Practices face big cash-flow problems as patients shoulder more of their healthcare costs. Here’s how to step up patient payment collections.

Source: Physicians Practice

Cash flow at medical practices can be especially slow in the first and second quarters of the year as many patients with consumer-directed health plans (CDHPs) have not yet met their deductibles.

The cash flow problem is worsening as CDHPs become more popular. According to a National Business Group on Health survey, more than half (57 percent) of employers are implementing or expanding CDHPs. This leaves many patients 100 percent responsible for their healthcare costs until they meet that deductible.

If you’re one of the independent practices — especially one with fewer than 10 staff members — dealing with this issue, here are three ways your front-office staff can help you navigate this growing problem:

1. **They can focus on detailed eligibility verification.** Train your staff to always confirm if a patient has coverage and if he has a copay or deductible. At a minimum, understand if the deductible has been met, but try to obtain a real-time deductible balance. Your staff should also understand benefit details tied to the services you offer and confirm if you are considered in-network for the patient. The more information on hand, the more you can prepare the patient for what his responsibility may be.

2. **They can be prepared to collect at time of service.** Your front-office staff is the most important resource in the process of collecting payments up front and collecting on outstanding bills. With benefits and deductible information in hand before a patient walks in the door, your staff is already in a better position for the conversation. And it’s extremely important to establish the systems to manage and collect money because once a patient walks out the door, collection rates drop to 50 percent to 70 percent for small-dollar payments from insured patients, and to only 10 percent from self-pay patients. Make the money conversation part of your practice’s DNA and you will change your business.

3. **They can offer a variety of payment options.** When McKinsey surveyed consumers to ask why they would opt not to pay a medical bill, respondents cited a lack of options for payment plans, poor timing of bills, and difficulties coping with confusing statements or policies as barriers. The shift to a retail-centric approach in healthcare is here. Smartphones have built-in one-touch payment capabilities and major retail chains are working healthcare into their daily store offerings. Patients want to know what they owe up front and have multiple options to pay, especially when their responsibility is increasing. Make it easy for your patients. Accept credit or debit cards. Allow payments through mobile devices, cards on file, patient portals, monthly billing plans, or payment by

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**Hanny Freiwat**

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check. Think of your front desk as a point of sale terminal and help your staff shift their mindset to work with patients to collect those funds any way a patient will pay.

**Bonus Tip:** All of these tips can be leveraged without investing in much more than staff time. Your cash flow should go up and your bad debt should decrease to help reduce your revenue cycle.

I encourage you to investigate tools and software solutions that can help your staff be even more efficient and effective with these steps. There are tools that focus on streamlining the eligibility verification process and that can provide additional insurance details in one place. Check your EHR system for possible add-ons or leverage other Web-based solutions that focus on not only eligibility but also provide additional features for your front desk such as payment or scheduling. Look for a tool that streamlines work flow and gives you a point-of-sale system that meets your patients’ retail expectations. This can greatly reduce the expenditure on staff time and ultimately create a seamless front-desk experience.

With this continued growth in patient responsibility, practices have to adapt their systems and expect that a larger portion of their income is coming directly from the patient.

**Hanny Freiwat** is the co-founder and president of Wellero, a Web-based point-of-sale solution that gives providers instant access to detailed eligibility information and makes it easy to collect patient payments on the spot. Wellero also provides consumers a free mobile app to check their benefits, view their deductible status, and make healthcare payments from the palm of their hand. He can be contacted at info@wellero.com.

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