

Peak Performance Initiative

Vol. 02

PATIENT PAY

Discovering the Best Ways to Collect

“It’s important. If we’re not profitable, then our patients don’t have a doctor.”

Eric Carine

Director of Operations

Integrative Pediatrics, Arlington, OH

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Patient obligations

account for **18%**
of **provider revenue.**

Physicians are facing mounting financial pressures, from lower reimbursements to a sluggish volume of patient visits. That's why it's more important than ever to address the slice of revenue that comes from patients — and understand how to collect in a market of skyrocketing patient responsibility.

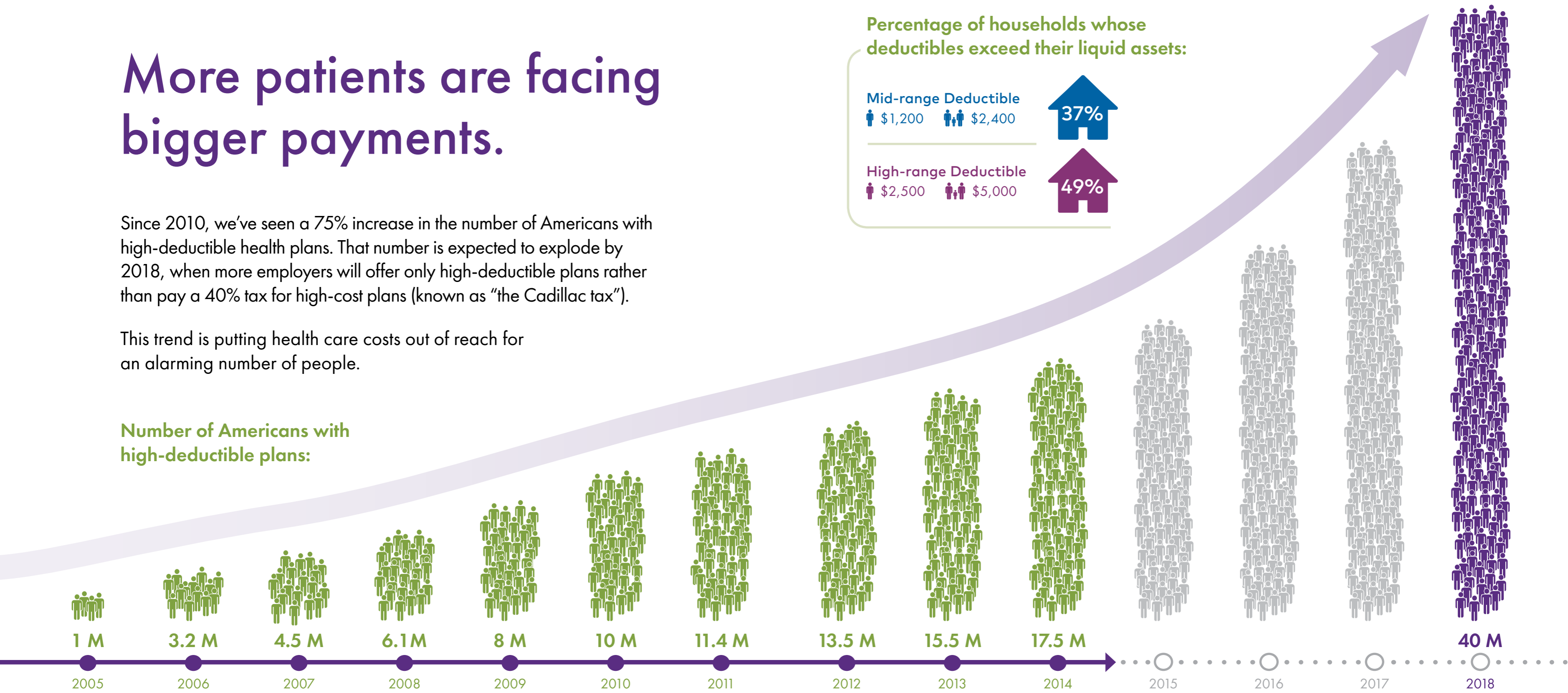


More patients are facing bigger payments.

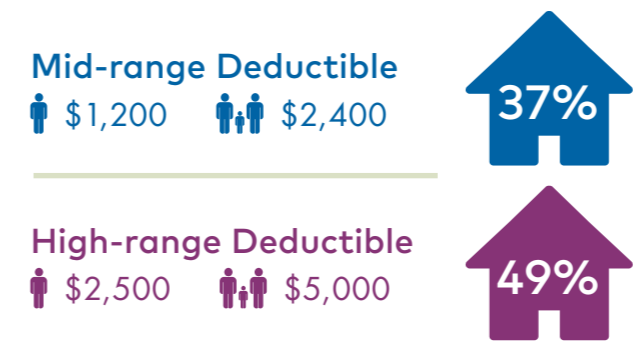
Since 2010, we've seen a 75% increase in the number of Americans with high-deductible health plans. That number is expected to explode by 2018, when more employers will offer only high-deductible plans rather than pay a 40% tax for high-cost plans (known as "the Cadillac tax").

This trend is putting health care costs out of reach for an alarming number of people.

Number of Americans with high-deductible plans:



Percentage of households whose deductibles exceed their liquid assets:



Accenture projection of enrollees via private exchange.

Uncollected patient pay can stack up quickly.

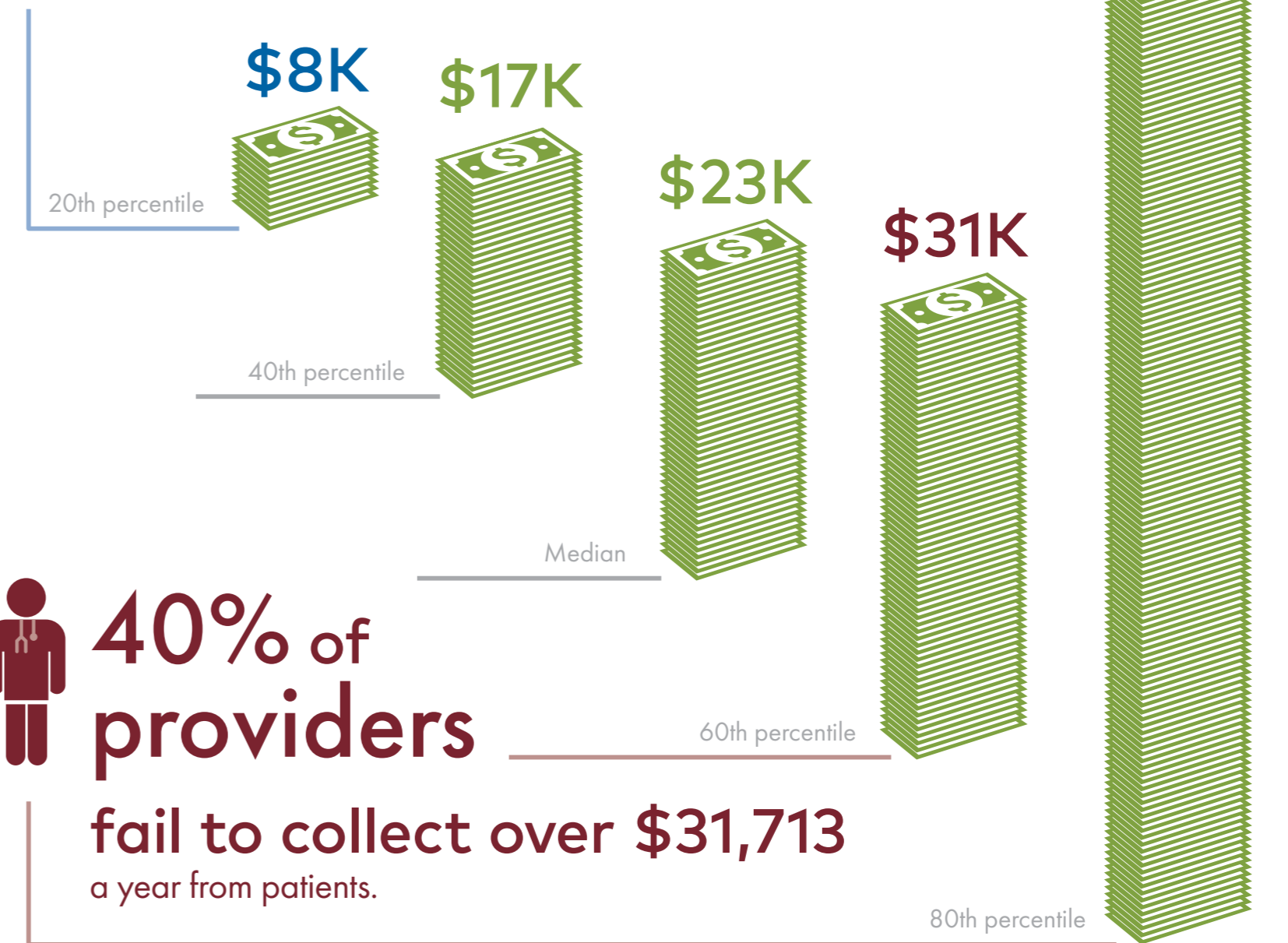
Although the amount of lost patient revenue varies across practices on the athenahealth network, half of all providers fail to collect at least \$23,000 a year from patients.

Depending on your current tactics, there are specific best practices that will help improve your patient payments.

Uncollected patient pay per physician, in 2014:



Although top providers have minimal uncollected patient obligations...



40% of providers

fail to collect over \$31,713 a year from patients.

For groups with multiple providers, this can mean a substantial amount of lost revenue:

x 10 = \$317,130

x 20 = \$634,260

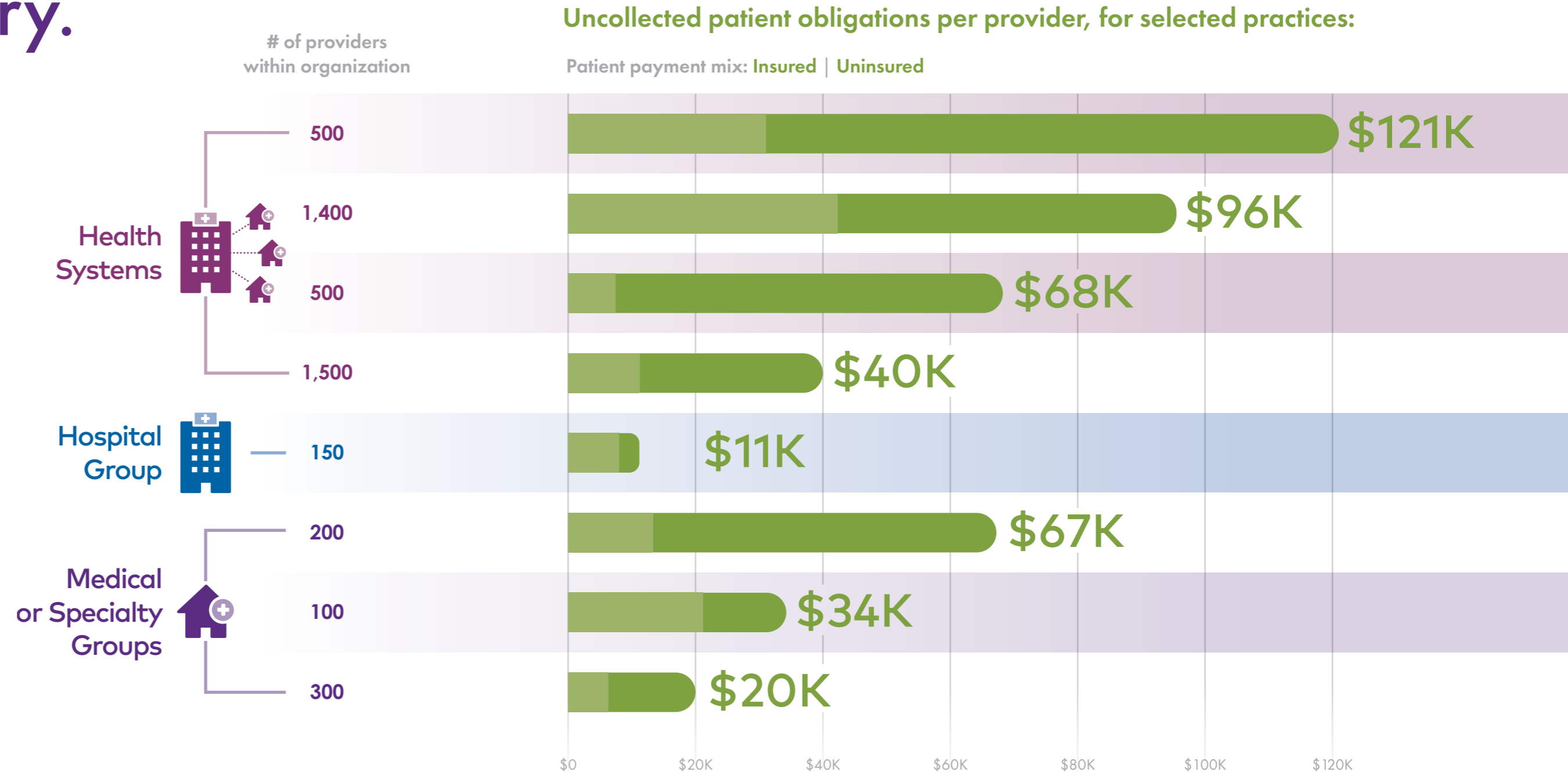
x 50 = \$1,585,650

Your collection results may vary.

Medical groups of similar size can have very different amounts of uncollected patient money.

In the sampling shown here, an average provider at one 500-provider health system has nearly 44% more uncollected pay than a provider at another system of the same size. That equates to a potential difference of roughly \$26 million.

What does it all mean? That every organization has its own unique combination of patient pay mix, service costs, and geographic challenges.



You can
collect more
patient pay.

But where
do you






START?

STEP 1 Determine your current Patient Pay Yield.

To understand how you can improve patient pay collections, you first need to know how well—or poorly—you're doing now.

The key indicator is called the **Patient Pay Yield (PPY)**. If you're part of a high-performing practice, you'll already have a PPY around 80%.

Depending on where you choose to focus your efforts, there are other essential patient pay measures to consider:

-  Time-of-service collection rate
-  Self-pay days in accounts receivable
-  Amount of bad debt write-offs

Patient payments collected within 5 months from date of service

All patient charges resulting from visits in a given month

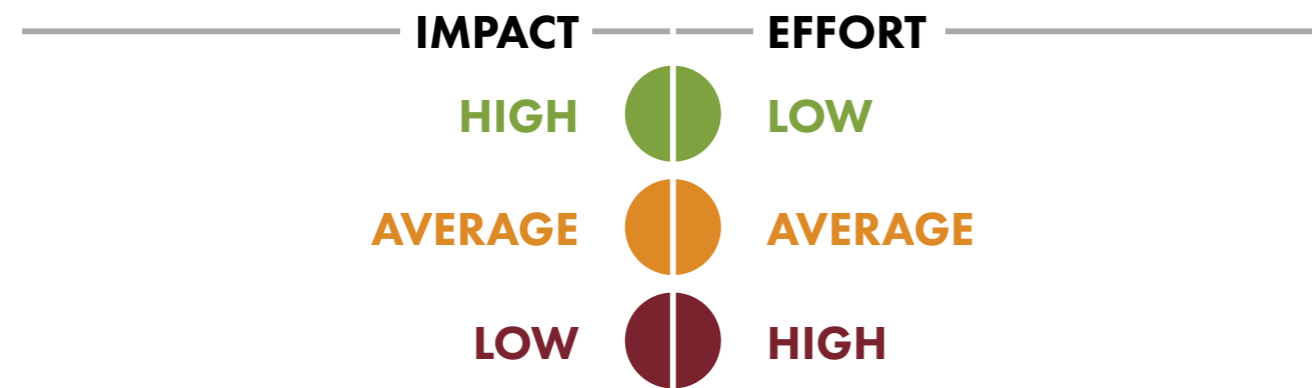
**PATIENT
PAY
YIELD**

STEP 2 Identify tactics that can make a difference.

On the following pages, you'll find four areas of focus that are most likely to boost your patient pay collections.

Each numbered tactic has colors that indicate the potential impact to your practice and level of effort required.

Use these marks to help identify which tactics make the most sense for your practice's unique situation and needs.



Click on any tactic for details, or continue on to read them all.





Patient Pay Tactics

AREAS OF FOCUS

1

Staff Training & Accountability

- 1.1 Targeted staff training
- 1.2 Ongoing staff accountability

2

Pre-visit Collections Strategy

- 2.1 Pre-visit financial review
- 2.2 Patient financial obligation estimates

3

Time-of-service Collections

- 3.1 Card-on-file agreements
- 3.2 Large-balance payment plans
- 3.3 Standardized down payments
- 3.4 Collection-focused digital check-in

4

Ongoing Collection Efforts

- 4.1 Unpaid balance follow-up
- 4.2 Portal collection campaigns

Staff Training & Accountability

[Click here to return to tactic grid view](#)

1.1 Targeted staff training

WHAT TO DO

Develop thorough training that conveys the importance of patient payments and offers guidance for the best ways to collect.

WHY

Rigorous training and staff audits have been shown to improve average collections.

WHO SHOULD DO THIS

- Medical groups with varying rates of patient collections across locations
- Practices that want to improve time-of-service collections

CASE STUDY

Premier Family Care, FL

30-physician practice

Training program focused on 3 main areas:

1. Educating front-office staff about insurance benefits
2. Reiterating the importance of patient collections
3. Auditing performance and supporting underachievers

50% increase in co-pay collections

1.2 Ongoing staff accountability

WHAT TO DO

Regularly assess staff members' interactions with patients to ensure they're discussing payment obligations and attempting to collect. Reward high performers.

WHY

Practices that consistently discuss insurance benefits with patients and set up payment plans have above-average front-office collections, and can collect a high percentage of copays.

WHO SHOULD DO THIS

- Practices whose staff are uncomfortable talking to patients about payments
- Large health systems with inconsistent levels of self-pay success

CASE STUDY

Peachtree Orthopedics, GA

73-provider practice

Peachtree Orthopedics has developed a 100-point audit scorecard that focuses on accuracy, proficiency, and documentation. Each month, practice leaders audit 10 visits per patient coordinator. Those who fail to achieve an average score of 95 get retraining — and, if they don't improve, a verbal warning and a written performance plan.

Pre-visit Collections Strategy

[Click here to return to tactic grid view](#)

2.1 Pre-visit financial review

WHAT TO DO

Review patient accounts 1-2 days before scheduled visits to determine the best way to collect from patients with large outstanding balances. Provide staff with appropriate guidance.

WHY

Practices that collect outstanding balances at the time of service tend to have a very high overall patient collection rate.

WHO SHOULD DO THIS

- Specialty practices with high-cost visits
- Practices with large outstanding balances at time of service
- Practices with frequent patient visits

CASE STUDY

Bellevue Family Medicine Associations, WA

3-physician practice

Every day, the clinic administrator of this Washington State practice reviews the next day's appointments and takes note of the patients who have outstanding balances. She instructs the front desk staff to set up payment plans for patients who have received two statements without paying, and to collect partial payments for patients who have received three statements without paying. The practice collects over 90 percent of all patient obligations payment plans.

2.2 Patient financial obligation estimates

WHAT TO DO

For high-cost procedures, review patient records in advance of each visit to estimate patient obligation, and give clear guidance to the patient.

WHY

Taking time to estimate obligation and communicate before a procedure can drive high collection rates, even for very large out-of-pocket obligations.

WHO SHOULD DO THIS

- Specialties with frequent, high-cost services
- Practices with a high proportion of uninsured or high-deductible patients
- Practices willing to dedicate resources to estimating patient costs

CASE STUDY


Arcis Healthcare, SC

28-physician orthopedic practice

Arcis requires payment at time of scheduling or service for many of its procedures, and offers payment plans of 50 percent in advance and the rest within six months. If the patient's obligation turns out to be less than the estimate, the practice will refund the difference.

96%
patient collection rate

3 Time-of-service Collections

← Click here to return to tactic grid view 

3.1 Card-on-file agreements

WHAT TO DO

File patient credit cards so you can collect newly incurred balances before claims are processed. Particularly useful when patient obligation is unknown but within an acceptable range agreed upon by the patient.

WHY

Keeping patient credit cards on file can result in a higher Patient Pay Yield, as indicated by success at urgent care centers.

WHO SHOULD DO THIS

- Practices offering payment plans for large balances
- Specialties with fewer visits and less opportunity to collect during follow-up care

CASE STUDY

Florida Woman Care, FL

Large, multi-practice organization

After a concerted push from practice leaders to collect credit card numbers, the practice's number of card-on-file contracts nearly doubled. At some locations, FWC now collects more than 88 percent of patient obligations for visits with card-on-file agreements.

↑ 25% collection rate using Card on File

3.2 Large-balance payment plans

WHAT TO DO

Offer payment plans to patients with large or unmanageable balances, allowing them to pay obligations over a period of time, ideally within six months.

WHY

Payment plans are essential for increasing overall collections, especially for practices whose patients are responsible for a substantial portion of the total cost of care.

WHO SHOULD DO THIS

- Practices with a high proportion of uninsured or high-deductible patients
- Specialty practices with high-cost visits
- Practices with a significant number of large, unpaid obligations

CASE STUDY

Oklahoma City Gynecology & Obstetrics, OK

15-physician practice

Oklahoma City Gynecology & Obstetrics sets clear guidelines for payment plans: Collecting within three months for balances under \$300 and collecting within six months for balances between \$300 and \$1,000. If a patient has an outstanding balance greater than \$100, a staff member will call her two days before a visit.

AREA OF FOCUS 3

Time-of-service Collections (continued)

[Click here to return to tactic grid view](#)

3.3 Standardized down payments

WHAT TO DO

Collect a down payment from patients when their obligation can't be reliably estimated in advance.

WHY

Practices are guaranteed to collect at least some money from patients who might otherwise fail to pay after visits, with minimal risk of overpayment.

WHO SHOULD DO THIS

- Specialty practices with high-cost visits
- Practices offering services rarely covered by insurance
- Practices with a high proportion of uninsured or high-deductible patients

CASE STUDY

Boulder Orthopedics, CO

14-physician practice

Boulder Orthopedics doesn't make detailed estimates at the time of service, because that's so time consuming. But the practice requests down payments for uninsured patients — at least \$80 at the time of a visit — to guarantee at least a partial payment.

90%
patient pay
collection
rate

3.4 Collection-focused digital check-in

WHAT TO DO

Have patients use dedicated tablets at your practice to check in digitally. As part of the check-in, patients get a direct, convenient way to pay co-pays and outstanding balances.

WHY

Although digital check-ins do not replace patient education, they have improved credit card payments, registration completeness, and collections on copays and outstanding balances.

WHO SHOULD DO THIS

- Large practices with inconsistent check-in processes
- Practices with poor time-of-service collections
- Practices struggling with registration staff performance or front-office turnover

CASE STUDY

Keystone Orthopaedic Specialists, PA

2-physician practice

Keystone Orthopaedic Specialists, a Pennsylvania practice that had struggled with collections, introduced tablets called PhreesiaPads for patient check-in. Within eight months, the proportion of visits with complete registration increased from 17 percent to 53 percent and payments by credit card more than doubled.

Ongoing Collection Efforts

[Click here to return to tactic grid view](#)

4.1 Unpaid balance follow-up

WHAT TO DO

Contact patients with outstanding balances to discuss payment options or collect payments. Send unpaid accounts to collection agencies, as needed.

WHY

Taking steps to intensify follow-up with patients presents a significant collection opportunity, particularly for practices with large uncollected obligations.

WHO SHOULD DO THIS

- Specialties with infrequent visits and no-follow up to high-cost services
- Practices unsuccessful at collecting balances at time of service
- Practices with high-cost visits or large outstanding balances

CASE STUDY

Oklahoma City Gynecology & Obstetrics, OK

15-physician practice

Oklahoma City Gynecology & Obstetrics sends unpaid accounts to Greenflag, a Transworld service that sends statements and calls patients, but doesn't yet involve the collection agency. The practice administrator also reviews unpaid accounts every week to determine next steps, which can include setting up payment plans or forgiving a balance for a patient who faces tough financial decisions.

4.2 Portal collection campaigns

WHAT TO DO

Promote your patient portal as a central place to view statements and make payments. For patients with large outstanding balances, use patient outreach tools to direct them to the portal.

WHY

Communicating and using the portal's payment functionality has been shown to boost Patient Pay Yield and reduce self-pay DAR. High portal adoption rates can also increase patient loyalty and lower administrative expenses.

WHO SHOULD DO THIS

- Practices with high rates of patient portal adoption
- Practices who have trouble encouraging prompt payments after visits

CASE STUDY

Summit Medical Group, NJ

Multi-specialty practice

Summit has a full-time staff member dedicated to registering patients for the portal while they're sitting in the waiting room. Within eight months of introducing its portal, Summit's adoption rate reached 50 percent. The practice now collects a third of its patient revenue via the portal.

8%
increase in Patient Pay Yield

A Planning Worksheet

When planning your approach to improve patient pay collections, there are a few key considerations to take into account. Answering the questions on the right will help you target the areas of focus and tactics that will be most valuable to you.

Practice Name: _____ Date: _____

My action plan to improve patient pay:

Tactic: _____ Start Date: _____

Tactic: _____ Start Date: _____

Tactic: _____ Start Date: _____

Tactic: _____ Start Date: _____

Tactic: _____ Start Date: _____

Tactic: _____ Start Date: _____

Key considerations for choosing tactics

[Click here to return to tactic grid view](#)

Clicking on a tactic will take directly to it's page.

1 How would you best describe your organization?

- (A) Small, single-location practice
- (B) Medium-size practice with varied staff roles
- (C) Large medical group with multiple locations

The larger the organization, the more important it is to have a consistent approach to collections.

See tactics: [1.1](#) [1.2](#) [3.4](#)

Smaller practices should key in on a reliable low-effort change.

See tactic: [3.1](#)

2 Which of the following care scenarios is closest to yours?

- (A) Traditional primary care
- (B) Infrequent specialty visits
- (C) High-cost specialty procedures

Specialists with infrequent visits should focus on getting paid up front.

See tactics: [3.1](#) [3.3](#)

Those with high-cost visits should offer payment plans and conduct follow-up.

See tactics: [3.2](#) [4.1](#)

3 How would you describe the level of insurance coverage of your patients?

- (A) Nearly all are insured
- (B) There is a mix of insured and uninsured
- (C) There is a large number of uninsured

If you answered B or C, make sure you communicate clearly with patients. If your visit costs are high, request down payments as well.

See tactics: [2.2](#) [3.3](#)

4 Do many of your patients carry large outstanding balances?

- (A) No
- (B) Yes
- (C) Not sure

If you answered yes, consider reviewing patient accounts before visits and providing payment plans to patients.

See tactics: [2.1](#) [3.2](#)

“People get excited to buy a TV,
but health care is a service they
don't like to pay for.”

Andrew Rubin

Vice President For Medical Center Clinical Affairs
New York University Langone Medical Center

Peak Performance Initiative

This initiative leverages athenahealth's unique open platform to track and analyze client performance across our national network. Our experts use this data to surface and share insights and best practices that can improve results for all.

