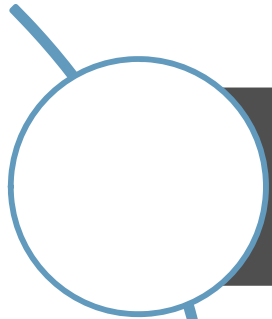


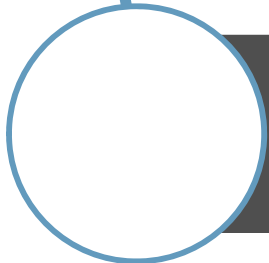
DON'T BE SURPRISED BY YOUR REVENUE CYCLE!



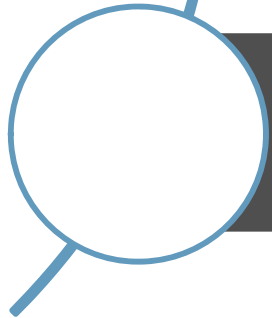
Agenda



Don't let this happen to you!



Revenue cycle best practices



Key performance indicators

Don't let this
happen to you!



Revenue Cycle Best Practices



Elevate the
Role of
Revenue
Cycle

Standardize
Processes

Establish
Accountability

Track
Performance

Benchmark

Communicate

Key Performance Indicators



Days in Total Discharged Not Final Billed (DNFB)

Trending indicator of claims generation process

$$\frac{\text{Gross dollars in A/R (not final billed)}}{\text{Average daily gross revenue}}$$

Indicates:

- Revenue cycle performance
- Performance issues impacting cash flow

Net Days in Credit Balance

Trending indicator to accurately report account values, ensure compliance with regulatory requirements, and monitor overall payment system effectiveness

Dollars in credit balance

Average daily net patient service revenue

Indicates:

Whether credit balances are being managed to appropriate levels and are compliant to regulatory requirements

Aged A/R as % of Billed A/R by Payor

Trending indicator of receivable collectability by payor group

Billed payor group by aging (0-30, >30, >60, >90, >120 days)

Total billed A/R by payor group

Indicates:

Revenue cycle's ability to liquidate A/R by payor group

Net Days in Accounts Receivable

Trending indicator of overall A/R performance

Net accounts receivable

Average daily net patient service revenue

Indicates:

Revenue cycle efficiency

Cash Collection as % of NPSR

Trending indicator of revenue cycle to convert net patient service revenue to cash

$$\frac{\text{Total cash collected}}{\text{Average monthly net revenue}}$$

Indicates:

Fiscal integrity/financial health of the organization

Bad Debt

Trending indicator of the effectiveness of self-pay collection efforts and financial counseling

Bad debt

Gross patient service revenue

Indicates:

Organization's ability to collect self-pay accounts and identify payor sources for those who can't meet financial obligations

Charity Care

Trending indicator of local ability to pay

Charity care
Gross patient service revenue

Indicates :

Services provided to patients deemed unable to pay

Total Uncompensated Care

Trending indicator of total amounts not collected from patients related to self-pay discounts, charity and bad debt combined

Uninsured and compensated care
Gross patient service revenue

Indicates :

The total amount of self-pay gross revenue that is not collectible or expected to be collected

Uninsured and compensated care = (bad debt + charity care + uninsured care discount

Interested in more?

We are always available for your questions



Lisa Trundy-Whitten, CPA

Senior Manager

207.541.2263

ltrundy@berrydunn.com



Grant Ballantyne, CPA

Manager

207.541.2228

gballantyne@berrydunn.com