

Cash Up-Front Incentive Program

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The cash up-front incentives will comprise three ways to earn incentives each month by collecting up front. They are:

1. straight self-pay collections;
2. co-pay collections;
3. top three total collections in co-pays.

I. Straight Self-Pays:

Any amounts collected from straight self-pay accounts over \$100 in any given month will earn incentives according to the following schedule:

Money amount collected	Incentive earned
\$100-\$999	10% of amount collected
More than \$1,000	15% of amount collected

II. Co-Pay Collections:

To qualify for the co-pay incentive, you will need to meet the following requirement:

Collect at least 20% of the total registrations you register that have co-pays.

Example: In a given month you had 20 total registrations that had co-pays. To earn incentives for that month, you would need to collect co-pays on $(20 \times .20=4)$ 4 accounts.

Your total dollar amount from these co-pays then earned an incentive based on the following schedule:

Money amount collected	Incentive earned
Up to \$999	7% of amount collected
More than \$1,000	13% of amount collected

III. Top Three Total Collections in Co-Pays:

The top three registrars in co-pay collections from II will be awarded the following incentives:

1st Place: \$100; 2nd Place: \$50; 3rd Place: \$25

The maximum that can be earned is \$500/registrar/month.

Procedure for entering cash up-front:

1. Registrars enter amounts of up-front cash collected when registering a patient directly into the patient accounting system.
2. A weekly report is generated automatically from the system and e-mailed to each registrar.
3. The report breaks down self-pay, co-pays collected and calculates the present incentive for each registrar.
4. At month-end, the monthly incentive is calculated and e-mailed.
5. Incentives are paid monthly.

Impact of cash up front on key A/R indicators at Mary Rutan:

- Cash collected up front at ER registration has almost tripled since program started.
- Credit card payments have increased from \$26,000/year to more than \$550,000/year.
- Bad debt decreased from 5.06% to 3.59%.
- Charity write-offs have increased more than 200% since we initiated handing out financial applications at registration.
- A/R over 90 days has decreased from 30.5% to 13.7%.
- A/R days has decreased from 63 days to 43 days.

numbers of small self-pay accounts. These, for the most part, were the co-pays that were not being identified up front. After the insurance made its payment, statements were going out and taking

up valuable business office time to address them. Ultimately, most of these amounts were ending up in charge-offs and costing the hospital about 25%-30% of their original amount.