

In order to thrive in the years to come, you need to seek out technology and solutions that enable you to cultivate a “retail” approach to the business of healthcare. This article will address patient-centric payment strategies, systems and policies that you should adopt to ensure that you get paid for the services you deliver.

### Provide A Written Estimate Prior To Delivering Care

To begin with, and prior to delivering care, you should provide a written estimate of what your patient is expected to owe for that care. Whether you accept insurance or require your patients to pay cash, today’s patients want to know, “How much is this going to cost me?” When surveyed, 17% of patients said they were confused about what they owed and that was why they had not paid their provider. Providing a detailed treatment plan and written cost estimate upfront will enable your patients to fully understand the extent of their expected treatment and their financial obligation. Furthermore, it will empower your staff to ask, “How do you intend to pay?” For those patients with insurance, you should check eligibility and benefits, and provide this information in writing to your patients. Ensure they acknowledge that the information is a “good faith” estimate and subject to change. Otherwise, providing services without setting cost expectations is a recipe for disaster.

### Adopt Flexible Payment Solutions

The next step is to offer flexible patient payment solutions and tailor payment arrangements to fit your patients’ needs. Once you have explained the costs to your patients, you must have patient-centric solutions in place that will enable you to

change. If you accept insurance and “balance bill,” you’re allowing your patients to receive your services and pay you later.

Accordingly, you should adopt a system that enables you to store, in a PCI and HIPAA compliant man-

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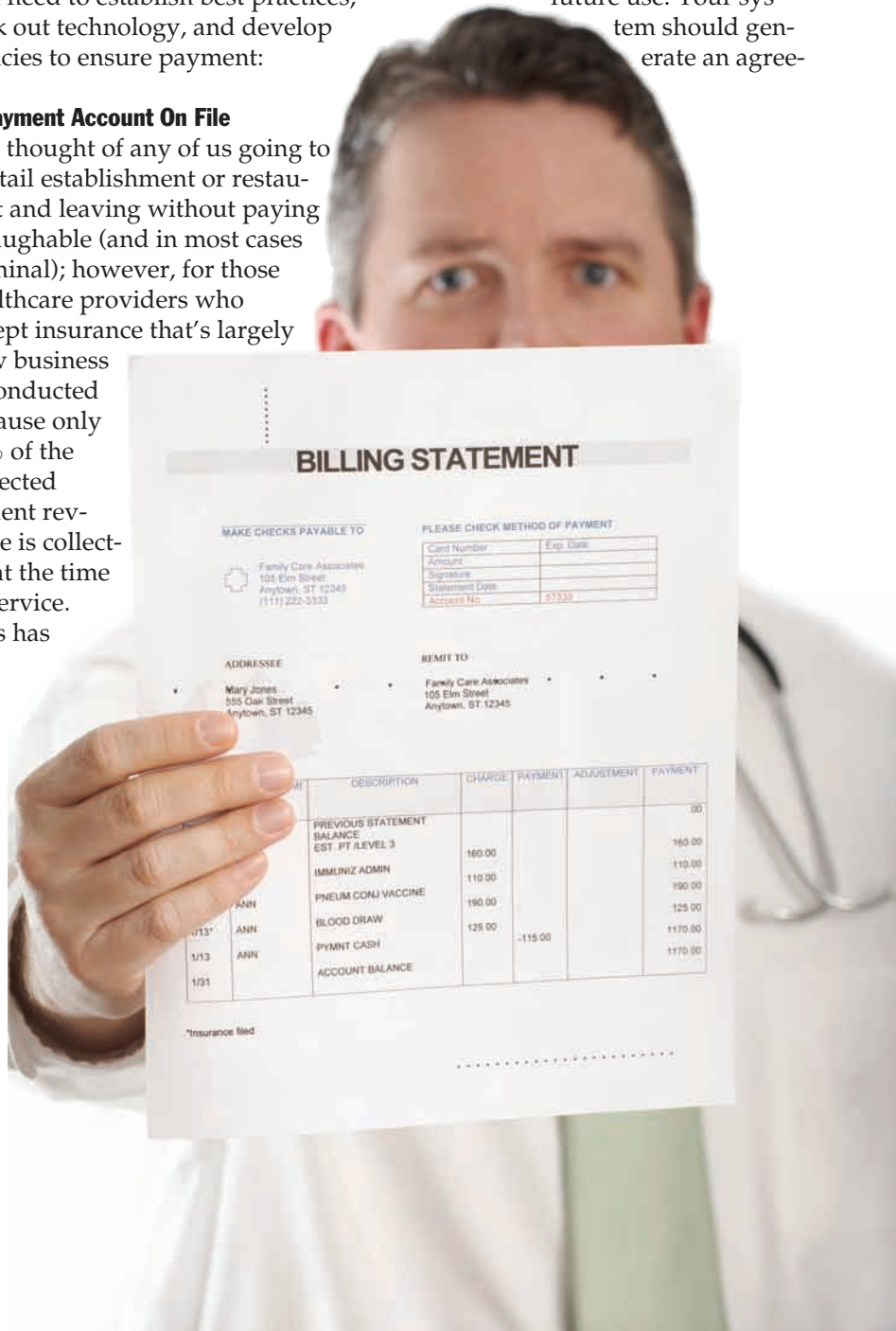
collect payments. To be successful, you need to establish best practices, seek out technology, and develop policies to ensure payment:

- **Payment Account On File**

The thought of any of us going to a retail establishment or restaurant and leaving without paying is laughable (and in most cases criminal); however, for those healthcare providers who accept insurance that’s largely how business is conducted because only 42% of the expected patient revenue is collected at the time of service.

This has

ner, a patient’s payment account for future use. Your system should generate an agree-



# Patient-Centric Payment Strategies, Systems & Policies

by Chip Hunziker

ment for the patient to sign, effectively authorizing you to charge them for amounts not covered by insurance. This way, after the claim is adjudicated and the patient's balance is confirmed, you can run the patient's payment. To help increase patient adoption and satisfaction, consider a system that can send the patient a text or email notifying them of the pending payment. Ensure your agreement meets the credit card association's standards and has (minimally) the following characteristics: it needs to be signed; have a time limit; a maximum dollar amount; and must be cancelable by the patient.

#### • Patient Payment Plans

When asked, a good 37% of patients cite the lack of financing options as the reason they don't get the care they need. In chiropractic the problem is even more pronounced, with 51% of patients forgoing or abbreviating their care due to finances. The number one thing you can do to increase treatment compliance, practice revenue, and enhance patient outcomes is to offer patient payment plans. And, if you're going to set up in-house payment plans, you have to accept two realities: (1) you will have bad debt — it's not a question of "if" but how much and (2) you will have to wait for your money and incur the costs of collecting these funds.

Whether your staff administers your in-house program, or you contract with a billing services company to administer the program, you need to have a fully executed and legally binding agreement. Additionally, you must embrace technology to automate the process. You should store, in a PCI compliant manner, the patient's payment account as well as automate the payment schedules. Many systems will enable you to store two different payment accounts; this way, should the patient's preferred payment method decline, the system will automatically debit the patient's secondary account. You will also need to develop policies that address

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refunds and cancellations, down payment requirements and payment term duration. At a minimum, you should require down payments that cover your hard or upfront costs, and you should keep your terms to as short of a period as possible.

#### • Patient Financing

The major advantages of third-party financing over in-house payment plans are enhanced cash flow and a reduction of bad debt since the lender assumes most of the risk related to patient non-payment. With third-party lending you get paid upfront what typically might take you 10 to 12 months to collect and "time is money." Why wait?

*When evaluating a third-party lender, consider the following:*

1. What is their acceptance criterion? Most third-party finance companies require a credit check and in today's economy many patients won't qualify, or they're reluctant to have their credit checked. Look for a partner that can serve all of your patients.

2. Is the lender patient (practice) friendly? You need to be confident that the lender's commitment to customer service and patient satisfaction mirrors what you practice in your office.

3. What's in the fine print? Be wary of companies that have hidden fees or charge punitive interest should your patient have an issue. Choose a vendor that you would be willing to use if you or a family member needed financing.

#### • Online Bill Pay and Electronic Statement Presentment

We've all heard it, and some of us have even said it, "The check is in the mail." Well, not anymore. Nowadays, patients want the convenience, and moreover are demanding, the safety of online bill pay and e-statement presentment. No one should be asked to write their credit card information on a statement and return it via the postal service to their healthcare provider. It's neither safe nor efficient. Online bill pay and electronic statement presentment will not only increase patient satisfaction but will also get you paid up to 19 days sooner...not to mention that you will gain an estimated \$1.53 per statement based on savings in postage, paper supplies, and staff time.

In summary, and regardless of whether or not you accept insurance, the reality is that you're running a "cash based business." Today, patients treat the purchase of healthcare services much the same way they buy and pay for many retail products. This requires providers to adopt "a retail approach to healthcare" and therefore provide patients with pricing transparency upfront and as many convenient payment options as possible.

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