Introduction to Medical Money Matters

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The process that they thought was being told to them, but there was a miscommunication. They missed the part where they needed to, yeah, which scanner am I supposed to use?

Oh, my goodness. Welcome to Medical Money Matters, the podcast where you can find experts, answers, and resources so that you could achieve mastery over the financial and business aspects of your practice.

Hello everyone and welcome to Medical Money Matters. I am joined today by Sasha King, who is the CEO and co-founder of Anatomy, a company that is focused on solving one of the most persistent and also overlooked challenges in healthcare operations, which is how money actually moves through a practice.

Through Anatomy's Lockbox solution, Sasha and her team are helping medical groups automate bank deposits, strengthen internal controls, and bring much-needed clarity to the reconciliation process.

In a space where manual workflows and fragmented systems can quietly create risk, inefficiency, or lost revenue, her work is about creating structure you can trust without adding complexity.

Why Reconciliation Matters in Medical Practices

And what I find especially compelling about Sasha's approach is that she doesn't just focus on the financial mechanics, she understands the operational and human implications behind them.

When reconciliation is clear and controls are strong, teams function better, leaders have better data, and organizations can make decisions with confidence instead of hesitation.

So in today's conversation, we're going to explore what it takes to build financial infrastructure that supports a healthy, scalable medical practice and why getting this piece right is more foundational than most leaders realize.

So Sasha, welcome to the podcast. Thank you so much for having me, Jill. I'm delighted that you're here. This is a conversation I've been looking forward to for a while.

been enamored with a good reconciliation process, and I'm so delighted that you have brought this solution to the market. So I am really excited to talk about it with you today.

And I would say, to begin, reconciliation is one of those unseen processes, like it's a little bit invisible. I wonder why you think so many medical groups really underestimate its importance until there's some kind of problem.

That's a great question there, Jill. And I will say, I think a big part of the reason why reconciliation isn't more commonly done is because it is such a painful process.

It's the difficulty of doing it that lends to folks not doing, not the lack of importance of it. Part of what we've seen as the pain point, and my own experience in seeing this pain Banks don't integrate with practice management systems.

And in a world where you see somebody one day, you patients one-day, and then two months later, a $20,000

check arrives in your mailbox from United for 50 different people that you've seen over the course of months, it's really hard to know how did you get paid.

It's just a very different financial structure than a pizza shop or a toy store where you get paid on the moment that you've given that transaction. Yeah, that's great.

And I should pause here to define for our audience what you and I always say, reconciliation, because I don't want to assume that everybody knows. I know I shared this with you, Sasha, when we were talking earlier.

that reconciliation is the process by where you compare the money that came into your bank account with the one that got posted in your practice management system.

And then some groups even go further and say, does that also match what's in our accounting system, QuickBooks or whatever you use for tracking your money into financial statements.

So that's what we're looking at. I know I shared with you that I've had these conversations over the years with medical groups.

Common Payment Gaps and Missing Funds

It generally takes a lot of conversation before everybody really understands the importance of making sure all those numbers align. But I'd love to hear from you, when you walk into a new environment, what are some of the most common reconciliation gaps that you see, and what do you those gaps costing the practice?

Yeah, and exactly to your point there, Jill, the goal of reconciliation is to say, did you get paid where you should have been paid? And the reality is you have a practice management system that is telling you, here are all of these claims that are getting adjudicated, but you actually get those dollars in your bank account is the entire goal or reconciliation.

And so one of the gaps is if you're not running a reconciliation process, you may not be getting paid for some of claims you are posting and you think you were getting Of course, another big pain point behind this is actually tracking your accounting and your books.

Are all of the dollars that are in your bank account getting accounted for, especially if you're paying out employees or the other providers in you group based on the claims that in in the system.

So all these numbers you want to have mash up. What is in practice management system? What's in bank? In accounting system so that everyone is getting paid appropriately and you books are lining up?

Yeah, that's fantastic. And I imagine you see a lot of gaps when you go into practices. What do you that costing? There's a cost to all the manual process for sure, but I'm sure you could tell some good stories.

We haven't said the E word out loud yet, To your point, one of the biggest gaps that we see, and as you mentioned, part of reason why at Anatomy we built Lockbox to start is because one the hardest parts of reconciliation process is the fact that you get paid by insurance providers in three different formats.

There can be an electronic payment called an EFT or an ACH. That would be when you receive a payment directly into your bank account from the insurance payer.

But you could also receive check that arrives in the mail that you then are depositing. And then you can also received a virtual credit card that your are keying into you're merchant system that have in your office.

So these are three different forms of payments. One of the gaps we often find is there may be groups that They're tracking the electronic payments, but the checks and the virtual cards, those get grouped up, and so it's very hard to really know what you got paid for.

And so that was a big part of the reason we started with a lockbox, so you can get the hardest part those payments normalized and digitized in the same way as electronic payment.

But we often see that as one of first gaps. Those checks that may be sitting on a desk for a couple of weeks, making sure those actually get deposited in virtual card, make sure they don't get lost as part the papers that are coming through.

And some of the gaps and stories that we often find are groups that maybe didn't deposit checks or find a drawer full of checks, or found a set of EOBs that had virtual cards that just never got deposited.

And those sometimes are the missing funds. It's that last 10 or 20% of payments that are harder to track than an electronic payment. Yes. Yeah. And we're saying it's like the last 10 or 20 percent, that's a significant amount of money for most practices.

It feels, oh, there's just a little bit that doesn't come electronically anymore. But those are also areas where it is ripe for somebody if they're interested in taking money out of the practice, an employee that is going to embezzle.

That's the risk for groups that don't reconcile, is that either they just honestly don' get paid, the money never showed up. And we've seen a lot of examples of that over the years where the EOB, The Electronic Explanation of Benefits, comes in and so your billing team is posting those payments into your practice management system as though you did get payed, but if there's not that corresponding check with the bank to make sure the cash actually landed there, I don't know too many people that thoroughly trust the insurance companies to make sure they did what they said they do.

So interesting. To your point on stories, we hear so many interesting ones as we work with groups here at Anatomy. I'll give you one funny one. It can be truly good intentions.

We'll talk as well about where there could be issues like embezzlement or fraud, which you want to make sure you capture. But even the best intentions can.

There we worked with one group where to your point, they weren't doing a reconciliation process, but they felt like something was off. They weren' getting all the funds that they thought they should have been getting.

To your point, there's that last 10, 20 percent. It's not a small amount, but it's enough to get missed.

Internal Controls, Embezzlement, and Real-World Mistakes

And the reality is there is just enough paper coming through because of secondary insurance or out-of-network payments that come back on checks or workers' comp that comes back that way that it may get mixed in your processes.

We talked to one group where their front desk was told, make sure you go ahead and scan in all of the checks. and then upload it into this file and thread everything.

And so the front desk staff was doing that and it turns out they weren't using the check scanner. They were scanning and shredding live checks. The process that they thought was being told to them, but there was a miscommunication.

Which scanner am I supposed to use? Oh my goodness. Yeah. Yeah, didn't even be good intentions in place, but. And unless you are truly reconciling and saying, hey, I have this claim and before I post it, want to make sure that payment is in my bank account.

That's where you can end up getting a miss in your revenue. Yeah. And I love that you brought up the virtual credit cards and I'd love to just take a tangent for a minute on that one.

We generally recommend our clients don't accept those. I look at it from a mathematical perspective. First of all, it makes your reconciliation. There's another line item in there, the things you've got to match up.

And the credit card vendor will obviously take their two or three percent off the top of that. So then you're trying to reconcile and you are off by $2.47 of what your payment was.

And so that's challenging for reconciliation. Then also, why should you pay another couple, two, three cents on every dollar? to get your money. We routinely recommend our clients call or fill out whatever paperwork you need to fill so you're not getting those electronic credit cards.

But to your point, they're very easy to put in a stack of paper and get lost on somebody's desk or in file. Whatever. Yeah, that's for so many different ways and it really is a complex process.

So I'm really glad you're making it simpler. And I curious for our audience, talk a little bit about how physician leaders should think about reconciliation and what their role should be in oversight.

Yeah, great question. I would say as the physician leader of a practice or CEO of the practice, or CFO of practice. You would be looking more at the, hopefully the metrics or the reporting that you want the group to put out for you.

One thing that I used to always build in my previous lives and that we built into anatomy is a waterfall chart. You want to see, here is the amount of payments in my bank account for the last month from insurance providers, and here's what I saw posted in practice management system.

And there's two ways to get that to be even. You can either run a daily reconciliation process where you only post funded claims. So you say, I'm only going to post this claim after I know the deposit is in my bank account.

That's one process that we see groups run. And then you have that data as a physician owner or an owner of a practice. On the other side, you might be doing more of monthly month end reconciliation process, in which case you would want to see That waterfall, here's what's in my bank.

Here's, what to my prex management system of the funds that came into my Bank account. Let's say I received a hundred thousand dollars this month. I would want to know that 75,000 was matched and posted this.

Maybe another 20, 20 thousand. The payment came today in April, but the remittance came in March and then another 5,00 is unmatched. And so I was labeled that as unrecognized revenue for now.

You hold that over and you're continuing to track that. And that way you have those three kind of buckets that you are thinking about at the end of every month and.

You track this sort of month over month. That's great. I would say for physicians where we'll get into a little more, I'm sure, but we're talking about embezzlement, which is another thing.

Reconciliation doesn't get discussed much. I think it fits into that ethereal category of internal controls, which also don't discuss much, and that's what you put in place as an owner to prevent embezzlement, so it sounds like all these topics are just under the radar.

So I'm extra glad that we're having this conversation today, but I frequently think for physicians when they think about oversight of a process that is financial and therefore the foreign language, but we don't teach any finance in medical school.

So I often say to physicians, I'm not sure how any of us should expect that all this stuff when we ask you to have oversight over a process, how we would expect, that you would know what to look for or that, you know, when something's amiss.

But I'd love to hear from you about maybe another real world example. I love, and I cringe the one with the scanner

and the shredding of the live checks before the positive.

Maybe another real-world example where poor reconciliation led to a significant financial issue.

Best Practices for Daily and Monthly Reconciliation

And to your point on the embezzlement side, or even again, just good-natured mistakes that can happen. I know I talked about the payment side of reconciliation.

Of course, the other side is also tracking all of your remittances. Not necessarily a specific example, but what I would almost give is the best practice that we see out there.

So at a large organization, one way we often see groups managing a reconciliation process to ensure that every day all of your claims that are closing out are tied to bank deposits.

is that a lot of groups will run a process where they download, in fact this is what I used to do, is we would download the transaction list from your bank account and that is the list of what you post in your practice management system every day.

So now you ensure that anything that is posted is confirmed in your bank account. That does mean you're going to end up with more claims that are unposted inside of your practice management system.

But it also means that you won't end with claims posted that think you've been paid for, but it turns out maybe something happened to that check. again, good natured or not.

Those are the two ways or maybe the best practice that we've seen that I would share back as we work with groups. And we have seen a lot of groups that sort of put a process in place to make sure that everything is really tracking.

Now, the reason a large groups don't do that is because it's a lots of work to go through this list and post off of it. That's what we built anatomy to help automate.

But I also would just highlight that's You can do that in a more manual way. And something we would recommend is probably the best practices only post after deposits come into the bank account.

Yeah, absolutely. I'm so delighted that our revenue cycle team gets to use anatomy and they love it. So it's so much fun. Years ago, before you created anatomy, I recall we had a large foot and ankle surgery group and our director of revenue cycle had a very large spreadsheet and she would spend hours getting that lined up because there were many millions of dollars going through that account so it was like there was a lot to track and recall walking in and I would just see the big spreadsheet up on her street.

And I'd say, okay, I'll come back later because I know what you're in the middle of. Yeah. All that. With cool little formulas that showed if something was off.

It could be quite elaborate. Doesn't need to be, but it can be. That was an instance of a practice that absolutely was the size and sophistication that needed to be doing a daily reconciliation.

So I'd love to hear your thoughts a little bit on how you help practices determine how often they should reconcile. Yeah, so I will say the best practice is to do a daily reconciliation where essentially you post everything that's come into your bank account for that day.

That would be the practice, is tracking off on the payments that are coming in. And that way, part of the process should be if you don't have a payment for a remittance that you've received, Those are the things that you should be following up on.

Maybe following with those payers and saying, hey, I never received that payment. And of course, vice versa. When you have a payment and then you're trying to post it, you don't see that remittance.

Those of the ones you would want to go and capture. That would be the best practice. Ideally, that happens across any size group. I would say if that is outside of day-to-day workflows, a monthly reconciliation process is also a good option.

Where basically at the end of each month, you would essentially do that in whole, right? You would do the same thing. You're looking at a month of transactions and you're still tracking off one-to-one and more marking off and highlighting, okay, here are the 20 things that I need to follow up on.

Yeah. We've worked with some smaller groups that do it weekly. I agree with you that daily is definitely best practice because when you find something and here's a smaller group, the daily reconciliation process shouldn't take long because there's not a huge volume of transaction space.

Yeah, it's much nicer to follow up in the moment when you find the thing that isn't reconciling. Yeah. That's fantastic. how about, I know a lot of groups when I talk to them seem to rely on the reports from their clearing houses and I wonder if you could talk a little bit about that and let me make sure everybody in our audience gets that when your clinic generates a claim it does not go directly to the insurance company it goes through another entity called the clearing house and in most cases that's required and that is I think the Clearing House's job is basically to make formatting of the electronic claim is appropriate and so that it will be accepted at the insurance company and not rejected at that front door.

And there's a lot of reporting out of that platform, too. So I'd love to hear your thoughts about the Clearinghouse reports. I'm so glad you bring that up because I think sometimes that is where there is confusion with groups that we work with as well.

Because you see a dollar amount that comes out of the clearinghouse or a dollars amount in your practice management system because they're tracking, again, the electronic claims that are coming back through.

And so the claims are adjudicating inside of your system might say, you have earned $5,000 today of claims. But the reality is those are not actual dollars in you bank account.

And so what's missing from those reports is the actual payment into your bank.

Clearinghouse Reports vs. Bank Reconciliation

And that is why there is a bank reconciliation process that you would want to run, which is. confirming here are the payments in my bank account compared to that list that you might be seeing in your clearinghouse or the reporting that is in you're clearing house.

Think of your Clearinghouse as your claim system of record and your bank is your payment system record. And that's oftentimes why this is such a complex process and is where we built Anatomy to really solve that missed gap of pulling that data together.

Oh, yeah. I imagine, and it would be fun to do a little bit of a case study, but I Imagine use of your solution likely helps groups recoup hundreds of thousands, if not millions of dollars, just with all the complexity that we have in our system.

So that would Be fun. Actually just start adding it up. Like how How much have we actually helped save or helped to recoup? There's just so many places where money can leak out of the average medical practice.

And if it doesn't get followed up, it sits on the practice to follow up. The payers very rarely come back and say, oops, I've made a mistake. Here's your money.

The wait for you to ask for it. Thinking about all of the complexity with all these various places where money can leak out of a practice. I have conversations with groups where I start talking about internal controls, like reconciliation, and I can see the eyes glaze over.

There's way too much for me to think about, you're speaking to me in a foreign language and you want me do what? In my practice, so there's this really a sense of overwhelm.

So I wonder if you could give us like a simple starting point, like what would be a minimum viable reconciliation process that a group could implement that would help them get some clarity.

That's, I love the idea of how can you get started? Because to your point, it can feel like a big jump. The way I would start is with take your last month of bank transactions, you do a one-time audit, let's call it that, right?

So think of it as a onetime audit whether you take you last months or your quarter of your bank deposits and also the last quarter or month from your claims from you practice management system.

So pull those two reports and do comparison And I think you're going to get a pretty good idea. You might see that it's off by certain percent. Is that 2% or is it 20%? Something like that might give you at least some indication as to how big of a need this might be in your own practice.

I thing we find a lot of groups where you are off buy a few dollars, which that's frustrating in itself, but I find you find your off-buy, yeah. thousands of dollars.

That might tell you that there's something that you'd want to look at more urgently. And this might be something, that is a bit of a smoke that, you want it to go check up on.

So I would use that. Yeah, yeah. that's fantastic advice. I love it. and I'm glad you brought up this notion of like, how far off are you? We've had, I know at least one or maybe two episodes previously about the notion, of scope.

which for an auditor is like, how big is the dollar amount before you care about it? And I think our previous episode was like what's your scope as a physician owner and why you don't care $500 because that is not enough money in any medical practice for anybody to get excited about.

But then we flip that over to a personal financial setting. If you were missing $ 500, you'd probably be concerned about that out of your personal checking account.

Oh, where'd that go?

Starting a Minimum Viable Reconciliation Process

But at the practice level and as an owner, when you're overseeing something that likely has hundreds of thousands and millions of dollars flowing through it, you can't get excited about $500. But to your point, if your reconciliation is off by a few dollars, that is frustrating because it shouldn't be off.

It should match to the penny. says the old auditor, but we all know that it's probably not gonna, so it okay. What amount is acceptable to you as a business owner for how far off can you be?

Is that number a few dollars? is that a thousand dollars, is it $10,000? Depending on the size of your entity and the number of dollars flowing through, you probably have different levels or different scope for what you care about.

But it is a great piece of advice to just get started and then see how And yeah, if it's $200, that's probably okay. If it was $20,000, it is probably not okay, so somewhere find your sweet spot for your group and your circumstance and all of that.

So that is great advice for the beginners. So now we've talked about the beginning, so now I want to go way over to

the other side and talk about advanced stuff and taking a look ahead because everybody's talking about AI and automation, RPA, all of that.

How do you see those new technologies impacting reconciliation and internal controls and what would be your advice for practices to prepare for that? Yeah, great question there.

I will say part of the platform that we built at Anatomy is using AI to take what is, I think, the hardest part about reconciliation. It started with the gaps because it's the checks, virtual cards, paper EOBs.

You can't use AI on all of that paper mail that is sitting on the front desk. So we can talk about AI all day, but it If it's unopened envelopes, nothing's getting to it.

So that's the first step is just getting all of that digitized into your systems. And that is part of what we use AI today is we have, as you mentioned, our lockbox.

We actually work with groups to have all their mail sent to a facility where everything is opened and scans. we take it off of the plate of practice having to open and scan mail.

But that when we used AI to do things like convert paper EOBs into electronic remittances and take all of those checks and virtual cards and help match those up to all the remittences in your system.

I see AI playing a role across a lot of different components of practice management and financial management of a practice. But again, I think there's a first step which is You have to get everything digitized for it to even work.

It's a good, it's an excellent statement to say all those unopened envelopes on sitting on their front desk are, they're not in your bank account. They're in not your system.

AI, Automation, and the Future of Reconciliation

they are not anywhere. And yeah, you need to those digitize. it amazes me still how much snail mail and faxing our industry still has. and it is really pretty amazing when we consider most others are completely paperless.

So it'll take healthcare another decade or so probably to, get all the way caught up. I love what you've created and I just have to say thank you for the clarity that you bring to the markets.

And I want to, for all of our listeners, I wanna say we will have Sasha's contact information and information about how you can find her company in our show notes.

So with that I will ask you one last question. My favorite question for everybody that we talk to is any last pearls of wisdom that would you like to share with our audience?

First of all, I'm really excited about being on this show because I think you're shining a real light in an area that doesn't get a lot of attention, as you mentioned from the very beginning.

And I, think anyone who's listening here is probably already further along than the average group that already capturing these sort of areas of wisdom.

But what I would just highlight here, is making sure that you really have a good handle on all of your different control points. And I do think a lot of groups have a better sense of the claims because you're seeing patients come into your door.

You have the sense that claims that are coming back in and having visibility into the, now are the dollars also matching up to that? That would be the message I hope everyone walks away with today.

Wonderful. Sasha, thank you so much for sharing all of your expertise with us today and again, Thank you for what

you have put out in the market to make life easier for folks.

Thank You, Jill. Before we wrap up, if today's conversation has you even a little bit curious about how your revenue cycle is actually performing, I want to offer you a very simple place to start.

At Healthy Practices, we offer a free revenue-cycle vitals check, where we take a quick but meaningful look at your key metrics, things like accounts receivable, collection rates, and denial patterns, to help you understand where you are and where there may be opportunities.

Final Advice and Closing Remarks

For many practices, that alone is eye-opening. And if those results warrant a deeper dive, we also offer a comprehensive revenue cycle assessment where we take a full, structured look at your system's workflows and performance, including your payment velocity.

That's where you can really identify what's working, what is not, and exactly how to improve it in a tailored revenue-cycle strategic plan. From there, we can support you in a couple of different ways.

If your AR needs attention now, We can step in short-term to help clean things up, improve cash flow, and get your revenue cycle back on track. Or, if you're ready for a more permanent solution, you can serve as your fully outsourced revenue-cycle partner, bringing not just execution, but strategy, visibility, accountability to the entire process.

Because at the end of the day, this isn't just about billing. It's about building a system that supports a healthy, sustainable, and profitable practice.

So if you're ready to take a closer look, you can find more information and request your free vitals check at healtheps.com.