As employers continue to shift healthcare insurance costs to employees and more people participate in healthcare exchange plans, patients are taking on higher deductible healthcare plans (HDHPs) and shouldering a larger portion of costs for care. In fact, 17.4 million consumers were enrolled in an HDHP as of January 2014.¹ And most large employers (80 percent) are considering HDHPs.² Consumers with HDHPs have average deductibles that range from $1,000 to $2,000 — a 50 percent increase since 2009.¹ This may not seem like a problem to patients until they receive a bill and see the result of higher deductibles, copays and fees.

Given these realities, providers across the spectrum of care face new challenges for their collections efforts. Without retooling to update processes, many practices will see cash flow tighten as economic changes slow receivables. A surprisingly large number of practices have been slow to adopt automated services that could save significant time and money. Often, this reluctance is the result of an entrenched culture and process. In one practice I visited, the manager was “too busy” to evaluate new collections technologies, despite the fact that patient balances loomed above $750,000! In contrast, successful practices leverage new ideas and technologies that can improve patient payment convenience, support collection efficiency, and increase cash flow.

So let’s take a look at some of the inexpensive (sometimes free) tools that can provide greater convenience for your patients and help improve the financial performance of your practice.

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1. Use Online Cost Estimators
2. Turn Your Website into a Collection Tool
3. Offer Recurring Billing
4. Promote the CareCredit credit card as a Payment Option
5. Implement “Batch” Eligibility Verification
6. Speed Payment Posting with Electronic Remittance Advice
7. Sign Up for Payor Electronic Funds Transfer
We'll bill you after insurance pays,” is becoming an outdated staff mantra.

Online Cost Estimators are useful and free technology tools offered by insurance providers to help deliver patient copay and deductible amounts at the point of service. No more waiting until the billing office files a claim and posts the insurance payment. With an online Cost Estimator, you simply enter CPT codes and the patient’s benefit information, and your staff have powerful patient information at their fingertips.

Many insurance plans offer Cost Estimators on their websites. Others deliver the data through statewide or regional portals, such as Availity (Figure 1) or NaviNet. Choose the Cost Estimator for the plans your practice has contracted with. Train your front desk staff and financial counselor on how to use these tools to calculate and collect deductibles, coinsurances and copays before patients leave the office.

Patients appreciate the convenience of paying online. Physician offices and hospitals have been slow to offer online payment options, but today there are many tools that make it easy to turn your practice website into an effective collection tool. Our clients who offer payment features on their site tell us patients routinely use them.

Online bill pay is a feature in most patient portals that enables patients to pay all or part of their bill. Talk to your practice management system or electronic health record vendor for details. If your system vendor doesn't offer a patient portal, consider Medfusion (www.medfusion.com), which offers online payments, as well as a variety of other patient engagement features that include appointment requests and secure messaging.

Add the CareCredit Application Link to Your Site

Encourage patients to apply for the CareCredit healthcare credit card prior to their appointment. Put the CareCredit application link on your website, and direct patients there as part of preregistration. Not only will they have knowledge about special financing options* prior to arrival in the office, your practice will be able to view their available credit limit – which helps you plan financial discussions.

How do you pay for Netflix or your gym membership? Automated monthly credit card payment is the way many Americans manage their bill payments and simplify their financial transactions.

Smart healthcare practices use the same technique to manage patient payment plans. It’s called “recurring billing” or “recurring payments,” and it not only makes paying easier for patients, it guarantees money in your bank account every month – without sending costly statements or payment books, and without staff intervention.

Transfirst (www.transfirstassociation.com) offers recurring billing through a “virtual terminal” that staff log into at checkout, or during the preprocedure patient counseling process. Patients supply their credit card information and agree to a monthly amount. Your bank account receives the amount electronically each month. Transfirst also offers the option of automatically charging a patient’s credit card after their insurance pays – speeding patient account pay-off and negating the need for generating statements.
Practices that are serious about delivering stellar service and improving their revenue cycle at the same time have a patient financing option in their collections arsenal. Patients apply online, on their smartphone, or through the office staff and receive a credit decision almost instantly.

CareCredit can be used to pay for a wide variety of procedures, treatments and healthcare products, and for rising copays and deductibles.

Approximately 55 percent of providers surveyed note that patient self-pay is on the rise and about 60 percent see more individual plans than in recent years. In addition, 85 percent of providers agree patient financial responsibilities are growing.

CareCredit can be accepted as a patient payment option and is a practice differentiator. It also makes sense from an accounts receivable perspective because your practice receives full payment within two business days. No need for practice staff to process and send patient statements. There is no risk to your practice if patients don’t pay; you’ve already received payment in full. And, CareCredit provides all of the education and marketing materials you need, including new tools and technologies that will soon make the process even easier.

Virtually all practice management systems and clearinghouses have the capability to verify the insurance of scheduled patients. Yet, we find many practices don’t use this technology – or, they use it only for select patients.

I think it’s a no-brainer to automate eligibility verification daily, and for everyone on the schedule. If staff knows the patient is not eligible for coverage, they can ask the patient for payment at the point of service. But if they don’t have this information, the patient will walk out of the office paying only the copay. A few weeks or a month later, the billing office will receive a rejected claim for “coverage not effective at date of service,” and statement mailings will begin.

Do away with these delayed payments and billing costs. Services, such as Availity (www.availity.com), automatically retrieve and batch the appointment schedule in your practice management system, and send the data to payor eligibility systems overnight. In the morning, a detailed report is waiting, indicating eligibility and benefits information for each patient on the day’s schedule. And for add-on and work-in patients, most practice management systems have a real-time eligibility verification feature. Make sure staff know how to use it.

Electronic Remittance Advice (ERA) is a significant timesaver for office billing staff. Rather than manually entering payment and adjustment data, line by line, from an explanation of benefits (EOB) form, an electronic file is received from the payor and auto-posted. The process is coordinated through your claims clearinghouse.

Talk to your practice management system vendor or engage a clearinghouse to handle this monotony, and free up staff for collections and follow up tasks.

Get money in the bank faster. Instead of receiving a paper check in the mail, payments from payors can be securely transferred to your practice's bank account using Electronic Funds Transfer (EFT). Using EFT reduces the number of checks your staff will have to deposit, and fewer checks can also reduce the risk of employee theft.

This one is a must for savvy practices. Most major payors offer the service, and there is usually no cost to enroll.
After 30 years of training physician office staff how to ask patients for payment, this I know for sure: Effectively collecting from patients is not only about asking for money or driven by technology. Effective collections are the result of a thoughtful, coordinated plan that includes:

- Clear policies staff can follow
- Tools to help quickly identify amounts they can collect
- Scripts and talking points to help them ask
- Ongoing training and monitoring

Support New Technologies with a Point of Service Collections Plan

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<th>What…</th>
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<td><strong>1. Policy</strong></td>
<td>The written guidelines for staff to follow when asking patients for payment. The policy must provide one set of rules for the entire practice. Asking staff to follow different rules for each physician is a surefire way to make the collections rate plummet.</td>
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<td><strong>2. Tools</strong></td>
<td>Technologies, reports, and other tools that arm your team with data they need in order to collect.</td>
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<td><strong>3. Scenario Scripts</strong></td>
<td>Scripted questions and answers that allow staff to talk to patients about money.</td>
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<td><strong>4. Training</strong></td>
<td>Internal and external education sessions that ensure staff correctly use technologies and reports, know how to ask for payment, and deliver great customer service to patients.</td>
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<td><strong>5. Monitoring</strong></td>
<td>A commitment from the physicians and manager to review collections data and progress, and take action.</td>
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If a practice does not implement the full plan, it’s difficult for staff to optimize their collection efforts. Without a policy, staff have no clear rules to follow. Without tools that provide critical information, they can’t be sure about the amounts patients owe, and which patients to collect from. And without scripts and training, it’s the rare staff person who is capable of asking patients for payment in a polished and professional manner.

It’s like sitting down to dinner at a table that doesn’t have four legs. It’s difficult to eat, and most likely you will end up creating a mess.

The Hawthorne Effect is a psychological phenomenon that says people perform better and make more positive changes as a result of increased attention. I’ve found this to be true with collections and billing staff. Collections will increase if you ask staff for a log of daily over-the-counter collections. Or, if monthly partner meetings include a data review, indicating the increase or decrease of point-of-service collections. Your staff will perform better, and collect more, if they know their results are being monitored and measured by the physicians.
Karen Zupko, President of KarenZupko & Associates, Inc., is an internationally recognized thought leader and speaker who advises physicians and healthcare managers about the challenges and trends impacting medical practices. Her decades of experience includes consulting, coaching and training tens of thousands of physicians, managers and staff from coast to coast. Today, the KarenZupko & Associates (KZA) team numbers nearly 25 consultants and staff with skills in management, coding and reimbursement, marketing, technology, financial management, clinical operations, and patient care with guidance that is nuanced to the unique characteristics of each practice client and its specialty.

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