

# Aged Trial Balance

By Elizabeth W. Woodcock, DrPH, MBA, FACMPE, CPC

# Your Speaker



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- DrPH, Bloomberg School of Public Health, Johns Hopkins University
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- Former Consultant, Medical Group Management Association; Group Practice Services Administrator, University of Virginia Health Services Foundation; Former Senior Associate, Health Care Advisory Board

# Aged Trial Balance

- Used by all businesses, the aged trial balance displays accounts receivables by customer, by dollar, and by time. It is used as a tool in receivables management.

# Aged Trial Balance

- Sounds simple, right?
- It's never that easy in healthcare...

# Challenges

- Accounts receivables represent gross charges (unless you “net” the charge to the allowable when you post it, which is not standard practice).
- Therefore, if you have \$100,000 in accounts receivables, and your gross collection rate is 50%, you’ll likely only “receive” \$40,000 to \$50,000.

# Challenges

- Customer?
  - Often, there is more than one “customer” → “responsible party” or “guarantor”
    - Insurance (1, 2 or 3) + Patient
- Dollar?
  - Includes credits and debits associated with open invoices
- Time?
  - Often, there are multiple “times”
    - Date of service
    - Date of responsibility

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# Challenges

- The aged trial balance, by its very nature, changes constantly as more receivables are added – and payments are received.
- It remains in flux until your practice closes.

# Challenges

1. Receivables = charges
2. Multiple customers for each service
3. Credits are included
4. No single time
5. Constantly in flux

# Actions

- Knowledge is power
- Document everything (!)
- Decide which manner of running the report works best for you – business intelligence
- Ideally, display and use it dynamically
- Consider adding the run of the aged trial balance to your end-of-month processes

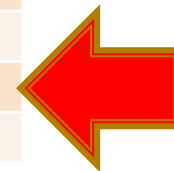
Aged Trial Balance								
Payer	0-30	31-60	61-90	91-120	121-150	151-180	181+	TOTAL
Medicare	\$ 56,486	\$ 35,986	\$ 25,875	\$ 15,248	\$ 20,566	\$ 5,234	\$ 24,896	\$ 184,291
Medicaid	\$ 35,625	\$ 24,589	\$ 12,544	\$ 10,036	\$ 8,699	\$ 5,499	\$ 27,530	\$ 124,522
WC	\$ 5,686	\$ 6,953	\$ 4,002	\$ 3,568	\$ 2,897	\$ 3,659	\$ 8,965	\$ 35,730
BCBS	\$ 45,683	\$ 6,529	\$ 4,589	\$ 1,586	\$ 2,658	\$ 1,255	\$ 4,963	\$ 67,263
Aetna	\$ 12,564	\$ 10,255	\$ 5,499	\$ 4,296	\$ 3,265	\$ 1,254	\$ 5,999	\$ 43,132
United	\$ 14,551	\$ 12,422	\$ 8,965	\$ 7,895	\$ 5,688	\$ 2,555	\$ 14,899	\$ 66,975
Self	\$ 16,569	\$ 13,547	\$ 17,652	\$ 13,568	\$ 20,004	\$ 19,563	\$ 48,966	\$ 149,869
Tricare	\$ 6,564	\$ 5,686	\$ 2,354	\$ 1,586	\$ 4,569	\$ 1,285	\$ 6,359	\$ 28,403
Other	\$ 1,258	\$ 568	\$ 459	\$ 659	\$ 986	\$ 58	\$ 2,568	\$ 6,556
TOTAL	\$ 194,986	\$ 116,535	\$ 81,939	\$ 58,442	\$ 69,332	\$ 40,362	\$ 145,145	\$ 706,741
Percent	27.59%	16.49%	11.59%	8.27%	9.81%	5.71%	20.54%	100.00%

This final row  
is a percent of  
total.

Criteria:  
Report: 1/31/22  
Company: All  
Date: All; Bill

# Aged Trial Balance

Aging Brackets	Total Amount (in dollars)	% of Total
0-30	\$194,986	27.59%
31-60	\$116,535	16.49%
61-90	\$81,939	11.59%
90-120	\$58,442	8.27%
Over 120	\$254,839	36.06%
<b>Grand Total</b>	<b>\$ 706,741</b>	<b>100.00%</b>

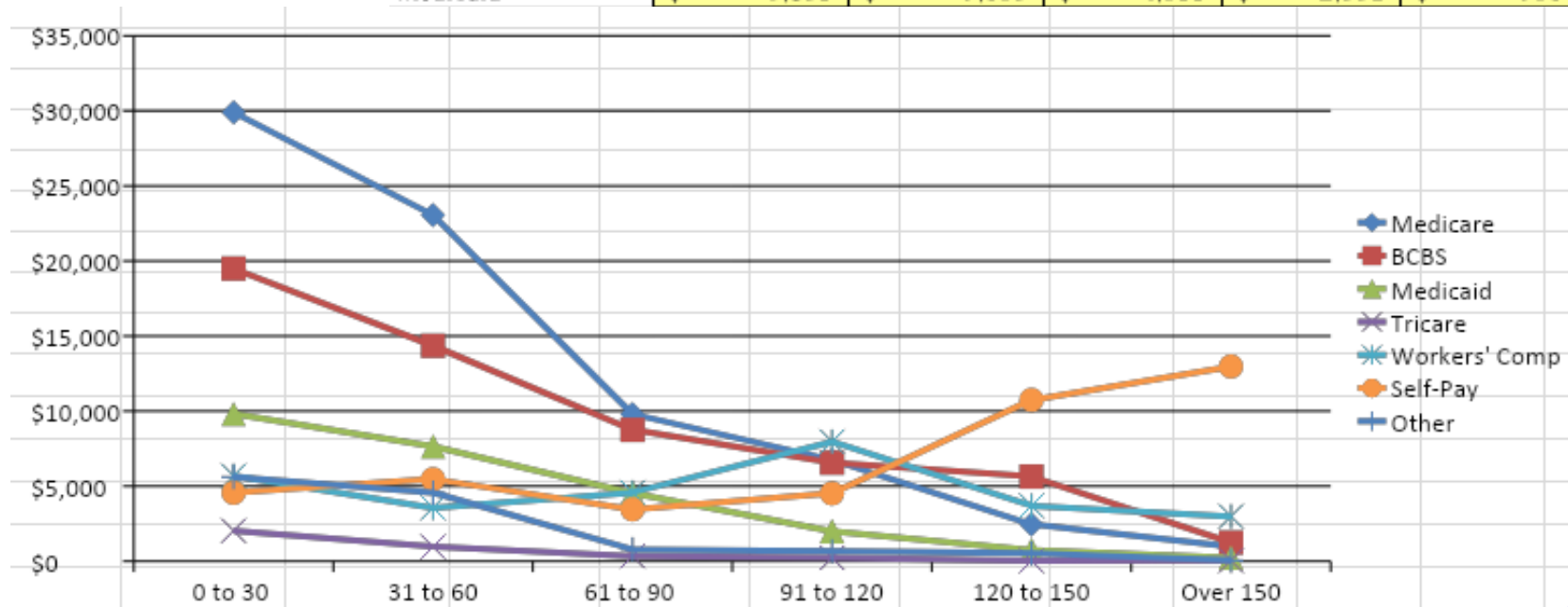


Sum of...

\$ 69,332	\$ 40,362	\$ 145,145
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# Display

Aged Trial Balance						
Payer	0 to 30	31 to 60	61 to 90	91 to 120	120 to 150	Over 150
Medicare	\$ 29,899	\$ 23,060	\$ 9,804	\$ 6,754	\$ 2,455	\$ 986
BCBS	\$ 19,498	\$ 14,354	\$ 8,754	\$ 6,566	\$ 5,644	\$ 1,245
Medicaid	\$ 9,803	\$ 7,650	\$ 4,533	\$ 2,001	\$ 756	\$ 243



\$ 49
\$ 2,989
\$ 12,976
\$ 49

# Industry Norms

Aged Trial Balance  
[Percent over 120 Days]

Average:	10-12%
Best Practice:	8-10%
Alarm Bells:	>20%

**ATB depends on payer**

# Value-Add

- Pay attention to volume, not just dollars, for staffing purposes
- Consider adding a “payment plan” payer category



# Conclusion

- Once you understand your aged trial balance, it can be a helpful tool