



Patient payments

Patients are on the hook for more of their healthcare costs. And it's changing how practices look at collections and their payer mix.

After World War II came the rise of private commercial health insurance. The mid-1960s brought Medicare. Today, we may be witnessing the return of patient payments.

In MGMA research conducted during October 2009 for Visa, MGMA members reported that about 25 percent of total patient services revenue is collected from patients, ranging from 21.9 percent in practices owned by hospital systems to 26.2 percent in one- and two-doctor offices.

In our Medical Practice Today research asking members about their most difficult challenges in 2009, the No. 4-ranked challenge was "collecting from self-pay, high-deductible health plan (HDHP) and/or health savings account (HSA) patients." In 2008, this challenge ranked as No. 6. Slightly more than 60 percent of the respondents reported it as a considerable or extreme challenge. In 2008, the number was 50.1 percent. In fact, the number of people with HSA/HDHP coverage rose

to 8 million in January 2009, up from 3.2 million in January 2006.¹

Medical practice professionals have traditionally focused collections activities on payers. But as the paradigm shifts, practices have to figure out how to collect from patients.

In the October patient collections research, MGMA members identified four reasons why patient payments consume a larger share of practice time and resources: the emergence of HDHPs; the economy, unemployment and uninsured patients; the nature of patient expectations; and the failure of practices to confront and deal with the issues.

According to America's Health Insurance Plans, the average balance for all HSA accounts open as of June 2008 was \$1,449.² The average annual deductible for HSA/HDHPs in 2009 was \$3,005 (single) and \$5,920 (family).³

With these daunting figures, what can you do? Here are six recommendations you can implement right away to improve patient collections⁴:

1. Shift your practice's culture – talk about money with your patients.
2. Get the tools you need to determine how much patients owe.
3. Start with scheduling.
4. Follow up on the phone.
5. Don't skip the checkout process.
6. Offer many ways to pay.

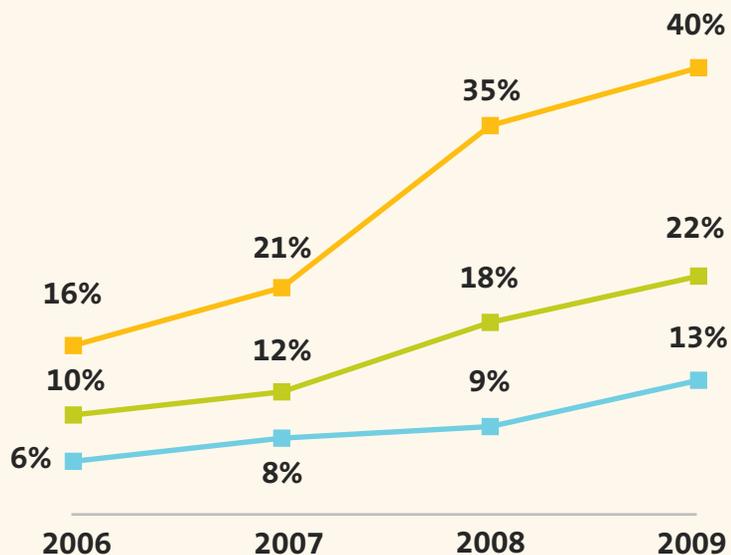
Read more about these tips on the MGMA In Practice blog at blog.mgma.com.

notes

- 1,3. January 2009 Census shows 8 million people covered by HSA/High-deductible health plans, AHIP Center for Policy and Research. May 2009.
2. A Preliminary Analysis of Health Savings Account Balances, Contributions and Withdrawals 2007 & January–June 2008, AHIP Center for Policy and Research. February 2009.
4. Tips to increase your collections from consumer-driven health plans. MGMA In Practice, blog.mgma.com. Nov. 11, 2009.

Percent of insured workers with a deductible of \$1,000 or more for single coverage

■ All small firms (3-199 workers)
■ All firms
■ All large firms (200 or more workers)



Source: Workers Face Higher Costs for Employer-Sponsored Insurance
 Kaiser Health News, September 15, 2009
<http://www.kaiserhealthnews.org/Stories/2009/September/15/kaiser-survey.aspx>