



WHITE PAPER

Growing patient responsibility and decreasing patient collection: A study on Patient A/R trends

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As lawmakers debate the future of the country’s health care system and draw plan to repeal and replace the Affordable Care Act, the current debate is how to overall reduce health care cost and payment burden of the consumers. After Congress passed the Affordable Care Act, more people today are having health insurance. The uninsured rate in the U.S. has lowered from 15.7 percent in 2008 to 8.8 percent in 2016. At the same time, the payment burden has shifted, and patients are paying a bigger share of their bill through higher copayments, coinsurance, and deductibles. Many healthcare plans in the market compel the patients to take larger financial responsibility for the choices they make.

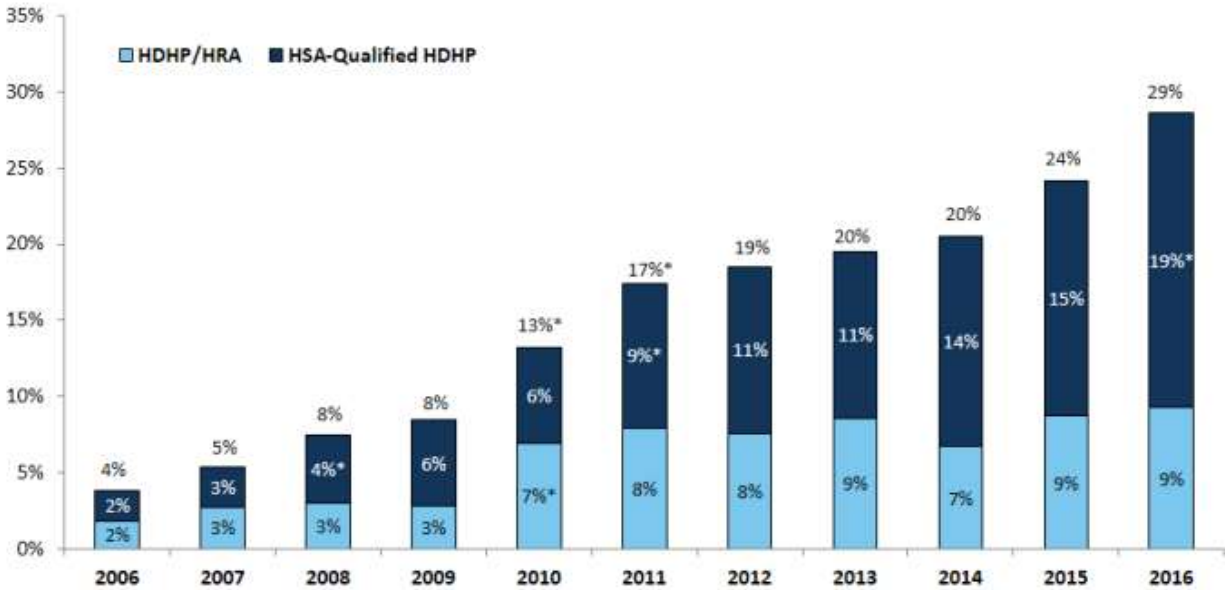
Trends in Cost-Sharing

According to the survey, nearly 23 percent of the companies offering health benefits provide a high-deductible health plan. With increasing co-pays and the rise of high deductible plans, healthcare consumers are facing more out-of-pocket costs than ever before. Large and small medical groups continue to struggle with collecting money from a patient they have owed. For most of the medical groups, the pressure is to strike a balance between resolving patient issues and maintaining the patient satisfaction.

The Kaiser/ Health Research & Educational Trust survey shows the significant increase in percentage for covered works enrolled in an HDHP/HRA plan from 4% in the year 2006 to 29% in the year 2016 (Exhibit 1). This beginning of high deductible health care plans accelerated the issues pertaining to reduced profit.



Exhibit 1: Percentage of Covered Workers Enrolled in an HDHP/HRA or HAS-Qualified HDHP, 2006-2016



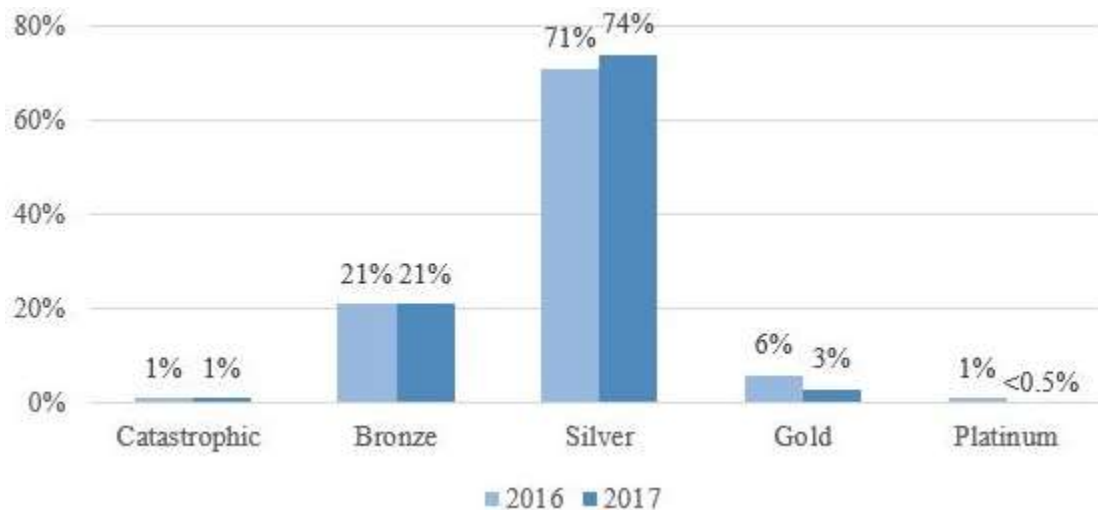
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2016

There are four “metal levels” of coverage accessible through the Marketplace, plus catastrophic plans. Each category pays different amounts of the total costs of an average person’s care. This takes into account the plans’ deductibles, copayments, coinsurance, and out-of-pocket maximums. The actual percentage a consumer pays in total or per service will depend on the services used during the year.

- Catastrophic: The health plan remunerates less than 60% of the total average cost of care on average, with consumers paying the balance.
- Bronze: The health plan pays about 60% and the consumer pays about 40%, on average.
- Silver: The health plan pays about 70% and the consumer pays about 30%, on average.
- Gold: The health plan pays about 80% and the consumer pays about 20%, on average.
- Platinum: The health plan pays about 90% and the consumer pays about 10%, on average.

Of the approximately 9.2 million consumers with effectuated enrollment in Marketplace plans at the end of January 2017, 1% were enrolled in Catastrophic plans, 21% were enrolled in Bronze plans, 74% enrolled in Silver plans, 3% enrolled in Gold plans, and 0.5% enrolled in Platinum plans (Exhibit 2). It clearly indicates the trend that people are selecting plans, which have higher portion of consumers paying with reduced monthly premium. Total subscriber under silver plan increased from 71% in 2016 to 74% in 2017 while total subscriber under the Gold and Platinum plan decreased from 6% in 2016 to 3% in 2017 and 1% in 2016 to <0.5% in 2017 respectively.

Exhibit 2: Plan Selections by Metal Level among HealthCare.gov Consumers

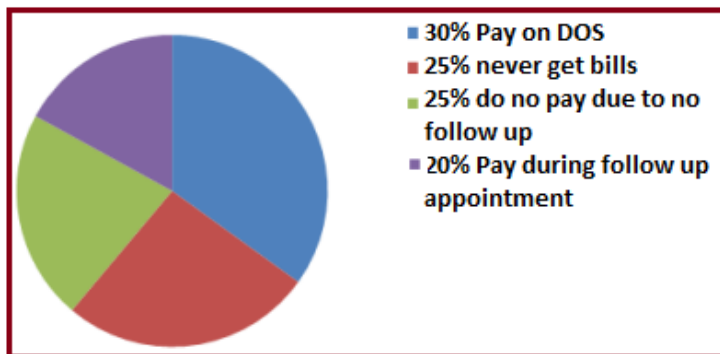


Source: U.S. Department of Health and Human Services, March 15, 2017 Effectuated Enrollment Snapshot. <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-Items/2017-03-15.html>

Decreasing patient collection

On one side, the patients' responsibility is increasing and on the other side, the patients' payments are decreasing day by day. The Increase in bills is making it impossible for the patients to pay their bills. The increasing patient receivables are becoming a challenge for all health care professionals.

As per a recent survey held, only 30% of patients pay the money up-front. In the remaining 70%, 25% never get their bills in spite of the practice spending efforts and money on the statements, the other 25% never pay their bills as the practice is not able to follow up with these patients in a timely manner, the remaining 20% patients pay their dues on follow up appointments and while receiving the bills.



The general concern is about the insurance payments and whether we bill claims to the insurance in a timely manner, work on rejected claims, and do a very close follow up for getting claims paid by the insurance.

We are not much concerned about the patient collection, however

patient collection is more important than insurance collection, once the patients' balance becomes antiquated and exorbitant; it becomes immensely difficult to collect that amount.

Let us see how small steps and a Robust PM system loaded with the latest technology can help us to boost the patient collection

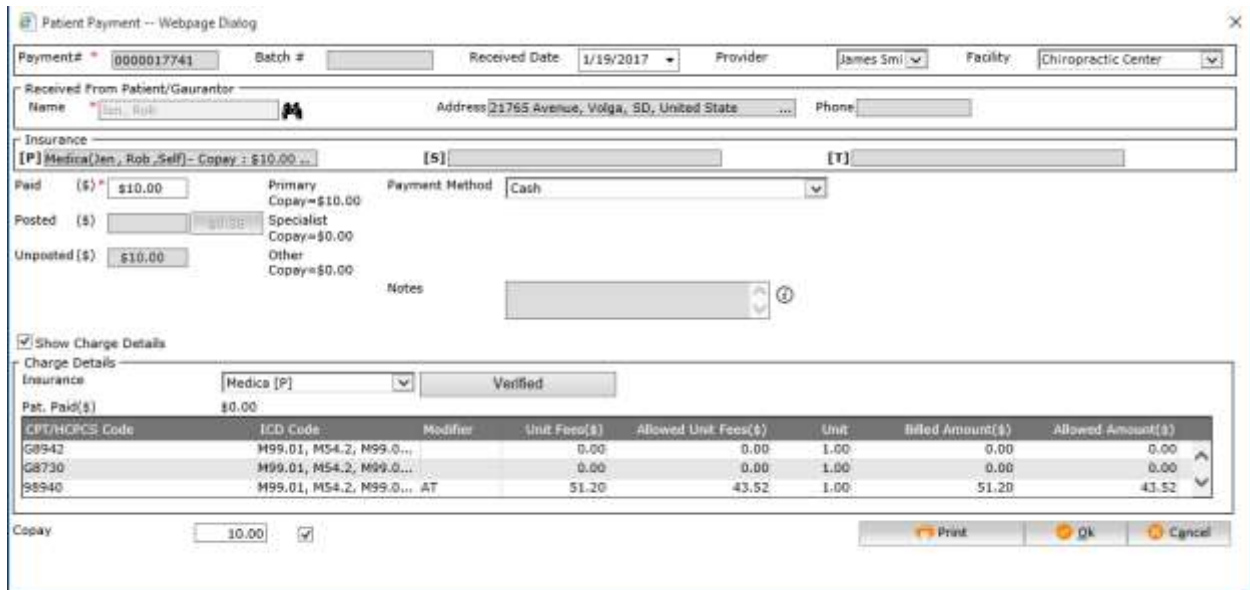
When the patient comes in for an appointment the front desk staff should check the patient eligibility, whether active/inactive, the copay, deductible to be met, coinsurance and non-covered services or any past dues. In this manner, the payment should be collected, before the patient leaves.

The statements should be sent on regular bases with correct balance. The better way is to use the third party electronic patient statement services and so that the statements are not lying in the office undelivered. An effective way is to use the third party to make sure that all the statements are mailed.

We should run the Patient Aging reports every week and should closely track that the patient's outstanding is not exceeding.

Price estimator

The most common misconception is that people simply lack the financial resources to pay. However, this is not the case.



Payment# 0000017741 Batch # Received Date 1/19/2017 Provider James Smi Facility Chiropractic Center

Received From Patient/Gaurantor Name [Pat, Rob] Address 21765 Avenue, Volga, SD, United State Phone

Insurance [P] Medica(Jen, Rob_Self) - Copay : \$10.00 [S] [T]

Paid (\$) \$10.00 Primary Copay=\$10.00 Payment Method Cash

Posted (\$) Specialist Copay=\$0.00

Unposted (\$) \$10.00 Other Copay=\$0.00

Notes

Show Charge Details

Charge Details Insurance Medica [P] Verified

Pat. Paid(\$)

CPT/HCPCS Code	ICD Code	Modifier	Unit Fees(\$)	Allowed Unit Fees(\$)	Unit	Billed Amount(\$)	Allowed Amount(\$)
G8942	M99.01, M54.2, M99.0...		0.00	0.00	1.00	0.00	0.00
G8730	M99.01, M54.2, M99.0...		0.00	0.00	1.00	0.00	0.00
98940	M99.01, M54.2, M99.0...	AT	51.20	43.52	1.00	51.20	43.52

Copay 10.00

Print OK Cancel

iPatientCare's Patient Payment Estimation is a contract-based advanced estimation tool with the ability to produce estimated patient's medical costs. Patient Payment Estimator allows your staff to give your patients written estimation of their expected out-of-pocket responsibility, based on their plan coverage.

Hence, the practice can collect the expected patient balance during the time of the patient's visit. Even if the patient is not paying during the time of the visit, but viewing the statement they would be aware of the charges being billed.

Paper Statement VS electronic statements

We never think about this, however, there is a huge cost, which has to be borne by a practice due to un-managed patient statements. We all send patient statements at regular intervals, every month or twice-in one month. However when the patient statements are due there is a list of hundreds of patient statements. We do not have a time to print and to send each statement to the respective patients. This also increases the administrative cost of the practice. Many times, we send a duplicate statement to the same patient, which again results in frustrated patients and increased costs.



The electronic statement is a more effective solution. With a click of the button, the electronic patient statement file is transmitted to the third party vendor and statements would be generated, printed and dispatched by the vendors. This not only saves time but also the administrative cost and the patients get billed in a timely manner.

Patient payment plan

We also have patients with outstanding balance. These patients are willing to pay their bills but are incompetent to clear them due to its elevated amount.

For these patients, a payment plan can be created depending on the patient's payment capacity & duration for repayment. For example, \$3000 may be a big amount for a patient to pay, but paying \$300 every month sounds quite feasible. Hence, if the patient is not able to pay for the expensive procedures or surgeries then we must arrange a payment plan for these patients to pay in parts.

Patient Plan Information

Patient A/C Bal.(\$) Plan Rem. Bal.(\$) Patient Rem. Bal.(\$)

Annual Int. Rate(%) Payment Frequency No. of Payments

Payment Amt(\$) Start Date

Patient Payment Plan

Payment History/Projected Amortization **Plan Amount(\$):** 8018.55

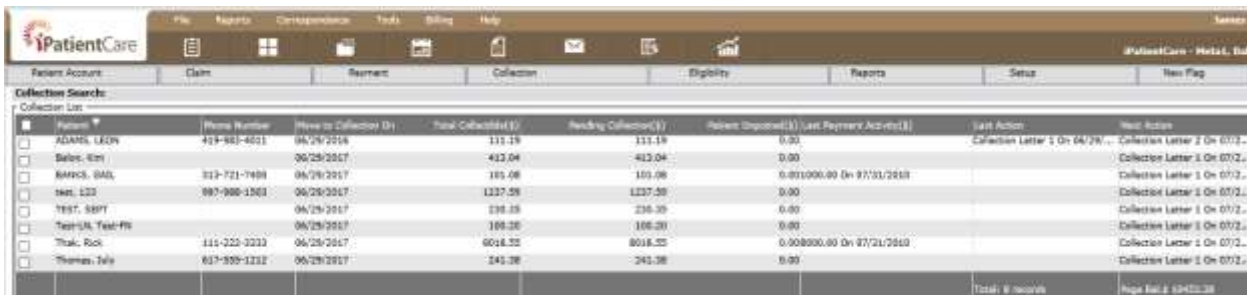
Plan Created Date: 06/29/2017 **Interest Rate(%):** 5 **Payment Amount(\$):** 246.69

Sr.#	Payment Date	Payment Amt(\$)	Principal Amt(\$)	Interest Amt(\$)	Balance(\$)	Status
1	06/29/2017	246.69	213.28	33.41	7805.27	P
2	07/29/2017	246.69	214.17	32.52	7591.10	P
3	08/28/2017	246.69	215.06	31.63	7376.04	P
4	09/27/2017	246.69	215.95	30.74	7160.09	P
5	10/27/2017	246.69	216.86	29.83	6943.23	P
6	11/26/2017	246.69	217.76	28.93	6725.47	P
7	12/26/2017	246.69	218.67	28.02	6506.80	P
8	01/25/2018	246.69	219.58	27.11	6287.22	P
9	02/24/2018	246.69	220.49	26.20	6066.73	P

Current Balance(\$): 8018.55 **Remaining Payments:** 33

Collection Management/Agency

There are some patients who obstinate and are not willing to make payments in spite of sending them multiple reminders. Here we can use the tool collection management for handling these patients, which helps to keep a close track & send collection letters to the patients.



Patient	Phone Number	Date to Collector	Total Collected (\$)	Pending Collected (\$)	Patient Deposited (\$)	Last Payment Activity (\$)	Next Action	Next Notice	
ADAMS, LEOH	413-361-4621	06/29/2018	113.19	113.19	0.00		Collection Letter 1 On 04/26/...	Collection Letter 2 On 07/13/...	
Bales, Kim	302-292-2057	06/29/2017	413.04	413.04	0.00		Collection Letter 1 On 07/13/...	Collection Letter 2 On 07/13/...	
Bartek, GAB	313-721-7498	06/29/2017	151.98	151.98	0.00	0.00	0.00	0.00	Collection Letter 1 On 07/13/...
Beal, LIZ	987-988-1563	06/29/2017	1237.58	1237.58	0.00			Collection Letter 1 On 07/13/...	
BEET, BEET	06/29/2017	236.35	236.35	0.00				Collection Letter 1 On 07/13/...	
Beston, Test-Fit	06/29/2017	166.20	166.20	0.00				Collection Letter 1 On 07/13/...	
Blak, Rick	111-222-3333	06/29/2017	8018.55	8018.55	0.00	0.00	0.00	0.00	Collection Letter 1 On 07/13/...
Thomas, Julie	617-555-1232	06/29/2017	241.38	241.38	0.00			Collection Letter 1 On 07/13/...	
Total: 9 records									Open Bal: 13423.38

Using the integrated third party collection agencies is also a good option. It provides uninterrupted care for the patients and closely follow up with the patients regarding the dues. This again adds a lot to the patient payments.



Credit card Consent

Health and time are more important for a patient rather than money. Sometimes the patients do not have sufficient time to come to the clinic to complete the payment. Here the integrated services provides the convenience to the patients to make their payments on the patient portal. It permits the practice to save the credit consent on file, and process the payments.



*Payment Type

***Required Field**

*Account Number	<input type="text" value="123456*****5452"/>	*Full Name	<input type="text" value="Neil Watson"/>	
*Expiration Date	<input type="text" value="October"/> <input type="text" value="2019"/>	Address Line 1	<input type="text" value="125 Green City"/>	
Customer Reference ID	<input type="text" value="D2009D001213948359"/>	Address Line 2	<input type="text" value="ST. 2"/>	
CVV2/CID	<input type="text" value="122"/> 	City	<input type="text" value="New York"/>	
Goods Sold Code	<input type="text" value="None"/> 	State	<input type="text" value="NY"/>	Zip Code <input type="text" value="21208"/>
		Phone	<input type="text" value="999-999-9999"/>	
		E-mail	<input type="text" value="Jim@yahoo.com"/>	

Wallet Information

Wallet Description

What this means for your business

Some of the practices are using this technology loaded PM system that drastically reduces the administrative cost, efforts, time spent and boost the payments.



Conclusion

Patient collection is as important as insurance collection for a practice. If the particular time span is lost, the money is lost too. However, using the technologically sound PM system and following the steps accordingly can boost the patient collection and improve the financial health of the practice.

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