Reducing Bad Debt While Improving the Patient Experience

As the self-pay population grows, an integrated approach to patient liability management is key.

“Any time patients either do not understand their healthcare expenses fully, or their statements, it causes a significant reduction in the patient experience.”

—Steve Mach, FACHE
Director, Patient Financial Services
Halifax Health
Daytona Beach, Fla.

Uncompensated care and bad debt continue to challenge today’s healthcare organizations as the number of self-pay patients rises. The changing insurance landscape, in which high-deductible health plans and increased coinsurance costs are becoming more common, has created a financial strain on today’s healthcare institutions. Increased patient liability also has had a negative impact on the patient experience, creating confusion and stress. Because patient satisfaction is such an important component of healthcare providers’ missions today, addressing bad debt is paramount.

For one organization, reducing bad debt and uncompensated care is linked intrinsically to patient satisfaction. The approaches its revenue cycle team is integrating will not only help increase patient satisfaction but also will go a long way toward navigating financial challenges.

Optimizing the Revenue Cycle and Patient Experience

Based in East Central Florida, Halifax Health is one of the area’s largest healthcare providers, with a 678-bed hospital, more than 500 physicians on its medical staff and more than 117,000 ED visits per year. It also has a high self-pay population and a large percentage of patients with high-deductible healthcare plans.

Facing such a big percentage of self-pay patients, the system knew it needed to better help its patients understand their insurance coverage and find appropriate funding sources for their medical bills. And, as with all initiatives at Halifax, the solutions needed to put the patient first, according to Steve Mach, FACHE, director of Patient Financial Services.

“Everything we do at Halifax starts with the patient, and we work out from there,” he says. “Any time patients either do not understand their healthcare expenses fully, or their statements, it causes a significant reduction in the patient experience. And with a high self-pay population, we know it’s critical to have the right communication tools and the right resources dedicated to enhancing the patient collection process.”

To help optimize patient collection while improving communication with patients, Halifax Health found a new, patient-centric solution for managing patient liability in an old partner—Change Healthcare.

“Change Healthcare has been a long-term partner with Halifax; there’s a strong relationship based on trust,” Mach says. “We had been looking at tools for a while to optimize our workflows, but a challenge for the hospital—and health systems in general—is the technology aspect. Whether it’s a predictive dialer or other avenues to communicate with patients, it is very costly to develop these solutions internally.”

Halifax Health has used Change Healthcare’s Eligibility and Enrollment services for more than a decade. On-site teams help the health system guide its patients through the often-complex steps involved with paying for their medical care. These include identifying and enrolling self-pay patients in the appropriate government-funded coverage, and educating patients—prior to their visit or at the point of service—about their financial responsibility.

To add to those solutions, Halifax recently implemented the Clearance Patient Access Suite of software, which provides everything from patient registration and eligibility
verification through point-of-service estimates and collections. The software solution helps staff members collect patients’ out-of-pocket payments at or before the time of service. All the solutions help to ensure Halifax Health receives accurate reimbursement for the care provided while building patient satisfaction and loyalty.

“Helping a patient understand how to access some level of coverage not only benefits the patient financially with the current situation but also with being able to access the health system going forward,” says Kelley Blair, senior vice president, Change Healthcare. She says the solutions Halifax and other organizations are implementing include a multi-media approach to patient outreach, which recognizes that some patients might prefer digital communication, others through the mail and others in person.

In addition to improving the patient experience, Mach says these solutions have also improved revenue cycle staff members’ workflows and job satisfaction, contributing to overall process improvement. “The solutions provide more transparency and provide our supervisors with a more robust understanding of what is happening in their specific areas and how to best support staff,” he says. In the registration process in particular, the solutions have provided supervisory staff with early indicators when a process needs to be improved, ultimately leading to improved workflows and increased accuracy in registration, he says.

The financial results also have been impressive. In 2017, Halifax shifted $69.8 million from self-pay status to Medicaid and other government-funded programs and local agencies.

Next Stop: Even More Integrated Solutions
Following up on the success of the Eligibility and Enrollment services and Clearance Patient Access Suite, Halifax Health is piloting a full patient liability service with Change Healthcare. “We want to enhance our patient liability collection efforts pre-service, point-of-service and post-service,” Mach says. “We also want to assess our internal workflows and see where we can develop efficiencies and enhance our ability to collect patient liability.”

The trial program includes several additional Change Healthcare solutions, including: Patient Liability Resolution services to help collect outstanding patient balances, Digital Experience Manager software to improve patient communications, SmartPay software to provide advanced payment options for patients, Patient Billing and Statements to help deliver patient-friendly billing statements, and Coverage Insight to help identify undisclosed insurance coverage for self-pay and underinsured patients.

All the solutions work together in a systematic approach and are designed so the health system can learn from patients at every point in the revenue cycle process about how to more efficiently support and create a better experience for them, according to Blair.

For Mach, these revenue cycle moves make sense in a dynamic, competitive healthcare environment.

“Hospitals are always looking for innovative ways to reduce the cost to collect and enhance both communications and price transparency for consumers,” Mach says. “And when you’re unable to develop solutions internally, you have to find the right partner that’s willing to collaborate with you.”

For more information, please contact Scott Schrader, senior vice president, Change Healthcare, at (678) 521-7971 or scott.schrader@changehealthcare.com.