Collection Best Practices:

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How to Guarantee **Patient Payments**



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INTRODUCTION:

Let's face it – collecting patient payments can be a challenge. There are many factors that contribute to this challenge, but two things that providers can improve are the ways they communicate payment responsibility to patients and the payment options they offer to patients.

Many patients are confused about their healthcare payment responsibility. According to a UHC 2017 Consumers Survey, only 9% of consumers could successfully define all four basic healthcare insurance concepts: plan premium, deductible, co-insurance and out-of-pocket maximum. Despite this confusion, the methods of communicating healthcare payment responsibility have largely remained the same, which may be why 70% of consumers say they are confused by their medical bills. (Consumer Healthcare Payments Survey 2017)

Additionally, the ways they are able to pay their bills has become more important to patients, especially as healthcare responsibility increases and patients are paying more out of pocket for their healthcare costs. Eighty percent of consumers said that payment channel choices were very or somewhat important to their medical bill payment experience. (Consumer Healthcare Payments Survey 2017)

With the increase in patient payment responsibility and high deductible health plans (HDHP), patient responsibility has become a significant portion of a provider organization's revenue. Providers need to change the conversation about payments with their patients in order to break through the confusion and collect. The purpose of this guide is to detail best practices and offer tools to train your staff and set expectations with your patients.

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ESTABLISH a **BILLING POLICY:**

The key to achieving payment assurance is to offer patients a way to easily pay their responsibility at every touchpoint – from pre-service to after they walk out the door. By securely saving a payment method on file, you can establish a convenient payment option for patients, as well as the ability to automatically collect patient responsibility as soon as claims have been adjudicated.

Establish a billing policy at your organization that requires that all patients keep a payment method saved on file. Communicate the billing policy so that patients are informed and know what to expect when they arrive at your office or call to schedule an appointment. On the next page is an example of a policy which can be emailed, mailed, included in your newsletter, on your website or distributed at the front desk.



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A Better Billing Experience for You

We have implemented a new billing policy in order to deliver a more convenient and consistent payment experience to our patients. Now, we will securely save your credit or debit card on file to cover any balance due after your insurance benefits are applied. This policy will help you to simplify how you pay medical bills.

Now, paying your healthcare bills is a convenient experience, just like paying for a hotel visit or a subscription streaming service. You will not receive a paper statement in the mail, and we'll send you helpful communications about your payment. Plus, it's completely secure, so you never have to worry about your personal information being viewed or stolen by others.

Here's how it works:



1 We securely save your credit or debit card before or during your visit.



2 We work with your health plan to determine your payment amount for the visit.



3 Before your card is charged, we email you the amount you will be charged.



4 We process the payment for you automatically and email you the receipt.

Please bring your preferred payment method with you to your next office visit.

For more information, visit: www.[PROVIDER].com/new-billing-policy

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STAFF TRAINING

For successful adoption of new payment policies, the office manager and front/back office staff must be prepared to effectively communicate new procedures to patients. Implementing a new billing policy may change the way your staff interact with patients.

This is a new process and like most new processes, it takes time for staff to become proficient and for patients to get acclimated. Invest time in staff training, listen to how patients respond, and then retrain, based on results.

Handling Patient Questions and Objections

In order to effectively implement this new process, your staff needs to be prepared to talk to patients and answer questions. You want to ensure a positive experience for your patients, so staff should be knowledgeable about the new process and how it works, as well as familiarize themselves with responses to the most common patient questions. Staff education is key!

IMPLEMENTING A NEW BILLING POLICY MAY CHANGE THE WAY YOUR STAFF INTERACT WITH PATIENTS.



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FREQUENTLY ASKED QUESTIONS

and appropriate responses are as follows.



Q: Is this something new? I've never had to do this before.

A: Due to the number of high deductible health plans and higher patient co-insurance benefits, this has become necessary at our organization. Please keep in mind, we will not charge your card if you do not owe anything.

Q: How much are you going to charge my card?

A: We will charge your card the amount that your health plan determines is your responsibility.

Q: Will you send me a bill to let me know what I owe?

A: After your appointment, you will receive an explanation of benefits (EOB) that will confirm your payment responsibility. We receive the same letter within 7-30 days following your appointment. We will review each EOB carefully and charge your credit card with the amount that is determined by your health plan to be your responsibility. You will receive an email notification 7 days before your card is charged.

Q: What is a deductible? How does it affect me?

A: First, contact your health plan to determine if you have a deductible and the exact amount of the deductible.

An annual deductible is the dollar amount you must pay out of pocket during the year for medical expenses before your health plan begins paying.

For example, if your health plan has a $500 deductible, you must pay the first $500 of medical expenses before your health plan begins to pay for any services.
This is similar to the deductible for your car insurance or homeowner's insurance.

Q: When does a deductible begin?

A: Your deductible begins annually at the start of your health plan year. Health plans can start on any date. Typically they begin on either January 1st or July 1st.

Q: How will I know when my deductible has been met?

A: You may find out when your deductible has been met by calling your health plan at any time. Some health plans enable patients to view this information online.

Q: What happens if I do not have a credit card?

A: If you do not have a credit or debit card, we can accept a <define amount, e.g., $250> deposit at check-in before your appointment.

Q: What happens if I need to dispute my bill?

A: We will only charge you the amount determined by your health plan in your EOB. However, we will work with you if there has been a mistake on your bill, and refund you the necessary amount to correct any error.

Q: Does my doctor know you are doing this?

A: Yes, all the doctors are aware of our new billing policy and support its implementation.

Q: I've always paid my bills on time. Why do I have to give you a credit card?

A: To be fair and consistent to our patients, we are implementing the new policy with a comprehensive approach.

Additionally, we want all of our patients to benefit from this new policy, which simplifies how you pay medical bills.

Q: I do not have a deductible/I have dual plans. I will never owe you anything. Do I still need to give you a credit card?

A: Due to the complexity of health plans, patients are not always aware of a payment responsibility. Additionally, changes to health plans happen often, which can make you responsible for payments without your knowledge. So we ask all patients to save a card on file to ensure we are prepared in the event they do have a payment responsibility.

Q: Who can I talk to about this policy? I do not want to participate.

A: I can answer any questions you have – or any staff member in our billing department can also answer your questions.

We understand this is a new policy that may be unfamiliar to you. However, it is similar to the process you experience to check in to a hotel or rent a car.

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Additional Considerations

Health Plans Decide the Amount

• Patients should know that your organization does not determine their payment responsibility. Additionally, this is not an estimate of their responsibility. The health plan determines the exact payment responsibility after the claim is adjudicated. The patient is paying the exact amount due, based on the determination of their health plan.

Not Taking Payment at Time of Service

• This billing policy does NOT process payments at the time of service, which is against certain state guidelines. Patient responsibility is only collected AFTER the claim is adjudicated by the health plan.

Quicker Refunds/Fewer Over Payments

• By saving cards on file, you reduce how often you issue refunds to patients because the EXACT amount due is collected each time. In cases where you do need to issue a refund, you can leverage saved credit card information, eliminating the need to communicate in order to process the refund.

Objection Handling

If a patient still strongly objects to saving a card on file and you cannot overcome their objections, the next recommended approach is to offer to put a cap of some amount (e.g., $500) on automatic collections, unless the patient is explicitly contacted.

If the patient still refuses to give a credit card, then your organization must decide next steps.

Scripting

The front office staff must know how to communicate the new payment policy to patients. The following are examples of effective communication between the front office staff and a patient prior to and at check-in of an in-office visit.

Front Office Communication:
Prior to a Patient Visit

"Changes in the number of high deductible health plans have led us to automate the collection of any patient responsibility due. We will not charge anything until after we have submitted your claim to your health plan, but you will be responsible for any amount due. What card would you like to put on file?"

Front Office Communication:
Patient Check-In

The following is a check-in script for your front office staff, based on a variety of patient scenarios. We have found that by closely following a script, patients are more likely to give a credit card and adopt the new process.

1. New Patient/No Credit Card on File:

"Thank you, [PATIENT]. We do not have a credit card saved on file for you, so I will need to get this from you today. Which card would you like to use?"

2. When a New Patient/No Credit Card On File refuses to give a credit card:

"I understand that you have concerns. To ensure you have a positive experience, I can put a <define cap, e.g., $500> deposit cap on the amount that is automatically charged to your card. If your responsibility is more than this cap amount, we will follow up with you.

3. If New Patient/No Credit Card On File refuses to provide a credit card and does not agree to provide defined cap option, you may opt to delay the visit:

"I understand that you have concerns. We do ask for a credit card or an authorization of up to <define cap, e.g., $500> today to be seen. So, unfortunately, we will not be able to see you today. You may reschedule your appointment when you are able to give us a valid credit card."

4. Existing Patient/No Credit Card On File:

"Due to the increase in high deductible health plans, we are now requiring all patients to store a credit card on file with us. We will not charge any fees until after we submit your claim to your health plan, but you will be responsible for the amount your health plan indicates you owe. What type of card would you like to put on file?"

5. If an Established Patient/Current Issue/No Credit Card On File refuses:

"I understand your concern. We will see you for your current condition today without a credit card on file. However, for future appointments not related to this current issue, we will ask you to save a credit card with us at that time."

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Phone Script

Hello, this is [NAME] and I'm calling from [PROVIDER]. Can I please speak to [PATIENT]?

Can I ask what this is regarding?
This is a courtesy call to inform our patient of a new billing policy that we recently implemented.

When you have the right person:
I'm calling from [PROVIDER]. We have implemented a new billing policy – now, we securely save your credit or debit card to simplify how you pay your medical bills. The purpose of my call is to make sure you're aware of our new policy. You should have received an email with more details on how this works. Do you recall receiving this?

If Yes:
Great! Please remember to bring your preferred payment method to your next visit, so we can save your credit or debit card on file.

If No:
I'd be happy to send the email to you again. As I mentioned, we have implemented a new billing policy. Now, we securely save your credit or debit card on file to simplify how you pay medical bills. Please bring your preferred payment method to your next visit. Would you like to hear more about this new policy?

If they want to hear more information:
This new billing policy eliminates the hassle of writing out a paper check and mailing in a payment. We do all the work for you. Plus, you will not receive a paper invoice in the mail. This reduces the chance of your personal information being viewed or stolen by others. We accept credit/debit cards, HSA cards and electronic payments from your bank account. Please visit www.[PROVIDER].com/new-billing-policy for more information.

If they are too busy to talk or do not want to hear any more:
Ok, I will send a follow-up email with additional materials about this new policy and the link to a webpage with more information. My direct number will be in the email, so if you have any questions, feel free to contact me.

Voicemail Script

Hello, my name is [NAME] and I'm calling from [PROVIDER]. This is a courtesy call to inform you that we have implemented a new billing policy – now, we securely save your credit or debit card to simplify how you pay medical bills. Please bring your preferred payment method to your next visit. We accept credit/debit cards, HSA cards and electronic payments from your bank account. Visit www.[PROVIDER].com/new-billing-policy for more information. Thanks and have a great day

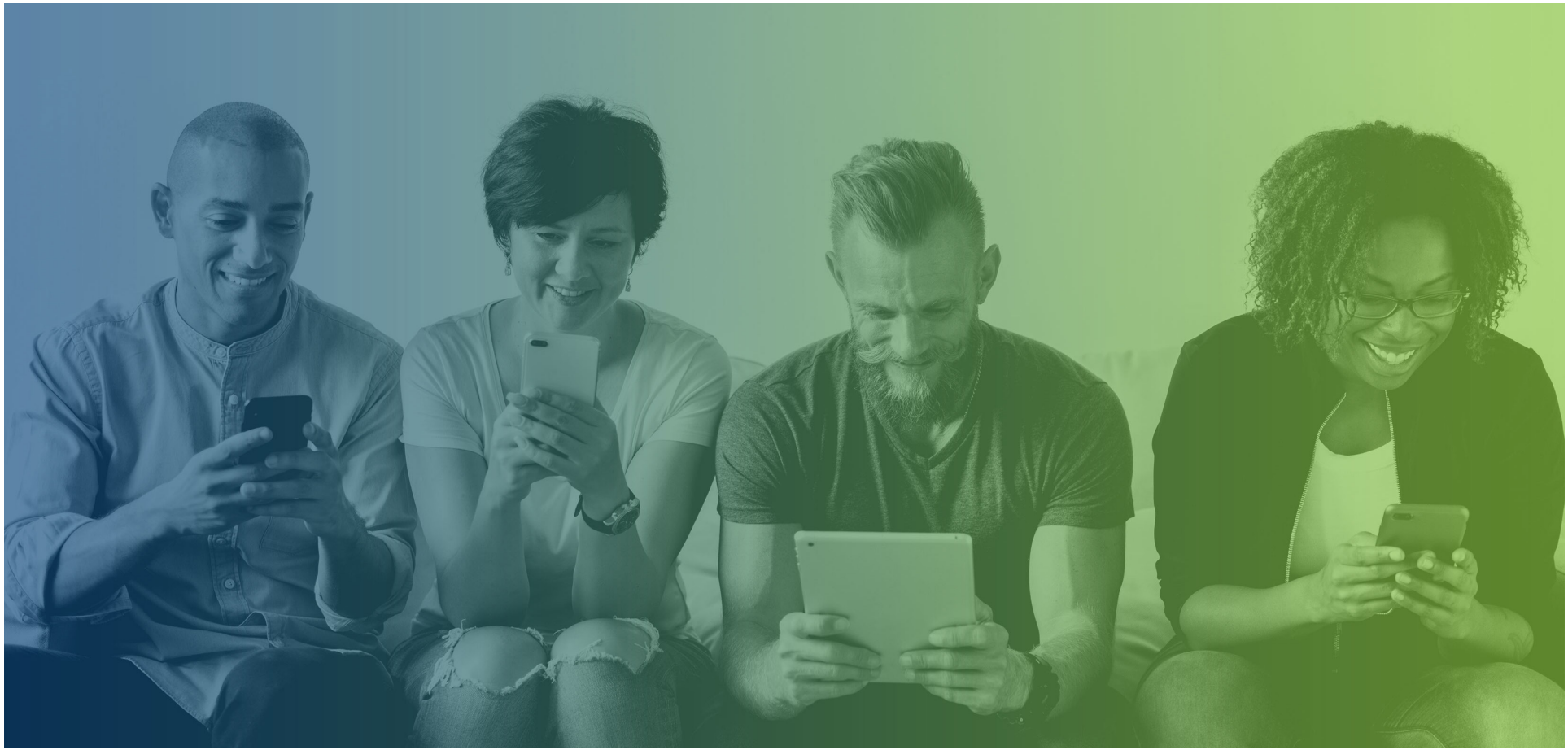


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Role Play

We have found the best method for getting staff familiar and comfortable with the appropriate responses for front office interactions is to role play the scripting and assess the responses. During the role play, the key is to reiterate that this policy simplifies the payment experience for patients. When patients check in to hotels, they are required to give a credit card because they are responsible for any fees and the hotel must collect a payment. Why would this process be any different for a healthcare organization?

With the role play, start with the script and have the "patient" ask the questions from above. Staff members should do this role play until they are comfortable with the scripted responses. Then, staff members can attempt to come up with additional questions for the whole group to review and determine additional scripted responses.



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Proficiency Exam

Another way to ensure your staff is comfortable with the new billing policy is to have them take a proficiency exam. Here is a sample exam:

Payment Assurance Service Test

Name: _____
Department: _____

Circle the correct response to the following questions:

1) What credit cards do you accept?
   a) We accept all major credit cards.
   b) We accept all major credit cards, including Visa, Mastercard, Discover and American Express. Which card will you be using today?
   c) We accept all major credit cards. Do you know which you would like to use?

2) A new patient refuses to give you a credit card and you cannot overcome their objections. What do you do?
   a) Offer them the <optional cap, $500.00> option.
   b) Refuse to make an appointment after the first objection.
   c) Take the opportunity to notify them that they will be asked for a credit card when they check in.

3) Is this required?
   a) Yes. It is a new program we are requiring our patients to participate in.
   b) Yes. Due to the increase in how much our patients owe with high deductibles and co-insurance, this has become necessary.
   c) No. We have been doing this for a while.

Answers:

1) b) Present the appropriate choices and then explicitly ask for the card, with the "presumed assumption" that they will give you a card.
2) a) If the patient refuses to put a card on file because they do not want to be charged "any amount," then you can place a cap on the amount that is automatically charged.
3) b) Patients need to know that this is a result of the state of current health plans and is necessary for the continued offering of quality medical care.

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IMPLEMENTATION

Implementing a new billing policy can cause confusion and frustration among patients. The best way to avoid this is to implement the change smoothly and effectively communicate the policy with patients.

New vs. Existing Patients

- New patients are more likely to participate in the billing process. As a best practice, we recommend setting expectations with advanced notifications (see below) prior to the first visit.

- Existing patients may resist the new billing policy, as it is different from their usual experience with your organization. With clear and effective communication, patients are more likely to participate. Simply reiterate to patients that this process is to ensure payments are received as high deductibles and co-insurance increase patient payment responsibility.

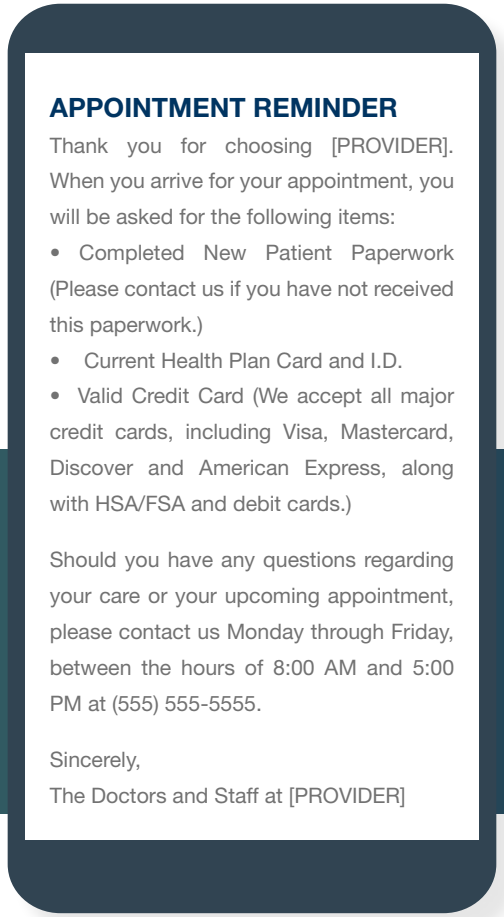
- Existing patients may object to the new billing policy because they already make timely payments or they were not aware of the policy when they first came to the organization. Your organization may decide to refrain from implementing the policy for patients with recurring visits for a specific issue, and then implement it when the issue is resolved or to only implement it for new issues and patients.

- Some patients may escalate their displeasure directly to physicians at your organization. Physicians should refrain from engaging in these conversations and instead defer these inquiries to the billing department.

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Appointment Reminder

You can improve patient adoption and reduce objections for the new billing process by setting a patient expectation up front, by giving advanced notice, like the email below:



APPOINTMENT REMINDER

Thank you for choosing [PROVIDER]. When you arrive for your appointment, you will be asked for the following items:

- Completed New Patient Paperwork (Please contact us if you have not received this paperwork.)
- Current Health Plan Card and I.D.
- Valid Credit Card (We accept all major credit cards, including Visa, Mastercard, Discover and American Express, along with HSA/FSA and debit cards.)

Should you have any questions regarding your care or your upcoming appointment, please contact us Monday through Friday, between the hours of 8:00 AM and 5:00 PM at (555) 555-5555.

Sincerely,
The Doctors and Staff at [PROVIDER]

Engage With Patients Pre-Service

A typical pre-service experience requires patients to give some kind of information to your office. Use this touchpoint to improve financial engagement with technology that lets you leverage the patient's own mobile device to present and collect payment information. You can present eligibility information, collect co-pays and outstanding balances, allow patients to enroll in eStatements and set up automatic payments and payment plans – all in one easy flow and without any staff effort.

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SUMMARY

Change can be scary , but your patients and staff will love this new process. If you continue to reinforce the best practices included in this guide, you are more likely to see positive results from your efforts.

Here are the kinds of results you could see with a successful rollout of a new billing and payments process:

- Over 80% of patient payments collected after claim adjudication automated in the first year
- 44% reduction in A/R over 90 days
- 35% decrease in bad debt
- 63% decrease in payments that required manual posting and reconciliation
- Adoption rate of nearly 100% among new patients for saving a payment card on file

Training is Key

Proper scripting and training are key to successful implementation of this new billing policy. We have found that when front-office staff adheres to the scripting it has very positive results. When staff deviates from the script, the results are less positive. Stick to the script!

Physician Buy-In/Support

Physicians need to support the new billing policy but should not engage in communicating or implementing it. This will prevent financial discussions from interfering with the patient-physician relationship. While proper implementation will require changes to patient engagement and communication, physicians should not be involved in communications with patients regarding the policy.

Standard Practice

Hotels ask for your ID and credit card before they hand you the room key. Your mechanic requires a form of payment (with stated estimate) before they provide service. Healthcare is the only line of business that provides service, but risks getting paid. The “hotel check-out” model is not new and should not be considered a big deal. Just treat it that way.

Advance Notice

By properly setting expectations before the patient visit, you can eliminate most potential objections. You can also improve patient adoption by sending out multiple patient communications and frequently alerting patients to upcoming changes. We highly recommend leveraging the advanced notice template specified above, so that patients know what to expect when they walk into your practice.

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