



Healthcare Virtual Symposium 2020: Foundational Changes to Shape our Future

# Top Pain Points in Daily Cash Balance Reconciliation

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# Presenters



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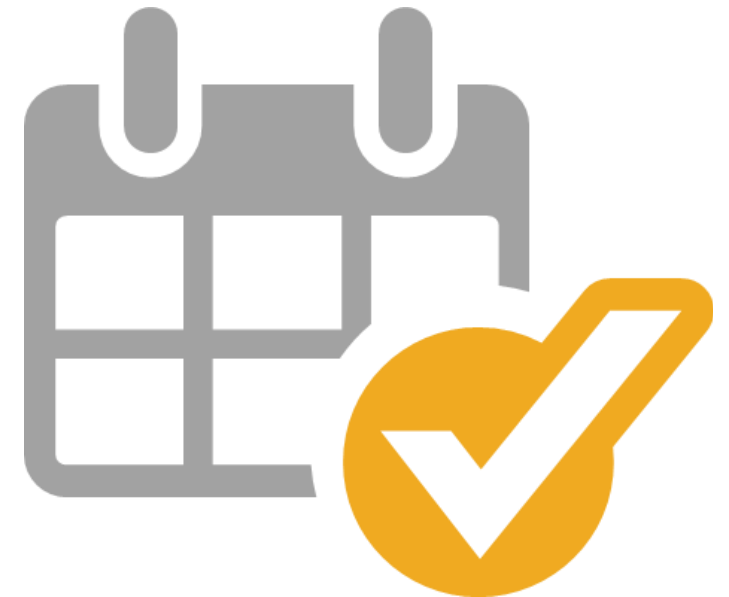
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# Agenda & Learning Objectives

**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

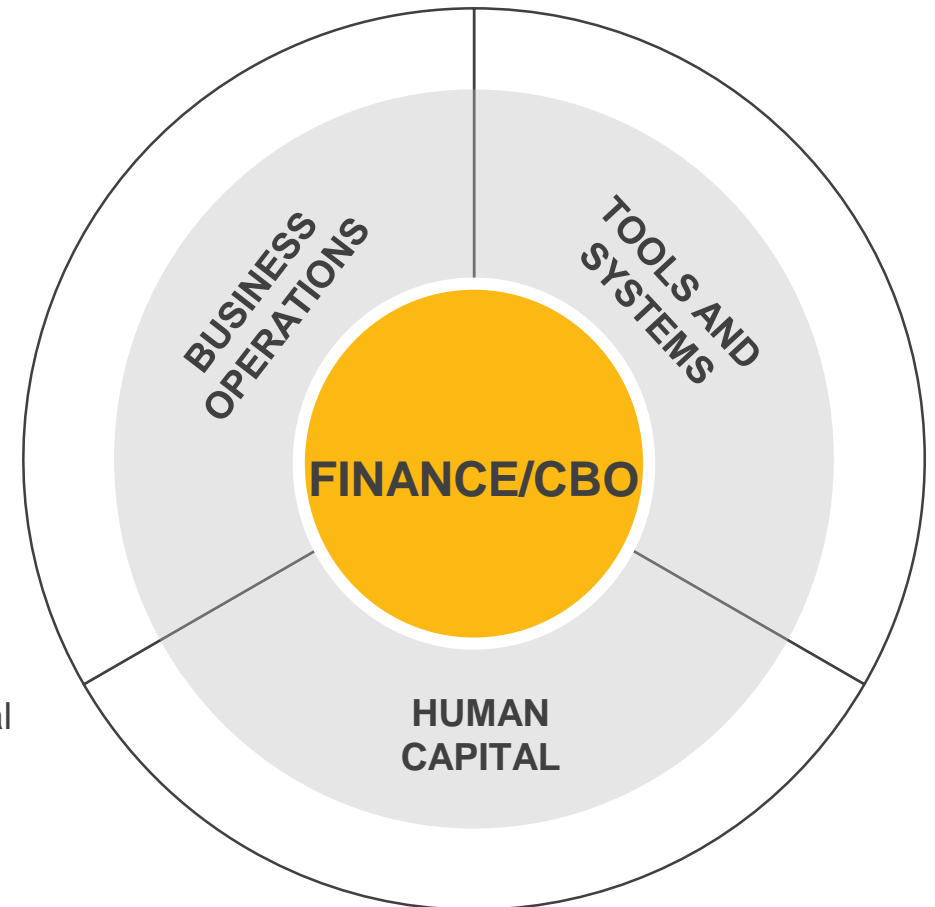
- What front-end processes can be corrected to create a best in class process on the back-end?
- What manual tasks should and can be eliminated?
- What bottlenecks and issues in existing processes decrease your internal effectiveness?

## 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?

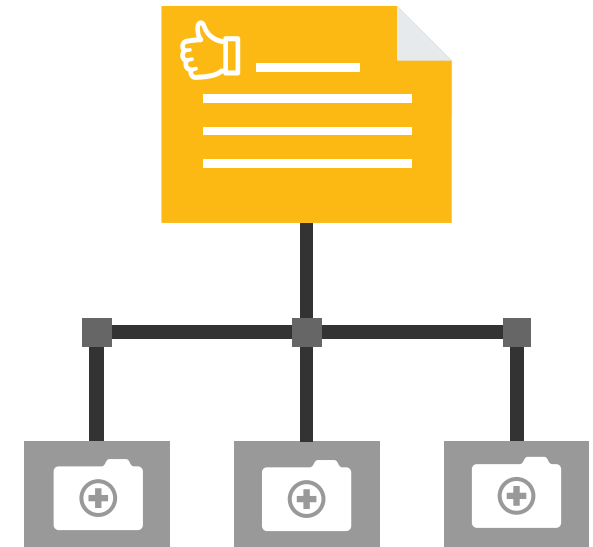
## Human Capital

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



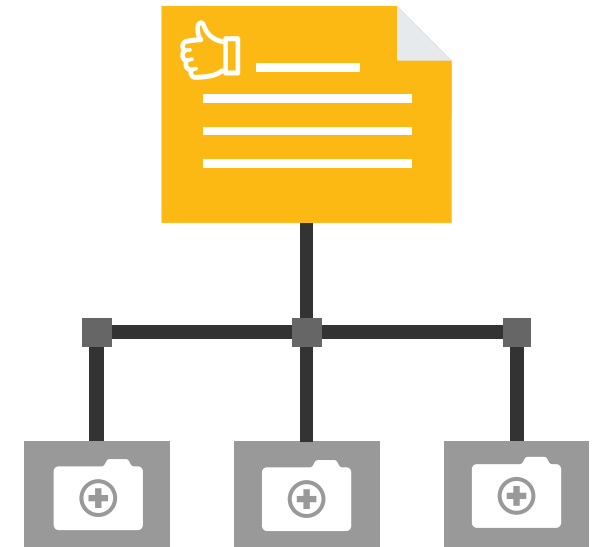
# Revenue Cycle vs. Finance Definition of a Reconciliation

- 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

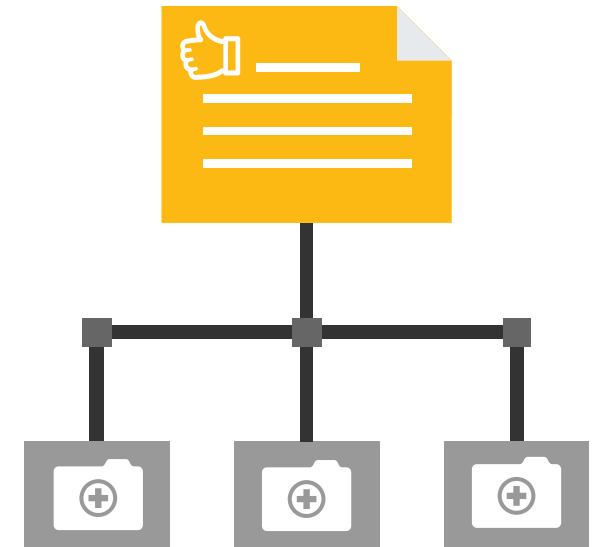
- Common Communication Issues
  - Terminology Differences
  - Differences in Departmental Goals with Reconciliation
    - Reconciliation of the posting to the PAS
    - Reconciliation to the bank
  - Physical Location Differences
- These communication issues can be reduced by the implementation of an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





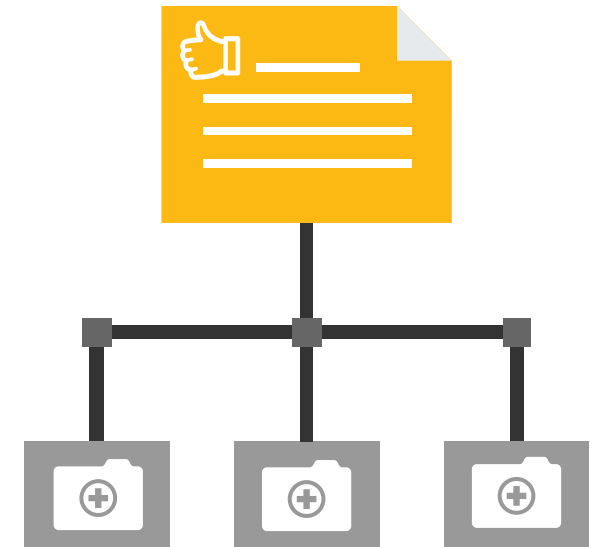
# Access to Appropriate Systems and/or Data

- 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



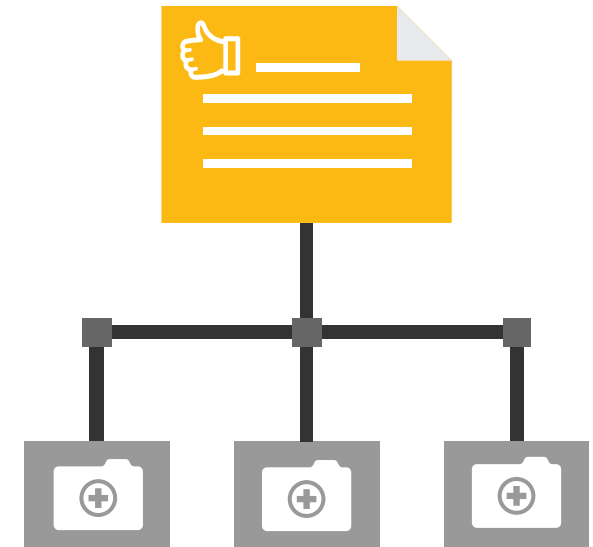
# Appropriate Controls in Revenue Cycle to Relieve Temporary Postings

- 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

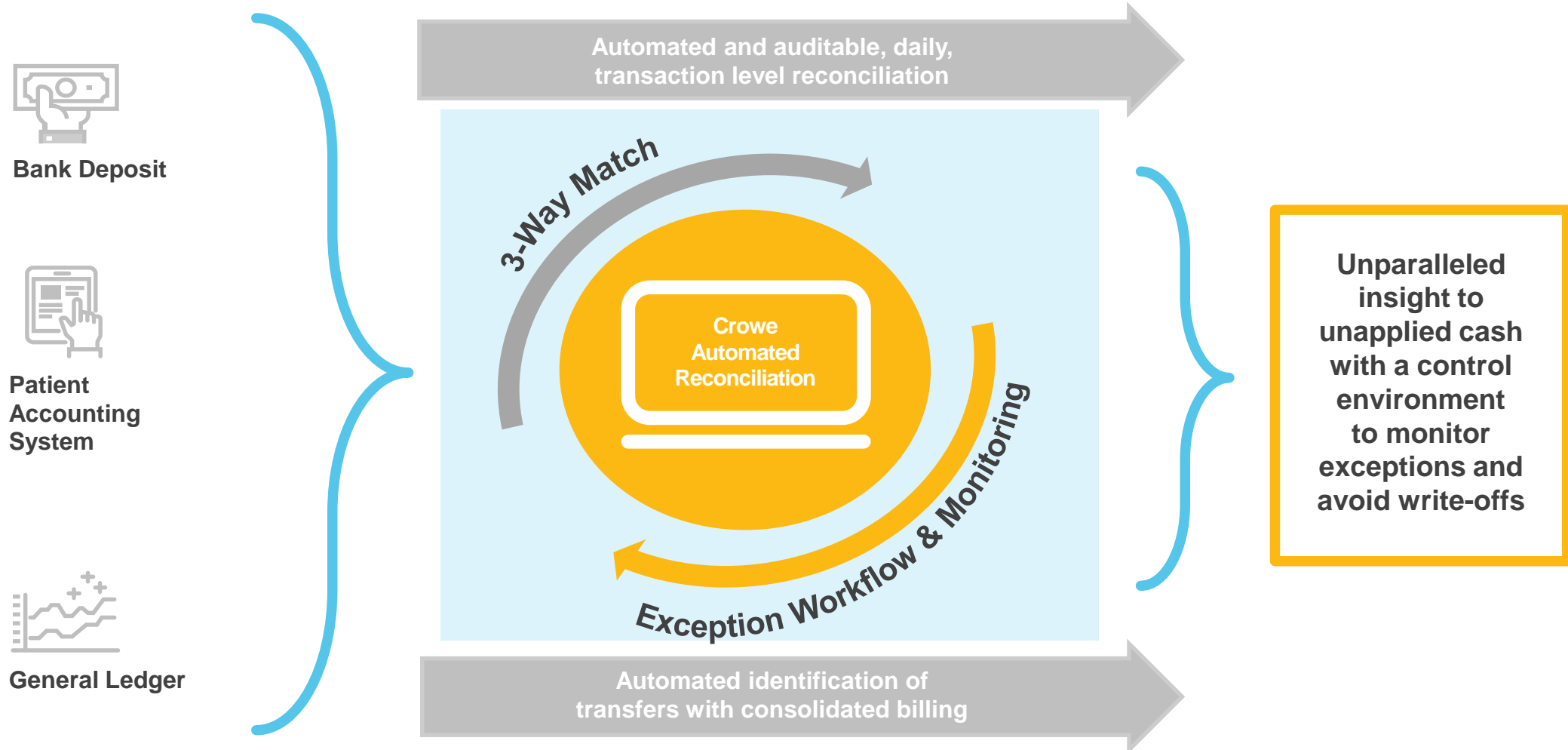
- Tips for Smooth Credit Card Reconciliations
  - Standardize your merchant processors and eliminate as many merchant processors as feasible
  - Be aware of timing differences between merchant statements and actual bank deposits
  - Monitor settlement statements to ensure appropriate posting to the patient 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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