Lag Time
Defining Bill Creation Entry Lag

In part 1 of this blog series, we covered the importance of financial predictability for patient care organizations, as well as how lag time – specifically the component of charge entry – can derail that. This blog entry focuses on bill creation and submission lags.

Defining Charge Entry Lag

The first step in reducing bill creation and submission lags is to clarify the terminology in use. What this article is calling bill creation lag is also sometimes known as charge entry lag. Bill creation lag is the time from the date of service to the date where charges are entered. Bill creation lag is generally expressed in terms of days similar to other lag time metrics.

Defining Bill Submission Lag

Bill submission lag has other names too, it is also commonly called claim lag. Regardless of the name you like best, it is the time between the date of service and the date the encounter is coded. The date of service and the date of coding are often the same day in an efficient organization.

Effect of Organizational Structure

Depending on how your organizational chart looks, charge entry and bill submission can be done by the same person, or these steps can be performed by different people. Generally, there is little to no difference between the bill creation and submission times. When there are differences between charge entry and bill submission, it is wise to have a quick look at staffing. You may find an unexpected illness, holidays, or other time away can cause these gaps.

Data Reveals Root Cause

When there are differences between the creation date of the bill and the claim date, a quick visit your analytics platform will reveal the root cause. Is there a bolus of unbilled accounts from one location? Is there an upstream or downstream issue such as undocumented procedures? Are there unbilled encounters for one provider or specialty? Once the root cause is known, action to remedy the situation can be quickly taken.

Documentation Delays can increase Lag Times

One possibility is that coders need clarification from the provider before releasing the coded encounter to billing.

Another possibility is that lab, radiology, or other test results are not yet available. As a result, coding of the encounter cannot be finalized or passed to the billing department.

If a provider fails to dictate a note or document during the encounter or immediately afterward, they are likely adding to claim lag.

Though most organizations are transitioning to natural language processing (NLP) of dictated reports, those that still use a transcription service are likely introducing a delay with common 24-hour turn-around time performance standards.

Introducing Clinical Document Improvement (CDI) templates, automating KPIs, and the streamlining of these processes are examples of areas where automation can help to drive down bill creation and bill submission lag times, helping to make the revenue cycle more predictable. Ensuring interfaces between clinical and billing systems are functioning properly and that your staff is getting the information they need to code and drop bills, all help keep lag times under control.

About the Author

Carrie Bauman currently serves as the Vice President of Marketing at WhiteSpace Health. Her career has been spent evangelizing the transformation from paper-based health records to automated and intelligent information. Transforming data into actions allows managers to drive and monitor sustained clinical outcomes, improving operational and financial performance. For more RCM blogs visit www.whitespacehealth.com/blogs/.