Using AI to Manage Accounts Receivable

Building a predictable revenue cycle is essential so every healthcare organization can continue providing care. Without consistent cashflow, medical practices, hospitals and other organizations will be challenged to pay for expenses that are necessary for rendering care such as office rent, salaries, equipment, technology and more.
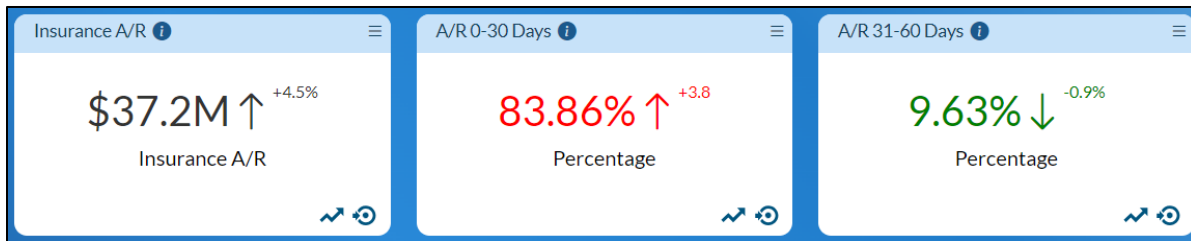
The consequences of poorly performing A/R include a lower ability to procure loans and less favorable terms from vendors. It can also lower cash liquidity, which is important for meeting capital needs. Because cash flow is the lifeblood of healthcare organizations, closely monitoring A/R performance and trend data is needed.

Healthcare A/R is Complex

Receivable management in healthcare refers to the process of effectively managing and collecting outstanding payments from patients, insurance companies, and other third-party payers for healthcare services rendered. It involves monitoring, tracking, and optimizing the collection of Accounts Receivable to ensure timely and accurate reimbursement for healthcare providers. Effective A/R management helps healthcare providers maximize revenue, minimize bad debt, and improve overall financial performance.
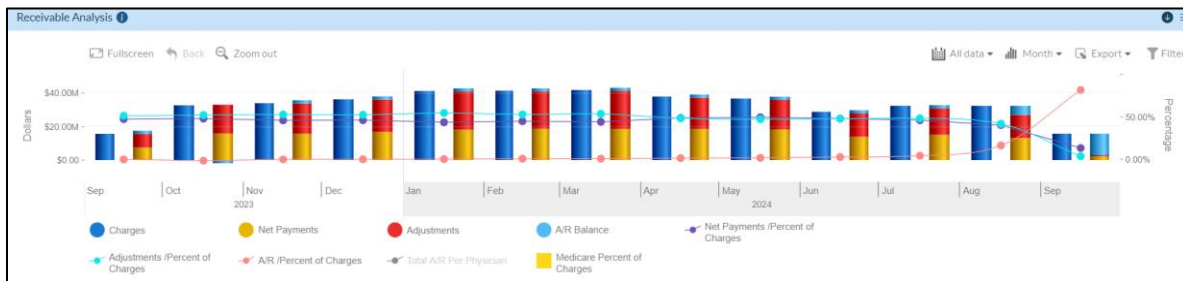
Implications of Higher Deductibles

The likelihood that a healthcare organization may experience a cash flow crisis rises as patients are required to pay more for their care. This is particularly true when deductibles reset in the first few months of the year. Some healthcare organizations are compelled to focus more on their A/R administration because of the increased popularity of high-deductible insurance policies. According to MGMA, most providers report that around 25% of their patient population participate in high deductible health plans. With a fourth of A/R coming from patients, it is essential that co-pays and bills are paid in a timely manner to keep A/R manageable.

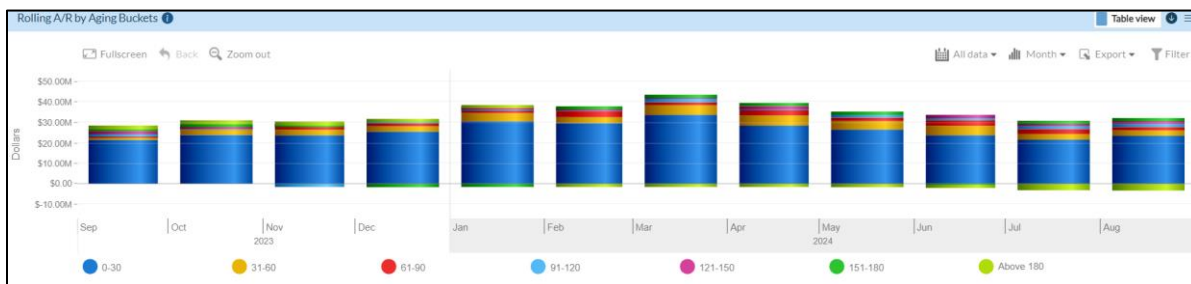| Insurance A/R ⓘ ≡	A/R 0-30 Days ⓘ ≡	A/R 31-60 Days ⓘ ≡
$37.2M ↑ +4.5%	83.86% ↑ +3.8	9.63% ↓ -0.9%
Insurance A/R	Percentage	Percentage

A/R Management with AI

One of the best ways to prevent a cash flow shortage in the healthcare industry is to enhance A/R management with a comprehensive AI platform that is purpose-built for the revenue cycle. It is important to know in advance how much money you will earn each month, how much will be written off, and timing of these payments. AI in the WhiteSpace Health platform provides transparency to the health of your A/R, allowing you to spot trends much sooner. And ML (Machine Learning) algorithms explain what you can do about it. Data driven cash balance projections improve management decisions and show you where to focus, ensuring financial stability for your organization.

Managing Bad Debt

Bad debt occurs when a patient or payer is unable or unwilling to pay for healthcare services. When these charges are deemed uncollectible, they are usually reclassified as a bad debt expense, and the chance of recovering your entire debt inventory diminishes over time. Since time is the enemy of cash collections, it is wise to focus on collecting patient responsibility AR balances using progressive strategies for each 30-day aging bucket.

AI and in the WhiteSpace Health platform automatically identifies and resolve troubling trends and persistent problems with collecting payments. Machine Learning (ML) delivers guided steps to help you address the root causes of issues and improve A/R performance. The platform is an essential tool for your team to continuously track A/R data from month to month looking for issues such as:

- Average AR cycles
- Delays between services rendered and invoicing
- Aged accounts
- Collection rates

The WhiteSpace Health Platform

Prescriptive, predictive and prescriptive analytics in the WhiteSpace Health platform automatically deliver transparency to the health of your accounts receivable workstreams. The platform pinpoints the areas of A/R that are performing well, and which need quick attention to return performance to acceptable levels. Most importantly, the platform delivers actionable insights, clarifying what levers are impacting your performance. Guided steps prescribe actions with the highest probability of success so your team can effectively manage A/R to ensure predictable cash collections.

To learn more about the WhiteSpace Health platform, visit our website at www.whitespacehealth.com or to schedule a demo call us at +1 888 794.2266.