



Solution Provider Academy

Achieving Patient Satisfaction Through the Self-Pay Process

Highlights

Profile

- Norman Regional Health System (NRHS)
- Norman, Oklahoma
- Three Hospitals
- 505 beds

Challenges

- NRHS was working with an outside agency to manage early-out self-pay accounts.
- This agency was providing adequate collection results but there were other issues with the partnership.
- NRHS was receiving patient complaints regarding the agencies actions and there was a lack of communication from the agency.

Solution

- NRHS partnered with First Party Receivables Solution (FPRS) to implement an early-out self pay process that focused on customer service.
- Patient statements were clearer and calls to patients were scripted in a more friendly manner.
- FPRS also provided onsite training at no additional cost to help the health system's staff improve point of service collection techniques.

Results

- Patient satisfaction improved while early out collections increased by 1.2%.
- Average monthly POS collections increased by 85.4%.
- FPRS provided \$209,916 in cost savings.

Norman Regional Health System (NRHS) believes that patient satisfaction does not end at the facility entrance, but extends through the process of resolving a patient's balance. Like many facilities, NRHS struggled with implementing a balance between maintaining the appropriate customer service levels during the collection process and the ability to resolve the account.

NRHS had contracted an outside agency to manage the early out portion of the self-pay process. The hope was that an outside company would have the ability to dedicate the necessary resources to properly manage their patients' account questions and needs. As the project matured, NRHS was pleased with the cash collections that came from the project, but over the course of time identified the following problems:

- A large number of complaints to Administration. Patients felt as if they were being treated as a bad debt account even though they were not at that point in the process.
- A large amount of work coming back to the Business Office. NRHS was consistently having calls transferred back to the internal staff to handle routine questions. Additionally, requests for itemized statements had reached a point where an NRHS staff member had to be dedicated to pulling those each day.
- Patient confusion. Patients consistently complained about lack of assistance to their questions. Representatives they spoke with were not able to answer questions regarding insurance coverage/payment, charges, account balance details, payments, etc.
- Lack of communication. NRHS was becoming frustrated with the delays involved with getting responses and resolution to project issues. Additionally, NRHS was disappointed that the solution provider did not proactively bring issues to light.

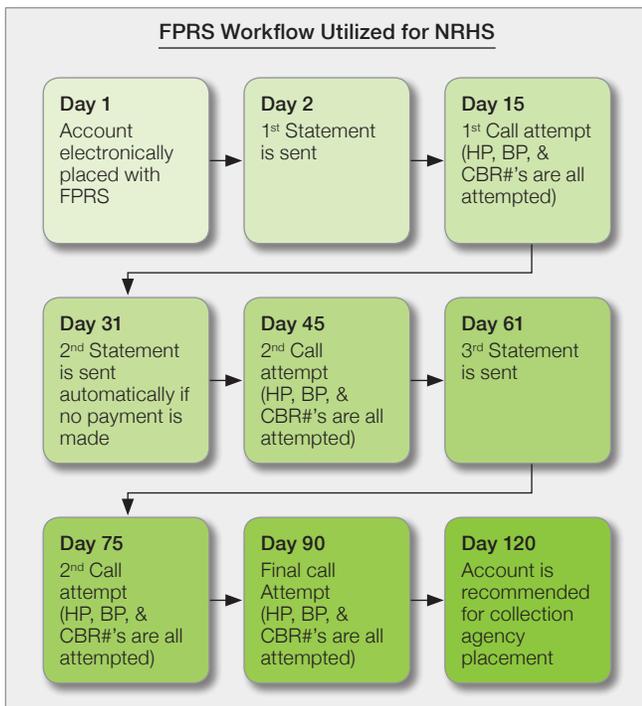
In 2010, NRHS decided that it was time for a change. While current collection levels were good, NRHS was willing to sacrifice a level of cash collections in order to provide higher levels of customer service to its patients. In December 2010, NRHS partnered with First Party Receivables Solution (FPRS)—a division of Professional Finance Company—to implement a self-pay early out process that ensured customer service levels that meet and exceeded their internal standards.

Consistency in the Process

FPRS offered NRHS a workflow model that provided consistent efforts to work with the patients in resolving their balance, in a more customer friendly process. Through the use of patient-friendly billing practices, FPRS's first statement provide patients with a clear picture of how balance due was determined through showing them a breakdown of charges, payments, adjustments, etc. Additionally, first calls made to the patient were scripted in a manner so that patients did not feel that they were being "pursued" or "collected". Representatives would ask the following to the patients:

- Had the patient received their initial statement?
- Did the patient have any questions regarding the information provided?
- Did the patient have any questions regarding their account?

At that point, representatives would offer the patients the ability to pay the account in full, set up a suitable payment arrangement, or discuss potential financial assistance. An example of the FPRS workflow utilized for NRHS is below.



Transparency in the Process

FPRS and NRHS utilized a patient education letter with the process as well. This letter was sent with every first statement and serve as a notification to the patient about FPRS. It clearly defined the relationship between FPRS and NRHS to the patient, helping them to understand that FPRS’s purpose was to assist them with answering questions about their bill, manage their payment plans, and assist them with identifying financial assistance. But the other key thing this letter accomplished was that it empowered the patient in knowing who FPRS was and what their role was in relation to their account. Instead of patients finding out during a call that they were not speaking with someone at the facility, they knew ahead of time that FPRS was based in Colorado. By having this information provided in advance to the patient, it also disarmed them from assuming that FPRS was a collection agency or feeling that in some way they had been deceived.

Experience in the Process

NRHS needed a partner that could provide a better experience for their patients when it came to answering questions they had regarding their accounts. FPRS brought experience and proven techniques to the partnership. The average tenure of FPRS patient account representatives is 6-7 years and the FPRS training model is extensive and ongoing when it comes to not just follow up on accounts, but with regards to healthcare revenue cycle as well. This training includes, but was not limited to:

- NRHS’s patient accounts system
- Compliance (HIPAA)

- Insurance and coverage
- Co-pays/deductibles

This approach better equips the representatives to answer questions associated with a patient’s account. By doing so, FPRS was able to (1) provide a level of trust with the patient by answering their questions fully, and (2) eliminate the need to transfer the patient back to the facility thereby creating additional work for the internal NRHS staff.

Through FPRS’s experience in workflow and processes, other factors contributed to the success of providing the needed levels of customer service to NRHS patients. These included the ability to view the facility’s system in order to better answer account questions and the use of a blended call center environment to lower hold times and abandonment rates.

As an additional component, NRHS desired to improve the upfront collection efforts by their internal staff. FPRS offered NRHS a no-cost training opportunity to be conducted onsite by Jerry Peer, VP of Collections for Professional Finance Company. Working with the Patient Access Director at NRHS, Jerry customized a training program to equip the front-line staff with tools and techniques to improve efforts of obtaining payment at the point of service. The key message to the NRHS team was that (1) for POS collection efforts to improve there had to be a change in the facility culture, and (2) that customer service is not diminished instilling good POS collection efforts, it is enhanced.

The Partnership

Business relationships have the ability to achieve the greatest success when a favorable environment exists between solution provider and client. The relationship between NRHS and FPRS far exceeded the basic facility-solution provider arrangement and developed into a true partnership. This became a major factor in the success of the project. The following key factors contributed to the development of this partnership.

Expectations. NRHS came into the project with experience in working with outside companies on self-pay accounts receivable. With that experience came an understanding that there is no perfect program and when dealing with the number of accounts worked on a daily basis, from time to time will be issues from time to time. As Jeff stated, “My expectation is not that there will be zero mistakes, but that those errors are not due any deliberate malice toward the patient community.” Due to the expectations set by NRHS for the project, FPRS account representatives could focus on doing their jobs at a high level and not under an environment of stress where any mistake was unacceptable.

Communication. This is a critical component of building a partnership that is successful and lasts. Clients cannot take a stance of “I’m paying you to do this, do not bother me” and solution providers cannot act as if they are working in a vacuum. NRHS and FPRS immediately took steps to ensure that there was consistent communication during the project. FPRS offered a dedicated client liaison that could be the point person for handling any project needs. Additionally, scheduled weekly calls were established at the beginning of the project. As the project progressed, those calls were pushed out to bi-weekly and then monthly calls.

Responsiveness. FPRS made it a point, as with all clients, to ensure that every concern and request by NRHS was addressed promptly and that consistent updates were provided on situations that could not be resolved immediately. This allowed for NRHS to gain trust in the FPRS staff. Also, NRHS staff was equally as timely in getting information back to FPRS to ensure that account follow up was not delayed.

Transparency. FPRS took a proactive approach to bringing any operational issues to the attention of NRHS before they found out through patient complaints or other channels. An example of this occurred very early in the project when a phone number was incorrectly listed on over 12,000 statements that went out to patients. Even though the number was correctly listed in three (3) separate locations on the statement and the error would probably not be noticed by most patients, FPRS brought this issue to the attention of the NRHS staff. While they eventually would only be a handful of complaints that arose from this mistake, the fact that FPRS was transparent in its operations provided a level of trust with NRHS.

The Results

Typical thought processes indicate that by increasing the customer service in a self-pay program, it comes at the expense of lower collections. As the data below shows, this program focused on providing higher levels of customer service in fact increased collections for NRHS. Through a combination of the improvements in upfront collections and the early out program implemented, the overall cash improvement has been tremendous.

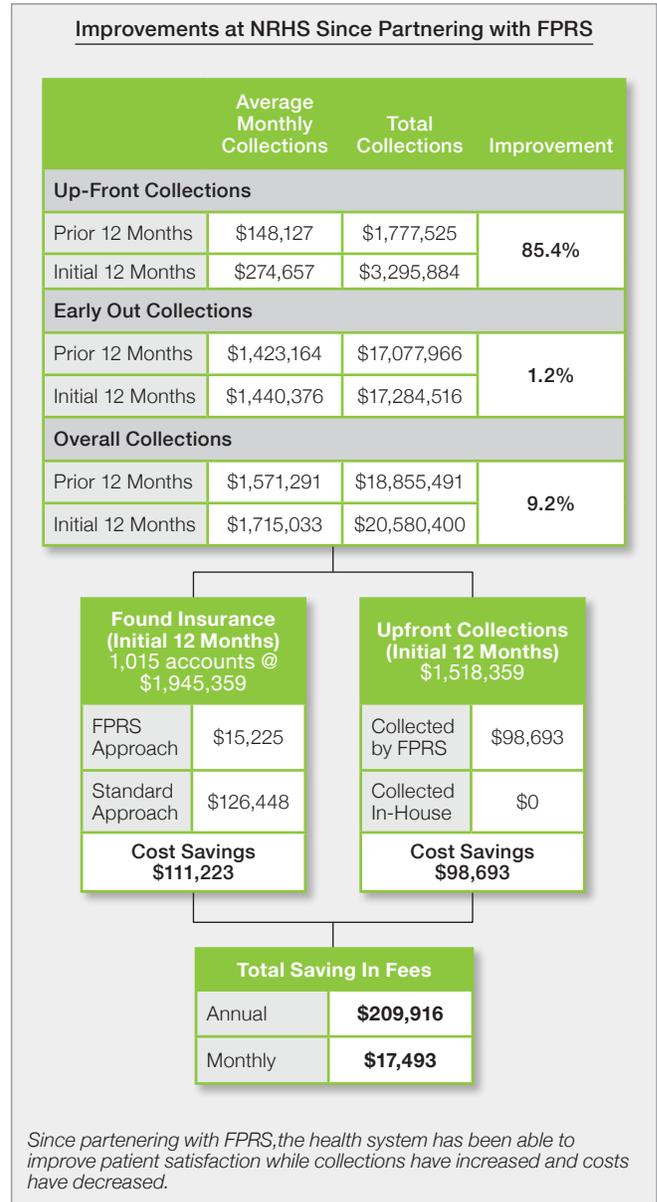
First, the dedication by NRHS leadership and staff to focus on improving up front collections, coupled with training provided by FPRS, led to incredible results. NRHS saw an 85.4% (\$1,518,359) improvement in cash collections from their upfront efforts when comparing the prior 12 month period to the initial 12 months of working with FPRS. Not only did this result in additional cash to the facility, but it also provided NRHS with an 11.7% cost savings on fees that would have been paid if collected during the early out program.

Based on the 120 day workflow model initiated by FPRS, NRHS saw a 1.2% (\$206, 550) increase in cash collections when comparing the prior 12 month period to the initial 12 months partnering with FPRS. While this increase was seen as positive, the fact that the increase came in conjunction with the tremendous increase in upfront collections, NRHS leadership found this to be a great success on the part of FPRS.

Below, combined totals are presented for upfront collections and early out efforts during the same 12 month comparison. After reviewing the results, Brian Boyington, Regional Vice President stated, “The results of this project show that a focus on providing

high levels of customer service do not have to come at the expense of cash collection results.”

As an added benefit to the process, NRHS also looked at some of the cost savings that have occurred during the project. Specifically, they looked at (1) the upfront collection improvement and fees saved due to those dollars not reaching the early out phase, and (2) the cost savings on identified insurance due to FPRS’s approach of charging a flat \$15.00 per account fee rather than applying the contingency rate. +



About Professional Finance Company

- Professional Finance Company (PFC) helps healthcare organizations and their patients resolve financial obligations for the benefit of all parties.
- PFC works with more than 1,200 healthcare providers, hospitals and healthcare systems across the country.

- PFC offers a First Party Receivables Solution (FPRS), primary and secondary bad debt collections, and debt purchasing.
- For more information please visit: www.pfccollects.com