



AVITUS DENTAL

**8 TIPS FOR TAKING
CONTROL OF YOUR
DENTAL PRACTICE'S
REVENUE CYCLE**

EBOOK BY KIM MCCLESKY



AVITUS DENTAL'S GUIDE TO IMPROVING YOUR PATIENTS COLLECTION RATE.

LEARN HOW TO AVOID AN INDUSTRY AVERAGE MONTHLY LOSS OF \$6,000.

Are you leaving money on the table when it comes to your practice?

You probably know this by now: revenue is looking up in the dental world, with projected revenue growth continuing for practices across the country. However, a growing trend shows us that although revenue is on the rise, collection rates are dropping. In 2008, average monthly revenue came in at \$93,817, rising nearly 30% to \$121,546 in 2015. By contrast, the collection rate across the same time span actually dropped 5% from around 90% to 85%.

We'll do the math for you: 5% of \$121,546 means a monthly loss of \$6,077. Multiple that by twelve, and you'll get a whopping annual loss of \$72,927 — nearly six figures in annual loss just due to inefficiency on the back end of your practice!

Streamline your office workflow and revenue cycle.

When your revenue cycle is managed correctly, these types of losses can be greatly diminished. Healthy practices see collection rates rise significantly with professional management, sometimes as high as 98% or even 99%. Read on to learn about the eight different ways you can ensure you're managing a revenue cycle that will work for your business — and not against it.

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DEVELOP A MANAGEMENT SYSTEM THAT WORKS FOR YOU.

To keep the business aspect of your practice running smoothly, it's important for to track and manage various data points along the dental revenue cycle, including adjustments, refunds, and accounts receivables. With a strong system in place to properly manage these points, you'll have the keys you need to increase your practice's collection rate as well as your overall cash flow.

“Managing dental practices through trial-and-error costs you time, productivity and even self-esteem.”



GET TO KNOW THE LINGO.

USE THIS VOCABULARY CHEAT SHEET
WHEN REVIEWING YOUR REVENUE CYCLE.

Production/Gross Production

The measure of work performed (although not an indication of actual production available for collections).

Production/Net Production

The measure of work performed, after all adjustments are made. Reducing the impact of adjustments increases the potential cash flow from production.

Adjustments

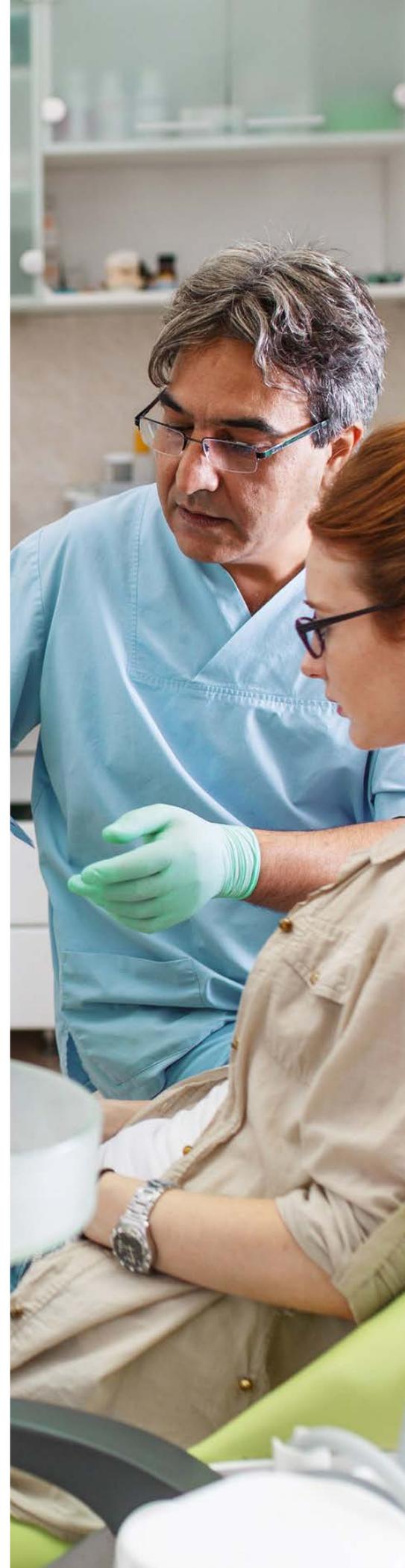
Money taken off production that is uncollectable. After accounting for all adjustments, net production represents the actual dollars available for collection.

Refunds and NSF Items

This includes returned checks, insurance overpayments, prepayments not utilized and unpaid patient bills. Investigate and approve all refunds to ensure they are valid. Erroneous or fraudulent refunds reduce cash flow and can signal significant problems.

Accounts Receivable (A/R)

This includes all outstanding collections owed from both the patient and the insurance. The aging accounts receivable report disaggregates the total balance into the number of days outstanding. An increase in A/R can reduce the collection percentage in one period, while a decrease in A/R can have the opposite impact on the collection percentage.





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DO THIS...

- Start with the basic write-offs and add write-off categories as needed.
- Decide what write-offs require managerial approval.
- Review all write-offs monthly, looking for creeping trends.
- Audit write-offs periodically to make sure they are being done correctly.
- Use best practices for unnecessary write-offs to keep them below 5% of your total expected collections.
- Monitor patient overpayments. Notify patients of overpayment and suggest either refunding the excess or applying it to future payments.
- Monitor insurance overpayments. Verify the overpayment with the insurance carrier, then ask, in writing, for a refund request. Once you get it, fill it out, send the refund check and adjust the account accordingly. Never send a refund check to an insurance carrier without getting an official refund request first.

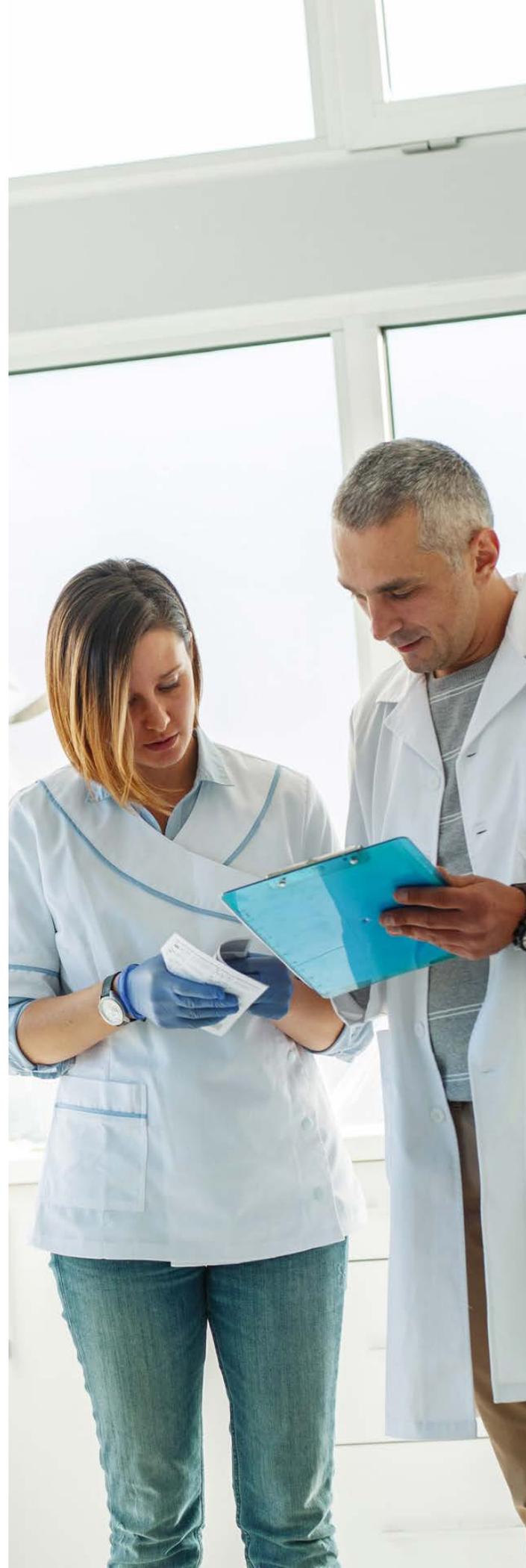
“Create a thriving business while being able to focus on your primary purpose: delivering exceptional dental care.”

...NOT THIS

- Waive patient copayments.
- Use incorrect contractual write-offs.
- Use unapproved write-offs.

REDUCE AS MANY ADJUSTMENTS AS POSSIBLE.

- Negotiate the in-network reimbursement fee with insurance plans.
- If you take Medicaid, educate yourself and your team on how to manage the patient through the entire revenue cycle.
- Educate and train your team on how to properly read EOBs and make correct adjustments.
- Update and train your team on new laws affecting covered benefits and how they affect your patients' out-of-pocket costs.
- Implement a system for establishing discounts and adjustments for patients and procedures.
- Read your insurance contract to see if write-offs or courtesy adjustments for patients on insurance plans violate your contract.



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STAY CURRENT ON THE COORDINATION OF BENEFITS.

With ever-changing insurance plans, limitations and policies, you and your team need to be clear on how coordination of benefits works for you and your patients. If your team doesn't know how to handle patients with dual insurance coverage, you could be losing a lot of revenue.



PRACTICE TROUBLESHOOTING SCENARIOS WITH YOUR ADMINISTRATIVE STAFF.

TRY OUT THE FOLLOWING SCENARIOS TO GET YOUR TEAM PREPARED FOR HANDLING DIFFERENT SITUATIONS REQUIRING BENEFIT COORDINATION.

Scenario

Your patient is the subscriber on two dental plans. Which plan is the primary plan?

**Solution**

The plan that has covered the patient the longest is the primary plan.

Scenario

Your patient has an insurance plan through her employer and an additional plan through her husband's employer. Which plan is the primary plan?

**Solution**

The plan your patient is the subscriber on is the primary plan, with the other as secondary.

Scenario

Your patient has a dental plan through her new employer and either a COBRA or retiree plan through her old employer. Which plan is the primary plan?

**Solution**

The plan through her current employer is the primary plan, with a COBRA or retiree plan as secondary.

Scenario

Your 7-year-old patient has coverage through both her parents' dental insurance plans. Which plan is the primary plan?

**Solution**

The birthday rule applies. Coverage comes through whichever parent has the earlier birthday in the calendar year.

USE THIS BENEFIT COORDINATION CHECKLIST.

- When verifying benefits for patients who have dual insurance, always ask how the plans handle coordination of benefits and if there is a non-duplication clause.
- Only group/employer plans are required to coordinate.
- If a patient has dual insurance and one of the plans is not through a group/employer but is an individual plan, it does not coordinate. Be sure to warn patients thinking of buying an extra individual dental plan on top of their group/employer plan to get more coverage.
- When a patient has a group/employer plan and Medicaid or Medicare, the group/employer plan is always primary and Medicaid or Medicare is always secondary.
- Be sure to set up patients' first and last names in your software system exactly as they appear on their insurance cards.
- Make sure the office address is correct and matches the W-9 that the insurance carrier has on file.
- Ensure that the employer information is exactly as it appears on the insurance information. If a patient says Verizon, for example, but the insurance carrier says Verizon Wireless, Inc., use what the carrier uses.
- Double-check that all numbers are correct, including unique IDs, NPIs, drivers licenses and tax IDs.



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AND DON'T FORGET — MAINTAINING YOUR REVENUE CYCLE MEANS MAINTAINING YOUR PRACTICE.

Many providers don't realize that missing even a single piece of pertinent information can cost your practice. Using best practices in this area ensures accuracy, streamlines billing, and creates an efficient claims process. It can also dramatically decrease your team's coordination efforts.



INTERESTED IN PROFESSIONAL MANAGEMENT?

Avitus Dental specializes in helping dental practices streamline their office management and collection to help avoid loss and save time. Contact us now to learn more about our services and find out how the savings they bring can even pay for themselves.

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