



Long-Term Acute Care (LTAC) Healthcare Provider

(Collection effort and efficiency tracker - Revenue Cycle Management)

Built a reporting suite to track the RCM **collections and status of follow-up with payers**. Analyzed the collection performance of each vendor and **reconciled the collection claims by vendors**. Analyzed the **performance of the inhouse collection team in collecting** the billed amount from different parties.

COLLECTION EFFORTS AND EFFICIENCY TRACKER

ABOUT THE CLIENT

Client is a Long-Term Acute Care (LTAC) healthcare provider with facilities in over 80 cities across the U.S.

SITUATION



- RCM collections is a key function of Healthcare service providers as it directly impacts the company's profitability. Client **didn't have direct visibility into the collection performance** (turn-around of collection, status of follow-ups etc.) of the teams responsible for collections (internal RCM collection team, RCM collection vendors)
- Merilytics partnered with the client to **build a comprehensive collection effort and efficiency reporting suite**

VALUE ADDITION



- **Integrated the Balance, Collections, Vendor Placement and Collectors follow-up data** and performed data cleanup & formatting for analysis and reporting
- **Designed an exhaustive list of metrics** (collections, collection rate, return rate, recovery rate, time for first pay, write-offs etc.) to track the performance of 3rd party collection vendors in a **monthly refreshable vendor scorecard report**, and take necessary actions to accelerate the collections
- Automated the **vendor invoice reconciliation** (comparing vendor invoice claims with client collection data) to highlight any discrepancy in invoice from the vendor
- **Devised a logic to track the performance** of the internal RCM team based on efforts spent in collection (calls performed vs. assigned) and efficiency of follow-ups (balance collected) and **created a monthly refreshable report to provide collector level visibility**

IMPACT



- Client leveraged the vendor scorecard to re-negotiate the terms of contracts with each vendor and added a new vendor to enhance the collection performance. Overall **collection from vendors increased by ~\$7.5M** in 6 months after the report was published
- Identified **~\$5M/year of overclaimed collection** from vendor invoice reconciliation, leading to savings of **~\$800K/year in commissions**
- Based on the report to track the inhouse RCM team performance, the client was able to identify top accounts which need action from the team based on pending AR

APPROACH AND METHODOLOGY

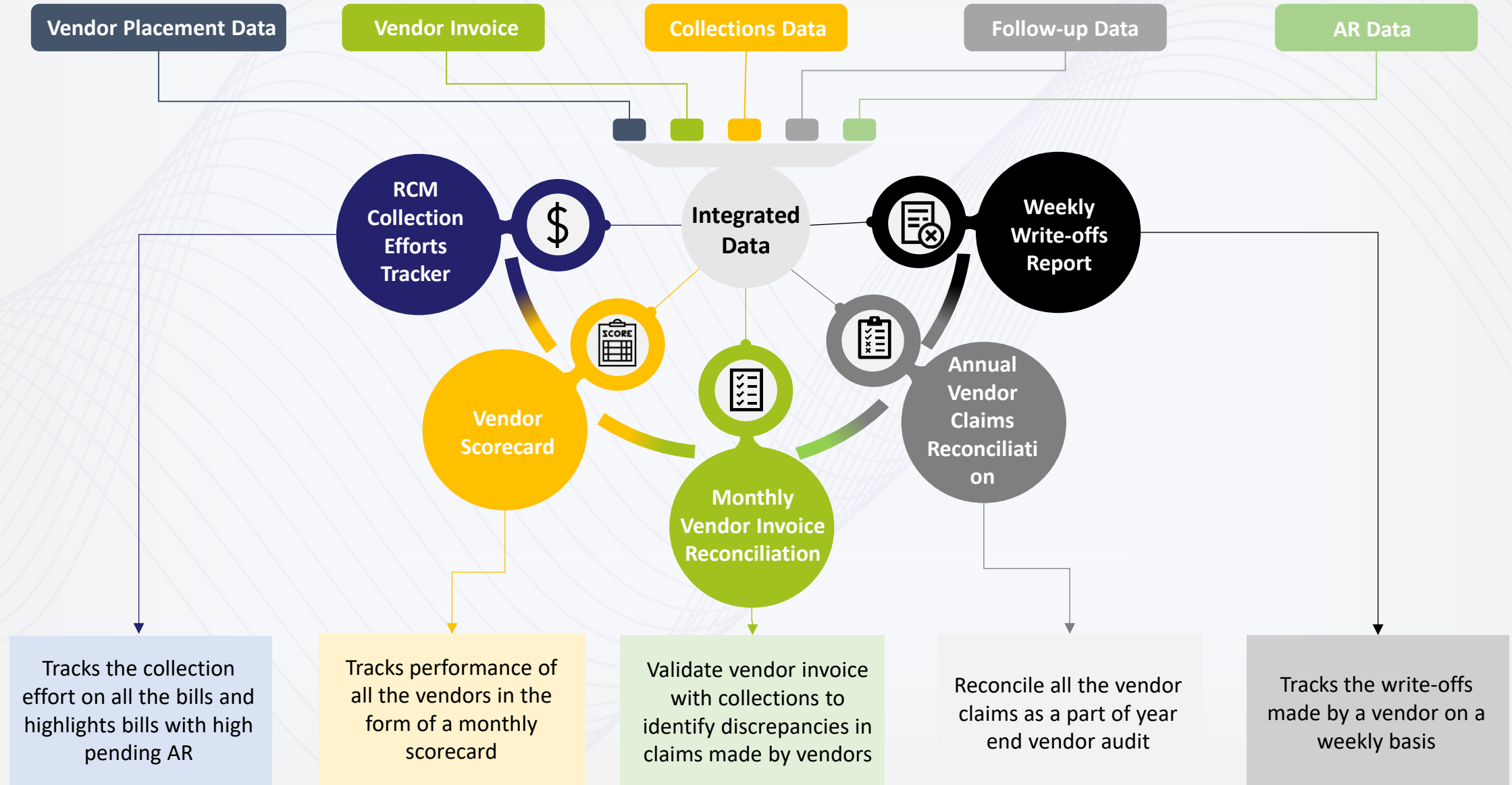
























EXHIBIT 1: VENDOR SCORECARD – COLLECTIONS SUMMARY

ILLUSTRATIVE

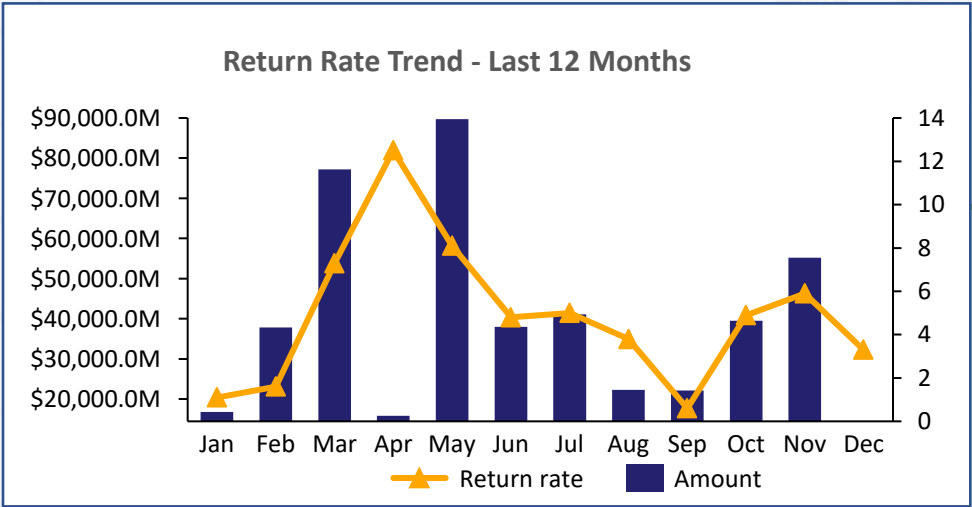
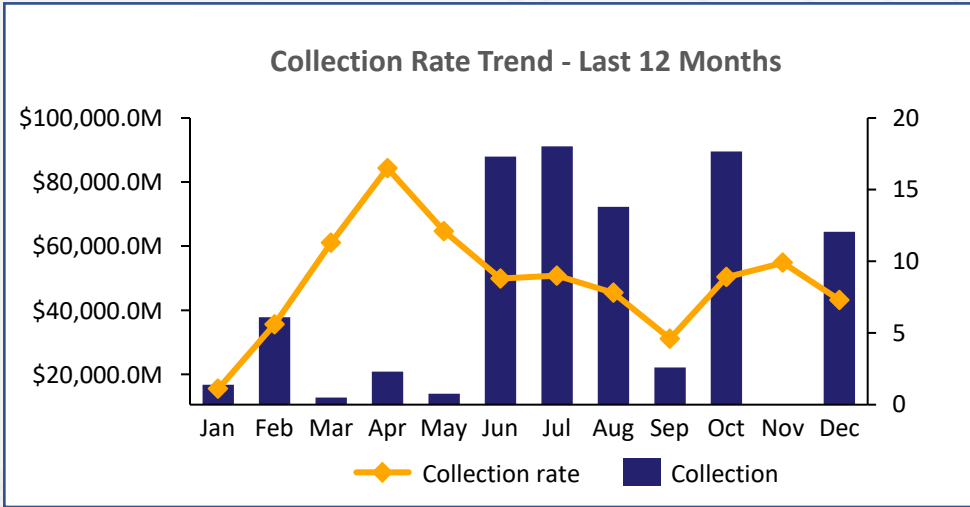
Placemement Type   Placement Type 1 Placement Type 2 Placement Type 3	Universe   Universe 1 Universe 2 Universe 3	Facility   Facility 1 Facility 2 Facility 3	Payer   Payer 1 Payer 2 Payer 3	MCRFlag   0 1	Medicare Exhaust   0 1
Placement Vendor   Vendor 1 Vendor 2 Vendor 3	Region   Region 1 Region 2 Region 3	Payer Type   Payer Type 1 Payer Type 2 Payer Type 3	InsuranceName   Insurance 1 Insurance 2 Insurance 3	Govt/Non-Govt   Govt Non-Govt	

S. No.	Metrics	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
A	Starting Placement Balance	\$409,198	\$374,356	\$344,063	\$307,810	\$279,382	\$249,498	\$224,481	\$198,121	\$166,225	\$135,261
B	New Placement Balance	\$43,201	\$49,942	\$49,884	\$53,057	\$39,664	\$43,879	\$35,862	\$42,616	\$52,678	\$51,330
C	Returned Placement Balance	(\$8,238)	(\$11,282)	(\$15,804)	(\$13,709)	(\$8,248)	(\$11,311)	(\$7,605)	(\$14,510)	(\$17,417)	(\$16,895)
D	Total Transactions Between Placement Date and Return Date	(\$1,412)	(\$3,818)	(\$3,787)	(\$3,095)	(\$2,988)	(\$2,684)	(\$3,240)	(\$1,746)	(\$3,365)	(\$3,471)
	Collections by Vendor(\$)	(\$2,231)	(\$2,282)	(\$2,544)	(\$2,700)	(\$2,407)	(\$2,700)	(\$2,539)	(\$2,035)	(\$2,942)	(\$2,203)
	Collections (Others)(\$)	(\$740)	(\$868)	(\$1,175)	(\$1,155)	(\$1,143)	(\$1,058)	(\$530)	(\$686)	(\$556)	(\$1,139)
	Recoupments(\$)	\$584	\$124	\$361	\$824	\$824	\$728	\$474	\$703	\$387	\$127
	Refunds(\$)	(\$25)	(\$614)	(\$820)	(\$326)	(\$137)	(\$215)	(\$933)	(\$247)	(\$531)	(\$851)
	System Adjustments(\$)	\$598	\$2	\$389	\$210	\$62	\$543	\$257	\$237	\$169	\$75
	Manual Adjustments(\$)	(\$100)	(\$211)	(\$210)	(\$32)	(\$197)	(\$85)	(\$310)	(\$201)	(\$171)	(\$121)
	Denials Write-offs(\$)	\$502	\$31	\$212	\$84	\$10	\$103	\$341	\$483	\$279	\$641
E	Ending Placement Balance	\$442,749	\$409,198	\$374,356	\$344,063	\$307,810	\$279,382	\$249,498	\$224,481	\$198,121	\$166,225

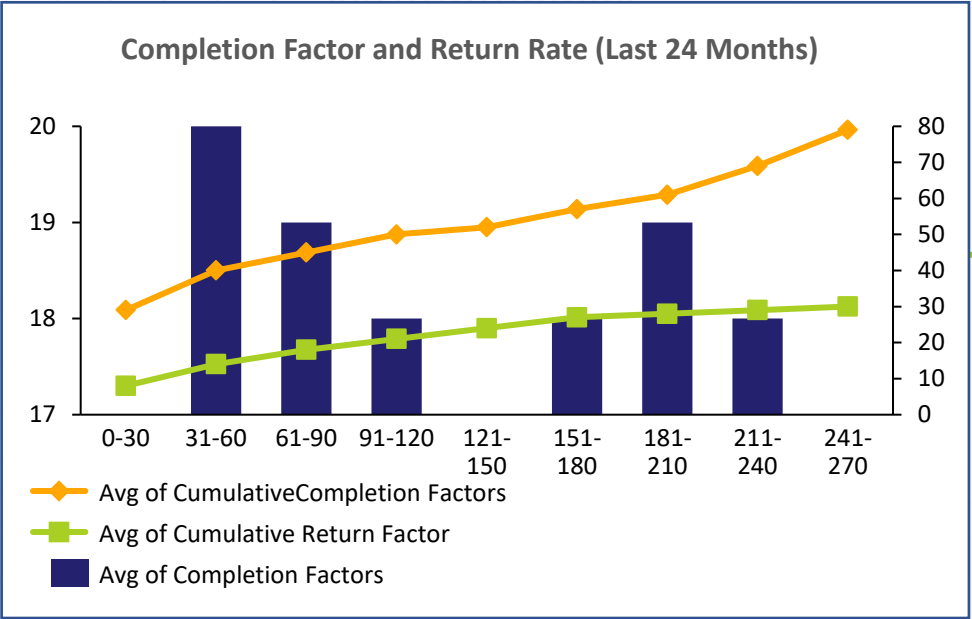
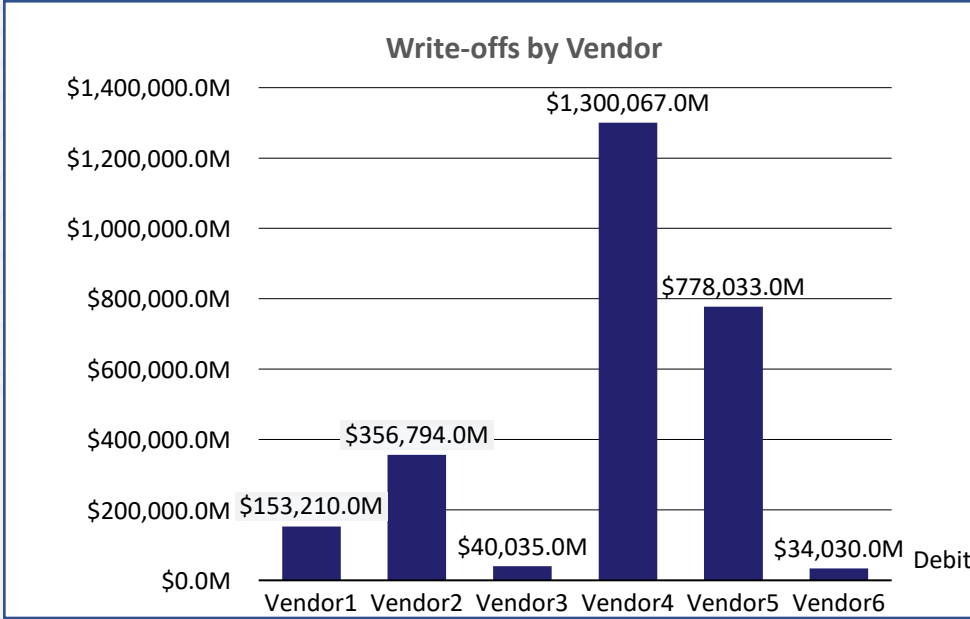
Vendor Scorecard – To track the performance metrics of vendors (Collections, Refunds, Recoupments, Write-offs, Balance of Bills placed and returned by vendor) on a month-on-month basis

EXHIBIT 2: VENDOR SCORECARD – COLLECTION RATE, RETURN RATE & COMPLETION FACTORS

ILLUSTRATIVE



Collection rate and return rate trends show what percent of initial balance the vendor is collected and returned to the client respectively every month



This chart tracks the Completion factor and return rate for by different age buckets of accounts placed with vendor

Completion Factor – Placement Balance recovered or returned in the month as percentage of Placement Balance from previous month

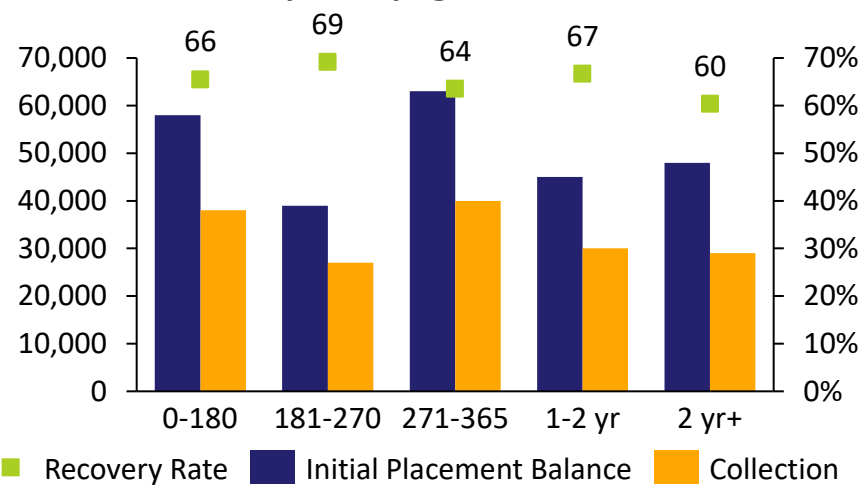
Cumulative Completion Factor – AR recovered or returned by the vendor as % of starting Placement Balance

Cumulative Return Rate – AR returned by the vendor as % of starting Placement Balance

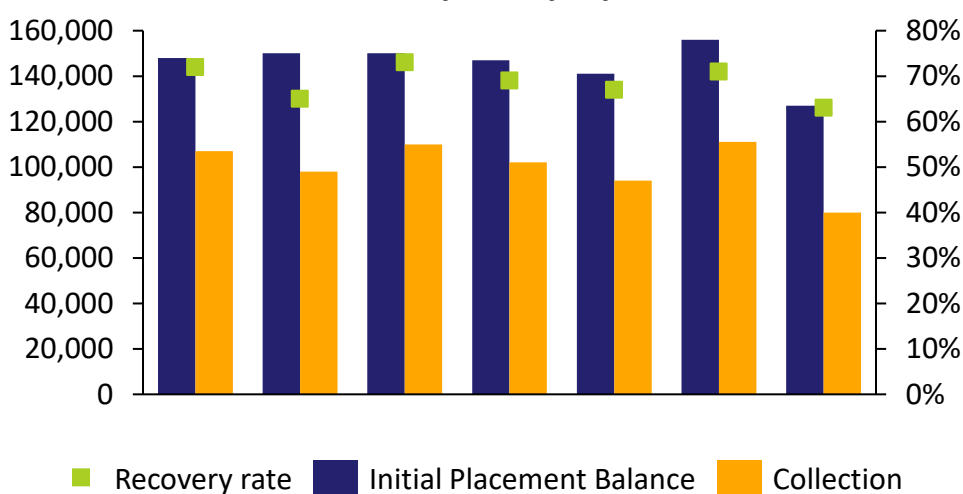
EXHIBIT 3: VENDOR SCORECARD – RECOVERY TRENDS

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Recovery Rate by Age at Time of Placement

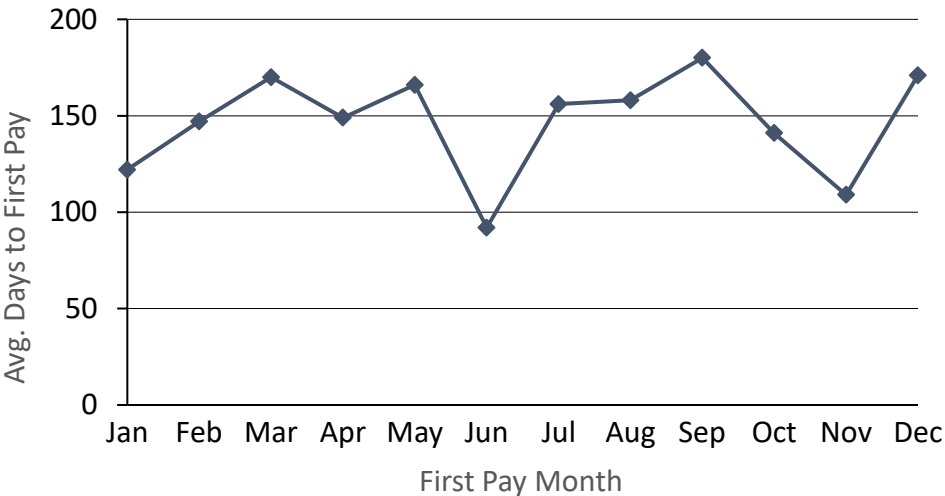


Recovery Rate by Payer

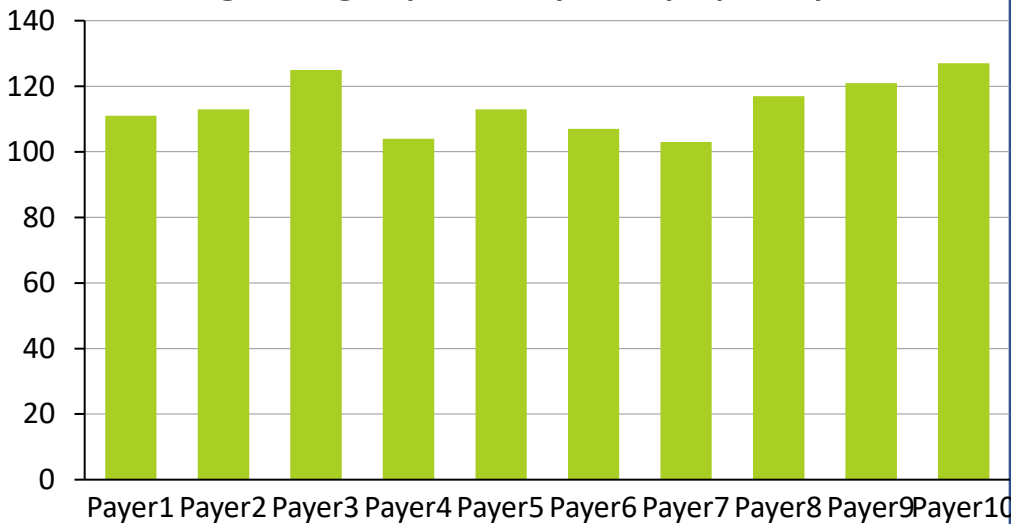


Recovery Rate
(percentage of initial placed balance collected by the vendor) – shows the share of collection by age at time of placement and payer

Avg. Days to First Pay



Weighted Avg. Days to 1st Payment by Top 10 Payers



Weighted Average days to first pay
shows the how quick the vendor acts after receiving the bill from client

EXHIBIT 4: MONTHLY VENDOR INVOICE RECONCILIATION

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Automated Reconciliation of vendor claims

Client Number	Bill Number	Insurance ID	Reconciliation Flag	Variance Type	Invoice Month	Gross Charges	Placement Date	Payments	Monthly Amount	Collections after placement
Account Number 1	3	Insurance 01	Completed	Matched	Jan	\$12,342	4-Dec	\$1,020	\$2,031	\$1,020
Account Number 2	4	Insurance 02	Completed	Matched	Jan	\$12,444	4-Feb	\$1,023	\$3,200	\$1,023
Account Number 3	5	Insurance 03	Completed	Matched	Jan	\$43,223	3-Mar	\$1,026	\$4,369	\$1,026
Account Number 4	6	Insurance 04	Completed	Matched	Jan	\$321,451	9-Sep	\$1,029	\$5,538	\$1,029
Account Number 5	7	Insurance 05	Completed	Over Claimed	Jan	\$45,682	12-Aug	\$1,032	\$6,707	\$1,272
Account Number 6	8	Insurance 06	Needs Validation	Under Claimed	Jan	\$123,414	4-Jan	\$1,035	\$7,876	\$273
Account Number 7	9	Insurance 07	Completed	Matched	Jan	\$2,323	2-Apr	\$1,038	\$9,045	\$1,038
Account Number 8	10	Insurance 08	Completed	Matched	Feb	\$32,311	4-Apr	\$1,041	\$10,214	\$1,041
Account Number 9	11	Insurance 09	Completed	Under Claimed	Feb	\$129,832	12-Apr	\$1,044	\$11,383	\$274

Automatic reconciliation of all vendor claims in a month - compared with client collection data

List of overclaimed accounts along with comments after manual validation

Client Number	Gross Charges	Vendor Claim	Collections from transaction data	Variance in Payments	Collections at account level	Commission Claimed by Vendor	Variance in Commission	Comments
Client Number 01	\$299,005	\$126,336	\$34,047	\$92,289	\$34,047	\$13,265	\$9,690	Recoupments worth \$92k made after list date not recorded by Vendor
Client Number 02	\$242,348	\$0	(\$45,990)	\$45,990	(\$45,361)	\$0	\$4,829	Recoupments worth \$46k not recorded by Vendor after list date.
Client Number 03	\$204,436	\$59,356	\$29,856	\$29,500	\$29,856	\$6,232	\$3,098	Recoupments worth \$29k made after list date not recorded by Vendor
Client Number 04	\$198,248	\$29,990	\$8,990	\$21,000	\$8,990	\$3,149	\$2,205	Recoupments worth \$21k made after list date not recorded by Vendor
Client Number 05	\$434,347	\$25,828	\$5,525	\$20,303	\$5,525	\$2,712	\$2,132	Recoupments worth \$20k made after list date not recorded by Vendor
Client Number 06	\$101,926	\$20,828	\$7,363	\$13,465	\$20,828	\$2,187	\$1,414	Recoupments worth \$13k made after list date not recorded by Vendor
Client Number 07	\$17,154	\$13,169	\$4,976	\$8,193	\$4,976	\$1,383	\$860	Recoupments worth \$8k made after list date not recorded by Vendor
Client Number 08	\$139,131	\$7,543	\$2,593	\$4,951	\$2,593	\$792	\$520	Recoupments worth \$5k made after list date not recorded by Vendor
Client Number 09	\$5,123	\$885	\$228	\$657	(\$429)	\$119	\$88	Recoupments worth \$657 made after list date not recorded by Vendor
Client Number 10	\$158,836	\$30,663	\$30,011	\$652	\$30,011	\$3,220	\$68	Recoupments worth \$652 made after list date not recorded by Vendor

Manual validation of all 'overclaimed' accounts from automatic reconciliation

EXHIBIT 5: RCM COLLECTION EFFORTS TRACKER

ILLUSTRATIVE

Vendors

- Vendor 1
- Vendor 2
- Vendor 3
- Vendor 4
- Vendor 5

InsuranceIDs

- AUAW
- IHAK
- UEBDD

District

- District 1
- District 2
- District 3

Account Type

- A.AFG
- A.ASR
- A.FGR
- I.ASD
- I.SUE
- L.ASD
- P.SUR
- S.VCS

Facility

- Facility 1
- Facility 10
- Facility 11
- Facility 12
- Facility 13
- Facility 2
- Facility 3
- Facility 4

Account Number	Insurance	Age Date	Vendor	Age Date Balance	Age Date + 90	Age Date + 90 Balance	Total Comments in 90 Days	Total Comments	Comments/ Month	Account Type	Facility	District
Account # 6541	ABCDE	8/1	Vendor 1	\$45,663	10/30	\$83,244	23	560	187	Type-A	Facility 1	District 1
Account # 6542	ABCDE	8/1	Vendor 2	\$34,667	10/30	\$12,314	24	47	16	Type-B	Facility 2	District 2
Account # 6543	ABCDE	8/1	Vendor 3	\$413,455	10/30	\$324,553	25	356	119	Type-A	Facility 3	District 3
Account # 6544	ABCDE	8/1	Vendor 4	\$134,315	10/30	\$42,343	26	126	42	Type-C	Facility 4	District 4
Account # 6545	ABCDE	8/2	Vendor 5	\$314,141	10/31	\$123,444	27	98	33	Type-A	Facility 5	District 5
Account # 6546	ABCDE	8/2	Vendor 1	\$134,556	10/31	\$41,334	28	444	148	Type-B	Facility 6	District 1
Account # 6547	ABCDE	8/2	Vendor 2	\$43,566	10/31	\$42,313	29	248	83	Type-D	Facility 7	District 2
Account # 6548	UEBDD	8/2	Vendor 3	\$54,252	10/31	\$132,444	30	245	82	Type-B	Facility 8	District 3
Account # 6549	UEBDD	8/3	Vendor 4	\$26,246	11/1	\$42,144	31	312	104	Type-E	Facility 9	District 4
Account # 6550	UEBDD	8/4	Vendor 5	\$63,757	11/2	\$63,242	32	168	56	Type-B	Facility 10	District 5
Account # 6551	UEBDD	8/4	Vendor 1	\$51,412	11/2	\$112,124	33	256	85	Type-A	Facility 11	District 1

Tracks the collection effort on all the bills by RCM team based on number of follow-up comments recorded and shows bills with high AR to ramp-up efforts on them, by different age buckets