANESP 60 MCG	3	4	2	5					
NEULASTA 6MG	8	32	9	31					
NEUPOGEN 300MCG	1		1	0					
NEUPOGEN 480MCG	4		2	2					

# Missed Drug Report for Supportive Care

## Office Location 2

	INVENTORY BALANCE May	PURCHASES May	INVENTORY BALANCE May	TOTAL USED May		TOTAL BILLED OUT	TOTAL USED	DIFFERENCE
PROCRIT 60K				0				
PROCRIT 40K				0				
PROCRIT 20K				0	J0885	PROCRIT 1K	0	0
ARANESP 200 MCG	3	2	2	3	J0881	ARANESP 1MCG	2260	2260
ARANESP 300 MCG		3	1	2	J2505	NEULASTA 6MG	12	12
ARANESP 100 MCG				0	J1442	NEUPOGEN 1MCG	1440	480
ARANESP 150 MCG				0				960
ARANESP 500 MCG		2		2				
ARANESP 25 MCG				0				
ARANESP 40 MCG	2		2	0				
ARANESP 60 MCG	3		2	1				
NEULASTA 6MG	1	20	9	12				
NEUPOGEN 300MCG	1		1	0				
NEUPOGEN 480MCG	1			1				

## Office Location 3

	INVENTORY BALANCE May	PURCHASES May	INVENTORY BALANCE May	TOTAL USED May		TOTAL BILLED OUT	TOTAL USED	DIFFERENCE
PROCRIT 60K				0				
PROCRIT 40K				0				
PROCRIT 20K				0	J0885	PROCRIT 1K	0	0
ARANESP 200 MCG	3	8	4	7	J0881	ARANESP 1MCG	1640	1640
ARANESP 300 MCG	5		5	0	J2550	NEULASTA 6MG	5	5
ARANESP 100 MCG		4	2	2	J1442	NEUPOGEN 1MCG	960	960
ARANESP 150 MCG				0				0
ARANESP 500 MCG	1		1	0				
ARANESP 25 MCG				0				
ARANESP 40 MCG	1	4	4	1				
ARANESP 60 MCG	3		3	0				
NEULASTA 6MG	4	8	7	5				
NEUPOGEN 300MCG				0				
NEUPOGEN 480MCG	2	1	1	2				

# Payer Contracting

- New payment methodologies to replace pay-for-service
  - Oncology Care Model, Episodes of Care, Accountable Care Organizations
- Tricare can be negotiated
- Negotiating in the hospital versus the private practice setting with payers
- Negotiating with employers
- Private payers
  - Focus on the 5 biggest private payers, typically Anthem is the largest
  - Focus on the CPT codes that are billed out the most when contracting (In the infusion center focus on 96413, 96415, 96367 & 96372) (Office 99204, 99205, 99214 & 99215) (Hospital 99223 & 99233)
  - Negotiating drug reimbursement is important but these fees are only going to diminish, which is why focusing on the services is extremely important



# Contract Negotiation Example

CPT CODE	DESCRIPTION	# OF TIMES	COST PER	MEDICARE	TOTAL
		PERFORMED			
		All Insurance			COST
38221	BONE MARROW BIOPSY	9	357.49	170.19	-1,685.70
99201	Office/outpatient visit, new	1	109.75	43.98	-65.77
99202	Office/outpatient visit, new	1	195.42	75.08	-120.34
99203	NP DETAILED, LOW COMPLEX	46	279.05	109.05	-7,820.00
99204	NP COMPREHENS, MOD CMLPX	252	318.27	165.90	-38,397.24
99205	NP COMPREHENS, HIGH	225	413.33	208.45	-46,098.00
99211	ESTAB PT-NP PHYSICIAN	393	39.64	20.02	-7,710.66
99212	PROB FOCUSED, STRTFWD	674	81.39	43.98	-25,214.34
99213	EXPANDED, LOW COMPLX	1103	115.41	72.94	-46,844.41
99214	DETAILED, MOD COMPLX	2576	184.56	108.34	-196,342.72
99215	COMPREHENS/HIGH COMPLX	1541	280.78	146.24	-207,326.14
99221	H&P/LOW	8	179.09	102.62	-611.76
99222	H&P/MODERATE	159	298.48	138.37	-25,457.49
99223	H&P/HIGH	173	416.65	204.87	-36,637.94
99231	HOSP/PROB FOCUS/LOW	338	89.68	39.33	-17,018.30
99232	HOSP/EXPANDED/MOD	652	147.82	72.94	-48,821.76
99233	HOSP/DETAILED/HIGH	546	210.30	105.12	-57,428.28
96360	IV infuse hydration, initial	41	89.30	57.92	-1,286.58
96361	Each additional infuse hour	82	30.01	15.37	-1,200.48
96365	IV infusion therapy/diagnost	860	109.53	70.08	-33,927.00
96366	Each additional hr up to 8hr	692	43.86	18.95	-17,237.72
96367	Additional sequential infuse	2370	64.27	30.39	-80,295.60
96368	Concurrent infusion	960	41.20	20.74	-19,641.60
96372	Therapeutic/diagnostic injec	1913	37.72	25.39	-23,587.29
96374	IV push,single orinital dru	16	85.60	57.21	-454.24
96375	Each addition sequential IV	395	39.86	22.53	-6,845.35
96401	Chemo adminisrate subcut/IM	118	90.10	75.08	-1,772.36
96402	Homonal anti-neoplastic	37	68.47	32.54	-1,329.41
96409	IV push single/initial subst	80	168.64	111.20	-4,595.20
96411	IV push each additional drug	36	101.39	62.21	-1,410.48
96413	Chemotherapy IV one hr initi	1736	230.04	135.87	-163,479.12
96415	Each additional hr 1-8 hrs	1626	60.08	28.25	-51,755.58
96416	Prolong chemo infuse>8hrs pu	53	241.66	140.87	-5,341.87
96417	Each add sequential infusion	820	117.68	62.93	-44,895.00
Total Loss if all patients were reimbursed by Medicare rates for all E&M codes					-1,222,655.73

# Contract Negotiation Example with Anthem

CPT CODE	DESCRIPTION	COST PER CPT CODE	MEDICARE ALLOWABLE	# OF TIMES PERFORMED Anthem	TOTAL REIMB VS COST-Anthem	New Negotiated Rates	TOTAL New REIMB VS COST-Anthem
38221	BONE MARROW BIOPSY	357.49	170.19	2	-374.60		-374.60
99201	Office/outpatient visit, new	109.75	43.98	0	0.00		0.00
99202	Office/outpatient visit, new	195.42	75.08	0	0.00		0.00
99203	NP DETAILED, LOW COMPLEX	279.05	109.05	12	-2,040.00		-2,040.00
99204	NP COMPREHENS, MOD CMLPX	318.27	165.90	63	-9,599.31		-9,599.31
99205	NP COMPREHENS, HIGH	413.33	208.45	56	-11,473.28		-11,473.28
99211	ESTAB PT-NP PHYSICIAN	39.64	20.02	98	-1,922.76		-1,922.76
99212	PROB FOCUSED, STRTFWD	81.39	43.98	169	-6,322.29		-6,322.29
99213	EXPANDED, LOW COMPLX	115.41	72.94	276	-11,721.72		-11,721.72
99214	DETAILED, MOD COMPLX	184.56	108.34	644	-49,085.68	135.43	-31,639.72
99215	COMPREHENS/HIGH COMPLX	280.78	146.24	385	-51,797.90	182.80	-37,722.30
99221	H&P/LOW	179.09	102.62	2	-152.94		-152.94
99222	H&P/MODERATE	298.48	138.37	40	-6,404.40		-6,404.40
99223	H&P/HIGH	416.65	204.87	43	-9,106.54		-9,106.54
99231	HOSP/PROB FOCUS/LOW	89.68	39.33	85	-4,279.75		-4,279.75
99232	HOSP/EXPANDED/MOD	147.82	72.94	163	-12,205.44	91.18	-9,232.32
99233	HOSP/DETAILED/HIGH	210.30	105.12	137	-14,409.66	131.40	-10,809.30
96360	IV infuse hydration, initial	89.30	57.92	10	-313.80		-313.80
96361	Each additional infuse hour	30.01	15.37	21	-307.44		-307.44
96365	IV infusion therapy/diagnost	109.53	70.08	215	-8,481.75		-8,481.75
96366	Each additional hr up to 8hr	43.86	18.95	173	-4,309.43		-4,309.43
96367	Additional sequential infuse	64.27	30.39	593	-20,090.84	37.99	-15,584.04
96368	Concurrent infusion	41.20	20.74	240	-4,910.40		-4,910.40
96372	Therapeutic/diagnostic injec	37.72	25.39	478	-5,893.74	31.74	-2,858.44
96374	IV push, single or initial dru	85.60	57.21	4	-113.56		-113.56
96375	Each addition sequential IV	39.86	22.53	99	-1,715.67		-1,715.67
96401	Chemo adminisrate subcut/IM	90.10	75.08	30	-450.60		-450.60
96402	Hormonal anti-neoplastic	68.47	32.54	9	-323.37		-323.37
96409	IV push single/initial subst	168.64	111.20	20	-1,148.80		-1,148.80
96411	IV push each additional drug	101.39	62.21	9	-352.62		-352.62
96413	Chemotherapy IV one hr initi	230.04	135.87	434	-40,869.78	169.84	-26,126.80
96415	Each additional hr 1-8 hrs	60.08	28.25	407	-12,954.81	35.31	-10,081.39
96416	Prolong chemo infuse>8hrs pu	241.66	140.87	13	-1,310.27		-1,310.27
96417	Each add sequential infusion	117.68	62.93	205	-11,223.75		-11,223.75
Total loss for on all E&M codes from Anthem patients						-305,666.90	
Total savings if you negotiate 8 E&M codes as shown above							\$63,253.54

# Signs of Embezzlement

- **No matter who you are, embezzlement can happen right under your nose just as it did with me and my practice**
- **Do background checks on your employees before hiring them**
- **Do credit checks on employees working with money especially those in billing**
- Watch for employees who become defensive when asked questions about their areas of responsibility
- Watch for employees who take a long time to get back with answers and information to your questions
- When management or financial/operational issues change, to make things tighter and more in compliance watch for any employee that leaves at that time
- If an employee in the financial/billing part of the practice never takes off time and keeps it all close to their chest not allowing others to help or learn, can be a sign of covering up information – Make sure there is a backup and require time off to allow backup to fill in and see that everything is working smoothly in that position
- Look at monthly bank statements and accounting entries each month for consistency in historical trends



Questions???

