

- Understand the details of Consumer-Directed Health Plans (CDHPs).** One study found that 43% of physicians said they had “low knowledge” of CDHPs, and about one-third said they had “low knowledge” of how health savings accounts function.¹
- Establish clear financial policies and communicate these with patients.** Make sure each patient receives a written statement of your practice’s policies and acknowledges receipt with a signature. Post this information in your waiting room, at the front desk, in exam rooms and on your website.
- Research a patient’s policy requirements before each office visit/procedure.** Verify eligibility and estimate fees and communicate with the patient in advance.
 - **Eligibility:** Research specifics of the plan coverage, patient copay and/or deductible, and confirm that the patient is prepared to cover the full fee if they do not have insurance. Advise the patient of their obligations in advance.
 - **Estimates:** Ascertain what services the patient will need and determine if clinical workflows can be translated into diagnosis and service codes that generate accurate fee estimates. Establish how much (if any) can be billed to the payer and/or what the remaining amount will be prior to the patient visit.
- Require payment up front, either full or partial, in advance of care.** Industry statistics show that the likelihood of collecting patient money decreases by as much as 50% every 30 days the account ages.² The earlier your practice collects fees, the better.
- Consider offering financing options and payment plans.** Nearly 15% of payments come from some sort of payment plan or financing option to resolve outstanding medical expenses³—a vital tool for revenue collection, particularly among self-pay patients or those with high out-of-pocket deductibles. Make sure that your staff is properly trained in payment options (including amortization of patient debt through credit card payments), has the ability to work creatively with patients, and has outstanding customer service skills.
- Provide an online patient portal for electronic payments.** In today’s ecommerce environment, patients expect an easy transaction, both at the “point of service” and via online platform. Patient portals provide access to past statements and payment status, reducing questions and time-consuming billing calls to the provider’s office, and they support improved revenue collection results.





Benchmark your results. Make sure that you are tracking key performance indicators and comparing your results to industry average. Examples include:

- **DAR (Days in Accounts Receivable):** According to MGMA, the average receivable is 42 days. Is your practice at or above this level?
- **Clean Claims:** How many of your insurance claims are processed without rejection? According to MGMA, the industry average falls between 70 - 90%.
- **Bad Debt Expense:** This figure represents all unpaid balances older than 120 days and should not exceed 3% of total revenue collections.

Capitalize on quality payment programs. While you're focusing on optimizing your fee-for-service revenue, make sure you are also familiar with the requirements of CMS quality payment programs. For example, reporting on quality measures on just one patient for the year will avoid a penalty on Part B payments.

Consider joining an independent, multi-specialty group. By joining other like-minded peers, you'll experience a better, faster and less expensive solution that can substantially improve revenue, job satisfaction and work/life balance. Consensus Health, for example, is a high-performing, physician-owned medical group for New Jersey's independent primary care and specialty providers. Members retain autonomy without membership fees or long-term contracts. Consensus Health providers also enjoy a full spectrum of proven and scalable practice management services designed to make healthcare more efficient and effective. For more information, please visit www.consensushealth.com.

Sources:

¹American Journal of Managed Care, October, 2013

²<http://www.medicalpracticeinsider.com/print/9316>, January 4, 2013

³ibid.

