Driving Administrative Simplification:

Online Patient Self-Pay Strategies That Work.

ePAY
Healthcare
Simply Faster Payments

Simplify patient payments at every opportunity to ensure you get paid, faster.

The American Medical Association's (AMA) recommendation to eliminate significant administrative waste from the health care system by simplifying and standardizing health care billing, payment and the claims reconciliation process, known as Administrative Simplification, has propelled innovative companies to develop new technologies and capabilities to address this challenge.

The shift to a more consumer-centric healthcare model is well underway as a result of healthcare providers' increasing willingness to adopt automated billing and payment solutions to streamline the revenue cycle. Healthcare providers, from hospitals and ambulatory surgery centers to individual physician practices, who take a proactive approach to improving billing and payment systems are realizing significant gains in revenue, efficiency and patient satisfaction. Yet despite the industry's shift to modernization utilizing online and electronic product offerings, the automated payment cycle can be halted due to barriers to pay that the patient may experience and revenue leaks if strategic practices are not implemented.

"There is simply no justification for a system that costs physicians 10 – 14% of revenue just to get paid."

— AMA, ADMINISTRATIVE SIMPLIFICATION WHITE PAPER

the system in getting paid, and the confusion inherent in an ambiguous payment cycle. Patients often confuse EOBs (Estimation of Benefits) that they receive from insurance companies as "bills". This ambiguity can cause confusion for patients who do not understand the healthcare statement, and what they really owe, typically delay payments for their responsibility of the bill, resulting in decreased cash flow and higher costs to collect imposed on the provider.

Once the patient understands the bill and decides to settle his account, the next obstacle to overcome is receiving the payment. With a 78 % increase in the number of households paying bills online*, another major driver of late and non-payment is a lack of flexible, convenient and secure payment options – both at the point of service and post-service.

What's Going On?

The increasing use of technology to improve billing and payment processes is only as effective as the capability of those products to address and resolve obstacles deterring patients from paying – primarily patient confusion and lack of payment options.

Most healthcare organizations are well-aware of the key dynamics of the U.S. healthcare market, the challenges of

A Prescription for Healthcare Payment Reform: Strategies that Work

The principles that drive the Administrative Simplification policy – decreasing ambiguity, encouraging automated transactions, reducing costs – can be adapted by healthcare providers through the use of proven payment technologies and automated, patient-centric processes.

With expenditures on the processing of bills, claims and payments, bad debt, and other transactions totaling more than $300 billion a year, and 15 % to 20 % of the cost of healthcare in the United States devoted to the administrative aspects of the payment system, the time is right to implement reform strategies to reduce costs and streamline patient payment processes.

An End-To-End Solution: Using Technology to Reform Healthcare Payment Processing

A lack of payment options, inefficient billing practices, and consumer confusion are three major reasons patients don't pay their bills, according to a McKinsey Report.

Borrowing from the consumer-driven retail industry, the emerging model for improving patient self-pay addresses key strategies for shrinking the payment cycle through online, automated processes, beginning with eligibility verification and ending with electronic processing of the patient's payment.

By implementing the following strategies into your healthcare organization's payment cycle, vast improvements in ability to collect from patients can be realized.

1. **VERIFY PATIENT ELIGIBILITY FOR INSURANCE BENEFITS BEFORE SERVICE**

   One of the most important phases of the revenue cycle is verifying that patients are eligible for insurance coverage to determine financial responsibility. By employing simple online technology, hospitals and healthcare providers can view most recent insurance information, including updates in patient eligibility and coverage changes, allowing staff to discuss patient responsibility and payment options before, at point of service, and post-service.

2. **PROVIDE AN UPFRONT ESTIMATION OF COST OF SERVICE IN WRITING**

   The ability to calculate patients' financial responsibility is vital to successfully collecting payment at the time of service. Utilizing cost estimation technology, patients can clearly understand what they will owe to make informed decisions, and staff can have productive conversations about payment options. By informing patients of their financial responsibility before or at the point of service, staff can then ask for a deposit or set-up a payment plan, increasing the provider's collections and the patients' satisfaction.

3. **ACCEPT AS MANY FORMS OF PAYMENT AS POSSIBLE**

   It's a simple fact – today U.S. consumers pay with credit cards, debit cards, and e-checks, and these forms of payment do not stop with healthcare. Providers must be able to accept as many forms of payment that are available at ALL points of service by enrolling in a payment solution.

4. **PROVIDE AN ONLINE PLATFORM FOR PATIENTS TO VIEW EASY-TO-UNDERSTAND BILLING INFORMATION & ACCOUNT BALANCES**

   By providing patients with precise understanding of their responsibility and account balances, barriers to pay can be significantly reduced. And when patients have 24/7 access to this information via a secure, online portal, late and non-payment due to consumer confusion can be eliminated.

5. **BE SET-UP TO PROVIDE PAYMENT PLANS AT ALL POINTS OF SERVICE**

   Availability of payment plans for patients that clearly set out payment schedules and expectations are a simplification strategy that not only increase patient satisfaction, but also increase cash flow through receipt of deposits and improve collections.

6. **IMPROVE PATIENT SATISFACTION WITH FRIENDLY & HELPFUL ONLINE COMMUNICATIONS**

   Stay connected with patients with automatic notifications of valuable account balance updates and billing statements. e-Notifications will help patients stay more current on payments, and reduce administrative time and costs.

"First, providers must be able to tell patients how much they owe while they are still at the hospital or doctor's office… Second, providers must be able to accept credit or debit payments… Third, providers need to change the way they interact with patients by collecting payments either at the point of service or before."
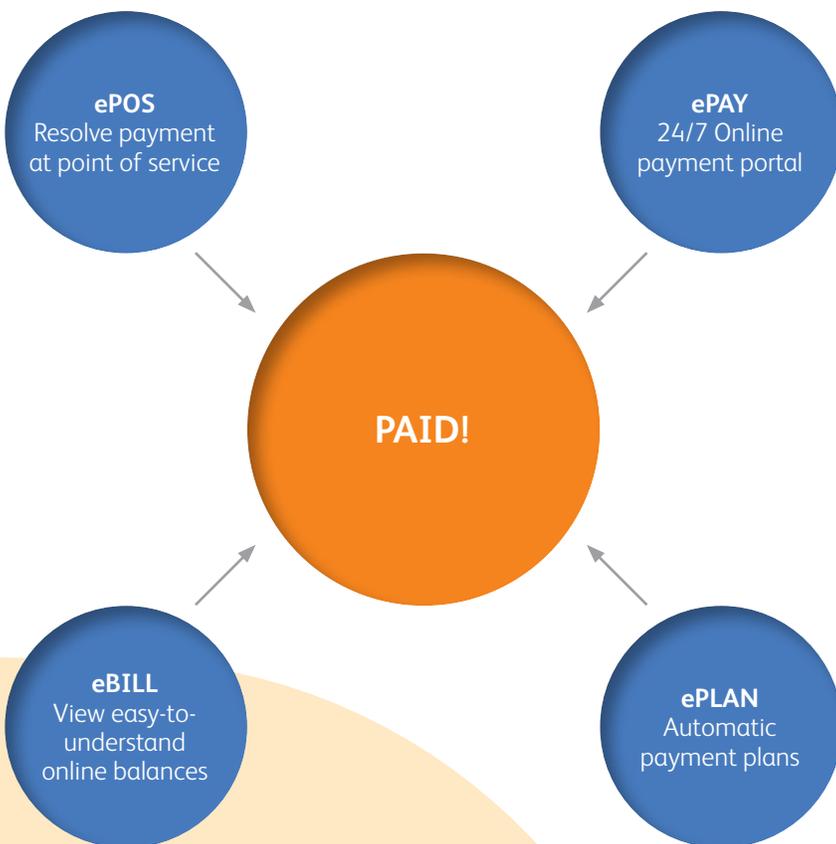
– MCKINSEY ON PAYMENTS.

Simplifying the Healthcare Payment Process: A Proven Concept

Borrowing concepts from other industries that process payments, such as retail, it's possible to apply integrated, single-source technology to accelerate the healthcare payment process to ensure that providers receive payment for their services faster and more reliably. The key is to streamline and simplify the process, eliminating the clutter of inefficient practices, employing a system that automates and interconnects processes to create a smooth, simple payment system.

ePAY Healthcare excels at this model by providing a simple, single-source system to verify eligibility, estimate costs, accept online payments, provide clear, easy-to-understand billing, set-up payment plans, and stay connected with patients.

Figure 1: ePAY HEALTHCARE: THE HEALTHCARE PAYMENT PROCESS SIMPLIFIED

ePOS
Resolve payment at point of service

ePAY
24/7 Online payment portal

PAID!

eBILL
View easy-to-understand online balances

ePLAN
Automatic payment plans

Taking the process in Figure 1, ePAY Healthcare leverages multiple points of opportunity where technology can vastly transform the healthcare payment cycle into one that automates and simplifies the administrative process, allowing providers to realize substantial savings in time and money and dramatically improve their bottom line.

For more information on ePAY Healthcare, call us at 877-203-8105, email info@epayhealthcare.com or visit us online at www.epayhealthcare.com.

ePAY Healthcare partners with healthcare organizations to provide patients with convenient ways to view and pay their bills online. Simple and secure web-based solutions lead to faster payments while saving time and money.

ePAY Healthcare