

Cash Posting Optimization

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Introduction

The Revenue Cycle consists of several key components including Patient Access, Coding, Billing, Insurance Follow Up and Patient Financial Services. A key component often warranting a critical assessment is the function of Cash Posting. In some systems, Cash Posting simply includes insurance and patient receipts, although in many healthcare systems Cash Posting includes other department receipts (dietary, birthing classes, sports physicals) and various other balancing and reconciliation tasks. The Cash Posting process is an integral part of the 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.

Problem

Healthcare systems often have backlogs in the Cash Posting area and numerous opportunities for improved efficiency. Cash Posting is a unique area of the Revenue Cycle that doesn't necessarily have a curriculum, certification, or educational series to teach the intricacies of the work. The leading national EHR vendors have created advanced technology to help automate much of the process, however integrating effective and comprehensive workflows to complement the technological advancements are key. If cash is not posted timely, there are many downstream impacts including appeal timeliness, documentation request submissions, and timely secondary billing. Furthermore, if cash is not posted correctly, balancing errors, patient billing errors, client billing errors and billing follow up errors could result. This often results in non-value-added work: follow up teams are statusing claims already paid and patient financial services are handling calls from patients who have paid on their accounts and have not received proper credit.

Solution

An effective and comprehensive evaluation and assessment will include stakeholders from several operational areas. The process should include open communication, identification of issues and opportunities, and a collaborative implementation process. The key stakeholders to include are the cash posters, fiscal services, billing, follow up, 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 also budgeting, forecasting, and providing an accurate and timely estimation of receivables is secured from the cash posting process.

Billing, Follow Up & Patient Financial Services

Including representatives from this group serve two purposes; 1. Engage the member in the conversations and share details about how, why, and when cash is posted. Often perceived errors are not a person, but a process failure. 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 will 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 and 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 often new or revised policies and procedures need drafted. Every decision needs to be reviewed by all 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 systems EHR balancing capabilities and often eliminate unnecessary rework with internal spreadsheets, reports, and procedures. Furthermore, 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 the evaluation and assessment is the patient. When payments are not applied correctly, the patient may receive a statement for a balance already paid. Another scenario is they may receive a statement many months after the service was delivered due to a delay in posting or inaccurate posting. This 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 Practice Strategies

Automate

Automating posting activities is absolutely necessary to achieve best practice designation. Top ranking facilities 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. In addition,

maximizing electronic remittance posting allows for same day posting on the majority of 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 needs to be shared with all end users and stakeholders. At the elbow support may be required as well as daily communication huddles to encourage feedback and provide support.

Allocate

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

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.

Conclusion

The Cash Posting process is often a great place to leverage automation. Often observed is the Cash Posters, nor the Leadership team, fully understand what automation and reconciliation opportunities exist. To fully evaluate a Cash Posting department and workflow, several internal and external stakeholders must be included. A successful assessment will result in a collaboration of people evaluating the process and leveraging the automation technology available.