

Increase Collections While Preserving Patient Relationships

In recent years, depressing descriptors of our economy such as layoffs, wage freezes, foreclosures, and depreciating investments have become commonplace in our language and continue to damage the consumer psyche. Many patients are worried about having enough money from one day to the next to pay for basics like food and mortgages. As a result, any obligations that can be are being pushed aside with growing frequency. That includes patients' health care debts.

In this volatile environment, medical practice staff members who collect money at the beginning and end of service have their work cut out for them. Securing patient-pay receivables is getting more difficult by the day. With bad debt currently at around 7% to 10% and expected to increase, successful collection of these receivables has never been more important to a medical practice's bottom line than it is right now. For many practices, those patient-pay dollars could mean the difference between bottom-line profit and loss.

Given the importance of managing receivables, many practice managers need to ask themselves why they continue to rely on marginally effective collection strategies to recoup what their practices are owed.

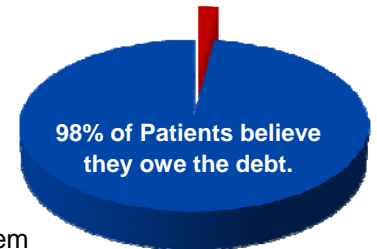
Whether a practice is using internal resources or outsourcing, does it have methods in place that might result in resentment, passive aggression, avoidance, and negative patient relations? Is the office staff banging its head against a wall using techniques that fail to motivate payment? There are strategies available to practice managers that can help them achieve their practices' ultimate objectives of collecting a significant percentage of outstanding revenue, preserving positive relationships with patients, and casting the practice in the best possible light.

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Changing Attitudes

Patients don't pay their outstanding debts for two reasons: they either believe that they can't pay them or that they don't owe them.

However, research from KeyBridge Medical Revenue Management shows that 98% of patients with outstanding obligations believe that they owe the money. Nearly 40% of patients with obligations believe they can pay them. That means that nearly 60% believe they can't.



While the office staff can't change this situation, the collection team can help patients change the way they view the situation, which can greatly reduce their resistance to satisfying their debt. Several patient-friendly steps can help a practice's staff to accomplish this objective.

Good patient relations are crucial to effective collections. Developing a system where patient rapport is quickly established at the point of service will make it easier to collect deductibles and co-pays. For both in-person and phone collection efforts, use a script with carefully chosen language that won't invoke a "fight-or-flight" reaction in the patient.

For example, when a patient at the point of service says, "Just send me a bill," don't allow staff to simply say, "Okay" and fail to collect the co-pay. Instead, have your staff respond, "I know you'd rather have us send you a bill. Everyone would. But I also know you probably hate getting stacks of bills in the mail. Wouldn't you like to avoid that and take care of this now?"

Remember that while nearly all patients accept and acknowledge that they owe the debt and many are able and willing to pay, many are afraid that they can't. Build a response through language that promotes empathy, builds rapport and trust, and motivates patients to pay.

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Finally, educate the patients. Make sure they understand their payment options, and work with them toward a successful resolution.

A crucial component of any bad debt reduction program is the buy-in of a practice's patient-pay receivables team and other organization members who handle point-of-service interaction with incoming patients. To get office staff to buy into such a program, the practice manager must clearly communicate and demonstrate that the practice will:

- Make self-pay a priority;
- Improve front-end training to remove any discomfort among staff in asking for payment;
- Set collection goals and reward achievement;
- Enhance screening of patients for eligibility in government programs; and
- Improve financial counseling services by expanding payment opportunities, providing discounts for patients who pay promptly, setting policies that support upfront payment for elective services, and making back-end collections a priority.

Only when everyone understands the importance of both point-of-service collection and follow up collection will noticeable improvement be seen in a practice's accounts receivables.

Outsourcing Expertise

Implementing an effective, comprehensive point-of-service collection system is a big job. It's critical to develop a process that is tailored to the needs of the practice, gets the necessary staff buy-in, and preserves patient relationships. Each practice's manager should consider identifying a seasoned accounts receivable management partner with a proven track record

of establishing and managing point-of-service training and collection as well as follow-up collection to review the practice's collection procedures.

Where no one on a practice's staff is trained to provide such services, they can be provided by outside firms that specialize in accounts collectable. Such firms can provide a practice's point-of-service and collections teams with the training and tools necessary to improve the practice's collection effectiveness while providing a satisfactory experience for the patients. According to research done by KeyBridge Medical Revenue Management, practices that switched to a patient friendly script designed to motivate payment enjoyed a 100% increase in patient accounts establishing payment plans; a 90% increase in patients making immediate point-of-service payments; a 50% decrease in patient complaints regarding collections; and a 17% increase in patients acknowledging their ability to pay. Both the practice and the patients benefit from these outcomes. In the current unsettled economy, who isn't up for that?

Can you afford to risk losing \$1.5 million in potential revenue because your patient believes they have been mistreated over an unpaid bill?

Learn how to increase your patient-pay revenue while treating patients with the dignity and respect they deserve.

Download a copy of our Moving People To Pay:

A Patient-Friendly Approach white paper at

<http://www.keybridgedmed.com/resources-thought-leadership>.



*Building Revenue.
Preserving Your Patient Relationships.*

KeyBridge Medical Revenue Management is a leading provider of accounts receivable management services, including post-charge-off debt recovery, early-out programs, accounts receivable clean-up and other services. By strategically implementing cash management programs designed to enhance the revenue cycle, KeyBridge is able to provide its clients improved cash flow while reducing cost of recovery

For more information about KeyBridge, visit www.keybridgedmed.com