



Breakthrough Strategies Leading Self-pay Solutions

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Introduction – Self-pay Strategies

Delivering Solutions in Real-time

Learning Objectives:

- Self-pay snapshot of national statistics
- The self-pay dilemma
- Self-pay tools, technologies and strategies to address the increasing self-pay patient population



No Risk – No Reward

Delivering Self-Pay Solutions in Real-time

- **Don't be afraid to try something new**
- **Engage in pilot programs**
- **Seek new technologies**
- **Think “outside the box”**



Self-pay Success

Delivering Self-Pay Solutions in Real-time

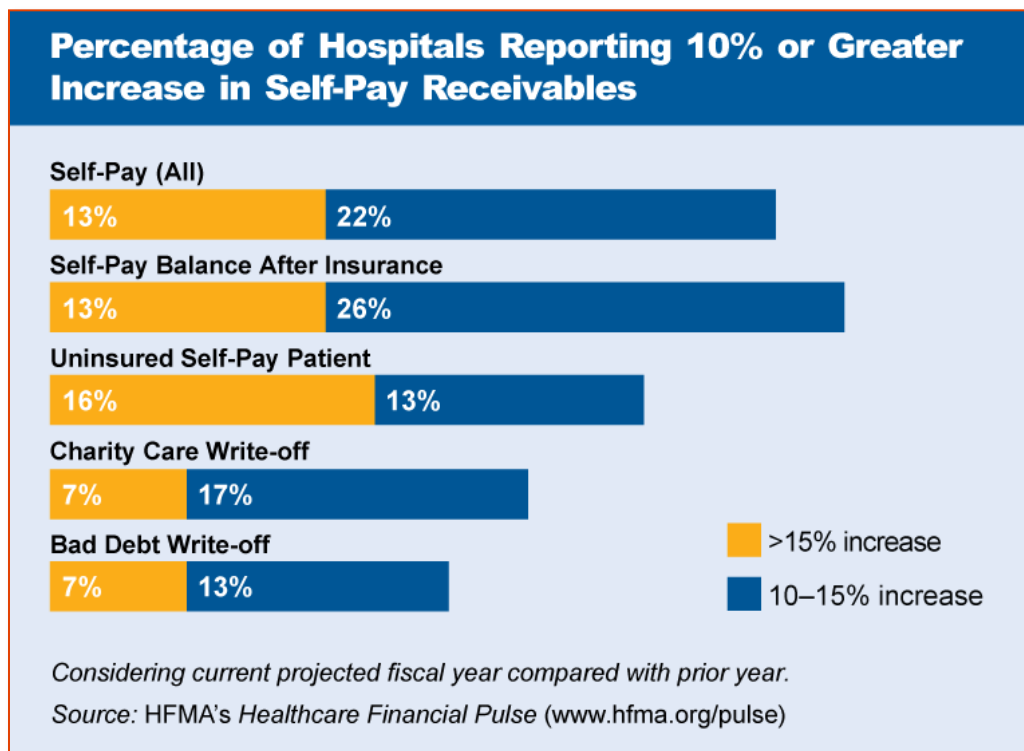
The secret to self-pay collection success

**Begins at the front-end
of the revenue cycle**

Self-pay Trends

Delivering Self-Pay Solutions in Real-time

97% of respondents experienced an increase in self-pay A/R Compared to prior fiscal year

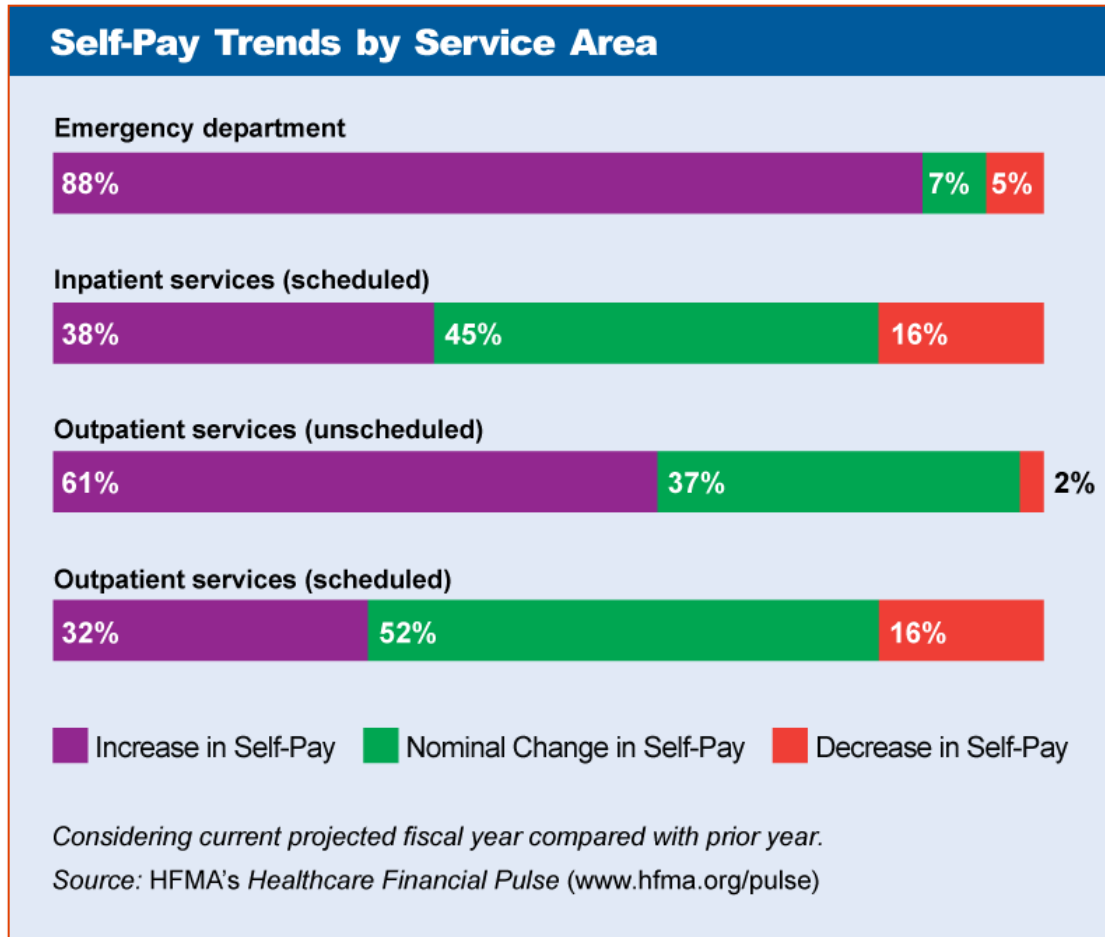


- More than 1/3rd experienced increase of 10% or greater
- 39% have experienced growth in self-pay BAI – Plus 10%
- 1 in 5 had 10% or more increase in bad debt



Self-pay Trends

Delivering Self-Pay Solutions in Real-time



ED and unscheduled outpatient services experiencing the most self-pay growth

Roadblocks – Hindering Performance

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- Spend too much to give away free care
- Patient apathy – learned behavior
- Limited patient ID tools
- Increased patient fraud
- Missed collection opportunity – vendors lacking latest tools
- Increased out of pocket expense
- Growing bad debt



Self-pay Areas for Improvement

Delivering Self-Pay Solutions in Real-time

- Poor point-of-service collections – No accountability
- High administrative denials/inaccurate classification
- Inaccurate late charges/missing charges
- Lack of standard processes for all front line staff
- Misaligned reporting structures
- Lack of formal training or competency assessments
- Unrealistic job expectations on front end
- Catch-all theory for financial services billing/collections

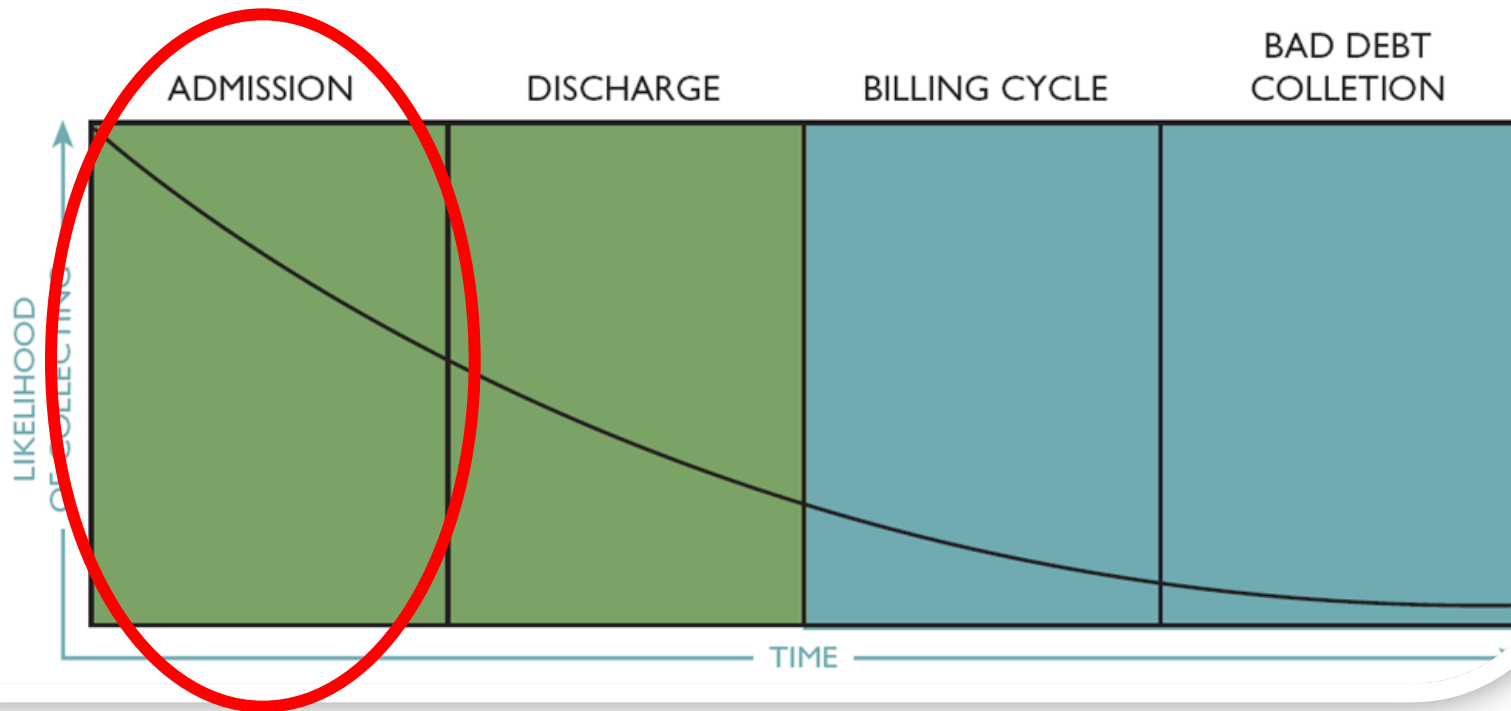


Self-pay POS Collection

Delivering Self-Pay Solutions in Real-time

Taking Advantage of a Captive Audience

Profitability of Securing Funding for Payment



Institute for Health Care Revenue Cycle Research - A Division of Zimmerman, LLC. National Pledge to Reform Uncompensated Care Reform Underway: *Adopting Best Practices to Reduce Uncompensated Care and Improve the Patient Experience*. a special supplement to **PATIENT PAYMENT BLUEPRINT™**

Self-pay Areas for Improvement

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- No way to manage error rates or performance
- Multiple entry points for patients – leakage
- High error rate for financial class verification
- High turnover rate for admissions staff
- Poor customer service and quality for outpatient and inpatient cases
- High errors in scheduling, regarding key registration inputs



Self-pay Areas for Improvement

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- All admissions personnel must be appropriately trained and meet performance metrics
- All front desk staff will collect money at (POS)
- Clean reporting structure for all admissions staff – report to admissions management
- Identify and collect co-payments during appointment scheduling/pre-registration
- Evaluation of Govt. eligibility programs



Self-pay Areas for Improvement

Delivering Self-Pay Solutions in Real-time

- Every entry point assessed for appropriate patient flow, staffing levels, and customer service
- Identify current patient balances due - patients with repeat bad debt – uncooperative Medicaid application process - route to Financial Counselor
- Cost estimator/insurance benefits confirmation for coinsurance/deductible identification and collection during scheduling/registration



No Band-Aid Stop Gap Solutions

Delivering Self-Pay Solutions in Real-time



NO!



Self-pay Improvement Ideas

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- Improve Self-pay collections with registration accuracy with real time demographic ID validation
- Enable POS collections by utilizing patient payment estimation tools
- Validate past due payment history with real time systems – Ask for money pre-registration & POS
- Real time screen for charity – consumer behavior tools
- Real time technologies identify COBRA – unemployed



Self-Pay Improvement Ideas

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- Demographic validation
- Use self-pay analytics modeling solutions
- Automated charity screening
- Screen all self-pay at POS and BAI accounts
- Real time systems assess patient's financial situation
- Use Medicaid Wizard Questionnaire to determine eligibility
- Adherence to Red Flag Policy with CRA



Self-Pay Registration Solutions

Delivering Self-Pay Solutions in Real-time

- Improve registration accuracy with real time demographic validation
- Enable POS collections by utilizing patient payment estimation tools
- Validate past due payment history with real time systems – Ask for money pre & POS
- Real time screen for charity – consumer behavior tools
- Real time technologies identify COBRA – unemployed
- Real time registration quality monitoring

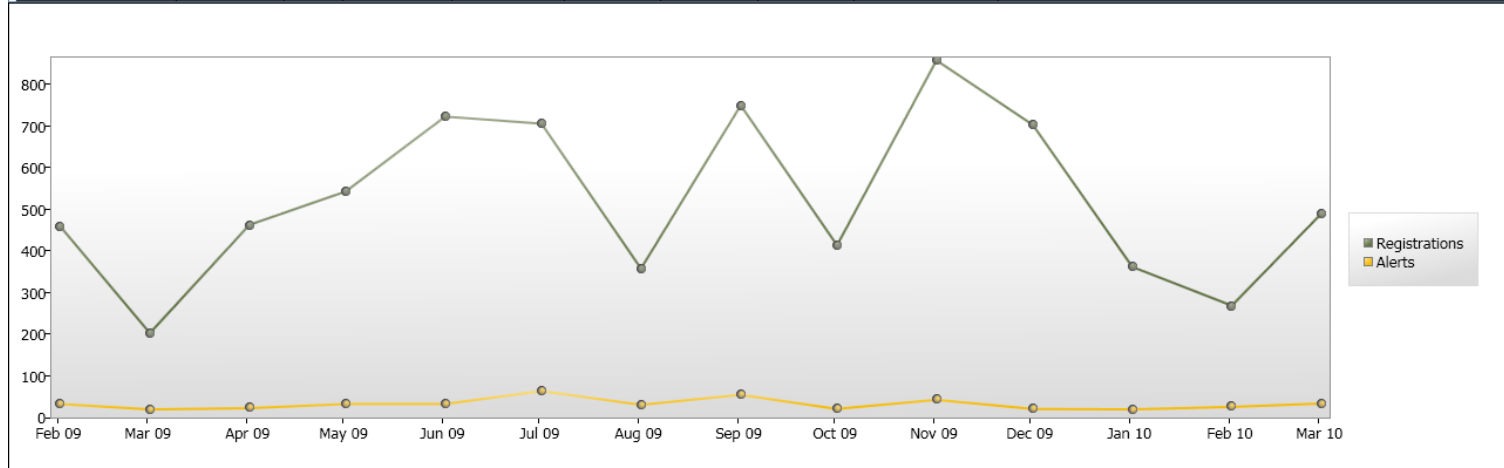
Self-Pay Registration Performance

Delivering Self-Pay Solutions in Real-time

Registrar Dashboard

Registration Accuracy Report

Date	Registrations	Alerts	ResolvedFast	ResolvedSlow	Unresolved	Reassigned	Percentage	PercentageDisplay
9/1/2009 8:00:06 PM	748	54	250	116	371	11	0.07219251	7.2%
12/1/2009 8:00:06 PM	701	20	215	165	310	11	0.02853067	2.9%
4/1/2009 8:00:06 PM	461	22	146	98	211	6	0.04772234	4.8%
1/1/2010 8:00:06 PM	360	19	118	64	175	3	0.05277778	5.3%
7/1/2009 8:00:06 PM	704	63	248	116	330	10	0.08948863	8.9%
2/1/2009 8:00:06 PM	458	32	172	53	224	9	0.069869	7%
2/1/2010 8:00:06 PM	267	25	94	40	131	2	0.09363296	9.4%
8/1/2009 8:00:06 PM	356	30	116	65	171	4	0.08426967	8.4%
3/1/2009 8:00:06 PM	201	19	61	25	111	4	0.09452736	9.5%
3/1/2010 8:00:06 PM	489	33	161	89	231	8	0.06748466	6.7%
11/1/2009 8:00:06 PM	856	42	305	167	372	12	0.04906542	4.9%
5/1/2009 8:00:06 PM	541	32	182	87	265	7	0.05914972	5.9%
6/1/2009 8:00:06 PM	721	32	249	173	295	4	0.0443828	4.4%
10/1/2009 8:00:06 PM	412	20	118	73	214	7	0.04854369	4.9%

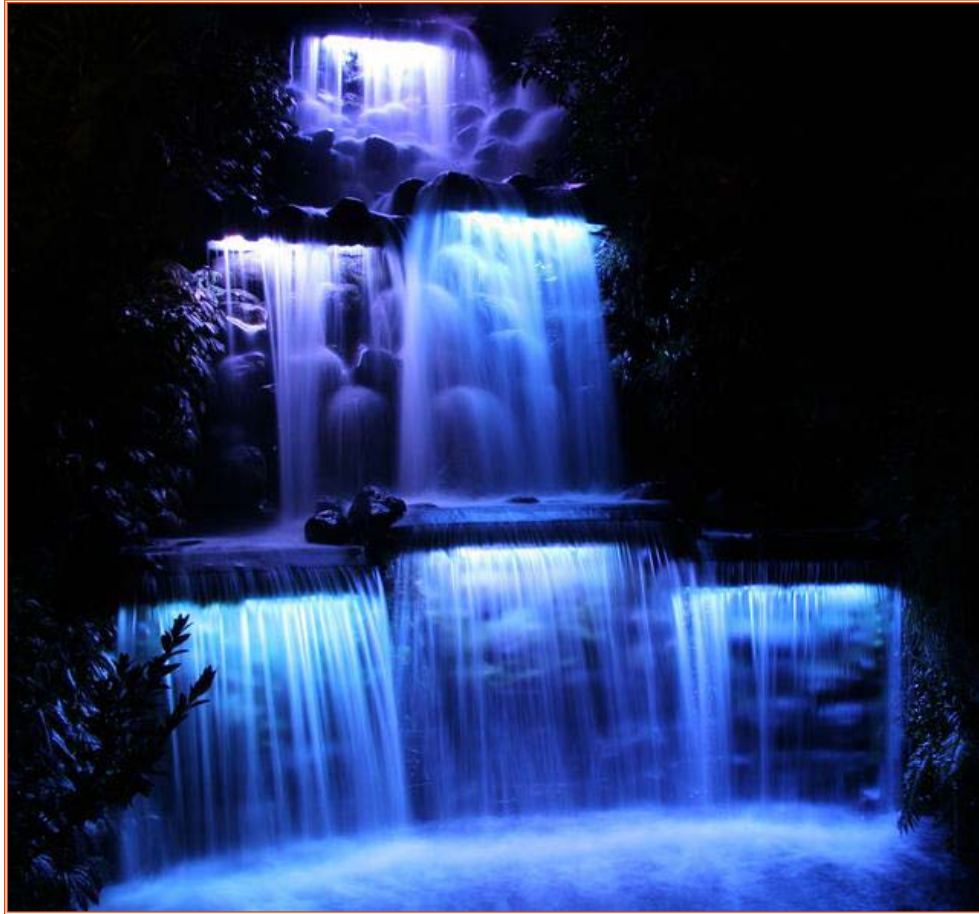


Yearly Total Registrations 7275 Yearly Total Alerts 443 Alerts Percent 6.1% Resolved < 3 Days 2435 Resolved > 3 Days 1331 Reassigned 98 Unresolved 3411

Windows taskbar showing Start button, system tray with time 8:04 PM, and open applications: iSolutions, Registrar Dashbo..., Microsoft PowerP...

Self-pay Real Time Scrubbing

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- **Real-time eligibility**
- **Salad bar pricing**
- **Waterfall cascade check:**
 - Medicare/Medicaid
 - Cobra
 - Commercial
 - Commercial propensity
 - Prime, second, tertiary
 - Patient historical data
 - Employer
 - Other demographics

Self-pay POS Collection

Delivering Self-Pay Solutions in Real-time



Patient Payment History

Patient Information		Patient Summary	
Patient Name:	JENNIFER A HENRY	Self Pay Discount	284.97
Medical Record:	4414197	Patient Payments	0.00
Patient Address:	8436 COTTONWOOD DR, WEST CHESTER, OH 45069	Financial Assistance	0.00
		Collection Agency	0.00
		Patient Responsibility	771.85

Service Date	Account	Charges	Insurance	Insurance Payments	Insurance Adjustments	Patient Responsibility	Patient Payments	Payment Collected
11/2/2007 1:00:00 AM	G304601818	459.80	Humana	95.70	82.76	281.34	225.00	
11/1/2007 1:00:00 AM	G138269418	219.30	Humana	116.60	39.47	50.58		
			Blue Cross	12.65	0.00			
10/31/2007 1:00:00 AM	G378118057	949.90	Self Pay			664.93		

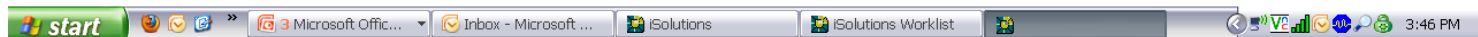
[Save Collections](#)

Patient Payment Estimation for Self Pay

Service Date	Account #	Selected Procedures	Estimated Price	Self Pay Discount	Prompt Pay Discount	Financial Assistance Qualification	Propensity to Pay	Estimated Patient Responsibility	Maximum Monthly Payment	New Payment
9/12/2009 1:00:00 AM	51915109	Change Procedures				No	B		52.04	

[Save Collections](#)

[Print Preview](#)
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Self-pay POS Collection

Delivering Self-Pay Solutions in Real-time

Financial Assistance

- You may qualify for Medicaid? Let me help you
- You may qualify for our charity care program? Let me help you

Patient Pay

- Will you be paying cash, check or credit card?
- Do you have a credit card on file with us?
- Let me show you how you can take advantage of our prompt payment and self-pay discount
- Let's set you up on a payment plan.....



Self-pay Collection Challenges

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- Hard to identify potential charity account
- Costly to process charity accounts
- Lack of participation by patient
- Issues in the ER
- Systems lacking to track patient payment history
- Where is the money? – Who can pay?
- Red Flags

Self-pay Collection Solutions

Delivering Self-Pay Solutions in Real-time

- Use Self-pay modeling solutions
- Automated charity screening
- Screen all self-pay at POS and BAI accounts
- Real time systems assess a patient's financial situation
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Self-pay Presumptive/Paperless Charity

Delivering Self-Pay Solutions in Real-time

WHY?

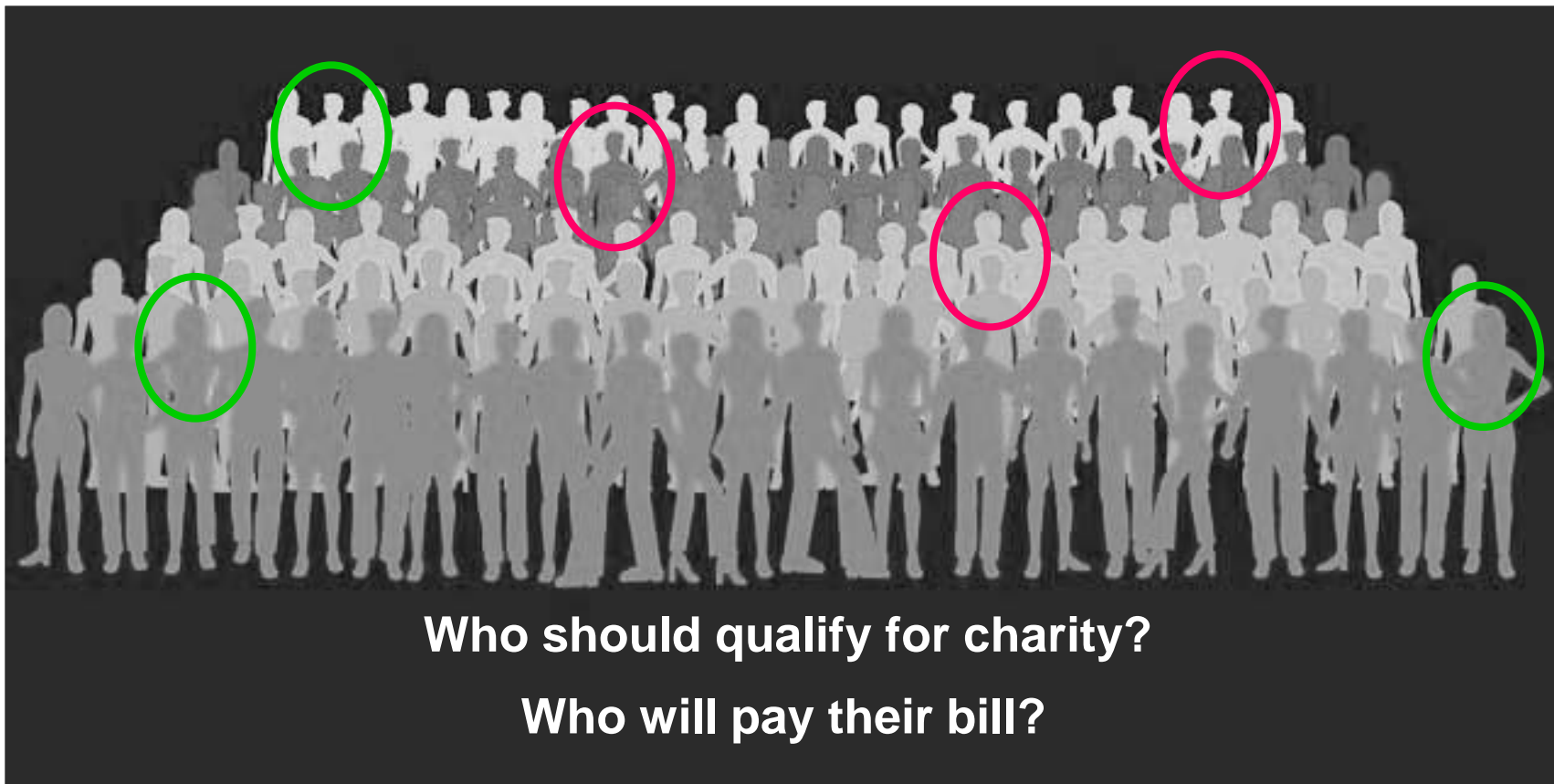
HFMA Statement 15 Section 3.7
supports credit validation

- Consistent fair evaluation
- Unbiased and defensible
- Tax-exempt - accurate classification and reporting of community benefit for IRS Form 990
- Cost reduction strategy
- Scrutinize patients total financial profile
- Guard against charity fraud

Charity Processing

Delivering Self-Pay Solutions in Real-time

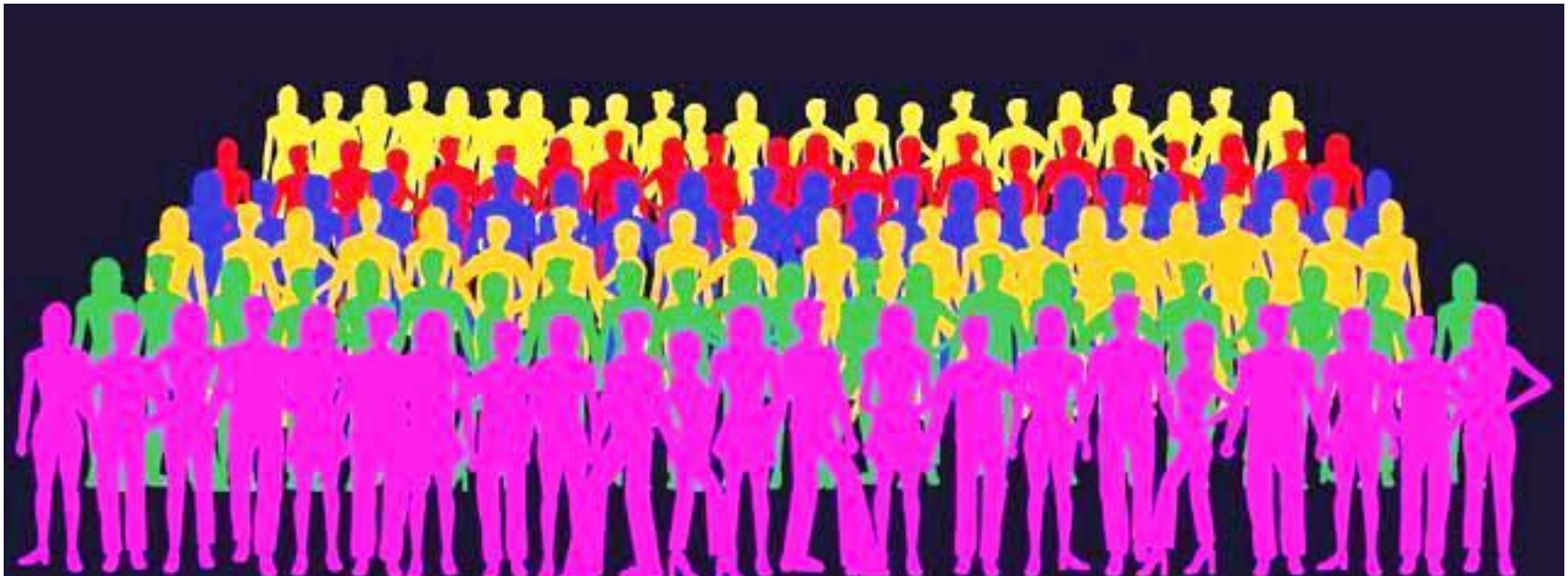
Without Self-Pay Modeling



Charity Processing

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With Modeling & Analytics



Charity – High – Medium – Low – Unlikely – Need Data

Know how much they can pay?

Self-pay Collection Modeling

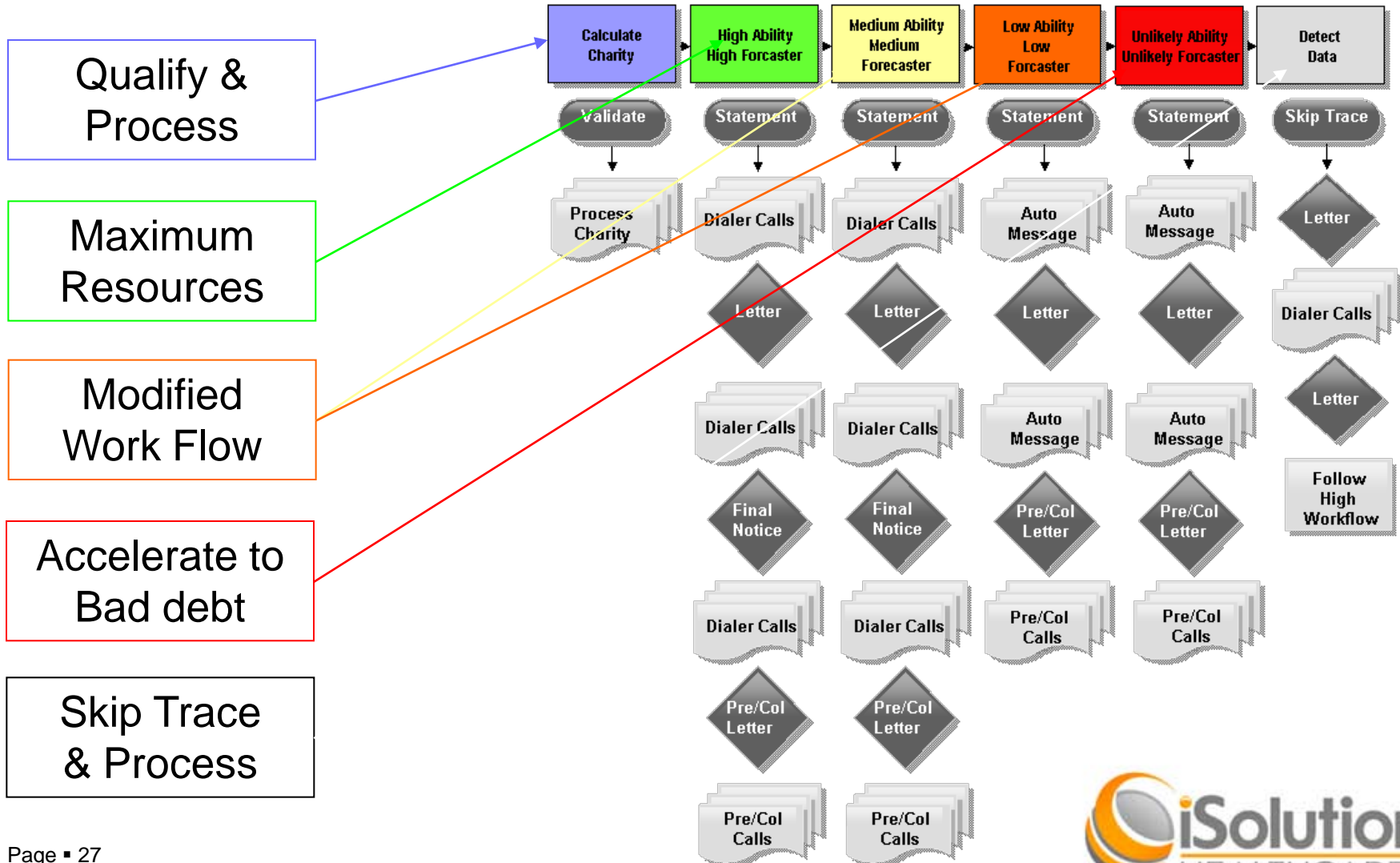
Delivering Self-Pay Solutions in Real-time

Customized Model Blending Patient Payment History

Actual Patient Payment History & Patterns
Similar Patient Profile History and Patterns
Generic Propensity of Payment Model, Including:
 Credit Bureau Report
 Demographic Profile
 Non-Credit Lifestyle Profiling

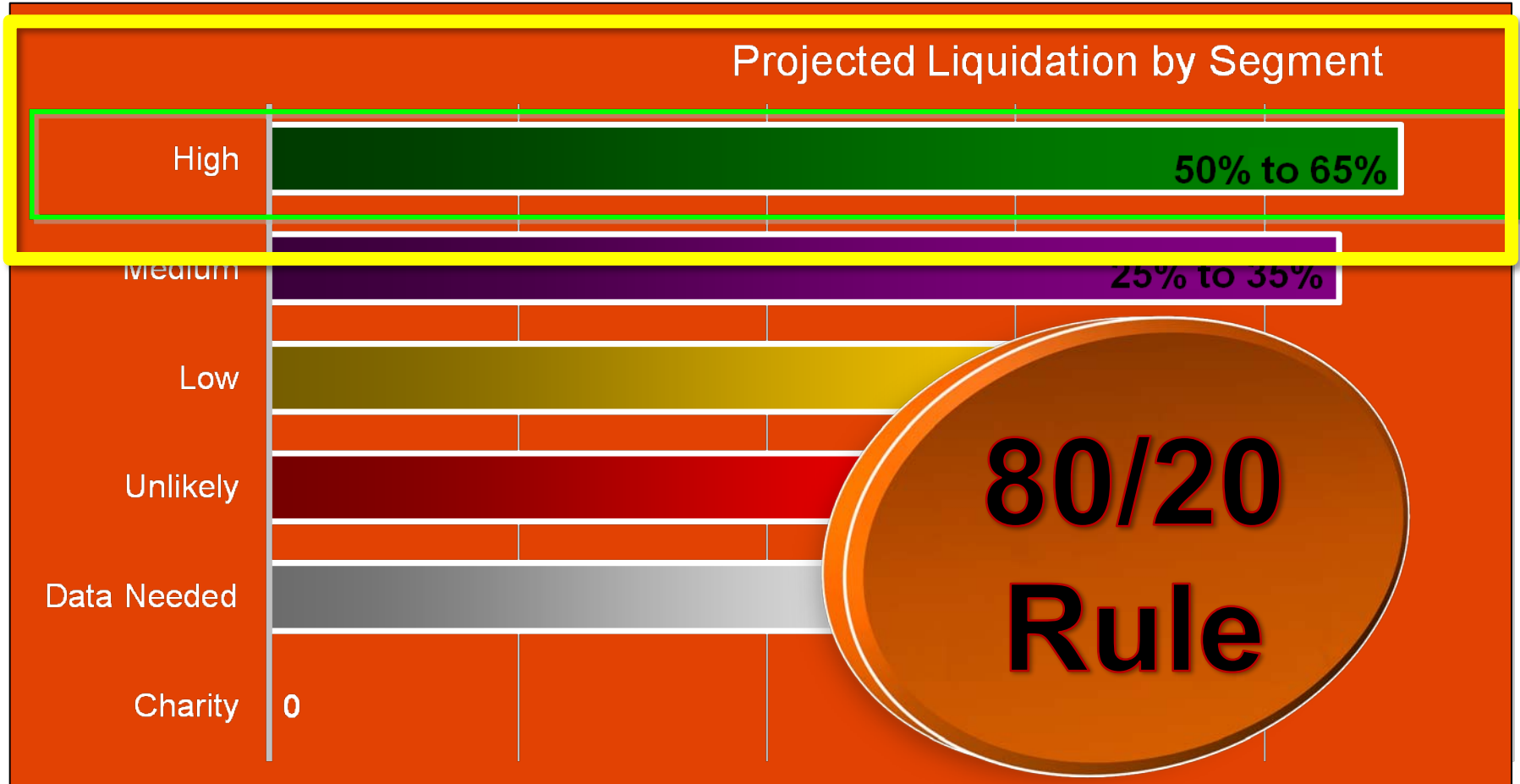
Self-pay Collection Strategy

Delivering Self-Pay Solutions in Real-time



Self-pay Performance Improvement

Delivering Self-Pay Solutions in Real-time



Self-pay Leading Practice Modeling

Delivering Self-Pay Solutions in Real-time

- Patient Demographic Data
- Zip+4 Census Data
- Actual Collection Performance Validation
- Patient Payment History – Custom Model
- Financial Credit Bureau Data
- Non-Credit Economic Data
- Red Flag Alerts
- Skip Trace Data Validation
- Dual Validation Income Estimator
- Charity Lifestyle Evaluation

**Must be
delivered in
real time**

Self-pay Alternative Collection Tools

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- Recourse – Non-recourse funding
 - Good or bad?
- Healthcare Credit Cards
- Personal lines of credit

Self-pay Bad Debt Challenges

Delivering Self-Pay Solutions in Real-time

- Cultural behavior and lack of control slows placement to agency
- Stigma about placement – conflict with mission
- Myth - must use multiple agencies to maximize performance

Self-pay Bad Debt Solutions

Delivering Self-Pay Solutions in Real-time

- With new processes, only “true” bad debt accounts get placed
- Know which accounts to write off sooner with modeling
- Analytics and segmentation minimizes the need for champion vs. challenger
- Minimize the need to work accounts too long



Self-pay Bad Debt Solutions

Delivering Self-Pay Solutions in Real-time

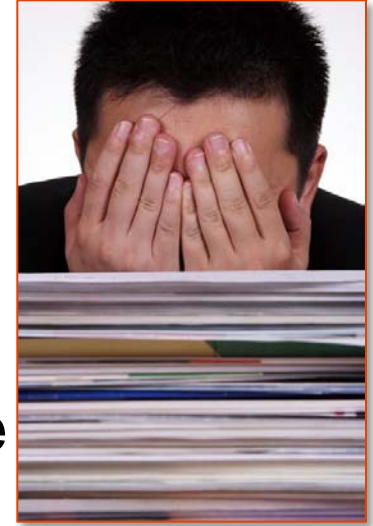
- Lowest scored accounts average 50%
- Reduce statement cost by accelerating placement
- Low scored accounts – accelerate to collection agency
- Treat each segment similarly, accounts can be reported on Medicare cost report sooner, leaving “collectable” accounts with agency longer



Self-pay Reporting Challenges

Delivering Self-Pay Solutions in Real-time

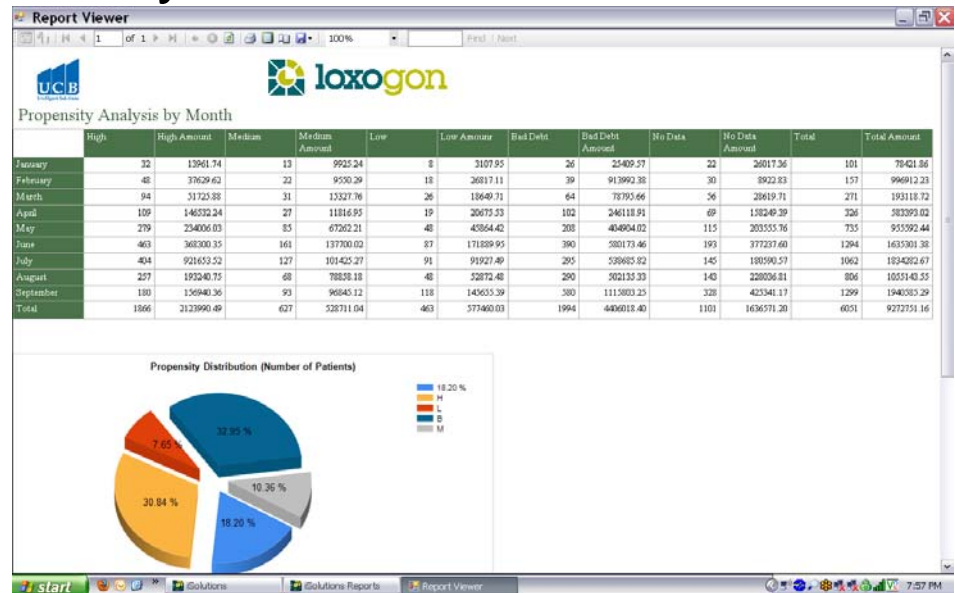
- HIS lacks self-pay focused tools
- No real time collection statistics available
- No patient payment analytics readily available
- Limited address validation reporting
- Limited POS collection performance tracking tools available



Self-pay Reporting Challenges

Delivering Self-Pay Solutions in Real-time

- New tools designed specifically for Self-Pay
- Provide instant feedback to internal staff
- Identify trends and act rapidly for cost containment
- Leverage dashboards to track performance



Self-pay Results

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- Collect 5% to 10% of total self-pay inventory at POS
- Increase POS collections by 50%
- Reduce internal cost for government eligibility programs by 25%
- Reduce charity administration costs by over 80%
- Reclassify up to 20% of bad debt accounts as charity
- Reduce statement cost by 25%-70%



Self-pay Results

Delivering Self-Pay Solutions in Real-time

- Reduce mail returns by over 40%
- Improve liquidation by 25% to 40%
- Add 10% to 15% in incremental revenue through eligibility cascade
- Accelerate Medicare cost reporting on bad debt segmented accounts – allowing collectable accounts to remain at agency longer



Real-time Results

Delivering Self-Pay Solutions in Real-time

Report Viewer

1 of 1 100% Find | Next

UCB **loxogon**

Propensity Analysis by Month

	High	High Amount	Medium	Medium Amount	Low	Low Amount	Bad Debt					
January	32	13961.74	13	9925.24	8	3107.95	26					
February	48	37629.62	22	9550.29	18	26817.11	39					
March	94	51725.88	31	15327.76	26	18649.71	64					
April	109	146532.24	27	11816.95	19	20675.53	102					
May	279	234006.03	85	67262.21	48	45864.42	208	404904.02	115	203555.76	735	955592.44
June	463	368300.35	161	137700.02	87	171889.95	390	580173.46	193	377237.60	1294	1635301.38
July	404	921653.52	127	101425.27	91	91927.49	295	538685.82	145	180590.57	1062	1834282.67
August	257	193240.75	68	78858.18	48	52872.48	290	502135.33	143	228036.81	806	1055143.55
September	180	156940.36	93	96845.12	118	145655.39	580	1115803.25	328	425341.17	1299	1940585.29
Total	1866	2123990.49	627	528711.04	463	577460.03	1994	4406018.40	1101	1636571.20	6051	9272751.16

Propensity Distribution (Number of Patients)

Legend: 18.20% (Blue), H (Orange), L (Red), B (Dark Blue), M (Grey)

Windows Taskbar: start, InsideAR..., 2 Micro..., 3 Micro..., Sprint S..., iSolution..., status: C..., Microsoft..., Loxogon..., 12:16 PM



Thank You

Delivering Self-Pay Solutions in Real-time



Do You Have Any Questions?

Thank you

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