Patients as the New Payer:

Four Ways to Protect Your Bottom Line and Improve Patient Collections

CONIFER HEALTH SOLUTIONS®

Provider practices are facing increasingly difficult patient collections and the pandemic hasn't helped. Yet, even before the pandemic, the shift in payer mix had already begun; because of rising deductibles and increased patient responsibility, patients are now the third largest payer, just behind Medicare and Medicaid.[1] Today, patients account for up to 35% of a provider's revenue stream.[2] The problem is that historically, revenue cycle processes were designed around the payer-provider relationship, focusing primarily on payer reimbursement. Collecting from patients was more of an afterthought with patient statements going out weeks or months later.

That reimbursement model is no longer effective in today's reality. With patients now owing more of their own healthcare bill, reactive collection practices equate to chasing revenue on the back end. It is not only inefficient, but also ineffective.

Impact of High-deductible Health Plans

- **43%** - Average increase in premiums for employer-sponsored family coverage in the last ten years[3]
- **61%** - Average increase in worker deductibles for single coverage in the last ten years[4]
- **$140B** – Amount of medical debt owed in the U.S.[5]
- **1 in 5** – Number of individuals in the U.S. who have medical debt in collections[6]
- **6%** – Portion of balances that are collected on patient debt of more than $200[7]

It's time for a new approach, one that reimagines the revenue cycle as an efficient, patient-centric process that makes it easier for patients to pay, for providers to collect, and for staff to manage. The following are four ways to do just that.

Automate front-end processes

The effectiveness of a provider's patient access processes is closely aligned with the effectiveness of the provider's revenue cycle. It all starts here. Issues in this early stage can reduce clean claim rates, increase rejections and denials, lengthen A/R days, and increase collection costs and write-offs.

A prime example of one of these processes is capturing accurate patient demographics, eligibility information, and up-to-date coverage at check-in or registration. Sometimes, patients forget their insurance card or may not remember that they have secondary coverage. This means staff must spend hours on the phone with payers, combing through

payer websites, or faxing and emailing payers to gather that information. The entire process is labor intensive and prone to errors. In fact, issues during the patient access process are the primary cause of denied claims. More than 48% of all denials start there.

Leading Causes of Denied Claims[8]

- **23.9%** - Registration and Eligibility
- **14.6%** - Missing or invalid claims date
- **12.4%** - Authorization & pre-certification
- **10.8%** - Medical documentation requested
- **10.1%** - Service not covered
- **5.8%** - Medical coding and medical necessity issues
- **3.5%** - Untimely filing

Automation technology that leverages Artificial Intelligence (AI), Machine Learning (ML), and Robotic Process Automation (RPA) can remove many of these manual processes while also improving accuracy and timeliness. Staff benefit through improved productivity and can often be reassigned to more strategic tasks.

Revamp the patient financial experience

A recent Gallop poll found that 30% of Americans had skipped needed medical care in the previous three months due to costs, and 71% said they pay too much for the quality of care they receive.[9] When patients don't receive the care they need, complications can occur that can negatively impact outcomes. For providers participating in a value-based care program, poor outcomes mean reduced incomes.

> Nearly 40% of patients surveyed say they are dissatisfied with provider billing[10] and 63% say they would switch providers for a better patient payment experience.[11]

One of the best steps providers can take to improve the patient financial experience is to make it easier for patients to pay for the care they need. Patient financial engagement (PFE) technology can help. A report by KLAS looked at why organizations adopt PFE technology, how they use it, and what outcomes they've experienced.[11]

Top Patient Financial Engagement Technologies[13]

- Patient payment portal
- Electronic statements
- Text-to-pay
- Text message reminders
- Interactive voice response

Almost all early adopters of PFE technology say they've seen a "near-immediate" return on their investments[14]

Another technology many providers are turning to is patient responsibility estimations. It can be challenging for patients to understand their healthcare coverage, especially deductibles. One survey found that 40% of patients who had tried to get information about their out-of-pocket costs either weren't able to do so or the information they found was inaccurate.[15]

Patient responsibility estimates can be instrumental in helping office staff educate patients about what they will owe. These estimates should be generated and shared with patients as far in advance of their appointment as possible. This allows patients to make more informed decisions about how to pay for their care. It also gives providers the opportunity to make arrangements for payment before or at the time of service. Patients appreciate the transparency, which positions the provider as a true partner in their patients' health.

Increase staff training

Provider organizations have been hit hard by the Great Resignation, and it's not all front-line workers that are leaving. Becker's reports, "front-end revenue cycle staff, back-office specialists, coders, accounts receivable, and denial management experts are all in short supply."[16] According to one recent survey, 55% of healthcare finance leaders say they have a shortage of billing specialists and 42% say they have a shortage of patient follow-up staff.[17]

Because our healthcare system is highly complex and constantly changing, it can be challenging for providers to find and retain highly qualified billing and collections staff, especially now. Those who have experienced high turnover need to shift their attention toward training in order to develop and maintain a highly skilled, productive team.

Elements of an Effective Training Program

- Provides ongoing education for all team members, even the most experienced
- Requires staff to achieve and maintain all relevant certifications (practice should help pay fees)
- Uses industry standard KPIs to promote optimal quality and productivity
- Incorporates mentorship and train-the-trainer models
- Promotes accountability with incentives
- Encourages open communication
- Supports overall professional development
- Provides a positive work environment and/or remote work options

It is also essential that all revenue cycle team members understand how their role impacts the practice's bottom line. This should be a top priority for an effective training program.

Consider outsourcing

For many practices, outsourcing can be an attractive solution, especially for those with limited resources to hire new personnel or invest in new technologies. One of the greatest benefits of outsourcing patient access or patient payment processes is that it helps relieve stress on already overworked staff. This can help improve retention, especially for more seasoned staff. Even outsourcing parts of the revenue cycle can help, such as working down backlogs or focusing on high-dollar collections.

Many times, outsourcers have access to a larger pool of revenue cycle experts, as well as more advanced revenue cycle and patient financial experience technologies. In this way, providers receive all the benefits without large IT investments. The return on this type of outsourcing can be realized relatively quickly.

Outsourcing Success Story

Jackson HEALTH SYSTEM

Jackson Health System is a nonprofit, academic medical system located in Miami, Florida, with a thriving physician group working across multiple primary care and specialty care centers. Jackson Health was dissatisfied with its existing revenue cycle vendor due to out-of-control coding errors, a lack of accurate practice data, and a legacy platform that constrained the implementation of tools that could improve coding quality. There was no real-time data and no transparency; any data they did receive was generally two months old. And the data was of such poor quality that the health system had no idea who was billing what and for how much, which made it impossible to identify and proactively address issues.

Jackson Health decided to look for a new revenue cycle partner that could help develop more holistic, integrated solutions to improve the financial position of its practices. The health system also wanted to add a medical group structure, improve documentation and reporting, add a patient forum and governance, and enhance and implement core platform capabilities.

Jackson Health chose to partner with Conifer Health because of the company's extensive revenue cycle expertise and more than 30 years of experience. As Conifer assumed responsibility for the day-to-day revenue cycle operations, it took a multiple-step approach to improve performance which included:

- Providing extensive training to help Jackson Health's revenue cycle team better understand their EHR system
- Developing more effective business intelligence and reporting capabilities to increase data insight and allow for a roadmap to improvement
- Conducting clinical documentation improvement training for physicians
- Training staff to better identify and avoid denials
- Defining and aligning all revenue cycle goals to improve collections, reduce aged A/R, increase coding quality, and shorten turnaround times

With Conifer, Jackson Health was able to achieve significant improvement in a short period of time. Results included:

- **100% increase in average monthly collection**—from $2M (2016) to $3M (2020) to $4.1M (2022).
- **25% decrease in A/R days**
- **80% reduction in coding turnaround time**—from 15 days to 3 days
- **$351K in collections** from implementing 17 new quality measures via NCQA healthcare effectiveness data and information set

> *"We really felt like Conifer valued our relationship and wanted this to be a long-term partnership. I would 100% recommend Conifer!"*
>
> **Christopher Wing**
> CFO and COO
> Jackson Behavioral Health Hospital

The way forward

The old days of coding a claim, waiting for payer reimbursement, then sending a bill to the patient for their portion are long gone. And so, too, should be the old processes that were designed around that revenue cycle model. Patients have now taken a seat at the payer table, with up to a third of a provider's revenue now coming directly from patients. Providers need to act now to reinvent their revenue cycle processes around this new reality.

Key takeaways

- Automating front-end processes can improve accuracy and reduce denials and write-offs
- Making it easier for patients to pay is an essential element of successful collections
- Leveraging patient financial engagement technologies i s a financially viable way to improve the patient financial experience
- A multi-faceted training program can help improve staff productivity and quality output
- Outsourcing can help providers achieve optimal patient collections faster and without the heavy lift and high costs of doing it in-house

About Conifer Health

Conifer Health Solutions, LLC, brings more than three decades of healthcare industry expertise to help health systems, hospitals, physician groups, employers and unions address their most pressing business challenges. The company offers technology-enabled revenue cycle and value-based care performance solutions that enhance the patient experience, drive operational efficiency, optimize financial performance and improve clinical outcomes. Annually, Conifer Health manages 25+ million patient interactions, $28+ billion in net patient revenue and $19+ billion in medically managed spend. Plus, the company's technology and health management services support care management for more than 5 million lives each year. For more information, visit ConiferHealth.com.

Sources

1. https://www.forbes.com/sites/allbusiness/2017/06/28/what-we-can-all-do-about-rising-healthcare-costs/
2. https://www.forbes.com/sites/allbusiness/2017/06/28/what-we-can-all-do-about-rising-healthcare-costs/
3. https://www.kff.org/report-section/ehbs-2022-summary-of-findings/
4. https://www.kff.org/report-section/ehbs-2022-summary-of-findings/
5. https://www.physicianspractice.com/view/patient-as-a-payer-practice-solutions-to-deliver-comfort-confidence-and-convenience
6. https://www.physicianspractice.com/view/patient-as-a-payer-practice-solutions-to-deliver-comfort-confidence-and-convenience
7. https://www.athenahealth.com/knowledge-hub/financial-performance/large-patient-balances-big-headache-providers
8. http://cthima.org/wp-content/uploads/2018/12/CTHIMA-Payer-Denial-Trends-Rocky-Hill-Dist-12.13.2018.pdf
9. https://www.gallup.com/analytics/357932/healthcare-in-america-2021.aspx
10. https://revcycleintelligence.com/news/consumers-dont-pay-patient-financial-responsibility-after-bad-experience
11. https://www.pymnts.com/healthcare/2021/63-pct-patients-will-switch-healthcare-providers-if-payment-experience-doesnt-cut-it/
12. https://revcycleintelligence.com/news/patient-financial-engagement-technology-going-beyond-collections
13. https://revcycleintelligence.com/news/patient-financial-engagement-technology-going-beyond-collections
14. https://revcycleintelligence.com/news/patient-financial-engagement-technology-going-beyond-collections
15. https://revcycleintelligence.com/news/consumers-dont-pay-patient-financial-responsibility-after-bad-experience
16. https://www.beckershospitalreview.com/hospital-management-administration/to-keep-cash-flowing-in-today-s-tight-labor-market-revenue-cycle-leaders-are-using-technology-3-experts-answer-3-qs.html
17. https://revcycleintelligence.com/news/revenue-cycle-management-leaders-need-registrars-billing-specialists

Your Partner in Care. We provide revenue cycle and value-based care solutions that optimize financial performance, improve business outcomes and elevate the healthcare experience

Visit ConiferHealth.com/LetsTalk

CONIFER HEALTH SOLUTIONS®