Optometry Coding & Billing Alert

Collections: Does Your Back Office Have an A/R Problem? Here's How To Tell

Focus on these 2 benchmarks.

Wondering how your optometry practice is doing when it comes to collections? Count your practice's 'days in A/R' and compare your results against your peers.

When people talk about 'days in accounts receivable (A/R),' they're referring to a single number that tells you, on average, how long it takes you to get paid after you provide a service.

To quickly calculate days in A/R, you need to figure out your Average Daily Charge (ADC). You get this number by dividing your gross charges by 365. Then you divide your total accounts receivable by your ADC to get the number of days A/R you have outstanding.

Benchmark: The median for optometry practices is 17 days, according to **The Management and Business Academy for Eye Care Professionals**.

You might also look at A/R "aging," which describesthe amount of time elapsed between the point of service and corresponding payment.

Benchmark: For optometry practices, 20 percent is the median for A/R that's 60 days or older, according to MBA.

What If My Practice's A/R Numbers Are Very Different from the Benchmarks?

A/R numbers that are outside the median or "healthy range" for your optometry practice signals that something is not working correctly in your back office. You could be coding incorrectly, which is triggering denials from insurers. Your front desk collection processes could be sub-par, or your patient billing system may need improvement.