REVENUE CYCLE IN LONG-TERM CARE

Before the Year Turns

What the business office should finish before January 1, 2027.

Coverage, income, and eligibility limits all change for our residents, most of them on the same morning. These pages walk through what I would have a business office finish in December.

SAN ANTONIO, TEXAS

BENEFITS VERIFICATION

Verify every resident, not only the new ones

January 1 is the day a census that looked settled in December stops being true. Residents and their families make coverage choices during open enrollment, and the facility often learns about them from a denied claim.

So run benefits verification on the whole building before the year turns, and again in the first week of January. Look for the resident who moved from a managed care plan to traditional Medicare, or the other way. Confirm who enrolled in an I-SNP and who left one. Check ACO participation as well. Then read the plan itself, because a resident can keep the same card and still have a new copay or a new authorization rule.

A changed payer found in December is a phone call. Found in February, it is a rebill.

MEDICAID ELIGIBILITY

The limits move, and the paperwork moves with them

Medicaid eligibility is never settled for good. Each resident has a renewal date, and a missed renewal can close a case that took months to open.

Pull every renewal due in the first quarter and start gathering documents now, while families can still be reached. Eligibility limits adjust with the new year too. In Texas, the monthly income limit increases to $3,087 for 2027. Check any resident whose income sits close to the limit in your state, because Social Security raises income at the same time.

Pending applications deserve their own list. Know which ones are waiting on the state and which are waiting on the family, because the second kind is the one you can move. An application that carries into the new year without an owner tends to become a write-off nobody decided on.

SOCIAL SECURITY AND REP PAYEE

Income changes in January, and liability follows it

Social Security adjusts benefits every year. For a Medicaid resident, a new benefit amount means a new patient liability, the share of income owed to the facility each month.

If the billing system still carries last year's income, every January statement is off by a little. A little, across a full census, becomes a balance nobody can explain by spring. Collect the new award letters as they arrive and update income before the first billing run of the year.

Where the facility serves as representative payee, the duty is heavier. That money belongs to the resident, the records have to show where each dollar went, and the reporting on income and spending has to be ready when it is asked for. Put the year's records in order now.

Audit the trust fund before someone else does

Resident trust funds are the residents' own money, held in our care, and year end is when small errors surface. Reconcile every account to the bank. Check that each withdrawal has an authorization behind it.

Then look at the balances. A Medicaid resident whose account drifts over the resource limit can lose eligibility over money they never meant to save. Find those accounts now, tell the resident or the responsible party, and make the adjustment while there is still time to do it properly.

These accounts get audited, and they should. I would rather find my own discrepancy in December than have it read back to me.

Tell families before the statement does

Most January billing disputes start with a surprise. The amount changed and nobody said why.

Write to every responsible party before the year ends. Say what the balance is today, what is expected to change in January, and who in the business office to call. A short letter in plain words does more than a perfect statement.

Payment plans need a look as well. If a family is paying down a past balance, confirm the plan is current and put next year's terms in writing. And check every automatic payment. An autopay set to last year's amount will keep drawing last year's amount, and the difference becomes a new balance each month until someone notices. Automation is only as right as the number it was given.

BEST PRACTICE

Hold a year-end conference with every responsible party

The best practice I know for all of this is also the simplest one. Sit down with each responsible party before the year ends.

A business office conference puts the whole account on the table at once. You go over the balance together, gather the documentation the coming year will require, and walk through the renewals ahead. If money is owed from before, this is where it gets understood, and where a payment plan gets agreed to face to face.

The family also gets something a statement can't give them. They leave knowing what to expect next year and who to call. That reassurance is worth the hour.

These meetings take time in the busiest month of the year, and some families are hard to schedule. Hold them anyway, and start with the accounts that worry you.

One list, every resident, a name on each open item

None of this is new work. What makes year end hard is that all of it comes due together.

So put it on paper. Keep one list of every resident, with a column for each item in these pages and a name beside every open one. Work it weekly through December.

Software can run the verifications and flag the renewals, and it should. But the conversation with a daughter worried about her mother's bill still takes a person, and that person needs the time to have it.

January is a quieter month for the office that finished this in December.