

Value Proposition - Outsourcing Revenue Cycle, Accounting and Information Technology Necessary Data Points Needed to Complete Assessment

Revenue Cycle Metrics:

Annual Patient Volume
Annual Gross Revenue
Annual Net Revenue
Accounts Receivable Balance, Gross
Accounts Receivable Balance, Net
% of Accounts Receivable Greater than 90 days
Number of Open Accounts

Revenue Cycle Costs:

Pre-authorization
Transcription
Coding
Electronic Claims Submission
Electronic Remittances Advices
Patient Statements
Postage
Pre-Collection Services
Revenue Cycle Personnel Costs
- Salaries and Wages, Employee Benefits and Taxes

Information Technology Costs:

Original Cost of Health Information System (HIS)
HIS Annual Maintenance Fee
System Support and Maintenance Fees

Accounting Services Costs:

Annual Accounting Expense (excluding audit & tax filing)

Value Proposition - Outsourcing Revenue Cycle, Accounting and Information Technology Definitions

Revenue Cycle Metrics:

Annual Patient Volume

The number of patients that have had surgery during the most recent twelve months or calendar year

Annual Gross Revenue

Gross revenue (before statutory or contractual adjustments, discounts, write-offs or bad debts) generated during the most recent twelve months or calendar year

Annual Net Revenue

Net revenue (after statutory or contractual adjustments, discounts, write-offs or bad debts) generated during the most recent twelve months or calendar year

Accounts Receivable Balance, Gross

Total amount of accounts receivable before allowances for uncollectible accounts, reserves for contractual, statutory adjustments, discounts and write-offs

Accounts Receivable Balance, Net

Total amount of accounts receivable after allowances for uncollectible accounts, reserves for contractual, statutory adjustments, discounts and write-offs

% of Accounts Receivable Greater than 90 days

The percent of total accounts receivable balance that is older than ninety days

Number of Open Accounts

The total number of accounts that have a balance (both debit and credit balances) in accounts receivable

Definition For Requested Data Points - Continued

Revenue Cycle Costs:

Pre-authorization

Annual costs incurred to pre-authorize patients for services with insurance companies, payors and government entities

Transcription

Annual costs incurred for transcription services - transcribing of services performed for each patient

Coding

Annual costs incurred to code patient services (procedure and diagnosis)

Electronic Claims Submission

Annual costs incurred to electronically submit claims to insurance companies, payors and government entities

Electronic Remittances Advices

Annual costs incurred to receive electronic remittances from insurance companies, payors and government entities

Patient Statements

Annual costs incurred to send monthly statements to patients for self-pay and patient portion of bills

Postage

Annual costs incurred to deliver hardcopy claims, patient statements and to communicate with payors and patients

Pre-Collection Services

Annual costs for pre-collection services, including pre-collection letters to patients and account follow-up services performed by an outside entity

Revenue Cycle Personnel Costs

- Salaries and Wages

Annual salaries and wages paid to employees responsible for revenue cycle functions, i.e. pre-authorization, transcription, coding, billing, payment & adjustment posting, account follow-up and collections

- Employee Benefits and Taxes

Annual employee benefit and taxes related to employees responsible for revenue cycle functions

Information Technology Costs:

Original Cost of Health Information System (HIS)

Total cost incurred to purchase health information system license and server to host the application

HIS Annual Maintenance Fee

Maintenance and support fees typically charged by health information system software vendors

System Support and Maintenance Fees

Annual costs incurred to have an I.T. consult provide hardware and software support and system maintenance services

Accounting Services Costs:

Annual Accounting Expense (excluding audit & tax filing)

Annual costs incurred to prepare monthly financial statements, reconcile bank accounts, prepare budgets, prepare board reports, etc.



Thank you for your interest