

### **Customer Sensitive Collections**

### **Essential Self Pay Processes**

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### Your Opportunity for Self Pay Collections in the Revenue Cycle

**Opportunities to create a Customer Sensitive Patient Experience** 



At your facility, does patient experience facilitate understanding and is it an experience that insures the patient is treated with Compassion-Dignity-Respect?

### Providing a cost estimate improves the patient experience

"Patients are more satisfied with their hospital experience when they understand their financial responsibility before services are provided..."



Patient Profile

# New Healthcare Patient Profile

- High Deductible
- High Co-Pay
- Health Savings Account (HSA)

(This ain't the patient we knew five years ago)



### With the new implementation of the ACA

more people will have higher deductibles which will increase self pay dollars for healthcare facilities. In fact, approximately 65% of newly insured Americans make over \$25,000 a year and 25% of these Americans make over \$40,000 a year.



# Effective Customer Sensitive Collections

- We are not dealing with the patients of yesterday!
- Today's economy make it all the more important to handle patients in a manner that allows for a "win-win" situation for the patient and the facility
- Successful collections require a staff that understands the facilities goals, objectives, 501(r) FAP Policy's and has the skills to handle difficult situations and negotiations



According to a recent study, consumers are more likely to pay the mortgage, insurance loan, and utilities before their healthcare bills. They are also more likely to pay for cable TV, internet, lawn care and the newspaper.



Patient Profile

# How do patients prioritize their medical expenses?

USA Today article, National Consumer Law Center "Guide to Surviving Debt" stated in 2002:

An unsecured debt, such as hospital and medical bills, is low priority and there is rarely anything that these creditors can do to hurt you in the short term. Many won't bother to try to collect in the long term.



The average worker can pay as much as \$7,500.00 per year toward a highdeductible.

# Compare your information to a \$5,000.00 car loan







#### Patient Profile



No community is unique – all communities have patients and all patients have needs. The job of an effective POS is to help patients understand the needs of the hospital.

The bottom line is patients have a personal responsibility to pay for their services.

### **Bottom Line**





#### Patient Profile

Historically over 25% of insurance and patient information is inaccurate if not collected at the date of service or prior to the date of service during a preregistration process.



# Improving Business Office Operations

- Leave the past behind
- Optimize your technology
- Implement your best practices
- Set Daily Goals
  - Redirect your focus
  - Change the way you look at processes
  - Become equipped with the tools to effectively improve your process
  - Take a break (occasionally)



As a part of ongoing training, it is important that the staff understand the importance of nondiscounted dollars to the facility.

# Challenges Facing Hospitals & Clinics Today

- Bad debt on the rise
- IRS 501(r) Regulations and Complacency
- High costs associated with collecting patient balances
- Treating outstanding patient accounts the same
- Decreasing customer satisfaction levels
- Utilizing staff time effectively and efficiently







Give your internal and external customers the information necessary to make an educated decision...

### Results

- Cash coming in earlier in the collections process
- Improve payment accounts that have been in A/R for 120 days
- Constant patient-centric experience for all patients
- Control patient contacts minimize complaints



- Improve staff efficiency
- Patient education on FAPs and FAP-eligibilty



#### Pre-Admission

A recent study found as much as 31% of self pay revenue written off to bad debt collection actually met provider charity-eligibility guidelines.



### Pre-service Financial Clearance

- In an effort to improve collection rates, hospitals have begun, moving from postservice patient accounting, to pre-service financial clearance at patient access
- Registration staff performs all financial clearance functions before services are rendered
  - Demographic, financial and clinical data capture the move to pre-service, along with identity verification, eligibility verification, authorization, referral management and payment collection



Surveys consistently indicate that over 60% of patients rank knowing what the procedure will cost them as their #1 concern; in knowing the cost, 30% of patients recover faster than patients who don't have a clue what the procedure will cost.



# The Rewards of Pre-admission

- Financial Counseling
  - Educate your patients in the cost of their hospital stay
    - ✓ Important in the overall aspect of collecting co-pays and balances in full where possible
  - A few things to consider
    - ✓ Establish co-pay collection policies and procedures
    - ✓ Who collects? consider it a team effort
    - "How will you be paying today?" is a better question to ask than "Will you be paying today?"
    - Train and reward your staff for following your policies and procedures.



Admissions



Tools such as online credit card payments and ACH payments that are readily available for the patient to use when they have indicated when they are willing to meet your request can really help the process.



# Roll of the Financial Counselor

- The financial counselor will have maximum effectiveness when they contact the patient
- Collection of money, though the top priority, does not mean non-collection has resulted in a poor call with the patient
- Educating the patient about their fiscal responsibility is essential in the contact process
  - Informing patients on facility offered FAP programs and eligibility, notification and completion requirements



Admissions

It is estimated, next year over thirty percent of patients will have a minimum, \$3,000.00 deductible and carry higher co-pay requirements than in the past.



# Emergency Department Co-Pay Collections

- Collecting in the Emergency Department is an important practice
  - 1. Does EMTALA say you cannot collect in the ED
  - 2. Does your Commercial Insurance Company prevent you from collecting in the ED?
  - 3. Does your ED triage prevent you from collecting co-pays?
  - You can and should collect co-pays in the ED because they represent the only nondiscounted dollars you will receive from the patient



Once patients understand the concept that co-pays are part of their bill, a typical hospital will increase payments and improve timeliness of payments.



# Purposes of Co-Pays in the Emergency Department

- Co-Pays in the ED serve three purposes:
  - <u>Financial</u> Collection of non-discounted Self Pay dollars
  - 2. <u>Contractual</u> it is an agreement between insurance company and patient
  - **3.** <u>Educational</u> helps patients realize they must pay the Self Pay portion of their bill whether in the ED or owed for other hospital services performed
- It is imperative to train staff to properly collect in the ED
- Scripting, role-playing, and practice will
  increase the effectiveness of training and
  increase your co-pay collections



Patients will bring their payment when they realize they have a responsibility to pay at the time of service. Implementing successful co-pay processes will allow clinics to collect thousands of dollars that no longer linger in either Self Pay or bad debt.



# **Clinic Co-Pays**

- The purpose of collecting co-pays is clear:
  - 1. Co-pays are the only non-discounted dollars you will receive for your facility
  - 2. The patient's insurance premium is based on their co-pay and deductible amounts
  - 3. The insurance company expects co-pays
- Co-pay collection requires specific training which includes these elements:
  - <u>Expectations</u> scripting to set the tone and address patient responses
  - <u>Timing</u> the entire discussion should take less then a minute
  - <u>Understanding</u> ensure staff understands the impact and importance of non-discounted dollars.



### Emerging Revenue Cycle

The emerging revenue cycle shifts the bulk of patient account management activities, such as patient identification, payment estimation and collection, to PRE-SERVICE, when it is easier to collect and identify alternative sources of payment.









# Sample Scripting



## **Financial Counseling Scripting**

- Mr. Jones I am calling regarding your upcoming procedure and want to let you know that it appears that insurance will cover a major part of the procedure. In fact you will have an approximate out of pocket expense of \$500.
- Mr. Jones, given the out of picket is approximately \$500 we would like to have you take care of \$100 of this balance the day you come in for your service. What we will do is put the balance of \$400 on your account and you can use the normal payment process going forward.
- Mr. Jones I am calling regarding your upcoming procedure and want to let you know it appears your insurance will cover a major part of your procedure. Your approximate out of pocket expense will be \$500. Mr. Jones we have various payment options available to you and we expect you to talk to a financial counselor about the best option. We want you to realize this will be a required payment once you leave our facility.



### **Responding to common Patient Questions**

- Why do I have to pay this now?
  - Mr. Jones, it is not that we haven't collected the co-pay before, it's just that insurance companies have indicated that they want us to collect it at time of service. Your insurance requires that co-pay and that is why we are asking for it"
- Will you treat me differently if I don't make a co-pay?
  - Our mission is to provide you the best possible health care. Financial issues will never interfere with the mission. However, your policy does call for a co-pay at time of service. This is why I am asking you to take care of it with cash, check or credit card.
- Why can't you just bill me?
  - Mr. Jones, we do not bill the insurance company for your co-pay since it is your responsibility to pay it at the time of service. Will you take care of that today with cash, check or credit card?



# Effective Scripting in the ED is Essential

 Mr. Jones, while your insurance will cover most of the procedure in the ED, your insurance also requires a co-pay. Your co-pay is \$75; will you be taking care of that with cash, credit card or check today?



### Questions



Questions



### Thank You

### For more information please contact:

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#### Thank you