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MAKE COLLECTIONS EASY:

BEST PRACTICES FOR PAYMENT PLANS

As payment responsibility increases for medical bills, healthcare providers are left to collect more often from their patients and for higher amounts. Patients are struggling to manage their healthcare payments. Fifty-six percent of consumers would not be able to pay a $1,000+ medical bill (Consumer Healthcare Payments Survey 2018). Among those patients with medical expenses, 37 percent have unpaid debt from medical bills (JP Morgan Chase).

DOES FICO BELONG
IN HEALTHCARE?

To address this challenge, some providers have started leveraging credit information to determine a patient's likelihood to pay and create a financial plan for them. Credit scores are used to determine financial performance by telling lenders how much risk they take on by giving a person credit. But providers are not lenders, and there is more to a patient than credit history.

For some patients, low credit scores are a result of unfortunate circumstantial influences such as job loss. Even if a credit score is low due to past negligence, it does not necessarily translate to how a patient will pay medical bills. Plus, credit checks can hurt the patient's future score, putting the patient experience at risk. Not to mention that relying on a patient financing product often requires a provider to pay lender fees.



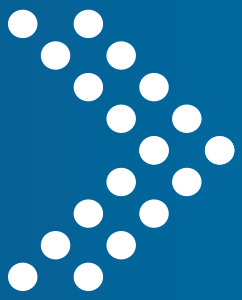
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PAYMENT PLANS

BEST PRACTICES

Payment plans can be effective for helping patients manage larger bills over time, and they can be implemented without bringing FICO into the equation.

InstaMed works with providers of all sizes to implement successful payment plans that work for every kind of patient. In our experience, providers that leverage proven business practices and automated functionality will improve the patient experience while guaranteeing payments from patients. In this guide, we'll offer best practices for setting up payment plans and tools staff can use to effectively communicate with patients about their payment options.



BEST PRACTICE #1

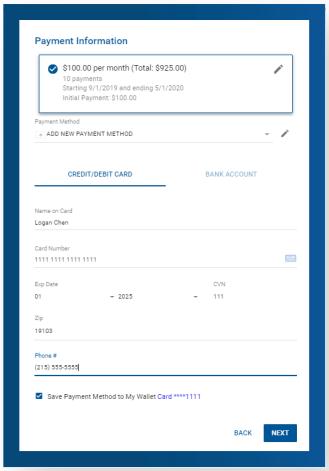
MAKE PAYMENT PLANS SELF-SERVICE

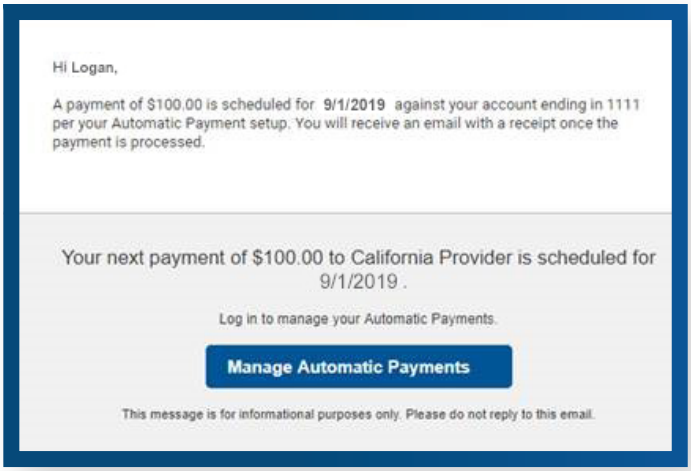
Many providers support payment plans manually. They manage a calendar of when each payment is owed and call patients to collect, which significantly adds to the provider's administrative work. This is also a sub-par experience for the patient, since they have little to no visibility into the status of their payment plan. Most likely, the patient has to call the provider office for this information.

Instead, providers can leverage tools that make payment plans self-service for their patients, giving the patient full visibility and control over their payments. Patients can create a plan that works best for them. Some patients may want to pay off a payment quickly and can afford a larger monthly payment. Others may want to make smaller payments and spread the plan out over a longer period of time. Give patients the ability to determine the timeframe that works best for them.

Bring automation into the process to guarantee payments and make the process more convenient for patients. Have patients save a card on file when setting up their plan. This card will be automatically charged for each installment. Not only is this easier for patients, but it's convenient for staff as they do not need to manually process these payments.

To make sure that this is a positive experience for patients, providers should notify patients ahead of each payment transaction and when a payment has been processed. These notifications should be automated as well to avoid adding additional work for billing staff.





BEST PRACTICE #2

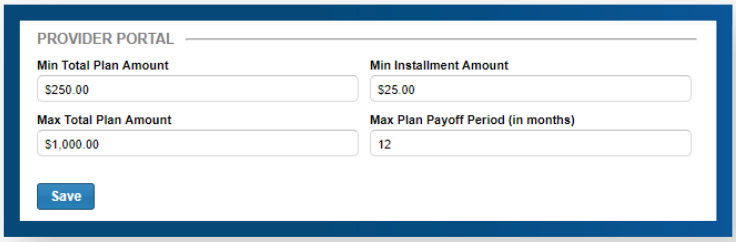
SET CONTROLS UPFRONT

Payment plans give patients flexibility when it comes to managing payments, but providers must also benefit by ensuring payment. If a patient sets up a payment plan without any parameters put in place by the provider, the provider could end up with a very long-term payment plan that isn't making any improvements to their cashflow. Providers should establish parameters in order to offer payment plans that make sense for their business.

For example, providers should determine the payment plan term. How long do patients have to pay back the payment? Is it 6 months, 12 months, maybe even up to 2 years? Establish a minimum payment amount that will be accepted for payment plan installments.

Providers can also determine the options that patients have with payment frequency. Monthly payments are most common for payment plans, but providers may want to give patients the option to pay balances down faster with bi-weekly or even weekly payments.

Now before a patient starts the payment plan, there are pre-established options that make sense for the provider. This gives patients the ability to set parameters for their payment plan that work for them, while maintaining a workflow that the provider is comfortable with.



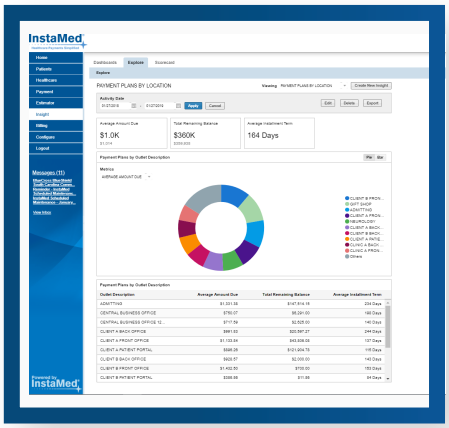
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BEST PRACTICE #3

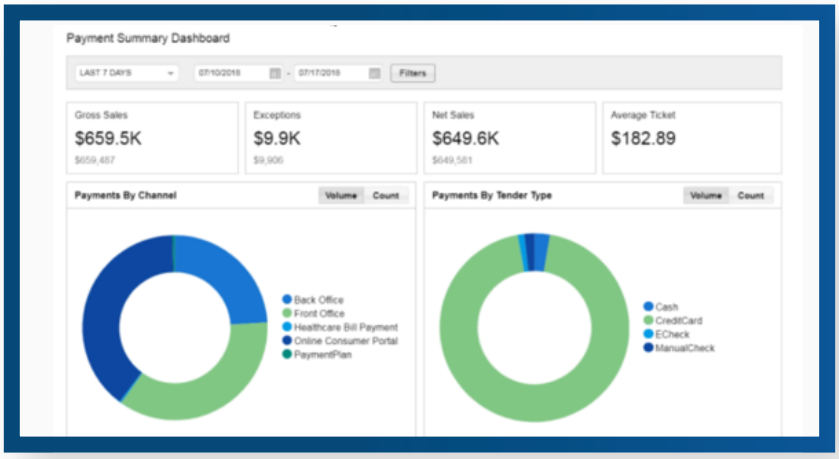
REPORT AND ANALYZE

Payment plans allow patients to take more control over their payment experience and reduce the staff time required to collect a payment. But just because staff are taking a more hands-off approach to payment plans, doesn't mean less visibility. With reporting, providers can track and analyze the performance of payment plans over time.

Providers should use reporting to view a payment plan summary that gives insight into various data points such as which patients have payment plans, when those payments are coming in and how often, and through which channels.



Use reporting tools that have the ability to search for a payment plan with any combination of information (e.g., outlet, patient ID, patient last name, patient first name, card number or checking account last name). With reporting, providers gain insight into their payment plan data to know what's working and why it's working, then adjust resources accordingly.



BEST PRACTICE #4

COMMUNICATING PAYMENT PLANS TO PATIENTS

With the tools and technology in place to start implementing payment plans, providers need to be able to effectively communicate payment plan options to patients. Promotion of payment plans is key is patient adoption.

Give patients all the tools and information they need to get acclimated with payment plans. Make sure staff are also prepared for any new process changes as this may affect the way they communicate to patients. Use these communication templates to make patients aware of their payment plan options and to help train staff so this process can run smoothly.



IN-OFFICE COMMUNICATIONS

Front-office staff have the opportunity to communicate directly with patients when they come in for a healthcare encounter. The last page of this guide is a poster that can be printed and used to communicate payment plan information to patients. Use this poster as a handout or hang it up on the wall so patients can read the information while sitting in the waiting room.

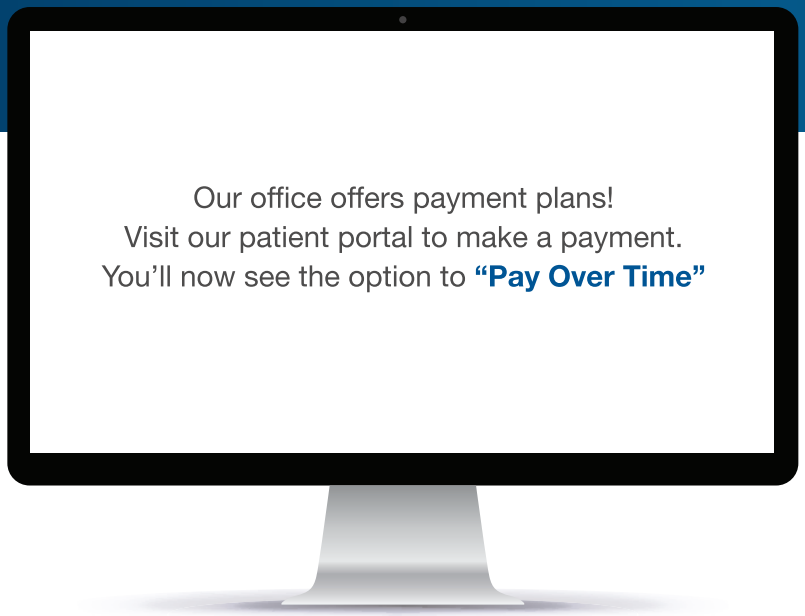
OUR OFFICE OFFERS

PAYMENT PLANS!

If you have a large balance you want to pay over time, you can do so at **[URL OF PROVIDER PATIENT PORTAL]**

- Ditch the checkbook and manage all payments online
- Never worry about missing a payment
- Have complete visibility and control over your payments

ASK US FOR MORE INFORMATION!



WEBSITE MESSAGING

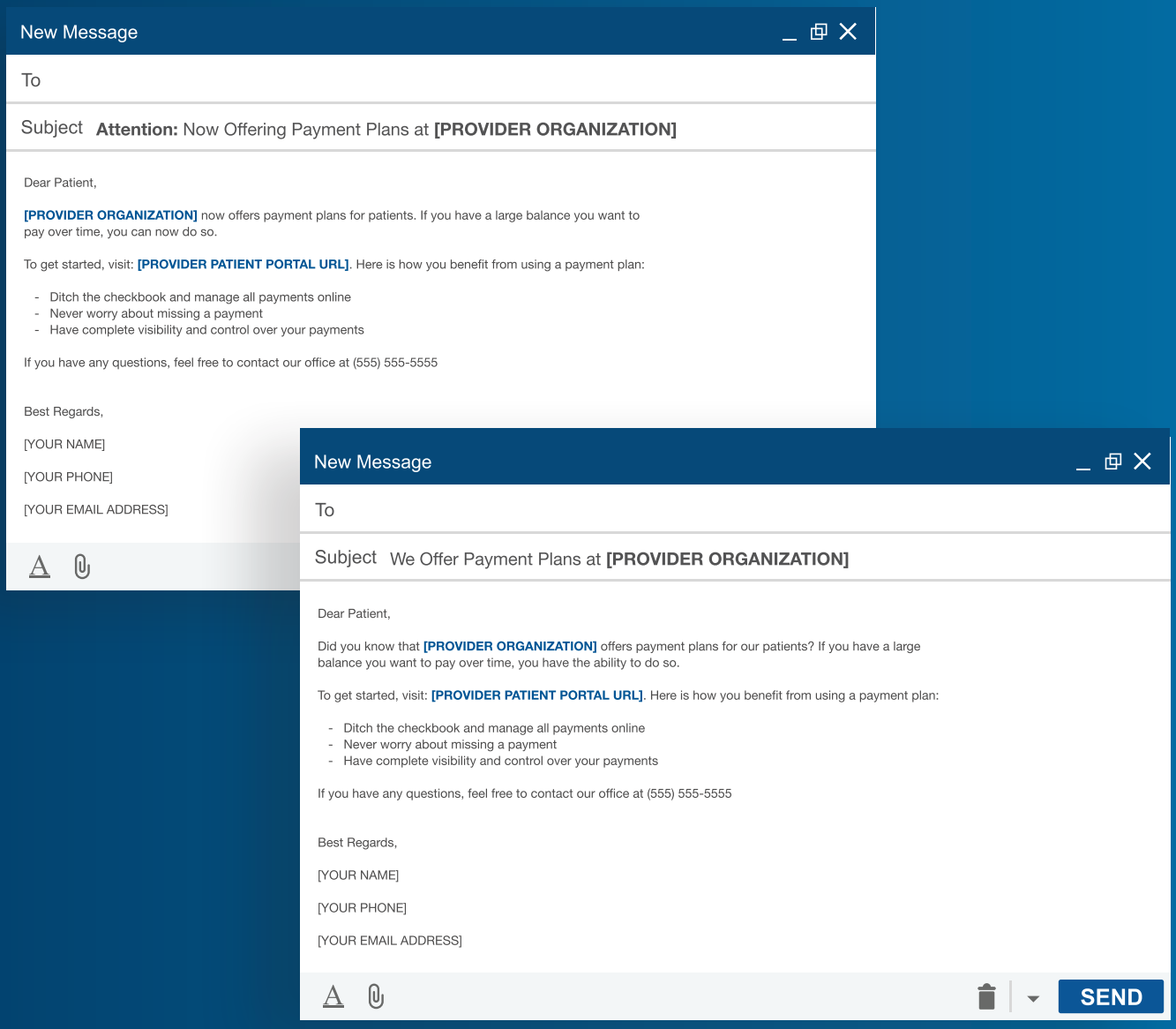
Patients prefer to manage their payments online. When a patient comes to a provider's website, they should be able to easily find information about their payment options. If payment plans are new, use this messaging on your website to make sure patients are aware that they have this option and can be prepared before making a payment.

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EMAIL

COMMUNICATIONS

Email is a great way to reach your patients. Here are two email templates providers can send to patients to let them know that payment plans are an option.



New Message

To

Subject **Attention:** Now Offering Payment Plans at **[PROVIDER ORGANIZATION]**

Dear Patient,

[PROVIDER ORGANIZATION] now offers payment plans for patients. If you have a large balance you want to pay over time, you can now do so.

To get started, visit: **[PROVIDER PATIENT PORTAL URL]**. Here is how you benefit from using a payment plan:

- Ditch the checkbook and manage all payments online
- Never worry about missing a payment
- Have complete visibility and control over your payments

If you have any questions, feel free to contact our office at (555) 555-5555

Best Regards,

[YOUR NAME]

[YOUR PHONE]

[YOUR EMAIL ADDRESS]

New Message

To

Subject We Offer Payment Plans at **[PROVIDER ORGANIZATION]**

Dear Patient,

Did you know that **[PROVIDER ORGANIZATION]** offers payment plans for our patients? If you have a large balance you want to pay over time, you have the ability to do so.

To get started, visit: **[PROVIDER PATIENT PORTAL URL]**. Here is how you benefit from using a payment plan:

- Ditch the checkbook and manage all payments online
- Never worry about missing a payment
- Have complete visibility and control over your payments

If you have any questions, feel free to contact our office at (555) 555-5555

Best Regards,

[YOUR NAME]

[YOUR PHONE]

[YOUR EMAIL ADDRESS]

SEND

Take the hassle out of healthcare payments.

Easily pay and manage your healthcare bills online.

Pay your way

- Ditch the checkbook and pay with any payment method online

Make it easy

- Set up payment plans to pay off large balances over time

Access your information

- Easily view your payment history 24/7

Get started today!

Visit https://pay.instamed.com

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