



Mastering Revenue Cycle Management

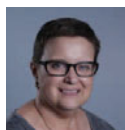
■ Phyllis Dobberstein, CPC, CPMA, CPCO, CEMC, CCC

Revenue cycle management (RCM) may not be the most glamorous part of urgent care, but it is one of the most critical. A clinic can provide excellent patient care, yet still struggle to keep its doors open if its billing processes falter. Too often, urgent care leaders rely on assumptions, outdated practices, or incomplete data that lead to financial surprises and lost revenue.

Running an effective RCM program is like taking a photograph. When a camera is set to automatic mode, it can produce decent images—but often misses the chance for the best shot. Perhaps the lighting may look right, but the subject ends up blurry. True mastery comes when the photographer understands the options within digital photography and how they interact. Similarly, urgent care operators must understand each RCM “setting:” days to bill; days sales outstanding (DSO); accounts receivable (AR) aging; and more.

But too many clinics fall into these other modes.

- **“Dog paddling:”** Operators are struggling just to keep their heads above water by sending out claims and posting payments. In this reactive state, there is little energy left for strategic AR follow-up or detailed analysis.
- **“Apple picking:”** Operators are collecting the easy low-hanging fruit while ignoring the rest of the orchard. The most successful teams climb ladders, use telescoping pickers, and roll up their sleeves to reach the apples at the top of the tree. In RCM, this means employing every available tool, including electronic claim inquiries, patient portals, text reminders, and diligent AR follow-up. Each day a claim grows older, its net realizable value declines. By actively working accounts—especially those over 120 days—clinics maximize their harvest.



Phyllis Dobberstein, CPC, CPMA, CPCO, CEMC, CCC, is Revenue Integrity Manager at Experity.

Myth of Control

One of the most persistent myths in urgent care is that keeping billing in-house ensures greater control. Leaders often feel reassured seeing their billing staff in the office, but the reality is far different. True control requires far more than proximity. It means consistently monitoring key metrics such as DSO, percentage of AR over 120 days, and average revenue per visit. It means reconciling daily claims submissions with clearinghouses, analyzing unpaid claims every 30–45 days, and reviewing rejections for root causes. Relying on a single staff member’s expertise creates fragility. If that person quits, gets sick, or simply makes mistakes, the entire billing process can grind to a halt. Few urgent care clinics have formal RCM policies, standardized procedures, or documented best practices.

By contrast, outsourcing to a specialized RCM partner often enhances control. Vendors train staff using tested programs, enforce compliance standards, and deploy best practices across clients. Dedicated account managers monitor metrics and reconcile billing with bank accounts. Outsourcing also provides scalability. When patient volume plummeted during COVID-19, clinics with contingency-fee RCM avoided the painful layoffs and fixed costs of in-house teams. Conversely, during flu surges, outsourced partners can ramp up quickly with trained personnel. In short, real control comes not from physical proximity but from structured processes, accountability, and scalability.

The Scorecard Approach

Metrics are the language of RCM. They translate daily actions into measurable outcomes, providing visibility into performance. Yet metrics alone cannot improve results; they must be tied to best practices. A useful way to bridge this gap is through a self-evaluation scorecard.

Five key questions reveal how well a clinic is positioned to optimize billing:

- How often are credit cards on file used to resolve patient balances?
- How confident is staff when asking for payment?
- How frequently is DSO reviewed?
- What percentage of aged AR receives follow-up?

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- How often are payer enrollments and denials analyzed?

The scorecard emphasizes that RCM success is not accidental. It requires intentionality, regular reporting, staff training, automation, and technology adoption. For example, text reminders for balances, electronic registration, and real-time eligibility checks are all practical steps that boost efficiency and collections. As the old adage goes: If you can't measure it, you can't manage it.

Avoiding Common Pitfalls

Even the best systems are vulnerable to errors. Studies suggest nearly 30% of medical bills contain mistakes, leading to lost revenue. Identifying and addressing common pitfalls is essential to preserving profitability.

- **Eligibility errors:** One-third of denials stem from eligibility issues, often due to inadequate registration or missed details in real-time eligibility (RTE) responses. A patient may appear covered by state Medicaid, for example, but in reality, they belong to a managed Medicaid plan. Training front-desk staff to catch these nuances prevents costly denials.
- **Patient responsibility:** In 2021, patient balances accounted for 30% of urgent care receivables, yet nearly all were bad debt. Clinics must collect copays upfront,

review balances, and use credit card-on-file (COF) systems to minimize risk.

- **Coding errors:** Incorrect coding, such as unspecified diagnoses or missing modifiers, reduces clean claims and increases rework. Proper documentation supports accurate evaluation and management (E/M) coding and ensures higher net reimbursement per visit.
- **Contract oversights:** Payer contracts require careful review. Carveouts, credentialing rules, and supervisor billing limitations must be followed precisely. Failure to comply can lead to recoupments, lost contracts, or even multimillion-dollar settlements with regulators.

By addressing these pitfalls proactively, urgent care operators not only safeguard revenue but also improve patient satisfaction through smoother billing interactions.

Revenue cycle management is not simply about sending bills and posting payments—it is about mastering a complex system where every detail matters. Clinics must learn to see the whole picture, avoid dog paddling, and climb higher in the apple orchard to capture every dollar. They must recognize that control is not about keeping billing staff on-site but about having structured processes, scalable solutions, and measurable results.

The difference between financial health and financial struggle often lies in the discipline of RCM. ■

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