The Components of Lag Time:
Opportunities Found in Payment Posting

In part 2 of this blog series, we focused on bill creation and submission lags. Part 3 will highlight different opportunities to be found in payment posting.

After cash is received, backend staff post these payments into the correct patient accounts. Since cash is already at hand, sometimes this important posting activity is de-prioritized. However, this posting process is where adjustments, denials and write-offs come to light. At this point, each healthcare practice needs to decide whether not they want to pursue the amounts that are still owed and not yet paid.

Claim Tracking

It is possible to follow up rejected and denied claims with appeals without posting them, but it is more effective to have a holistic system that tracks each claim until it is paid. This reduces the likelihood and amount of underpayments. During the payment posting process, all relevant information about the claim is already at your fingertips. Whether a correction to the claim is needed, more information is requested, or clarification from payer is needed to resubmit a claim, it is easy to jump start these processes from the payment posting screen of most systems.

When billers are posting payments, they are more apt to spot trends in denials and rejections. Over the years, I've found medical necessity to be a frequent reason for denials and rejections. Sometimes, a payer must be contacted directly to understand and resolve the issue. Other times, a systemic training of staff on additional documentation requirements required by a specific payer will be enough to stop the problem from reoccurring.

Secondary payers are a bit trickier. If there is a secondary payer, payment posting information will identify them so your practice can submit a subsequent bill. If your practice elects not to perform payment posting, it will be more difficult to remember to bill

secondary insurance and to submit the remaining balance to them. The revenue will get lost simply because you failed to ask for the payment you deserve.

Once payments from the payers are posted, the remaining balance is normally the responsibility of the patient. By posting payments each day, outstanding patient balances are quickly identified, and your practice can bill for them the same day the payment is posted. Since patients are more likely to pay bills that are received closer to their date of service, turning patient bills around quickly will improve your collection rates.

During the payment process, you may uncover other recurring issues. Trends in payer adjustments may be revealed and follow up reviews of the contract and calls to provider relations may be in order. You may also learn that deductibles or co-pays aren't being consistently collected at the time care is rendered. As sources of errors are identified, it is important to correct them immediately. This work will be rewarded with smoother RCM processes going forward, added velocity to collections, and less time to get paid. As your processes become tighter over time, your organization will have less revenue leakage – and that is more money directly to the top line.

Learn more about key components of lag time in following posts from this blog series, as well as in our Revenue Integrity webinar series. Part 1 and 2 are now available [on-demand](#).

About the Author

Carrie Bauman is the Vice President of Marketing at WhiteSpace Health. Her career has been spent evangelizing the transformation from paper-based medical records to actionable information now contained in health data warehouses that are layered with AI and automated workflows to support clinical care and expedite the revenue cycle.