

Simple Strategies to Improve Cash Flow in Your Practice

By Donna White

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Keeping the cash flowing in your medical practice can be tough. Slow payments, disorganized billing, and unpredictable revenue make managing expenses or investing in patient care challenging. But don't worry: improving cash flow doesn't have to be complicated! Legacy Consulting Services has the right strategies to help you tackle these challenges head-on and set your practice up for success. We're sharing helpful tips to improve your practice's cash flow. These tips will also reduce the stress of late payments.

Streamline Your Billing Processes

Streamlining your billing process is a game-changer for improving cash flow. It starts with making sure your team verifies insurance details upfront. Mistakes or missing information here can cause frustrating delays or even claim denials.

Next, keep claims moving quickly by aiming to submit them within 24-48 hours after providing services. And don't let unpaid claims linger. Regular follow-ups and quick action on denials are key to staying on track.

If this sounds like a lot to juggle, [outsourcing your billing](#) to experts can make a world of difference. It not only cuts down on errors, but also helps speed up collections, giving your revenue cycle a smooth and reliable boost.

Offer Flexible Payment Options

Patients are more likely to pay on time when they have convenient options. Consider implementing online payment portals. These allow patients to pay securely from their phones or computers. Also, consider automated payment plans. Set up upfront recurring payments for patients with high out-of-pocket expenses.

Arrange text or email reminders as a way to encourage timely action. These small adjustments can lead to big improvements in your cash flow.

Optimize Your Revenue Cycle Strategies

To achieve sustainable cash flow improvement, a comprehensive approach to managing the revenue cycle is critical.

- **Tracking key performance indicators (KPIs):** Monitor metrics like days in accounts receivable (AR) and claim denial rates to identify bottlenecks. [Read our blog for a list of essential KPIs every healthcare provider must track.](#)
- **Coding accuracy checks:** Ensure services are billed using the correct codes to avoid unnecessary denials.
- **Training staff:** Equip your team with ongoing education to stay updated on industry regulations and best practices.

Address Slow Insurance and Patient Payments with a Proactive Approach

Slow payments are one of the biggest challenges facing physician groups, often leading to cash flow bottlenecks that ripple throughout the practice. The good news is that with proactive strategies, you can minimize delays and keep your revenue cycle running smoothly.

Set Clear Patient Payment Policies

One of the easiest ways to avoid payment issues is by establishing clear payment expectations upfront. Here's how:

- **Discuss payment terms at the time of scheduling:** Make sure patients understand their financial responsibilities before they step into the office.
- **Provide written policies:** Hand out a simple, clear payment policy document during registration, and have patients sign it to confirm they understand.
- **Use friendly, but firm communication:** Ensure your staff is trained to explain payment expectations in a way that feels supportive rather than stressful for patients.

This clarity sets the tone for timely payments and reduces confusion or disputes down the road.

Pre-Authorization for High-Cost Services

For high-cost procedures, collecting payments upfront is crucial to avoid financial risk. Implement a [pre-authorization process](#) that ensures:

- **Insurance verification:** Confirm coverage for expensive procedures before scheduling.
- **Upfront payment collection:** Require patients to pay their portion of the costs before services are rendered.
- **Transparent estimates:** Provide accurate cost estimates, so patients aren't caught off guard by unexpected bills.

These steps protect your cash flow and build trust by making the payment process predictable for patients.

Streamline AR Follow-Up Processes

Even with the best policies in place, some payments may still slip through the cracks. Combat this with a strong follow-up system:

- **Patient Balances**
 - **Send patient reminders:** Use automated tools to send payment reminders via text, email, or mail.
 - **Offer payment plans:** For patients struggling to pay, set up automated, interest-free installment plans.
 - For patient balances greater than one year old, consider outsourcing to a collections patients or consider outsourcing to a collections service for persistent cases.
- **Insurance Balances**
 - **Work denials weekly.** Whether working denials as payments are posted or working weekly from a denials report, it is critical to prioritize any denied claims to overturn and get cash in the door.
 - **Act quickly on aged insurance accounts:** Assign staff to follow up with insurance companies on unpaid claims over 45 days old.

A proactive approach to follow-ups ensures your team stays on top of receivables and facilitates faster cash flow.

Partner with a Revenue Cycle Management Expert

For many practices, managing slow payments requires expertise and resources that may not be available in-house. That's where Legacy Consulting Services comes in.

- **Streamlined systems:** We help you identify and resolve inefficiencies that lead to delays.
- **Denial management:** Our team tackles claim denials quickly, ensuring your practice gets paid faster.
- **Cash flow optimization:** With proven revenue cycle strategies, we address the root causes of slow payments and create systems that keep your revenue flowing.

Working with a trusted partner like Legacy Consulting Services frees up your time and energy so you can focus on patient care, knowing your finances are in expert hands. By taking a proactive approach to slow payments, your practice can reduce stress, boost cash flow, and build a more stable financial future.

Leverage Technology to Stay Ahead

Staying ahead in today's world means embracing technology to keep cash flow strong and the practice running smoothly. Automating tasks like claim submissions and sending patient payment reminders saves time and cuts down on mistakes, leaving you free to focus on what you do best: caring for your patients. Analytics dashboards are a game-changer, giving you real-time snapshots of your practice's finances so you can spot opportunities for improvement.