
AR Valuation in Healthcare

Presented by:

Michele Smith, Regional Accounting Mgr

Heather Heise, Sr Accounting Analyst



Sutter Health
Sacramento Sierra Region

A Little Background...

- Our department provides accounting support for nine acute care facilities
- Methodology was developed 3 years ago
- Overall cash lookback percentage compared to Net AR calc improved
- Added 3 new facilities to our responsibilities with no increase to FTEs

AR Valuation in Healthcare

- Zero Balance Accounts (ZBA)
 - Preparation/Reporting
 - Analysis

- AR Valuation
 - Preparation/Reporting
 - Analysis

The numbers & percentages in this presentation do not represent any of our facilities – they were created specifically for this presentation.

ZBA Selection Criteria

Accounts selected for the ZBA calculation are pulled from the AR system and have the following criteria:

- Are zero balance – they have been paid/adjusted so that no remaining balance is expected to be received.
- Discharged within the last 6 ½ months (a portion of the current month and the previous six full months).

ZBA Data

There are adjustments/exclusions made to the data prior to calculating the write-off percentage:

- Payment refunds for the accounts are pulled and the paid amount is adjusted for refunds.
- Transfers/merged accounts are accounted for, such as:
 - Mom/Baby – in cases where the charges related to a normal newborn have been added to the mother's account.
 - Facility Transfers – in cases where a patient was transferred from one affiliated facility to another (and their accounts have been combined).
- Excluded Accounts – during ZBA Analysis there are sometimes specific accounts selected for exclusion.
- Adjustments based on various business needs - based on unique elements in your data set.

ZBA Calculation

The ZBA percentage is the write off percentage of an account. To arrive at the ZBA:

- Calculate the inverse of total payments received as a percent of total charges.
 - Total charges are the sum of all charges, including transfer charges.
 - Total payments are the sum of insurance and patient payments, less refunds.

ZBA % Calculation

Charges	3,000.00	
Transfer charges	<u>1,500.00</u>	
Total charges	4,500.00	Charges + transfer charges
Insurance Payments	4,500.00	
Patient Payments	900.00	
Payment Refunds	<u>1,500.00</u>	
Total Payments	3,900.00	Insurance Pmts + Patient Pmts - Refunds
ZBA write off %	13.33%	$1 - (\text{Total Pmts} / \text{Totals Charges})$

Levels of ZBA Calculations

- Minor financial class – this level is the lowest level used in the AR valuation process.
- Major financial class – this level groups types of payors and produces a write-off percentage for the entire group.
- Weighted Average – this level groups all data at the inpatient or outpatient level and produces a write-off percentage for the whole level.

Report ~ ZBA Trend

		ZBA Trend Your Hospital														
Inpatient		<u>Allow</u> <u>Variance</u>	<u>AR Val</u> <u>8/31/2007</u>	<u>AR Val</u> <u>Source</u>	<u>Nov 07</u>	<u>Oct 07</u>	<u>Sep 07</u>	<u>Aug 07</u>	<u>Jul 07</u>	<u>Jun 07</u>	<u>May 07</u>	<u>Apr 07</u>	<u>Mar 07</u>	<u>Feb 07</u>	<u>Jan 07</u>	<u>Dec 06</u>
I.A	Payor One	-54,038	81.03%	ZBA	77.41%	80.53%	79.80%	81.03%	81.20%	80.93%	80.77%	80.46%	79.84%	79.16%	79.12%	78.64%
I.B	Payor Two	11,835	76.48%	ZBA	78.88%	82.07%	76.88%	76.48%	78.59%	77.82%	80.80%	83.16%	78.16%	70.64%	74.00%	74.54%
II.A	Payor Three	20,474	68.04%	ZBA	68.06%	69.34%	68.11%	68.04%	68.04%	67.82%	67.45%	68.10%	69.02%	70.07%	70.54%	70.73%
II.C	Payor Five	-545	96.90%	ZBA	93.94%	96.76%	96.90%	96.90%	97.04%	96.85%	97.63%	95.29%	89.48%	58.71%	83.66%	76.09%
II.D	Payor Six	-29,353	83.65%	ZBA	81.04%	84.16%	84.15%	83.65%	83.76%	84.20%	83.75%	83.96%	83.99%	84.55%	84.24%	84.63%

This report provides:

- A rolling 12 month trend of the ZBAs.
- ZBA % that is currently being used in the AR valuation
- Dollar impact if the current month's calculated ZBA had been used to value the prior month's AR.

We use this report to easily see what fluctuations a particular financial class has been experiencing.

Report ~ ZBA Variance

ZBA Variance Report - Your Hospital										
Template ZBA Month End				8/31/2007						
Current ZBA Month End				11/30/2007						
***Does not include CAP accounts										
Inpatient										
<u>Minor Financial Class</u>		<u>Gross A/R</u> <u>Prior Mo</u>	<u>AR Val</u> <u>W/O %</u>	<u>Source</u>	<u>Calc Allow</u>	<u>Current</u> <u>W/O %</u>	<u>Source</u>	<u>Calc Allow</u>	<u>Variance</u> <u>W/O%</u>	<u>Variance</u> <u>Calc Allow</u>
LA	Payor One	2,121,698	81.03%	ZBA	1,719,228	78.48%	ZBA	1,665,190	-2.55%	-54,038
LB	Payor Two	348,047	76.48%	ZBA	266,200	79.88%	ZBA	278,035	3.40%	11,835
IIA	Payor Three	1,490,802	68.04%	ZBA	1,014,310	69.41%	ZBA	1,034,784	1.37%	20,474

This report provides a more detailed comparison of the current ZBAs to the ZBAs that were used to value the prior month's AR. It illustrates:

- The variance of the prior month's ZBA to the current ZBA
- The variance of the prior month's calculated allowance to the calculated allowance if the current ZBA had been used.

Report ~ ZBA Analysis Query

ZBA Analysis Report by Minor Financial Class/Patient Type									
Your Hospital - For the month ending 11/30/2007									
<i>IV.C</i>	Payor Thirteen	Inpatient							
	Payor Code	Acct No.	Total Crgs	Trans Crgs	Baby Crgs	Ins Pmts	Pt Pmts	Refunds	Write-Off %
6003	600 Payor Thirteen	1735	\$10,446.81	\$0.00	\$2,615.38	\$5,819.50	\$2,060.00	\$0.00	39.68%
6003	600 Payor Thirteen	717	\$122,235.74	\$0.00	\$0.00	\$80,326.34	\$0.00	\$0.00	34.29%
6003	600 Payor Thirteen	1000	\$79,416.32	\$0.00	\$0.00	\$8,496.47	\$0.00	\$0.00	89.30%
6003	600 Payor Thirteen	1004	\$10,813.40	\$0.00	\$1,596.71	\$3,862.50	\$0.00	\$0.00	68.88%
6003	600 Payor Thirteen	10442	\$37,881.55	\$0.00	\$0.00	\$4,832.76	\$206.00	\$0.00	86.70%
6003	600 Payor Thirteen	11156	\$10,035.93	\$0.00	\$4,463.45	\$4,723.58	\$772.50	\$0.00	62.09%
6003	600 Payor Thirteen	4576	\$100,098.18	\$0.00	\$0.00	\$65,778.82	\$0.00	\$0.00	34.29%
6003	600 Payor Thirteen	1393	\$11,216.44	\$0.00	\$2,754.43	\$4,122.06	\$1,374.02	\$0.00	60.66%
6003	600 Payor Thirteen	9793	\$8,299.42	\$0.00	\$0.00	\$2,261.88	\$257.50	\$0.00	69.64%

This query provides the patient level detail of a specified minor financial class and patient type, which is needed for researching fluctuations within certain groups.

Report ~ ZBA to ZBA Comparison

Your Hospital										
Current ZBA to Prior ZBA Minor Financial Class Level Comparison by Payor										
Inpatient -		Current MoEndDate: 11/30/2007								
IV.C Payor Thirteen		Prior MoEndDate: 10/31/2007								
Payor	Current Month				Prior Month				Var % Tot	Var W/O%
	ZBA Charges	ZBA Payment	% of Tot	W/O %	ZBA Charges	ZBA Payment	% of Tot	W/O %		
6003	\$586,404.36	\$238,321.06	39.34%	59.36%	\$627,545.61	\$257,358.55	43.36%	58.99%	-4.02%	0.37%
6068	\$334,585.37	\$302,720.08	22.45%	9.52%	\$313,829.50	\$283,940.93	21.68%	9.52%	0.76%	0.00%
7011	\$516,188.99	\$204,817.87	34.63%	60.32%	\$449,340.10	\$172,207.18	31.04%	61.68%	3.58%	-1.35%
7062	\$53,480.58	\$19,007.62	3.59%	64.46%	\$56,718.36	\$21,755.66	3.92%	61.64%	-0.33%	2.82%
Total	\$1,490,659.31	\$764,866.63			\$1,447,433.56	\$735,262.33				

This report compares the current month ZBA to the prior month ZBA at an individual payor level. This allows us to monitor changes within a financial class at a payor level.

Report ~ ZBA to AR Comparison

Your Hospital								
ZBA to AR Minor Financial Class Level Comparison by Payor Code								
Inpatient -			ZBA Mo End Date: 11/30/2007					
IV.C Payor Thirteen			AR Mo End Date: 1/31/2008					
Current AR Val ZBA Percentage: 69.10%			Source: ZBA					
Payor	ZBA Charges	ZBA Payments	% of Tot	W/O %	AR Charges	AR Payments	% of Tot	Var % Tot
6003	\$586,404.36	\$238,321.06	39.34%	59.36%	\$260,170.65	\$50,788.00	37.63%	1.71%
6068	\$334,585.37	\$302,720.08	22.45%	9.52%	\$104,875.16	\$0.00	15.17%	7.28%
7011	\$516,188.99	\$204,817.87	34.63%	60.32%	\$123,375.43	\$52,928.00	17.85%	16.78%
7062	\$53,480.58	\$19,007.62	3.59%	64.46%	\$202,916.40	\$36,325.00	29.35%	-25.76%
Total	\$1,490,659.31	\$764,866.63			\$691,337.64	\$140,041.00		
Weighted Average Based on AR:					53.47%			

This report compares the payor mix of a minor financial class in the ZBA to the payor mix of the same minor financial class in last month's AR. This allows us to judge how well the ZBA represents the current AR.

AR Valuation Selection Criteria

- Debit balance accounts ~ balance greater than zero
- Data pulled by account:
 - Admit/Discharge Date
 - Primary payor
 - Patient type
 - Charges
 - Insurance/Patient payments
 - Refunds
 - Account balance

AR Valuation Methodology

AR is valued using a charge based methodology. This method of valuing AR arrives at net AR based on the expected payment of total charges, not from the AR balance.

- The expected payment is calculated by applying the ZBA payment percentage to total charges, within minor financial class and patient type.
- The calculated net AR is derived by subtracting total payments received from the expected payment.
- The allowance is the difference between the AR balance and the calculated net AR; if this amount is less than zero no allowance is booked.
- Aged accounts that are allowed for at 100% are not part of this methodology.

AR Valuation Calculation

Total charges	10,000.00	
ZBA pmt %	21.52%	
Expected pmt	2,152.00	Total crgs * ZBA pmt %
Pmts received	1,000.00	
Calc Net AR	1,152.00	Expected pmt - Pmts received
Gross AR	8,000.00	
Calc Allowance	6,848.00	Gross AR - Calc Net AR

Report ~ AR Valuation Summary

YOUR HOSPITAL							
Accounts Receivable Valuation Calculation - Summary Information - November 2007							
	Gross A/R	Calc Allowance	Accts > 270 Days	Total Allowance	Allowance %	Net A/R	Calc Net A/R
Inpatient	11,686,729	8,946,722	212,470	9,159,192	78.37%	2,527,537	2,527,537
Outpatient	13,821,983	9,102,802	390,830	9,493,632	68.69%	4,328,350	4,328,350
Total	25,508,711	18,049,524	603,300	18,652,824	73.12%	6,855,887	6,855,887

This is a summary of Gross AR, Total Allowance (sum of calculated allowance and aged accounts), Allowance % and Net AR. This summary when compared to the prior month's summary will provide a high level allowance % fluctuation.

Report ~ AR Valuation

YOUR HOSPITAL												
Accounts Receivable Valuation Calculation - November 2007												
		Gross	ZBA Pmt%	Expected	Payments	Calc Net	Payment %	Gross	Calc	Allow	ZBA	
		Charges	and Source	Payment	Received	AR	Complete	A/R	Allowance	%	W/O %	
Inpatient												
I.A	Payor One	4,987,338	21.52%	ZBA	1,073,083	-733,785	339,298	68.38%	1,469,511	1,130,213	76.91%	78.48%
I.B	Payor Two	945,653	20.12%	ZBA	190,225	-46,865	143,360	24.64%	847,095	703,735	83.08%	79.88%
II.A	Payor Three	1,868,642	30.59%	ZBA	571,595	-1,482	570,113	0.26%	1,744,465	1,174,353	67.32%	69.41%
II.C	Payor Five	265,327	5.78%	ZBA	15,324	0	15,324	0.00%	268,148	252,823	94.29%	94.22%
II.D	Payor Six	1,396,294	18.13%	ZBA	253,118	-460	252,657	0.18%	1,408,989	1,156,332	82.07%	81.87%
III.B	Payor Eight	28,600	14.14%	ZBA	4,043	0	4,043	0.00%	28,600	24,557	85.86%	85.86%
IV.A	Payor Eleven	405,628	28.63%	ZBA	116,151	-93,801	22,350	80.76%	181,824	159,474	87.71%	71.37%
IV.B	Payor Twelve	2,792,396	35.92%	ZBA	1,003,109	-668,331	334,778	66.63%	1,368,360	1,033,582	75.53%	64.08%
IV.C	Payor Thirteen	813,488	48.79%	ZBA	396,866	-286,059	110,807	72.08%	317,815	207,008	65.13%	51.21%
IV.D	Payor Fourteen	218,428	55.16%	ZBA	120,479	-54,465	66,013	45.21%	157,707	91,694	58.14%	44.84%
IV.E	Payor Fifteen	324,619	35.06%	ZBA	113,807	-24,279	89,528	21.33%	257,688	168,160	65.26%	64.94%
IV.F	Payor Sixteen	130,382	66.67%	ZBA	86,921	-52,538	34,383	60.44%	58,737	24,354	41.46%	33.33%
IV.H	Payor Eighteen	154,970	54.45%	ZBA	84,386	-7,329	77,056	8.69%	105,474	28,417	26.94%	45.55%
IV.I	Payor Nineteen	354,832	35.64%	ZBA	126,473	-80,883	45,590	63.95%	204,264	158,673	77.68%	64.36%
IV.J	Payor Twenty	130,727	21.20%	ZBA	27,710	0	27,710	0.00%	85,516	57,806	67.60%	78.80%
IV.K	Payor Twenty-One	6,831	94.65%	ZBA	6,465	0	6,465	0.00%	6,831	366	5.35%	5.35%
IV.L	Payor Twenty-Two	416,292	77.98%	ZBA	324,643	-97,908	226,735	30.16%	283,431	56,696	20.00%	22.02%
IV.M	Payor Twenty-Three	300,579	26.28%	ZBA	78,997	-13,878	65,118	17.57%	201,086	135,967	67.62%	73.72%
IX.A	Payor Twenty-Four	155,156	0.00%	CAP	0	0	0	100.00%	138,303	138,303	100.00%	100.00%
V.A	Payor Twenty-Five	2,292,223	2.30%	ZBA	52,751	0	52,751	0.00%	1,885,616	1,832,865	97.20%	97.70%
VI.A	Payor Twenty-Six	233,603	34.75%	ZBA	81,187	-40,228	40,959	49.55%	75,400	34,531	45.74%	65.25%
VI.B	Payor Twenty-Seve	7,344	33.99%	ZBA	2,496	0	2,496	0.00%	7,344	4,848	66.01%	66.01%
VII.A	Payor Twenty-Eight	802,817	0.00%	CAP	0	0	0	100.00%	308,576	308,576	100.00%	100.00%
VIII.B	Payor Twenty-Nine	1,262,784	0.00%	CAP	0	-144	0	100.00%	63,388	63,388	100.00%	100.00%
		20,294,952			4,729,829	-2,202,437	2,527,537	46.56%	11,474,259	8,946,722	77.97%	
	Over 270	1,212,736			0	-314,777	0		212,470	212,470	100.00%	
	Total Including Over 270	21,507,688			4,729,829	-2,517,214	2,527,537		11,686,729	9,159,192	78.37%	

Report ~ AR Aging

		0~30	31~60	61~90	91~180	181~270	271~360	360+	AR Bal
Inpatient									
LA	Payor One	1,276,373	54,682	23,684	71,227	43,545	6,093	1,140	1,476,744
LB	Payor Two	668,285	157,908	20,232	670				847,095
IIA	Payor Three	965,431	487,007	103,171	61,787	127,069	4,703	27,911	1,777,080
IIC	Payor Five	248,136			20,012				268,148
IID	Payor Six	655,715	392,874	107,427	252,973		9,972		1,418,961
IIIB	Payor Eight				28,600				28,600
IV.A	Payor Eleven	75,505	48,368	1,374	54,744	1,833	1,920		183,744
IV.B	Payor Twelve	663,708	154,234	92,549	313,838	144,032	80,986	39,169	1,488,515

This report is used to identify movements in the AR from last month to this month, when compared to the prior month's aging report.

Report ~ Gross AR Mix

		Gross AR Mix Your Hospital													
		<u>Nov 07</u>		<u>Variance/ Prior Mo</u>		<u>Oct 07</u>		<u>Variance/ Prior Mo</u>		<u>Sep 07</u>		<u>Variance/ Prior Mo</u>		<u>Aug 07</u>	
IA	Payor One	3,424,392	13.42%	-1,038,620	4,463,012	16.44%	-433,492	4,896,505	18.56%	-321,090	5,217,594				
LB	Payor Two	1,567,489	6.14%	636,991	930,498	3.43%	137,737	792,761	3.00%	-212,768	1,005,529				
IIA	Payor Three	2,272,744	8.91%	336,612	1,936,132	7.13%	-70,928	2,007,059	7.61%	-60,784	2,067,844				
ILB	Payor Four	2,306	0.01%	-4,161	6,467	0.02%	-3,976	10,443	0.04%	-1,009	11,452				
ILC	Payor Five	720,120	2.82%	320,091	400,029	1.47%	-38,561	438,590	1.66%	69,561	369,028				
ILD	Payor Six	2,781,747	10.91%	-248,695	3,030,442	11.17%	615,046	2,415,396	9.16%	493,689	1,921,707				

This report trends the Gross AR by minor financial class; it is run with and without a patient type breakdown (Inpatient and Outpatient). This report allows us to trend payor mix shifts in AR over a 4 month period, and assists in analyzing/explaining the shifts that may be happening in the AR valuation.

Report ~ Monthly Revenue Trend

Current Month Revenue Trend												
Your Hospital												
		<u>Nov 07</u>	<u>%</u>	<u>Variance/ Prior Mo</u>	<u>Oct 07</u>	<u>%</u>	<u>Variance/ Prior Mo</u>	<u>Sep 07</u>	<u>%</u>	<u>Variance/ Prior Mo</u>	<u>Aug 07</u>	<u>%</u>
I.A	Payor One	3,015,403	17.30%	-1,386,292	4,401,695	21.58%	634,809	3,766,886	21.30%	-1,071,110	4,837,996	24.06%
I.B	Payor Two	980,307	5.62%	334,223	646,084	3.17%	182,801	463,283	2.62%	-227,380	690,663	3.43%
II.A	Payor Three	1,175,861	6.75%	-2,426	1,178,287	5.78%	349,341	828,946	4.69%	-169,763	998,709	4.97%
II.B	Payor Four	762	0.00%	-4,754	5,516	0.03%	5,516	0	0.00%	-1,009	1,009	0.01%
II.C	Payor Five	488,362	2.80%	301,226	187,137	0.92%	22,399	164,737	0.93%	-49,315	214,052	1.06%
II.D	Payor Six	1,816,132	10.42%	-292,014	2,108,146	10.34%	461,700	1,646,446	9.31%	174,861	1,471,585	7.32%


This report trends the monthly patient revenue by minor financial class. It shows payor mix shifts from month to month, over a 4 month period.

Report ~ YTD Revenue Trend

		YTD Revenue Trend													
		Your Hospital													
		<u>Nov 07</u>		<u>Variance/ Prior Mo</u>		<u>Oct 07</u>		<u>Variance/ Prior Mo</u>		<u>Sep 07</u>		<u>Variance/ Prior Mo</u>		<u>Aug 07</u>	
			<u>%</u>				<u>%</u>				<u>%</u>				<u>%</u>
I.A	Payor One	47,836,978	22.33%	2,901,375	44,935,603	22.83%	4,351,273	40,584,330	23.00%	3,758,267	36,826,062	23.20%			
I.B	Payor Two	6,951,615	3.24%	1,024,054	5,927,561	3.01%	760,509	5,167,053	2.93%	474,950	4,692,103	2.96%			
II.A	Payor Three	10,698,893	4.99%	1,258,354	9,440,538	4.80%	1,061,720	8,378,818	4.75%	1,040,253	7,338,565	4.62%			
II.B	Payor Four	3,257	0.00%	-3,210	6,467	0.00%	-3,976	10,443	0.01%	-1,009	11,452	0.01%			
II.C	Payor Five	3,315,692	1.55%	510,238	2,805,454	1.43%	199,813	2,605,642	1.48%	169,916	2,435,726	1.53%			
II.D	Payor Six	22,208,308	10.37%	1,933,868	20,274,441	10.30%	2,198,751	18,075,690	10.24%	2,035,757	16,039,934	10.10%			
III.B	Payor Eight	2,004,506	0.94%	54,314	1,950,192	0.99%	24,366	1,925,827	1.09%	56,703	1,869,124	1.18%			

This report trends the YTD patient revenue by minor financial class. It shows payor mix shifts in YTD revenue from month to month, over a 4 month period.

Report ~ AR Contractual Tool

	YOUR HOSPITAL							Reviewed By: _____				
	Balance Sheet Report: A/R and Contractuals - Detail by Minor Payor Groupings							Date: _____				
	For the Month Ending November 30, 2007 As of 2/22/2008											
	INPATIENT						OUTPATIENT					
Payor Type	Recorded A/R	Recorded Allowance	Allow as % of A/R	Oct %	Change In %	\$ Materiality of % Change	Recorded A/R	Recorded Allowance	Allow as % of A/R	Oct %	Change In %	\$ Materiality of % Change
Payor One	1,476,744	1,137,447	77.0%	79.7%	-2.7%	-39,465	1,947,643	1,686,065	86.6%	87.9%	-1.3%	-25,935
Payor Two	847,095	703,735	83.1%	77.6%	5.4%	46,136	720,394	645,081	89.5%	91.1%	-1.5%	-11,010
Payor Three	1,777,079	1,206,967	67.9%	69.5%	-1.6%	-28,747	495,664	466,374	94.1%	97.3%	-3.2%	-15,785
Payor Four	0	0	0.0%	0.0%	0.0%	0	2,306	2,204	95.6%	93.8%	1.8%	40
Payor Five	268,148	252,823	94.3%	97.9%	-3.6%	-9,721	451,972	433,844	96.0%	97.2%	-1.2%	-5,472
Payor Six	1,418,961	1,166,304	82.2%	72.6%	9.5%	135,499	1,362,785	1,273,065	93.4%	96.4%	-3.0%	-40,368

This report presents the recorded allowance as a percent of total AR compared to the prior month's percentage, and the dollar impact of the percentage change. This report identifies the payor groups that are having the greatest impact on the current AR valuation.

Report ~ Cash Lookback

Your Hospital Net Cash Collections Compared to A/R Balance For the Period August 2006 through October 2007

Period	Net Cash Collected in Months Since Net AR Calculation															Total Cash Collected	% Related to AR	Cash Related to AR	Net AR	% of Net AR Collected	Historical Collection %	Bad Debt Recoveries
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15							
August 2006	4,418,229	1,798,977	852,296	856,909	384,008	313,058	252,372	101,993	85,459	205,247	96,322	-217,236	35,462	37,073	26,810	9,286,980	96.9%	8,996,106	8,290,435	108.5%	100.0%	606,576
September 2006	4,460,652	1,653,042	1,210,081	525,919	439,203	281,553	161,963	113,355	217,283	109,331	-200,668	47,756	71,425	64,876	0	9,155,770	97.2%	8,898,143	8,106,906	109.8%	99.7%	614,703
October 2006	3,962,025	2,155,747	762,218	613,343	359,237	198,633	161,980	253,516	114,496	-179,395	67,805	108,895	84,825	0	0	8,663,326	97.1%	8,408,815	7,836,912	107.3%	99.2%	593,289
November 2006	4,460,265	1,622,171	881,695	520,782	254,380	183,525	278,699	128,335	-174,255	81,091	114,974	125,263	0	0	0	8,476,925	97.1%	8,231,187	8,046,696	102.3%	98.5%	616,014
December 2006	3,987,241	1,655,548	844,856	453,507	267,252	310,602	132,850	-154,476	105,494	141,338	163,375	0	0	0	0	7,907,567	94.7%	7,489,648	7,597,314	98.6%	98.3%	640,735
January 2007	4,008,859	2,034,635	1,094,248	421,401	355,972	167,277	-95,830	173,348	193,511	314,943	0	0	0	0	0	8,668,364	96.0%	8,323,186	8,685,216	95.8%	97.7%	559,324
February 2007	4,194,694	2,099,878	616,624	547,102	655,074	-31,257	227,247	236,451	355,439	0	0	0	0	0	0	8,901,253	94.7%	8,432,077	8,849,892	95.3%	96.4%	547,705
March 2007	4,883,963	1,498,428	825,329	1,006,648	88,198	299,703	291,773	384,169	0	0	0	0	0	0	0	9,278,212	95.9%	8,899,520	9,534,857	93.3%	95.0%	518,501

This report trends net cash collections for a rolling 15 months. Net cash collections are all cash collections, including bad debt, less any refunds, returned checks and miscellaneous cash adjustments. This report allows a comparison of the calculated net AR over the past 15 months to the realized net AR (cash collections).

Final Report ~ Journal Entry

YOUR HOSPITAL		YOUR HOSPITAL		
PROVIDER NO.: 05-XXXX		SUMMARY JOURNAL ENTRY		
PERIOD ENDING: 11/30/2007		11/30/2007	G/L	11/30/2007
FISCAL YEAR END: 12/31/2007		BALANCE	11/30/2007	ADJUSTMENT
		CALCULATED	PRELIM	NEEDED
ACCT. NO.	DESCRIPTION		END BALANCE	
GROUP ONE				
XXXXX XXXXX XXXX	PAYOR TWENTY-FIVE ALLOW	(\$3,132,839)	(\$3,095,572)	(\$37,267)
	SUBTOTAL - GROUP ONE	(\$3,132,839)	(\$3,095,572)	(\$37,267)
GROUP TWO				
XXXXX XXXXX XXXX	PAYOR TWO ALLOW - I/P	(\$703,735)	(\$254,799)	(\$448,936)
XXXXX XXXXX XXXX	PAYOR TWO ALLOW - O/P	(\$645,081)	(\$518,826)	(\$126,255)
XXXXX XXXXX XXXX	PAYOR ONE ALLOW - I/P	(\$1,137,447)	(\$1,601,347)	\$463,901
XXXXX XXXXX XXXX	PAYOR ONE ALLOW - O/P	(\$1,686,065)	(\$2,016,492)	\$330,427
	SUBTOTAL - GROUP TWO	(\$4,172,328)	(\$4,391,465)	\$219,138

Prepared By: Jane Doe
 Approved By: _____
 Journal Entry #: RJ 9999

Thanks for your time...

Questions???