



Dialing for Patient Dollars

Don't Waste Your Time and Resources

Many practices are still sticking to the same old (and often tired) ways of collecting on patient balances: sending a statement every month hoping for the balance to be paid and maybe even making periodic collections calls.

Like sending the statement every month, collections calls are becoming less and less effective. On the rare occasion an actual person answers, you can only hope it is the person you're trying to call, and – even less likely – that they'll be willing to pay a portion of what's due.

When securing one partial payment from hundreds of outbound calls qualifies as a win for practices, it's time to seriously reassess the strategies, tools and understanding of what it takes to run a successful operation in the age of high-deductible health plans and patient consumerism.

Increasingly, practices are finding that phones are the last thing they need to revitalize collections while responding to evolving administrative demands, and effectively strategize collecting.

Practices impacted by increased patient financial responsibilities



A lot has changed in just a few short years. According to recent data compiled by Black Book, American patients have seen a **29.4 percent rise** in both deductible and out-of-pocket maximum costs since 2015. In two years, payments that patients are personally responsible for have increased by nearly one-third. The average deductible in 2017 was \$1,820, while out-of-pocket costs exceeded \$4,400.

The increased scale of patient financial responsibility has affected the bottom line of providers, Black Book said. Eliminating costly, time-consuming manual efforts was targeted by 82 percent of responding providers, as traditional means of collecting negatively impacted the margins these businesses operate on. Physician practices in particular felt the pressure: 83 percent of responding practices with fewer than five practitioners said the slow pace of collecting from high-deductible plan patients was a top challenge.

Increased costs for patients and longer collection delays for practices are trends seemingly feeding one another. In 2015, InstaMed found 74 percent of providers responding to its annual healthcare payments survey saw **patient financial responsibilities increase**. In that same survey, 70 percent of providers said it took a month or longer to collect from patients.

Enter the 10-10-10 Rule

This phrase refers to the ever-diminishing chances practices have of collecting on patient debt by manually calling homes and individuals:

- ▶ Just 10 percent of calls made actually connect. Consider a volume of 45,000 calls placed a year – only 4,500 will answer (the burden becomes clear enough already).
- ▶ Of those connected calls, 10 percent reach the intended recipient. We're down to 450 already.
- ▶ And of those calls that are answered by the right person, just 10 percent of patients are able or willing to pay. That leaves a practice with 45 calls that produce a result at the very least, as payments made in full are even rarer.

When you take a step back and consider that scope, the sunken costs in making those phone calls is glaringly apparent. Now, make no mistake, practices should expend all the effort they can to collect on patient balances, but the old methods of collection just aren't working anymore.

Patients are increasingly paying more out of pocket for care as a product of reform and overall shifts in the healthcare industry. Patient contributions represent a greater share of practice revenue, in fact, patients are the third-leading payer in the country behind Medicare and Medicaid. If practices continue to chase after collections with manual phone calls (as outlined above), patient debt will continue to pile up.

Practices are businesses in the end, and now they're dealing with consumers, not just patients. In order to survive, let alone thrive, they must confront the new realities of healthcare.

Solutions needed to be successful

A overarching theme that drives this narrative is the lack of response among many providers to the age of consumerism. A Kaiser Family Foundation study found just 8 percent of the providers and health systems it looked at **considered meeting consumer expectations a high priority** or had consumer-related capabilities.



Physician practices that rely on the manual calling routine can quickly fall behind in these fast-moving times. Now more than ever do businesses need solutions to address the billing process and experience. Practices that just assume patients will come to them open themselves up to countless risks, and not many consider how their collection efforts factor into retention.

But improving collections isn't as easy done as it is said. That's why practices looking for help to make lasting gains in revenue cycle management can work with a partner like MedEvolve to take control and improve patient satisfaction, accelerate timelines, reduce bad debt and eliminate the need for costly collection services.

The key to success when it comes to collecting on outstanding patient balances is automation through advanced technology and data. Having your staff make phone calls is simply not effective. Using solutions offered by a third party, like MedEvolve, will give you a significant return on your investment. We collect dollars that you would not have otherwise, by:

- ▶ Automating the time and frequency of outbound texts and other communications to maximize the likelihood of having a productive and satisfying interaction with a patient.
- ▶ Analyzing data to identify and group patients in focused categories to manage risk and resolve balances more efficiently.
- ▶ Engaging with your patients in a respectful manner. Our U.S. based team treats your patients like they would want to be treated.

MedEvolve knows what it takes to have success in patient account management. We've worked with countless practices dealing with the same disruptions and changes across the nation, and we've applied our experience and industry knowledge to help them transfer in-house responsibilities to a system of proven success. Our 98 percent patient satisfaction rate and 29 percent connect rate are indicators of the type of approach we use, and signal to any practice needing help in this area that improvements can be made.

Do you need help with revenue cycle services? Contact us via



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We can help with your billing and collections challenges.

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