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Economedix

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Today’s Presentation

Maximizing Patient Collections

Course Faculty

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- Chairman, CEO & Co-Founder of Economedix
- Certified Coding Specialist
- BS Degree from Pennsylvania State University
- Earned an MBA in Health & Hospital Administration from the University of Florida
- Former Hospital Administrator
- Former Owner of a Medical Billing Company
- Consultant to Physician Practices & Medical Societies
- Member of Various Professional Organizations Dealing with Medical Practice Management
- Developed and Presented Thousands of Seminars & Workshops Dealing with Practice Management
Goals of This Seminar

- Have strategies to use to minimize patient balance write-offs;
- Be able to increase collections at the point-of-service;
- Be able to estimate surgical and ancillary charges prior to the service;
- Have a working financial policy for patients;
- Have strategies for physicians and staff to increase collections; and
- Be able to increase collections from patients without increasing risk or decreasing physician-patient relationships.

Today’s Course

- Getting Good Patient Information
- The Initial Patient Contact
- The Collection Cycle
- Problem Patient Accounts
- Problem Account Resolution
- Tracking Results

A Pre-Test: True or False?

1. Patients will only pay what they are asked to pay?

2. Most patients expect to have to pay the deductible and copayment for office visits at the time of service?
A Pre-Test: True or False?

3. Patients include financial relationships in evaluating total patient care?
   - True

4. Patients expect the practice to know everything about their insurance?
   - True

Getting Good Patient Information

- Getting adequate information at the first telephone call
- Learn to identify problems up front
- A model patient information sheet (downloadable)
- A model financial policy (downloadable)

Getting Adequate Information at the First Telephone Call

- Established Patients
- New Patients
Getting Adequate Information at the First Telephone Call

- Established Patients
  - Full name (may also need date of birth for very common names)
  - "Has your insurance coverage changed since your last visit?"
  - Name and plan number if there has been a change

Getting Adequate Information at the First Telephone Call

- New Patients
  - Full Name – as it appears on their insurance identification card
  - Name of responsible party
  - Daytime and evening phone numbers
  - Name of Insurer and Plan Number
  - Name of referring doctor or referral source

Special Requirements For Managed Care Plans

Most patients with a pre-paid health plan will be required to obtain an authorization for a referral for any services beyond the primary care of their selected PCP. This may even apply to non-primary care services from the PCP.
Identify Problems Up Front

- Does the practice participate in the plan?
- Do all the doctors participate?
- Does the patient need to have a referral authorization?
- Does the patient have an outstanding balance?

The Patient Information Sheet

- Should be completely filled out by patient or responsible person
- Completely reviewed by receptionist
- Make certain names and numbers agree with insurance cards
- Get copy of insurance card
- Can this information be collected electronically over the internet?

Financial Policy Statement

- Clarifies up front the practice collection policies
- Specifies how insurance claims will be handled
- Specifies patient responsibilities for financial matters
- Creates a plain and unambiguous business relationship with the patient
Test Your Knowledge

1. Which of the following information does not need to be obtained prior to the patient coming to the office?
   a. The name of the insurer
   b. The phone number of the patient
   c. The address of the patient
   d. The plan number or name

Test Your Knowledge

2. Which of the following is not a reason for having a complete patient information sheet?
   a. Required by law
   b. Provides information about insurer
   c. Provides information that will be required by the insurer
   d. It is the source document for the patient data base

3. True or False: Patient financial policies must be signed by the patient to be enforceable.

The Initial Patient Contact

- First time office visit or consultation
- First time in-patient visit or consultation
- Identifying and collecting the deductible and the copayment at the time of the service
- Checklist for complete information
First Time Office Visit or Consultation

- Patient should arrive at least 15 minutes before appointment
- Complete and/or confirm all paperwork
- Review and collect the financial policy statement
- Collect any fixed copay amount at that time
- Complete setting up patient account while patient is with the doctor

Hospital Visit or Consultation

- Obtain face sheet from hospital chart or computer system
  - Should have complete information on insurance, attending physician and responsible parties
- List any services provided and diagnoses, signs and symptoms
- Fax or return to office the same day

Deductibles

- Most patients have deductibles and some are very large - $1,000 and up
- Deductibles are bigger problem at beginning of the year
- Deductibles can be collected at the time of service
- Verify unmet deductibles with insurer
- Patients claiming to have met deductible will have EOBs to prove it
**Copayments**
- Copays will be fixed - $10-$25 per office visit or more - or they will be a percentage of the allowed amount
- Fixed copays should be collected prior to the service
- Percentage copays should be collected immediately after the service
- Practice should have allowed amounts for office visits for all major insurers - Medicare

**The Collection Cycle**
- Statements
- Collection messages
- Reminder calls

**Statements**
- Timing: No less than monthly
- Need to be very clear - avoid confusing language and abbreviations
- Indicate the portion of the statement that is a current patient responsibility
- Indicate any delinquency - aging dates
- Best collection notes are handwritten
Collection Notes

- Most systems will put collection notes on the statement automatically.
- Stickers and stamps can draw attention.
- Nothing works as well as a handwritten note in red ink signed by the bookkeeper.
- Always include a phone number to call.

- "Your insurance has paid its share of this bill. The balance is now your responsibility."
- "Doctor Jones has asked me to draw your attention to this outstanding balance. Your prompt payment will be appreciated."
- "This balance is significantly past due. Please call me today if you need to make payment arrangements."
- "In order to continue to see you in our office, you must make immediate arrangements to take care of your outstanding balance."

Reminder Calls

- First call occurs when account is 60-90 days old.
  - "Dr. Jones asked me to call about your outstanding balance. She wants to know if there is a problem we can help with?"
- Listen – will get all kinds of responses.
- Respond
  - Offer credit cards, payment program.
  - Be very careful about discounts for payment now.
- Confirm conversation in writing.
Reminder Calls
- Second call only occurs if patient is not keeping promise
  "Dr. Jones asked me to call you about the payment we were expecting last week. Is there still a problem we can help with?"
- Listen and make new arrangement
  - May need to revise payments
  - May need to imply that future services depend on maintaining a current account
- Confirm in writing

Problem Patient Accounts
- "My insurance is supposed to pay that!"
- "My insurance company told me you charge too much!"
- Who is the best collector in the office? (Answer: The doctor!)
- Making problem collections easy and professional

Problem Account Resolution
- Installment payments, interest and service charges
- Collection agencies, fees and expected results – can you be your own collection agency?
- Small claims court: usually get judgments then have to file liens
- Write-offs and discharging patients (sample letters)
What About Discounts?

- Might incentivize some patients but they probably could pay full amount anyway.
- Might encourage some patients to hold payment waiting for a discount.
- Might create contractual problems if the discount could be inferred as a reduced charge.
- Usually a last resort and probably should be followed with a discharge from the practice.
- Make discount only after final payment and timely payments.

Tracking Results

- Percent of patients paying at time of service.
- A/R ratio:
  - Total A/R divided by average daily charge.
  - Example: $60,000 ÷ $1,000 = 60 days of charges in A/R.
- A/R Aging Report:
  - Current, 31-60, 61-90, 91-120, 121 and over.
  - Over 90 is delinquent. Should not be more than 25% of total. Ideally less than 20%.

Test Your Knowledge

True or False

1. Copayments are an insignificant part of medical or surgical practice incomes.

2. Copayments and deductibles should be collected at the time of service.
Test Your Knowledge

True or False
3. Cycled statements improve cash flow, reduce phone calls and reduce billing costs.
4. Collection agencies are the best way to collect past due accounts.
5. The doctor is the best “collector” in the practice.

Summary

• Effective Patient Collections depends on establishing good policies, having well-trained, motivated staff and cooperation at every level of the practice.
• Problem accounts and collections require early intervention and disciplined efforts of staff and management.
• Troubled practices must quickly enforce a spending and collection discipline and increase efforts at every level in an organized way. Leadership will make the difference!

Thank you for participating in this seminar presentation from Economedix!

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