PARO presumptive charity scoring

PARO is the pioneer of a classification system to triage accounts for presumptive charity and extended eligibility services which are otherwise routinely lost to bad debt.

PARO is a socio-economic predictive model which takes into account the barriers that prevent 25-40% of all patient-pay patients from applying for financial assistance.

Revenue cycle leadership refers to this population of patients as "unresponsive." Patients may be unresponsive for a number of reasons including lack of literacy to understand and complete a traditional application, lack of adequate documentation required under a hospital's policy, and even the fear that the hospital may deny their application and use the information against them in a collection process.
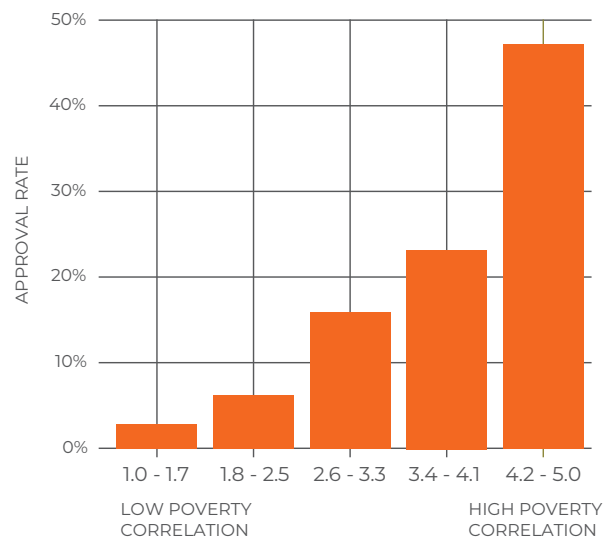
As a socio-economic model, Waystar uniquely enables hospitals to better understand, quantify, and budget their Community Benefit objectives, and comply with IRS 501r. This includes the ability to empirically demonstrate that charity care resources are reaching underserved parts of a provider's community which represent the highest levels of patient need. Independent resources further strengthen audit confidence and support Community Health Needs Assessment (CHNA) requirements.

PARO data is public records-based. The solution does not access personal credit data thereby having comprehensive coverage to include consumers living in poverty, emerging consumers, as well as, those consumers living in the financial shadows. Additionally, this public records score is not governed under the servicing rules of the Fair Credit Reporting Act, and does not generate a "soft hit" on a patient's credit report.

The PARO presumptive charity model is deployed based on a unique rule set specific to a providers' historical and documented charity approvals. As a differentiating industry leading-practice, the PARO calibration process ensures patients approved for presumptive charity are characteristic of the patients approved under traditional-documented charity care and best emulating a provider's FAP. Waystar has proven results that directly tie Waystar presumptive charity approvals to Community Benefit. In the chart below, the correlation between poverty and Waystar approvals is demonstrated. Generally, higher incidents of poverty represent greater opportunities for CHNA objectives. Waystar helps bridge the gap between Community Benefit and revenue cycle objectives.

PARO™ Approvals and Poverty Indicators

In December 2014, the final rules issued by Treasury relating to 501 r requirements recognized the use of presumptive charity screening as a viable method to screen patients prior to extraordinary collection actions. Many PARO clients use their annual PARO result reports as a supplement to their IRS Form 990, Schedule H filing.

WAYSTAR

Waystar is a presumptive charity model and screening process. Presumptive charity is charity care of last resort extended in the absence of additional information from unresponsive patients:

1. As a filter prior to bad debt assignment. This positioning ensures that all patients are considered and assessed for financial assistance prior to adverse collection actions. As an important by-product, bad debt collection productivity and performance increases substantially by eliminating the 25-40% of charity-eligible (uncollectible) accounts from bad debt portfolios.

2. As a one-time reclassification process. PARO may be used to reclassify accounts that presently reside in bad debt to identify unresponsive patients that qualify for presumptive charity care.

3. At the point of service to be utilized as a classification system. The Waystar process is not used to automatically approve cases for charity care, but, as a method to identify accounts that likely qualify for assistance and then triage those accounts to exhaust other funding sources and traditional charity care approval.

Our products include:

• **PARO Charity Scoring**

• **PARO Medicaid Qualification Predictor**

• **Propensity to Pay Segmentation for Balance after Insurance**

• **Data Inspector for ID verification at Registration**

• **Tracer for Address Updating**

Waystar can also develop predictive models for any application.

All Waystar products can be accessed using the following methods:

• **Secure FTP batch processing**

• **PAROscore.com**

• **Direct machine-to-machine XML Soap Interface**

• **Custom Interfaces for HL 7**

Ready to transform your performance?
Contact Waystar: 1-844-6Waystar or visit us at waystar.com

ABOUT WAYSTAR

Waystar simplifies and unifies the healthcare revenue cycle with innovative, cloud-based technology. Together, our technology, data and client support streamline workflows and improve financials for our clients, so they can focus on their patients.

WAYSTAR