

Case Study: Disaster Averted. Hospital Credit Balances Resolved



Client: A large RCM company servicing over 4,400 hospitals and physician groups nationwide.

Challenge

- Company acquired contract from a hospital, with over \$123 million in A/R
- Over \$32 million in credit balances
 - Incorrectly posted payments
 - Patient overpayments of over \$3.75 million
 - Contract manager issues
- Compliance risk due to credit balances not resolved in a timely manner
- Credit balance accounts growing at an alarming rate
- Distorted A/R due to unresolved credits
- Inatant requirement of reducing credits from \$32 million to under \$15 million

The GeBBS Solution

GeBBS has maintained a team specialized in resolving credit balances since 2010. The team is comprised o highly-qualified individuals with a hospital accounting background and strong analytical skills. As part o the implementation, an experienced GeBBS transition manager was deployed on site to understand the clients existing workflow. A team of 18 FTEs were assigned to analyze the credit balances and identify root causes.

Highlights of the solution include:

- Detailed study of credit balance accounts and payment posting processes
- Review of ERS rules engine on the client's billing system and process improvements
- Account balance based resolution strategy implemented
- Patient credits moved to outstanding patient accounts
- Incorrect contractual adjustments reversed
- Unclaimed property worth \$4.5 million adjusted within three business days

Results

- Credit balances reduced from \$32 million to \$15 million in 45 days
- Process improvements made to prevent new credits
 - Replacement of contract manager to ensure correct contactural adjustments
 - ERS rules engine updated to prevent automated posting that would create new credits
- Further reduction from \$15 million to under \$6 million in 90 days
- Old credits over six months resolved on priority
- Compliance risks mitigated

GeBBS credit balance analysts are among the most experienced revenue cycle consultants in the industry. They undergo a rigorous selection and training process to ensure they can hanle complex credit balances cases.

**Are credit balances impacting your A/R?
Get impactful results with GeBBS today!**



GeBBS team provides value-added credit balance resolution services.

Key Features

- 150+ experienced credit balance analysts
- 30% average cost savings of managing credits
- Secondary billing opportunities
- Increase compliance
- Increase profits
- Scalable: quick ramp up, flexible deployment models
- Focus on process improvement: prevent new credit balances

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Credit Balance Resolution

HFMA calls credit balances the “stealth aircraft of hospital patient accounting.” This is because the credit balance is a liability that is hidden within the accounts receivable ledger. This liability carries with it real and serious financial and compliance risk. It is your fiduciary responsibility to manage these real risks. Industry data shows that over 55% of credit balances are a result of incorrect posting of allowances.

Federal Register published rules that went into effect in mid-March 2016 that:

Providers must repay Medicare overpayments within 60 days of identifying the overpayment, although they can take up to six months to investigate suspected overpayments. Providers must repay identified overpayments occurring within the past six years. Repayments can be made by refunds, claims adjustments, a credit balance, or another appropriate process.

Penalties are stiff for noncompliance. Providers that do not report and repay the overpayments are subject to penalties under the False Claims Act and could be prohibited from participating in federal healthcare programs, according to CMS.

GeBBS has built strong working relationships with our clients to consistently meet their needs as credit balance backlogs are prioritized and processed. Incorrect adjustments, erroneous credits, and misuse of debit codes makes this credit balance task quite challenging, requiring precision, attention to detail, and a focus on operational excellence.

GeBBS has maintained a team specialized in credit balances resolution since 2010. The team is comprised of highly-qualified individuals with a hospital accounting background and strong analytical skills. All GeBBS analysts are diligent and well trained to ensure outstanding credit balances are accurately resolved in an expeditious manner. We understand a professional and cooperative environment is the key to resolving more credit balances, many of which become ‘account corrections’ as opposed to actual ‘refunds’; hence, our operational model is highly client-centric.

Highlights

- Analyze accounts along with EOBs
- Work all assigned accounts - big and small-balances
- Resolve all accounts - inspect for patient liability or other adjustment issues
- Determine if double payments were made - if so, refund as required
- Check for duplicate payments made for the same account
- Many credit balance analysts have earned or are earning the designation of Certified Patient Account Technician (CPAT) from AAHAM

Credit Balance Causes

