

collecting from patients

a complete guide to using the entire revenue cycle
for better connections & better collections



brought to you by





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introduction

You know collecting from patients is important, but if your processes are not keeping pace with the industry, you could be risking a significant portion of your revenue.

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at time of service

Make the most of the time you have in front of the patient to ensure they understand their responsibility, and to obtain at least partial payment for services, before they leave and your services become less of a priority.

04

pre-service

The billing and collections process should begin before the patient ever steps foot in your office. Find out what steps to take up front to help ensure payment in full.

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post service

By this point in the revenue cycle your billing and collections procedures should be well under way. Learn the best practices for following up and staying engaged all the way through final payment.

introduction

Annual deductibles have risen 6x faster than workers' earnings since 2010.

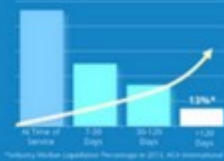


Annual health insurance deductibles have risen more than six times faster than workers' earnings since 2010. Additionally, four out of five workers who receive their insurance through an employer now pay a deductible, and for nearly half of them that deductible is at least \$1,000.



4 out of 5 people who receive insurance through an employer now pay a deductible.

The longer it takes to collect, the less will be recovered.



Whether you are working with self-pay patients, or insured patients with rising out-of-pocket responsibility, the price of leaving your process for collecting from patients unchanged is extremely high.



More than 30% of patients walk out of a medical practice without paying.

Collecting at the time of service has always been important for your healthcare organization's revenue cycle, but with so many changes taking place in the healthcare industry today your medical office staff must start capitalizing on the entire revenue cycle if you expect to receive payment in full. The billing process should begin before the patient ever enters the office, and must follow through until final payment.

40% of Americans have medical debt. It jumps to 60% if the patient has been uninsured.



In this eBook we will discuss the various steps you can take throughout the entire patient experience to not only improve revenue, but also to ensure patient satisfaction.

13%

The average recovery rate according to ACA International

Sources:

"Health Insurance Deductibles Outpacing Wage Increases, Study Finds," Emily Berl, *New York Times*, NYTimes.com, 9.22.2015; "Average Annual Workplace Family Health Premiums Rise Modest 3%," Kaiser Family Foundation, KFF.org, 9.14.2016; "3 Steps for getting your patients to pay up," Jeff Wood, MedicalPracticeInsider.com, 8.4.2015; "Infographic: The State of Patient Collections," Lee Chatham, GettingPaid.Kareo.com, 7.22.2015

20% of practices report that improving reimbursement is their biggest challenge.





61% of patients are surprised by out-of-pocket costs

Cost transparency has become a priority for patients, and estimates have been proven to improve patient satisfaction



2 in 3 patients reported a positive billing experience when they were given an estimate up front

pre-service

**establish
expectations**

**create a clear
payment policy**

provide an estimate

change your culture



Sources:

"TransUnion Healthcare Survey finds Cost Transparency is a Top Priority for Patients," Transunioninsights.com, 2015



establish expectations

With out-of-pocket costs accounting for a larger percentage of patients' income, it is more important than ever to help them understand their responsibility.

While the Affordable Care Act has provided insurance for millions of Americans who were previously uninsured, many of them may be unfamiliar with the workings of insurance coverage. Similarly, those patients whose policies have changed under the new requirements are coping with higher patient responsibility and are not accustomed to being responsible for so much of their medical expenses.

Set expectations about your financial policy and the patient's responsibility during a pre-service call, whether it is during appointment scheduling or a reminder call. Require all new patients to sign and return your policy prior to the date of their appointment, and provide an opportunity for them to ask questions about it before they arrive. Doing this ensures that they have read and understand your organization's policies prior to services being rendered, and prevents unexpected balances.

create a clear payment policy

Regardless of whether your patients are insured under a high deductible health plan, are new to insurance, or are true self-pay, establishing a clear payment policy is key to recovering patient responsibility.

A clear, easy-to-understand financial policy can help improve your relationship with patients by avoiding any billing confusion and answering all of their questions up front. Providing all patients with your policy and requiring them to sign it before services are rendered allows them to ask any questions they may have, and to possibly make different care decisions, based on a complete understanding of their financial obligation.

A clear payment policy can also ensure a more organized collection process and help your practice avoid legal implications. When crafting your financial policy, be sure to consult an attorney to ensure all applicable state and federal regulations are being met.

tips for implementing your policy

- Write in clear language to avoid any confusion and translate into any languages necessary to accommodate your patient demographics.
- Include details and remedies specific to those problems faced by your patients (specialty -specific, socioeconomic, etc).
- All staff should be familiar with the policy so they can address any questions. Providers should also be familiar with it and understand the impact of adhering to the policy.
- Provide a copy to all patients prior to service, and require a signed copy before rendering services.

provide an estimate

A recent survey by TransUnion found that 8 in 10 patients believe that receiving a cost estimate prior to services being rendered "is as important as bedside manner." With healthcare costs becoming such a concern among Americans, more patients are beginning to shop for services. Patient satisfaction is key to maintaining your patients, and making the billing process as easy for them as possible will keep them coming back with payment.

Provide a credible estimate as early in the process as possible. If your practice can leverage technology to automate eligibility, verification and estimation, this process will take minimal time from your staff. If your practice does not have the technology available, develop a list of standard codes and their costs to help give patients a general understanding of what their responsibility will be and to eliminate surprises after treatment.

Only 30% of patients reported receiving an estimate prior to service without requesting one despite growing demand. Set your practice apart and improve patient satisfaction with this one step.

Sources: "TransUnion Healthcare Survey finds Cost Transparency is a Top Priority for Patients," Transunioninsights.com, 2015



patients believe receiving an estimate prior to treatment is important



2 in 3 patients reported a positive billing experience when they were given an estimate up front



of patients think estimates are helpful when managing medical costs

30%

of patients receive estimates prior to service

61% of patients are surprised by out-of-pocket costs



patients requested estimates before treatment in 2015



change your culture

The culture you create within your office has a direct impact on how well your team is able to collect money, and it all starts at the top. It is up to the leadership within your practice to set the culture, and to hire and empower a team to sustain it. Excellence is created by design. Your services can always be rivaled by a competitor, but what often cannot be rivaled is culture. Put the tools in place to maintain that culture and create purpose within your employees to keep your patients coming back with payment.

engaged

If your workforce is not engaged and committed to providing an exceptional patient experience from registration through billing, the patient will not be either. Only a team that is engaged and committed to providing a quality experience will make the effort to preemptively provide what the patient needs, and to create an experience that surpasses satisfaction to excellence.

genuine

You are in the business of providing care, and you need a team that is genuinely committed not only to caring for your patients, but also to sustaining the business of your practice. Staff members who take the time to establish relationships and to truly understand your patients' needs and financial capabilities can make all the difference in receiving payment in a timely manner.

consistent

What is a good patient experience? If you can't answer that definitively, neither can your staff. Determine what creates an exceptional experience from beginning to end, and train your staff to follow that procedure every time. Not only does consistency help to maintain your culture, it also reinforces your expectations of your patients. Part of this process should be adherence to the financial policy, and collecting co-pays up front, every single time.



patients with some form of payment on their person at the time of service



patient responsibility you are likely to collect if they are not asked for payment until after services are rendered



patient responsibility you are likely to collect by sending statements for 30-120 days after the date of service



patient responsibility you are likely to collect by sending a patient to collections after 120 days

at time of service

tips for collecting at time of service

changing your mindset about patient collections



tips for collecting at the time of service

01

ask for payment in full, 100% of the time

Experience shows us that you will likely be turned down 8 out of 10 times, but that will still result in 20% more patient revenue than if you had not asked. The likelihood of receiving payment in full once the patient has left the office is cut in half, so ask early and ask often!

02

begin a discussion about a payment plan

By the time the patient arrives for their appointment, they should have already read and signed your financial policy, and possibly even received an estimate. They understand their responsibility and now have the opportunity to ask questions. Work out a payment arrangement before they leave for a great chance that they will adhere to it.

03

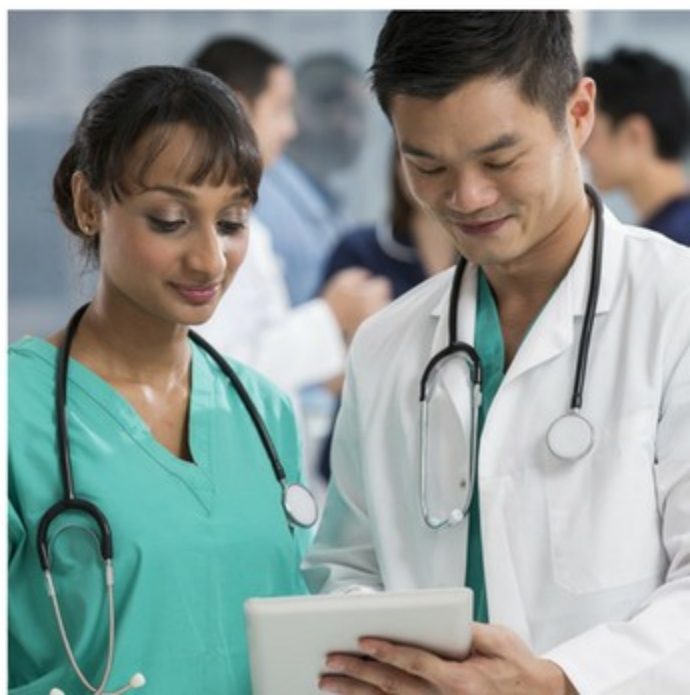
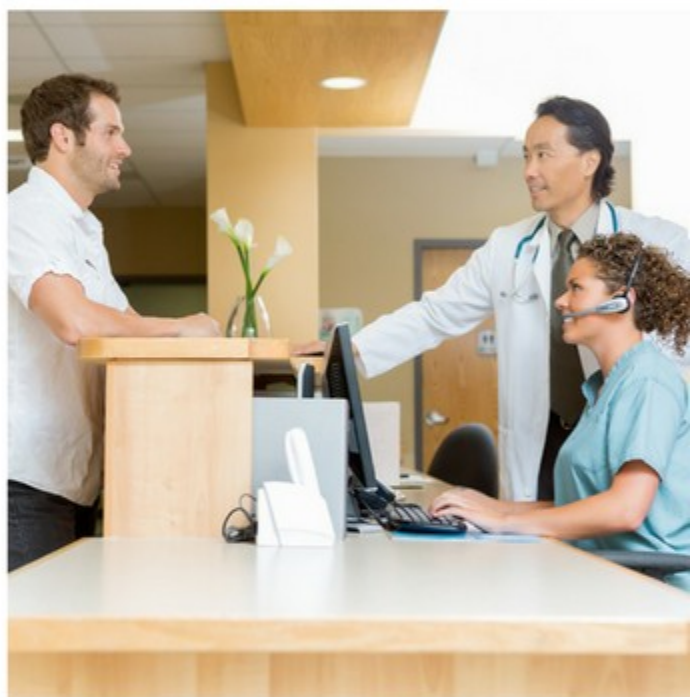
provide meaningful information

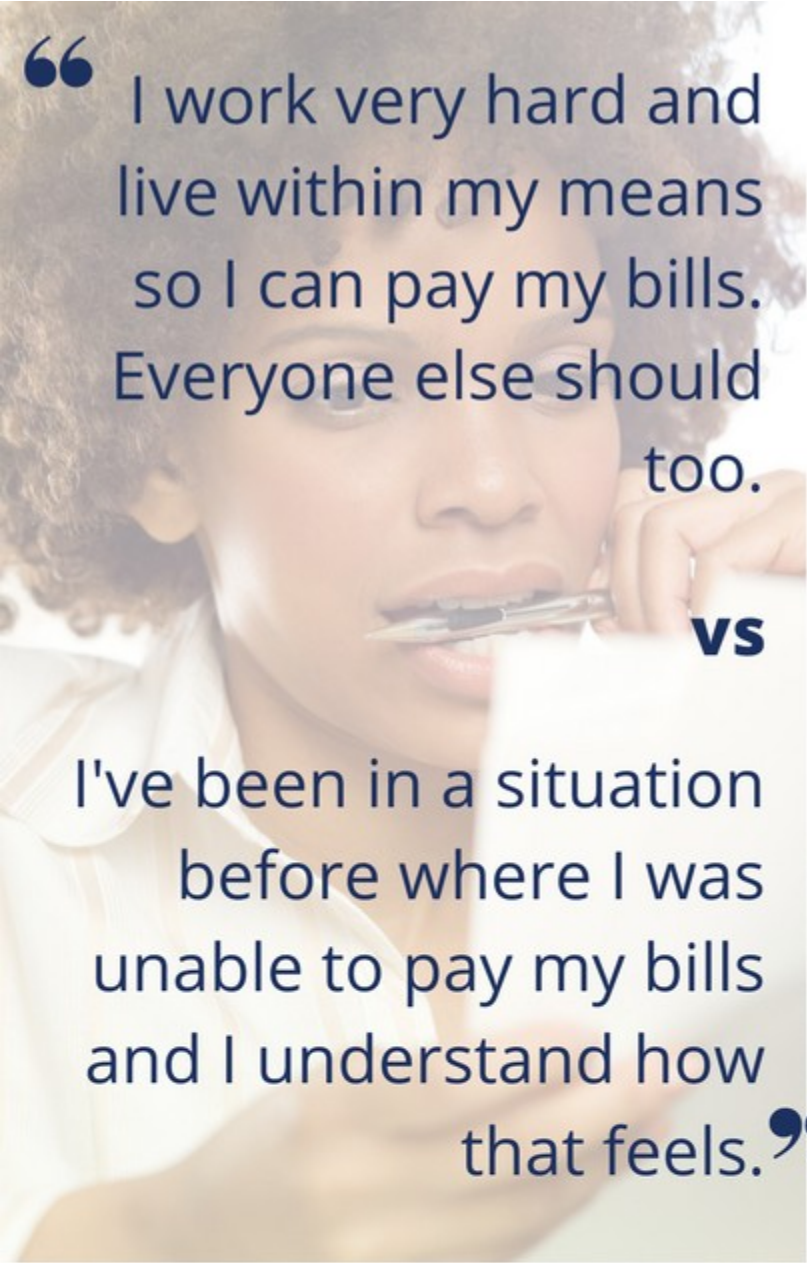
If you have already confirmed eligibility, provide the patient with a print out of the verification. Patients are more likely to take responsibility for their out-of-pocket costs when they are aware of their coverage.

03

ask the right questions

Often an excuse or objection is the result of a misunderstanding or confusion. Ask questions to determine the real barrier to payment and work with the patient while they are in front of you to find a solution.





“ I work very hard and live within my means so I can pay my bills. Everyone else should too.”

VS

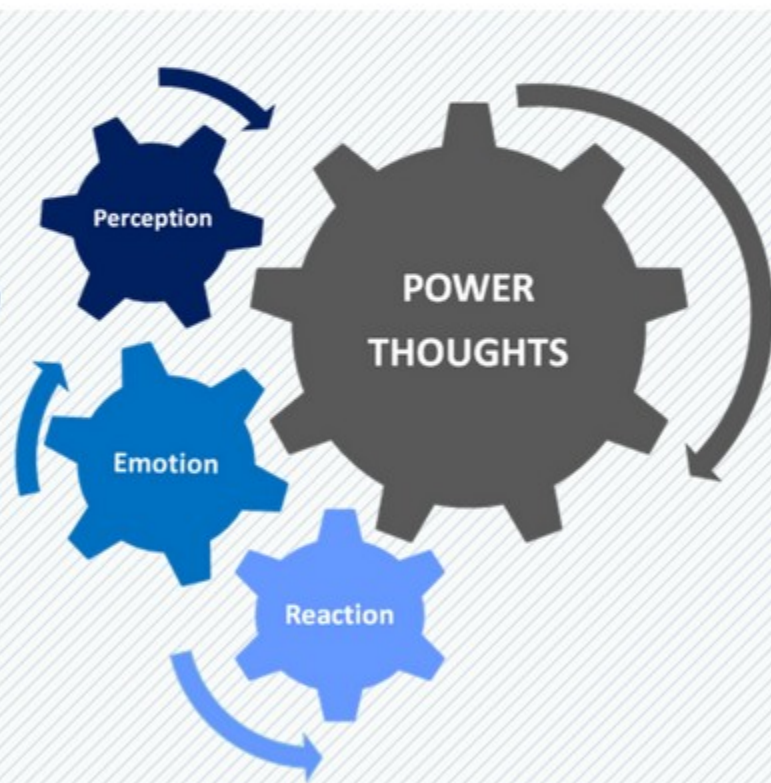
“ I've been in a situation before where I was unable to pay my bills and I understand how that feels.”

If you are of the second mindset, there is a good chance that your patient can tell. What we say only accounts for 7% of what is actually communicated. In fact, 38% of the message we convey is in the way we say something. However, the most important aspect of the communication equation is what others see. Your body language says more to the patient than what you say, or even how you say it. If you make an effort to change your perception, in turn it can influence what you think and, ultimately, the way you feel.

Source: "Everyone Communicates, Few Connect,"
John Maxwell.

changing your mindset

There are often two conflicting mindsets when it comes to financial responsibility, and you should be careful not to judge too quickly. When a patient enters your office with the latest smartphone but cannot afford their co-pay it can be easy to jump to judgment. However it's possible that when the patient entered into their contract both they and their spouse were employed. Perhaps now one of them is dealing with a medical issue, or unemployment.



“ Set your mind that you won't be bitter, angry or resentful. You may not be able to help what you feel but if you can change what you think, your feelings will catch up with your thoughts. ”
-Joyce Meyer



40%
of patients have indicated they want to receive e-statements

21%
say online bill pay is the top online feature they look for


55%
of patients are confused by their bill

Sources: "3 Steps for Getting Patients to Pay Us," Jeff Wood, MedicalPracticeInsider.com, 8.4.2014; "Infographic: The State of Patient Collections," Lee Chatham, GettingPaidKareo.com, 7.22.2015



74%
of US households pay bills online

Your practice should borrow concepts from successful payment models and make payment easy.



83%
of US households use 2 or more bill payment methods (including online/mobile)

post service

early follow up best practices

patient payment options

improving patient payments

staying engaged





the best performers start all collection follow up earlier, and by phone as opposed to written



nearly 75% of best performers start collection follow up in less than 30 days from discharge



50% of best performers start follow up by phone in less than 20 days from service

early follow up best practices

We previously discussed that the cost of collections increases over time. This is partially due to the fact that your bill becomes less important to patients as they start to feel better. It is best to follow up with the patient while your services are still fresh in their mind and are still a priority.

Your practice probably has a schedule in place for mailing statements and past due notices to patients, but a mail piece is not nearly as effective as a phone call. Remember, calling patients outside of traditional office hours will increase the likelihood of contact. Phone calls are especially necessary for patients who have ignored notices by mail in the past.

Additionally, send statements as soon as the balance is known.

Provide a clear description of services rendered (not a list of codes) and offer several methods of payment. It is key to set a clear due date. Giving a range (due in 30 days) can be ambiguous and aging bars indicate to patient that the practice will not take any action for the length of the timeline provided.

payment options

Playing the role of a financial counselor can be difficult, and new payment options may need to be considered when discussing plans for high-cost health services. Try working through some of these to secure payment after service.

Prior to rendering services, secure a down payment (if allowed under your payer contracts and financial policy) and establish a payment plan consistent with the financing options available through your practice.

Outside credit may provide a longer financing period with more affordable payments. This often comes with higher interest rates, so be sure to establish a clear credit plan up front.

Enrollment in HSA plans has increased dramatically with the growth of high deductible health plans. More than 15.5 million people are currently enrolled. This can be a great source of funds for securing a down payment.

1 in 4 Americans withdraws funds from retirement accounts to pay current expenses each year. This does come with tax penalties but may be an alternative to high interest rates over time as with credit.

Health care is as important as relocating or transportation. For high-cost, medically necessary care patients may need to consider paying for it in the same way as other major life expenses.

**secure larger
down payments**



**credit cards
& care credit**



**health savings
accounts**



**401k & other
savings accounts**



**Loan
consolidation
& home equity**





4 ways to improve patient payments

charity care eligibility

In some cases patients simply do not have the ability to pay. If your practice offers charity care or discounts, determine the patient's eligibility early to avoid collection costs for a patient who cannot pay.

appeal denied claims

Insurance claim denials plague most hospital and practice billing offices, and following up on them can be time consuming. However, failing to follow up on all claim denials could be costing your practice a significant amount of revenue. Errors are often the result of registration or coding errors, and a simple correction could earn your practice payment for services rendered.

monitor payment plans

Payment plans are only successful when they are monitored and enforced. Use your billing software or develop a calendar to monitor payment plans and follow up when patients fail to meet their plan. Make sure your patients are aware of the repercussions for failure to comply with the practice's payment arrangement.

estimate propensity to pay

Determining a patient's propensity to pay before beginning collection efforts can help you spend your limited resources on those patients who are most likely to pay. Collectability scores are available through some third-party collection agencies as well as Experian. If you cannot outsource your scoring, look to the patient's past payment history to make a determination.





staying engaged

We have discussed several tips for recovering patient responsibility after the time of service: follow up early and often, make payment easy by offering several methods of payment and doing your best to provide financial counseling to those patients with high balances, confirm charity care eligibility, appeal all denied claims, and establish and monitor payment plans. But even if your practice follows each of these best practices, post-service balances are still notoriously difficult to collect.

If your patient still has an outstanding balance after following all of these steps, the best chance for recovering it is to maintain an open dialogue with the patient to ensure your balance remains top-of-mind.

If possible, provide an online bill pay account with email reminders and recurring payment options, and remain an available resource to help patients manage their accounts.

help patients manage their account

-  Answer questions and be a resource
-  Determine real barriers to payment and help to find a mutually beneficial solution
-  Help patients find outside assistance - many people are unaware of available assistance programs
-  Help patients understand their coverage



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