



Leveraging Financial Assistance Programs for Financial Sustainability



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Your Presenter:
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- Past Indiana HFMA Chapter President
- BBA in Economics from Western Michigan University
- FHFMA, CHFP, and CRCR Certified
- 14 years of experience in healthcare finance and revenue cycle



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Setting the Stage



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Collecting patient balances is getting harder, not easier.

- Legislative protections against collecting medical debt
- New CFPB rules
- Macroeconomic/inflationary pressures on household finances
- Expired Public Health Emergency (PHE)



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Hospitals Are Working Hard to Solve the Problem

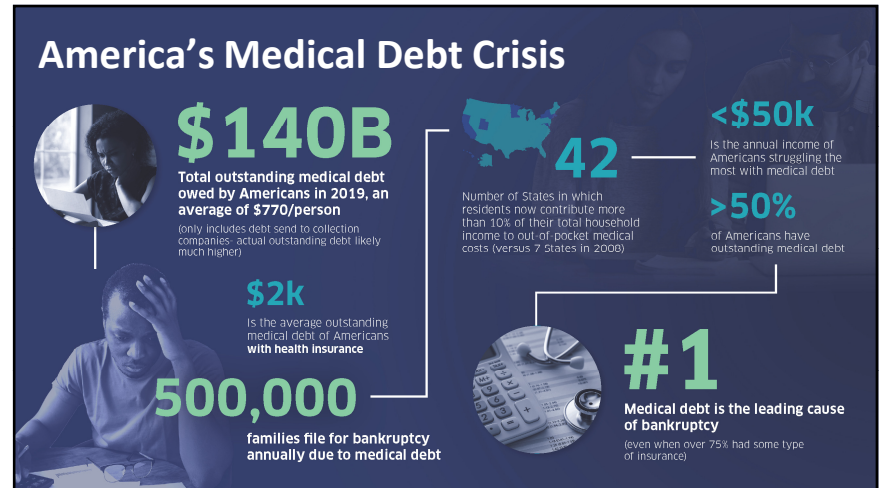
- **Technology**
 - Digital patient financial engagement
 - Flexible payment options
 - Multi-channel automated account follow up
- **People**
 - More financial counseling
 - Outsourcing self-pay follow up




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America's Medical Debt Crisis

- \$140B**
Total outstanding medical debt owed by Americans in 2019, an average of \$770/person
(only includes debt sent to collection companies; actual outstanding debt likely much higher)
- \$2k**
Is the average outstanding medical debt of Americans with health insurance
- 500,000**
families file for bankruptcy annually due to medical debt
- 42**
Number of States in which residents now contribute more than 10% of their total household income to out-of-pocket medical costs (versus 7 States in 2008)
- <\$50k**
Is the annual income of Americans struggling the most with medical debt
- >50%**
of Americans have outstanding medical debt
- #1**
Medical debt is the leading cause of bankruptcy
(even when over 75% had some type of insurance)



501(r) In the News: New York Times (September '22)

PROFITS OVER PATIENTS

***They Were Entitled to Free Care.
Hospitals Hounded Them to Pay.***

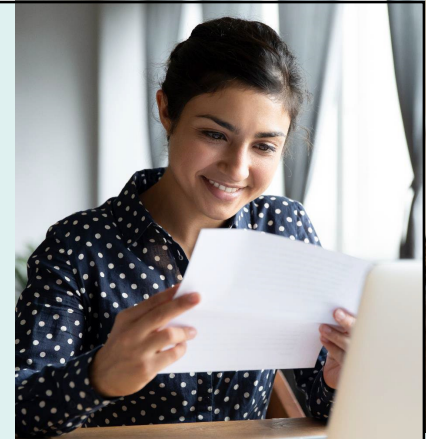
With the help of a consulting firm, the Providence hospital system trained staff to wring money out of patients, even those eligible for free care.



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Thesis

Hospitals can significantly improve their financial situation and the affordability of healthcare in their communities, at the same time, by more efficiently and effectively leveraging their Financial Assistance Program.



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Five Big Opportunities:

- Cut waste
- Increase self-pay payments with partial FAP discounts
- Bolster financial clearance efforts
- Safeguard and accelerate Medicare Bad Debt reimbursement
- Eliminate avoidance of care due to cost



Opportunity #1: Cut Waste



Billing Costs

- Billing Statement #1
- Billing Statement #2
- Billing Statement #3
- Final Notice



Customer Service/ Patient-Access

- Billing questions
- Insurance questions
- FAP questions
- Scheduling questions



Opportunity #2: Bill Patients What They Can Afford




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Bill Patients What They Can Afford

Self-pay after insurance collection rate by balance amount:

- \$5,000 to \$7,500: 32%
- \$7,501 to \$10,000: 17%



Ref: [Crowe "Hospital Collection Rates"](#)

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MEDICAL BILL		Date	15.08
		Terms	Net 30 days
Bill #	5218475	Charges	238.75
Customer ID	6556445	Due Date	September 15, 2023
Description			Total
Charges this month			268.50
State Tax			

Bill FA-Eligible patients less to collect more

- FA eligibility criteria allows us to bill high earners (those who pay) the full patient responsibility.
- In the US – the average single deductible is \$1,945 and average family deductible is \$3,722.
- If a patient that can't afford \$2,000 could come up with \$500, would it benefit them to do so?
- If you gave them a 75% FA discount, would it benefit them to pay you \$500?



If we reduce the cost for FA-eligible patients?

- More patients coming in for routine care
- An overall healthier patient population
- But what about financially?



If we reduce the cost for FA-eligible patients?

- Additional patient volume
- Remember the self-pay recovery baseline for FA-eligible patients
- Very low
- Forgo collecting a little from low-income patients to increase insurance volume from those patients



Opportunity #3: Bolster Financial Clearance Efforts



Bolster Financial Clearance Efforts

- Every hospital has measures in place.
 - Front line registration/patient financial counselors
 - Medicaid eligibility vendors
 - Coverage detection technology
 - Yet – some patient still slip through the cracks.



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Bolster Financial Clearance Efforts

- Patients want to make the bills go away.
- FA is a great way to engage low-income patients.
- WIIFY is get a great picture of their financial situation and explore reimbursement options.
- Consider common FA application requirements:
 - Income
 - Family size
 - Assets
 - Health insurance info or Medicaid denial



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Opportunity #4: Safeguard and Accelerate Medicare Bad Debt Reimbursement



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Safeguard and Accelerate Medicare Bad Debt Reimbursement


- Medicare Part A inpatient deductible - \$1,600.
- Medicare Bad Debt reimbursement – 65%
- Approving FAP fast tracks these accounts to the Medicare Bad Debt account logs and removes the financial barrier to seeking needed healthcare services.



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Opportunity #5: Eliminate Care Avoidance Due to Cost



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Eliminate Care Avoidance Due to Cost


- Half of US adults report they have difficulty affording healthcare costs.
- One-third of adults report they have skipped recommended care due to cost.
- 40% say they have delayed needed care due to cost.



Ref: [Kaiser Family Foundation](#)

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What can we do to convert more uncollectible bad debt to financial assistance?



The image shows a man with glasses and a young child sitting at a desk, looking at a laptop. The man is pointing at the screen, and the child is looking at it with interest. The background is a soft, out-of-focus indoor setting.

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The illustration depicts a woman in a red top and blue skirt holding a large, colorful umbrella (yellow, orange, and red) over a small child in a yellow dress. They are standing on a light blue circular shadow. The background features stylized light blue clouds and geometric shapes.

Online Financial Assistance Platform

Breez customizes and white-labels our Online Financial Assistance Platform to your Financial Assistance Policy, eligibility criteria, and application form.

- **See If You Qualify** – Breez makes eligibility criteria easy for patients with our simple 1-minute questionnaire. Patients can quickly and anonymously see if they qualify for financial assistance at your hospital or health system online.
- **Online Application** – Breez streamlines the application process for patients, allowing them to complete forms online, electronically-sign, and submit required documents with ease.

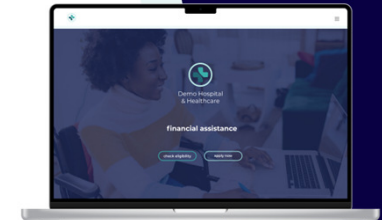


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Automated FAP Application Processing

Breez understands that FAP application review and processing can be time consuming and labor intensive. Our Automated FAP Application Processing services can help!

- **Automated Application Determinations** – based on application data provided by the patient and 3rd party data to verify household income.
- **Document Review & Application Follow Up** – for applications that cannot be approved/denied through our automated process.



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Why Make Financial Assistance Easy?


- Elevate the patient experience
- Cut waste
- Increase self-pay payments
- Bolster financial clearance efforts
- Stop patients from putting off care because they're afraid of the cost


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Thank you!

For more information contact:

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 [BreezHealth.com](https://www.breezhealth.com)



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