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Compassionate Advocacy Can Help Counter Patient Financial Struggles

By Executive VP of Patient Responsibility, Ed Beitle and Associate VP of Patient Pay Operations, Brooke Colegrove

While the number of cases nationwide appears to be declining, COVID-19 has disrupted daily life in countless ways, including the delicate dynamic between patients and their care providers. Many patients who were already struggling financially found themselves carrying more of the financial burden regarding healthcare.

For providers, the challenge of collecting on patient self-pay accounts has become even more difficult—especially for those using internal resources. According to [a report from the Healthcare Financial Management Association \(HFMA\)](#), the impact of COVID-19 has caused nearly one in five healthcare providers to overhaul their patient collections strategy.

Turning to an experienced partner with comprehensive resources can help providers improve patient engagement and drive better results amid today's turbulent business climate and beyond.

Patients Have a Greater Financial Burden to Bear

While the pandemic drastically changed the economic landscape—forcing millions of Americans out of work and without insurance—many patients were already responsible for a more significant portion of the financial burden.

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A [2018 report from the Kaiser Family Foundation](#) reveals that from 2006-2016, the average out-of-pocket costs for patients rose 54%. In that same period, patient payments toward deductibles increased by 176%.

This abrupt increase in patient financial responsibility has made the already challenging task of collecting self-pay patients even more taxing on provider administration.

“Many patients were challenged to meet their healthcare financial responsibilities prior to the arrival of COVID-19 due to high-deductible health plans, in addition to all their other financial obligations,” Rick Gundling, senior vice president of healthcare financial practices for HFMA. “Now, you add a nationwide pandemic, deep economic uncertainty, rapid job losses and a sudden decline in healthcare coverage into the mix, and a larger number of patients are overwhelmed, with some simply unable to meet their responsibilities.”

The Untapped Potential of Patient Self-Pay

The healthcare industry was hit hard by COVID-19. [The American Hospital Association \(AHA\) projected](#) total COVID-related losses to hospitals and health systems in 2020 due to the reduction in inpatient and outpatient volumes to exceed \$323 billion. [A survey report from Kaufman Hall](#) showed that 44% of respondents saw an increase in percentages of uninsured or self-pay patients

since the beginning of the pandemic. Another [report from PYMNTS and Flywire](#) indicates the annual value of patient out-of-pocket medical expenses is estimated to be \$63.7 billion, of which roughly \$7.5 billion goes uncollected each year.

Not only is there a significant amount of cash left on the table, but the sustained surge in unemployment and uninsured or self-pay patient volumes could make things worse.

Understanding how self-pay claims affect a provider's bottom line helps them set an appropriate goal for profitability. While 100% is ideal, it's complicated. Assessing net collections (dividing payments received by total payments due) helps providers better understand their ability to collect what they're due. An experienced self-pay collections partner will help keep them above the industry standard of 97%.

Compassionate Advocacy for the Modern Patient

As patients become more responsible for paying their medical bills, they become more confused and frustrated about what they owe, how to pay, or if they have the means to pay. When it comes to the modern patient, timing and tone can make a huge impact – especially while many families struggle financially due to the economic havoc COVID-19 created. Despite any personal turmoil, today's patients still maintain the power to choose where they get their care. They are looking for the best value, convenience, and a better experience – one that meets their specific needs regardless of healthcare's current state of upheaval.

Healthcare is perhaps the last major industry where the consumer does not generally have access to what they owe and how they can pay for their services. Creating a

consumer-focused culture, one that emphasizes patient satisfaction and still persistently pursues collections, can streamline your revenue cycle process, and ensure fast, full reimbursement.

Exploring New Methods

HFMA indicates that many hospitals and health systems should pivot to a more flexible approach to self-pay collections that prioritize an empathetic patient relationship. "This patient-centered approach can help lay the foundation for a long-term patient relationship that is positive," Gundling said.

Compassionate, up-front communication with patients helps build relationships. Show them how easy paying their bills can be. Offering payment plans and incentives can increase reimbursement and patient satisfaction. Technology such as mobile apps, statement texting, and self-service portals provides patients with convenient methods to get involved in a way they prefer.

Conclusion

The COVID-19 pandemic has changed the landscape of healthcare finances for the foreseeable future. Many financially burdened patients are without work or insurance and frustrated. By embracing a flexible, consumer-minded approach to self-pay collections, providers can help mitigate losses and increase reimbursement. The right vendor and partner will connect and engage with patients throughout their financial lifecycle.

By treating patients with dignity and respect and providing opportunities for dialogue and learning along the way, the right vendor can make the entire payment process more convenient – which helps increase the provider's self-pay collections.