Patient deductibles and financial responsibilities are skyrocketing. According to a 2015 survey by the Kaiser Family Foundation, 81% of covered workers are enrolled in a plan with an annual deductible. The average annual deductible for all covered workers in 2015 was $1,077, up 67 percent from the average deductible of $646 in 2010.1

Although the average deductible for a 2016 Affordable Care Act (ACA) plan at the Platinum level is $233 for an individual and $468 for a family, the most popular health plan purchased on the exchanges is the Silver plan, which has an individual deductible of $3,117 and a family deductible of $6,480. And Bronze plans have even higher deductibles — $5,731 for individuals and $11,601 for families.2 That's a lot of out-of-pocket responsibility for your patients.

Add the trend of medical practices opting out-of-network, and it's clear that patient collections are becoming a much more significant component of practice revenue than ever. If your practice isn't collecting from patients at the point of service, you may be at risk of losing revenue.

85% of providers agree that collecting post-visit payments is difficult.3

Here are 8 best practices to help keep your patient revenue flowing:

1. **Create a Point of Service Collections Culture**

An 8-physician group in the Southeast had a history of high patient receivables, the result of a long-held culture of “we'll submit to your insurance and bill you after insurance pays.” The billing and collections staff worked in another area of the practice, away from patient and clinic flow.

It took some cajoling, but we got the practice to try collecting from patients at the time of their appointments. They moved the billing and collections staff person into a space near the front desk and provided technology tools and training so she could capably speak with patients about what they owed. In her first month in this role and location, this employee collected more than her annual salary.

This is one of our favorite client success stories and it illustrates a key point: Point of Service Collection (POSC) doesn't have to be complicated. But it does have to be deliberate and coordinated. It takes more than just updating the financial policy to achieve success.

First of all, moving patient collections “up front” is a philosophical change for most practices and their staff. For decades the mantra of “we’ll bill you after insurance pays” has put the first attempt at asking patients for anything more than a visit copay at least four to six weeks beyond the date of service. A POSC culture flips this process completely around. Staff collects unmet deductibles, coinsurance and non-covered services amounts before patients leave the office.

**The ultimate goal is zero patient statements.** And this goal is becoming more possible, given the improving accuracy of the cost estimators available through clearinghouses and on insurance plan websites.

After decades of experience training staff and implementing
collections culture philosophy, there is one thing we know for sure: Success starts from the top. All providers must stand united and support the philosophical shift. If they don't, staff won't change their behavior. And if one or two doctors in the practice won't, the effort will be only marginally successful because staff will have too many different rules to follow.

To create a POSC culture, announce to your team that this is the "new normal." Agree to one standard collection policy. Allocate staff time and resources to develop procedures. Use technology, train staff and monitor performance. And be patient as staff learn and change their behavior. As the old adage goes, Rome wasn’t built in a day. Full implementation of POSC will take months, not weeks. The financial rewards are worth the wait.

2 Update Policies, but Focus on Procedures

Review your current financial policy and remove language about balance billing, as well as patients only being responsible for paying copays in the office. Strike any language that is vague. For instance, "You will be asked to pay your financial responsibility at the time of service," really says nothing. One policy does not fit each situation, so clarify yours by coverage type and distinguish between what patients are expected to pay for specific services. These examples can guide your conversation:

Treatments and Procedures

• "If you are covered by a contracted plan, our staff will collect your visit copay and any unmet deductible and coinsurance amount up to the contracted rate for office visits, treatments and procedures."

• "If you are out-of-network, we’ll contact your insurance plan about your out-of-network benefits for your office visit. You’ll be asked to pay our full fee at the time of the visit. We’ll then file a claim on your behalf and any reimbursements will be sent to you."

• "For uninsured patients who qualify, we offer financial assistance. One of our staff will help you complete a Financial Assistance application."

Once policies are refreshed, focus on procedures. Policies set the rules, but the rules won’t be followed if staff doesn’t have a system for following them. Create procedures that address issues such as:

At the Front Desk

• How will staff know the amount to collect from patients?

Many practice management software systems (PMS) provide a report that displays collectible copays, past due balances and more. The procedure should explain how to generate it and where to find the information in the data.

• What if patients can’t pay in full? What are the rules about establishing a payment plan? If your billing is done in-house, we recommend an attempt to collect at least 50%, and divide the rest of the amount equally into as high a monthly amount as the patient is comfortable. Ideally, the account should be settled within three to four months, although this is not always possible with all patients. Offering a financing option such as the CareCredit credit card may help these patients make convenient monthly payments that fit their budget. And you don’t have the liability of trying to collect remaining payments each month.

• How should staff handle issues and objections? Ask staff to collaborate with the practice manager on the development of talking points for common objections. For instance, if a patient didn’t bring a credit card or checkbook with them, a possible script is:

“Sometimes I run out of the house without them too, [INSERT NAME]! Here, take a look at my computer screen. I’ll show you how you can pay your bill online on our website when you get home. If you’re a CareCredit cardholder, I can look up your account to pay your bill.”

After the Provider Has Made a Recommendation

• Who will explain the patient’s financial responsibilities for treatment? A dedicated staff person for this role is important, and the check-out desk is NOT always the right location for this conversation. A private office or enclosed area is a must.

3 Payment Technologies

A primary reason staff don’t ask patients to pay more than their copay is that they aren’t sure how much to collect. Technology can empower them with the information they need.

Start by leveraging data you already have. Eligibility status and past due balances are standard reports in most PMS and clearinghouse systems. They indicate amounts patients owe, unmet deductibles, and ineligible patients (from whom staff can collect in full at the time of the appointment, or reschedule to a date on which the patient will be eligible for coverage). Train staff to generate and review these reports for the amounts they can collect.

Next, implement payment technologies such as these:

Online Cost Estimators

These free, online tools are provided by payors, and empower staff with real-time data about a patient’s unmet deductible, coinsurance and copay, based on the patient’s benefits. Many insurance plans offer cost estimators on their websites. Others deliver the data through statewide or regional portals. (Data availability and accuracy in these portals varies.) Staff enter codes
and patient details and the cost estimator calculates an amount that can be collected from the patient.

**Recurring Billing**

Recurring billing automatically charges the patient’s general purpose credit card each month, for an agreed upon amount. It helps guarantee adherence to a payment plan every month, without the need for paper statements, payment books, or staff intervention. And unlike a spreadsheet of patient names and credit card numbers filed in a storage cabinet, credit card processing vendors store credit card data securely and are payment card industry (PCI) compliant.

**CareCredit Online Payment Calculator**

The online Payment Calculator enables staff to quickly calculate the monthly payment for patients who choose to pay using the CareCredit healthcare credit card. Staff simply enter the amount the patient owes, and the monthly payment is calculated in real time. Training staff to leave a browser window open to carecredit.com/payment-calculator during patient hours makes it fast and easy for them to discuss CareCredit as a payment option for patients who, for example, prefer a six-month financing program instead of paying their bill in full.* And, the calculator is a valuable tool when discussing the cost of a proposed procedure or treatment.

**Online Bill Pay**

Providing patients the convenience of paying their bill online increases the chance they’ll pay more quickly. Many PMS and patient portals offer this feature. Ask your vendor for details. Another online bill pay option is on the new CareCredit Pay My Provider payment portal. CareCredit cardholders can pay their post-care bills at carecredit.com/pay, as long as the age of their balance is less than 90 days from the date of service. The practice receives payment within two business days, less a processing fee, reducing staff time and effort in the collection process.

*Subject to credit approval.

The practice manager (or appropriate staff) completes this form for each patient who is recommended for treatment. Financial responsibility data are obtained by using an online cost estimator or by calling the patient’s plan. Best practice is to collect at least 50% of the patient’s financial responsibility prior to treatment.

**Treatment Cost Quotation Sample Form**

<table>
<thead>
<tr>
<th>Today’s Date</th>
<th>Patient’s Name</th>
<th>Patient’s Address</th>
<th>City/State/Zip</th>
<th>Procedure Code(s)</th>
<th>Diagnosis Code(s)</th>
<th>Fax:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial Responsibilities:**

- Our Charges: $
- Plan Allowable: $
- Non-Covered Services: $
- Deductible: $
- Coinsurance: $
- Your Total Responsibility: $
- Total Deposit Due (50% of Total Responsibility): $

The deposit is due prior to treatment. We will accept a personal check, cashier’s check, CareCredit, VISA/MasterCard or cash. The balance of your financial responsibility is due [INSERT TIME FRAME]. Our fee quotations are valid for [INSERT TIME FRAME]. If you have any questions, please call me at _______________________.

Office Manager Signature: ________________________

Patient Signature: ________________________

Date: ________________________

When a patient needs a specific treatment or procedure, pre-treatment financial counseling provides total transparency about what the patient’s insurance will cover, and the amount they are responsible to pay out-of-pocket. A key component of implementing this system is the use of a Treatment Cost Quotation form (See Figure 1). Staff uses an online cost estimator or calls the payor to determine what the patient owes, and completes this form after the provider specifies the procedure recommended and code assigned. Ideally, this is done while the patient is still in the office.

Staff counsel the patient about their financial responsibilities and collect 50% of the patient’s out-of-pocket costs as a deposit prior to treatment. The remaining 50% is collected at the follow-up visit, or a portion of the 50% is collected, with the remaining amount paid over time via recurring payments on the patient’s credit card or with their CareCredit credit card. The goal is to have the patient pay his or her amount in full within 90 days of the procedure.

Pre-treatment financial counseling may be very well-received by patients who prefer to know the amount they’ll owe in advance, as opposed to receiving an “unexpected” bill later. Cost transparency puts power into the patients’ hands, and enables them to make decisions about their own care, especially if the procedure is elective.
Add Patient Financing into Your A/R Toolbox

Practices that have well-managed accounts receivable know that an essential part of patient collections is offering patients a variety of options to pay their bill. They understand that “cash, check, or credit card” does not work for every patient, because not every patient’s situation is the same. They also recognize that patient “promises to pay” can be as fragile as eggshells, and that having a third party oversee payment plan adherence can eliminate uncomfortable conversations between patients and the staff or clinicians who provided their care.

By adding CareCredit as the financing option in your A/R toolbox, patients choose from a variety of payment programs and their financial responsibility to the practice is paid in full. The balance is off the A/R report, and the payment amount, less a processing fee, is transferred to the practice’s bank account in two business days. Patients can use CareCredit to finance their deductible and/or coinsurance, non-covered services and procedures, healthcare products, and prescriptions. CareCredit assumes all follow-up and collections tasks directly with the patient, relieving your billing staff of this administrative burden.

CareCredit can be used at the time of treatment, or up to 30 days before treatment is received. For patients who choose to use CareCredit for a pre-procedure or pre-surgical deposit, the date of the procedure or surgery must be 30 days or less from the date of CareCredit payment.

Train the Staff

Just because someone collects $10 copays does not mean he or she is comfortable or capable of asking patients for large dollar amounts. It’s the rare staff person who is a “natural” at asking patients for scheduling deposits in a polished and professional manner without training. Especially if that staff person has been with the practice a long time, knows the patients, and has a caring personality. Sometimes, these employees “feel bad” asking patients for money and therefore have a hard time making the switch to a collections culture. That’s why training staff on how to ask patients for money is vital. Develop training materials that include scripts and talking points based on your practice’s policies on collecting for services and past due balances. Make sure staff know how to respond to objections and questions such as:

• “I’ve been coming here for years and all I had to pay was my copay.”
• “$413.00? That can’t be right. Can’t you just bill my insurance?”
• “I have a $3,000 deductible. Do you have a discount for me?”
• “I can only afford half of that amount. Can Dr. Wonderful ‘forgive’ the rest?”
• “Can I pay some now, and some later?”

Schedule vendors to train staff on new technologies such as recurring billing. And use role-playing scenarios to ensure staff can explain payment options and how to apply for patient financing or financial assistance.

If you don’t have a manager or supervisor ready to conduct staff training, hire an outside expert – it’s worth the investment. Without proper training, your team will most likely not be effective at determining amounts owed, asking for money or handling patient objections, all of which will negatively impact collections efforts.

Monitor and Reward Performance

The Hawthorne Effect is a psychological phenomenon that says people perform better and make more positive changes as a result of increased attention. In other words, staff will perform better, and collect more, if they know someone is paying attention.

Review a combination of metrics and monthly reports to understand the status of patient collections. Some practices budget for fun, low-cost incentives for meeting or beating collections goals. Movie tickets, gift cards, a massage or spa treatment are a few options.

Key Metrics

• Daily Front Desk Collections. Ask staff to plot a point for each day’s total collections on a line graph. Review it weekly, and eventually monthly, as you implement a POSC culture.

• Daily Scheduling Deposits. Staff should post each deposit as an “unapplied credit,” which enables practice leaders to review the total without having these amounts reduce the overall receivables, as a credit balance would. Talk to your vendor to be certain that posted deposits are correctly stored this way.

• Percentage of Patient Balances >90 Days. This metric may start high, but if you follow the best practices in this document, the percentage should eventually fall to 10% or less.

Monthly Reports

• Patient Account Balances. Generate this report in descending balance order, not alphabetically. That way, the biggest balances will be on page one. As your POSC program is implemented, this list should become shorter and shorter, but monitoring it is important to maintain staff motivation.

• Payment Plan Status. If you offer an in-house payment plan, be aware of who is current and who is not. Even if patients are set up on automated recurring payments, credit cards can
expire or be rejected. Train the staff how to speak with and assist those who don’t comply with their payment plan agreement.

In addition to formal data review, stop by the front desk or practice manager’s office a few times a month and ask how much has been collected. And always put collections performance on the monthly partner meeting agenda. Keeping tabs on performance enables the practice to quickly take action when collections head south, and before they become acute.

### 8 Refresh and Retrain

Remember that creating a collections culture takes time. Some of the new procedures will work perfectly right out of the gate; others will have to be modified once they’ve been tested in real patient situations. Staff is learning something new and it will take time to assimilate the knowledge completely.

One-time training only goes so far. After the newness wears off, training principles can be forgotten, and motivation may wane. That’s human nature. Test staff knowledge and conduct role playing in staff meetings to ensure everyone feels comfortable in their role. Encourage peer-to-peer observation and coaching to address knowledge gaps and missed collection opportunities. Schedule refresher training to fill the gaps and boost your team’s collection confidence.

### Conclusion

Patient financial responsibilities are higher than ever. To minimize overdue patient receivables, practices must collect from patients at the point of service and prior to treatment. Commit to a collections culture and update financial policies so that staff members are empowered to offer payment options and patient financing as solutions. Be transparent with patients about costs and invest in technology tools. Provide staff adequate training so that they have the confidence to collect, and monitor their performance by reviewing key metrics and patient receivables every month. If success is lacking, invest in staff refresher training and coaching.

Free Your Staff from Statements and Payment Plans

Patients Can Now Pay Online, After Insurance Pays, with Pay My Provider from CareCredit

Pay My Provider is the new CareCredit online payment portal for practices that have skyrocketing patient receivables and billing staff too overwhelmed to follow up on patient balances consistently.

With Pay My Provider, CareCredit cardholders can pay their balance within 90 days of a procedure or service, eliminating the need for staff to send additional billing statements, make collection calls or send letters, or monitor patient payment plans.

Here’s how it works:

**Simple solution** - CareCredit cardholders go to carecredit.com/pay and pay their balance online.

**Fast payment** - The patient’s balance, less a processing fee, is transferred to the practice’s bank account within two business days.

**Frees up staff time** - CareCredit assumes responsibility for collecting from the patient, based on the plans you offer.

Learn more at carecredit.com/pmp
Cheryl Toth, MBA, brings 23 years of consulting, technology product management, and executive experience to her work as a consultant, speaker and trainer. A senior consultant and trainer for physician practice management firm KarenZupko & Associates for 16 years, Cheryl is also a prolific author, with more than 500 articles published in leading healthcare industry journals and business newsletters. She is a co-author and content editor of the Aspen publication e-Healthcare: Harness the Power of e-Commerce and e-Care, and a former adjunct faculty of Scottsdale Community College, where she taught Business Communication.

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