

False Credits

70-80% of all credit balances are typically a False Credit. These credits do not require a refund, rather a correction of a non-cash transaction.

#1

Duplicate Adjustments

Commonly, contractual discounts posted multiple times, typically caused by automation (or manual) postings at two different stages - pricing and then again during payment posting.

RECOMMENDATIONS

- ✔ Post discounts at pricing
- ✔ Create analytics to identify credits after payment due to duplication

#2

Contractual Variances

Contractual configuration errors (i.e. Modifier 50) or timing due to contract updates can cause high volume of false credits.

RECOMMENDATIONS

- ✔ Regularly review payer contract update process for opportunities to accelerate updates
- ✔ Know the update schedule

#3

Registration Errors

Incorrect Plan Code Errors due to incorrect patient registration causes both debit and credit errors since contractual pricing is based on the Plan Code.

RECOMMENDATION

- ✔ Use analytics to identify most common registration errors to provide staff education and logic validation

#4

Denial Write-Offs

When denial write-offs are posted and the Insurance Payer makes payment on that original denial, the credit balance will typically equal the write-off amount

RECOMMENDATION

- ✔ Use analytics to identify payments after denial write-off transaction codes with rules to reverse the write-off