Practice Guide to Thriving with High-Deductible Patients

1. Accelerate reimbursement with smart technology

2. Fix broken collection processes

3. Increase payments with the right self-pay approaches

4. What to look for in a technology partner

NEXTGEN®

HEALTHCARE

Your patients' payment burden is rising:

AMERICANS PAY 35% OUT OF POCKET

Today's American healthcare consumer pays almost 35% of medical expenses out of pocket – triple the amount paid in 1980.[1]

AMERICANS NOW PAY 255% MORE

100% 200%

The amount a consumer must pay before a health plan pays any portion [of their bill] has increased by 255% since 2006.[2]

1/5 INSURED AMERICANS ARE PURSUED BY HEALTHCARE DEBT COLLECTORS

The number of insured Americans pursued by healthcare debt collectors is one out five.[3]

Your practice is feeling the pinch, too:

PAYMENT DROPS TO
18¢
ON THE DOLLAR

After a patient's bill exceeds 5% of their household income, the likelihood for payment drops quickly. From patients with high-deductible plans, providers are collecting about $0.18 to $0.34 on the dollar.[4]
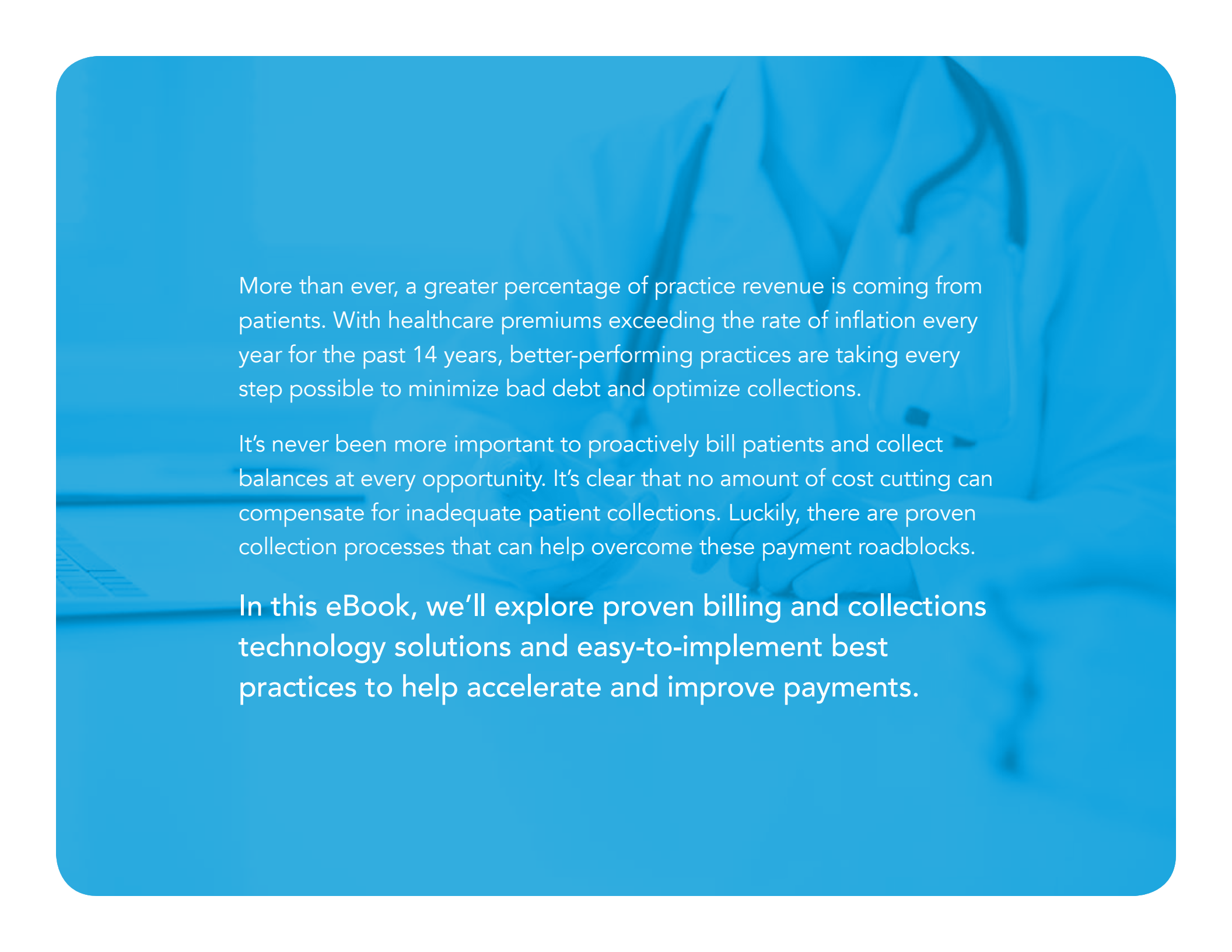
PROVIDERS ARE ONLY
COLLECTING
50%

Due to increasing patient payment responsibilities, providers can only expect to collect 50-70% of a balance after a patient visit.[5]

More than ever, a greater percentage of practice revenue is coming from patients. With healthcare premiums exceeding the rate of inflation every year for the past 14 years, better-performing practices are taking every step possible to minimize bad debt and optimize collections.

It's never been more important to proactively bill patients and collect balances at every opportunity. It's clear that no amount of cost cutting can compensate for inadequate patient collections. Luckily, there are proven collection processes that can help overcome these payment roadblocks.

In this eBook, we'll explore proven billing and collections technology solutions and easy-to-implement best practices to help accelerate and improve payments.

Accelerate reimbursement with smart technology

Rethink billing; leverage proven technology.

To eliminate time-consuming manual labor and reduce human errors, we use technology in nearly every aspect of our lives. Healthcare organizations certainly follow this trend, using an abundance of billing and collections technologies to reduce costs and improve staff workflows. What sets the most successful practices apart? Those using integrated technologies that move all appropriate patient collections from the back-end to the front-end of the revenue cycle.
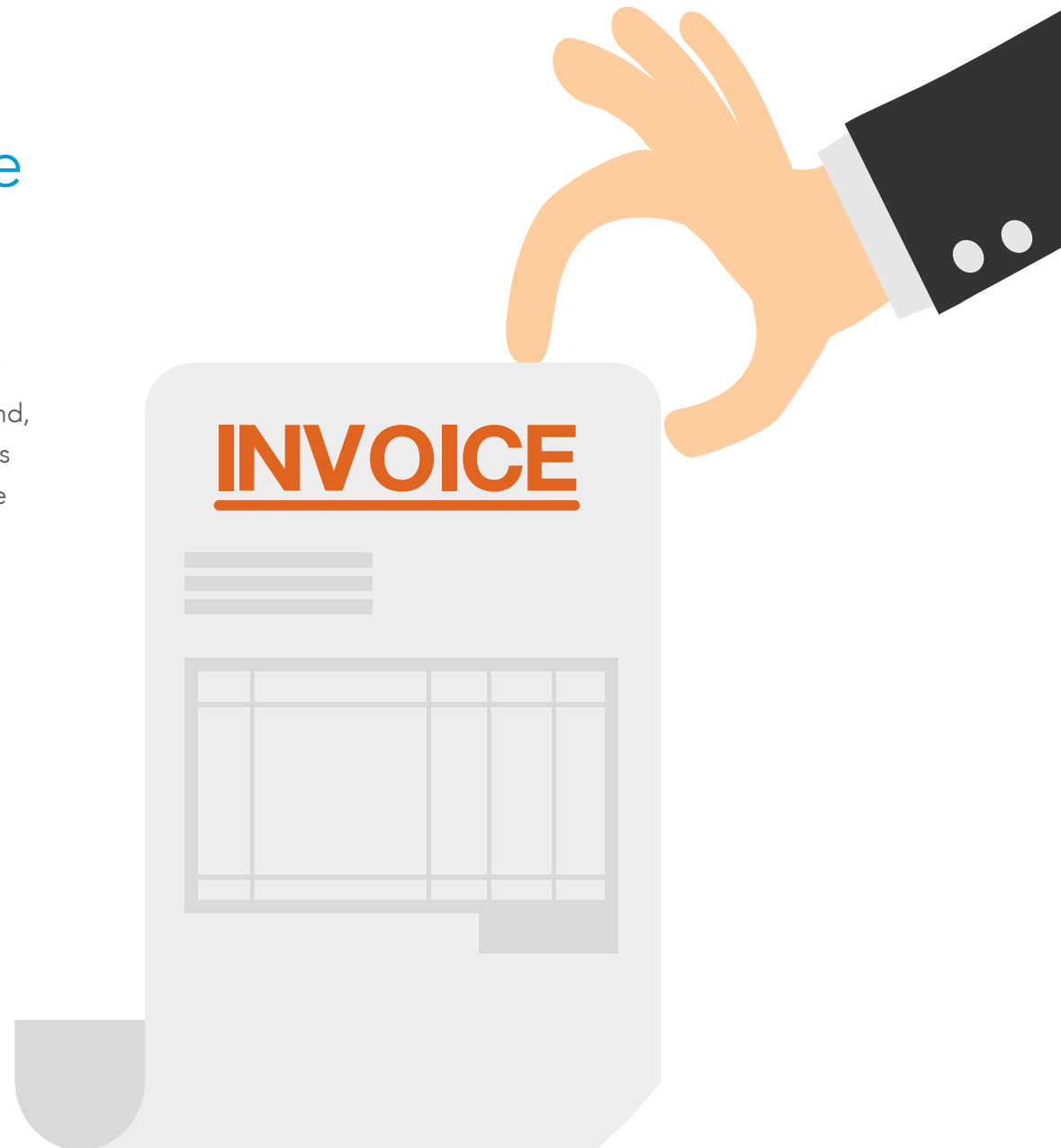
Create faster reimbursement using top collections technologies.

Are you sure you're receiving the fastest and most accurate reimbursement possible for your practice? Determine if your billing office is using the right practice management (PM) software integration tools – and using them well. *Review this "smart technology" checklist.*

TOP COLLECTION TECHNOLOGIES	BENEFITS
Electronic Remittance Advice (ERA 835)	This single, highly effective tool greatly reduces data entry time by posting payer payments electronically.
Contact Verification	Ensure accurate patient identity, demographics, and insurance coverage prior to treatment; save time.
Eligibility	Increase financial transparency up-front. Access valuable insurance benefits information for copay collection and patient responsibility at the time of service.
Batch Eligibility	Boost productivity using automation in batch mode to verify eligibility of patients with scheduled appointments; upload details into your PM system.
Cost Estimation	Create accurate estimates (*not guesstimates*) based on contractual allowances. Increase price transparency and patient satisfaction by using a patient payment estimation engine.
Communication and Scheduling Management	Successfully communicate with patients PRIOR to point of service.
Propensity to Pay Scoring	Proactively identify financial assistance candidates and reduce bad debt.
Financial Assistance Automation	Automate financial assistance rules and workflows. Provide electronic applications that pre-populate patient information and determine pre-defined payment plans.
Electronic Payment Tools (i.e. kiosk and online payment portals)	Make it quick, easy, and secure for patients to pay online.
Credit Card on File (CCOF)	Store credit card information according to PCI guidelines and payer contracts; automatically collect patient balance after insurance has paid using automated payment collection according to agreed terms of a patient's payment plan.

Still not sure where you stand?

Implement the wrong billing and collections technology (or use the wrong mix) and you'll likely face a significant loss of productivity, slow reimbursement, and underpayments. If you're not sure where you stand, it's time to ask for expert help.

Use technology to speed credit card payments.

If you want faster payments (and happier patients) you need secure credit card processing at the time of service. With the right practice management (PM) system, you can automate, configure, and safeguard this process. While credit card information should be kept in your credit card company's PCI-compliant system, your PM system should allow you to tokenize for future use so no sensitive card holder data is stored. This allows for A/R-related processes, like those that trigger auto-payment and auto-PM payment posting.

40%

40 percent of consumers prefer to pay with a credit card vs. debit or cash[6]
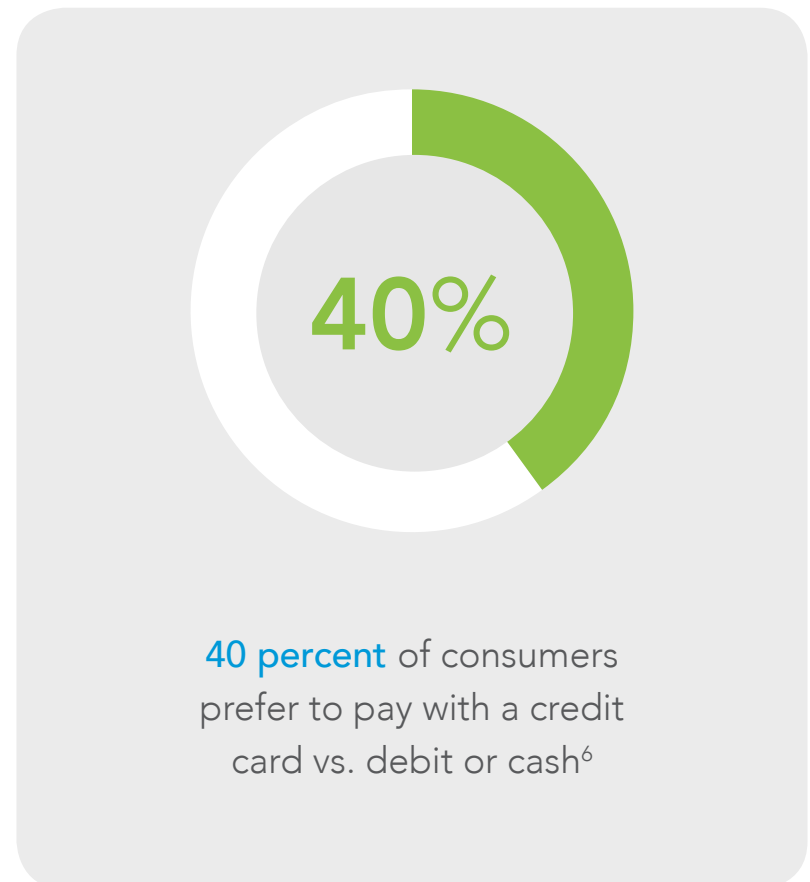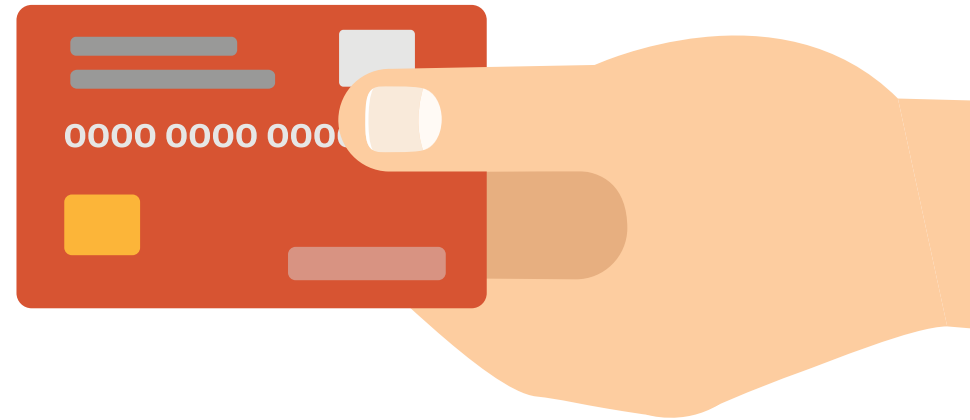
Steps for configuring a successful credit card on file (CCOF) program.

Practices accepting credit/debit cards or using a credit card on file program, should continually look for lower rates and better terms. As a provider, your business is valuable to credit card processors. Don't sign a contract for processing – this allows you to shop around at any time for better pricing.
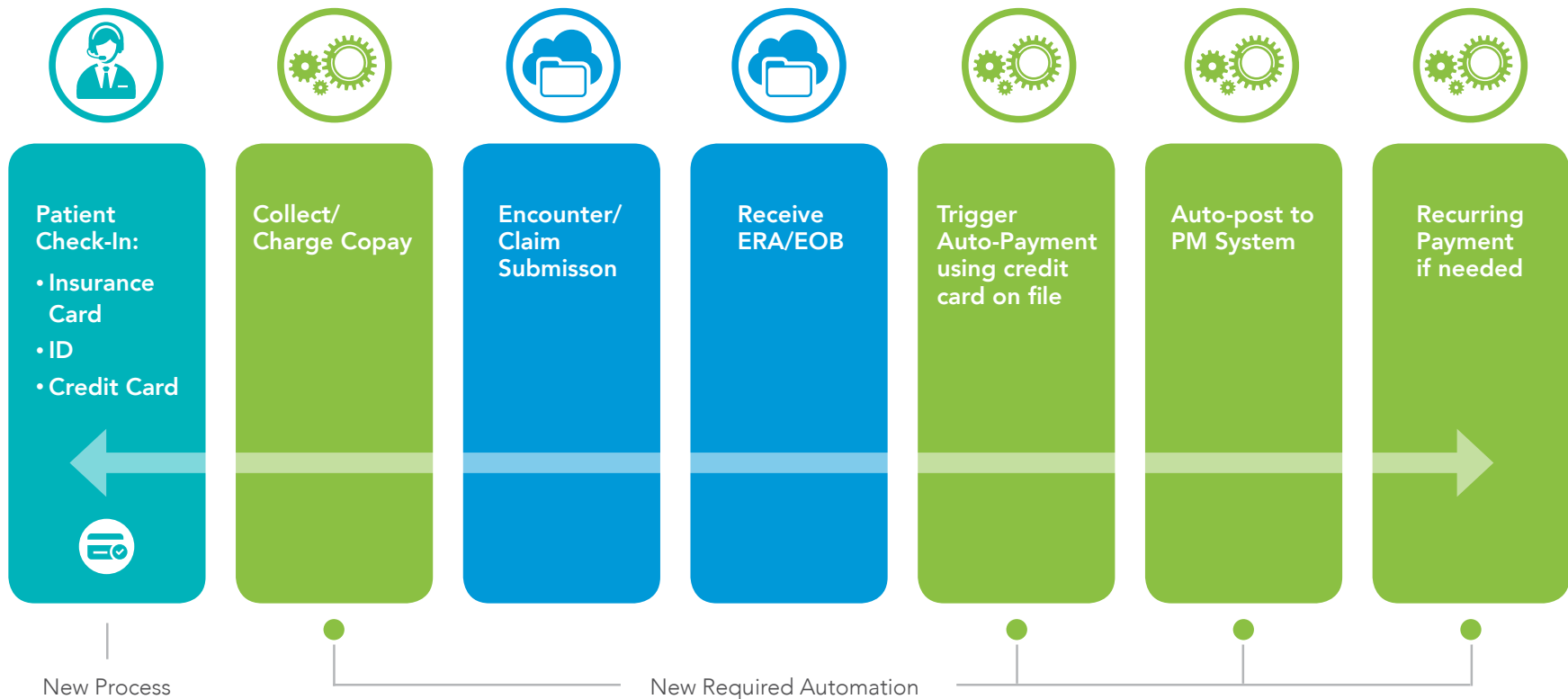
Patient Check-In:
- Insurance Card
- ID
- Credit Card

Collect/ Charge Copay

Encounter/ Claim Submisson

Receive ERA/EOB

Trigger Auto-Payment using credit card on file

Auto-post to PM System

Recurring Payment if needed

New Process

New Required Automation

Fix broken collection processes

Today's patients are confused, frustrated, and feeling financially burdened.
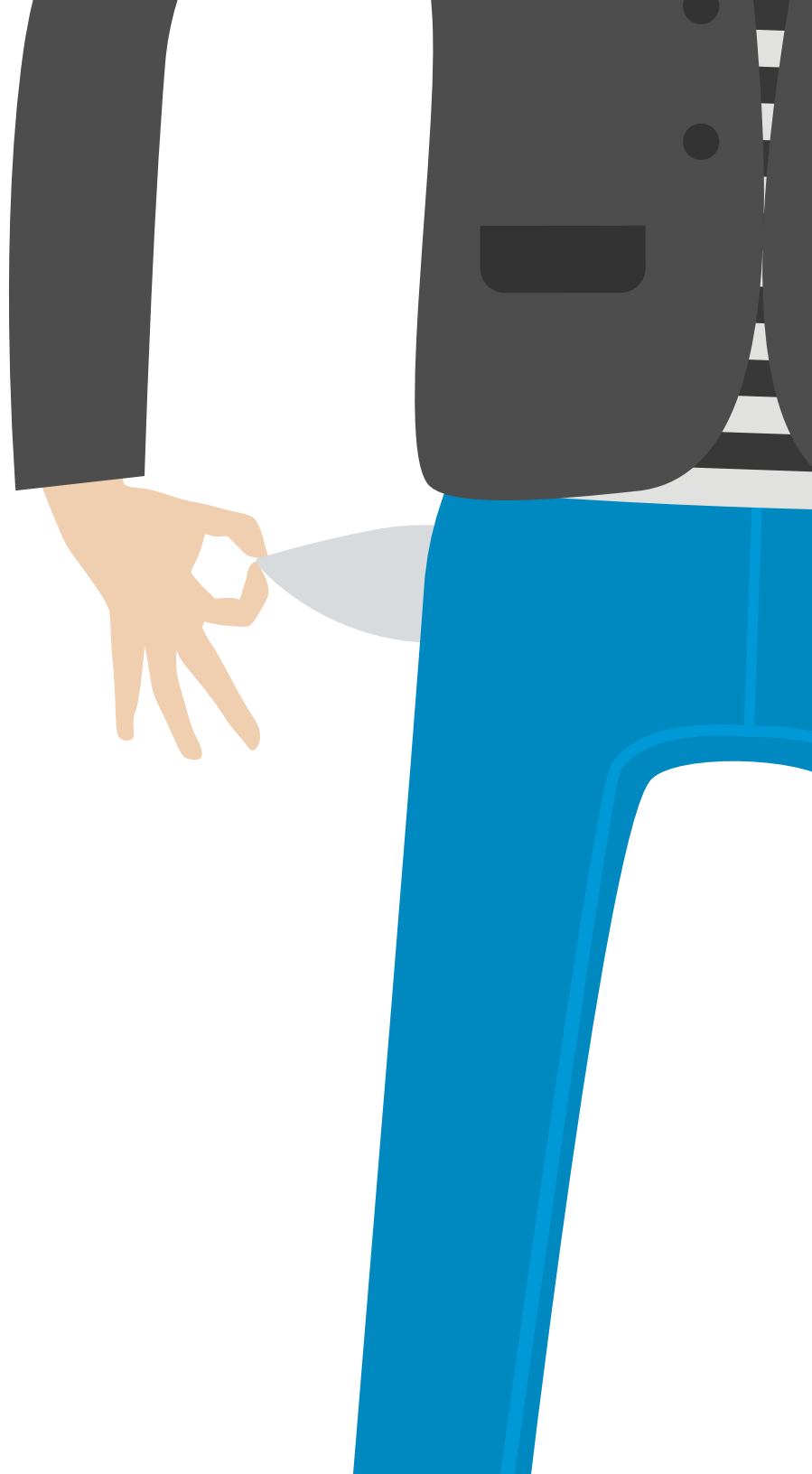
74% OF PATIENTS
are confused by their healthcare bill.[7]

92% OF CONSUMERS
want their payment responsibilities identified up-front.[8]

49% INCREASE
in deductibles over the last five years.[9]

Increase your odds of on-time, in-full payment.

When it comes to getting paid, it all starts with determining eligibility.

- Start by verifying a patient's insurance eligibility, plan specifics, copays, and deductibles

- Clarify your patients' portion of the payment pie – calculate procedural charges, analyze historical data, and evaluate contract pricing between your organization and the payer

- Apply patient insurance benefit information

This way, you can establish an estimated patient financial obligation at the earliest point of patient contact and improve patient satisfaction.

Knowing and communicating what your patient owes is half the battle. But, making payment obligations crystal clear requires the right tools and approach.

Patients want simple payment processes and transparent billing.

Making patients happier and increasing the likelihood they'll pay maybe as simple as using transparent billing processes, much like those you see with most household bills.

How do you get there?

- Provide a convenient, reliable way for patients to understand their payment responsibilities BEFORE scheduling service or treatment (Present a full breakdown of costs up-front)

- Proactively discuss (your diverse, easy-to-use) payment plans and financing options

- Send appropriate balance reminders

- Leverage up-to-date technology, like kiosks, to improve up-front collections

Universal kiosk technology, like that now used in airports, offers a familiar way to streamline patient intake and improve up-front collection of patient copays and outstanding balances, as well as increase check-in efficiency. With this type of technology, patients can view balances and pay with a credit card, eliminating the need for costly letters or phone calls.

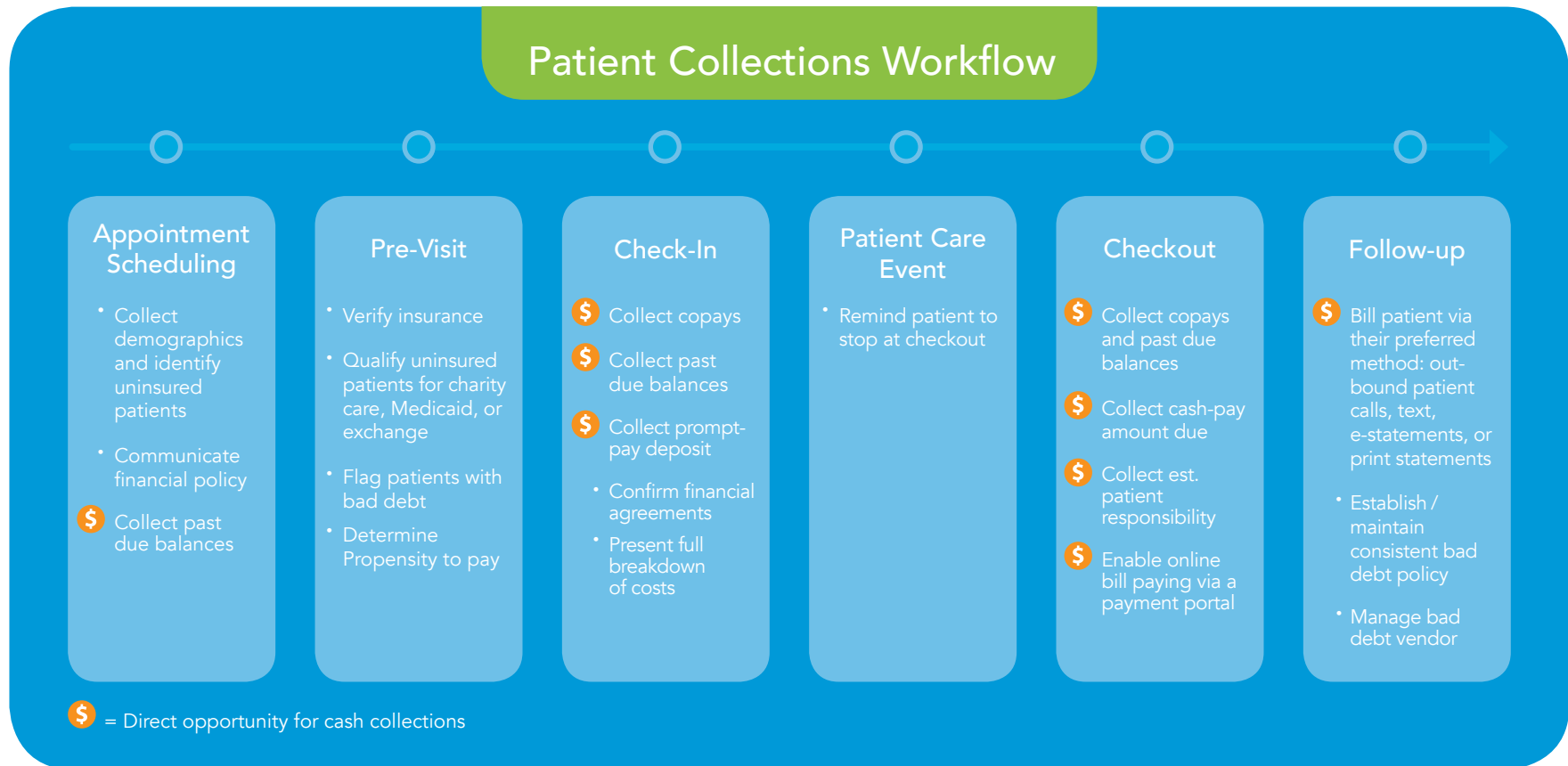# Convenience = Payment

74%
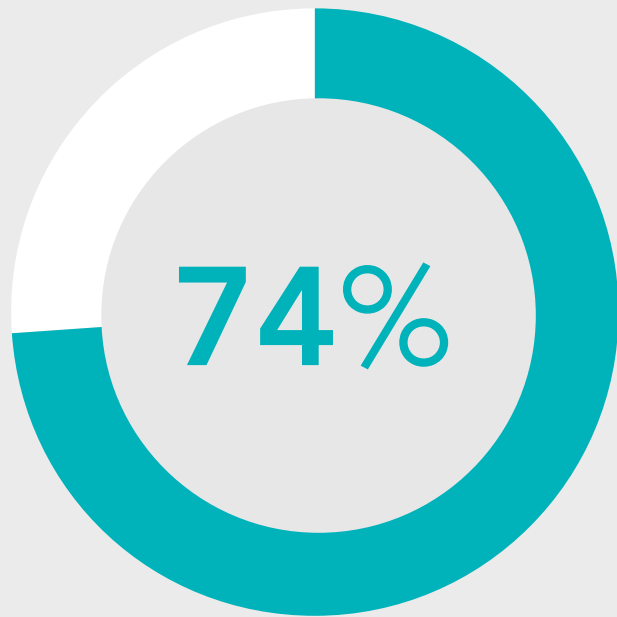
74 percent of insured consumers say they are both able and willing to pay their out-of-pocket medical expenses up to $1,000 per year. The next question is, "How easy is it for the patient/consumer to make the payment?"[10]

9/10

healthcare consumers want to pay bills online.[11]

Key workflow areas that positively affect collections.

To ensure optimal self-pay collections (both true self-pay and self-pay after insurance), you need to understand where and how you can affect collection performance. This workflow chart provides valuable tips on when, where, and how to improve collections.

Patient Collections Workflow

Appointment Scheduling
- Collect demographics and identify uninsured patients
- Communicate financial policy
- $ Collect past due balances

Pre-Visit
- Verify insurance
- Qualify uninsured patients for charity care, Medicaid, or exchange
- Flag patients with bad debt
- Determine Propensity to pay

Check-In
- $ Collect copays
- $ Collect past due balances
- $ Collect prompt-pay deposit
- Confirm financial agreements
- Present full breakdown of costs

Patient Care Event
- Remind patient to stop at checkout

Checkout
- $ Collect copays and past due balances
- $ Collect cash-pay amount due
- $ Collect est. patient responsibility
- $ Enable online bill paying via a payment portal

Follow-up
- $ Bill patient via their preferred method: outbound patient calls, text, e-statements, or print statements
- Establish / maintain consistent bad debt policy
- Manage bad debt vendor

$ = Direct opportunity for cash collections

Some methods are more complex than others. For example, any estimation of patient balance after insurance will require added technology and contract maintenance.

Increase payments with the right self-pay approaches

Incentivize your patient; everyone wins.

Because patients pay their balance slower than third-party insurers, providers must incentivize patients to resolve balances quickly – ideally at the time of service. Don't assume non-paying patients are unable to pay. Help patients resolve medical bills by offering more financing options – many patients want to settle their balances when given a payment plan.

How can you successfully incentivize your patients to pay?[12]

- Enable electronic transactions to lower operating costs and increase payments.

- Leverage automation to send patients timely statements and balance reminders by phone, text, or email. Stop billing weeks after an appointment for remaining balances.

- Accept multiple forms of payment (check, credit card) and offer more than one way to pay (at time of service, via the web, by mobile phone or telephone, via payment plans, or automatic debiting).


These approaches will improve cash flow, increase collections, and lower your write-offs.

How effective are collection agencies?

According to ACA International, on average, a practice recovers just $13.80 for every $100 owed once a patient's "bad debt" is turned over to a third-party collection agency. The majority of money collected by agencies is from the first letter sent to the patient.

To head this off, practices need to establish "bad debt" policies, make patients aware of them, and enforce them. Target bad debt aggressively and use an outside collection agency only if absolutely necessary. Using collection agencies is often less successful and not as profitable. Successful "bad debt" policies and better point-of-service collections can reduce the need for collection agencies.

59%
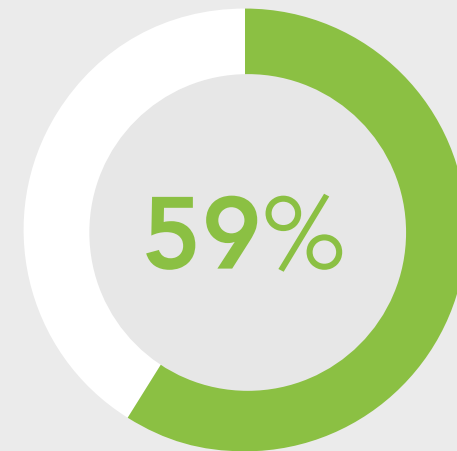
About 59 percent of debt collection agencies' outreach to consumers (between December 2014 and March 2015) concerned a past-due medical payment.[13]

What to look for in a technology partner

When you implement collection technologies as stand-alone applications, you're likely to see positive results. However, if you want game-changing outcomes, integrate these solutions with your healthcare information technology systems and implement them as components of those systems.

Get back to caring for patients, not chasing payments.

Look for a technology partner that offers integrated EHR and practice management software in conjunction with a full suite of the top collection management technologies that support a patient-centric revenue cycle management approach.

Insurance Verification
Eligibility/
Authorization

Patient Risk Assessment
(Future)

Patient Access Workflow

Demographic Verification
Address/Phone
Identity

Patient Engagement
Payments, Patient Messaging, Self-Service & Education

Copay & Estimation Management

It's important to remember, the right technology alone isn't enough. Make sure your partner delivers a strong implementation methodology; a track record of positive client results; and tailored, ongoing support.

The secret sauce? Successful denial prevention.

Having a robust suite of patient collections tools is today's "cost of doing business." But, to thrive, not just survive, look for a technology partner that will complete your revenue cycle workflow with top-tier solutions that ensure all payer claims are accurately submitted and reimbursed according to contract.

To be truly successful in claims management, your focus must be on denial prevention rather than denial management – and on working with a partner who can deliver the right level of customized support along the way.

SUPPORTING CLAIMS MANAGEMENT EFFECTIVELY REQUIRES THESE INTEGRATED TOOLS:		
Robust Rules Engine	Analytics on Underpayments	Post-Adjudication Analytics and Trending
Seamlessly correct routine billing issues *before* they impact your business operations. Use a predictive rules engine that fixes issues and automates the claims process via an extensive library. Your library should combine the latest industry-standard rules with unique, high-value rules, which are tailored to your organization.	Upload payer fee schedules directly into your PM system and, on a per-transaction basis, compare the payment amount to the contract amount. Or, run exception reports. Use software programs to analyze underpayments and execute a timely appeal.	Understand your key performance indicators and identify performance issues by reviewing real-time comparative healthcare analytics on reimbursement, utilization, and productivity for practices, service providers, and health systems.

" It is natural for staff to have a hard time asking a patient for money, but when I showed each physician how much revenue we had lost on patient responsibility, everyone agreed that NextGen Healthcare could help us utilize technology and training to solve this problem. Working with NextGen Healthcare, we trained staff on simple ways to bring up payment responsibility with patients. We've reconfigured our technology for optimal collections and to support a credit card on file program. We're now seeing an adoption rate of nearly 100 percent among new patients for saving a payment card on file during their visit. "

- **CEO** | Large orthopedic practice serving up to 500 patients per day

Get paid quickly, easily, and in full.

Empower your practice to share payment-related information with patients in smarter, more-personalized ways, using their preferred method of contact. Submit claims more quickly and accurately. Better manage and automate the full patient collections process.

NextGen Healthcare delivers. Our end-to-end revenue cycle management solution and tailored platform helps you enrich the patient care experience; lower the cost of healthcare; and quickly collect every dollar you've earned.

See how you can simplify your life with the right billing and collections partner – and the right support.

18% MORE PATIENT ENCOUNTERS

30% MORE REVENUE PER ENCOUNTER

DOUBLE PRACTICE SIZE WITH SAME BUSINESS STAFF

$1M OVER EXPECTED ROI

51% CASH COLLECTIONS IMPROVEMENT

Realize your vision for business success.

NextGen Healthcare clients are seeing results like these – and you can too.

Take the Next Step.

Are you ready for a financial transformation? Learn how we can help you and your patients thrive in today's changing healthcare environment. Call 855-510-6398 or email us at results@nextgen.com.

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HEALTHCARE

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1. http://www.grouponehealthsource.com/blog/are-you-ready-for-self-pay-patients-in-2016
2. InstaMed Trends in Healthcare payments Annual Report, 2015
3. NerdWallet Health estimates almost 1 in 5 or roughly 51 million –American adults may be contacted by a debt collection agency about medical debt in 2014. According to the US Census, there are 245 million American adults 18 or over. According to the Urban Institute more than one third of adults have debt in collections. According to the ACA's Top Market Collections, the majority of new business in the third party collections market is for health.
4. http://www.grouponehealthsource.com/blog/are-you-ready-for-self-pay-patients-in-2016
5. Trends in Healthcare Payments Annual Report, 2015
6. 2016 US Consumer Payment Study
7. InstaMed Trends in Healthcare payments Annual Report, 2016
8. InstaMed Trends in Healthcare payments Annual Report, 2016
9. 2016 Survey of Employer Sponsored Health Benefits conducted by the Kaiser Family Foundation, NORC at the University of Chicago, and the Health Research and Educational Trust
10. http://www.beckershospitalreview.com/finance/the-paradigm-shift-in-healthcare-from-business-to-consumer.html
11. http://www.instamed.com/blog/trends-in-consumer-healthcare-payments/
12. https://commercial.jpmorganchase.com/pages/commercial-banking/industry-expertise/healthcare-patient-payments https://commercial.jpmorganchase.com/pages/commercial-banking/industry-expertise/consumerization-of-healthcare
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