

## Aged Receivable Benchmarks

Accounts receivable is the balance of money due to a practice for services delivered but not yet paid for by patients and their contracted insurance companies. It is important to review accounts receivable balances on a monthly basis and compare numbers to ensure a downward trend.

A large part of the accounts receivable review process includes setting benchmarks for each aging category to track how many days your accounts receivable remains unpaid. Benchmarking is affected by many factors, including location, insurance participation, type of practice, patient demographics, practice financial policies, and the like.

Here is a set of steps to help you get started:

1. Use the grid below as a guide.
2. Use ePM AR tracker to complete a study going backwards to see the history of your percentages.
3. Make realistic goals for each category.
4. Evaluate and adjust AR categories and benchmarks on an annual basis.

Accounts Receivable Benchmarks	
Benchmark	Practice
% of AR 0-30 Days	55%
% of AR 31-60 Days	25%
% of AR 61-90 Days	23%
% of AR 91-120 Days	5%
% of AR over 120 Days	3%

Benchmarking your accounts receivable against national averages and high performers in the industry will help reveal any inefficiencies and identify opportunities for improvement.

### A healthy dental practice will:

- Collect 99% of net production, measured over a one-year period.
- Have total accounts receivable equal to monthly average production.
- Have no more than 20% of accounts receivables aged 60 days or more.

## References

1. <https://www.dentaleconomics.com/practice/article/16385653/benchmarking-payment-goals>
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