The Importance of Patient Education in Medical Debt Collection
The health care insurance marketplace is currently experiencing unprecedented change. With the arrival of the Affordable Care Act, which requires every American adult to have health insurance, the ranks of the newly insured have swelled by millions of people. Adding to a rapidly transforming health insurance landscape is the rise of high-deductible policies, increasing copays and the growth of health savings accounts — all developments that have led to consumer confusion, fear and irritation.

A report published in Health Affairs in 2013 — using data from the federal Health Reform Monitoring Survey — revealed that more than 60 percent of the people targeted for health care exchanges had little idea of how they operated and what benefit they would gain by using them. Even typical health care consumers have trouble distinguishing “this is not a bill” from the real thing after visits with physicians and health care establishments. The level of paperwork, jargon, multiple charges and minutiae that arrives with bills can be daunting even to well-informed consumers.

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More progressive health care providers have embarked upon aggressive patient health education initiatives to inform patients of their responsibility for copays and the likely estimate of what the total cost might be, although even that amount isn’t readily available in most cases.
In order to improve accounts receivable and revenue cycle management, health care providers should first follow best practices outlined in this white paper before considering a patient-friendly collection agency. Arguably, even early in the process, providers might consider collection agencies highly regarded for working closely with patients since their staffs have the appropriate skill set for successfully closing delinquent payments.

**Best Practices for Patient Education and Debt Payment**

Health care providers seeking to improve their patients’ account balances should have an education program to train physicians and staff on how to speak about the billing process. Physicians should not offer patients a blank face when the conversation of cost arises. Nurses should be aware of costs when speaking with patients. The front lines of health care – the administrative staff and patient interaction specialists – must be well trained since they will be assigned the task of providing guidance to patients.

1. A patient education program begins with a self-pay policy and communication that describes a patient’s responsibility for certain payments.
2. Patient portals can allow patients to log on and see anticipated copay costs of their care.
3. Providers must offer swift insurance eligibility.
4. On the day of treatment, providers should follow the usual protocol – scan insurance, HSA and FSA cards, capture credit card insurance in addition to HIPPA and other forms – while also asking for payment. During paperwork for follow-up visits the payment issue has to be squarely faced.

While patients are checking out after treatment, a provider needs to ask for payment of the deductible portion or copay and secure past balance payments. They should create automatic credit card payment schedules for patients and secure card numbers for future payments. Following up after treatment has to include sending email and other reminders twice during each payment cycle to patients who owe money. After exhausting these avenues – or even earlier, during prior steps – turn to a trusted collection agency partner and assign it the tough cases.
The Role of a Collection Agency

Depending on your policy, a collection agency can be called in 10 days after 30-day notices have been sent if patients have made no move to contact the health care provider. Patient-friendly agencies can come add a new breath of life to an account with an unbiased, third-party patient financial consultant perspective, to work with patients on settling claims and closing costs. They serve more as health care resolution providers than as “collection” providers in their role as patient educators.

It is critical to partner with an agency that has more than just a “healthcare spin” but actual experience with healthcare billing and medical revenue cycle challenges.

I.C. System applies more than 50 Years of provider-side healthcare revenue cycle experience to its myriad of healthcare clients. “We know that many patients just aren’t budgeting for the increase in copays and other new fees in the new medical environment,” said Ojars Linde, Healthcare Extended Business Office Manager, I.C. System. “Our extensive provider-side experience enables us to train our counselors to clearly explain the insurance benefits, billing and coding issues in a manner that makes sense to patients and results in increased account settlement.”

Agencies that have long worked with health care consumers find a population of people confused by the billing process. They have often misunderstood their policies, bills and payment responsibilities. “I thought insurance was going to pay that,” is a refrain many collectors hear from patients. They may believe that, but in many cases, that is simply not true.

Delivering that verdict, however, takes an understanding, sensitive and patient collection agency staff. Shouting, badgering, threatening and bullying does not work, and worse, it violates state and federal law. The best agencies instead employ different practices, such as utilizing staff members trained to effectively pull from a palette of healthcare-friendly skills.
Traits of an Effective Patient Financial Consultant

- An expert’s comprehension of insurance policies and health care terms. Good collectors can catch coding errors and ask providers for adjustments. Under most circumstances, providers write off charges they have misapplied or neglected to bill.

- The ability to describe in plain English what billing and health care terms mean and why a particular patient’s insurance failed to cover certain health care procedures and care. Patients on the phone often plead honest confusion regarding what they have to pay.

- The ability to manage a patient’s anger and turn it into a more productive outcome.

- A talent for being able to keep patients on calls while adding insurers and other sources into conversations to validate billing and coverage information.

- The training to answer an “I can’t afford it” response with questions about sources of income and extra funds that might be available from family, friends, church or other organizations. A bill collector never walks away empty-handed; at the very least, a payment schedule will be achieved.

- Creatively working with providers to find solutions to patient financial problems, not just demands. For example, through a collaborative effort with the provider, patient-friendly collection agencies can direct confused patients to insurance websites and other resources so the patient can become armed with the facts of the situation.
Conclusion

If one adjective reigns supreme for patients facing health care debt, it is “confusion.” Even employees and managers in the health care establishment struggle sometimes to manage all the changes the industry faces in regards to health care exchanges and the implementation of new billing codes. For health care providers, patient education is the key to collecting more payments promptly and keeping patients well informed of their responsibilities.

That approach takes staff time away for classroom education and for greater patient interactions in medical facilities. Once trained, health care providers could turn their debt portfolio over to patient-friendly collection agencies after a certain number of patient outreach efforts have failed. Agencies, after all, manage debt collection every day, and a select few are experts in the health care field who consult with patients to arrive at full payments through gentle persuasion and deep knowledge of the health insurance marketplace.

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