

Achieving Revenue Cycle Excellence

Andrea Dickhaut, RDH, BSDH, MHA

If your dental practice is busy, but cash flow is not where you would expect it to be, it may be that the practice isn't collecting for all the care that is being provided. Increased operating costs since the pandemic have made it more important than ever to ensure the revenue cycle is working efficiently.

If you suspect the practice is having issues with billing and collections, start by looking at Accounts Receivable Aging Reports. Today, most claims are filed electronically, and payments are typically collected within 30-45 days (many high-performing practices get paid within 7-14 days). Claims not paid in a timely manner indicate problems with the revenue cycle that need to be addressed immediately. Ideally, money owed past 90 days should be less than 15% of total A/R. Breaking out the A/R report by payer type will enable you to pinpoint potential problem areas.

There are several reasons why third-party claims are denied, including failure to document eligibility consistently and accurately, failure to obtain pre-treatment authorization, registration errors (eg, failing to attach the patient to the right insurance plan) and documentation errors. These issues can usually be remedied easily through staff training,

close monitoring, and performance management.

Whenever a new provider joins the practice, make sure credentialing is complete before he/she treats patients with that insurance coverage (or make sure the insurer will allow you to submit claims for prior services once the credentialing process is complete).

Large amounts of money owed from self-pay patients usually results from failure of reception staff to collect at the time of the visit. Most often, the reason why reception staff do not ask for payment at the time of the visit is because they are not sure how much the patient owes. If this is happening in your practice, it's often because the electronic dental practice management system is not configured properly (or a patient treatment plan/estimate was not created).

Look at fees paid and collections issues by specific insurers. If certain insurers are reimbursing poorly or denying legitimate claims, you may need to stop accepting those plans. Before taking this step, determine how many of your patients would be affected and speak with that insurer's provider relations representative to see if the problems can be resolved. Perhaps you can negotiate better contracted rates, and it never hurts to serve notice that they're in danger of losing you as a network provider.

Another issue that can occur with commercial insurers is failure to pay at the contracted rate. This could legitimately be a systems error on the insurer's part, but someone within the practice should be watching to make sure to address the issue immediately if/when it does happen.

This is the tip of the iceberg when it comes to billing/collections issues.

The keys to success are to monitor the process closely and to assign someone within the practice to be responsible for the revenue cycle.

If the practice is not currently tracking performance data related to the revenue cycle, start by determining your baseline, including total A/R, A/R past 90 days, aging by payer type, collection rate, top reasons for denials and amount of money written off as bad debt or uncollectible. As you move forward with improvements, you will be able to compare your performance against the baseline data to determine whether your efforts are paying off.

The revenue cycle is a complex process, often with many steps and many places where hang-ups can occur. If you suspect the revenue cycle is not working as well as it could be, take a step back and evaluate what might be going on. Or give us a call—our revenue cycle audits take a comprehensive look at the entire process from start to finish and will reveal any areas of opportunity for improvement.



Andrea Dickhaut
RDH, BSDH, MHA
Program Manager/Senior Consultant
978-870-9024
andreadickhaut@d4dimension.com
www.D4practicesolutions.com
[linkedin.com/company/d4practicesolutions](https://www.linkedin.com/company/d4practicesolutions)

