

Challenging Times - Interesting Solutions
By Kelly Laughlin
November 2010

One of the biggest issues today facing healthcare providers and in particular - patient access professionals, is finding a way to maximize collections and increase cash flow while ensuring patients are well cared for and feel respected. We are experiencing a time in this country where healthcare costs are rising for both provider and patient. It is important for leaders in the industry to stay ahead of the dramatic changes occurring and be able to maximize opportunities for revenue and continued growth.

In 2007 a patient's responsibility was 12% of his/her total bill. In 2010, that number has grown to 20%. In 2012, it is estimated that the patient's responsibility will be 30%. (Source: 2007 & 2010: the 'Retailish' Future of Patient Collections", Celent, February 2009, <http://reports.celent.com> 2010: MGMA Practice Perspectives on Payment – 2009, <http://www.mgma.com/patientpayments/>, Median data reported.) This dramatic shift in patient responsibility offers a sizeable challenge to the healthcare provider in the area of collections. Bad debt and collection costs have always been a significant issue for providers and the ability to collect money up front is an ever-present challenge, but a necessity, especially now.

McKinsey and Co. published a study in 2007 that stated 55% of the patient's responsibility is never collected. The Advisory Board published a report that stated 81% of self-pay revenues are never recovered (2007). The data is clear: in order to stay ahead of the dramatic costs in healthcare and the bad debt that continues to rise; providers must start collecting on the front end of a patient visit and stay ahead of the reimbursement/collection process.

Healthcare is the only industry where its patients (customers) have no idea how much they will owe when the service is rendered. Not only do they not know the cost, they are often not aware of what their own personal responsibility will be. A recent trend in kiosk software and technology may provide a solution to these issues. New technology now allows providers to receive real time eligibility and verification of patient insurance/benefits, which allows them to educate the patient on their co-pay/deductible balance, as well as to collect the payment up front.

The kiosk technology is good for both patients and providers. It reduces check in times and patients are able to better understand upon check in, what their benefits are and where they are as far as deductible and co-payments are concerned. Providers are able to access the patient's insurance eligibility, collect payment at check in and if the patient is uninsured, the technology can even help the patient apply for financial assistance.

Bill Hannah, chief financial officer of Piedmont Heart Institute in Atlanta, Georgia, estimates that by implementing kiosks, the project will add between \$2.5 and \$3 million to the bottom line. (Quinn, Lawrence "Health Care Facilities Offer Kiosks for Check In." Atlanta Journal Constitution August 15, 2010.)

Healthcare has always been a challenging industry. With the help of new technology and the right tools, providers and patients alike can benefit.

###