How Patient Payment Estimation Technology Helps Physician Practices

Getting paid at your medical practice is may get harder — so why not give patients payment information in advance?

Source: Physicians Practice

Getting paid at your medical practice is only going to get harder, our recent PayerView 2013 data revealed. One big reason why: Your patients are increasingly responsible for a greater chunk of their medical costs.

The survey revealed, among other that, that higher deductibles continue to impact provider collection burden, a measure of how much of the patient's bill must be collected by the practice. Although this burden declined for the country's largest payer, Medicare Part B, it increased for most private insurers for the second straight year.

This raises the question: Given that patient responsibility is going up, how can practices keep their cash flow steady, and encourage patients to pay in a timelier manner?

One emerging solution is patient payment estimation technology.

“What we’re seeing is a greater and greater shift in payment responsibility from the insurance payer to the patient,” Nate Davis, product marketing manager for ZirMed, a provider of software-as-a-service (SaaS) health information connectivity and management technology, told Physicians Practice. “We’re seeing a lot more high-deductible healthcare plans coming into the system as a result of the Affordable Care Act. We’re going to expect there’s going to be an influx of new patients, of high-deductible healthcare plans, so a lot more emphasis on collecting that patient responsibility. The more providers can do to get out in front, and know what the responsibility breakdown is going to be between payer and patient, the more they can take action to proactively collect that in advance.”

In April, Louisville, Ky.-based ZirMed launched Patient Estimation, a tool that allows healthcare providers to accurately determine a patient's financial responsibility prior to providing service or care. While estimating patient payments is not a new concept, using technology has many advantages, starting with time savings.

“It’s quite a process to manually go in and undertake putting together an estimate,” said Davis. “Historically … somebody in the provider’s office has to make a phone call to the insurance payer. Typically these phone calls are extremely time-consuming; they may range from ten minutes to 45 minutes. There’s a lot of time spent on hold for the biller, waiting to get information. Sometimes they spend so much time on hold that they have to literally hang up and call back again. So even just getting benefits, finding out how much the deductible remaining is, and finding out how much out-of-pocket they’ve met, and so on can take quite a bit of time.”

For Denver-based Advanced Medical Imaging, the biggest advantage of implementing the technology was a huge boost in timely payment collections.

“Since implementing Patient Estimation just a few months ago our practice has been able to get paid significantly faster; in fact, our point-of-care patient collections have already increased over 300 percent,” said Jyl Nieto, billing manager for Advanced Medical Imaging, in a news statement.

“Additionally, and perhaps most importantly, our patients have expressed that they like knowing exactly what a test or scan will cost prior to receiving it, so that they can budget and make clinical decisions accordingly.”

And if patients know costs in advance and can budget for medical care, they’re more likely to feel satisfied with your practice, said Davis.