



Healthcare Virtual Symposium 2020: Foundational Changes to Shape our Future

Top Pain Points in Daily Cash Balance Reconciliation

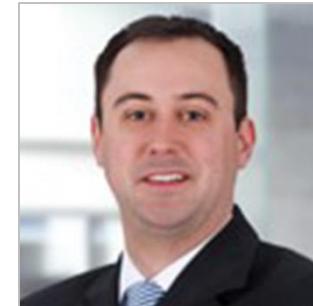
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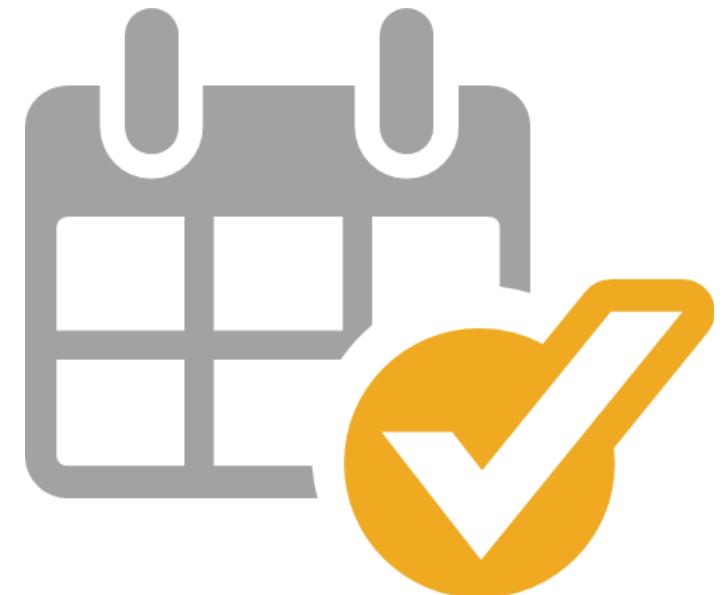
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Agenda & Learning Objectives

Recognize the risks of operating in silos when it comes to cash reconciliation and management

Assess gaps in current processes and how they can be resolved or improved

Identify the role that technology and automation are playing daily cash management



Problem

Hospitals across the country struggle to reconcile cash

Inefficient and manual handling

Large unapplied cash balances are common



Create an Interdisciplinary Steering Committee

- An essential element to improving cash reconciliation is to break down historical operating silos
- Create an interdisciplinary steering committee with the following constituents:
 - 1 Finance
 - 2 Revenue Cycle
 - 3 Treasury
 - 4 Information Systems
- Recognize it is dangerous to operate in silos when it comes to cash reconciliation and management



Assess Gaps in Current Processes and How They Can be Improved

Business Operations

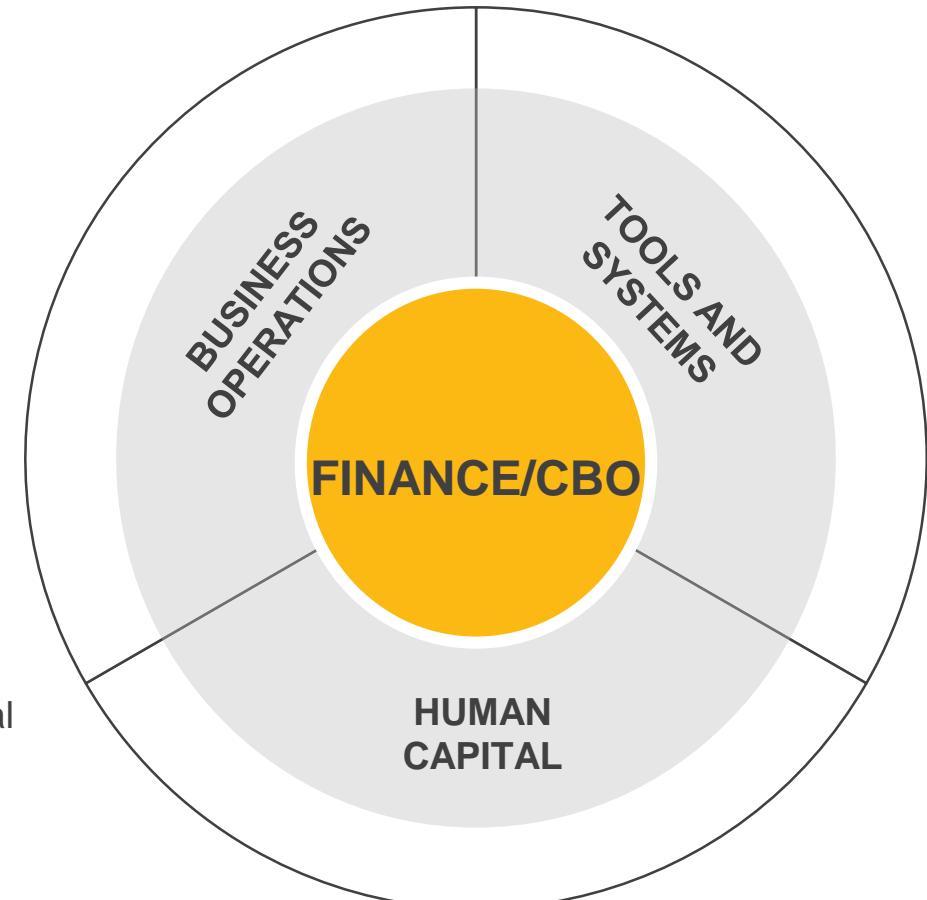
- What front-end processes can be corrected to create a best in class process on the back-end?
- What manual tasks should and can be eliminated?
- What bottlenecks and issues in existing processes decrease your internal effectiveness?

Tools and Systems

- Do you have work flow and automation technologies in place?
- Are you using technology effectively and are your systems scalable for growth?

Human Capital

- Do you have the right people in the right positions, and the optimal organizational design, to support your processes?



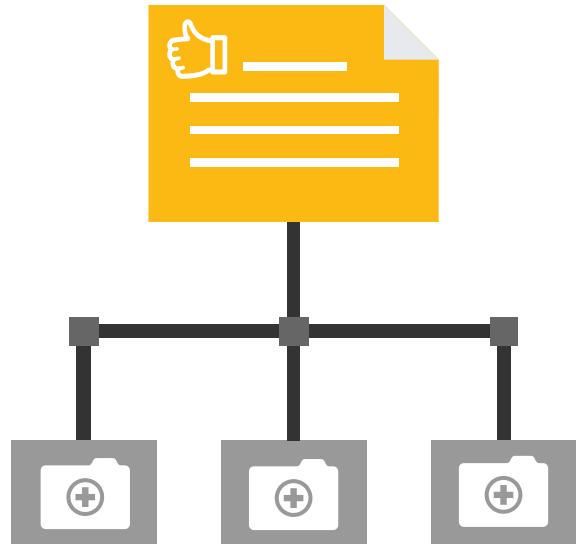
Revenue Cycle vs. Finance Definition of a Reconciliation

- Revenue Cycle is often focused on the two way match between the bank and PFS for daily balancing
- Many Revenue Cycle professionals consider a three way match between the 835, bank and PFS
- Finance and Accounting teams are looking to achieve a full three way match between Bank, PFS and GL



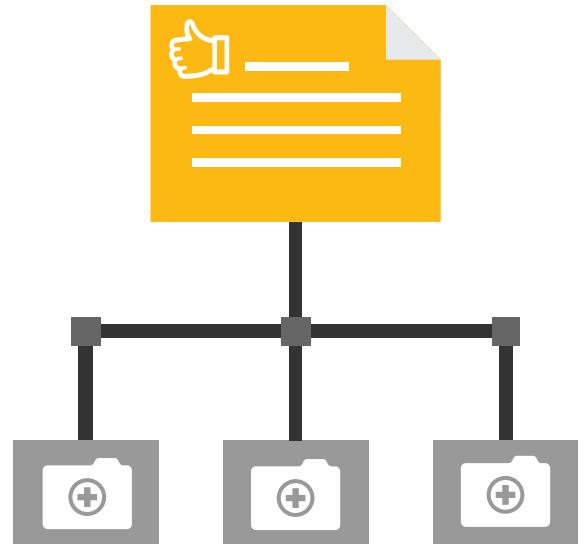
Lack of Communication between Finance and Revenue Cycle

- Common Communication Issues
 - Terminology Differences
 - Differences in Departmental Goals with Reconciliation
 - Reconciliation of the posting to the PAS
 - Reconciliation to the bank
 - Physical Location Differences
- These communication issues can be reduced by the implementation of an Interdisciplinary Steering Committee



Access to Appropriate Systems and/or Data

- Suggestions for Improving System or Data Limitations
 - Have a designated contact person(s) for all critical reconciliation reports if you do not have direct access
 - Set a due date/time for these reports to be run or accessed as not to cause further reconciliation or closing delays
 - Create a Shared Network folder for all relevant reports each month



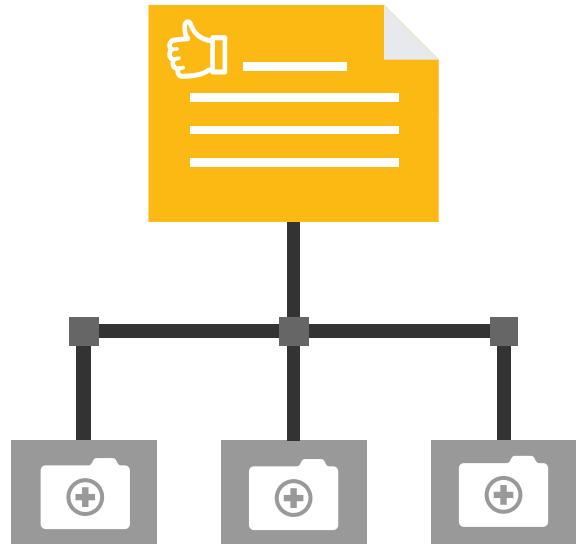
Appropriate Controls in Revenue Cycle to Relieve Temporary Postings

- Control Recommendations
 - Verification and review of all temporary account postings for appropriate reversals
 - Reporting of all temporary accounts to finance each month
 - Control over the number of temporary accounts that can be used and reused



Credit Card Reconciliations

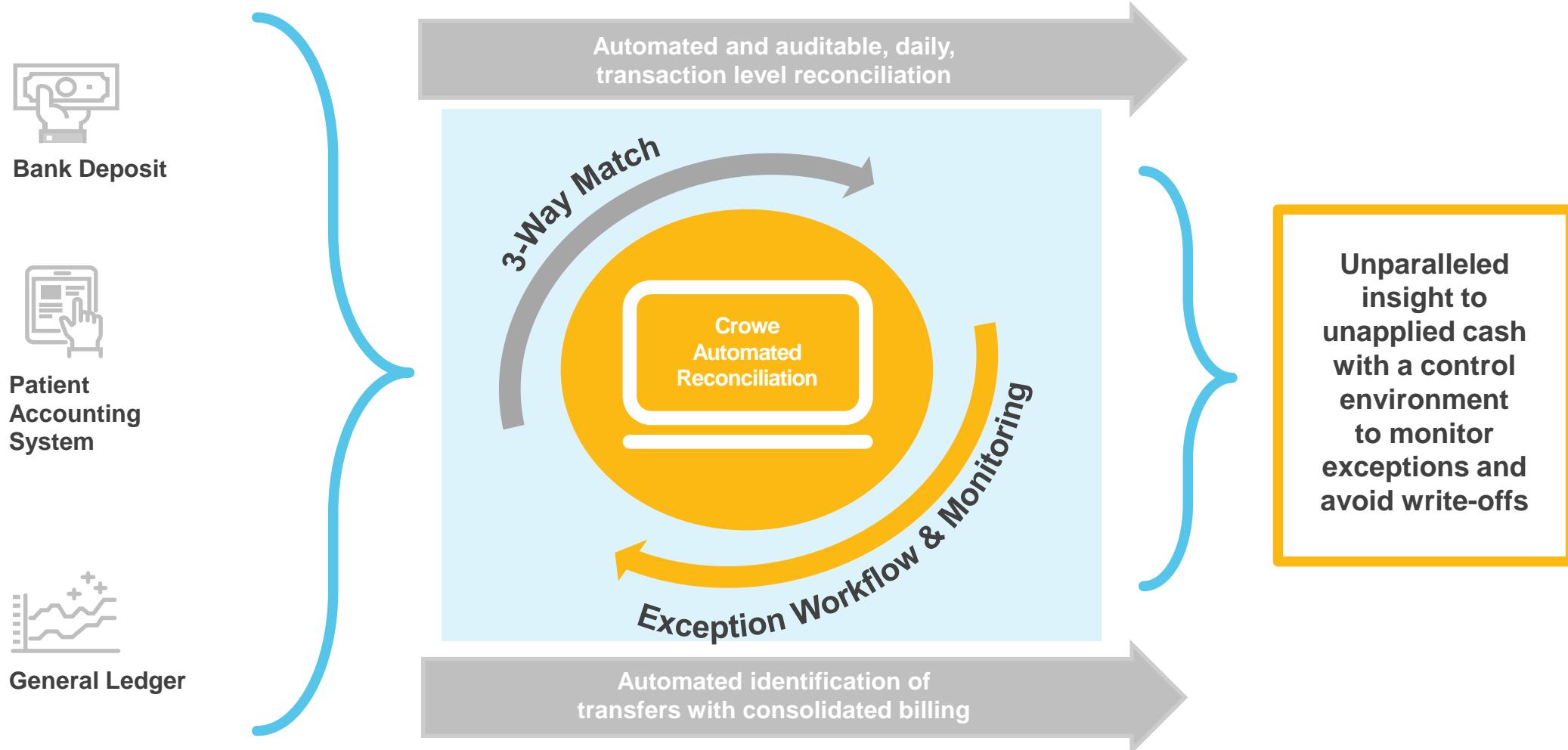
- Tips for Smooth Credit Card Reconciliations
 - Standardize your merchant processors and eliminate as many merchant processors as feasible
 - Be aware of timing differences between merchant statements and actual bank deposits
 - Monitor settlement statements to ensure appropriate posting to the patient accounting system along with appropriate referencing (reporting on gross amount versus net amount)



Identify the Role Technology and Automation Play in Daily Cash Management

- 1** Utilize automated banking feeds from your banking providers and Bank Administration Institute codes to obtain information to help you track posted payments
- 2** Consider alternative payment strategies:
 - Collecting copayments in advance of appointments
 - Implementing patient payment portals
 - Exploring going cashless
- 3** If you have a payor that doesn't provide an electronic 835, obtain a manufactured 835 solution
 - Multiple companies offer (banking and revenue cycle)
- 4** Evaluate technology options that not only perform a two way match between the bank and your patient accounting system but rather perform a three-way match between the bank, your patient accounting system and your general ledger

Single Source of Truth for a 3-Way Match Reconciliation





Thank you.

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