5 Ways to
Improve
Patient Payments

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One of the most common challenges medical practices face on a daily basis is collecting payments from their patients. The beginning of the year poses even bigger challenges as patient deductibles are reset to their annual maximum amount and it becomes more difficult to collect from patients with high deductibles.

Here are five tips that will help you improve patient collections in your practice.

OFFER SEVERAL PAYMENT METHODS

Patients and people in general like to have options, especially when it comes to paying bills. Additionally, payment preferences can change depending on the person's demographics. For example, tech-savvy millennials love to make mobile payments[1], while nearly a third of people over 65 don't use the internet[2], and they usually pay with credit cards.

Still, many patients prefer online payment options, but it seems providers are not catching up to this trend. According to a survey by the non-profit Medical Group Management Association, 52 percent of respondents prefer online billing and yet 77 percent of providers still send paper bills to their patients.

So make sure your payment options reflect your patients' preferences. You can even consider offering payment plans!

MAKE SURE YOU CAN EASILY PROVIDE COST ESTIMATES

One of the main concerns patients have when it comes to healthcare is affordability. Patients get frustrated when they can't understand complicated medical bills, according to the latest McKinsey healthcare consumerism survey[3]. The more financial information you provide to your patients beforehand, the more likely they are to pay you on time.

According to the MGMA study, 56 percent of patients will request a cost estimate from their provider before going forward with any kind of treatment or procedure. Small and medium medical offices are more likely to be able to provide estimates to their patients than hospitals, and patients appreciate that.

SEND PAYMENT REMINDERS
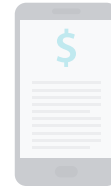
Just as you send your patients appointment reminders via text or email, you can send them reminders about a balance due. But before you do this, make sure you explain your billing policy first and be transparent about your fees.

More importantly, when a patient is behind on their payment, give them the benefit of the doubt. Find out if there is a communication problem before you decide to escalate the matter and let them know what their payment options are.

COLLECT PAYMENTS AT THE TIME OF SERVICE

As deductibles and out-of-pocket costs are on the rise, point-of-service collections are becoming more relevant. Research has shown[4] that patients are willing to pay upfront some, if not all, of what they owe if a "good faith estimate" is provided.

That is why a good way to collect your money is training your front office or back office staff to call insurance companies to check outstanding deductible balances and collect money upfront at the time of service.

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After a patient calls to schedule an appointment, you can train your staff to follow these steps when they call the insurance company for verification and authorization purposes:

1. Verify benefits for both in and out of network, as well as policy type (calendar year/plan year) and effective dates.
2. Ask for outstanding balances for deductibles.
3. Ask for patient co-insurance/out-of-pocket responsibilities.
4. Have a set list of procedure codes to verify allowables to estimate the patient's out-of-pocket amounts.
5. Ask for the representative's name and reference number for the call as documentation for the call.
6. Store this information in the patient's record and update it as needed.

When the patient shows up to the scheduled appointment, the staff is aware of their out-of-pocket responsibility, outside of the co-pay, and they are able to collect that money upfront or set up payment arrangements.

These steps allow an office to be able to accurately collect patient payments at the time of service, lowering the amount of statements sent out at the end of the month, and decreasing outstanding patient balances.

FIND THE RIGHT
MEDICAL BILLING SOFTWARE

Implementing some of these strategies might seem overwhelming, which is why a good revenue cycle management software will help you streamline your billing processes.

TotalMD is a powerful software that is extremely easy to use. This means TotalMD simplifies and streamlines the process of collecting your practice's money. With powerful features like online eligibility, automatic write-offs and the ability to export your financials to Microsoft Excel, collecting money will be much more easier.

Providers who implement the workflows we've discussed and complement them with a good medical billing software will be more successful collecting money. Once you start taking these easy steps, you'll be able to come up with your own strategy and find what works best for you and your staff. By doing this, you won't have to worry about collecting payments anymore and you'll be able to focus on what matters the most: taking care of your patients.
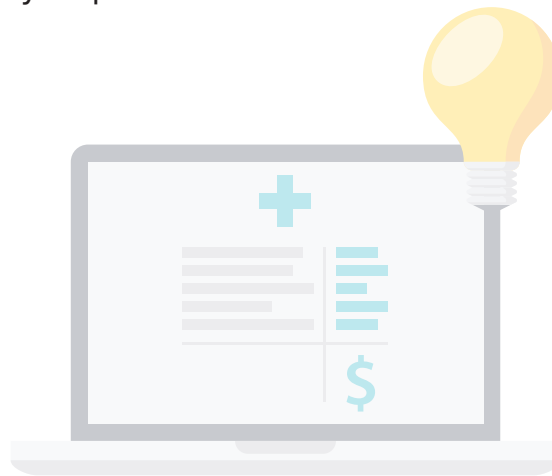
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