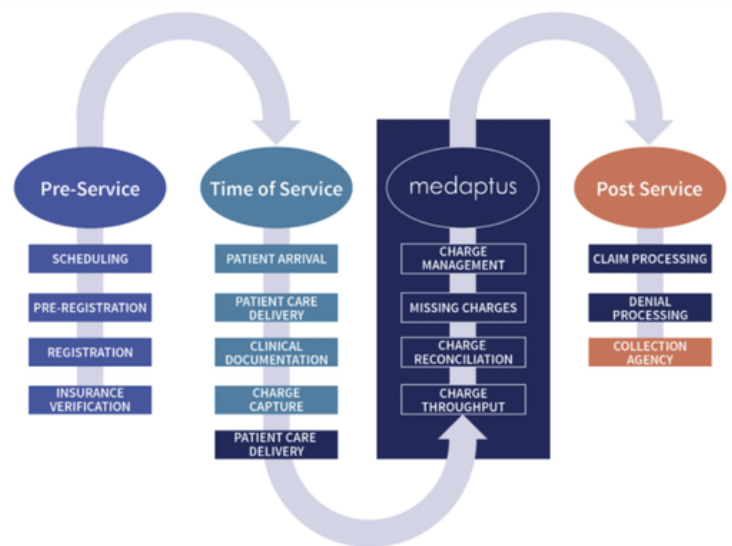


# Guide

## for Mid-Revenue Cycle Directors: Charge Capture Analytics & Charge Reconciliation KPIs to Monitor in Your First 90 Days

As a Mid-Revenue Cycle Director, one key area of responsibility is charge capture and reconciliation. These crucial areas ensure that your healthcare organization is billing appropriately and receiving all due payments. New to your role? In the first 90 days, monitoring and optimizing charge capture and reconciliation processes is essential for improving revenue cycle performance, reducing denials, and enhancing overall financial health.



### First 30 Days: Understanding, Assessing, and Building Relationships

KPIs to Focus On:

#### 1. Charge Capture Accuracy Rate

- **Definition:** Percentage of charges captured accurately and in a timely manner for each service rendered.
- **Industry Benchmark:** 95% to 98% accuracy.
- **Why it matters:** Inaccurate charge capture can result in missed revenue or delayed billing. This rate helps identify whether your team is correctly capturing all services provided, reducing the risk of revenue leakage.

#### 2. Charge Lag (Charge Capture Time)

- **Definition:** The time from service delivery to charge entry into the system.
- **Industry Benchmark:** Ideally, charge capture should occur within 1–3 days of service delivery.
- **Why it matters:** Long charge lags can delay billing and ultimately impact cash flow. Minimizing charge lag improves timely billing and helps prevent lost charges. A lag time of over 5 days is often considered problematic.

### 3. Uncoded Charges

- **Definition:** The number of charges that have been entered but not yet assigned a code for billing.
- **Industry Benchmark:** Less than 1% of all charges should remain uncoded at any time.
- **Why it matters:** Uncoded charges represent lost revenue until they are processed. A higher percentage suggests issues in the coding process, either due to lack of resources or inefficiencies in charge entry. Tracking uncoded charges can help ensure that charges are being properly documented and coded quickly.

### 4. Charge Denial Rate Due to Incorrect Coding

- **Definition:** The percentage of denials caused by incorrect or missing codes for charge entries.
- **Industry Benchmark:** 3% to 5% of total claims denied due to coding issues.
- **Why it matters:** This metric is crucial for identifying whether errors in charge capture and coding are leading to claim rejections, affecting revenue. A higher denial rate indicates problems with charge capture or coding accuracy. Denial rates above 10% often signal systemic issues that need immediate attention.

## 60 Days: Strategy, Optimization, and Collaboration

KPIs to Focus On:

### 1. Charge Capture Compliance Rate

- **Definition:** The percentage of charges entered and documented in accordance with internal policies and external regulations.
- **Industry Benchmark:** 99% or higher compliance rate.
- **Why it matters:** Compliance issues in charge capture can lead to costly audits, delays, and potential revenue loss. A high compliance rate ensures that charges are captured correctly and in line with billing standards.



## 2. Charge Capture by Service Type

- **Definition:** The percentage of charge capture success for different service categories (e.g., inpatient, outpatient, diagnostic).
- **Industry Benchmark:** At least 95% of charges should be captured for each service type, with outpatient services often presenting more challenges due to their complexity.
- **Why it matters:** Helps to identify specific service types where charge capture may be lacking, allowing targeted improvements in those areas.

## 3. Charge Reconciliation Rate

- **Definition:** The percentage of charges that are reconciled (compared) to the clinical documentation or patient records.
- **Industry Benchmark:** 95% to 98% reconciliation rate.
- **Why it matters:** This metric ensures that charges accurately reflect the services provided and that discrepancies are identified and resolved early. A high reconciliation rate helps prevent billing errors and revenue loss.

## 4. Charge Discrepancy Rate

- **Definition:** The percentage of charges that do not align with clinical documentation or expected billing codes.
- **Industry Benchmark:** Less than 2% of charges should have discrepancies.
- **Why it matters:** A high discrepancy rate indicates issues with charge capture processes and suggests that further training or process adjustments are needed.



## 90 Days: Leading Change, Refining Strategy, and Scaling for Growth

KPIs to Focus On:

### 1. Charge Capture Recovery Rate

- **Definition:** The percentage of charges that were initially missed or underreported but are later captured and billed after correction.
- **Industry Benchmark:** 85% to 90% recovery rate.
- **Why it matters:** Helps track whether missed charges are being properly identified and captured after the fact, reducing revenue leakage. A high recovery rate indicates that your team is diligent in capturing overlooked charges.



## 2. Charge Reconciliation Cycle Time

- **Definition:** The average time taken to complete the charge reconciliation process from the moment of service delivery to final billing.
- **Industry Benchmark:** 1 to 3 days for reconciliation cycle time.
- **Why it matters:** Long reconciliation cycle times can delay revenue recognition and impact cash flow. Monitoring and optimizing this time ensures that the process is streamlined and timely.

## 3. Coding Compilation Rate for Charges

- **Definition:** The percentage of charges that are correctly coded based on clinical documentation and payer requirements.
- **Industry Benchmark:** 90% to 98% coding compliance.
- **Why it matters:** Incorrect or incomplete coding leads to claims denials and revenue loss. A high compliance rate indicates that your charge capture team is accurately reflecting services in the billing system.

## 4. Percentage of Charges with Errors in Reconciliation

- **Definition:** The percentage of charges that, when reconciled, result in errors or discrepancies (e.g., missing codes, incorrect amounts).
- **Industry Benchmark:** Less than 2% of charges should have errors during reconciliation.
- **Why it matters:** A high error rate in reconciliation suggests weaknesses in the reconciliation process, such as poor communication between clinical staff and billing teams, or inadequate charge capture workflows.



## 5. Charge Capture Variance by Department

- **Definition:** The variance in charge capture rates between different departments (e.g., radiology, surgery, emergency services).
- **Industry Benchmark:** Variances should not exceed 5% between departments.
- **Why it matters:** Variances across departments help identify where charge capture efforts are most effective and where improvements are necessary. This allows targeted interventions for underperforming departments.

## Key Takeaways for Success

- **Focus on Charge Accuracy:** Ensuring charges are captured and reconciled accurately is foundational to maintaining a healthy revenue cycle. Continuously track metrics related to charge capture accuracy and reconciliation errors.
- **Minimize Charge Lags:** Speeding up charge capture and reducing charge lag time directly impacts revenue cycle efficiency. Aim to streamline workflows to ensure charges are entered in a timely manner.
- **Foster Cross-Department Collaboration:** Charge capture often involves clinical staff, coding teams, and billing departments. Foster close collaboration between these teams to ensure proper documentation, coding, and reconciliation.
- **Use Data for Continuous Improvement:** Use the KPIs to assess the effectiveness of your charge capture and reconciliation processes and implement changes where needed. Regularly review these metrics to fine-tune processes for maximum accuracy and efficiency.
- **Compliance is Key:** Charge capture must be both accurate and compliant. Ensure your team is adhering to payer guidelines, industry standards, and regulatory requirements to avoid penalties and ensure proper reimbursement.

By focusing on these KPIs related to charge capture and reconciliation, you'll be able to identify inefficiencies early on, streamline workflows, and optimize the revenue cycle for improved financial performance.

## About Medaptus:



Medaptus' intelligent, EHR-integrated solutions help hospitals and healthcare organizations increase revenue, improve efficiency, and focus on patient care by automating and streamlining inefficient, time-consuming charge capture, revenue management, reconciliation and patient assignment processes. Our award-winning software is trusted by hundreds of hospitals and thousands of physicians across the United States for 20+ years. Learn more at [www.medaptus.com](http://www.medaptus.com).