Front Office Organizational Structures: Traditional Model vs. Accountability Model

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Oral and maxillofacial surgery practices encounter many obstacles in organizing the flow of patient activities, from the initial contact through rendering of services, filing and adjudication of claims and management of the revenue cycle. Keeping the front office staff motivated in positions that, in busy practices, are often a jumble of ringing telephones, new patients waiting to be served, and patients ready for check-out, is, at best, challenging. Often, these front office staff positions experience high turnover due to staff “burn out” in performing the same hectic tasks on a daily basis with little change of duties over time, lack of advancement potential, and limited ability to earn greater economic rewards. The entire process can easily become disjointed when the front office staff has not been properly organized, received clear communication of their individual responsibilities, and held accountable for their performance. The first patient contact begins with the front office staff and, often, the patient’s primary memory of the experience with the practice relates to the degree of satisfaction with staff knowledge and professionalism. The front office staff may be structured into two approaches identified as the “Traditional Model” and a newer concept identified as the “Accountability Model.”

First, it is essential to understand the proper flow of the practice revenue cycle to appreciate the different ways of organizing the operation of business activities within an oral and maxillofacial surgery practice. The revenue cycle may be defined as the management of all efforts to obtain maximum payment for services rendered, and includes the management of the entire cycle, beginning with the first patient contact and ending with complete payment for services. The steps involved in the revenue cycle must first be organized in a logical fashion based on the needs of the individual practice in conjunction with the application and use of accepted industry operational procedures and standards. The practice’s organized revenue cycle process must be communicated to responsible staff through written job descriptions, operational procedures, and on-the-job-training. After staff responsibilities have been organized and communicated to them, they may be held accountable for their performance when variances occur that differ from desired results in their respective positions in the operation of the revenue cycle.

The key to successful business operations in an oral and maxillofacial surgery practice is the continuous management and adjustment of the revenue cycle. The revenue cycle is a series of ongoing repetitive tasks related to the following three main aspects:

- “Time of Service” relates to the processing of information and collection efforts while the patient is at the practice’s facility;
- “Collection Cycle” relates to the ongoing and continuing activities to adjudicate all claims filed in an organized process; and
- “Accounts Receivable Monitoring and Improvement” relates to the formal process of managing for results and adjusting the cycle for variances from established goals.

Proper management of the revenue cycle is only possible if all three aspects of the continuous cycle are functioning within an acceptable range of predetermined standards. Deviations from these standards will cause disruption of the continuous cycle and difficulty in maintaining management objectives to the overall system of billing and accounts receivable.
The following diagram is a representation of twelve key functional issues associated with the operation of the continuous revenue cycle:

- Obtain correct demographic information prior to service
- Eliminate self-pay problems with alternatives
- Cyclically monitor cycle and trends
- Minimize “low return” efforts
- Institute internal controls and monitoring
- Goal orientation
- Set expectations & maximize collection opportunities
- Minimize problems early
- Monitor claim payments
- Maximize collection agency recovery
- Educate staff and monitor improvements
- Maximize software utilization

The revenue cycle typically begins with the front office staff at the “Time of Service” in an oral and maxillofacial surgery practice. Problems often occur in the “Time of Service” portion of the continuous revenue cycle process. The accuracy of the information captured by the staff, for example, is critical to the successful submission of patient claims. Errors in capturing and recording the demographic information have a detrimental effect on the proper flow of the revenue cycle. Since the front office staff does not participate in the entire spectrum of the revenue cycle process, they often do not appreciate or understand the problem created by inaccurate patient demographics, which causes variances or delays in the normal flow of the revenue cycle. The front office staff has often not been appropriately instructed in the overall concepts and goals associated with revenue cycle management, and the importance of the part they play in the success of the entire process and practice operations.

The Traditional Model has often structured the front office primarily in the “Time of Service” portion of the revenue cycle, with staff as receptionists responsible for check-in, checkout, and review of patient financial responsibility. The front office or reception staff in this model is responsible for the initial greeting of patients, capture and entry of demographic information into the practice management software, collection of co-payments and balance due on the day of service, scheduling, confirmation of patient surgery 24 to 48 hours in advance, entering daily charges, possibly determining available insurance coverage and limits, routing all incoming telephone calls, sorting mail, reconciling and balancing daily activity, and preparing daily bank deposits.

A separate staff in the Traditional Model functions as the “business staff” primarily in the “Collection Cycle” portion of the revenue cycle process. The business staff in this model is typically responsible for insurance eligibility and limits determination, claims processing, submission and follow-up, management of the collection process and adjudication of all claims. Variances in the practice’s revenue cycle management goals (known as controllable losses) by the business staff primarily relate to improper claims adjudication follow-up.

The “Accounts Receivable Management and Improvement” portion of the revenue cycle in the Traditional Model is typically performed by the practice manager in conjunction with the business staff. Variances in this portion of the revenue cycle typically occur when the practice manager is immersed in the detail of the daily and monthly activities of the practice. The practice
The front office staff in the Accountability Model essentially combines the functions and responsibilities associated with both the “Time of Service” and “Collection Cycle” portions of the revenue cycle. The front office and business office staff duties from the Traditional Model are merged into one concise position. The duties of the front office staff under the Accountability Model start with an increased professional approach to patient management. The staff member greets new patients, provides them with their personal business card, and explains to the patient that they are the patient’s personal representative with all administrative duties associated with their visit, personally responsible for all billing and collection issues for the patient. Direct access and accountability are immediately established between the patient and the practice’s staff representative.

The staff member working under the Accountability Model greets patients, gathers and enters demographic information into the practice management software, collects payment at time of service, enters charges, enters collections, submits charges to insurers, and monitors the “Collection Cycle” activities. If the staff works a five-day week for the practice, under the Accountability Model the individual staff members would work four days at the front office and have one day to follow-up outstanding claims and patient-owed balances, and to monitor their assigned accounts receivable. The skill set requirements for the individual holding this position under the Accountability Model have been raised. The practice must train the staff under this concept to clearly understand their duties and responsibilities, and be held accountable for their performance. Staff with the people skills associated with the traditional front office positions must also possess, or be capable of learning, the business office skills associated with the traditional model. Raising the skill set and responsibilities also raises the potential levels of compensation making this position more appealing from an economic and advancement standpoint. Practices that use this model find less turnover in these positions.

The management of the practice monitors staffs performance by assigning billing types or financial classes (available in most practice management software to categorize like kind classes of accounts receivable) in the practice management software in the staff member’s name, which allows the printing and management of outstanding claims and patient-owed accounts receivable balances by the staff individual assigned to particular patient accounts. Clear accountability is established with the staff in this model allowing management to monitor the revenue cycle management of the practice globally and by specific individual staff performance.

In conclusion, the Traditional Model and Accountability Model of front office organizational concepts offer different approaches to the management of the revenue cycle. Either concept will work depending on the capabilities of the existing staff or the ability to attract new staff that possess the required skill set. The key to success with the overall revenue cycle management for the practice is the proper organization of the process and the communication of individual responsibilities to the staff, which allows the practice to hold staff accountable for their performance in meeting practice goals.

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