

SEE YOUR REV CYCLE DIFFERENTLY

POST-CARE COLLECTIONS

A proactive guide to help patients
meet their financial responsibility



Patient
Financial
Experience

As a healthcare provider with few opportunities to discuss payment with patients before you render services, you know how difficult it can be to collect after the fact. Studies show the likelihood to collect drops 20% once the patient leaves the care setting – a statistic with negative implications for your bottom line.

As if collecting from patients after they leave your facility wasn't hard enough, rising health insurance deductibles place another burden on revenue cycle teams trying to manage collections. High-deductible health plans (HDHPs) have shifted more of the payment burden onto

consumers unprepared to bear it. Consumers, on the one hand, need help understanding their bills and figuring out how to pay them. On the other hand, patients with more skin in the game demand a better experience for which they now pay a high price.

From 2015-2016, PPO enrollment decreased by 10% while HDHP enrollment increased by 9%³

From Q3 2015 to Q3 2016, patient responsibility grew from 23.3% to 26.9% of the insurance allowable amount.⁴

The likelihood to collect drops 20% once the patient leaves the care setting. Historically, hospitals have failed to collect 65% of total patient responsibility.⁵

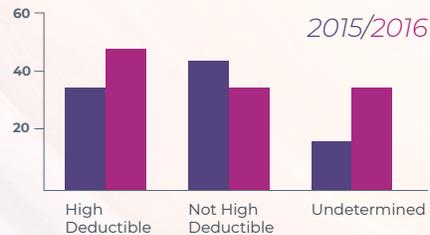
¹ Kaiser Family Foundation (KFF) 2015-2016 Employer Health Benefits Surveys
² 2016 KFF Survey of Non-Group Health Insurance Enrollees
³ Kaiser Family Foundation (KFF) 2015-2016 Employer Health Benefits Surveys

⁴ Patient Financial Responsibility on the Rise, Crowe Horwath, 2016
⁵ The Tennessean, March 7, 2016

ENROLLMENT IN EMPLOYER SPONSORED HDHPS IS ON THE RISE

From 2015-2016, PPO enrollment decreased by 10% while HDHP enrollment increased by 9%.¹

INDIVIDUAL ENROLLMENT IN HDHPS IS ALSO INCREASING²



Despite the challenges, there are proactive steps providers can take to increase post-care collections and patient satisfaction.

Read on for recommendations.

What's inside

- 1 offer **payment plans**
- 2 make sure "self-pay" **really is self-pay**
- 3 **know the reasons** for hidden coverage
- 4 **bill quickly** after service
- 5 **provide easy to understand statements** and multiple payment options
- 6 **make payments secure** and convenient
- 7 take a **comprehensive approach**

1 Offer payment plans

As patients' financial responsibility rises—by some estimates, to half of all medical bills by the end of the decade⁵—more and more patients will struggle to pay their full bills in one payment. It's crucial that healthcare organizations set up affordable payment plans to alleviate patient stress while ensuring they are paid in full.

The best approach is an automated system for setting up and managing payment plans. Look for a solution that includes automatic deductions from the patient's bank account or credit card, which gives them peace of mind while helping ensure you get full payment without high billing and collection costs. Make sure it lets your staff set up proposed plans, including different payment amounts and payoff dates.

Also consider letting patients create their own payment plans when paying online. Your organization can set the rules and minimum payment amount and never field a call or inquiry from the patient.

As patients' financial responsibility rises, **more and more patients will struggle to pay their full bills in one payment.**⁶

2 Make sure “self-pay really” is self-pay

Unpaid self-pay balances are a leading source of bad debt and high accounts receivable days for healthcare organizations. In fact, bad debt in healthcare is projected to rise to \$200 billion by 2019.⁶ Many times, self-pay accounts mask hidden or unknown billable insurance coverage. When you consider the difference in cost-to-collect between patient responsibility and payer responsibility, it becomes obvious why finding this hidden coverage is so important for providers.

Bad debt in healthcare is projected to rise to **\$200 billion by 2019.**⁷

It costs as much to collect from patients as it does to collect from payers.⁸



⁶ The Henry J. Kaiser Family Foundation, *The Burden of Medical Debt: Results from the 2016 Kaiser Family Foundation/New York*
⁷ Mathur, Rishi. "Understanding the Impact of Bad Debt."
⁸ Stampiglia, Tom. "Maintaining Profitability in the Era of Consumer-Directed Health Care."



**Patient
Financial
Experience**

3 Offer payment plans

There are more than a few reasons coverage might be “hidden” or unknown.

Emergency room visits/arrival by ambulance

- No opportunity to verify insurance coverage pre-service
- Patients often don't have insurance cards with them
- Patient is unconscious or in life-threatening condition

Confusion over status

- Newly insured patients may be unsure of their carrier or coverage
- Lack of awareness for eligibility of worker's compensation or COBRA

Retroactive medicaid

- Medicaid coverage may be applied retroactively for up to three months prior to application, assuming the patient met eligibility requirements at the time service was rendered

Dual coverage

- Patients may be unaware that they are covered by more than one payer
- Patients could have secondary or tertiary insurance

The charity problem

- High deductibles and co-pays can incentivize patients to withhold insurance information and try to qualify for charity care

Disability patients

- Challenging to determine if patient has obtained a disability claim

Worker's compensation

- If a patient is covered by worker's compensation, they do not provide their insurance information, but their employer's insurance covers the cost of care can set the rules and minimum payment amount and never field a call or inquiry from the patient.

4 Bill quickly after service

The quickest way to follow up with patients after care is to bill and collect electronically. While some patients, especially older ones, still prefer paper, more and more people want the convenience, speed and environmental friendliness of e-statements. An analysis of healthcare provider data showed switching from paper to electronic statements and payments typically cuts the mean days to payment from 20 to 9, and boosts the percentage of full payments rendered from 77% to 95%.

But don't stop there. Find a system that automatically generates and mails a paper statement if the patient doesn't respond to the electronic one within a reasonable time. Remember to put yourself in your patients' shoes. A bill that's easy to understand is more likely to be paid than a complex one.

50.6%

of patients cited the relationship between bills from the provider and statements from the insurance company as a frustration.⁹

49%

said they were "not sure if the total owed was correct"

48.8%

said "the amount owed was a surprise."¹⁰

CONSUMERS REPORTED, ON AVERAGE, USING 3.6 DIFFERENT PAYMENT METHODS EACH MONTH IN 2016, UP FROM 2.9 METHODS IN 2015.¹¹

5 Provide easy-to-understand statements and multiple payment options

One key to providing best-in-class customer service is to help patients make sense of medical bills. By providing a bill that uses contrasting colors and easy-to-understand graphics to highlight the most crucial information, healthcare organizations can help reduce one of the biggest headaches for patients and help resolve one of the biggest obstacles to prompt payments.

71%

of consumers say multiple billing and payment options increase their satisfaction¹²

66%

say receiving electronic bills increases their satisfaction with providers¹³



**Patient
Financial
Experience**

⁹ Becker's Healthcare July 14, 2016 "Survey finds 61% of patients confused by medical bills"
¹⁰ Becker's Healthcare July 14, 2016 "Survey finds 61% of patients confused by medical bills"
^{11, 12, 13} Eighth Annual Billing Household Survey (2016), fiserv, inc

6 Make payments secure and convenient

Convenience matters for consumers and for providers. So does security. To minimize financial risk and maximize security, providers should be ready to accept and process payments made using EMV “chip cards.” End-to-end encryption for credit card processing adds an additional layer of security patients are accustomed to from their experiences

outside healthcare. You can also enhance security and improve efficiency handling paper checks. For example, patients’ checks can go directly to a digital lockbox and be automatically converted into EFT transactions—then deposited in the right account without being handled or reconciled manually.

Beyond the \$4 billion in fraud expected in 2016, there will be as much as \$10 billion in fraud committed between now and 2020 as the window of opportunity narrows for hackers to cash in on stolen credit card data from magnetic strip cards.¹⁴

7 Take a comprehensive approach

Everyone benefits when providers make it easy for patients to pay what they owe. Billing and collecting from patients the right way—with the right technology—has added benefits for healthcare providers. It reduces AR days and unpaid patient balances while enhancing patient satisfaction, increasing loyalty and encouraging word-of-mouth referrals. Healthcare organizations spend their energy providing the best

possible care—and rightly so. But as the consumer portion of the bill rises, providers who can’t collect upfront face even greater challenges recovering unpaid patient balances. By elevating customer service related to billing and patient payments, healthcare organizations have the opportunity to boost patient satisfaction and reduce AR days.



EXPLORE OUR ALL-IN-ONE PLATFORM



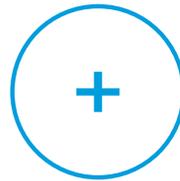
Eligibility

Verify insurance coverage to reduce claim rejections and denials



Revenue Integrity

Find missing charges and capture revenue you're due



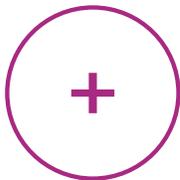
Claim Management

Automatically submit and track claims, and reduce AR days with intelligence-driven workflows



Denial Management

Prevent denials and automate appeals



Contract Management

Gain control over payer negotiations, manage your contracts and recover owed revenue



Patient Financial Experience

Collect patient payments, determine propensity to pay and improve the patient experience



Agency Management

Get insights into outsourced agency effectiveness



Social Determinants of Health

Use data on broad factors that influence health to improve clinical outcomes

Get in touch today.
844-6WAYSTAR | 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.