



Barbara McLaughlin

Barbara's expertise is HOW TO COMMUNICATE EFFECTIVELY with a focus on Healthcare. A lot of the information presented to patients is not remembered, understood or complied to.

Barbara's life's passion is to help patients navigate and comprehend the healthcare world so they are not so frightened and upset by the mere process.

Barbara worked with Smart Source to create a series of products and services whose primary function is to educate and communicate to the patients. Visit our website at [www.hand-holder.com](http://www.hand-holder.com) and see how we meet this challenge. Then send us your comments and ideas so you too can help take care of everyone and feel good about your life every day!

## Regardless of what Health Reform Brings, Your Revenue Cycle Strategy Goals will be Paramount

**Barbara K. McLaughlin**

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And yes, what your bills reflect may be more important than ever!

As I sat in the office of a large, prestigious hospital facing the CFO, my jaw dropped when she said to me, "But it's just a bill."

The thoughts running through my head at that moment were too incredulous to sort out. "Did I really just hear that? Did she really mean that? Surely she is joking?" Etc., etc.

So I began again. "Perhaps we can talk about this in another way? And maybe think about this in another way?"

The primary goal of any billing function is to get people to pay. Everyone knows that, but does anyone really think about why so many healthcare bills are ignored and uncollected? We all know that there's an economic downturn of notable proportions, but that matter aside, even the people who can and are willing to pay their healthcare bills are neglecting to do so in record numbers, despite the fact that they may now have insurance help that they have never had before.



One very large academic medical center engaged us to help revamp their revenue cycle.



### **1. We began by doing mock-ups and having discussions like:**

Is this service description something your patients will actually understand and know they received from you?

Does this bill actually match what the patient Explanation

of Benefits (EOB) says?

Is this font size so small that many will not be able to read this without help?

Where does it note how much the insurance company will pay or did pay?

Do insured patients understand whether they owe any amount?

Is it clear to the patients that they will receive two bills for their health event? One from the hospital and one from their professional services groups?

Is the appearance engaging enough that patients will even open the envelope or electronic file? Do they know what they are viewing at first glance?

Do you have any accommodations for non-English speaking patients?

How do you know if you've even reached the patient? Did they see what you sent and then followed up with a response? Are your collection groups badgering them to pay?

How do you reach international patients and how much do they understand?

What kind of data do you have in your I.T. systems and how do we make it comprehensible to patients?

Can the frontend people adequately collect correct information to begin with?

What is the process for locating missing patients you are trying to collect from?

Are your service hours sufficient for shift workers to easily reach you for questions or problems?

Do patients understand the Federal Poverty Guidelines and what it means to them?

Are you communicating this adequately and frequently?

What other payment options do patients have if they cannot pay?

Are you equipped to utilize HSA and FSA payments and do your patients know how to access and use them?

Do you have lockbox processing and automated posting?

Have you considered an automated notification program for collections (e.g. phones, texting, emails)?

Is the frontend staff comfortable with collecting copays and prepayments? Do they need training? Do you have an online program for receiving and tracking these payments?



**2. Mockups helped everyone visualize what a good statement could look like:**

Mockups allowed us to open up the discussion on the items listed above. From there we began to delegate tasks, prioritize item importance, put systems in place, and in some cases conduct focus groups. One question asked was, "Are your statements engaging?" We then proceeded to explain that color can affect comprehension by as much as 73%.

**3. Focus groups told us what OUR patient population values were and what they need and can understand.**



We quickly articulated what patients like and don't like about a hospital bill. If they understand and can see that you are billing them for services they actually received, they are more likely to pay or make arrangements to pay. Especially if the statement agrees with the EOB received from their insurance company. Once we had this aligned, money literally "came pouring in".

**4. Different patient capabilities required different methodologies to reach patients.**

Some will pay by landline, others by mail, and payments can even be collected via smartphone. Are you making it EASY for people to pay you once they can actually read and understand their bills?

**5. We made sure patients could easily reach us for questions or if they needed help, like arranging payment plans, enrolling for charity care, or other assistance programs that might be available.**

If you do not have sufficient staff to answer phones quickly, it is imperative that you offer other contact methods such as email, phone payments, texting, answering services, etc. This is the age of "do it now". If people cannot complete a task quickly

and easily it may as well be placed on the backburner and may not see the light of day again until it reaches collection agency status. This is where you can lose the most revenue. Consider aligning with a credit organization that will pay you but stay responsible for collections from patients over a 24-month schedule, or more. There are many good ones on the market today, but you must carefully evaluate their terms.

**6. The trick was to automate everything we could.**

However much with the programming or setup fees, chances are that automating as many processes as reliably as possible will quickly pay for itself and improve cash flow.

Using staff for processes that can be automated is a fool's mission because most often the tasks are so tedious that staff are reluctant participants and minimally effective. This is especially true of cash processing, as most lockbox arrangements are affordable and efficient in addition to IVR systems (Interactive Voice Recognition Systems) that can collect funds by phone. Patients are used to this from credit card companies and will use it as a resource for paying rather than being put into collections. Most banks offer automated cash posting services to help you match payments with open bills. Trying to locate lost patients is another task that staff tend to put off due its tedious nature. There are automated skip/trace programs to help with this as well.



**7. Younger audiences will want ALL of their information on their smartphones, which is part of our go forward plan.**



And what they want to know is EVERYTHING related to their healthcare expenses and to have it all IN ONE PLACE. Healthcare billing should model itself after the banking industry and provide information to patients in REAL TIME. Patients want to see their deductibles, payments, insurance payments, EOB information, out of pocket total

expense, health savings account (HSA) balances, physicians' bills, etc. in an easy to use app. This is the future of healthcare billing, and if you are not there you need to prepare for it!

**8. We looked at the patient statements as an additional opportunity to communicate with patients and show them we were listening and making things better and easier for them to interact with us.**

The results were ASTOUNDING!

- We increased cash flow by 34% within 7 months
- Our A/R days went from 69 to 61 almost immediately
- We had a 25% reduction in return mail
- We experienced an increased response in insurance plan updates
- We had a 90% decrease in incorrect statements being released prematurely
- Reduction of Cash Posting FTE's by 2

We are now collecting over \$30,000,000 online per year and growing! This money goes directly from our patients to our bank account without any staff having to touch, process, or spend time on it. So, it is not JUST a bill. It is your lifeblood and it needs to be done right. It is also a communication touch point with your most valuable asset. YOUR PATIENTS!

Make EVERY word count. Make it easy to understand. Make it easy to respond to. MAKE IT SING TO YOUR VALUABLE PATIENTS!