Best Practices in Patient Collections

October 15, 2021

Elizabeth Woodcock, MBA, FACMPE, CPC

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Speaker Bio

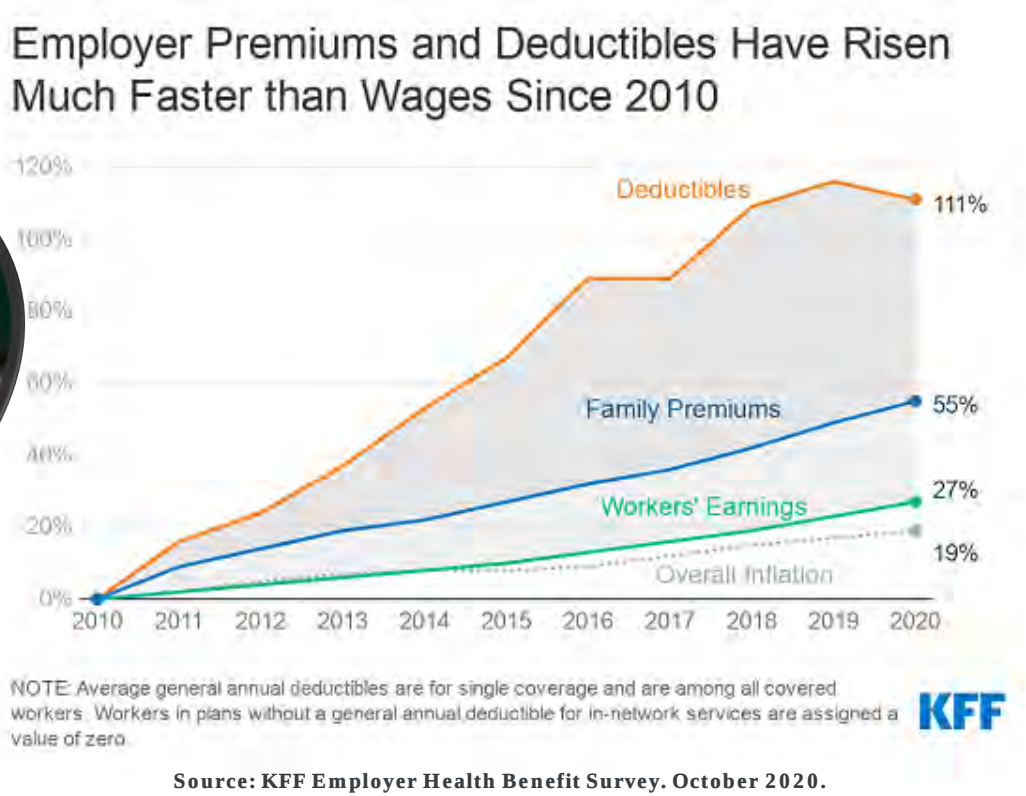
Elizabeth W. Woodcock, MBA, FACMPE, CPC
Speaker, Author, Trainer | www.elizabethwoodcock.com

- DrPH Candidate, *Bloomberg School of Public Health, Johns Hopkins University*
- MBA, *Wharton School of Business, University of Pennsylvania*
- BA, *Duke University*
- Fellow, *American College of Medical Practice Executives*
- Certified Professional Coder
- Author, 17 textbooks and more than 500 articles
- Founder and Principal, *Woodcock & Associates*
- Founder and Executive Director, *Patient Access Collaborative*
- Former Consultant, *Medical Group Management Association; Group Practice Services Administrator; University of Virginia Health Services Foundation; Former Senior Associate, Health Care Advisory Board*

Best Practices in Patient Collections

Speaker: Elizabeth W. Woodcock, MBA, FACMPE, CPC

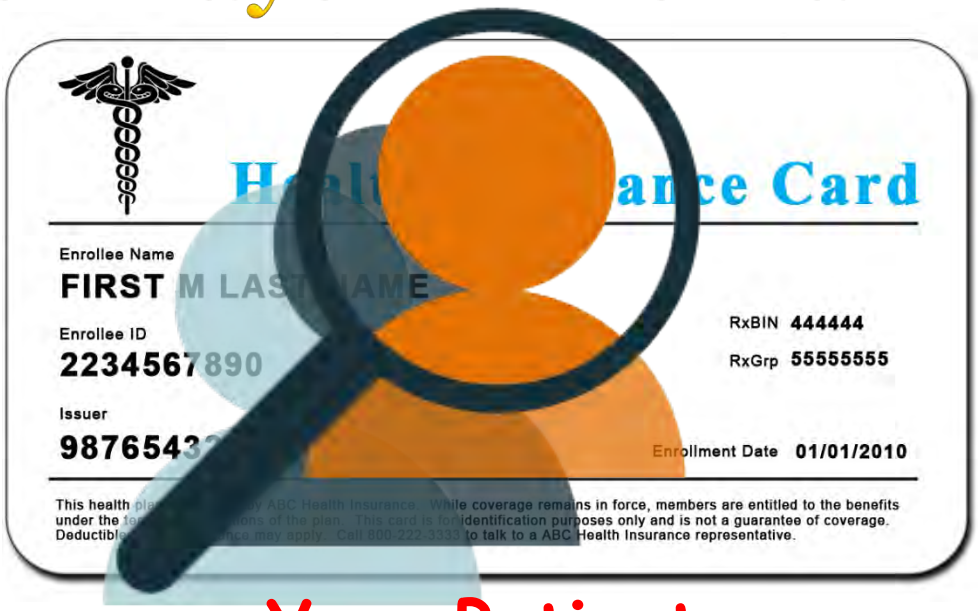
Current State



Source: KFF Employer Health Benefit Survey. October 2020.

Current State

New Payer in the Market



Your Patient

Current State

Collecting from patients costs 2 times what it costs to collect from a payer!!

~$8,000 per provider

[1]*$7,931, based on 25 patients per day, 47 weeks per year, 4.5 days per week, 2 statements per patient @ $.75 per statement in processing and mailing costs.*

Current State

DIVISION F--HEALTH PROVISIONS

H.R.6201 - Families First Coronavirus Response Act

116th Congress (2019-2020)

(a) <<NOTE: Effective date.>> In General.--A group health plan and a health insurance issuer offering group or individual health insurance coverage (including a grandfathered health plan (as defined in section [illegible]) shall provide coverage, and shall not impose any cost sharing (including deductibles, copayments, and coinsurance) requirements or prior [illegible] following items and services furnished during any portion of the emergency period defined in paragraph (1)(B) of section 1135(g) of the Social Security Act (42 U.S.C. 1320b-5(g)) beginning on or after the date of the enactment of this Act:

(1) In vitro diagnostic products (as defined in section 809.3(a) of title 21, Code of Federal Regulations) for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19 that are approved, cleared, or authorized under section 510(k), 513, 515 or 564 of the Federal Food, Drug, and Cosmetic Act, and the administration of such in vitro diagnostic products.

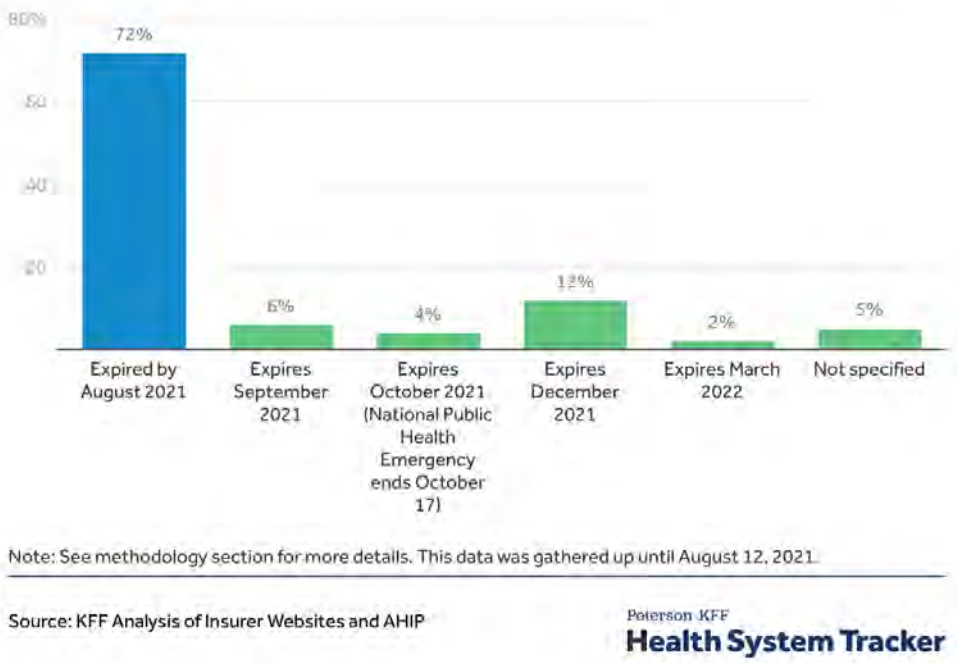
(2) Items and services furnished to an individual during health care provider office visits (which term in this paragraph includes in-person visits and telehealth visits), urgent care center visits, and emergency room visits that result in an order for or administration of an in vitro diagnostic product described in paragraph (1), but only to the extent such items and services relate to the furnishing or administration of such product or to the evaluation of such individual for purposes of determining the need of such individual for such product.

…and shall not impose any cost sharing (including deductibles, copayments, and coinsurance) requirements…

https://www.congress.gov/bill/116th-congress/house-bill/6201/text

Current State

Nearly three-quarters of the largest health plans are no longer waiving cost-sharing for COVID-19 treatment



August 19, 2021 https://www.healthsystemtracker.org/brief/most-private-insurers-are-no-longer-waiving-cost-sharing-for-covid-19-treatment/

Current State

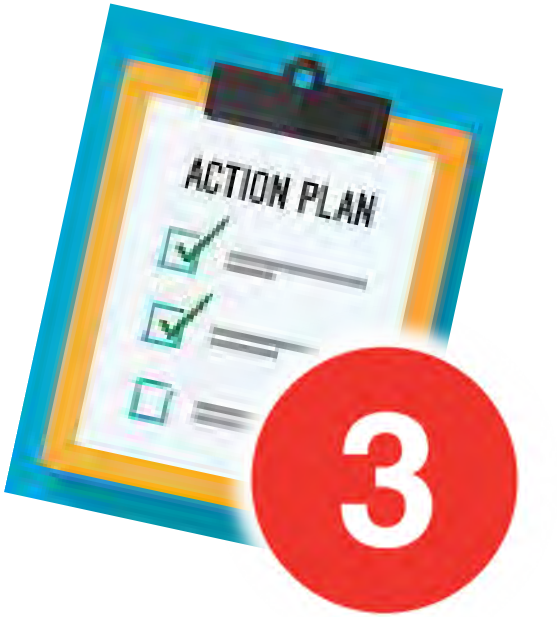
- Email paperwork
- Patient portal
- Online
- Smartphone app
- Kiosk
- Etc…

Where does "Patient Collections" Fit in?

The market has changed – so you must align your processes accordingly

Agenda

- Call to action
- 27 Best practices
- Conclusion
- Q&A Period
- Appendix



Don’t be Lame

Do we operate a good* practice?

**[Do we operate a practice where patients want to pay us because they are so satisfied with their appointment access, their wait time once they arrive, the facility, the staff, our communication, etc….?]*

Define What you Will Collect

- Define what you will collect
  - Copayment
  - "Deposit"
  - Balance

  - Coinsurance
  - Unmet deductible
  - Non-covered services
  - Pre-service payments

TOS = time of service

Define What you Will Collect

Physician's Right to Collect From Enrollee on Assigned Claim Submitted to Carriers (Rev. 1, 10-01-03) B3-3045.2
A. Before the Claim is Submitted: **The provider (including physicians and suppliers) who is accepting assignment should not attempt to collect more than 20 percent of the charge from the enrollee when the deductible has been met.** He or she should, if the occasion arises, be advised not to do so.
(Rev. 10236, 07-31-20) Source: http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf

10.4 - When Prepayment May Be Requested (Rev. 1, 10-01-03) HO-303.2 **The provider may collect deductible or coinsurance amounts** only where it appears that the patient will owe deductible or coinsurance amounts and where it is routine and customary policy to request similar prepayment from non-Medicare patients with similar benefits that leave patients responsible for a part of the cost of their hospital services. In admitting or registering patients, the provider must ascertain whether beneficiaries have medical insurance coverage. Where beneficiaries have medical insurance coverage, the provider asks the beneficiary if he/she has a Medicare Summary Notice (MSN) showing his/her deductible status. If a beneficiary shows that the Part B deductible is met, the provider will not request or require prepayment of the deductible. Except in rare cases where prepayment may be required, any request for payment must be made as a request and without undue pressure. The beneficiary (and the beneficiary's family) must not be given cause to fear that admission or treatment will be denied for failure to make the advance payment. Providers must insure that the admitting office personnel are informed and kept fully aware of the policy on prepayment. For this purpose, and for the benefit of the provider and the public, it is desirable that a notice be posted prominently in the admitting office or lobby to the effect that no patient will be refused admission for inability to make an advance payment or deposit if Medicare is expected to pay the hospital costs.
Page 7 - https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c02.pdf

Patients are not required to make a payment to the provider until a claim has processed and a determination has been made. This condition also applies to non-participating providers that are billing non-assigned claims. **Payment may be collected from the patient prior to a Medicare claim being filed if the patient agrees to pay up-front, but the provider cannot require it.** Source: Noridian Administrative Services [Medicare contractor], LLC updated on March 10, 2020.
Source: https://med.noridianmedicare.com/web/jfa/topics/claim-submission/misc-services-and-charges

Focus on the Basics

- Use the patient's name
- Look the patient in the eye (video camera too!)
- Demonstrate that you expect payment
  - Start talking about the receipt – or writing it out

Change Your Signage

Waiting Room

We Expect you to Pay Your Copayment at the Time of Service.

Change Your Signage

YOUR INSURANCE COMPANY

Requires…

~~We Expect~~ you to Pay Your Copayment at the Time of Service.

Create a Full-Pay Strategy

Establish and collect a "minimum" payment for full-pay patients

Examples:

- **$100 for new patients; $50 for established**
- **$10 for all patients**
- **$50 (based on average copayment**
- **$250**

Choose one, put it in writing and apply it consistently

Get the Script Down

- ☐ *"How will you be paying today?"*
- ☐ Collecting a balance

  "Ms. Jones, our practice's policy is to request payment at the time of service. Your insurance plan requires a copayment of $_____. Will you be paying with cash, check, or credit card? [Wait for card.] *The computer tells me that you have a small balance of $_____. Can we go ahead and run your card to take care of that balance?"*

Source: E. Woodcock, Front Office Success, MGMA

Stop Talking!

Offer a Discount!

SAMPLE FINANCIAL AGREEMENT

Today's Date:_____Date of Service: _____ _____
Patient's Name:_____Patient's Account No.: _____ _____
Description of Service: _____
_____
Estimated Total Cost (Professional Fees for Dr. XYZ): _____
Estimated Amount Your Health Plan is Expected to Allow*: _____
Estimated Health Plan Discount: _____
Your Estimated Financial Responsibility: _____
Payment Due Today:_____
Remaining Balance:_____ Due Date:_____
Patient's/Guarantor's Signature:_____ Date:_____
Staff's Signature: _____ Date: _____

**If we participate with your health plan, we have agreed to accept an "allowable" for the procedure. This provides you a discount from our professional fees; the discount is noted herein. Depending on the plan that you chose, you will be responsible for some – or all – of this allowable in the form of copayments, coinsurance, and/or unmet deductibles. As noted, the best source of this information is your health plan, so we encourage you to contact them directly!*

Engage the Right People

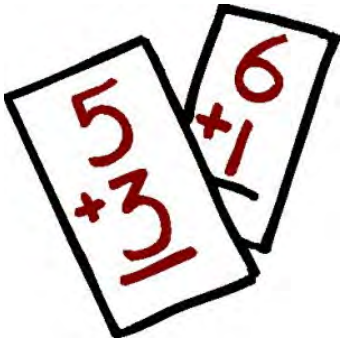
Engage the Right People

- Directors of...
  - Moment of Truth
  - First Impressions
  - Wait Management
  - Information
  - Registration
  - Denial Prevention
  - Time-of-Service Collections

The most important - and most challenging - role in a medical practice

Build a Skilled Team

Requires staff who <u>can</u> collect:



1. Mr. Walker's health plan has an allowance of $83.25 for his office visit which was a 99212. His health plan requires a 20% coinsurance. How much does he owe?

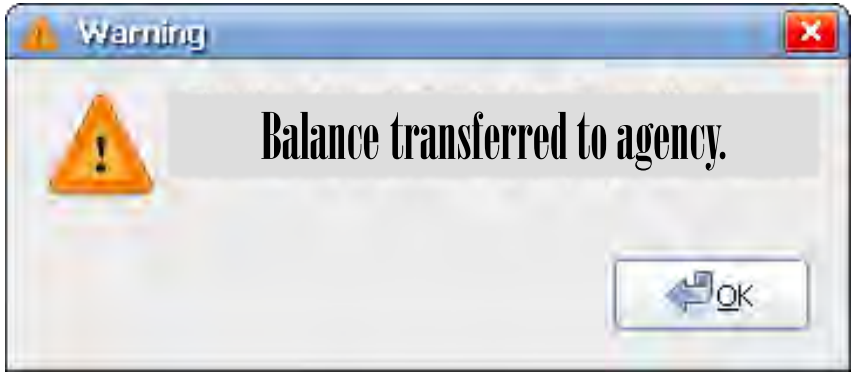
2. Mr. Wood does not have insurance for his family, but he would like to take advantage of your discount for uninsured patients who pay in full at the time of service. His bill is $213, and your practice offers a 30% discount for payment in full. How much does he owe if he pays in full today?

1. Answer: $16.65
2. Answer: $149.10

Profess – This is Everyone's Job!

Capture the Balances

- Don't limit yourself to "past"-due balances
- Train staff to collect bad debt
  - How to identify it
  - Reverse the bad debt and apply the payment



Hold the Team Accountable

- "If not, why not?" report

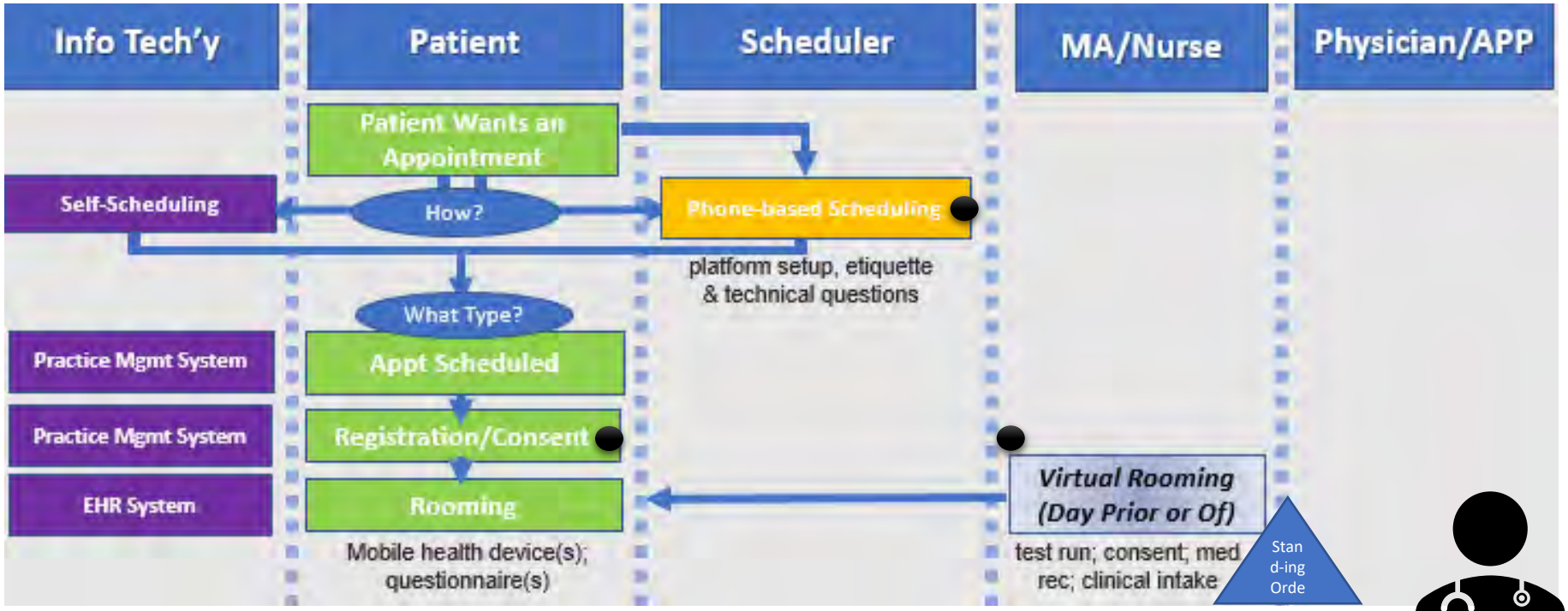
Patient	Amt Due	Status of Collection
7:45 a.m. Janet Jones	$10	_____
8:15 a.m. Jill Scott	$123.45	_____
8:30 a.m. Cade Williams	$0	_____
8:45 a.m. Virginia Jacobs	$345.21	_____

Give a Bonus – or Not

Execute Financial Clearance

- Insurance coverage
- Benefits eligibility
- Financial responsibility

Integrate in New Workflow



Source: Speaker's rendering. Illustrative purposes only; not meant to be comprehensive or representative of any single workflow.

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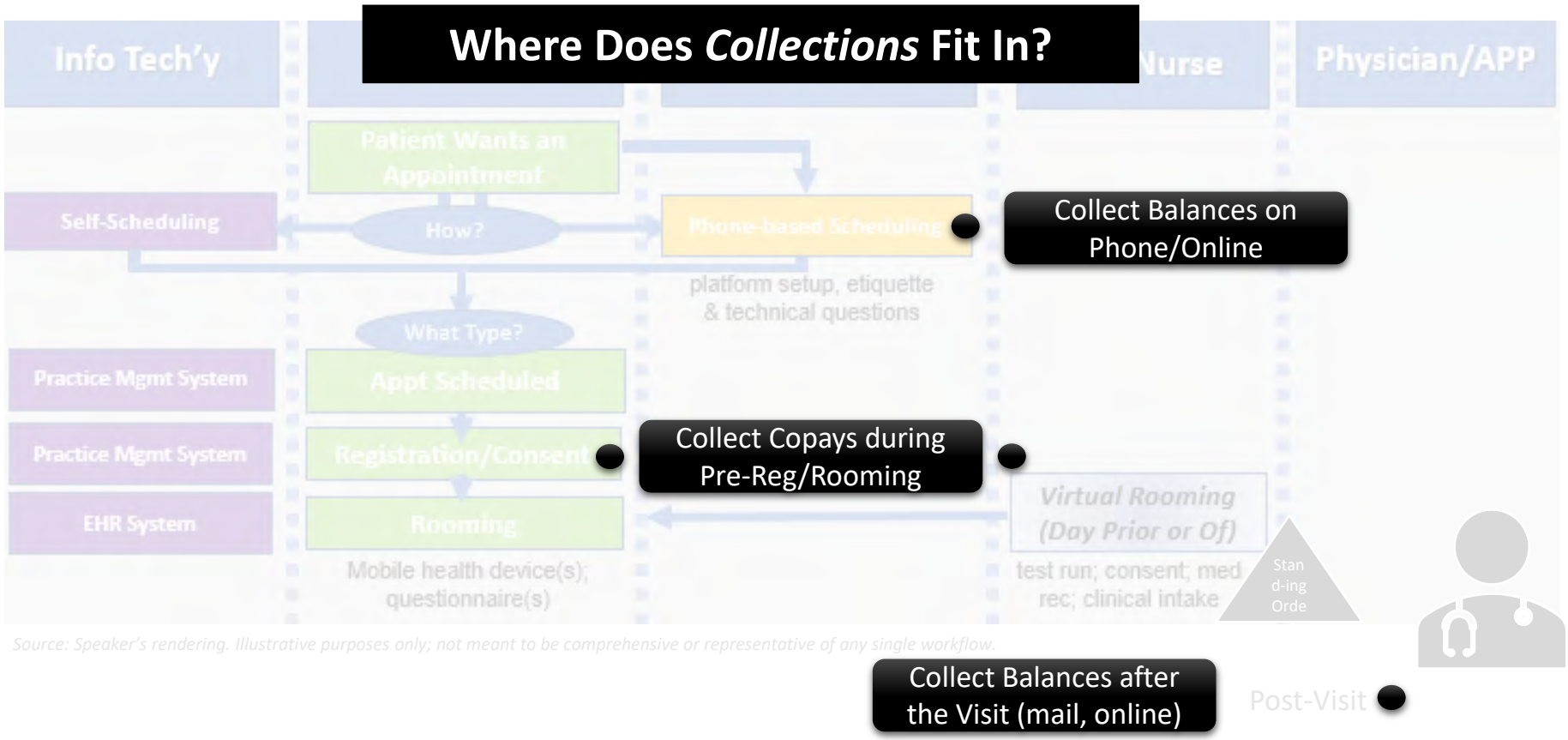


Source: Speaker's rendering. Illustrative purposes only; not meant to be comprehensive or representative of any single workflow.

Embrace Advocacy

Connect the patient with an internal financial “advocate”

: “Come (log on) 15 minutes early to talk about your bill…”

: “Your arrival time is 7:45.”

Be Vigilant Outside of the Office

Deploy CCOF

Secure collection and storage of credit card information

- CCOF: “Credit Card On File”
  - Pre-authorized credit card transactions
  - Mechanics? Capture patient consent, swipe credit card, which is held securely
  - Useful for a payment plan -- or one-time charge after insurer has paid

Payment Mechanism on File

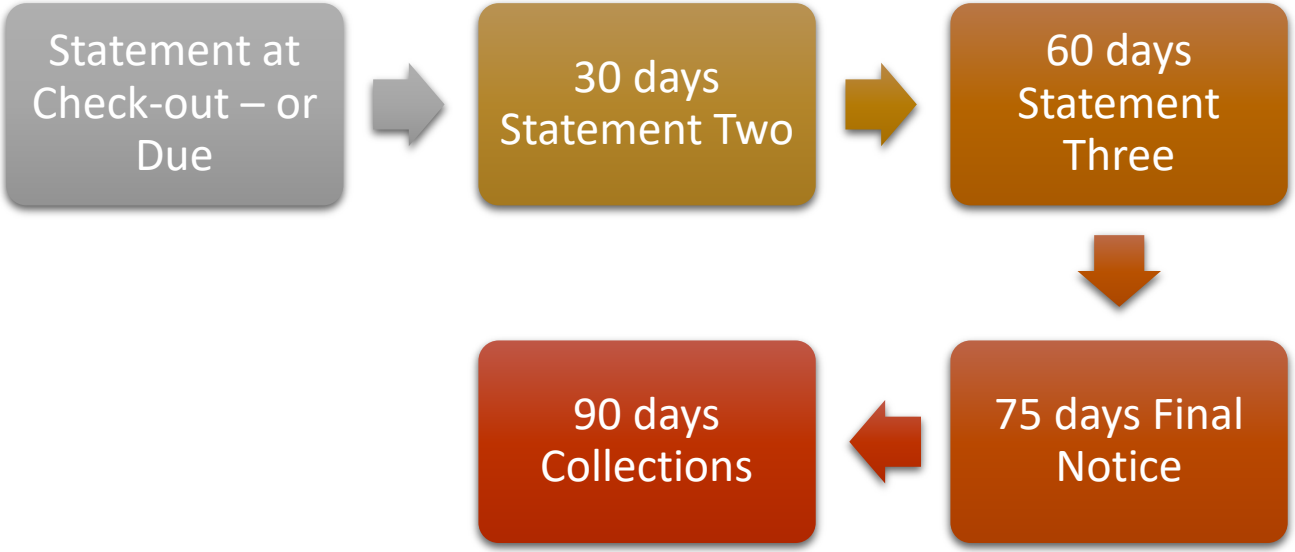
Offer Payment Plans

Before Setting up the Payment Plan...

How Much More Time do You Need?

Minimum

Shorten the Cycle



Send Twice-Monthly Statement

Time the statement release with bimonthly payroll cycle

Go Paperless

Dear Patient:

In an effort to be more environmentally friendly, Anytown Practice Associates now offers eStatements. Choosing this option allows you to receive your statements electronically, sent to you via email. You no longer have to hassle with paper statements. In addition to being environmentally friendly, eStatements are convenient and secure. As soon as your statement is ready, you will be notified via email. The email will provide a link to a secure website where you can not only view your statement, but also choose one of several payment options.

Don't want to go paperless? Not a problem. If you would like to continue to receive paper statements in the mail, you'll be required to pay an annual fee of $20 which is due today.

Please let us know!

- ❑ Yes, I want the environmentally friendly option; instead of paper, please send my statements to: _____ .
- ❑ No, I would like to continue receiving paper statements, and will pay the annual fee of $20.

_____

Guarantor Signature/Name/Date

Look for Coverage

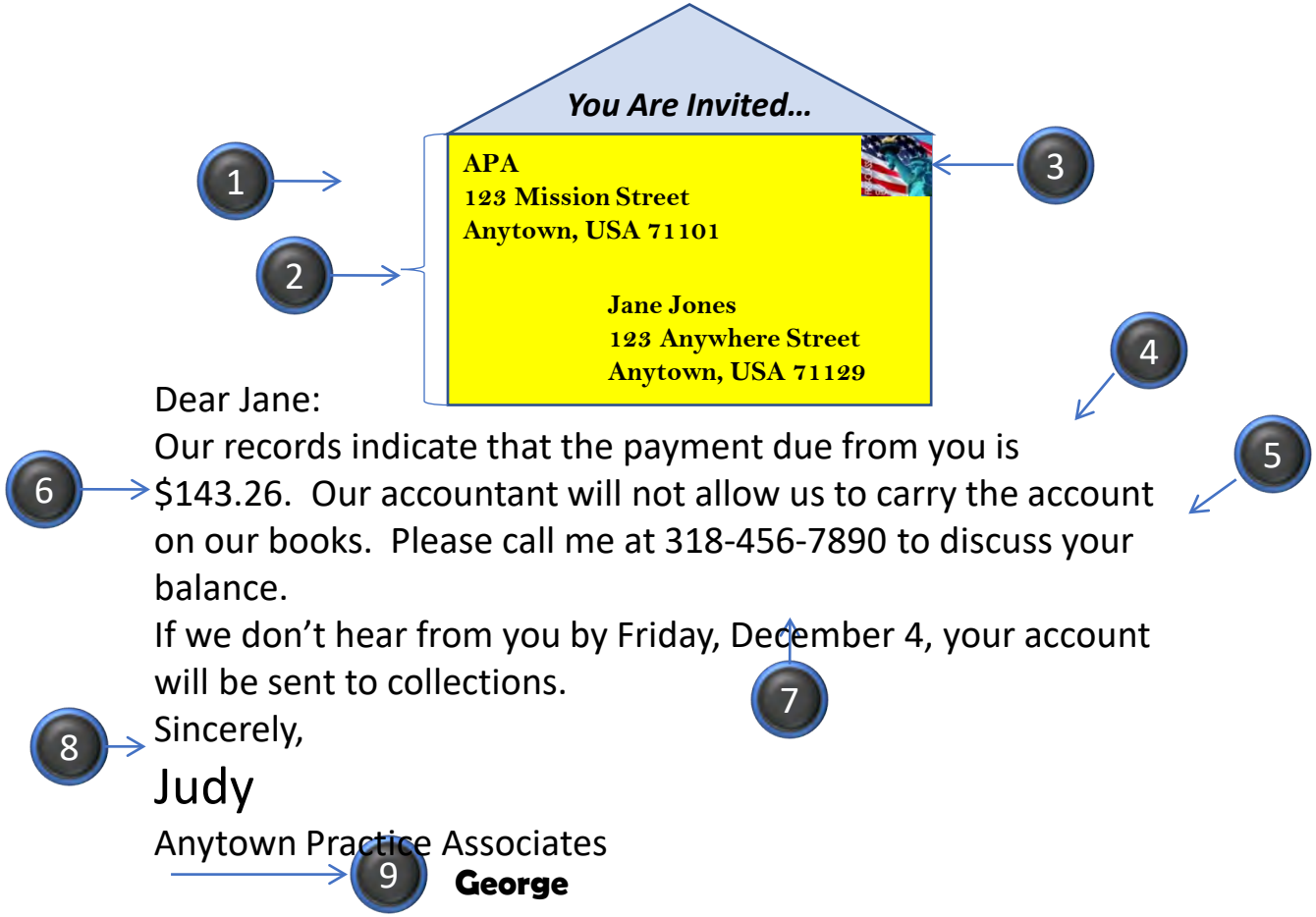
Perform an

Insurance Sweep

Manage the Return Mail

Review Your Correspondence

Send an Invitation



Show your Appreciation

•Say “thank you”

Instead: ***“We appreciate your choosing Anytown Practice Associates for your medical care, Ms. Jones.”***

Conclusion

Select Three Ideas – One won't work, one won't stick, but one will get you to…

Q & A

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