

Why Do Some Billing Departments Put Off Posting?

Alan A. Ayers, MBA, MAcc

Content Advisor and Board of Directors, Urgent Care Association of America

Practice Management Editor, *The Journal of Urgent Care Medicine*

Vice President, Concentra Urgent Care

In medical billing organizations, “posting” refers to the process of updating patient accounts to reflect insurance adjustments and payments that have been made. While one would think that an urgent care center would post all payments *immediately*, there are many urgent care billing operations that focus day-to-day on submitting and working claims and postpone posting until just prior to the end-of-month financial close. Because insurance Explanation of Benefits (EOB’s) may be received electronically from major payers and automatically posted to accounts in most practice management software, and because actual payment (funds) are likely electronic deposits or immediately deposited via lockbox...delays in posting are most likely to involve smaller payers, out-of-network reimbursement, and especially patient remittances. Postponing posting is problematic for three reasons:

1. Daily Posting is Good Customer Service

Given the standard turnaround time for insurance claims processing, it’s likely a patient who owes the center won’t receive a “balance due” statement until 30 days or longer after his center visit. Put yourself in the shoes of a patient who receives a bill from the urgent care center, submits payment a week and a half later, and three weeks after paying sees, when looking at his checking or credit card account online, that the payment hasn’t cleared the bank. He begins to wonder whether the payment got lost in the mail.

Worse, this same patient may present back at the center for a new condition and be informed that he has an outstanding balance. “But I paid that!” the patient exclaims. A debate ensues as to whether the payment was lost in the mail, whether the patient is lying, or whether the center misapplied the payment to someone else’s account. And if the patient is forced to pay at the center, then there’s risk that the patient gets double-charged, resulting in patient frustration and waiting until a refund can be processed.

Lack of prompt cash posting causes angst among paying patients, wastes the time of front office and billing personnel, and brings the credibility of the entire practice into question. A fifth of online complaints about urgent care centers entail billing and collections issues—and a good number of those entail posting issues—so the timing of posting directly impacts patient satisfaction, loyalty, and word-of-mouth.

2. Daily Posting Reduces the Risk of Non-Payment

Despite best practices that all funds (checks, cash and credit card transactions) be deposited immediately upon receipt, some billing operations set aside actual deposits until the posting process is complete because insurance EOBs often have checks attached and patient remittances have payment enclosed. While there’s little risk than an insurance payment will “bounce,” many patients do live “paycheck to paycheck” with no financial reserve so the risk for patient payments is that if a check does not clear the bank right away, the patient might spend the money on other things—resulting in a non-sufficient funds (NSF) check to the urgent care. NSF or “bounced” checks result in service charges to the urgent care, service charges to the patient, delayed collections on accounts receivable, and carry legal implications including the time, hassle and expense of turning over to a collections agency. While writing bad checks is illegal, few urgent care centers want to go through the ordeal of prosecuting their patients—particularly when word-of-mouth is so important to driving visits to the center.

3. Daily Posting Improves Accounts Receivable Days

According to the 2012 UCAOA benchmarking study, the average urgent care center’s account receivable days is approximately 45-50. When a center does not immediately post adjustments and payments to its accounts, the number of reported A/R days gets artificially inflated, which obscures other significant billing issues including front office verification of benefits, collection of patient responsibility (co-pays, co-insurance and deductibles) at time of service, accuracy of claims submissions, coding, and credentialing issues. Failure to post can leave management thinking funds are uncollected, when in reality they just haven’t been entered into the practice management system. Timely posting assures that management is working with the most accurate information in evaluating the billing operation.

Additional Best Practices

With payers submitting EOBs and payment electronically, posting issues today are more likely to pertain to patient remittances than to insurance. Given historic high write-offs associated with patient medical receivables in urgent care, it’s generally best that patients settle any financial responsibility at the time of service. That entails the front office verifying benefits, identifying any co-pays, co-insurance and deductibles, and collecting those payments before the patient leaves the center. It’s far easier for a center to issue refund checks for patient over-payments than to go after patients via collections—especially when a center needs loyal patients and positive word-of-mouth to built profitable volume over time.

When patient balances are inevitable, consider offering patients the ability to pay their bills online using a credit card, debit card, or ACH transfer from their checking accounts. Not only will the urgent care center get paid more quickly, patients will appreciate the convenience of not having to write a check, address, seal and stamp an envelope, and go to the post office. If the online bill payment application is not integrated with the center’s practice management software, then it’s essential that a process exist to assure patient payments received online are immediately posted to the patient’s account.

Illustration 1: Urgent operators like Dallas-based CareNow and San Antonio-based TexasMedclinic offer online bill payment on their websites.

The screenshot shows the TexasMedClinic website. At the top, a banner reads "If you don't need an ambulance, why go to an ER?" with the TexasMedClinic logo. Below the banner, there's a navigation bar with "Home", "About", "Services", "Resources", "Locations", "Physicians", "Insurance", "Healthy Savings", and "Contact Us". A "WEB CHECK-IN" button is prominent, with text explaining that users can register at home, at the office, or anywhere they have online access. To the right, a "BILL PAY" section highlights the use of VeriSign for secure transactions. Below these, there's a "PAY YOUR BILL ONLINE" section with a form for account and password verification, and a "PAY NOW" button. The bottom of the page features a "Full-Time Doctor Needed" advertisement.

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Conclusion

Imagine you, as an urgent care operator with good credit, were suddenly thrust into collections on an account that you routinely pay on time. Moreover, imagine the reason was that the bank processing your mortgage, car note, department store charge, or credit card received your payment but simply didn't update its records. Outside of a medical billing context this scenario sounds absurd but it's fairly common that medical practices delay updating patient accounts until required for the month end close.

Even if a billing department does not have a full-time "poster," it should consider breaking up billers' work flow such that some time each day is spent on posting. This time invested up front will result in time saved later on and will support the business with greater patient satisfaction, reduced accounts receivable days, accelerated cash flow, and reduced risk of write-offs to bad debt.