# ArcBITS Newsletter

## ArcSys Hot Tip

In the lower right hand corner of the Menu is the version number of the release of Red Planet that your business is using. Starting with version 2.0.5, this is now identified as a button. Clicking on this button will present a screen showing all of the documented changes that comprise each release. Radio Buttons are available that allow you to narrow the range of information being presented.

Red Planet 2.0.5

## Balancing Act

The Red Planet accounts receivable is built around a very simple model: Each CPT, code, procedure or transaction is composed of a single computer record. A patient visit may consist of several procedures and so it follows that each of these procedures is turned into a single computer record.

As payments or adjustments are entered, yet another separate computer record is generated and uniquely applied to each individual charge.

Thus, there becomes a fundamental rule that only 1 payment record can be applied to 1 visit code. Simple. Succinct. Other payments *can* be applied to the same visit code. This gives rise to the concept that there are two types of transactions that exist: Charges and Payments. (Please note, the term "payment" can include adustments, as well.) Only payments can be applied to charges. Charges cannot be applied to payments.

Every transaction has a status: C for charge, and P for payment. When a posting occurs, an edit check is performed to verify that only a P status transaction can be applied towards a transaction with a status of C. Only P transactions can be moved (re-applied) to C transactions.

All of this is important to know when it comes to creating analysis reports. You can know how much money was collected in a month OR how much was charged. But, asking how much was collected on the charges in a given month, is a moving target. This is because money collected today could be applied to charges that occurred this month, last month, or a year ago.

For any given charge, Red Planet can easily tell you how much was received on primary insurance payments, secondary, or personal. It can tell you when the most recent of each of these payments occurred.

On the flip side, for a given month, Red Planet can tell you how much was applied to various charges regardless of when the charge took place. Thus, you can tell with 100% accuracy that the money deposited to your bank was applied to which procedures and services.

This simple design makes it easy to verify that all the underlying files and corresponding reports within your Red Planet system balance to each other.

# New Collections

The challenge related to receivables is finding those charges which have not been paid. Putting the charge into the system is easy. Entering the payment and applying is easy, too. But, over time, the number of outstanding charges can start to grow very quickly and get out of control.

As with any problem, if you can **sub-divide** it into smaller pieces, a mammoth task can become more manageable. The traditional method in managing receivables is to utilize aging, because anything that is old must have a problem. The end of cycle aging report can be a good starting point to look at problem accounts. If there are sufficient staff, the report can be broken up (**sub-divided**) and handed to each person with the directive to work on the accounts that are over 150 days. When all of those accounts are done, work on the 120 days, then the 90, and so forth.

Within Red Planet, we can customize the method or reports that works best for you and your staff when it comes to **sub-dividing** your receivables. Working by insurance company may be your preferred method, for instance. There is no "best" method of **sub-dividing** because each business has unique requirements.

Red Planet utilizes what is known as a Worklist. Each user can have their own Worklist. But, collectively, all of the users who are working collections must cover all of the receivables—consistently. That is, having one user focus on accounts over 120 days and one focus on Medicare would cause overlaps and duplication of effort. A Worklist sample is shown here:

| | prim | date | code | amount | balance | action | patien | last |
|---|---|---|---|---|---|---|---|---|
| 1 | VAL | 10/06/10 | 99460 | 165.00 | 115.52 | 01/05/11 | 6640 | SILVESTRC |
| 2 | VAL | 10/07/10 | 99238-25 | 92.00 | 13.63 | 01/05/11 | 6640 | SILVESTRC |
| 3 | | 11/22/10 | 90744 | 68.00 | 22.94 | 12/23/10 | 6520 | PETERSON |
| 4 | AET | 12/01/10 | 99213 | 81.00 | 13.09 | 05/29/11 | 39540 | WICKARD |
| 5 | SEC | 12/15/10 | 99212 | 50.00 | 10.00 | 06/12/11 | 24692 | BOLIN |
| 6 | AET | 12/15/10 | 69210-59 | 80.00 | 0.18 | 05/19/11 | 39540 | WICKARD |
| 7 | CNIC | 12/17/10 | 99460-25 | 165.00 | 64.40 | 07/29/11 | 7110 | BERRY |
| 8 | CNIC | 12/17/10 | 54150 | 300.00 | 215.06 | 07/29/11 | 7110 | BERRY |
| 9 | CNIC | 12/18/10 | 99238 | 92.00 | 80.52 | 07/29/11 | 7110 | BERRY |
| 10 | CNIC | 12/20/10 | 82247 | 25.00 | 2.64 | 07/23/11 | 7110 | BERRY |

The user then clicks on the accounts to be managed. There is no need to keep hand-written notes on reports—everything is recorded and tracked electronically. Because of the unique indexing that Red Planet employs, the Worklist can be quickly re-generated. This is important because as others are entering payments, the Worklist can be changing dynamically.

Clicking on one of the entries will then present the following screen. The user can create a letter, put a new message on the account, change the alert message, or update the action date.

| Transaction | 1 of 1 (2382991) |
|---|---|
| Create letter number | |
| New message | |
| New alert | |
| New action date | ○ 1week ○ 2weeks ○ 3weeks ○ 4weeks |

There is sufficient detail shown for each account to be able to make informed decisions. Included

```
6640 SILVESTRO, SAMUEL 10/05/2010 M
** Last insurance payment:  -93.01 06/20/11  Total in last 60 days:
** Last personal payment :  -29.84 07/12/11  Total in last 60 days:
** Action log **
03/13/12 SWAPPED S:2429004 S:2446349
** Messages **
03/13/12 AND TYPE A VERY LONG MESSAGE WITH LOTS OF STUFF
** Insurance **
588 VALUECARE 1-877-417-6222 ZHV950030350 30010301
Date.... Code............... Amount. Writeoff Balance Action.. Claim... S/P  Filedto
10/07/10 99238-25             92.00            13.63 01/05/11 11/19/10 Pers 588
12/03/10 11                    0.00  -8.21
07/12/11 1.2 CREDIT CARD COPA -70.16
     ----
10/06/10 99460               165.00           115.52 01/05/11 11/19/10 Pers 588
12/03/10 11                    0.00 -49.48
     ----
02/02/11 99  INTEREST CHARGE   5.16             5.16                   Pers
     ----
```

are things like last payments, action logs, messages, insurance information, and account posting detail. Additionally, when the claim was last generated, if it is in suspense or private, and who it was filed to. Once a client account is "worked" it will no longer appear on the Worklist.

Thus, in a perfect world, the Worklist will get shorter as the client accounts are managed. Managing collections takes time and patience, but the efforts are worth the energy expended.