





ArcBITS Newsletter

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ArcSys Hot Tip

Many data entry screens have an array of buttons at the bottom. You can get an idea of which buttons are commonly used in each screen. From the menu,  click on the icon,  This will bring up  a list of choices. Select  "button use". This will generate a report. You may want to consider removing unused buttons. Contact us for assistance. The history of button usage gets cleared out monthly. You'll see the date this occurred listed at the top of the screen.

001, 002, 003...

As many readers of this newsletter know, ArcSys is a descendant of MegaWest. This publication, ArcBITS, came from the old MegaBits. In the early 80s when MegaWest was getting started, we assigned customer numbers starting off with 001 and incremented from there. During those early days MegaWest was involved in building custom software for different types of businesses. Here is a brief history of those early pioneers who endured the beginnings of the famous "dot-dot" commands.

001 Romney Produce. This was a wholesale distributor of fruits and vegetables. They were based in El Paso TX and Phoenix AZ. The software handled inventory, order entry, distribution and financial accounting.

002 Richfield Reaper. This business is located in Richfield UT. They are still a current client of ArcSys. In the early days they utilized all the financial software to run their business. Additionally, it handled subscription and print ad billing.

003 Enoch Smith Sons. This was a construction business which specialized in laying pipelines and road construction. The custom software was job costing to track how much was being spent on each project.

004 Dunford Bakeries. Utah people are familiar with this brand. The custom software for this business gathered all the orders from jobbers and then produced a production list of how much dough was required to make, say, 8458 chocolate donuts. Recipes were stored in units of measure like teaspoon, cups and ounces..

006 Amsco Windows. This was a complex business where orders for windows were received. Windows, as you may know, are ordered in inches like 34 3/8 by 42 7/8. Zillions of labels would be produced to stick on glass and aluminum extrusions. (This is where Scott Wood started before moving to MegaWest.)

Eventually we started a new numbering system for the medical clients. Among those were the following

12 Western Neurological Associates. They took a huge leap of faith by coming on board with a little tiny company in 1983. After 40 years of success, a change in ownership took place a couple of years ago and eventually ended in financial ruin.

22 Utah Physician Care Center. Originally known as Internal Medicine Limited, doctors Stanchfield, Ritchie and Kurrus became the first EMR users for MegaWest.





Handling Credits

The final page of the End of Month report contains a wealth of information about the health of the accounts receivable. Here is a sample:

ACCOUNTS RECEIVABLE AGING
FOR PERIOD ENDING 31 MAY 2018

	ACTIVITY					AGING					
	BALANCE FORWARD	DEBITS	SERVICE CHARGE	CREDITS	ENDING BALANCE	OVER 150	120-150	90-120	60-90	30-60	CURRENT
	207,196.89	262,986.23	0.00	257,524.91	212,658.21	-70,379.74	8,536.84	14,822.99	30,345.02	59,170.72	170,162.38
Non-Credit Accounts Receivable					404,075	103,303	11,674	18,817	34,994	61,585	173,702
Insurance Accounts Receivable					168,295	839	0	570	1,438	18,431	147,017
Self-Pay Accounts Receivable					235,622	102,306	11,674	18,247	33,556	43,154	26,685
					XXX	-32%	4%	7%	14%	28%	80%
					:::	26%	3%	5%	9%	15%	43%
					ooo	0%	0%	0%	1%	11%	87%
					...	43%	5%	8%	14%	18%	11%

TOTAL ACCOUNTS	:16027	95									
NUMBER OF ACTIVE ACCOUNTS WITH ZERO BALANCE	:131										
NUMBER OF ACTIVE ACCOUNTS WITH CREDIT BALANCE	:1059	75	X								
NUMBER OF ACTIVE ACCOUNTS WITH DEBIT BALANCE	:1146		X								
TOTAL NUMBER OF ACTIVE ACCOUNTS	:2336	55	X								
AVERAGE BALANCE FOR THESE ACCOUNTS	:91.04		X								
NET CHANGE IS BUSINESS	:5,461.32	35	X	:							
*ACCOUNTS RECEIVABLE RATIO	:0.8257		XX	:	:						
*AVERAGE DAILY CHARGES	:9154.08	15	XX	:	:						
*DAYS OUT	:23		XXXX	:	:::				oo	

* ACCOUNTS RECEIVABLE RATIO: Computed by taking ENDING BALANCE and dividing by total CREDITS. 6 mo. avg: 0.5721
An increasing ratio could mean collections is falling behind.

* AVERAGE DAILY CHARGES: Computed by taking the year to date charges and dividing by the number of days in the year.
This value can fluctuate depending on the seasonal nature of the business. 6 mo. avg: 9461.05

* DAYS OUT: Computed by taking the ENDING BALANCE and dividing by the AVERAGE DAILY CHARGES. 6 mo. avg: 17
This ratio gives a measure as to how long it is taking to collect. If the ENDING BALANCE was getting larger each month and the monthly production was constant, then the business is taking longer to collect.

To summarize, "good" may be quantified as a declining a/r ratio, an increasing average daily charge, and declining days out. Based on this criteria, for this month, the business made a score of 0 out of 3.

** BILLING METRICS **
Percent of non-credit A/R over 90 days : 34 - ALARM BELLS !!!
Days out : 23 - Good
Adjusted collection rate : 68% (191,674/283,680) - Below average
Claim denial rate : 0% (0/3346) - Exceptional

Notice that the total a/r stands at 212,658 but the total non-credit a/r stands at 404,075. Further there are 1059 accounts with a credit balance. So in this instance the total a/r is being understated because of the number of accounts which have credit balances. In this case the total credits is approaching \$192K.

Creating a report showing which accounts have a credit balance is easy (look for Credit Balance in the reports menu). Dealing with credit balances is **not**, however, an easy task. Each account must be scrutinized to see if the credit is due to patient overpayment, insurance overpayment, over credit adjustments or a combination. The following open items show how things were applied:

#	date	code	code	amount	primpai	secopa	otherpa	adjust	balance	key	apply	prim	claim	ref	writeof	code2
1	12/30/16	99204	EXTENDED	211.50	-131.14		-211.50	-45.36	-176.50	3093356		PEHP	01/03/17	3		
2	12/30/16	29	CREDIT CA	-211.50						3093372	3093356			004		
3	01/11/17	16	PEHP INS	-131.14						3096132	3093356	PEHP		E57959	-45.36	PEHP
--				-131.14	-131.14	0.00	-211.50	-45.36	-176.50							-45.36

Now you must decide if you refund the patient 176.30 or 211.50. To more completely answer that question you will need to look at the explanation of benefits from the insurance. If you are handling electronic remits, then it is a "simple" matter of clicking on line 3 (the insurance payment) and then clicking on the ShowEOB button. This will bring up the content of the eob and then you'll have a better idea of how to handle the refund.

Set a goal to process "x" number of accounts every week to reduce the number of accounts with a credit balance. It will take time but the effort will be well worth it.