REVELE

The Definitive Guide to Self-Pay Collections

A comprehensive guide to optimize your revenue cycle for self-pay.

Introduction

MODERN DAY CHALLENGES REQUIRE MODERN DAY SOLUTIONS.

Higher healthcare costs have led to an increased number of high deductible health plans resulting in an increased burden on practices to collect a larger portion of revenue directly from patients.

On average, uncollected patient payments lead to an estimated loss of $23,000 annually for the average physician[1]. Having the right technology and processes in place can increase the likeliness of collecting patient payments.

This guide will walk you through strategies to achieve higher revenue by overcoming the patient pay collection challenge.

Today the average practice has up to 35% of their revenue coming from patient pay but 81% of patient payments go uncollected.

In recent years, the percentage of individuals with a High Deductible Health Plan (HDHP) has grown significantly. In order for practices to maintain a high performing revenue cycle management operation, new technologies and strategies must be implemented.

The purpose of this guide is to help you prevent the damaging effects that uncollected patient payments can have on your revenue cycle or to help you overcome these challenges if you are currently experiencing low cash flow due to patient payments.

"73% of providers state that it takes one month or more to collect from patients."

-Instamed Trends in Healthcare Report, 2017

3 Key Performance Indicators

Before you begin to improve upon your patient collections, assess where you are today. This will serve as a benchmark over time to determine if the changes you implement to improve patient collections are truly effective.

To measure your patient collections, focus on the following 3 key performance indicators:

1. **Total A/R**

Less than 20%

Total A/R should be measured regularly but for patient pay purposes, evaluate the percentage of total A/R that is patient balance.

2. **Patient A/R**

Less than 50%

Measure the patient A/R over 60 days regularly to determine how quickly your practice is collecting from patients. Make this a regular activity to avoid accounts aging to 90 days.

3. **TOS Collections**

More than 95%

Time of service collections will reflect how effective the front office staff is at collecting copays and balances from patients at the time of visit.

ONLY 7% OF CONSUMERS

Can successfully define terms such as plan premium, deductible, co-insurance and out-of-pocket maximum.

-Instamed Trends in Healthcare Report, 2017

Chapter 2: Financial Policy

Financial Policy Best Practices

The financial policy is the foundation of the patient pay strategy for your practice. Without it, your patients are unaware of the payment expectations and guidelines.

Here are a few best practices to keep in mind whether you are updating your financial policy or creating a new one.

- ✓ Use clear language and try to keep it short but broad to encompass every patient and their payment responsibilities.

- ✓ Utilize section headings, bold print, and bullet points to highlight key points.

- ✓ Communicate the policy in all languages applicable to your patient demographics and in all media available.

- ✓ Provide contact information for the billing office and list methods of payment accepted.

- ✓ Give it to every patient on their first visit and annually ask patients to sign the policy again to ensure any changes you have made are accepted by all patients.

- ✓ Provide a glossary of terms included in the policy that patients may not understand and need to reference.

- ✓ Include language for late payments, appointment no-shows, late cancellations, prompt pay discounts, charity care.

- ✓ Repercussions if a patient doesn't pay their bill (send to collections, stop providing care, etc.) and any resources if they face financial hardship.

Maximizing Revenue at the Front Desk

According to a study by the Medical Group Management Association, most physicians only collect 60% of patient copays.

Sharing the right information with front desk employees and setting clear expectations can ensure that your practice is collecting 100% of copays. The financial policy will serve as the foundation for front desk employees to communicate financial responsibility to patients however, front desk employees should also be prepared to collect all of the required patient information at the time of check-in.

The next page of this guide will cover the key information that front desk employees need to collect during the patient check-in process.

Front Office Goals

- Collect 100% of copays at the time of service
- Collect 100% of self-pay amounts at the time of service
- Collect 100% of outstanding coinsurance and deductible balances at the time of service
- Communicate financial policy clearly
- Make the process of payment easy
- Provide transparent pricing information
- Offer resources for financial hardship
- Promote a credit card on file option*

*If your practice chooses to implement CCOF.

Chapter 3: Front Desk Collections

The Patient Check-In Process

Customer service and communication skills will be required of front desk employees in order to communicate the financial policy terms and payment options with patients during the check-in process.

Front desk employees should also capture the following information during check-in to ensure claims are processed quickly and accurately.

KEY STEPS TO SUCCESS

DEMOGRAPHICS
- Collect the patient's name, date of birth, phone number, cell phone number, address, and email. If the patient is not the primary subscriber, collect subscriber information. Verify information at every visit.

INSURANCE
- Insurance information (policy and group #) including insurance card and valid ID. Scan the insurance card at every appointment.
- Request a credit card or debit card to keep on file and authorization to charge the card after claim adjudication.*
- If the patient does not have insurance, review key points of the financial policy with the patient.

REVIEW PATIENT BALANCE
- Review past due patient balances while the patient is on-site and take steps to have the patient pay their balance before services are rendered.

ELIGIBILITY AND VERIFICATION
- Require a minimum of one verification for all patients scheduled per day 24 hours prior to the appointment. This allows staff to be aware of any issues, copays, and deductibles prior to the scheduled appointment.

If your practice chooses to implement CCOF.

Tools to Boost Patient Collections

Statistics show that 81% of self-pay net revenues go unrecovered[1]. In addition, self-payers default at a rate of 30% or more[2].

The good news? Advancements have been made with Electronic Health Records and payment technologies to assist healthcare organizations with collecting payments from patients.

Take a look at your tech stack today and see if the tools you have in place are supporting your patient pay strategy. Are there tools that are missing or features being under utilized?

EHR Software

- Online patient portal to communicate with practice and view statements.
- Automated appointment reminders by email, text message, and voicemail.
- Kiosk to speed up the check-in process and collect demographics

Eligibility

- Batch verification to verify one or many
- Real-time verification with a direct connection to payers
- Automated verification to save time
- Integration with EMR/PM platform

Credit Card on File

- Secure HIPAA compliant platform to store credit/debit cards
- Online payment options and digital receipt of payments sent via email
- Flexible or recurring payment plans
- Integration with EMR/PM platform

1. The Advisory Board Company, Financial Leadership Council 2007, "Cultivating the Self-Pay Discipline." 2. IBID

Benefits of a Credit Card on File Program

CCOF is viewed by providers as the best way to improve patient collections[1].

Ten years ago most practices wouldn't even consider a credit card on file program. Today, a CCOF program is becoming standard practice.

Healthcare clinics have been slow to adopt CCOF programs but as collecting credit card information upfront is gaining in popularity in other industries, and storing payment information online proves to be convenient (and secure) for consumers, practices are taking notice.
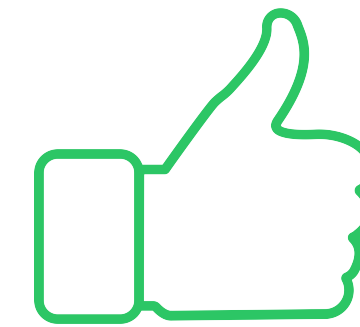
IMPROVED PATIENT SATISFACTION

Among payment methods that a provider organization can offer patient, patients view CCOF as their preferred method for charges of $200 or less.

REDUCED ACCOUNTS RECEIVABLE

Practices that implement a CCOF program typically experience a reduction in AR between 32 and 45 days.

1. Navicure Patient Payment Check-Up, 2017

Chapter 5: Credit Card on File

Getting Started

Only 20% of providers use a credit card on file for patient collections as of February 2017[1].

Getting started with a Credit Card on File Program doesn't have to be difficult. Once you've found a CCOF technology vendor, determine the criteria that will make up your practice's CCOF program.

Answer the following questions and be sure to update your financial policy to include the changes that will take place.

Once you have completed the outline for your CCOF program, ensure thorough training for your staff and begin communicating the changes to patients.
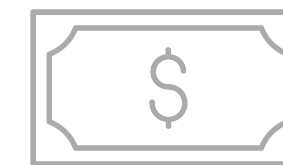
If you decide to implement a CCOF program, be sure to review your financial policy and make any necessary changes.

Will we require credit card on file for all patients?
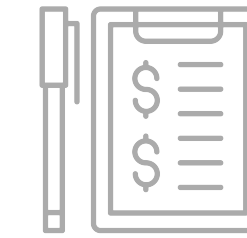
Will payment plans be offered? If yes, when?

What will be the maximum charge amount?

How will we capture and store the CCOF payment authorization?

How do we plan to communicate our credit card on file program?

1. Navicure Patient Payment Check-Up, 2017

Start the Conversation

Conversations about your new Credit Card on File Program don't have to be uncomfortable.

Here are some sample scripts to get you started.

Established Patient Scheduled Appointment

Hello _____, we look forward to seeing you on [date of appointment]. We have implemented a new financial policy at the practice and we are now keeping a credit card on file to pay for any patient balances such as copays, coinsurance, deductibles and non covered services that are not paid at the time of service. Your credit, debit, flexible spending account car or health savings account card will be kept in an encrypted, offsite, secure server. Do you have any questions about how this program works?

New Patient Scheduled Appointment

Hello _____, we look forward to seeing you on [date of appointment]. Our office uses a credit card on file system to pay for any patient balances such as copays, coinsurance, deductibles and non covered services that are not paid at the time of service. Your credit, debit, flexible spending account car or health savings account card will be kept in an encrypted, offsite, secure server. Do you have any questions about how this program works?

Confirming an Appointment

Hello _____, this is to confirm your appointment on [date of appointment] with [provider name]. Please remember to bring a valid ID, proof of insurance, and a credit or debit card you would like us to keep on file for you.

When a Balance is Over the Practice Cap

Hello _____, this is [caller's name] from [practice name]. We received notice from your insurance plan today that your balance after their payment is [amount due]. This is a courtesy call letting you know that we are going to charge your card for this amount. If you have any questions or concerns, please contact us at [insert telephone number for billing and statement questions].

If your practice chooses to implement CCOF.

Demand more from your revenue cycle.

Learn how our integrated RCM solution brings together robust data, intelligent claim handling, and performance consulting for a richer revenue cycle.

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