

Healthcare Banking Bulletin

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When Patients Need Financing

When you combine high-deductible health plans with high-cost services and a low-level of health literacy, it makes for a challenging situation. Unfortunately, that is the scenario for most of the United States, which often leaves patients in a precarious position. Supporting patients through high-cost events has to be a multi-pronged approach, which includes transparency, education, and financial resources.

Transparency

The implementation of the No Surprises Act and required Good Faith Estimates (GFEs) for out-of-network services moved the needle quite a bit in terms of patient transparency. In these situations, patients looking at out-of-pocket expenses give that information ahead of time, which provides them with an opportunity to prepare to pay for those costs. Applying this mindset to other situations supports patients who may have insurance but may still have cause to incur a large out-of-pocket expense.

During benefit verification, identify outstanding deductibles. During procedure scheduling, assess insurance coverage and patient responsibilities.



Really take care to assess every opportunity to intercede earlier in the patient's financial continuum to support them in understanding their future expenses.

Education

There is no requirement that we educate the communities we service, but imagine the benefit to the community when we agree to knowledge sharing. Educating your patients doesn't have to be an expensive or exhausting undertaking. Consider dedicating a page on your website to healthcare terms/definitions. Provide short video clips to explain how insurance cards work. Create a small brochure for the waiting room or exam rooms with basic information and definitions. Some of the most common terms for those of us in the industry are entirely misunderstood by the public. For example, take prior authorization, coordination of benefits, and deductible. These are not terms patients



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use on a daily basis and without an understanding of what they mean, it can be very easy for a patient, inadvertently, to rack up a huge amount of expense without intent.

A great example of this is emergency room utilization. Some patients go to the emergency room solely because they don't have a primary care provider, some go because they don't have insurance and think no one else will see them, some go because they don't understand the difference between a preventive visit, an urgent visit, and an emergent care visit. The cost of attending an inappropriate level of care can be devastating for the facility and the patient. Most patients would avoid the increase of that expense if they understood that they had other options.

Financial Resources

It is rare that patients think of healthcare like homeownership, but if they did, it would definitely help their understanding of preventive care, financing options, and deductibles.

If you needed a new roof, you would likely reach out to your mortgage company or bank for a personal loan or a home equity loan. Most patients who need a knee replacement, however, will instead try to figure out when they can pay in cash, what credit card they can put the replacement on, or they just won't pay the balance after insurance.

Work to provide multiple methods of financial support to your patients. Payment plans, low-interest loans, etc. Work with your bank and accountant to set up and offer methods that align to your facility and community.

Putting it all Together

Patient misunderstandings of standard healthcare billing practices or the perception of mystery from the practice create frustration and abrasion. When you are transparent about potential expenses, when patients understand what that means, and there are opportunities for support, you will see a positive impact. You will reduce your average days in A/R and your average total in A/R. You will increase your patient satisfaction. You will strengthen the relationship between your community and your facility.

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