



Financial Reconciliation

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Key concepts

STOP and see where we have been and where we are going financially

1

Discussion Item One – **Definitions**

Different interpretations can cause confusion and errors

2

Discussion Item Two – **Why** we report

Why it is important to balance and how data is used

3

Discussion Item Three – **What** we report

Focus on the right information at the right level

4

Discussion Item Four – **When** we report

What time cycle is useful

5

Discussion Item Five – Data **Analysis**

What is the data telling you

6

Discussion Item Six – Red **Flags**

When to act

1. DEFINITIONS

Talk the same language

REVENUE – Billers think **billed** amounts; Finance think **deposited** in the bank

ADJUSTMENTS – Billers **expect**; Finance think **losses**

MONTH END – Billers work on **transaction** date; Finance expect **performance** date

ALL CAUGHT UP – Billers think what has made it to them ready to bill; Managers think **everything** has been billed.

BILLED ≠ DONE – 2. WHY WE REPORT

A/R Management is vital

- Internal Monitoring
 - Internal Planning
 - External Reporting
 - FQHC Reconciliation
 - A133 Audits
 - IRS 990
 - State Comparisons
 - UDS Reporting

Budget to Actual

Strategic
Planning

Internal Controls

3. WHAT WE REPORT

Performance expectations

BUDGET COMPARISON TO ACTUAL

REPORT SOURCE: PCC Operations Summary, Complete

Encounters by Service (billable & unbillable)

	Jun-13	FY-YTD	FY-YTD Target	Variance	Target
Medical	826	10,045	9,000	111.61%	12,000
Mental Health	45	693	936	74.04%	1,700
Dental	191	1,701	1,725	98.61%	2,300
Total	1,062	12,439	11,661	94.75%	16,000

YTD Encounters



4. WHEN WE REPORT

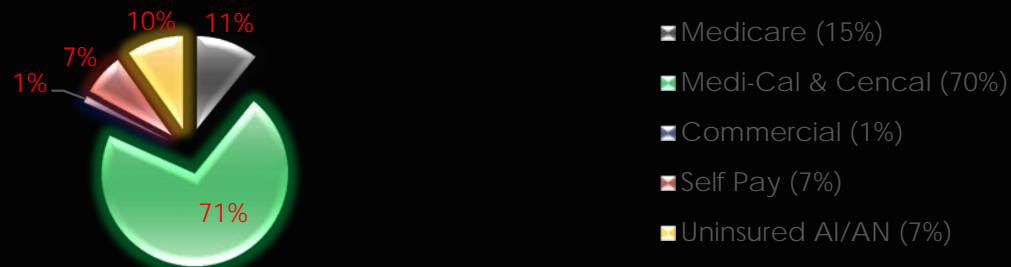
Performance expectations

REPORT SOURCE: BLS Summary (*transaction date)

Encounters by Payer

	Jun-13	FY-YTD	YTD Target	Variance	Target
Medicare (15%)	237	1,967	2,000	98.35%	2,400
Medi-Cal & Cencal (70%)	1,315	12,828	9,333	137.44%	11,200
Commercial (1%)	10	219	133	164.25%	160
Self Pay (7%)	145	1,331	933	142.61%	1,120
Uninsured AI/AN (7%)	250	1,776	933	190.29%	1,120
Total	1,957	18,121	13,333	135.91%	16,000

YTD Encounters by Payer



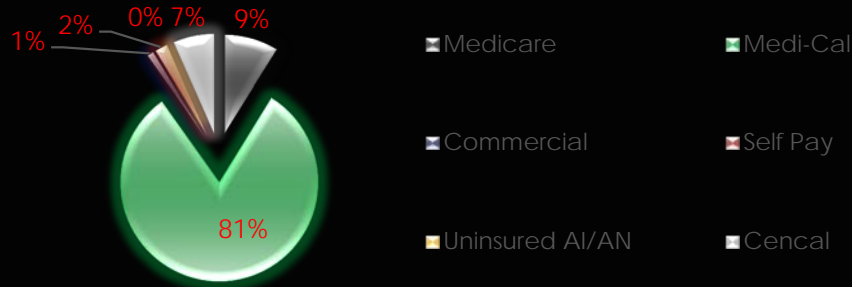
5. DATA ANALYSIS

REPORT SOURCE: BLS Summary and TAR Summary (*transaction date)

Net Revenue FY-YTD

	Gross Charges	Adjustments	Net Change	Paid	Change in A/R
Medicare	\$192,039	\$77,344	\$114,695	\$166,230	\$51,535
Medi-Cal	\$1,655,139	\$112,279	\$1,542,859	\$1,533,632	\$9,227
Commercial	\$36,416	\$24,247	\$12,169	\$20,681	\$8,513
Self Pay	\$83,484	\$72,985	\$10,500	\$39,739	\$29,240
Uninsured AI/AN	\$307,512	\$306,012	\$1,500	\$485	\$1,015
Cencal	\$144,625	\$9,534	\$135,091	\$124,705	\$10,386
Total	\$2,419,215	\$602,402	\$1,816,813	\$1,885,473	\$68,660

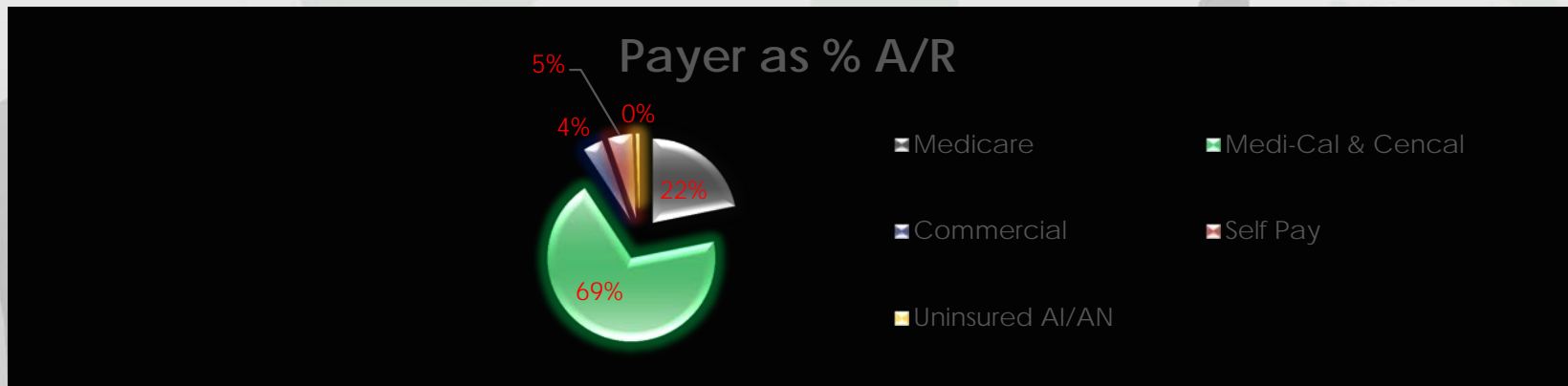
YTD Payments by Payer



5. DATA ANALYSIS

REPORT SOURCE: ASM by ALLOWANCE CATEGORY

Aging						
	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	120+ days	TOTAL
Medicare	\$38,765	\$3,024	\$4,653	\$1,117	\$10,887	\$58,446
Medi-Cal & Cencal	\$166,933	\$2,649	\$3,880	\$3,203	\$7,395	\$184,059
Commercial	\$3,043	\$150	\$2,957	\$297	\$4,126	\$10,573
Self Pay	\$10,639	\$0	\$1,167	\$897	\$0	\$12,703
Uninsured AI/AN	\$1,660	\$0	\$0	\$0	\$0	\$1,660
Total	\$221,041	\$5,823	\$12,657	\$5,513	\$22,408	\$267,441
Percentage of Total	83%	2%	5%	2%	8%	



PRIMARY HEALTH CARE

COMPARISONS

UDS – YOU / BUREAU OF PRIMARY HEALTH CARE NATIONWIDE

VIABILITY

COST PER PATIENT

COST PER MEDICAL ENCOUNTER

COST PER SA ENCOUNTER

COST PER MH ENCOUNTER

RATIO BILLED/PAID

INCOME FROM SOURCE

ACCESS

PATIENTS SERVED & SOURCE

EFFICIENCY

TOTAL/AVERAGE ENCOUNTERS PER PATIENT (AIAN/UNIVERSAL)

OSHPD PRIMARY CARE CENTERS - CALIFORNIA

VIABILITY

MEDICARE REVENUE

MEDICAID REVENUE

COMMERCIAL REVENUE

COUNTY, LOCAL, FEDERAL REVENUE

COST PER PATIENT

FPL %

SLIDING SCALE

FREE

EFFICIENCY

AVERAGE VISITS PER PATIENT

FEDERAL LEVEL

OVERALL AGENCY VIABILITY

A133

- AUDITED FINANCIAL STATEMENTS
- ACCOUNTS RECEIVABLE
- CASH
- CHANGE IN NET ASSETS
- DOUBTFUL ACCOUNTS
- INTERNAL CONTROLS

990 (TAXES)

- PROGRAM SERVICE REVENUE
- ASSETS
- BAD DEBT
- COMPARED YEAR TO YEAR
- NET REVENUE



RED FLAGS

What should managers be alerted to

- FALLING BEHIND IN BILLING OUT
- FALLING BEHIND IN RECEIVING FUNDS
- YEAR END

- DECREASED ENCOUNTERS
- DECREASED REVENUE
- COLLECTIONS DOWN – A/R UP
- MORE OR LESS BUSINESS IN AN ANTICIPATED AREA

MUST DO'S

Billers/Manager is responsible

- Be current
 - Bill all billable encounters by the 5th of the next month
 - Post all payments daily as deposited in the bank
 - Take adjustments monthly
 - Report to finance monthly
 - Balance payments to deposits monthly

We are all part of the Revenue Process



Enrollment



Providers



Business Office





Indian Health business exposure is increasing.
Decisions must be made with current, reliable,
accurate data.

YOUR COMMENTS?

