
The New Reality of Patient Financial Responsibility

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As insurers and employers are now offering health plans with higher deductibles and copayments, collecting at the point of contact is more important than ever to ensure a successful practice. While many medical practices struggle with this, it doesn't need to be as difficult or intimidating as it might first seem. In fact, point-of-service collections can bolster your practice's profits amidst the growth of consumer-driven health plans.

The challenge, of course, is that many insured patients don't examine their health plans in detail, focusing instead on payments of premiums and provider networks, if anything. Patients rarely take a close look at the totality of financial responsibility, and are often surprised by medical bills. If the percentage of financial responsibility remained low, this consumer ignorance wouldn't have an impact on medical practices. However, insurers are shifting an ever-increasing percentage of financial responsibility to patients.

Despite this trend, many practices collect only a fraction – if any – of what patients owe at the point of service. They hope to receive the rest in time, but then must deal with printing and mailing costs, accounts receivable management and, eventually, collections. As the reimbursement landscape continues to shift along with the patient's responsibility, this model is not tenable for the long term.

Collecting at the point-of-service is undoubtedly a sensitive topic, but it can no longer be ignored. The following tips will help your medical practice be successful in this new reality.

Get employees involved. Train staff on how to collect money. Ensure that employees know where to look in the system for the patient's financial responsibility, both current and past. In addition to today's responsibility, request that employees ask for all balances. Inquire about balances during the scheduling process, in addition to the patient's arrival at the front office. Change the way you ask patients for payment from "will you be making your copayment today?" to "will you be paying by cash, check or credit card?"

Measure the performance of employees by monitoring collection activity, by staff member. Hire the right employees in the first place, with skills related to collecting money, particularly for your front office positions.

Offer the right signage. Instead of a post that reads, "As a patient of our practice, you must pay your copayment at time of service," print signs that state, "Your health plan requires

payment of your copayment at the time of service.” This subtle change shifts responsibility from your practice to the health plan – accurately - and makes this request easier for employees.

Determine what to collect. Your practice may decide to just stick with copayments, but it pays to revisit your protocols for point-of-service collections. Estimate what you should collect at point of service – from copayments to balances, and perhaps even unmet deductibles, pre-service deposits, and fees for non-covered services. While this entails some effort, determining each patient’s financial responsibility will simplify and streamline the process for employees.

Offer the support and answers patients need. Answer questions calmly and patiently, without exhibiting frustration or disdain. Provide employees at the front office training in basic concepts like deductibles, as well as access to the details of patients’ coverage and benefits eligibility. Consider offering read-only access to explanation of benefits, thus allowing employees to reference the details related to the balance for an insured patient, and perhaps even sharing access to the screen in order to better the patient’s understanding.

Train to handle a refusal of payment. Despite best efforts, there will be times where a patient refuses to pay. Take the opportunity to determine your practice’s protocols in this scenario: will the payment request be emphasized one last time after checking in the patient or will care be refused? While the temptation may be to turn the patient away for failure to pay, it is important to understand the risks associated with this protocol. Confer with the physicians in developing processes within your practice surrounding refusal of care based upon ability to pay.

There is no time like the present. While it might be tempting to tell a patient to contact their insurer and get back to you, it is best to get matters resolved as they are happening. Give your patients the option to use an in-house phone to make a call or ask your billing manager to talk with the patient in a private area, if needed.

If employees are unable to collect at the point of service, ask them to make a record of it. Note the date, amount owed and the reason payment was not collected. This documentation is vital for successful post-visit collections, as well as providing information to improve future training efforts. These records will also give you the opportunity to pinpoint patterns by patient, procedure, physician, employee, day of the week and so on. Simply requiring the documentation of this information can increase employees’ compliance with your protocols.

Granted, collecting money is not anyone’s favorite part of the job, but the act of collecting on time, every time will ensure your practice continues to serve your community for many years to come.

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