

UNDERSTANDING THE IMPORTANCE OF CLAIM RECOVERY AND IMPLICATIONS TO YOUR ORGANIZATION

PRESENTED BY:

MEGAN LAWREY

VICE PRESIDENT OF BUSINESS DEVELOPMENT

CREDIT MANAGEMENT

1

ACCORDING TO INSIDE ARM:

- HEALTHCARE ORGANIZATIONS HAVE A BAD DEBT PERCENTAGE OF BETWEEN 1% AND 5% OF THEIR OVERALL REVENUE DEFICIT.

2

WHY MEDICAL DEBT ISN'T A PRIORITY

- -HOUSE PAYMENT/RENT
- -CAR PAYMENT
- -CHILD CARE EXPENSES
- -FOOD
- -CELL PHONE
- -UTILITIES
- -INTERNET
- RECURRING MONTHLY SUBSCRIPTIONS

3

EXISTING MEDICAL DEBTS

PATIENTS ARE LESS LIKELY TO ACCESS CARE

- -HESITANT TO INCUR ADDITIONAL DEBT
- -BEING REFUSED SERVICE DUE TO PAST DEBT

EFFECTS TO HEALTHCARE PROVIDERS

- -STRAIN ON FINANCIAL VIABILITY
- -LESS PROFITABLE MIX OF PAYERS SEEKING REPEAT CARE

4

2017-2019
CREDIT MANAGEMENT HEALTHCARE PARTNERS
BAD DEBT LISTINGS

- HOSPITALS--\$12.75 MILLION DOLLAR INCREASE
- NON-HOSPITAL MEDICAL--\$2.5 MILLION DOLLAR INCREASE

5

2017-2019
CREDIT MANAGEMENT HEALTHCARE PARTNERS
INCREASE IN VOLUNTARY PAYMENTS

- HOSPITALS--\$1.9 MILLION DOLLARS
- NON-HOSPITAL MEDICAL--\$1 MILLION DOLLARS

6

DEFINITION OF VOLUNTARY PAYMENTS

- INSURANCE FOUND
- CHARITY CARE ELIGIBILITY
- CORRECT GUARANTOR INFORMATION
- MEDICAID ELIGIBILITY
- RE-PAYMENT OPTIONS, PAYMENTS MADE OVER A MUTUALLY SATISFACTORY PERIOD OF TIME

7

CHANGE STARTS AT ADMISSIONS

- THE PATIENT IS ONLY AS INFORMED AS YOU MAKE THEM
- START THE HARD CONVERSATIONS
- THERE IS NO SUCH THING AS TOO MUCH INFORMATION

8

NEW PATIENTS

- OBTAIN COMPLETE INFORMATION EACH TIME A NEW PATIENT COMES INTO YOUR FACILITY

9

RETURNING PATIENTS

- UPDATE/VERIFY INFORMATION EACH TIME THE PATIENT COMES BACK TO YOUR FACILITY
- AT A MINIMUM OF ONCE A YEAR HAVE THE PATIENT COMPLETE THE NEW PATIENT INFORMATION FORM/PROCESS
- HAVE A NEW FINANCIAL AGREEMENT SIGNED AT EVERY VISIT

10

GUARANTOR AND/OR PATIENT

- FIRST, MIDDLE, LAST NAME OF BOTH THE GUARANTOR AND THE PATIENT INCLUDING ANY SUFFIX'S
- NOT ONLY IS THIS IMPORTANT FOR BILLING, BUT ALSO HIPPA

11

ADDRESSES

- ASK THE PATIENT TO PROVIDE THEIR ADDRESS TO YOU
- DON'T RECITE ADDRESS ON FILE FOR VERIFICATION

12

SOCIAL SECURITY NUMBERS

- SOCIAL SECURITY NUMBERS ARE AN IDENTIFYING RESOURCE TO ENSURE YOU HAVE THE CORRECT PERSON
- OBTAIN THE SOCIAL SECURITY NUMBER OF ANY PATIENT AS WELL AS THE GUARANTOR, IF THEY ARE NOT THE SAME

13

DATE OF BIRTH

- THE DATE OF BIRTH IS IMPORTANT FOR PATIENTS TO ENSURE YOU ARE BILLING THE PERSON WHO IS LEGALLY RESPONSIBLE FOR PAYMENT

14

AGE OF MAJORITY

- IN NEBRASKA, A PERSON BECOMES LEGALLY RESPONSIBLE FOR THEIR BILLS AT THE AGE OF 19
- IF A PATIENT IS 19 YEARS OR OLDER AND STILL ON THEIR PARENT'S INSURANCE, YOU CANNOT LEGALLY PURSUE THE PARENT FOR PAYMENT. PATIENT WILL NEED TO SHOW AS GUARANTOR AND BE BILLED FOR ANY BALANCE DUE.

15

AGE OF MAJORITY EXCEPTIONS ACCORDING TO NEBRASKA STATUTE 30-2604

- "A PARENT OR GUARDIAN OF A MINOR WHO IS AT LEAST EIGHTEEN YEARS OF AGE, AND WHO IS NOT A WARD OF THE STATE, BY A PROPERLY EXECUTED POWER OF ATTORNEY, MAY DELEGATE TO SUCH MINOR, FOR A PERIOD NOT EXCEEDING ONE YEAR, THE PARENT'S OR GUARDIAN'S POWER TO CONSENT TO SUCH MINOR'S OWN HEALTH CARE AND MEDICAL TREATMENT."

16

AGE OF MAJORITY EXCEPTIONS

- ASK ALL 18 YEAR OLD PATIENTS IF THEY HAVE A POA
- IF NO POA EXISTS, THEN GET THE PARENT'S WRITTEN CONSENT TO TREAT
- IF THE MINOR DOES HAVE A POA, BOTH PARENTS AND MINOR ARE FINANCIALLY RESPONSIBLE, SO MEDICAL PROVIDERS SHOULD PURSUE BOTH PARTIES FOR THE BILL

17

STEP PARENTS

- STEP PARENTS ARE NOT FINANCIALLY RESPONSIBLE, EVEN IF THEY CARRY THE INSURANCE ON THE MINOR PATIENT
- BE SURE TO ASK THE NAME OF THE BIOLOGICAL PARENTS, AS STEP PARENTS SHOULD NOT BE LISTED AS THE GUARANTOR

18

SPOUSES

- IF PATIENT IS MARRIED ON THE DATE OF SERVICE, THEIR SPOUSE IS EQUALLY RESPONSIBLE FOR THE BILL

19

DIVORCE

- IF PATIENT WAS MARRIED AT THE TIME OF DATE OF SERVICE, BOTH THE HUSBAND AND WIFE ARE EQUALLY RESPONSIBLE FOR THE MEDICAL ACCOUNTS, EVEN IF THEY ARE DIVORCED NOW
- DIVORCE DECREES ARE AN AGREEMENT BETWEEN THE HUSBAND AND WIFE ONLY. THEY ARE NOT LEGALLY BINDING TO BUSINESSES OR AGENCIES

20

EXTERNAL AND INTERNAL POLICIES

- EXTERNAL POLICIES WILL DETERMINE GUIDELINES FOR PAYMENT
- INTERNAL POLICIES WILL DEFINE FOR STAFF HOW TO HANDLE LARGE BALANCE ACCOUNTS, DELINQUENT ACCOUNTS, AND CO-PAYMENTS
- THESE POLICIES WILL KEEP STAFF CONSISTENT WHEN DEALING WITH PATIENTS

21

EXTERNAL POLICIES

- FEES AND PAYMENT POLICIES (CO-PAYS, SELF-PAY, INTEREST, ETC.)
- PAYMENT TYPES (CASH, CHECK, CREDIT CARD, PHONE PAYMENTS, ONLINE PAYMENTS)
- BILLING PRACTICES (WHEN THE PATIENT CAN EXPECT THEIR FIRST STATEMENT, HOW MANY STATEMENTS WILL BE SENT PRIOR TO COLLECTION ACTIVITY, ETC.)

22

INTERNAL POLICIES

- HOW TO HANDLE SELF-PAY ACCOUNTS
- COLLECTING CO-PAYS (SET THE EXPECTATIONS WITH THE PATIENTS AS EARLY AS POSSIBLE)

23

IMPACT OF NOT COLLECTING CO-PAYS AT TIME OF SERVICE

UNCOLLECTED CO-PAYS

\$375 (15 CO-PAYS PER DAY @ \$25 EACH)

X 5 (DAYS PER WEEK) = **\$1,875**

X 52 (WEEKS IN YEAR) = **\$97,500**

\$97,500

PER YEAR YOU COULD HAVE COLLECTED AT THE TIME OF THE APPOINTMENT IN JUST CO-PAYS

24

IMPACT OF NOT COLLECTING CO-PAYS AT TIME OF SERVICE

\$97,500 UNCOLLECTED,
PLUS THE COST OF BILLING FOR IT...
STATISTICS SHOW IT COSTS BETWEEN \$18 AND \$22 TO SEND EACH BILLING STATEMENT.
THE COST OF SENDING 3,900 STATEMENTS AT
\$20.00 EACH IS \$78,000.
THE TOTAL COST OF UNCOLLECTED CO-PAYS IS
\$175,500.00 PER YEAR

25

EXPECTATION FOR PAYMENTS

- BE IN CHARGE OF THE PAYMENT AMOUNT
- HAVE A SET POLICY FOR LENGTH OF TIME ACCOUNTS WILL BE SERVICED IN HOUSE, AND COMMUNICATE THAT WITH THE PATIENT
- MAKE SURE THE PATIENT KNOWS THE POSSIBLE OUTCOME OF NOT ADHERING TO PAYMENT ARRANGEMENT, OR PAYING THE BALANCE DUE
- IF SETTING A PAYMENT ARRANGEMENT, HAVE THE PATIENT SIGN A PAYMENT CONTRACT

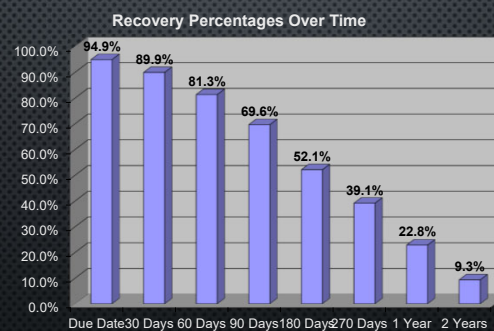
26

EXPECTATION FOR PAYMENTS

- EXPLAIN THAT PATIENT FINANCIAL ASSISTANCE MAY BE AVAILABLE, AND WHAT TO DO TO APPLY
- IF THE PATIENT CAN'T ADHERE TO INTERNAL PAYMENT POLICIES, AND IF YOUR FACILITY OFFERS A HOSPITAL LOAN PROGRAM, OFFER THIS AS AN OPTION AND EXPLAIN THE BENEFITS

27

RECOVERY PERCENTAGES OVER TIME



28

QUESTIONS?

29

THANK YOU

MEGAN LAWREY
VICE PRESIDENT OF BUSINESS DEVELOPMENT
308-398-3821 OFFICE
308-390-1463 CELL
MLAWREY@CREDIT-MGMT.COM

30