FINANCIAL CLEARANCE: HOW PHYSICIAN PRACTICES CAN IMPLEMENT AN EFFECTIVE PROCESS

There are three central elements to physician practice success: quality care, patients and revenue. Practices must provide high-quality care and medical experiences for all patients, while ensuring they collect enough payments to continue running the office.

Financial clearance touches on both points. It keeps patients active and engaged in their healthcare, while also strengthening the practice revenue cycle.

As a vital element of successful revenue cycles, financial clearance plays a role in several areas of practice workflow, including scheduling, registration, financial counseling and collection. Without these efforts, practices miss out on valuable collection opportunities.

It's time for physician practices to make financial clearance a priority like they have done in hospitals for many years. Implement these efforts to amplify the number of financially cleared patients — and in turn, increase revenue.

Check eligibility before appointments

An effective financial clearance process ensures practices have accurate insurance and contact information on file for all patients. It's critical for practices to be vigilant about potential changes in eligibility.

The most effective way to maintain and verify this patient information is to conduct financial clearance prior to appointments. This conversation allows practices to:

- Confirm appointments.
- Request updated contact and insurance information.
- Alert patients to issues with insurance.
- Reschedule non-urgent appointments for after insurance issues are resolved.
- Notify patients of outstanding balances.
- Provide upcoming cost estimates.
- Discuss payment options and arrangements.
- Ensure patients understand their financial responsibility.

Along with verifying information for current patients, physician practices should register new ones as soon as they schedule their first appointment. This allows practices to confirm benefits, eligibility and demographics, plus identify any financial or insurance-related issues before providing the service.

Double-check at point of service

Eligibility can change quickly, which means it's always better to double-check rather than assume the information on file is correct. While practices should get in the habit of conducting financial clearance in advance of appointments, office staff can also perform the verification process in person when patients arrive for their appointments.

Be mindful of how staff ask patients to verify information. Instead of asking "Do you still have the same insurance?", ask patients "What insurance do you have?" This puts the responsibility back on the patient to provide the correct information.

Keep in mind that the appointment is the last opportunity to collect accurate information directly from the patient. If the information is wrong, practices run into issues, such as billing the wrong insurance and sending statements to the wrong address.

15-20%

Research from The O&P Edge further supported this notion, estimating that the chance of collecting a deductible or copay falls 15 to 20 percent as soon as patients leave the office.

Adjust patient flow

A streamlined check-in and check-out process can help facilitate financial clearance efforts. Many practices collect copays and deductibles either at check-in or check-out, but it can be more effective to take advantage of both opportunities to do so. That's because many patients will skip the check-out process, but they can't forgo check-in if they want to see the doctor.

Thus, practices have better chances when they adjust patient flow to collect at check-in. Alternatively, doctors can guide patients to the checkout counter after appointments to ensure they speak with office staff about payments before leaving. This creates two viable opportunities to collect prior and new balances owed while patients are in the office.

The same goes for verifying information and confirming eligibility. Try to catch patients on the way in as well as prior to leaving to avoid missing the opportunity to update patient files.

This streamlined workflow allows practices to take advantage of the time when patients are most alert and involved in their care.

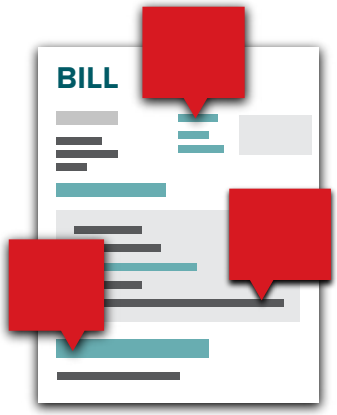
Be transparent about costs

Now that patients owe more of the bill, it's important for practices to be transparent about how much appointments and services will cost. When practices explain out-of-pocket expenses prior to treatment, patients will feel more accountable for paying. Plus, it helps guide patients in the financial direction that works for their situation.

Utilize an estimator solution with PM software to gauge patient responsibility, automate insurance verification and pre-populate fee schedules.

Offering this information to patients in advance of the appointment puts the control in their hands, providing them to opportunity to decide whether or not they can afford the service. Considering the procedure isn't urgent or life-threatening, patients can decide to reschedule for when they are in a better financial situation.

Plus, price estimates can open up a conversation about alternative care plans that may be less costly, as well as potential payment plans offered by the practice. Skipping this step means patients may end up with a financial obligation they may be unable, or unwilling, to fulfill.



These efforts will also show that the practice understands the potential financial burden and is willing to work with patients to ensure they receive the health care they need. In turn, there's potential for improvement to patient satisfaction, engagement, attraction and retention rates.

Get staff on board

Make sure the office staff responsible for financial clearance are fully educated and trained on all elements of insurance and patient responsibility. That way, they can do their part to increase patient health literacy and understanding of the billing process.

It can help to provide staff with samples of common insurance cards, clarifying how to read them properly. Similarly, create example scripts for various situations that staff are likely to encounter and practice them. These can include open-ended questions, as well as communication strategies related to all services. Remind staff to ask patients how they prefer to be contacted, whether it be via phone, text messaging or email. Keep a record of these preferred modes of communication on file for future reference.

Plus, medical practice staff should be well-versed in available payment plan options, guidelines and alternatives for patients who are unable to pay. This will help prepare them for what to say and how to communicate effectively with patients.

The results

A proactive financial clearance process affords valuable results for practices, including:

- Reduced cost to collect.
- Reinforced early account resolutions.
- Improved revenue cycle.
- Enhanced customer service.
- Increased point-of-service collections.
- Decreased levels of bad debt.
- Reduced burden on staff.
- Increased patient and employee satisfaction.

When physician practices make financial clearance efforts a priority, they can expect to keep patients accountable while maintaining a positive experience before, during and beyond appointments.

Do you want to implement an effective financial clearance process? Contact us via

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We can improve your practice's revenue cycle.

SOURCES: http://connect.medevolve.com/keep-patients-accountable-recording | https://www.medirevv.com/blog/8-steps-to-financial-clearance | https://opedge.com/Articles/ViewArticle/2016-05_07

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