

**BENCHMARK**

**LESS THAN 40 DAYS**

## REPORTS TO GENERATE

Combined Aging by Service Date (01/01/2000 - End of Quarter) [Select **Show Credit Balances**]

Report Name:	Combined Aging Report by Service Date		
From Date:	01/01/2000	Month To Date	Year-to-Date
To Date:	07/31/2020	Today	
Billing Provider:	Select...		
Provider:	All Providers		
Location:	All Locations		
Place of Service:	All Places of Service		
Subtotal Option:	<input type="checkbox"/> Subtotal Report By Provider/Location?		
Credit Option:	<input checked="" type="checkbox"/> Show Credit Balances On Report?		
Date Option:	<input type="checkbox"/> Use To Date as Current Date?		
Run Report After Hours:	<input type="checkbox"/> Schedule Report To Run After Hours?		

Practice Analysis by CLOSED PERIOD for **EACH** of the previous 3 months of the Quarter

Report Name:	Practice Analysis		
From Date:		Month To Date	Year-to-Date
To Date:		Today	
Billing Provider:	Select...		
Provider:	All Providers		
Location:	All Locations		
Revenue Center:	Select...		
Place of Service:	All Places of Service		
Date Type:	Tx Closed Period		
Patient Class:	All Patient Classes		
Select Closed Period:	Period Ending 07/31/2020		
Charges Option:	<input type="checkbox"/> Show All Payments & Adjustments?		
Method:	Active Collections Only		
Run Report After Hours:	<input type="checkbox"/> Schedule Report To Run After Hours?		

## CALCULATION

From the **Combined Aging by Service Date** Report, locate the **Grand Total**. In the example below, it's **\$126411.37**. This is the **ENDING A/R**.

COMBINED AGING REPORT BY DATE OF SERVICE								
PRACTICE INFORMATION				REPORT INFORMATION				
				FROM DATE: 01/01/2000 TO DATE: 07/31/2020 PROVIDER: All Providers BILLING PROVIDER: All Billing Providers				
ENCOUNTER #	NAME							TOTALS
Insurance Total	\$0.00	\$29111.56	\$13481.07	\$9032.63	\$2758.02	\$3765.90	\$41693.83	\$99843.01
Patient Total	\$0.00	\$2004.30	\$1859.72	\$1775.74	\$1460.07	\$1711.67	\$9476.86	\$18288.36
Patient-Self Pay Total	\$0.00	\$1222.00	\$1325.00	\$886.00	\$762.00	\$570.00	\$3515.00	\$8280.00
<b>Grand Total</b>	<b>\$0.00</b>	<b>\$32337.86</b>	<b>\$16665.79</b>	<b>\$11694.37</b>	<b>\$4980.09</b>	<b>\$6047.57</b>	<b>\$54685.69</b>	<b>\$126411.37</b>

From each month's **Practice Analysis** Report, locate the **Grand Total of Gross Charges**.

For the first month,  
it's **\$120,584.01**

CLASS	CHARGES	PAYMENTS
COMMERCIAL	\$32,875.00	\$23,673.76
INMATE	\$450.00	\$145.56
MEDICAID	\$1,110.00	\$33.04
MEDICAID CMO	\$960.00	\$131.52
MEDICARE	\$59,785.00	\$28,927.38
MEDICARE REPLACEMENT	\$21,045.01	\$15,891.82
MEDICARE SUPPLEMENT	\$1,510.00	\$480.53
SELF PAY	\$2,849.00	\$2,012.00
UNAPPLIED	N/A	\$0.00
<b>GRAND TOTALS</b>	<b>\$120,584.01</b>	<b>\$71,295.61</b>

For the second month,  
it's **\$149,060.06**

CLASS	CHARGES	PAYMENTS
COMMERCIAL	\$39,390.01	\$15,248.33
INMATE	\$300.00	\$472.28
MEDICAID	\$890.00	\$0.00
MEDICAID CMO	\$1,160.00	\$0.00
MEDICARE	\$68,470.02	\$22,371.25
MEDICARE REPLACEMENT	\$34,335.03	\$12,132.32
MEDICARE SUPPLEMENT	\$1,020.00	\$397.51
WORKERS COMP/ MVA	\$300.00	\$0.00
SELF PAY	\$3,045.00	\$2,073.48
UNCATEGORIZED	\$150.00	\$0.00
UNAPPLIED	N/A	\$0.00
<b>GRAND TOTALS</b>	<b>\$149,060.06</b>	<b>\$52,695.17</b>

For the third month,  
it's **\$120,743.03**

CLASS	CHARGES	PAYMENTS
COMMERCIAL	\$35,966.00	\$18,331.92
INMATE	\$520.00	\$397.32
MEDICAID	\$440.00	\$0.00
MEDICAID CMO	\$674.00	\$0.00
MEDICARE	\$55,030.01	\$29,580.07
MEDICARE REPLACEMENT	\$23,755.02	\$8,020.30
MEDICARE SUPPLEMENT	\$1,160.00	\$47.06
WORKERS COMP/ MVA	\$150.00	\$0.00
SELF PAY	\$3,048.00	\$3,897.00
UNAPPLIED	N/A	\$0.00
<b>GRAND TOTALS</b>	<b>\$120,743.03</b>	<b>\$60,273.67</b>

**FORMULAS**

$$\text{Average Daily Charge} = \frac{\text{Total Gross Charges}}{\text{Days in the Quarter}}$$

$$\text{Days in AR} = \frac{\text{Ending A/R}}{\text{Average Daily Charge}}$$

**EXAMPLE**

STEPS		Calculation from Example
1	Add the three <b>Gross Charges</b> figures together.	120584.01 + 149060.06 + 120743.03 = 390387.10
2	Divide the <b>Total Gross Charges</b> by the number of days in the Quarter. This is the <b>Average Daily Charge</b> .	390387.10 ÷ 92 = 4243.34
3	Divide the <b>Ending A/R</b> by the <b>Average Daily Charge</b> and round to the second decimal.	126411.37 ÷ 4243.34 = 29.79 Days

**BONUS STATS WORKSHEET**

1. Enter the **Ending A/R** into the corresponding cell
2. Enter each month's **Gross Charges** into the corresponding cells
3. The number will automatically calculate and turn **RED** if over the Benchmark (40)

DAYS IN A/R	
Ending A/R	126,411.37
Month 1 Gross Charges	120,584.01
Month 2 Gross Charges	149,060.06
Month 3 Gross Charges	120,743.03
<b>3 Months Gross Charges Sum</b>	<b>390,387.10</b>
<b>Average Daily Gross Charge</b>	<b>4,243.34</b>
<b>Days in A/R:</b>	<b>30</b>

### CONSIDERATIONS

#### Common Considerations

- Credentialing Issues preventing or delaying reimbursement on billed claims
- Abnormally High Patient Aging (**91+** days)
  - *Please note that this consideration will be accepted on a limited basis only.*
- Abnormally Low Gross Charges
- New Status Encounters **older than 20 days** not billed because of Credentialing, Providers not signing, holding for other various reasons **out of our control** (remove from Combined Aging total)
- Incomplete Encounters with Charges
- Incomplete Encounters that moved to **New** status late in the Quarter

**NOTE:** If the account is majorly failing in primary and/or secondary, then you can probably use that consideration for Days in AR. If Days in AR is failing but Primary and Secondary are not, then it's likely that the Patient Aging, Low Gross Charges, etc is the issue. Therefore, if the primary and/or secondary are not failing or at least not in the low 80s, then the consideration would not come from the ager but would come from the AC.

## Abnormally Low Gross Charges To see if the account qualifies:

1. Average the gross charges of the two highest charge months in the quarter
2. Subtract the lowest month's charges from the average
3. The account qualifies if this number is over 25% of the average of the two highest charge months

## EXAMPLE

DAYS IN A/R	
Ending A/R	\$178,165.52
September Gross Charges	\$83,365.82
October Gross Charges	\$124,083.52
November Gross Charges	\$125,275.63
<b>3 Months Gross Charges Sum</b>	<b>\$332,724.97</b>
<b>Average Daily Gross Charge</b>	<b>\$3,961.01</b>
<b>Days in A/R:</b>	<b>44.98</b>

STEPS		Calculation from Example
<b>1</b>	Add October's and November's <b>Gross Charges</b> together and divide by two.	$124083.52 + 125275.63 \div 2 = 124679.5$
<b>2</b>	Subtract September's Gross Charges from this number.	$124679.575 - 83365.82 = 41313.7$
<b>3</b>	Divide this by the result from Step 1 and Multiply by 100	$41313.755 \div 124679.575 \times 100 = 33.1$

This account qualifies, so now you'll take the result from Step 1 and substitute it for September's Gross Charge:

DAYS IN A/R	
Ending A/R	\$178,165.52
September Gross Charges	\$124,679.58
October Gross Charges	\$124,083.52
November Gross Charges	\$125,275.63
<b>3 Months Gross Charges Sum</b>	<b>\$374,038.73</b>
<b>Average Daily Gross Charge</b>	<b>\$4,452.84</b>
<b>Days in A/R:</b>	<b>40.01</b>



## RCM **Bonus Stats** Guide | **DAYS IN A/R**

Upload worksheet, the three practice analysis reports from the quarter, and an excel spreadsheet showing the math. Calculate a new Days in AR formula using the average instead of the lowest month's charges. If 40 or less, this can be used as a consideration.

<https://percentagecalculator.net/>

On your worksheet, enter a detailed explanation of which month in the quarter is lower than the average, what the average is, how much lower your lowest month is than the average. Give a brief explanation of why it's lower than the average (provider on leave, less hospital visits, etc) and when this issue should be resolved (provider returns in May, new provider is joining practice, etc).

- **New Status Encounters older than 20 days:** Filter encounter list by NEW + DOS 01/01/2000 and twenty days older than the current date. Export to Excel and calculate total. On your worksheet, enter this total into a consideration field for Days in AR, this should subtract this total from the Combined Aging total. Upload a copy of your worksheet, the Combined Aging summary page, and Encounter List export.
  - [20 Days Before Today](#)
  - Add a statement to the calculations worksheet that states the issue, how you tried to fix the problem and what is the future solution
- **Incomplete Encounters with charges older than 20 days:** Filter encounter list by INCOMPLETE. Export to Excel and calculate total. On your worksheet, enter this total into a consideration field for Days in AR, this should subtract this total from the Combined Aging total. Upload a copy of your worksheet, the Combined Aging summary page, and Encounter List export.
  - Add a statement to the calculations worksheet that states the issue, how you tried to fix the problem and what is the future solution
- **Incomplete Encounters older than 20 days that moved to New, late in the quarter:** Export encounter list filtered by Primary- Billed- Initial billed date within 2 weeks of end of quarter. Review encounter history to see when it changes status. Delete all other encounters from the list and only include encounters with this issue (Old DOS that was billed recently), calculate the total balance. On your worksheet, enter this total into a consideration field for Days in AR, this should subtract this total from the Combined Aging. Upload a copy of your worksheet, the Combined Aging summary page, and the edited exported Primary Aging. (Export Primary Aging, sort by oldest date of service with more current initial billed date, review encounter history to see when it moved from INCOMPLETE to NEW, total charges removed from combined aging)
  - Add a statement to the calculations worksheet that states the issue, how you tried to fix the problem and what is the future solution
- **Credentialing issues older than 20 days:** Filter encounter list by encounter class for credentialing and export to excel to calculate total. On your worksheet, enter this total into a consideration field for Days in AR, this should subtract this total from the Combined Aging total. Upload a copy of your worksheet, the Combined Aging summary page, and Encounter List export.
  - Add a statement to the calculations worksheet that states the issue, how you tried to fix the problem and what is the future solution

### **ERRATA**

**Turn-Around Time (ARR)** = Total A/R divided by Adjusted Charges, multiplied by 30 days

**Adjusted Charges** = Total Charges minus write-offs and adjustments

Use Dashboard MD Ad Hoc Report: Financial Summary Analysis Prev Month - ALL RCM

- This report will give you your current days in AR when the date selection is Month to Date
- This report will give you the Sum of the previous 3 month's charges when you run for the last 12 months - selecting only the previous 3 months to display.