

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: 5 Steps Reveal Your Cash Flow Secrets

Chart your A/R and other billing variables to ensure you don't leave money in Medicare's hands

If your billing office has never charted a year's worth of financial data, you don't know which factors affect your cash-flow trends.

To examine your billing office's activity in-depth, you should chart your accounts-receivable data, says **Linda Chapman** of **Carolina Medical Associates**. Follow these five expert recommendations to master your A/R and cash flow:

1. Chart four key billing variables monthly: Payments, charges, closing A/R and adjustments. You can obtain these four variables easily from your monthly reports, and they're useful because they serve as basic cash-flow indicators. One good strategy is to chart the entire previous year using the numbers from monthly reports. Then, as you add to the chart each month, you'll be able to spot changes that can indicate problems or other influencing factors, says **Janelle Brown** of **Brown Billing**.

2. Analyze the peaks and dips in your chart. Some fluctuation is normal because of a physician on vacation or a particularly busy month, but excessive fluctuations can indicate a problem.

If cash flow slows down every time charge entry drops and your practice struggles to pay the bills, you could have a problem. Practices often have billers fill in for absent staff members. What the practice doesn't realize is how important a biller's duties are to the regular office operation.

Bright idea: Prove how important you are by charting your office's billing activity, and show that to your physicians. Point out the chart entry dips that correspond with occasions when you didn't have adequate time for your billing responsibilities. If your office is short-staffed, the chart can demonstrate that you need additional personnel.

3. Remain vigilant. Check your chart every month to identify new problems. If your office has staff turnover or other interruptions, use the chart to make sure your billing office stays on top of charges, appeals and collections.

4. Strive for your optimum A/R. Every practice is different, so your optimum A/R may be above or below the average. Analyze your A/R and the factors affecting it, then use that insight to make appropriate billing changes, such as more frequent charge entry and appeals work.

5. Predict next month's cash flow. A clear understanding of your normal billing trends will grant you the power of prediction. Cash flow follows cyclical patterns based on various external factors. Predicting the unavoidable cash-flow downturns is beneficial so you don't find yourself unprepared.