

Returning More to Your Revenue Cycle via New Automation

By Bruce Nelson, Vice President, SearchAmerica

Nationwide, more than 900 hospitals *are now using new technology for demographic verification, prediction of payment and automated charity processing*. Their experiences have identified new best practices that healthcare providers can follow to achieve significant results using modified workflows and registration and/or collections processes.

Experience has demonstrated time and again that the most successful hospitals focus first on screening their accounts from the start, at registration, and then using established policies and procedures to guide all of their patient interactions. The following steps help organizations to classify their accounts to receive the highest reimbursement with the lowest account aging:

Step One: Screen for Government Program Eligibility

Patients may or may not be aware of state and/or federally funded programs designed to assist them. As a financial service to your patients, your hospital should assist them in identifying appropriate programs that match their financial status. This step not only helps your patients minimize billing concerns, it offers your organization some level of reimbursement that wouldn't be available if they were classified as charity or bad debt. Using automated Medicaid screening, organizations should screen all self pay accounts at registration.

Step Two: Screen for Charity Program Eligibility

Hospital's are continually challenged to live up to their mission, and charity screening helps to ensure that patients who qualify for your charity programs benefit from them. To identify all patients who should be offered Charity discounts based on your policy, it is recommended to screen all accounts at registration that could have any balance after insurance and all self pay accounts. Once identified by automated charity screening, a sliding scale for charity discounts should be employed.

By classifying charity accounts early in the cycle, you avoid sending them to collections that will deliver low rates of return, or writing them off to bad debt. It is better for your financial performance, non-profit status (if applicable), and reputation in the community to enroll these patients in your charity program.

Step Three: Screen for Payment Likelihood

Prediction of payment identifies the likelihood that a patient will pay their bill, and guidance on how timely their payments will be. Hospitals should run payment prediction on all accounts at registration that could have any balance after insurance and all self pay accounts.

Based on risk assessment, registrars should be trained to direct the patient through a tailored admittance process to fit their likelihood to pay status. This unique process should be well scripted and clearly identify the next steps for the patient. Here is a suggested best approach to each category:

- High Likelihood to Pay. Registrars should follow the traditional admitting process. As the return on these accounts is very high, hospitals should aim to make the patient's experience as smooth as possible to encourage repeat visits.
- Medium Likelihood to Pay. Registrars should ask for a moderate down payment for services from these accounts, and refer them to a financial counselor to review payment plan options to increase payment likelihood.
- Low Likelihood to Pay. A minimum down payment should be received prior to receiving services, and a financial counselor should review payment plan options with them.

Internal collectors should have access to payment likelihood information. In the event that an account goes into collection, this demographic and financial information is a powerful tool to assist in their activities.

Your Best Practices Checklist

The following is a list of the top ten best practices proven to deliver significant results:

1. Validate addresses for all accounts.
2. Screen all self pay accounts for Medicaid (if not already enrolled) and additional government programs.
3. Screen all self pay accounts and those that could owe a balance for your charity program, except Medicare and Workers Compensation accounts. Charity information should be available at the Point of Service (POS).
4. Identify likelihood of payment for all self pay accounts and those that could owe a balance. Apply unique collections processes to patients based on a high, medium, low likelihood of payment. Refer to a financial counselor immediately, if needed.
5. Collect payment at POS using defined policies and procedures based on likelihood of payment. Amounts to be collected should be well defined and discounts given to POS payers.
6. Correct incomplete or bad addresses on all returned statements marked undeliverable. Re-mail new statements as soon as possible.
7. Develop policies and procedures for collection efforts based on payment likelihood.
8. Assess payment likelihood before sending to bad debt accounts to an outside collection agency.
9. Tailor collections activities based on payment likelihood segment:
 - a. High likelihood. Do NOT outsource collections. Use normal, internal collection process.
 - b. Medium likelihood. Internally manage accounts with higher likelihood, outsource lower likelihood accounts.
 - c. Low likelihood. Outsource collections on residual net of government and charity.
10. Screen bad debt accounts from past 12 months to re-classified as charity if they meet your program's qualifications.