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## Revamped Processes Boost Upfront Collections

*Focus on front end for best bottom-line results*

**L**ike many hospitals across the country, Upson Regional Medical Center in Thomaston, Georgia, a Brim Healthcare–managed facility, has struggled to adjust to the health care industry’s evolving retail-like revenue cycle environment, where patients are taking on more and more financial responsibility for their care. This retail-like environment requires that providers focus more on front-end processes to most effectively manage the revenue cycle.

The imperative for health care provider organizations to focus on the front end is noted in a May 2010 article featured in *HealthLeaders Magazine*. This article, “Self-Pay and the Bottom Line,” characterizes the issue as follows:

Self-pay receivable levels have increased significantly in the past year and smaller hospitals are seeing the greatest increases, according to a 2009 Healthcare Financial Management Association study. The findings indicate that receivables are now growing faster than patient revenue at nearly a third of hospitals, and another third of hospitals have seen self-pay grow by 10 percent or more. With such a significant increase, many financial leaders ... are working toward optimizing point-of-service collections.

Upson Regional, which serves communities in central Georgia, about an hour outside of Atlanta, is no different. Not only has the facility seen an increase in the number of uninsured patients—who currently make up 33 percent of the facility’s

patient population—but also an increase in the number of insured patients with higher and higher out-of-pocket costs in the form of copayments, deductibles, and other coinsurance requirements.

Because Upson Regional lacked effective tools and processes, this patient mix and the related patient-pay financial obligations revealed the imperative to improve patient access processes. The reason: Patient access employees were having a difficult time consistently and accurately handling upfront processes, such as verifying insurance and discussing insurance benefits with insured patients, determining capacity to pay and patients’ financial obligations, classifying and documenting charity care, collecting payments, consistently offering discounts, as appropriate, and more. As a result, the facility’s bottom line was suffering.

Simply put, Upson Regional needed a system to streamline point-of-service processes in an easy to use and effective manner. The facility needed processes and systems that would help the facility and its patients address and function in the health care industry’s new retail-like environment.

### **Mission: Revamp Point-of-Service Processes**

In late 2008, Upson Regional’s director of patient financial services, Diane Oglesbee, along with other management team members, attended a HomeTown Health meeting to learn about available solutions to improve upfront processes. HomeTown is an organization of more than 50 rural and small hospitals that are located throughout the state of Georgia. The organization allows for these facilities to collectively pursue ways to help Georgia hospitals survive in an environment of tremendous budget cuts at the state and federal level while health care costs continue to

escalate and patients increasingly must take on growing portions of financial responsibility for the cost of their care.

This shift to patients taking on greater financial obligations for their health care has occurred at a time when, due to the recent state of the nation's economy, insured and uninsured patients alike have difficulty in meeting these obligations.

At the HomeTown meeting, Upson Regional and other facilities were introduced to a point-of-service collections solution that would provide patient access team members the tools and technology needed to manage the complex tasks they now were being asked to handle on a daily basis. Oglesbee recognized there was indeed a more efficient and consistent way to communicate with patients on the front end about their financial responsibilities while still ensuring that truly needy patients receive the financial assistance they require through government or social services programs.

The Upson Regional management team opted to embrace a ramped up point-of-service solution. The reason: Although Upson Regional focused on

point-of-service collections, the facility did not do so in an effective, comprehensive, or consistent manner.

Notes Oglesbee, "We did upfront collections, but that mainly meant making phone calls to insurance companies while patients were registering. We didn't have processes in place that came close to the capabilities" of a streamlined and automated solution.

### **Retail Application at Work**

The upfront collections system implemented at Upson Regional, the nTelagent Retail Application, is similar to such applications used in point-of-sale collections in the retail industry. The system is automated and provides patient access professionals and financial counselors with real-time scripts, telling them exactly what to do and what to say to each patient at the point of service.

The scripts are based on real-time data that are gathered regarding patients' financial responsibilities. The system also allows front-end employees to settle all accounts at the point of service, regardless of whether a patient is insured, uninsured, and/or eligible for charity care or other financial assistance through local, state, or federal programs.

## ***Tools and Strategies for Culture-Driven Performance***

Historically, health care systems focused on creating a performance-drive culture—performance first, people second. Today, organizations that thrive pay primary attention to developing the right culture, knowing that innovative strategy and top-level performance will inevitably follow.

The following tools and strategies can help health care organizations develop a workplace culture that drives relentlessly toward high performance.

### **Organizational Alignment, Strategic Operating Plan, and Calendar**

Hospitals need to focus at the organizational level on strategic imperatives, and align the actions of all employees to the overall strategy. To improve planning and probability, executives should develop a three-year plan. This plan lets the organization identify initiatives and set goals and objectives for the leadership team that will cascade down the organization, driving focus and alignment.

### **Employee Engagement and Accountability**

Evaluating the organization's human capital is critical. To identify key talent, create succession plans, and provide consistent, objective feedback on employee performance, hospitals need to update their performance management systems with structured talent-review processes. By growing future leaders' skills and aligning processes and initiatives with strategic objectives, health care executives build effective teams and drive accountability.

### **Integrated Leadership Curriculum**

Hospitals should seek comprehensive, progressive learning programs for their medical, nursing, and administrative leaders at critical stages of their careers.

### **Performance Improvement**

A change-management process can help accelerate adoption of improvements, including integrated electronic systems and developing promising leaders through quality-continuous improvement methods, such as Lean and Six Sigma. ■

A key benefit of the system is that it helps patients and providers. Specifically:

- The system ensures accounts are handled properly and consistently at the point of service, creating a proactive dialogue from the beginning about patients' financial responsibilities;
- Patients receive the financial information and assistance they need to manage their medical bills; and
- Providers receive timely payment for services provided so that the organization can continue to offer exceptional medical care to the community.

Integral to the system is garnering answers to key financial questions on the front end. Although the questions vary somewhat for providers and patients, asking these questions up front—and determining the answers—benefit both. For providers, key financial questions revolve around how much the facility will be paid, by whom, and how. For patients, key financial questions center on identifying the precise cost of their medical care, their personal financial obligations, and the payment options to meet those obligations.

In addressing these key financial questions on the front end, prior to or at the point of service, patients and providers can focus on what matters most: top-quality patient care.

### Implementing the Retail Application

In adopting the retail application, implementation specialists first worked closely with business office staff members to review policies in place regarding payments so that a tailored solution could be created to meet Upson Regional's unique needs. Once the Web-based system was up and running on the facility's system, Upson Regional's 20-member patient access staff team received training, with the implementation and training time taking three weeks.

Initially, Upson Regional relied on the system's core products and processes: address verification, the capacity-to-pay calculation module, and a discounting feature. An insurance verification module was added later, as well as other features, so that Upson Regional today relies on the full suite of related products, including the registration interface engine, which connects all systems, and the health care register, for online payment processing. Upson Regional purchased two credit card swipe machines, with plans to add ten more due to the efficiency of the system. In time, every point-of-service station will be equipped to handle online payment transactions. Placing credit

card swipe machines at each patient access area eliminates the need for manual data entry of patient payments made at the time of service, reducing the risk of error.

Upson Regional implemented the retail application throughout the hospital, including in the emergency department, the physical therapy division, and the facility's wound care center. All patient access employees, regardless of department, attend regular meetings for ongoing training, tips, and other information on best practices.

Oglesbee reports that patient access employees now have the tools and training in place so that effective revenue cycle management begins with them. The system allows front-end employees to accomplish one or more of the following:

- Collecting patient-pay balances at the time of service;
- Establishing payment arrangements and/or initiating financial assistance application; and
- Having enrollment processes for eligible patients.

### Outcomes and Benefits

In implementing the retail application, Upson Regional significantly increased its time-of-service collections. During the first quarterly financial reporting period of 2009, Upson Regional collected nearly \$190,000 at the time of service. By first quarter 2010, that figure pushed to \$340,000—or a nearly 79 percent increase in upfront collections. Other measures of financial performance also have improved, including days in accounts receivable.

Training was a critical component for Upson Regional's success, and training continues on an ongoing basis. Oglesbee named a patient access employee to lead the training effort on the system, and a patient account specialist from the business office also was moved to patient access to serve as a front-end financial counselor. The goal is that all patient access employees will become financial counselors.

The benefits and positive outcomes achieved through a proactive time-of-service collections process are shared with the management team, patient accounts, and patient access employees. Oglesbee notes that patient access employees are keenly interested in learning how their numbers stack up to those of their colleagues, as well as in learning new ways to improve.

Other key elements to Upson Regional's success in improving time-of-service collections are setting

ambitious yet attainable goals and celebrating and recognizing employees when those goals are met, Oglesbee says. For instance, near the close of 2009, patient access set as its goal to collect \$100,000 at the time of service in a single month. By the close of March 2010, this goal had been met, and patient access team members were recognized for this accomplishment with a Cinco de Mayo celebration.

Among the critical benefits realized is the ability to categorize and document charity care accounts early in the patient encounter, identifying insured and uninsured patients who may qualify, according to Upson Regional's chief financial officer, John Williams. The system allows patient access staff members to automatically screen patients for eligibility for charity care and/or other financial assistance programs and to print application forms for such programs so that patients can begin the enrollment process as quickly as possible.

"All hospitals would rather have an account be classified as charity care rather than bad debt," Williams explains. The new system "helps us to accurately categorize and report the charity care we provide, so both our facility and the patients we serve benefit."

In addition, the system serves as Upson Regional's tool to ensure the facility is in compliance with the new Red Flags Rule, a new Federal Trade Commission regulation designed to prevent and thwart identity thieves. Patient access is a primary gatekeeper for health care provider organizations to identify possible instances of identity theft, as front-end employees are first in line in gathering data that can serve as "red flags" for potential identity theft. Compliance with the Red Flags Rule is facilitated by the new system as it:

- Helps lessen the risk of identify theft as the system does not rely on vulnerable data elements such as credit reports and scores, Social Security numbers, or dates of birth to verify patient identity or to determine patient capacity to pay;
- Allows patient access employees to immediately verify and validate patient identity at the point of service, reducing the risk of fraudulent activity;
- Automatically alerts patient access employees and/or financial counselors to any "red flags" regarding patient identity or potential fraudulent activity; and
- Provides online reports of patients who fall within the red flags category.

## Superior Service Improves Employee, Patient Satisfaction

Perhaps one of the most valuable benefits realized in improving upfront processes is the ability for Upson Regional to deliver superior customer service that bolsters patient and employee satisfaction. Although there was some resistance to the new system at first, patient access employees came to realize that the new tools and technology would allow them to best serve patients while, at the same time, make their jobs easier and less frustrating.

For example, the insurance verification module eliminated the so-called paper nightmares of the past, according to Oglesbee. Now, patient access employees have access to tangible documentation about patients' benefits, deductibles, copayment requirements, and more. As Oglesbee says, now they have "something they can print out, hold in their hands, and share with patients."

Timely access to these data improves employee and patient satisfaction. Patient access employees appreciate having a roadmap to follow, a tool that allows them to easily and immediately share important information with patients regarding their financial responsibilities. Patients appreciate knowing that all accounts are managed consistently and accurately, and that no one patient is getting a better or worse deal on discounts or amounts due.

Further, patient access employees learned that patients want to know what they owe on the front end, so that there are no surprises after care is delivered. This knowledge created a comfort level in pursuing financial dialogues with patients, as employees understood that patients wanted and appreciated such information.

Front-end employees are able to work with patients to identify payment options, spreading payments out over a few months or more. Patient satisfaction also improved, as patients learn that front-end employees are able to immediately show them potential savings they may qualify for through discounts available based on Upson Regional's policies and a patient's unique situation.

As Oglesbee notes, ultimately, the most critical factor for success is superior customer service, and effective front-end management that unmask the financial mysteries is a critical element of superior service. "We are big on providing excellent customer service to our patients," Oglesbee says. "We know that good customer service retains current patients, attracts new ones, and generally makes

what can be an unpleasant hospital visit a better one.”

Such superior service is possible through effective revenue cycle management that begins at patient access and that actively engages patients as partners in managing the financial aspects of their medical care. Indeed, the bottom line in improving point-of-service processes, says Oglesbee, is an integrated team effort that begins at patient access. “The hospital’s management team, business office, and patient access staff must work together,” she says. “Everyone involved must be educated on the importance of point-of-service processes that can effectively address the challenges” in a health care environment that, now more than ever, must function like any other service

industry—one in which services provided are paid for at the time of service. ■

### *Reader’s Resource*

Upton Regional Medical Center is a 115-bed hospital that serves communities in and around Thomaston, Georgia, and is managed by Brim Healthcare. For more information, go to [www.urmc.org](http://www.urmc.org).

nTelagent Inc., based in Franklin, Tennessee, offers the health care industry an automated point-of-service collections solution that manages and settles on the front end patient accounts in all financial classes. For more information, go to [www.ntelagent.com](http://www.ntelagent.com).

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