

4 Steps to Avoid Patient Bad-Debt

Simple changes to create fewer claim denials, fewer mail returns, and lower bad debt; and they don't cost anything to implement.

As patients are forced to pay a bigger share of their medical bills associated with a dramatic increase in high-deductible health plans, bad debt will remain a concern for providers. The American Hospital Association estimates that healthcare facilities provided \$45.9 billion in uncompensated care in 2012, representing 6.1% of their total expenses. Some of this is preventable. Providers are realizing they need to be the front lines in counseling patients at the point of service, assessing their financial capacity and finding creative ways to help them pay.

STEP 1

Gather Complete and Accurate Patient and Guarantor Information

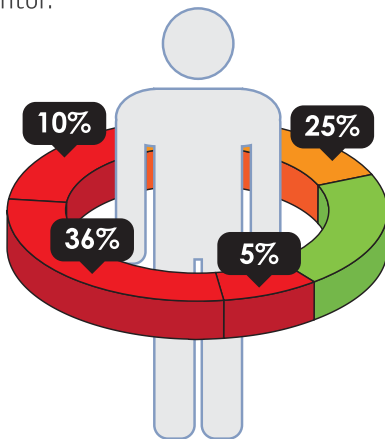
Complete and accurate data is essential to ensuring healthcare providers are able to submit third-party claims correctly, capture patient-pay responsibilities (co-pays, deductibles and co-insurance) and contact the correct guarantor.

Analysis of accounts turned over to KeyBridge for bad-debt collection indicate two predominate issues: a lot of the information we receive is *inaccurate* or is *missing crucial data*. Recent data analysis of accounts at KeyBridge shows:

- As many as 36% have disconnected phone numbers
- As many as 10% have incorrect phone numbers
- As many as 5% have no phone number at all
- As many as 25% have an incorrect address

Other crucial information that is routinely missing or incorrect includes:

- Spousal or emergency contact information
- Place of employment or the employers' address, and phone number for the patient, spouse and/or guarantor.



Patient Accounts

- 36% Disconnected phone number
- 10% Incorrect phone number
- 5% No phone number
- 25% Incorrect address

Information inaccuracy can be caused by either not verifying the information or by asking the verification questions ineffectively. For example, instead of asking, "Are you still at 123 Main St.?", you are more likely to get accurate information if you say, "Please verify your current address.". All patient and guarantor information should be verified **every time** with the same technique.

STEP 2

Maximize Communication with Patients

According to the American Medical Association, providers have as many as nine (9) opportunities to educate patients about their financial policies and patient responsibilities. These Patient Education Points should be used to eliminate the chance for confusion and misunderstanding concerning the patient's liabilities.

9 Opportunities to Educate Patients

- | | |
|--------------------------|--|
| 1 Pre-registration | 6 Patient Check-in |
| 2 Website | 7 Patient Check-out |
| 3 Welcome Letter | 8 Claim Processing / Patient Invoicing |
| 4 Insurance Verification | 9 Insurance Appeal |
| 5 Appointment Reminder | |

At each opportunity, the following should be clearly communicated to patients:

- The payment policy; they will be expected to pay for all patient responsibilities, including co-pays, deductibles, and co-insurance, per their plan benefits
- Payment methods available (i.e. online, phone and mail)
- Payment options accepted (i.e. credit, debit, HSA, FSA, check or cash)
- All outstanding balances should be clearly stated

STEP 3

Train Staff How to Ask for Payment and Deal with Objections

Very few people are comfortable asking patients for payment. There have been cases of staff members quitting their jobs to avoid having to ask people to pay. The irony is that their next job probably required asking for payment up-front for goods or services.

Do your job descriptions include the duty of collecting money at the point of service? Is it clearly communicated during the hiring process that this is a routine part of the job, like it would be if you were hiring someone to work the check-out at your local supermarket?

A simple and effective script can be written that will relieve the staff from the burden of having to think of the best way to ask for payment. Many people, left on their own, will say something like; *"Would you like to pay your balance today?"* The patient can simply answer, "No" or use some version of an excuse. A more effective way to ask for payment is to; state the balance due and then say; *"For your convenience we offer <list your payment options>. How would you like to take care of this today?"*

Overcoming Objections

Even if you and your staff are doing the right thing at the Point of Service, you still need to be prepared for patient excuses.

"I didn't bring my checkbook."

Excuse

Appropriate Response

"That's okay. We also accept cash and credit cards for your convenience. If you don't have either of these with you, here's our phone number. Give us a call when you get home and we can take the information over the phone."

"I never had to pay at the time of service before."

Excuse

Appropriate Response

"I understand your concern, but paying at the time of service helps avoid additional administrative costs which saves you money. Plus, it lets us take care of your payment now rather than worry about a bill later. Would you like to pay by cash, check or credit card?"

"My insurance will pay."

Excuse

Appropriate Response

"We verified your insurance coverage, and a representative noted a deductible / co-payment obligation that is your responsibility. Would you like to pay by cash, check or credit card?"

"Can I pay over time?"

Excuse

Appropriate Response

"You can pay half now and the remainder in 30 days."

** The response will be dependent upon your established financial policy.*



**Building Revenue.
Preserving Your Patient Relationships.**

About KeyBridge

KeyBridge is an expert provider of **Medical Revenue Care** solutions with 100% of our focus in healthcare. Our patient-friendly revenue cycle solutions include accounts receivable management (early-out), medical collections and extended business office solutions. We strategically implement cash management programs that enhance the revenue cycle while applying patient-friendly communication processes that increase goodwill and recover the maximum amount possible. Choosing KeyBridge means an improved revenue collection process with a partner who cares about your patients.

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

STEP 4

Have a Strategy for Patient Follow-up and Stick to It

Effective patient follow-up does not consist of sending monthly statements alone. Outbound telephone calls should also be made to the patient or guarantor requesting payment in-full or to establish acceptable payment arrangements.

KeyBridge's experience has shown that letters alone are not the answer.

If staffing levels do not permit, outsourcing outgoing telephone contact is a viable option. In order to ensure the greatest possibility for success, KeyBridge implements contact strategies such as the use of predictive dialing and evening telephone calls. KeyBridge account representatives are trained in several areas of Human Performance Technology (HPT), designed for realizing opportunities in communication with consumers. These specialized skills allow KeyBridge staff members to achieve the highest recovery results while maintaining the goodwill of the patient and preserving the public image of the healthcare provider.