Revenue cycle management

Table of Contents

Chapters listed correlate directly with the potholes found in The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid, 2nd Edition. As some information is not relevant to billing service clients, chapter six has been omitted from this document.

Acknowledgements

At AdvancedMD, our goal is to help your medical practice achieve its highest revenue potential. To further leverage your AdvancedMD practice management system and secure reimbursements, we have created "Revenue Cycle Mastery, The AdvancedMD Training & Companion Guide for Billing Service Clients" to step you through our product suite.

We recognize that the authors of the Medical Group Management Association's (MGMA®) best-selling book, *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, have set the industry standard for revenue cycle management best practices and we consider them to be the country's experts in providing guidance to effectively manage the entire accounts receivable process.

To maximize the benefits of your own billing processes, we highly recommend that you read the MGMA book, and use our Training and Companion Guide to help you leverage the numerous tools and reports available in the AdvancedMD product suite to achieve the best practices as defined in the book.

To obtain a copy of *The Physician Billing Process,* visit the MGMA book store (www.mgma.com/store) and enter the promotional code "BILLING2" to earn a 15% discount. Once you're there, enter item number 8079 to read more information about the book or to buy it directly.

We know that running a medical practice is a highly complex process and we hope our guide will help you use AdvancedMD's numerous tools and reports. As you work through your own billing processes and the AdvancedMD product suite, we welcome and encourage your ideas and feedback.

Best regards,

The AdvancedMD Product Teams

Chapter 1
Financial Clearance

Overview

Before any patient visits your practice, your office should institute a financial clearance policy to determine the amount each patient owes for copays and outstanding balances. Additionally, work with your patients to make arrangements for prompt payments. Use your AdvancedMD system to implement a financial clearance regimen in your office.

To learn more about managing the financial clearance process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD can be instrumental in helping you manage a financial clearance process in your front office. Use AdvancedMD to:

- Maintain and Verify Patient Information
- Check Insurance Eligibility and Track Authorizations
- Remind Patients of Outstanding Balances
- Encourage Prompt Payment from Patients

Maintain and Verify Patient Information

In the **Patient Demographics** module of AdvancedMD, chart information is stored for each patient. This information includes the patient's name, address, date of birth, social security number, insurance and other billing information, and financial history for the patient and the family.

AdvancedMD makes it easy to collect or verify demographic and financial information when a patient is being scheduled for an appointment. When an existing patient is selected in the **Appointment Scheduler**, demographic, insurance coverage, primary insurance copay, and current

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AdvancedMD Tools

AdvancedMD Mobile App

Appointment Scheduler

Chart Files/Patient Photos

Confirm Appointments Screen

Credit Card on File

eEligibility

Integrated Credit Card Processing

Insurance Additional Information Screen

Insurance Tab

Patient Demographics Module

Patient Memo

Patient Portal

Payment Plans

Preauthorization Tracking

Review Mobile Patients

Report: - Appointment Confirmation Detail

AdvancedMD Help Files, and Release Documents

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balance information are displayed so you can verify this information as part of the scheduling routine and prepare the patient to make payments on copays or outstanding balances.

Demographic information can also be captured using the mobile app. If a new patient is added from the mobile app, use the Review Mobile Patients screen to reconcile the patient information.

As a way to avoid insurance fraud, many medical practices have adopted a policy of checking patient identification prior to service. Using the Chart Files tab, picture identification can be scanned, or patient photos can be uploaded, or photos can be added through the mobile app, and made available in the patient's demographic file. By keeping a patient photo or ID on file, office staff can verify a patient's identity using information in the system rather than asking established patients to present ID at each appointment.

Check Insurance Eligibility and Track Authorizations

AdvancedMD's **eEligibility** module allows you to check eligibility on-demand for an individual patient or automatically on a batch basis for the practice. Verification of insurance eligibility can be done in real-time during appointment check-in, or for last minute appointments or walk-in patients after you have gathered the required pre-visit information. Batch eligibility checks are done prior to the appointment on a periodic basis for patients with scheduled appointments. The most current eligibility information (based on the last time eligibility was checked for a patient) is available to view on the **Confirm Appointments** screen or on the patient's **Insurance** tab.

Eligibility information may also be accessible from the carrier if the carrier offers access to their database. It is important to note however, that not all payers offer the same information, and some carriers provide more information than others. Review eligibility information in detail to make sure you understand if a patient is eligible for services likely to be rendered at the time of visit.

If you are going to preauthorize certain services as part of your standard workflow, the carrier's website may offer an automated way to obtain the authorization. AdvancedMD's Patient Demographics Referrals tab assists you with preauthorization tracking by providing fields where you can store the preauthorization number and track visits covered under that authorization.

Checking your patients' insurance benefits and obtaining authorizations prior to providing services will help ensure that you will be paid by the carrier for services you provide. It also helps to ensure that patients will be willing to pay for expenses incurred because they are already aware if they are not covered.

Most carriers create payer guides that you can access on the carrier's website, or that can be sent to you upon request. As an AdvancedMD client, you have access to our clearinghouse website, which offers carrier policy information. All carriers in the Carriers master file include a "Clearinghouse Website" link. Any AdvancedMD user can register to browse this site. By entering a CPID, you will see all of the information that our clearinghouse has on file for that carrier, including policies and claim edits.

Remind Patients of Outstanding Balances

Prior to an office visit you should prepare to collect money from scheduled patients. Use the following tools to view copay, balance, bad-debt, and deductible information in AdvancedMD.

- **Appointment Confirmation Detail** – This report contains patient appointment, contact, and balance information
- **Appointment Scheduler** – If you make your reminder calls by looking at the AdvancedMD scheduler for an upcoming date, you can select the patient via the patient appointment, and the scheduler will display the patient's contact information as well as copay and current balance information. Hover your mouse over the patient's appointment to display a tool tip with comments entered when the appointment was made.
- **Confirm Appointments Screen** – This screen displays the patient's home and work phone numbers, and comments entered when the appointment was made. Hover your mouse over the Patient column (as well as other specific columns) to display a tool tip with copay and outstanding balance information.
- **Insurance Additional Information Screen** – This screen allows you to note and track deductible amounts
- **Insurance Tab** – Copay information can be stored and viewed for each coverage on the Insurance tab. Additionally, deductible information may be available when you are viewing eligibility details for a carrier.
- **PatientMemo** – A popup memo can appear when a patient chart is accessed, alerting you that this patient had a bad-debt write-off

Encourage Prompt Payment from Patients

Checking insurance eligibility, obtaining pre-authorizations, and informing patients of copays and deductibles while scheduling or placing reminder calls are good ways to encourage patient payments. These efforts will be even more effective if they are coupled with well-communicated payment expectations.

Looking at the patient's financial history in AdvancedMD's Patient Demographics module, you can assess how reliable a patient has been in making payments. If it appears the patient is unlikely to pay, your office should refer them to any hardship financial policies you have. This can help eliminate unnecessary collection efforts.

To help you manage situations where patients need to pay large balances over time, AdvancedMD allows you to set up patient payment plans with or without interest. **Payment plans** can be created that break up the total due into equal payments with a pay-off date, or that set up an agreed upon amount the patient will pay each month.

Gathering patient or responsible party credit card information at the time of the visit allows you to overcome some of the difficulties associated with high deductible health plans (HDHPs), and increases your ability to collect payments from patients, saving time and money, while eliminating the need in many cases for sending statements. The **Credit Card on File** feature allows your billing partner to automatically collect outstanding balances when they run the Patient Billing

Wizard, and make repeat credit card charges for payment plans, collections, and regular monthly visits.

Gathering patient or responsible party credit card information at the time of the visit allows you to overcome some of the difficulties associated with high deductible health plans (HDHPs), and increases your ability to collect payments from patients, saving time and money, while eliminating the need in many cases for sending statements. The **Credit Card on File** feature allows you to automatically collect outstanding balances when you run the Patient Billing Wizard, and make repeat credit card charges for payment plans, collections, and regular monthly visits.

Set up each responsible party with a **Patient Portal** account. This upfront work will save you time in the long run, as it allows your patients to make payments directly to their account using a credit card. Patient portal payments are processed using our **integrated credit card processing** and are automatically posted to the responsible party's account.

Chapter 2
Check-in and Check-out

Overview

If your check-in and check-out processes are well managed and organized, you will be able to obtain the proper financial obligations from the patient, as well as the necessary financial information, paperwork, and signatures, etc. Use your AdvancedMD system to manage and organize the check-in/check-out process in your office.

To learn more about managing the check-in/check-out process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD can help your check-in/check-out processes run smoothly. Use AdvancedMD to:

- Confirm Patient Information
- Check In/Check Out Patients
- Determine Eligibility
- Collect Prior Balances
- Collect New Balances

Confirm Patient Information

It is important that your medical practice has the most current information and all necessary signatures for each patient in order to bill insurance and/or the patient. Be sure the necessary paperwork is ready for patients to review, fill out, and sign when they arrive for their appointment. The following are examples of information that should be collected from or reviewed with the patient prior to their appointment or at check-in:

- Patient Demographics
- Insurance Information
- Medical Practice Policies

AdvancedMD Tools

Chart Files/Scan Feature

Collect Copayment Screen

Confirm Appointments Screen

Credit Card on File

eEligibility

Form Templates

Forms Tab

Integrated Credit Card Processing

Multiple Check In/Check Out Methods

Patient Document Templates

Print Documents with Charge Slips

Referrals Tab

Reports:

- Appointment Confirmation Detail

- Unapplied Transactions

AdvancedMD Help Files, and Release Documents

- Medical History
- Advanced Beneficiary Notice

The Patient Demographics form is a standard form in AdvancedMD that contains the patient's demographic and insurance information. The form is easily accessed from the **Forms tab** in Patient Demographics, and can be printed prior to patient check-in so it is available for the patient to review and make changes to, if necessary.

In AdvancedMD there are several ways to customize, personalize, and manage the patient forms and/or documents that you need to collect from patients. Use the feature below that works best with your office's workflow.

- **Form Templates** – Patient forms can be built using form templates and printed individually from the Forms tab
- **Patient Document Templates** – Documents can be built using Patient Document Templates and printed individually or in a batch as part of **printing charge slips**

Check In/Check Out Patients

Once the patient is in the office, there are **multiple check-in/check-out methods** to help you easily track patient movement through the practice.

- **Check In Appointments Screen** – This screen displays all appointments scheduled for the day and allows you to track what time patients have been checked in and checked out. You can also cancel appointments and mark appointments as a no-show from this screen.
- **Appointment Scheduler** – Using the appointment menu, you can quickly check in and check out a patient directly from the Appointment Scheduler. You can also cancel appointments and mark appointments as a no-show from this menu.
- **Patient Checkout Screen** – This screen allows you to check the patient out and schedule a recall for the patient, as well as post prior balance payments and other time-of-service monies. Use this screen in conjunction with a process that posts charges prior to check-out, as only visits with charges will display in this screen.

Determine Eligibility

If insurance coverage and eligibility were not verified during a pre-visit process, verify them during the check-in process. **eEligibility** allows you to check benefits in real-time by simply clicking the Check Eligibility button on the patient's Insurance tab in Patient Demographics.

When you receive the patient's insurance card, it is better to scan the card than to copy it. Scanning insurance cards into the AdvancedMD application gives your office staff and your billing partner easier access to insurance information and eliminates the time and effort needed to search the patient's medical chart. Insurance cards can be **scanned** into the application using the **Chart Files** tab and can be quickly accessed at any time from the patient's demographic record on the Insurance tab.

If patients are referred by another physician, it is important to ensure that you have accurate referral information and authorizations. Referrals and authorizations can be recorded in AdvancedMD's **Referrals tab**, along with the number of authorized visits.

Collect Prior Balances

When making or confirming appointments, the front office staff should be aware of patients' prior balances and time-of-service responsibilities. If front office staff are consistent in reminding patients of their financial responsibilities prior to the visit, the chances are better that monies will be collected during check-in. Collecting payment at the time-of-service may reduce the number of statements that must be sent later, saving your practice time and money.

Front office staff can view the patient's copay and any prior balances from the **Confirm Appointments screen**, and can communicate this information to patients when confirming appointments. Appointment comments entered in the Make Appointments screen can be used to indicate that a patient was made aware of monies owed during the appointment confirmation process. Patient balances and any appointment comments are displayed in a tool tip when you hover over the patient's name on the Confirm Appointments screen.

Front office staff can also use AdvancedMD's **Appointment Confirmation Detail** report to view the patient's copay and any current patient balances.

Using our **integrated credit card processing**, you can collect prior balances over the phone at the time the patient makes or confirms the appointment.

Collect New Balances

Insurance copayments and any other current patient balances should be collected at either check-in or check-out. Practices that collect payments at check-in have more success in their collection efforts.

Some practices collect copayments and patient balances at check-in and then collect monies at check-out based on charges incurred for the visit.

After collecting the patient's copay, you can easily post the copay and print a receipt using the **Collect Copayment screen**. Depending on your system default settings, copayments posted using the Collect Copayment screen can be automatically applied to charges posted later to the visit.

Gathering patient or responsible party credit card information including HSA credit cards, at the time of the visit allows you to overcome some of the difficulties associated with high deductible health plans (HDHPs), and increases your ability to collect payments from patients, saving time and money, while eliminating the need in many cases for sending statements. The **Credit Card on File** feature allows your billing partner to automatically collect outstanding balances when they run the Patient Billing Wizard.

Chapter 3
Charge Capture

Overview

You cannot collect money for charges never captured and never billed, so smart practices have tools and reports available to ensure that charges are entered and addressed promptly, and that no charges are missed or misplaced. Use your AdvancedMD system to effectively manage your charge capture process.

To learn more about managing the charge capture process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

To ensure that you regularly capture all charges correctly, you should:

- Use a Charge Capture Process that Matches Your Workflow
- Compare Scheduled Services to Charges Entered
- Review Charges Entered with the Provider
- Review the Time it Takes to Get Charges Billed

AdvancedMD Tools
Anytime, Anywhere Charge Entry
Appointment Types
Dashboard KPI (Service to Billed)
Mobile or Online Charge Slips
No-show Tracking
Reports:
- Analysis of Services
- Elapsed Time: Date of Service to Billed
- Missed Visits
AdvancedMD Help Files, and Release Documents

Use a Charge Capture Process that Matches Your Workflow

The first step in your charge capture process is to ensure that all charges are recorded when services are performed, so no services or incidental charges will be missed. Develop a charge capture workflow that enables those responsible for capturing charges to enter them quickly, easily, and conveniently. Best practices recommend that you enter charges within 24-48 hours of the visit.

To make entering or marking charges as simple as possible, all types of AdvancedMD charge slips can be customized, and displayed or printed based on **Appointment Type**. This flexibility makes working with charge slips easier and more accurate as you can omit procedures and diagnosis codes not relevant to the type of appointment.

AdvancedMD provides two electronic charge slip options (charge slips displayed onscreen):

- **Online Charge Slips on the Mobile App**, allowing **charge entry anytime and anywhere**. With an iPad®, the provider does not have to have a computer available. This makes it easy for the provider to enter charges during off-site or in-room encounters.
- **Online Charge Slips on a computer**, allowing charge entry anytime and anywhere you have access to a computer. Charges can be entered through the PM or EHR. Recalls can be created when entering a charge slip through the PM.

Compare Scheduled Services to Charges Entered

Regardless of your chosen charge entry method, the next step in your charge capture process is to verify that all encounters have associated charges.

The surest method of guaranteeing all encounters have associated charges is to schedule a visit for every patient that receives services and then compare your scheduled visits against charges entered into the system.

Comparing scheduled visits with entered charges is easy in the AdvancedMD application because all appointments in the scheduler are associated with a visit. Using the **Missed Visits** report, you can identify any appointment visits that have not been associated with a charge. You can run the Missed Visits report at any time for any date range, allowing you to research missing charges at the end of each day, week, or month, based on your workflow. Best practices recommend that you run and reconcile this report weekly. If you do not want to charge the patient for a no-show visit, simply mark the visit as a **no-show** in the Appointment Scheduler, and that visit will be excluded from the Missed Visits report.

Review Charges Entered with the Provider

Another step in the charge capture process is to review the charges entered with the provider. The **Analysis of Services** reports are powerful tools to use in the charge capture process. You can run these reports to count or list procedures entered. This report has versatile filter options so you can run it to support the audit type you are performing. The report can pull just one procedure if you are comparing to a count you have recorded of that specific procedure, or for just one provider if you are conducting an audit for a specific provider.

Review the Time it Takes to Get Charges Billed

The **Elapsed Time: Date of Service to Billed** report shows you exactly how long it takes for your charges to get entered and billed after a service is provided.

Knowing where the bottlenecks are in the handling and delivery of your encounters to your billing partner can help you and your billing partner focus on identifying the worst trends first.

For at-a-glance information on the time it takes to get charges billed, you can review **Dashboard KPI Service to Billed** figures on the Claims Efficiency tab.

Chapter 4
Coding

Overview

It is important that claims are sent with the correct procedure and diagnosis codes in order for them to be paid correctly and quickly. Use your AdvancedMD system to develop and manage a well-run coding process.

To learn more about managing the coding process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

Use AdvancedMD in your coding process to:

- Manage Procedure and Diagnosis Codes
- Leverage Coding Tools
- Manage Global Periods

AdvancedMD Tools

Charge Codes Master File

Diagnosis and Procedure Codes Import

Global Periods

Global Period Exceptions

Macros

Reports:

- Diagnosis Codes Production

- Procedure Codes Production Summary

AdvancedMD Help Files,

and Release Documents

Manage Procedure and Diagnosis Codes

The codes required to submit on claims are available in AdvancedMD through the **Procedure Code Import** and **Diagnosis Code Import** features. These features allow each office to review the complete AMA CPT and AMA ICD-9 code lists (including full descriptions) and import the codes as desired. These files are automatically updated each year by AdvancedMD (at no additional charge to your practice) with any new, changed, or deleted codes.

Working with your billing partner, you can create your own codes in the **Charge Codes master file** for services that will not be billed to the insurance, such as no-show fees, product sales, etc.

Some payers use local or proprietary codes for specific services, and will deny claims if these codes are not used. The Charge Codes master file allows you to enter substitute carrier codes for standard procedure codes. When the standard carrier code is linked to the payer, the local/proprietary code will be submitted on the claim in place of the standard code.

Leverage Coding Tools

Your medical practice may have standard sets of procedure codes that are billed for certain services. For example, you may have a set of codes that are billed for a well child check. The **Macros** master file allows you to create a single code for the well child check that has all of the procedure codes you bill for that service attached to it. When the single code is entered in the Charge Entry screen, all of the attached codes are added to the charge as separate line items. This useful tool makes the coding of these services quick and easy.

A production summary of diagnosis and procedure codes can help you determine the most commonly billed items for your office. The **Diagnosis Codes Production** report lists the diagnosis codes attached to patient accounts in your practice. The report lists the ICD-9 code and description, and displays the total number of patients within your practice who were assigned the ICD-9 code, based on the date range specified. The **Procedure Codes Production Summary** report summarizes the procedure code usage in your practice. It can be used to analyze the number of procedures performed and the profitability of each procedure.

AdvancedMD has edits in place to help prevent claims from being submitted with known formatting or coding errors. The **Unbilled tab** in Claims Center displays claims that have not been billed because of errors such as invalid zip codes or missing addresses. **Claim Inspector** scrubs your claims for accuracy and compliance with specific coding edits.

If you find you have not entered procedure codes in the correct order for payment, or if you have multiple diagnoses that need to be linked to the correct procedure codes, you can use the **Reorder screen** to move the procedure codes or link diagnoses. The Reorder screen can be accessed from charge entry screens, as well as from the **Edit Visit screen** accessed from **Charge Review**.

Manage Global Periods

The time-based Global Period feature allows you to track surgical and procedure related global periods. When this feature is turned on, warnings will appear in various areas of the application when a patient is selected who has days remaining in a global period. When these warnings appear, your staff can schedule or enter charges for the patient appropriately. Medicare values for global period number of days are available in your Charge Codes master file. You can also use the **Global Periods Exceptions** screen and the Charge Codes master file to customize at the CPT or Carrier level the number of days in a global period and whether warnings will display.

Chapter 5
Charge Entry

Overview

Proper charge entry practices are imperative for reducing billing times. Work with your billing partner and use your AdvancedMD system to implement an effective charge entry regimen in your office.

To learn more about managing the charge entry process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD can help you by providing tools to do the following:

- Develop and Manage Fee Schedules
- Enter Charges
- Review and Audit Charges
- Control Who Can Edit Charges

AdvancedMD Tools

Batch Entry

Charge Codes with RVU Values

Financial Class Exceptions

Multiple Charge Entry Methods

Robust Fee Schedule Functionality

User-level Security

Reports:
- Batch Trial Balance
- Fee Schedule Listing
- Reimbursement Analysis

AdvancedMD Help Files, and Release Documents

Develop and Manage Fee Schedules

There are many ways to determine a fee schedule, and each office has to decide which approach works best for their situation. Some offices base fees on a relative value scale using a multiplier. If you use this method, it is important to ensure you agree with the work unit for each procedure. As part of this process, AdvancedMD allows you to store the relative value unit (**RVU**) in the **Charge Codes** master file.

Other offices determine their fees based on a version of Medicare's allowable fee schedule that is multiplied by 200-400 percent. AdvancedMD provides copies of the most current fee schedule from Medicare for your state, carrier number, and locality. These fee schedules are updated every year and automatically loaded into your office key.

Fee schedules are an important part of the charge entry and payment entry process in AdvancedMD. When entering charges, fees default into charge entry screens based on the provider's assigned fee schedule, and an allowable amount is assigned to the charge based on the allowable fee schedule tied to the patient's financial class.

The **Fee Schedules** master file allows you to create and manage multiple charge and allowable fee schedules. Using multiple allowable fee schedules, you can create an allowable fee schedule for each carrier contract. Additionally, for those instances where providers in the same practice have different contracted rates with the same carrier, the **Financial Class Exceptions** feature allows you to override the allowable fee schedule for a financial class based on provider.

Once a fee schedule has been created and saved, you can copy the new fee schedule. The newly copied fee schedule will be an exact copy except for the name and fee schedule type (charge or allowable). This prevents having to create a new fee schedule from scratch each time you need a new, similar fee schedule. Once the new schedule is copied and saved, you can make any necessary changes. Fee schedules can be updated at any time.

Sometimes you will need to modify a fee schedule based on contract changes, or fee increases, etc. To help you manage this process, AdvancedMD allows you to create multiple versions of the same fee schedule, each with a different assigned date range. As a result, when you enter charges, the system will automatically select the correct version of the fee schedule, based on the date of service.

You should review fees associated with procedure codes at least annually by running the **Fee Schedule Listing** report. As part of your fee schedule review, you can run the **Reimbursement Analysis** reports to evaluate how much you are writing off for each procedure and help you identify which fees should be updated so you aren't charging fees that are under or close to your expected reimbursement amounts.

Enter Charges

Charge entry involves entering the procedure and diagnosis codes that were documented at the time of service. Because each office has its own workflow, AdvancedMD has **multiple charge entry methods**, one or more of which will fit your office's needs.

- **Online Charge Slips** – a quick method for providers to enter charges and diagnoses in the PM, EHR, and mobile app, and to create a recall in the PM
- **Quick Charge Entry** – a quick method of entering charges; contains a list of patients with appointments for the selected date. This method supports CMS-1500 and professional charges to be billed on an institutional claim.
- **Professional Charge Entry** – a full-featured charge entry screen. This method supports CMS-1500 and professional charges to be billed on an institutional claim.
- **Institutional Charge Entry** – a full-featured institutional charge entry screen. This method supports UB04 charges.

Review and Audit Charges

Your billing partner will manage your charge review and auditing process once you have entered your charges. Responding quickly to requests for information from your billing partner will cut down the time between when a charge is entered and when that claim is billed.

It is important to make sure that all charges are entered, entered correctly, and that any entry errors are resolved prior to claims being submitted. This will result in a faster billing and payment

cycle because there will be fewer denials due to charge entry errors, and therefore less claims rework.

AdvancedMD's **Batch Entry** feature is a running ten key calculation of the charges, payments, and write-offs. Although batches can be used whatever way works best for your office's workflow, typically each user will use a separate batch to enter their set of daily transactions and then balance those transactions at the batch level using the **Batch Trial Balance** report. Once each batch is balanced, it is much easier to balance the entire day's transactions.

In addition to the Batch Entry and Charge Review features, AdvancedMD has automatic edits in place that will help prevent claims with errors or omissions from being submitted. Your billing partner will work with you to resolve these edits.

Control Who Can Edit Charges

To help mitigate fraud risk within the office, those who are allowed to enter charges should not be allowed to edit or delete them. AdvancedMD allows for **user-level security** in the Role Setup screen for the charge entry function. You can set security levels for the various roles within your office so users have access only to those functions they need.

Chapter 7
Patient Statements

Overview

A well-organized patient billing process is important to your practice's bottom line. Although it is good to collect as much money as possible from patients at the time of service, there are going to be times in most practices when you have to bill patients after services are rendered. Work with your billing partner and use your AdvancedMD system to automate and track patient billing for your office.

To learn more about managing the patient billing process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD can help you with your patient billing process by providing tools for the following:

- Cycle Billing
- Clear and Concise Statements
- Notes on Patient Statements
- Address Forwarding
- Holds on Statements
- Final Notices

> **AdvancedMD Tools**
>
> **Address Forwarding**
> **Collections Module**
> **Dunning Notices**
> **eStatements**
> **Patient Billing Rules**
> **Patient Billing Wizard**
> **Patient Memo**
> **Patient Notes Tab**
> **Patient Statement Notes**
> **Statement Hold Feature**
> **Report:**
> **- FastForward Address Change**
> **AdvancedMD Help Files,**
> **and Release Documents**

Cycle Billing

AdvancedMD allows you to work with your billing partner to set up a statement process that matches your office's workflow. Once your statement process is set up, your billing partner will manage the statement process and post your payments.

AdvancedMD has the ability to send statements each day. Based on the number of "Statement Billing Cycle Days" on the Responsible Party tab, a statement can be sent the day a charge becomes the responsibility of the patient (or guarantor). The next statement will be sent after the appropriate number of days has passed, thus allowing statements to go out as quickly as possible.

Using the **Patient Billing Rules** in AdvancedMD, you can work with your billing partner to create a set of rules that will control how many statements and letters are sent before an account goes to collections. This helps improve efficiency when collecting on the patient balance.

Clear and Concise Statements

To avoid confusion about what they actually owe, it is important to only send statements to patients when you are presenting the balance they are responsible for. This not only makes the statement more clear to patients, but it saves on mailing costs. Make sure the statement clearly states accepted payment methods.

Within the AdvancedMD software, electronic statements are transmitted through our clearinghouse. The **eStatements** feature includes a credit card section, which enables patients to send in their credit or debit card information for greater convenience and to improve payment collections.

If a patient sees multiple providers in your medical practice, it is best to send a single statement to the patient, covering all providers seen. Not only does this make it easier for the patient to know the exact amount owed, it is also more cost-effective. AdvancedMD allows you to set up the system to send a single statement to your patient regardless of who renders the service.

If you occasionally want to check the performance of statement mailings have your billing partner set up a fictitious patient account using your office manager's address so the manager receives the same mailing your patients do.

Notes on Patient Statements

Using **patient statement notes** and **dunning notices** on statements to communicate with patients can help you avoid the cost of mailing separate letters.

AdvancedMD has several areas where you or your billing partner can enter a note that will appear on the statement:

- A note to the patient can be added in the Payment Entry screen at the time the payment is posted that will be included on the patient statement
- **Dunning** messages can be created in the Statement Messages master file to remind the patient how old (30/60/90 days) their balance is
- A general message can be added to all statements in the batch when your billing partner runs the Patient Billing Wizard
- Individual messages can be added to a patient's account from the Patient Billing Wizard and from the Memos tab in Patient Demographics

If your billing partner receives a response from the patient regarding their account balance, they can record the information in the patient's account before the next statement is sent to the patient. They can also record any correspondence from the patient in the **Notes tab** in Patient Demographics or in the Actions tab in your **Collections module**, based on your processes. These

notes can be categorized into types making it easy to find statement information on each patient when needed.

Address Forwarding

AdvancedMD supports the **USPS FastForward** service users submitting statements electronically for print-and-mail service. With FastForward, instead of the postal charges for repeated 'yellow-label' forwards, all eStatements are checked through the National Change of Address (NCOA) database, and changed addresses are automatically updated on the statement so it is sent correctly. The **FastForward Address Change Report** lists all addresses that were corrected, so you or your billing partner can update the patient's information.

Another service your billing partner can use as part of the AdvancedMD system is the **USPS FastForward** service. This service is available to users submitting statements electronically for print-and-mail service. With FastForward, instead of the postal charges for repeated 'yellow-label' forwards, all eStatements are checked through the National Change of Address (NCOA) database, and changed addresses are automatically updated on the statement so it is sent correctly. The **FastForward Address Change Report** lists all addresses that were corrected, so you or your billing partner can update the patient's information.

Holds on Statements

Statements sent to an incorrect address will be returned to the medical practice. You will want to obtain the correct address before your billing partner sends out another statement. If a statement is returned, you can put a **statement hold** on the account from the Responsible Party tab in Patient Demographics until the address is changed so that future statements or letters are not sent to the incorrect address. Holds can be set as indefinite or to expire after a specific date. If for this reason, or for any reason a statement is put on hold, a **Patient Memo** can be added to the patient's record from the Memo tab in Patient Demographics. Going forward, each time the patient record is accessed, the Patient Memo screen will appear with the note to remind you to get a correct address from the patient.

Final Notices

When larger patient account balances become delinquent they are often turned over to a collection agency. Your billing partner will send you a list of accounts for your review, allowing you to decide which accounts should be sent to collections. Prior to turning an account over to collections, some offices will attempt to get the patient's attention with a hand addressed statement envelope and a customized final notice. In instances where you want to deviate from your automated patient billing routine, a final notice letter can be manually generated by your billing partner from the Collections module. This action and the context of your notice can be recorded in the module for future reference.

Chapter 8
Payment Posting

Overview

Posting payments for a medical practice is complicated business and if it isn't done carefully and correctly it can cost your practice a great deal of lost revenue. Use your AdvancedMD system to implement an effective payment posting process.

To learn more about managing the payment and denial posting process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD provides tools to help you as you do the following:

- Enter Payments
- Enter Debit Adjustments
- Resolve Credit Balances
- Control Who Can Edit Payments

AdvancedMD Tools
Credit Card on File
Debit Adjustment Feature
Multiple Payment Entry Methods
Patient Portal
Refund Check Feature
User-level Security
Reports:
- Unapplied Transactions
AdvancedMD Help Files,
and Release Documents

Enter Payments

 When working with your billing partner, your office may be responsible for entering patient payments. These payments should be entered promptly – no more than 24 hours after receiving payments. If a payment is received at the time of service, it should be posted immediately. This ensures that patients don't get another statement for an amount they have already paid.

Because each office has its own workflow, AdvancedMD has **multiple payment entry methods**, one or more of which will fit your office's needs.

- **Collect Copayment** – allows you to post an upfront copayment before the charge is posted. As the charge is posted the payment can automatically be applied.
- **Payment Entry** – a full-feature payment entry screen. This payment entry screen has fields that are not available on other payment entry screens in the application.

- **Patient Checkout** – a payment entry screen that also allows you to check the patient out and schedule a recall for the patient. Use this screen in conjunction with a process that posts charges prior to check-out, as only visits with charges will display in this screen.
- **Responsible Party Payment Entry** – allows you to post payments by responsible party to more than one family member in a single transaction
- **Credit Card on File** – allows you to store credit card information and charge credit cards automatically for outstanding balances when the Patient Billing Wizard is run. Additionally, you can use the stored credit card information to charge the patient's copay at the time of visit using our **integrated credit card processing**.
- **Patient Portal** – allows responsible parties to make payments directly to their account using a credit card. Patient portal payments are processed using our integrated credit card processing and automatically applied to the responsible party's account.

Enter Debit Adjustments

Using the **Debit Adjustment feature**, you or your billing partner can easily add interest to a patient's account and manage carrier reimbursements that are greater than the charge amount. A debit adjustment can be created as part of the payment posting workflow, and additional monies can quickly be applied to the adjustment. The debit adjustment can also be associated with an existing visit or assigned a unique visit number. Your billing partner can create debit adjustment codes customized for your practice in the Debit Adjustment master file and indicate if a code will appear on reports as a debit adjustment or a charge.

Resolve Credit Balances

The payment posting process can generate outstanding credit balances that your billing partner will research. Once your billing partner has determined what refunds need to be processed, they will send you a copy of the **Unapplied Transactions** report .

Use the refund feature in AdvancedMD to give unapplied money back to the patient or the payer. Once you have posted your refunds, you can review the **Refund** report which lists all refunds that will be processed when you use the **refund checks printing feature** to print checks directly from the system.

Additionally, over-payments made through our integrated credit card system can easily be refunded directly to the credit card that made the payment by voiding the payment in the patient's account.

Control Who Can Edit Payments

To help mitigate risk issues within the office, those who are allowed to enter payments should not be allowed to edit or delete them. AdvancedMD allows for **user-level security** to be set up in the Role Setup screen for the payment entry functions. You can set security levels for the various roles within your office so users have access to the functions they need, but not more than they should have.

Chapter 9
Insurance Follow-up

Overview

To make sure your practice is receiving what is contractually "due," the progress and flow of your claims should be diligently monitored. Most of this process will be managed by your billing partner, but there are things you can do to contribute to and monitor the process. Work with your billing partner and use your AdvancedMD system to monitor your insurance follow-up process.

To learn more about managing the insurance follow-up process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

> **AdvancedMD Tools**
> **Dashboard KPI Figures**
> **Reports:**
> **- Net Collection Rate**
> **AdvancedMD Help Files,**
> **and Release Documents**

Goal

AdvancedMD helps you to know your average days in A/R and net collections rates.

Know Your Average Days in A/R and Net Collections Rates

Practices should track financial indicators such as the number of days in A/R. Your practice is doing well if you are generally being reimbursed in as little as 35-40 days, although metrics may vary by specialty and geographic location.

Review **Dashboard KPI figures** in AdvancedMD to determine how your practice is doing. The average number of days your charges are open and unpaid is posted on the Financial Health tab as "Days in A/R."

Using the **Net Collection Rate** report you can see what percent of money is actually collected on the amount that is due on an account. *The Physician Billing Process* recommends that you strive for an "overall net collection rate of 97 percent or greater," noting however, that in instances where a practice has an above average number of financial hardship accounts, "a rate in the high 90s may be difficult to achieve."

You and your billing partner are a team in the insurance follow-up process. Respond quickly to requests for information from your billing partner to make sure you are getting paid as fast as possible. Use the target figures above to help identify if your insurance collection process is where you need it to be.

Chapter 10
Denial Management

Overview

Understanding claim denials, why they occur, and how to avoid them will save you money. Your billing partner will use the denial management tools offered in AdvancedMD to greatly minimize the impact of claims denials on your revenue.

To learn more about managing claims denials and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

> **AdvancedMD Tools**
> **Reports:**
> **- Claim Submission Analysis**
> **AdvancedMD Help Files,**
> **and Release Documents,**

Goal

AdvancedMD Software can help you know if your claims denial rate is excessive.

Know if Your Claims Denial Rate is Excessive

Having some claim denials is inevitable in most medical practices. But it's important to know where your practice stands when it comes to efficiency of claims submission. Of all claims submitted, more than 93% should be "clean." A "clean claim" is one that is accepted by the carrier and paid the first time you submit it.

Submitting a clean claim is a partnership. Your practice needs to do the following:

- Provide accurate patient and insurance information
- Provide accurate patient addresses
- Submit accurate CPT and diagnosis codes, including modifiers
- Submit charges before end of day, but no later than 48 hours after of date of service

AdvancedMD offers the **Claim Submission Analysis** report. This report shows all claims for a specified time period that do not meet the "clean" criteria, and calculates a percentage to show if you have less than a 93% clean claim rate. Use this report to track your progress in improving your clean claims rate. Claims that do not meet the "clean" criteria include claims that have not been paid within 45 days of being billed, claims that are sent more than once before they are paid, and claims identified as denials after entering payment reason codes when processing those claims.

Chapter 11
Patient Collections

Overview

Once services have been delivered and the patient leaves the office, collecting what is due to the practice can become a tedious process that requires rigorous attention to detail. After your initial setup, most of this process will be managed by your billing partner. Work with your billing partner and use your AdvancedMD system to increase the efficacy of your patient collections.

To learn more about managing the patient collections process and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

AdvancedMD can help you by providing tools for the following:

- Patient Billing
- Collections Module
- Collection Letters
- Collection Payments
- Payment Plans
- Pre-appointment Balance Review
- Account Types Management

AdvancedMD Tools

Account Types Master File

Collection Letters

Collections Module

Confirm Appointment Screen

Integrated Credit Card Processing

Patient Billing Rules

Patient Portal

Payment Plans

Reports:

- Appointment Confirmation Detail

AdvancedMD Help Files, and Release Documents

Patient Billing

Each office needs to establish a patient collection cycle. There may be more than one collection cycle for different types of patients in your office. The **Patient Billing Rules** screen enables your billing partner to set up predefined billing rules for each account type created in the practice. These rules control how many statements to send before the collections process begins, and if the statements should continue once the collection process has started. It defines specific letters to send, and when to turn the account over to a collections service.

You can set up **Patient Portal** accounts for responsible parties where they can make payments directly to their account using a credit card. Patient portal payments are processed using our **integrated credit card processing**, and automatically applied to the responsible party's account. Access to the patient portal is controlled and managed by your practice.

Collections Module

The **Collections module** assists in tracking outstanding insurance and/or patient balances. Your billing partner may manage your collections cycle using the Collections module. Accounts that need to be sent to a collection agency will be sent to you for your review and approval.

Collection Letters

AdvancedMD allows you to have as many **collection letter** templates as necessary to be used in the patient billing and collections processes. Each letter can pull information from the patient's account into the letter. The letters can be addressed from a collector, or from the physician so the patient will feel that the physician has an interest in the account collection. Letters sent by your billing partner from the Collections module are stored so you know which letters have been sent, and you can refer to the contents if the patient calls regarding the letter or the account.

Collection Payments

When a payment is received on a patient's balance after it has been written off and sent to a collection agency, you or your billing partner can use the **Debit Adjustment feature** to easily record the payment. A debit adjustment can be created as part of the payment posting workflow, and the collection payment can quickly be applied to the adjustment. The debit adjustment can also be associated with the same visit as the charges written off for collections. Your billing partner can create debit adjustment codes customized for your practice in the Debit Adjustment master file and indicate if a code will appear on reports as a debit adjustment or a charge.

Payment Plans

Your medical practice should establish a policy for **payment plans**. This policy should include acceptable payment thresholds, with a goal to collect all balances in six months or less. The patient's monthly payments on the payment plan should not be less than your billing cost.

AdvancedMD allows you or your billing partner to set up a payment plan for patients who have difficulty paying the full account balance. Payment plans can be calculated based on desired payment amount, or duration of payment plan, and interest can be added.

Pre-appointment Balance Review

In the **Confirm Appointment screen**, as well as the **Appointment Confirmation Detail** report, the patient balance is displayed so you can contact the patient a day or two before the appointment and attempt to collect the balance, or at least encourage the patient to bring the payment for the

balance on the day of their appointment. Prior balances can also be collected over the phone using our integrated credit card processing at the time the patient makes or confirms the appointment.

Account Types Management

AdvancedMD allows many different account types in the **Account Types master file** to ensure timely billing of all patient balances. Statements can have a finance charge or statement billing fee attached to it based on the account type. Self-pay account types can have billing cycles and dunning messages different from other account types.

Chapter 12
Payer Management

Overview

Many practices do a poor job of managing the terms of their payer agreements. Use the information and tools your AdvancedMD system provides to better manage payer contracts.

To learn more about payer management and other industry benchmarks, refer to *The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid*, 2nd Edition, published by the Medical Group Management Association (MGMA).

Goals

Once you negotiate and complete a contract with payers, AdvancedMD helps you manage those relationships so you can bill for each carrier according to the carrier's unique terms, which includes managing:

- Fee Schedules
- Carrier Provider Numbers and NPI
- Assignment of Benefits Settings
- Carrier Communications and Contract Dates
- Documentation to Support Claims
- Carrier Analysis

AdvancedMD Tools
Carrier Contact Screen
Carrier Provider IDs
Carriers Master File
Customized Claim Templates
Fee Schedules Master File
Financial Class Exceptions
Financial Class Master File
Provider Master File
Reports:
- Analysis of Visits
- Insurance Allowable Discrepancies
- (Patient) Profile Detail
- (Patient) Start Date Detail
AdvancedMD Help Files, and Release Documents

Fee Schedules

Each payer contract includes a schedule of fees the carrier will pay for each procedure. These fee schedules can be maintained and monitored through the AdvancedMD **Fee Schedules master file**. In the master file you can create allowable fee schedules reflecting your contracted rates for each carrier. Based on **Financial Class**, the allowable amounts you specify will be associated with the entered charges. When entering payments, your billing partner will be able to see if the amount the carrier pays is equal to the allowed amount you are expecting. If you have a carrier that has a different contracted rate per provider, AdvancedMD allows you to override allowable fee schedules based on provider using **Financial Class Exceptions**.

Carrier Provider Numbers and NPI

Sending your NPI number and maintaining carrier specific provider numbers is easy in AdvancedMD. The **Provider master file** allows you to associate an NPI number with each provider so the number can be populated where it is needed on claims. In addition to the NPI number, you may need an additional provider number for a specific carrier. The **Carrier Provider ID Setup** screen is equipped to handle a unique ID for each provider contracted with the carrier.

Assignment of Benefits Settings

Assignment of benefits settings can be configured to match your carrier contracts and financial policies using the Financial Class master file. This master file allows you to indicate "accept assignment" settings based on the type of financial class assigned to the patient. These settings can be overridden at the provider level using Financial Class Exceptions.

Carrier Communications and Contract Dates

The **Carriers master file** is equipped to help you maintain contract dates, when needed, on its Carrier Provider ID Setup screen. You can enter the contract dates for each provider or group after your electronic submission agreements have been approved with a carrier.

You can also enter contact information to be stored in the master file for each carrier on the **Carrier Contact screen**. This screen has fields for general contact information, and fields for any specific contact numbers such as those for eligibility or preauthorization.

There is also a Notes field provided in the Carriers master file where you can keep contract notes or other specific information about the carrier and its contracts.

Documentation to Support Claim

For paper claims, if the carrier requires an additional document, you can create a **Customized Claim Template** that includes a second page. This second page could be a copy of the document the carrier requests and would print when claims for this carrier are generated. When you use customized claim templates, you have access to data fields that pulls specific information from the patient's file. These same data fields can be used on the second page of the template. Contact AdvancedMD Client Support Services for help to set up a specialized claim template of this type.

Carrier Analysis

Knowledge about a carrier's payment trends will help you know which contract elements you should focus on as you negotiate future contracts with the carrier.

To monitor the payments from carriers, you can run the **Insurance Allowable Discrepancies** report. This report shows you by date range and carrier your fee for procedures compared to the expected allowable amount and compared to the amount the carrier actually paid for the service. If

you run this report periodically, your attention will be drawn to any carriers that are habitually underpaying for charges and who should be monitored more closely.

You should also take note of how much business you are doing with a carrier so you know how much revenue you potentially have to generate by continuing to contract with the carrier. There are three Patient Management reports that will help you determine this:

- **Analysis of Visits** – displays the number of visits for your practice or a specific provider received from each carrier's subscribers during a date range
- **Profile Detail** – displays a list of all patients you have in the system for each carrier
- **Start Date Detail** – displays a list of patients and their coverage starting dates

Appendix:
User Documentation
and Online Training Resources

Overview

AdvancedMD offers you many learning resources to help you use our system and maximize your productivity.

User Documentation and Training Resources

- Help Files
- Release Guide
- Release Notes

Help Files

The **help files** contain general information on how to use the AdvancedMD application. You will also find step-by-step instructions on how to use screens and how to complete processes in the AdvancedMD application. Help files also provide additional links to other relevant help files. You can access the help file by selecting Contents from the Help menu, or by pressing F1 from any screen. Information on recent enhancements can be found in the What's New book and What's New sections atop relevant help files.

Release Guide

The **release guide** contains detailed information, including step-by-step instructions, for recent new features or enhancements added to the application. The release guide is updated as needed on Tuesday evenings or when new features are released. We recommend checking the release guide when you want detailed information on what is new and improved in the application to help you with your practice. You can access the release guide from the Dashboard.

Release Notes

The **release notes** contain an overview of recent new features or enhancements added to the application. The release notes are updated as needed on Tuesday evenings or when new features are released. We recommend checking the release notes when you want an overview of information on what is new and improved in the application to help you with your practice. You can access the release notes from Help menu in PM.

Revenue Cycle Mastery The AdvancedMD® Training & Companion Guide for Billing Service Clients