



pulse

A Healthy Business Relationship

Here's how third-party agencies can help health care provider clients manage their business from a financial standpoint and help maintain relationships with patient consumers.

By Katy Zillmer

Patient consumerism is growing in health care—meaning patients are looking at more options for care, whether with their primary provider or through virtual clinics, for example—creating more ways health care professionals can diagnose and treat a patient as well as a greater responsibility to provide more detailed cost information.

“Patients expect better, faster, more convenient options and that’s definitely, I believe, changed over the last 10 years,” said Brandy Seats, director of sales and marketing at Capital Recovery Corporation.

When consumers or their loved ones are sick, their questions focus as much on their medical care as much as on how much it will cost. And when they get a bill in the mail, even after insurance has covered some of it, and have trouble paying their balance, providers and their business office staff are increasingly charged with helping manage the collection process, should it go that far.

That’s where third-party collection agencies can help.

“The influx of patients seeking care coupled with the growing complexities

of the health care payment processes and the rapidly evolving technologies in the revenue cycle management (RCM) lifecycle are definitely driving providers to look at outsourcing as a serious option,” said Diana Day, vice president of business development at L.J. Ross Associates Inc.

Staffing changes in providers’ offices, whether the result of mergers and acquisitions, budget cuts and attrition due to an aging workforce are some reasons health care providers look outside of their office for assistance in RCM, Day said.

According to a Corporate Advisory Solutions LLC report on outsourced business services, in the third quarter of 2018, the health care RCM services market completed 11 transactions for a combined enterprise value of \$274 million.

“Deals are being driven by the competitive market factors making inorganic growth into new service lines and geographies more critical,” according to the report. (See more details on the report in Data Watch.)

Finding Common Ground

It’s important for third-party agencies

and their potential provider clients to discuss their expectations for the business partnership in the initial meeting and for the provider to clearly outline their needs and accounts.

Seats stressed that communication during early meetings between third-party agencies and provider clients about a business agreement can go a long way to help patients resolve their accounts and for providers to improve their RCM.

“We are truly an extension of their business office,” Seats said.

Technology has improved the options for agencies working with health care provider clients who need a business partner for their RCM.

“[RCM] has changed drastically, and a lot of that is based on technological advancements,” Seats said. “Medical providers used to be really limited to one-size-fits all service for collection agencies or revenue cycle management companies.”

For example, technology and software available to help manage health care collections allow agencies to store patient information, such as their billing history,

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benefits and insurance details, in once place for easy access—in some cases using artificial intelligence, Seats said.

Capital Recovery Corporation uses artificial intelligence and a virtual representative as part of products offered to clients, allowing the consumer to learn their options to resolve their account and always have the choice to speak with

clients' patient relationships are the most important," Seats said. "It's in everyone's best interest to protect those relationships."

Agencies are continually educating and training employees to stay up to date on health care compliance, insurance and billing requirements to help provider clients manage their accounts receivables.

"They can have flexibility in what the final solution looks like for them," Day said. "Generally speaking, our experience is that our health care clients see increases in their collection rates and the overall resolution time is improved.

Providers working with a third-party agency on RCM in general can expect an increased bottom line, reduced overhead and improved workflows because their agency can focus strictly on those priorities, according to Seats.

And, she noted that providers can often increase their productivity in other areas because staff can turn their attention to new projects or more attention to projects they tabled to work on RCM.

"A lot of those things will snowball for the provider and they don't even realize it," she said. "We can identify and fix those things."

If provider clients have any hesitations about working with a third-party agency, the bottom line is for both entities to make sure they are on the same page when it comes to their business practices and goals for providing services to patient consumers.

"There is a customer service benefit," Seats said. "If their front office staff don't have to talk to patients about past-due balances, for example, it can improve morale for everyone—our clients' employees and our clients' patients."

Katy Zillmer is ACA International's communications specialist.

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— Brandy Seats, Capital Recovery Corporation

a live person during business hours or receive a call back.

Agencies understand providers may have concerns about bringing in a third-party agency to work with their patients who can be in sensitive situations brought on by unexpected illness coupled with a bill they are struggling to pay.

"When you find an agency that is a good cultural fit, these concerns will fade, but it does take time and effort to find the right business partner," Day said. "Providers should approach the selection process as an investment in the future of their business. Choosing the wrong partner will ultimately cost your office money, time or, perhaps the most difficult thing to repair, reputational harm."

Seats said she hears the same concern when meeting with potential clients.

"You have to find the right fit with the right agency and the right client and the No. 1 hurdle that we run into with bringing on new clients is their preconceived notion that we can't possibly understand their relationships with patients or we could potentially damage that relationship," she said.

A simple meeting and presentation on the assistance and expertise third-party agencies can provide often alleviates those concerns, according to Seats.

"Agencies that specialize in medical collections understand that their

"We have to invest heavily in our employees through continuing education courses and we have to invest in the consumers to help educate them to better understand what their bills mean," Seats explained.

The Big Picture

Third-party agencies offer a variety of options for RCM, such as collecting on all accounts or focusing solely on early-out debt, for example. If an agency will be taking on all of a provider's RCM, they can start working on the accounts over time versus all at once.

Agencies offer the flexibility to give provider clients time to ease into the process of the business partnership.

Keynotes

- Third-party agencies and health care provider clients should take time to discuss services available and expectations for a business partnership focused on RCM.
- Mergers and acquisitions in health care cause providers to make cuts. Partnering with a third-party agency can help with RCM and restoring their bottom line while maintaining relationships with patients.
- Third-party agencies specializing in health care are an extension of a provider's business office and they are up to date on health care compliance requirements and laws.

LEGISLATION

Senators Cosponsor Legislation to End Surprise Medical Bills; Lower Health Care Costs

Two U.S. senators recently introduced companion legislation that would help consumers manage health care costs and stop unexpected medical bills.

U.S. Sen. Jeanne Shaheen, D-N.H., introduced the Reducing Costs for Out-of-Network Services Act of 2018 in October to “combat escalating out-of-pocket health care costs for uninsured patients and for patients in the individual health insurance market who receive out-of-network care,” according to a news release.

Cosponsor U.S. Sen. Maggie Hassan, D-N.H., introduced companion legislation to help end surprise medical bills for consumers as a result of receiving care they didn’t realize was considered out-of-network.

“Shaheen’s legislation protects patients who are uninsured or in the individual health insurance market, while Hassan’s legislation protects patients with employer-sponsored health plans,” according to the news release.

“The bills that Senator Hassan and I are introducing would help fix chronic problems in our health care system by lowering costs for patients and increasing access to health services,” Shaheen said.

Shaheen’s bill, would cap the amount that hospitals and physicians could charge uninsured patients and out-of-network patients who have individual market coverage, according to the news release.

The Reducing Costs for Out-of-Network Services Act, it states, would:

- Significantly reduce out-of-pocket costs for patients who have individual market health insurance and receive care from out-of-network hospitals and physicians;
- Substantially reduce out-of-pocket costs for uninsured patients who could otherwise be charged very high “full charge” prices for hospital and physician services; and



- Reduce premiums for individual market health plans by improving individual market insurers’ ability to hold down negotiated provider payments and costs for in-network care.

Shaheen is also cosponsoring Hassan’s legislation, the No More Surprise Medical Bills Act of 2018 that will help “protect patients with medical emergencies from surprise billing by prohibiting hospitals and providers from charging more than the in-network amount.”

Hospitals would also be required to notify patients in non-emergency situations if their services are out-of-network and obtain their consent before providing care.

In November, Hassan highlighted the importance of her legislation during a hearing with the Senate Health, Education, Labor Pensions Committee focused on health care costs.

“Studies have shown that nearly 1 in 5 visits involves care from providers who are out-of-network, and non-emergency situations often result in surprise medical bills as well,” Hassan said.

More information: <https://bit.ly/2Pfe0yY>

NEWS & NOTES

Health Care Collection Education

ACA International has the resources to help health care collectors be their best. Earning ACA’s Collection Management designation (HCM) requires participants to complete three ACA Core Curriculum courses—Data Security and Privacy, Ethical and Professional Collections and Health Care Collection Management—as well as the HCM Capstone Assessment. Visit our online events calendar (<https://www.acainternational.org/events>) for a complete list of upcoming seminars required to complete the designation. More information: <https://www.acainternational.org/education/designations#hcm>

Health Spending, Jobs, Increase

The Altarum Institute’s monthly report showing trends in health spending and employment shows a \$370 trillion increase in national health spending in September 2018 and the addition of 35,600 new jobs in October, a jump from the 12-month average of 26,900. The national health spending in 2018 was 4.8 percent higher than September 2017, according to the report. More information: <https://bit.ly/2AywGZM>

We Want To Hear From You

Pulse is published for ACA health care collection agencies to provide current industry information for health care providers. ACA International welcomes article ideas and submissions for consideration in *Pulse* to the Communications Department at comm@acainternational.org.

For more health care collections news, visit ACA’s Health Care Collections page at www.acainternational.org/pulse.

datawatch



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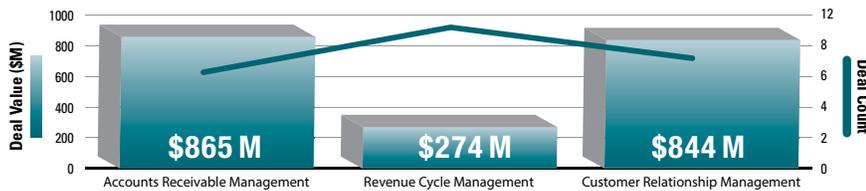
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Revenue Cycle Management Industry is Poised for Growth

The health care RCM services market completed 11 transactions for a combined enterprise value of \$274 million in third quarter 2018, according to Corporate Advisory Solutions LLC.

“Deals are being driven by the competitive market factors making inorganic growth into new service lines and geographies more critical,” according to the report. In addition, it states the RCM industry is projected to have an annual growth rate of 12.1 percent to 2022. Given the strong growth dynamics, RCM and health care focused ARM businesses are generating higher interest and commanding higher valuations to transact.”



Source: Corporate Advisory Solutions. <https://bit.ly/2Q44okA>