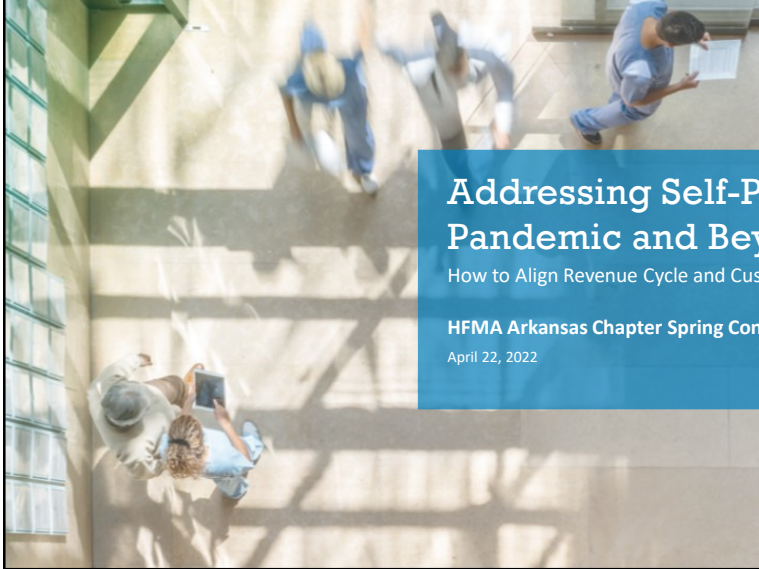


FOR DISCUSSION PURPOSES



## Addressing Self-Pay Collections During a Pandemic and Beyond

How to Align Revenue Cycle and Customer Service without Jeopardizing the Bottom Line

HFMA Arkansas Chapter Spring Conference

April 22, 2022



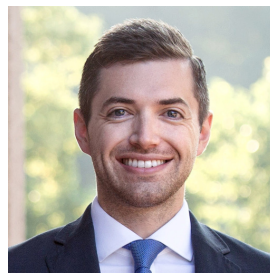
## Today's Speakers



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## Agenda

1. Importance of Patient Collections
2. Impact of COVID-19
3. How to Tackle Operational Factors of Patient Collections
4. Takeaways
5. Questions and Discussion

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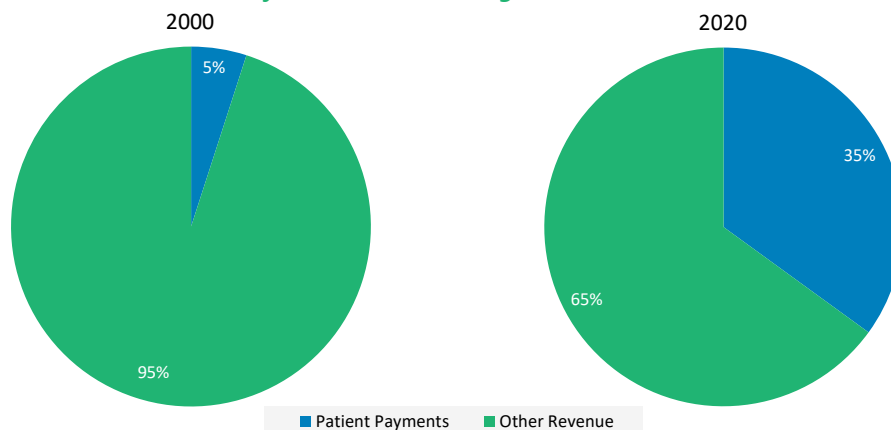
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## Importance of Patient Collections

Patient collections is an increasingly large portion of healthcare organizations' revenues.

**Patient Payments as a Percentage of Provider Revenue**



Source: Forbes.

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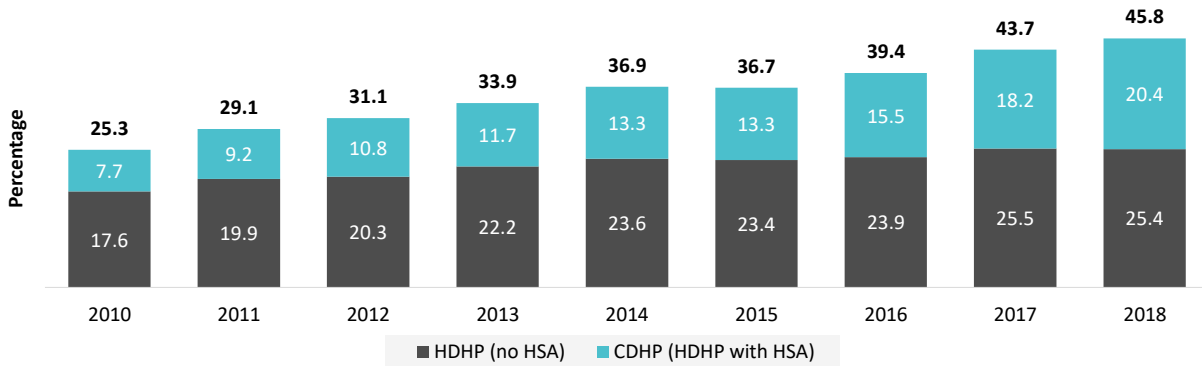
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## Importance of Patient Collections

The growth in patient collections is driven primarily by the rise of high-deductible health plans (HDHPs).

Percentage of Private Health Insurance Holders under Age 65 Enrolled in a HDHP



Notes: "CDHP" is a consumer-directed health plan, which is an HDHP with a health savings account (HSA). "HDHP (no HSA)" is an HDHP without an HSA.  
Source: CDC NCHS, *National Health Interview Survey*, 2010–2018, family core component.

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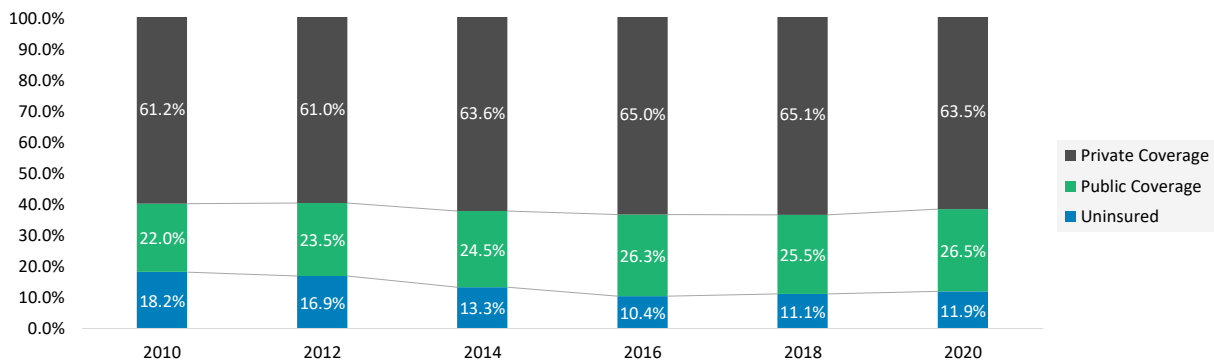
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## Importance of Patient Collections

While the Affordable Care Act helped to reduce the rate of uninsured Americans, the rate of uninsured patients has been growing.

Healthcare Coverage Rates



Source: CDC NCHS, *National Health Interview Survey*, 2010–2018, 2020.

COVID-19 caused an additional spike in the uninsured rate due to job loss; however, rates have generally stabilized, with many patients enrolling in Medicaid.

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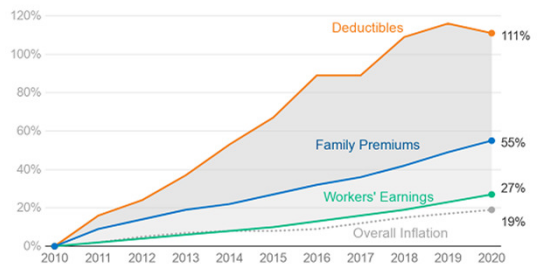
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## Importance of Patient Collections

Studies have shown that consumer ability to pay has not grown commensurate to the increase in patient responsibility and employee cost-sharing.

### Employer Premiums and Deductibles Have Risen Much Faster than Wages since 2010

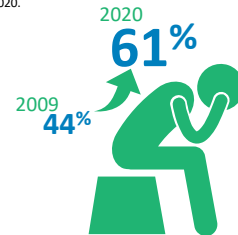


NOTE: Average general annual deductibles are for single coverage and are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

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### More than 60% of Consumers Have Medical Debt

Source: Aite Group, 2020.



**Roughly 2 in 10 Have Medical Debt in Collections**

Source: Journal of the American Medical Association, 2021.

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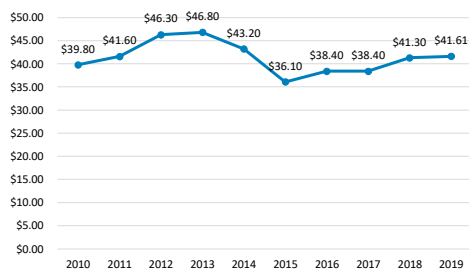
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## Importance of Patient Collections

With increasing patient responsibility and decreasing ability to pay, healthcare organizations are assuming a higher financial risk.

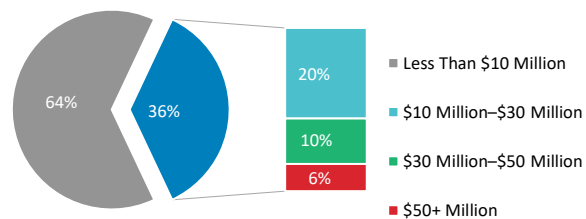
### Uncompensated Care (billions)



### Uncompensated Care Is on the Rise

Source: American Hospital Association, *Uncompensated Hospital Care Cost Fact Sheet*, 2021 update.

### One-Third of Hospitals Carry over \$10 Million in Bad Debts



Source: Sage Growth Partners, May 2018.

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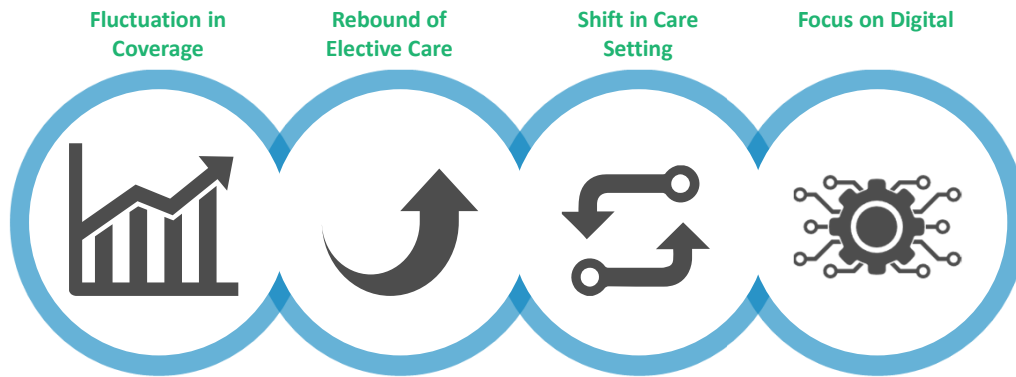
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## Impact of COVID-19

The fallout from COVID-19 has compounded the challenges for healthcare organizations.



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## Environmental Facts

The Health 202: Biden says he'll enforce Trump-era rules requiring hospitals to post their prices

— The Washington Post

Biden administration announces rule on implementing ban on 'surprise' medical billing

— The Hill

2.8 million people gained ACA coverage during special enrollment period

There are a record-breaking 12.2 million people enrolled in the federal and state marketplaces, HHS says.

— Healthcare Finance News

Most private insurers are no longer waiving cost-sharing for COVID-19 treatment

— Kaiser Family Foundation

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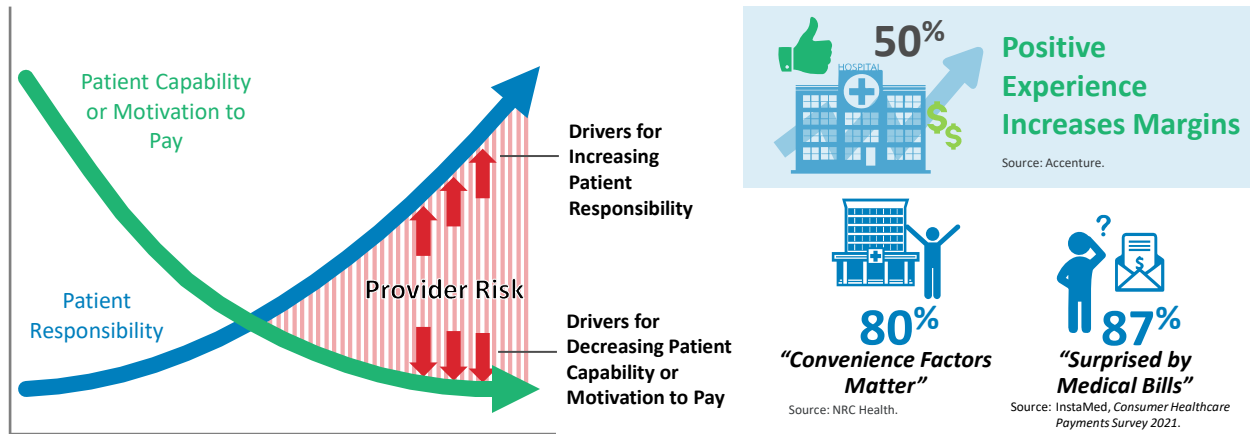
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## How to Tackle Operational Factors of Patient Collections

Given the importance to the bottom line, it is imperative that organizations have a strategic approach to bolster self-pay collections and minimize lost revenue.



► Healthcare providers should focus on factors that are within their control or influence, such as patient education and experience.

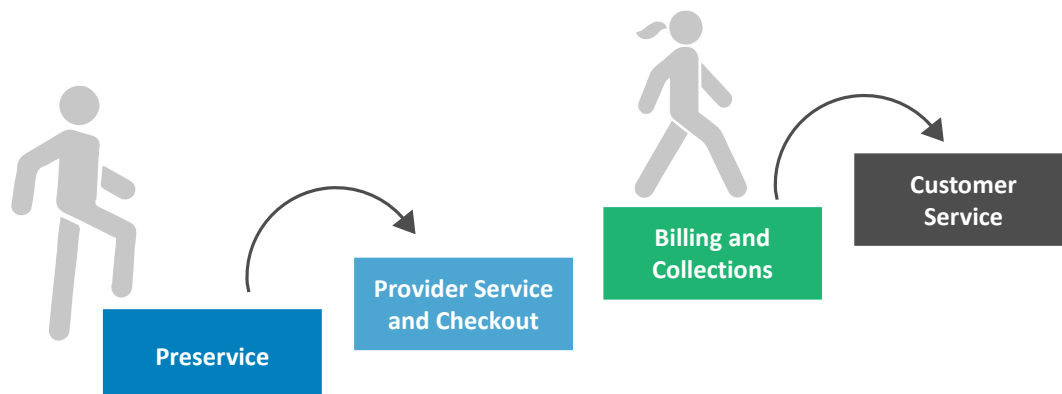
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## How to Tackle Operational Factors of Patient Collections

Healthcare providers must address patient needs and expectations throughout each key step of the patient collections cycle.



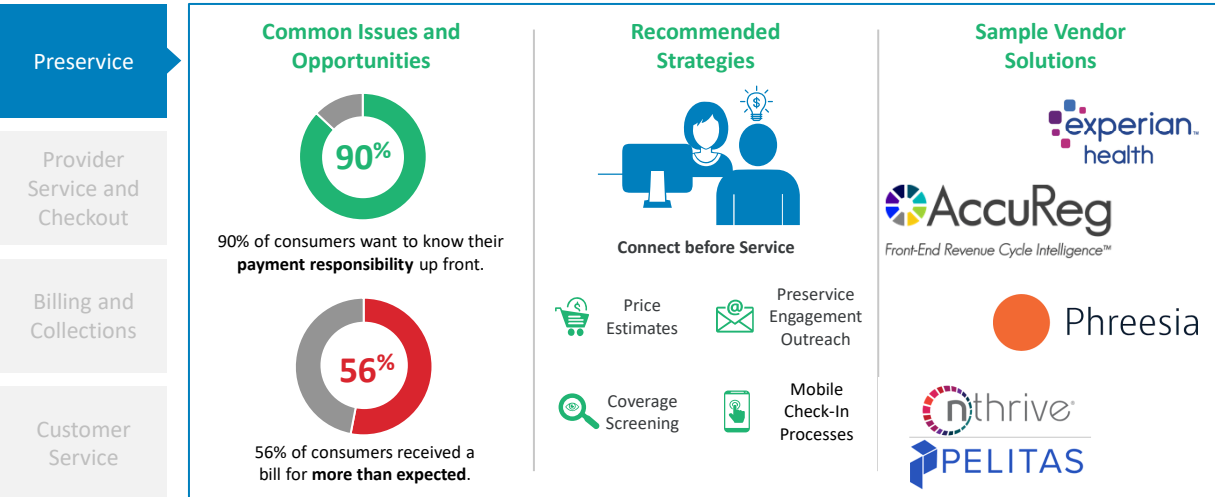
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## How to Tackle Operational Factors of Patient Collections

Prioritize patient engagement and education throughout the preservice and check-in processes.



Source: InstaMed, Consumer Healthcare Payments Survey 2021.

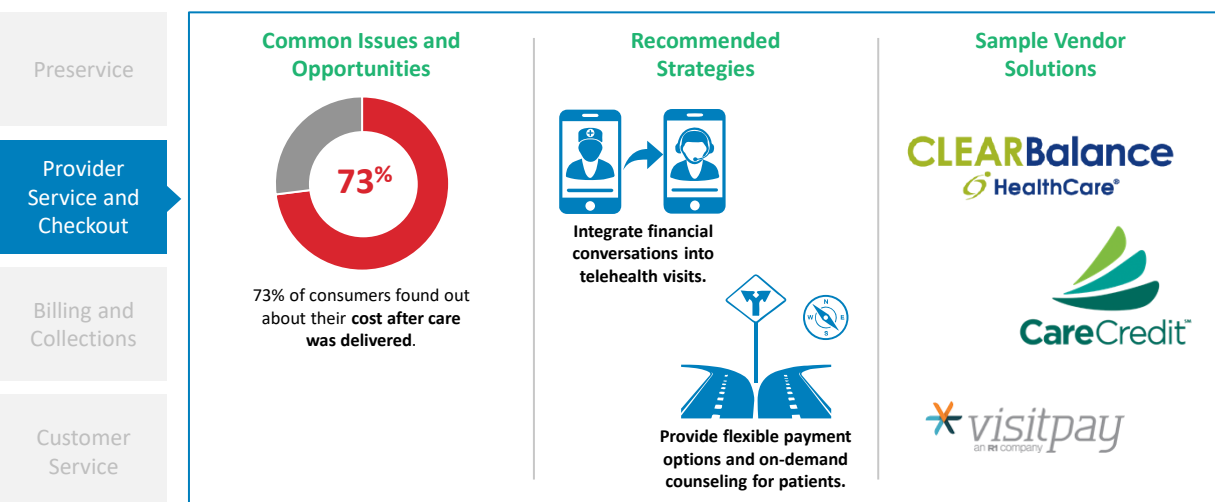
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## How to Tackle Operational Factors of Patient Collections

Establish seamless handoffs from providers to administrators and standard patient education.



Source: InstaMed, Consumer Healthcare Payments Survey 2021.

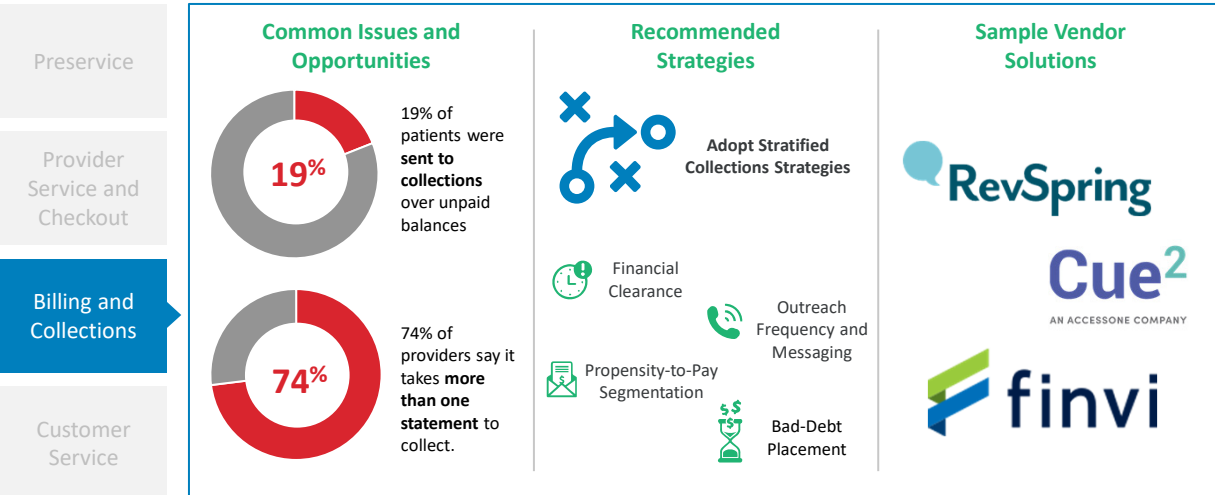
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## How to Tackle Operational Factors of Patient Collections

Stratify collections strategies, and consider loosening policies for late and nonpayments.



Source: InstaMed, Consumer Healthcare Payments Survey 2021.

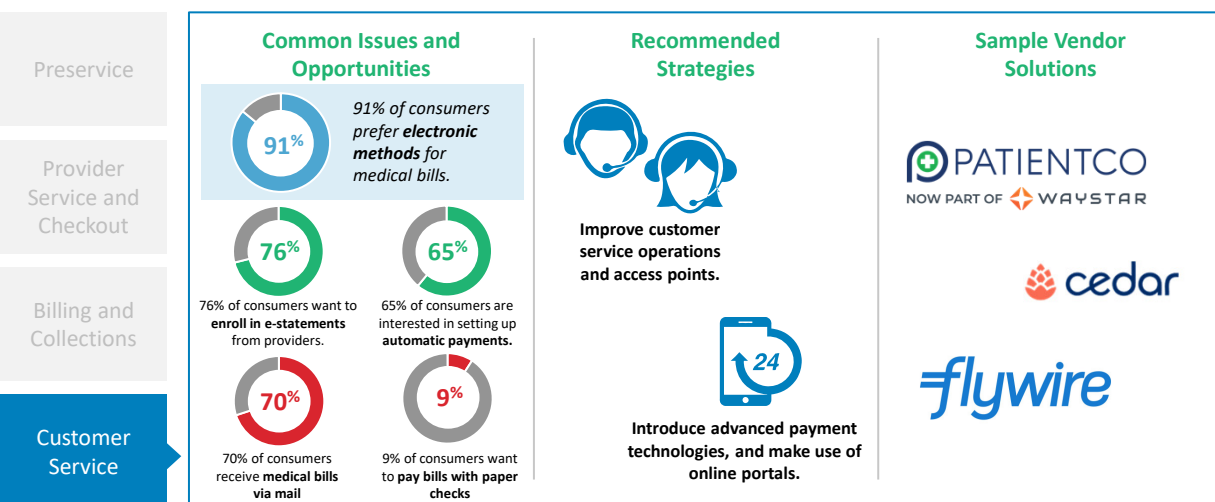
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## How to Tackle Operational Factors of Patient Collections

Focus on consumerism to optimize patient experience.



Source: InstaMed, Consumer Healthcare Payments Survey 2021.

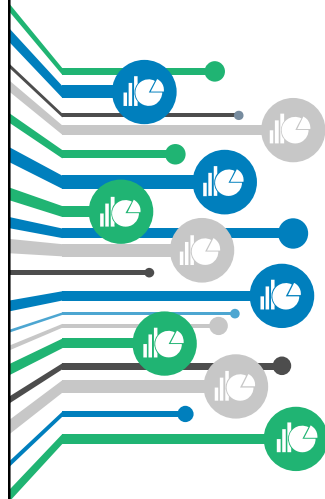
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## Takeaways



Self-pay balances make up a significant portion of accounts receivable (and are growing), and thus cannot be ignored.

Patients are consumers who **expect convenience, access to digital tools, and a focus on overall experience.**

Healthcare providers should focus on **factors that are within their control or influence**, such as previsit communication of service estimates, flexible payment plan arrangements, and electronic payment portals.

Organizations should **maximize technology and vendor solutions** to accommodate patient expectations and improve internal workflows.

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## Questions & Discussion



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