

12 Ways to Supercharge Your Practice in 2012: #2 Stop Sending Patient Statements

Is Your Practice Struggling?

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SUPERCHARGE IT!

There are two things I've found over the years that medical offices have a hard time giving up.

One is the appointment book.

The other is patient statements.

My first experience with creating patient statements was placing patient ledger cards on the copier. The copies were folded and slid into envelopes and mailed to patients. Despite a bad photocopy of handwriting of several different people squashed onto skinny lines, patients routinely understood what the bill said and paid the total. That was 25 years ago.

Today the process of sending statements to patients is largely outsourced along with electronic claims, but it's not very electronic. If we can get paid by insurance companies electronically, why not get paid by patients electronically?

I suggest that the practice of sending patient statements is not only resource-intensive, but it is also a 20th century business practice unsuited for a 21st century business. Why do practices insist on clinging to an outdated method of billing?

Here are the excuses I routinely

hear for not eliminating statements:

- “Patients must get statements, or they won’t know to pay us.”
- “Healthcare payments are so complicated that patients need a statement to understand them.”
- “It’s not legal not to send a statement.”
- “We don’t know how much the patient owes us until the insurance company pays.”
- “We don’t get to see our patients face-to-face, so we have to send a statement.”

Let’s address these objections one at a time.

- **“Patients must get statements, or they won’t know to pay us.”** I disagree. Patients do not need statements to know to pay us. If they did, then we’d only have to send one statement and everyone would pay! We know that’s not true.
- **“It’s illegal not to send a statement.”** Nope.
- **“Healthcare payments are so complicated that patients need a statement to understand them.”** It is our job to educate patients about their financial responsibility. We understand that insurance coverage is complex, but it’s not so complex that we can’t explain it to them. Our businesses, our very jobs, rely on our ability to explain to patients what they owe. It’s just that simple.
- **“We don’t know how much the patient owes us until the insurance company pays.”** That may be true, but we have all the tools we need to make a very educated estimate. There is no reason why we cannot estimate the patient’s portion and make a small adjustment (refund or

additional charge) on the patient's credit or debit card once the insurance company pays.

- **"We don't get to see our patients face-to-face, so we have to send a statement."** Most practices are dealing with this head-on by placing staff in areas, mostly hospitals, where staff can meet with patients and discuss financial responsibility.

Setting up a statement-free practice is relatively easy. Here are some tips.

1. Use an **online payment system** that allows electronic payment plans. An electronic payment plan enables a practice to enter a payment plan once, and have the system draft the credit/debit card appropriately without staff management. It should also be able to send a receipt to the patient's email, or to send a message to the patient to pick up the receipt through a secure portal.
2. Load your **contract allowables** into your practice management system. If your system doesn't have that capability, create a cheat sheet of your top codes for each contracted payer, so your check-out staff can calculate what the patient owes. There are also systems that can put together your contract information and the patient information into an estimate of what the patient owes for you.
3. Get **online eligibility** access that includes information about the patients' benefits, deductibles, co-pays and co-insurance. This is available through your practice management system, your clearinghouse, or from a separate system that reads from your appointment schedule,
4. Practices that offer procedures or surgery should employ

a **financial counselor** to sit down with patients and talk through financial responsibility and set up payment plans.

5. **Coach staff on talking to patients about money.** Teach them to become comfortable with collections.

What's the bottom line?

People pay their bills via their credit/debit card routinely – this is not new or unusual for the majority of people.

The ability to “set it and forget it” via electronic payment plans simplifies the payment system and speeds up cash flow.

The ability to adjust a patient plan once insurance pays means no waiting to refund the patient or collect the remaining dollars.

Your staff will still have to post the payments into the practice management system (although a few have integrated posting), but eliminating statements will save your practice money and time.

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