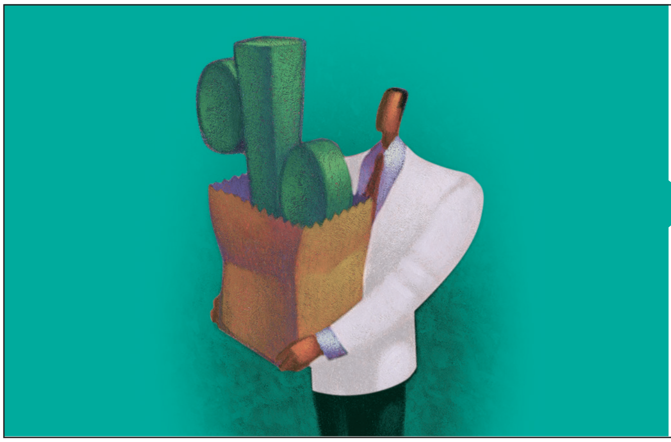

Proactive Patient Payment Plans Made Easy

BY CHERYL TOTH

It's no secret that patient financial responsibilities are higher than ever. So why wait until after the insurance company pays to collect a big balance from patients? By taking a few proactive steps, your team can offer payment plans that reduce patients' anxiety about what they owe, automate the collection process, and settle the patient's balance in six months or less.

1. BE 100 PERCENT TRANSPARENT.

Telling patients they'll owe a big chunk of cash before they have their surgery or office procedure is psychologically preferable to hitting them with an unexpected bill afterward. And as deductibles skyrocket, many patients now ask how much a surgery or procedure will cost, especially when it's elective or when patients are seeing your physicians out of network. From the patient's perspective, it's as important to have a plan for paying the bill, as it is to have a plan for treatment.

Integrate the conversation about money into your scheduling procedures or office visit processes. Provide a written estimate that shows the insurance plan allowables for procedures and services, minus the patient's unmet deductible, coinsurance, copay, and non-covered services. A clear understanding of what is owed can reduce patient anxiety and improve satisfaction.

2. USE COST ESTIMATORS.

These free, online tools are available directly from payers, or through a clearinghouse. Enter CPT codes and the patient's identification data, and get instant access to contracted rates and unmet deductible and coinsurance amounts, as well as non-covered services.

If a cost estimator is not available for the patient's plan, or there is a question about whether cost estimator data is accurate (accuracy can be hit or miss with some payers, and in some regions), HealthcareArithmetic offers an iPhone app calculator ($1.99 in the iTunes store) that does the math, after your staff contacts the plan for the data points.

3. OFFER AUTOMATED, RECURRING PAYMENTS.

Just as they pay for Netflix or a gym membership, patients appreciate the option of automating payments on a credit card. But you can't expect staff to remember who-owes-what each month, and manually run everyone's credit card. Not only is it labor intensive, it's risky to leave patient credit card data lying around the billing office. Instead, use a Payment Card Industry Data Security Standard

(PCI DSS) compliant, third-party vendor such as TransFirst, EasyPayCollect, or PayPal. These vendors automate the payment processing, properly store patient credit card data, and mitigate your financial risk.

When setting up recurring payment plans, strive for a three- to six-month pay off. Ask patients to pay a portion "down," then divide the remaining payments equally. For example, if the patient's unmet deductible for knee replacement surgery is $1,875, you might ask for $500 up front to secure a surgery date, then divide the remaining $1,375 and ask the patient to pay $343.75 per month for four months. If this presents a hardship, empower staff to negotiate the number of months until payoff, and come up with a plan that both the patient and the practice can live with.

4. MAKE PATIENT FINANCING AVAILABLE. Providing a written estimate and offering automated payment plans are effective solutions for most patients. But for those who need more time to pay, especially when a large balance is the result of an accident or an unexpected medical procedure, financing is a great way to avoid bad debt write-offs, long-term payment plans, and sending patients to collections.

Here's how it works: The practice is paid in full by the financing company in as little as two business days, getting the money into your bank account and off the books, with no fuss and no ongoing statements or staff intervention. The financing company takes a small service fee, which is nearly always less than the cost of staff managing the process, or the patient defaulting on payments. The financing company manages the entire collection management process, including following up with patients who don't pay. Depending on the company and the programs you choose to offer, 6-month and 12-month zero financing plans are common, with longer-term financing available as well.

5. ROLE PLAY BEFORE YOU ROLL OUT. Asking patients how they plan to pay off a $2,000 balance can make some staff squeamish. Ask your team to take turns "playing patient" so everyone practices having conversations about money.

Walk through the process of calculating the written estimates. Practice negotiating the number of months in the payment plan. Insist each person practices with eight to 10 "virtual patients" before they are turned loose on your real ones. Doing so will identify training needs and knowledge gaps, and build the confidence required for setting up payment plans with aplomb.

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