

Patient as the new payer: connecting the dots

We all know the story of declining reimbursements hitting our industry due to competitive bid, managed care contracts and sole sourcing. But is everybody on the same page about the solution? With healthcare bankruptcy filings more than tripling*, you shouldn't need much more convincing that it's time to consider a payer mix shift from the traditional reimbursement model to a patient paid one.

In fact, the patient pay model is expected to be the fastest model. To maintain a viable, profitable business capable of serving your patients, it's time to say goodbye to traditional billing and hello to a model where consumers of healthcare – all of us – are payers.

*Source: Becker's Hospital CFO Report



Our data shows:

60% of patients walk out the door without paying a dime.
Source: Ninth Annual InstaMed report

50% of all patient financial responsibility goes uncollected.
Source: HFMA: Jonathan Wiik adapted from Wyatt, C.

65% of patients are considering switching providers for a better payment experience.
Source: Ninth Annual InstaMed report

73% of providers say it takes a month or more to collect balances.
Source: Ninth Annual InstaMed report

So, where do you begin to connect the dots?

If you're experiencing limited resources like many in the industry, it's difficult to arm your staff with the level of experience needed to stay on top of billing and collections. That's why more HME providers must consider revenue cycle management as the backbone for their business.

Connect the dots

A new payer model means re-evaluating your current revenue cycle management strategies and their effectiveness. It's important to engage with patients throughout the billing process, starting at intake versus waiting for them to see the bill, and it's also crucial to utilize automation in your collection efforts. With a services provider like Brightree, you can get all the automation tools plus the knowledge, expertise and constant innovation to not only make this payment shift to the patient as the payer but to maximize it.

Connect the dots (detailed)

Train your reps.

They're on the front line, and in many ways, the lifeline of your business. Reinforcing the importance of payment collection and making it a priority for customer service representatives (CSRs) will positively impact the business. One way is by giving your CSRs a reward program that encourages them to collect co-payments.

Be upfront and set patient expectations.

Many patients might be unaware or surprised to find that they'll be accountable for a portion of their healthcare bill. Giving them notice helps set their expectations, so they're not thrown off track when hit with a bill.

Automate patient payments.

With today's technology, if you're not automating, then you're slowing down your business. Ensure your billing system can streamline your collection process by securely storing credit cards or electronic checks on file for future payments. This is critical for reorders, so patients won't have to make the journey back to your location each time they need new supplies.

Dedicate a financial advocate for patients.

Collecting payments can be complex but an in-house resource can help alleviate some of the stress. We recommend tapping an employee as a financial advocate to smooth out any co-pay and billing bumps.

Confirm collections are correct and current.

When it comes to collections, there are many moving parts. Using a billing software like Brightree's automatically provides up-to-date Medicare price tables to satisfy your patients' expectations and help streamline your collections process.

Contact patients the way they want.

Smart providers are paying attention to loyalty by staying in touch with patients more frequently in the way they prefer. Tools like a patient engagement app, intelligent IVR calling and live calling allow you to reach patients in a cost-efficient manner at every stage of the patient's journey – enhancing their experience and increasing retention.

To start connecting the dots to this payer model shift, consider these tips:

- Train your reps.
- Be upfront and set patient expectations.
- Automate patient payments.
- Dedicate a financial advocate for patients.
- Confirm collections are correct and current.
- Contact patients the way they want.



By following these tips and utilizing the latest technology and revenue cycle services, you can boost profitability, gain a competitive edge and feel confident knowing your collections are optimized, leaving you to focus on what matters most: **your patients.**

Implement for success

When you're ready to take advantage of the patient as the payer model, McKesson provides a retail offering to HME businesses so you can sell directly to your patients. And Brightree offers a compatible software solution to collect from those patients.

Follow these steps to increase your success with this patient-paid retail model.

- 01 Research.** Seeing how retailers merchandise their consumer-packaged goods in their stores goes a long way. Product placement is intentional. To increase your retail business, you'll need to think about where to strategically place products.
- 02 Merchandising.** Planograms are the lifeline to good retail solutions because they show exactly where every item should go on the shelf. McKesson can help with planograms for key product categories like incontinence, aids to daily living, wound care and equipment.
- 03 Upcare.** Now that you've got planograms and changed your store layout, you'll need to make sure you always keep a stock of retail-friendly items. Ask your McKesson account manager to assist you, and don't forget about upcare accessories. For instance, a unit that cleans the mask and hoses when a patient purchases a CPAP machine and mask provides not only an opportunity to make additional revenue but also could help lead to better patient outcomes.
- 04 Inventory.** There are two ways to stock retail-ready items: have supply on-hand in a back-room or warehouse, or have limited stock of retail-ready items on-hand in your store for showroom purposes only. Through McKesson's Patient Home Delivery program, once a patient selects their item in your showroom, we can ship the item they selected directly to their home for arrival the next day 95% of the time. That helps eliminate the need for you to carry excess inventory.
- 05 Promotions.** Every good retailer has promotions, so select items you're willing to sell through a special deal. If you're concerned about profitability, keep in mind that retail-ready items tend to be higher margin items. Also consider tying to themes like Breast Cancer Awareness month.
- 06 Staff.** Your staff should be trained – and rewarded – for these retail best practices. For instance, if you see an employee actively providing upcare recommendations to a patient or family member, let them know you noticed with an "on-the-spot" gift card.
- 07 Mystery shop.** Ask a mystery shopper, like your cousin or best friend who your employees don't recognize, to come into the store to purchase one retail-ready item. Have the shopper evaluate how easy the item was to find, how engaged sales associates are, whether they were offered any upcare items, and if they recall what items were near the register or on sale.

Changing a business model to become more patient paid is new for you and your staff. The more you can be informed about merchandising and product selection, the more you set yourself up for success.



Contact us to start connecting the dots. brightree.com 1.833.916.1554

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