

# **CHAN HEALTHCARE AUDITORS**

## **Computer Assisted Audit Techniques Solutions**

### **Accounts Receivable Continuous Monitoring Tool**



#### **ABOUT CHAN CAAT SOLUTIONS**

CHAN Healthcare Auditors (CHAN) has long been an industry leader in applying Computer Assisted Audit Techniques (CAATs) to identify and help manage potential financial and operational performance issues in the healthcare provider environment.

#### **THE CHALLENGE**

Hospital reporting tools, including decision support systems, offer a vast number of reports that target write off and payment activity for an account or class of accounts. All provide excellent day to day information however an information gap exists in summarizing the overall reserving methodology on an historical basis. When we look back six to 12 months, how well did our day to day AR valuation activities compare to what actually happened?

#### **THE SOLUTION**

CHAN's Accounts Receivable Continuous Monitoring Tool does just that. The core deliverable of this solution compares actual payment, adjustment and write off activity for a given period end AR to the reserves booked against that same AR. This view of historical information, often referred to as a hindsight or look back analysis, is a crucial component in managing AR valuation.

The information power of the hindsight is amplified via CHAN's trending tools to view period end results side by side; the more points on the graph, the greater the predictive power. No report or analysis can replace the intuition required for AR valuation however this tool adds an important piece to the estimation puzzle.

Our tool is web-based with easy export to Excel and includes:

- Hindsight Analysis
- Hindsight Analysis Trending
- Bad Debt Matrix

#### **WHY CHAN?**

- CHAN has been performing hindsight analyses for over ten years.
- CHAN continually enhanced the product based on client feedback and a changing environment.
- CHAN's staff is experienced and knowledgeable.