



Accounts receivable is an important part of any business since collecting outstanding debts is the only way to keep a business functioning. Medical accounts receivable have special considerations since most of the money must be collected from medical insurers which involves completing complex forms and conforming to each insurer's requirements.

Collection Tip of the Month

When Dave and I ask questions about our clients' accounts receivable (A/R), we usually get answers like, "Our A/R is low." "Our A/R is \$XX." But when we ask them if they think that is good or bad, most of our clients are not sure. One reason they are not sure is because they don't know the benchmarks for measuring results. Following are some key performance indicators and benchmarks that will help you evaluate your offices performance:

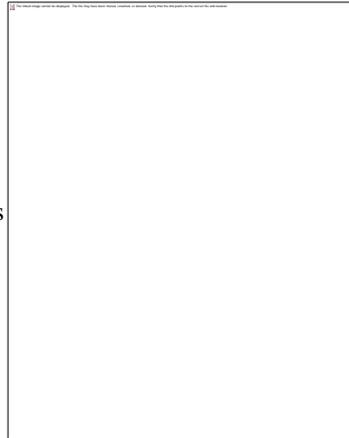
Days In A/R: Take your total charges for the last 6 months \div number of days in the last 6 months = average daily charges. Then, take your total A/R \div average daily charges = days in A/R. Example: 6 months charges = \$300,000, there were 180 days in the 6 months. $\$300,000 \div 180 = \$1,667$. Your A/R is \$75,000. $\$75,000 \div \$1,667 = 45$ days in A/R. National benchmarks are 35-45 days in A/R.

A/R that is 120 days or older: National benchmarks are 12-18% of your total A/R.

Aging Buckets: 0-30 days = 53% of total A/R. 31-60 days = 16%. 61-90 days = 8%. 91+ days = 23%.

Bad Debt: 6-10% of total charges.

Quick Check of A/R: Another easier check is that your A/R should not be more than 1.5 x's your average monthly charges.



Our recommendation is to use these national averages as a guide. Track them on a monthly basis and strive to implement best practices that will help you to continually improve your averages.

Independent Physicians Advisors Meeting:

Reputation Management: How To Leverage Social Media

The IPA is a group of independent physicians that meet on a monthly basis to discuss various healthcare issues. It is a great way to network with your peers who are facing same issues that you are. The goal of the IPA is to improve core

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business operations for independent healthcare providers through shared learning and support. Their members provide key strategy and operational services that foster sustainable growth and enable the physician and practice owners to focus on patient care. The next meeting will be held on Thursday, March 19, starting at 7:30 a.m. Location is the Redstone American Grill in Oakbrook Terrace. The topic is: **Reputation Management: How To Leverage The Power of Social Media & Reviews.** You will learn how to develop a website, best practices on broadcasting your message, building positive ratings, and measuring your social media impact. You can sign up by clicking on the following link: <http://www.ipamd.com/seminars.php> . If you have any questions, please do not hesitate to call me.

How Can I Earn CEU's By Attending a CDA Seminar?

Many of you belong to various professional medical office management associations and are looking for industry professionals to conduct a seminar at your local or state meetings. CDA is now offering a free seminar called "9 Red Hot Ingredients to Fire Up you're A/R Collections in Just 30 Minutes a Week?" for your medical or office managers association. We will be conducting a seminar for the American Association of Professional Coders in February and they will receive 2.0

CEU's towards their professional certification for attending. Also, we were approved by the American Academy of Medical Administrators are allowing their members 1.5 CEU's for attending a live seminar or webinar.

You can view a short video on the seminar by going to <https://www.cdac.biz/spiceitup>

If you are interested in learning more about how you can bring our seminar to your association, please call Dave or Tony.

Thank You For Your Trust!!

We are looking to help more clients like you. The greatest form of flattery is when one of our clients refers us to one of their colleagues. If you know someone that can benefit from our services, let us know and we will be glad to follow up.

Chef Dave's Kitchen

SHERRY BEEF STEW

1 lb. stew meat
1 pkg. dry onion soup mix
1 can cream of mushroom soup
1 cup sherry
1/2 cup water
1 small can mushrooms

Mix all ingredients in oven casserole or pan. Don't brown meat as it browns while cooking. Bake 4-5 hours at 350 degrees or 7-8 hours at 250 degrees. Serve over cooked noodles or rice. A family favorite for busy days.

All the best,

Tony Muscato, VP of Sales

www.CDAC.biz



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