

CREATING PATIENT PAYMENT PLAN OPTIONS IN THE COVID ERA

Presented By:

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KarenZupko & Associates

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THE NEW REALITY

- More than 1.5M filed jobless claims in the first week of June
- More than 40M filed new claims for unemployment since March
- 21M jobs lost in May
- 15M on temporary layoff

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ON THE BRIGHT SIDE

“Checking accounts with \$5,000 or less have 30% more money that they did 12 weeks ago.”

-Brian Moynihan, CEO, Bank of America







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ON THE BRIGHT SIDE

“People ARE paying their bills—some are using the stimulus to improve their credit. They are asking if there is a discount for cash.”

-Allan Adler, AWA Collections
Troy Hulbert, American Credit Bureau







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PREDICTION:

A TSUNAMI OF ACCOUNTS RECEIVABLE WILL HIT MANY ORTHOPAEDIC PRACTICES





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WHY?

BECAUSE MANY PRACTICES
STILL FAIL TO USE MODERN
PAYMENT TECHNOLOGIES!



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WHICH MODERN PAYMENT TECHNOLOGIES ARE USED IN YOUR PRACTICE?

Answer Options	Response Percent
Batch eligibility verification	44%
ERA	55%
EFT	72%
Online claim estimator	23%
Recurring payment (automated, on a credit card)	41%
Online Bill Payment	63%
Electronic patient statements	56%
We accept Apple Pay	3%
Automated appointment reminders	59%
Other	7%



KOA Pre-Course Survey 2019

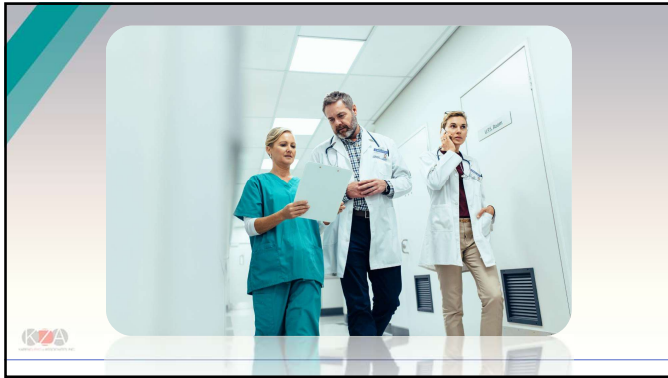
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2019 SURVEY RESULTS

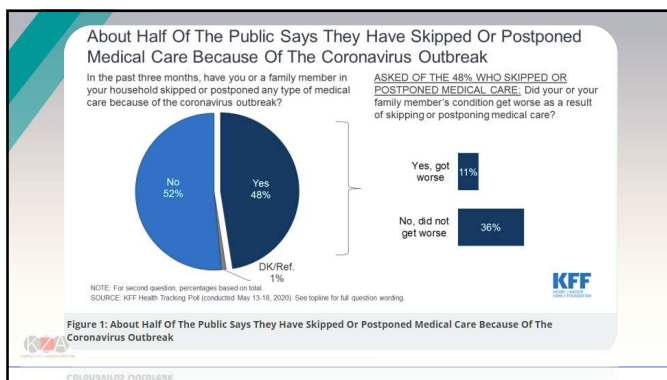
- ✓ Only 46% said that they collect pre-surgery payments.
- ✓ Of those only 5% collect based on a sliding scale fee schedule that considers financial hardships.
- ✓ 53% report collecting the full amount of patient responsibility based on payor allowables – subject to the patient's remaining deductible and co-insurance amounts.



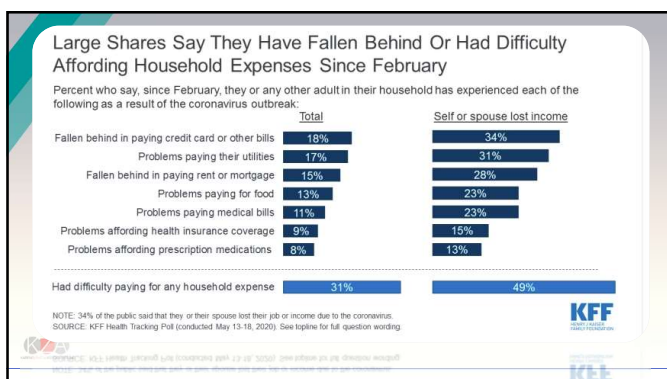
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READ THE
EXISTING
WRITTEN
FINANCIAL
POLICIES



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EXAMPLES OF OUTDATED FINANCIAL POLICIES

“Co-pays are due at the time of service.”

VS

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EXAMPLE OF A FINANCIAL POLICY
WITH AN UPDATE

Due to Covid-19, we are limiting our use of paper registration forms and cash and check collection of co-payments for office services.

Please click this link and fill out your health history and registration forms online prior to arrival. Your copayment can be made by clicking the “Online Payment” link on our website. If you are unsure about what to pay, call Billing at xxx.xxx.xxxx.

Patients who do not complete their paperwork in advance, or pay for their visit, will be required to do so before arriving in the office. This may result in delays in being seen.

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EXAMPLES OF OUTDATED FINANCIAL POLICIES

“Patients will receive a monthly statement and payment is due within 30 days.”

VS



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EXAMPLE OF A FINANCIAL POLICY WITH AN UPDATE

To ensure timely settlement of accounts, patients must leave a credit or debit card on file and authorize the practice to process a charge of up to \$200, not covered by their insurance plan. We will contact you for approval of any charge over \$200.



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EXAMPLES OF OUTDATED FINANCIAL POLICIES

Silence on fracture care

VS



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EXAMPLE OF A FINANCIAL POLICY WITH AN UPDATE

Fracture care is reported to insurance companies using Current Procedural Terminology (CPT) which is published by the American Medical Association. All insurers accept these codes. Codes for fracture care are found in the "Surgery Section" of the CPT manual. This can confuse patients who see "surgery" on their explanation of benefits form. This does not mean that you had surgery or will have surgery – it is simply the way the CPT terms are defined.



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STANDARDS FOR REDUCING THE USUAL FEE SCHEDULE?



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The OIG says: "Waiving Medicaid and Medicare copays or deductibles does not violate the Anti-Kickback Statute if:

- ✓ the waiver is not offered as part of any advertisement or solicitation;
- ✓ the provider does not routinely waive coinsurance or deductibles; and
- ✓ the provider waives the coinsurance and deductibles after determining in good faith that the individual is in financial need or reasonable collection efforts have failed."



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“Providers should have a written policy and guidelines in place showing consideration of factors such as the local cost of living, the patient’s income, assets and expenses, and the scope and extent of the patient’s medical bills.”



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FEES:

5x times
Medicare!



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CONSIDER THE IMPACT OF THE FEE SCHEDULE ON
UNDER OR UNINSURED PATIENTS.



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New Patient



2020

Established Patient



1992, 2001, 2013...

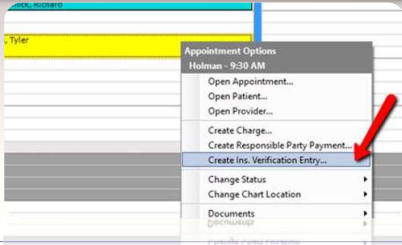
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VERIFY THAT
POLICIES ARE
USED AND
ENFORCED BY
ALL SCHEDULERS

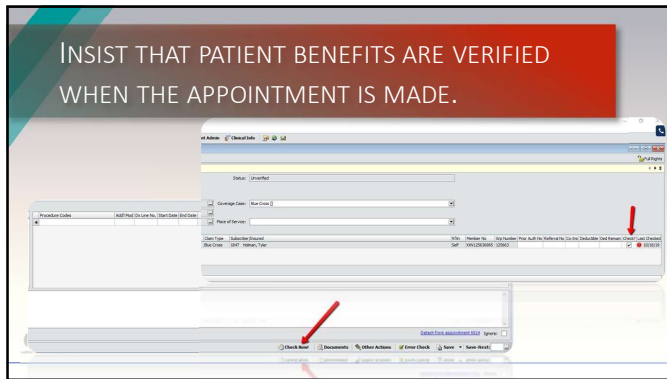


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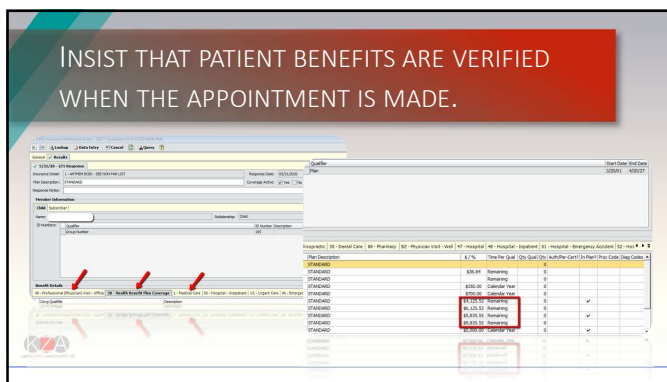
INSIST THAT PATIENT BENEFITS ARE VERIFIED
WHEN THE APPOINTMENT IS MADE.



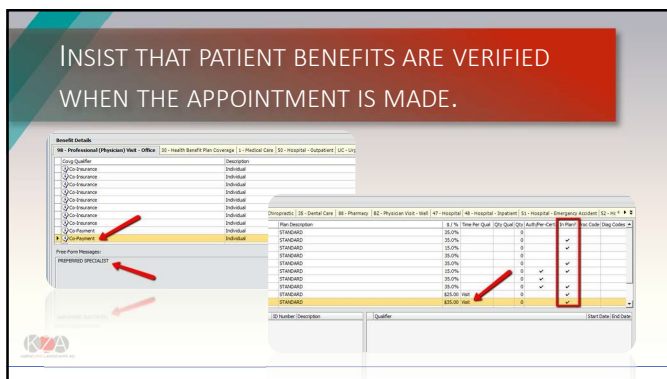
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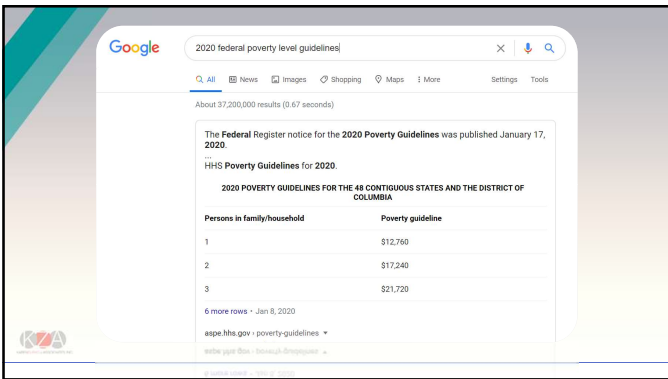
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2020 FEDERAL POVERTY GUIDELINE

Family Size	100%	133%	150%	200%	250%	300%	400%	500%
1	\$12,760	\$16,971	\$19,140	\$25,520	\$31,900	\$38,280	\$51,040	\$63,800
2	\$17,240	\$22,929	\$25,860	\$34,480	\$43,100	\$51,720	\$68,960	\$86,200
3	\$21,720	\$28,888	\$32,580	\$43,440	\$54,300	\$65,160	\$86,880	\$108,600
4	\$26,200	\$34,946	\$39,300	\$52,400	\$65,500	\$78,600	\$104,800	\$131,000
5	\$30,680	\$40,804	\$46,020	\$61,360	\$76,700	\$92,040	\$122,720	\$153,400
6	\$35,160	\$46,763	\$52,740	\$70,320	\$87,900	\$105,480	\$140,640	\$175,800
7	\$39,640	\$52,721	\$59,460	\$79,280	\$99,100	\$118,920	\$158,560	\$198,200
8	\$44,120	\$58,680	\$66,180	\$88,240	\$110,300	\$132,360	\$176,480	\$220,600
For each additional family member	\$4,480	\$5,958	\$6,720	\$8,960	\$11,200	\$13,440	\$17,920	\$22,400

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LOOK AT OCCUPATION!










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USING THE FEDERAL POVERTY GUIDELINES TO GRANT DISCOUNTS AND CHARITY CARE

In a review of 10 large hospital systems with employed physicians, we found commonalities for baseline reductions and free care.

At 200% of the FPL most systems awarded the patients charity care or free care.

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GEOGRAPHY MATTERS

A notable exception was a hospital in NYC which sets 600% of the FPL as the baseline for a 100% adjustment or free care. Patients at 800% in The Big Apple received a 25% discount.



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ASSESS THE LOCAL EMPLOYMENT SITUATION



NEVADA
UNEMPLOYMENT
28.2%

MINNESOTA
UNEMPLOYMENT
8.1%



<https://www.kza.gov/>

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STATES WITH THE HIGHEST UNEMPLOYMENT...

STATE	PERCENT
Nevada	28.2%
Michigan	22.7%
Hawaii	22.3%
Rhode Island	17%
Indiana	16.9%



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Another interesting qualifier was basing a decision on the patient's ability to pay COBRA insurance premiums.



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WHAT ELSE DO YOU NEED TO KNOW

1. Will you help or direct patients who likely now qualify for Medicaid to apply?
2. You need a form for the patient to complete before awarding financial assistance.

We suggest calling the billing or CFO's office at your local hospital.

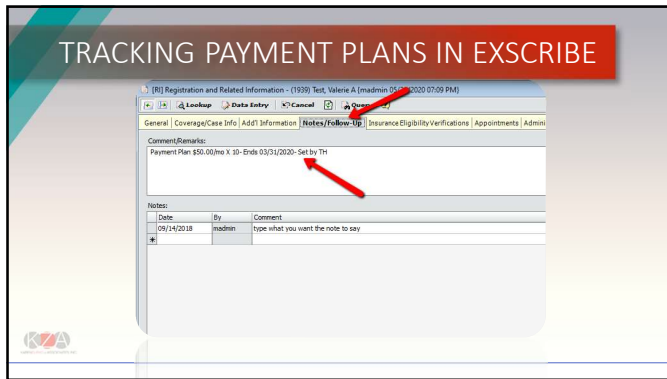


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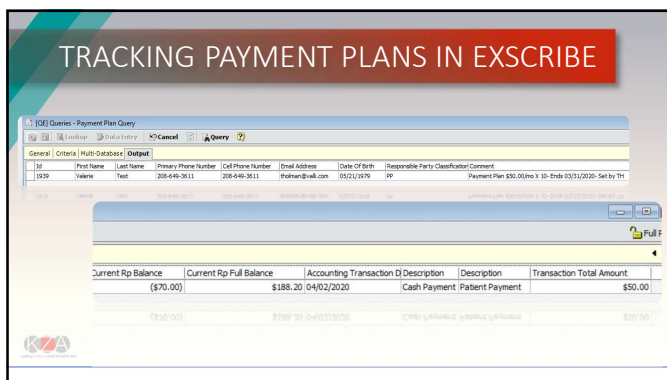
SELF ADMINISTERED PATIENT PAYMENT PLANS



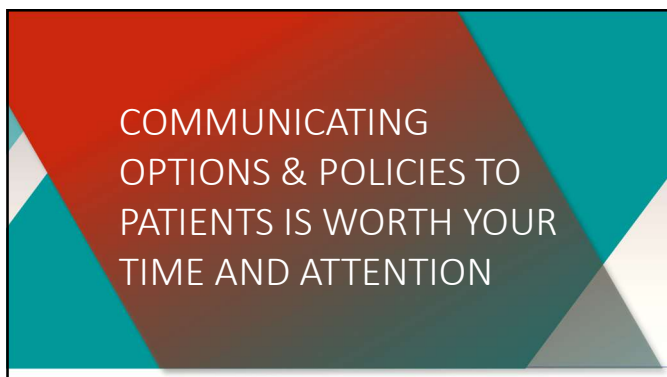
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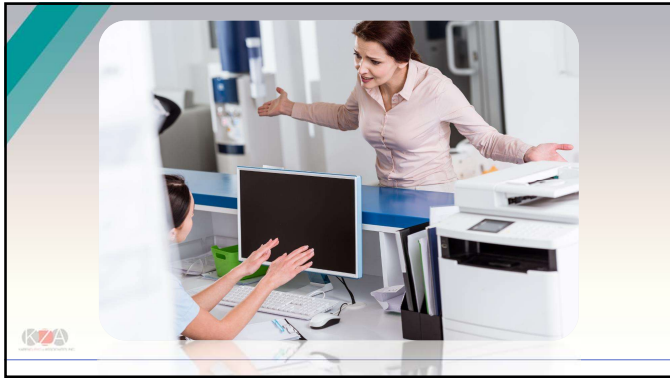
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K2A Pre-Course Survey 2019

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Online claim estimator	23%
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Electronic patient statements	56%
We accept Apple Pay	3%
Automated appointment reminders	59%
Other	7%

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K2A Pre-Course Survey 2019

75% Offer online bill payment

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KZA Pre-Clinical Survey 2020

IF YES, WHAT PERCENTAGE OF NEW PATIENTS WOULD YOU ESTIMATE USE THE PORTAL TO REGISTER

Answer Options	Response Percent
0-20%	32%
21-40%	33%
41-60%	15%
61-80%	7%
81-100%	2%
Other	11%

Measure and grow!

KZA

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COST ESTIMATOR

Patient Surgery Expected Expense

Date Due	01/01/2020	TRD
Patient	DOB	Patient Date
Orthopaedic/Labral Repair and Reconstruction Procedure	Blue Print Diagnosis	Right Side
ICRIS	ICRIS	Secondary Insurance
Primary Insurance	Subscriber ID	
Deductible	1,000.00	Deductible
Deductible Met	100.00	Deductible Met
Remaining Deductible	900.00	Remaining Deductible
Coinsurance %	20.00	Coinsurance %
Max. Out Of Pocket	6,000.00	Max. Out Of Pocket
Max. Out Of Pocket Met	100.00	Max. Out Of Pocket Met
Remaining Out Of Pocket	5,900.00	Remaining Out Of Pocket
Plan Allowable	2,800.00	Plan Allowable
Deductible or Allowable	100.00	Deductible or Allowable
Coinsurance % after allowable	400.00	Coinsurance % after allowable
Patient Pays	600.00	Patient Pays
Insurance Pays	1,800.00	Insurance Pays
Total Paid to Practice	2,800.00	Total Paid to Practice
Date of Service Collected	\$960.00	

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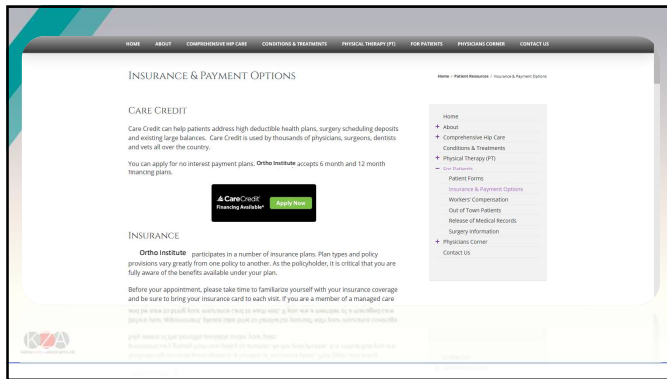
DO YOU OFFER CARECREDIT OR ANOTHER HEALTHCARE CREDIT CARD, TO HELP PATIENTS PAY THEIR PORTION OF THE BILL?

Answer Options	Response Percent
Yes	25%
No	48%
I don't know	27%

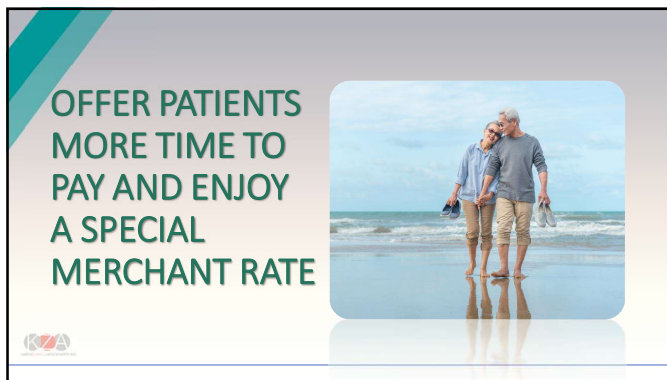
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KZA Pre-Clinical Survey 2020

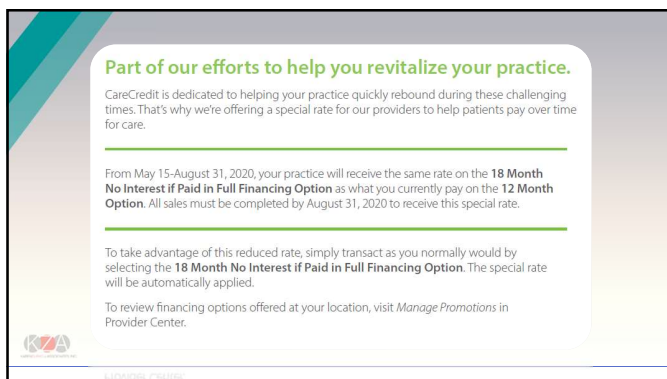
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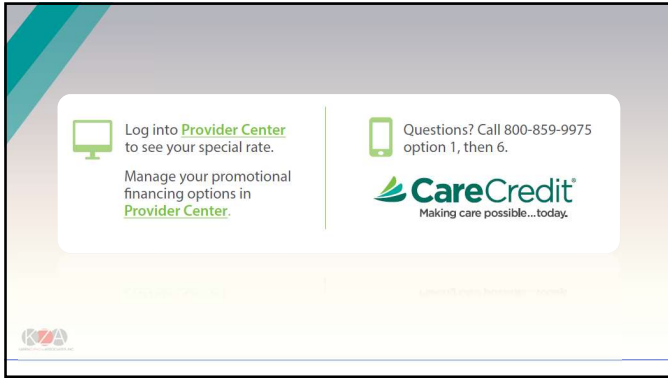
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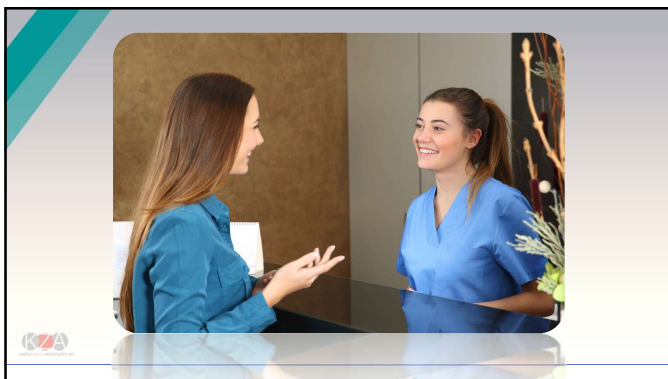
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ACTION AGENDA

1. Review and update financial policies.
2. Evaluate your fee schedule.
3. Create criteria for adjusting fees.
 - Prompt Pay Discounts if the patient pays today.
4. Have an official, means based charity care policy.
 - Use the FPL
 - Check with your hospitals and ASCs
5. Insist on benefit verification prior to the appointment.
 - Collect the co-pay in advance to be "touchless."



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ACTION AGENDA

6. To facilitate timely payment after insurance pays – have a credit card on file with a \$100-\$200 limit
7. Offer patients a monthly "recurring charge" option.
8. Do not try to administrate payment plans—hard and unsuccessful.
9. Adopt and offer Care Credit. Take advantage of 18 months no interest.
10. Write scripts, role play financial conversations.
11. Sign up for next week's webinar:

<https://www.karenpupko.com/talking-with-patients/>

Your goal is to manage the accounts receivable prophylactically. Improve cash flow, reduce AR over 60 days.



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**THIS IS THE WAY
WE'VE ALWAYS
DONE IT!**



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ROCK STAR REVENUE CYCLE

On-Demand Workshop



KARENZUPKO & ASSOCIATES, INC.



AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS

Learning Objectives

- Develop a work plan that reduces A/R in 90 days.
- Identify workflow improvements that will speed up the revenue cycle.
- Create productivity standards for the revenue cycle team.
- Craft a strategy to avoid common denials.

Register: <https://www.karenzupko.com/orthopaedics-rockstar-revenue-cycle-on-demand/>



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