

The Cost of Alienating a Patient

How losing a patient can impact your top line

In a marketplace where 75 percent of healthcare providers have experienced weakened financial positions¹, the value of each patient has increased. Today, the lifetime value of a patient is more than \$1.5 million.

The cost of a bad collections experience

Here is a common scenario that happens all too often: A patient goes to a healthcare provider for a procedure, and when it comes time to pay the bill, the patient has a bad experience with the billing and collections process. A patient's loyalty to a healthcare provider and willingness to refer it to others is influenced significantly by how they are treated during the revenue cycle.

A 2013 study revealed that 19% of patients are dissatisfied with post-care billing processes and are therefore twice as likely not to recommend the healthcare providers. Research by the online publication 4Managers shows that on average, each unhappy customer tells 11 people about his or her bad experience; 13 percent tell up to 20 people about their unhappy experiences⁶. It takes a healthcare collections specialist to help providers sustain the patient relationship throughout the payment process.

Preserve your patient relationships

With \$1.5 million on the line, it's important for providers to take proactive measures to preserve the patient relationship throughout the continuum of care. This is particularly important for the post-care billing process because of the tendency for it to be lengthy and complex – creating more opportunities for patient dissatisfaction. Every aspect of the billing process should be reviewed regularly to ensure patients receive clear, concise and frequent communication about the payment collection process.

Communicate information to patients in a manner that helps the patient understand what his or her financial obligations are, the ways to meet those responsibilities, and then come to an agreement with the patient about how he or she will pay or otherwise resolve the financial obligation.

According to the American Medical Association, providers have nine opportunities to educate patients about their financial

		Total Expenditure	Hospital Expenditure	Physician Related Expenditure
Average Patient Age ²	36.8			
Average Years of Life Remaining @ 37 Years of Age ³	42.0			
Average Annual Healthcare Expenditure per Capita ⁴		\$ 8,948	\$ 3,311	\$ 2,237
Total Projected Lifetime Healthcare Expenditure @ Age 37		\$ 1,323,464	\$ 489,682	\$ 330,866
Total Projected U.S. Household Average U.S. Household Size	3.14			
Lifetime Healthcare Expenditure		\$ 4,155,676	\$1,537,600	\$ 1,038,919

policies and patient responsibilities. These opportunities should be used to condition patients to think that it is normal and expected to take care of their out-of-pocket expenses at the time of service rather than to be billed for those responsibilities later.

9 Opportunities to Educate Patients

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

At each step, the payment policy, payment method options and outstanding balances should be clearly stated.

Choose the right revenue collections partner

It is critical for providers to seek revenue collection partners with more expertise in collecting patient payments than their own staff. This expertise should include the ability to effectively communicate with patients during the billing process, which can help to eliminate the majority of issues that block providers from collecting what is owed in a timely fashion.

Look for partners who have a reputation for excellent communication, rapport-building and negotiation skills, or else the provider will benefit only from cost reductions due to economies of scale. Require your revenue collection partners to let you listen to actual conversations between their personnel and your patients and judge for yourself if they are handling your patients with the dignity and respect they deserve. The right partner will help you preserve your reputation as well as sustain patient relationships – and ultimately ensure future opportunities to provide healthcare services.

¹HealthLeaders Media. 2010. ²US Census Bureau and Centers for Disease Control (CDC) ³ibid ⁴Centers for Medicare and Medicaid Services, Office of the Actuary ⁵Connance, Inc. 2013. *Connance Consumer Impact Study*. ⁶4Managers



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