SBN Healthcare Solution
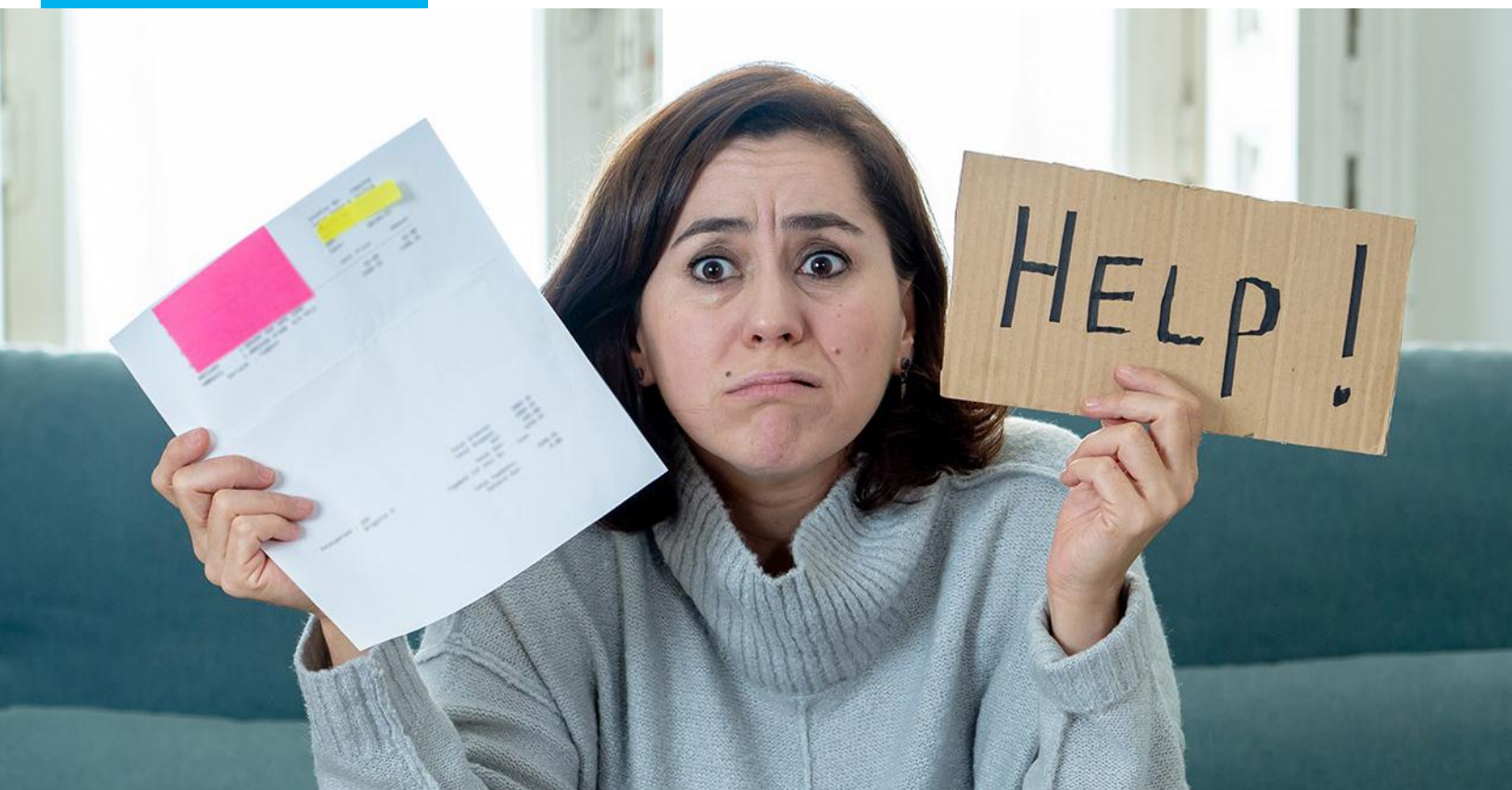One Spot For All Your Billing Needs

Why Healthcare Providers Need a Patient Centric Billing Model in a Post-Pandemic World
WHITE PAPER

Even before the onset of the Covid-19 pandemic, the healthcare sector was being tested to its limits. The additional stress applied by the crisis made matters worse, threatening not just the continuity of operations but the lives of stakeholders – patients, doctors, support staff, and the like. Medical billing, a lifeline of the healthcare ecosystem from an economic standpoint, found itself in tatters owing to the disruptions wrecked by the pandemic. And since the revenue stream of any healthcare setup has a direct bearing on patient service quality, it's the patients who had to bear the worst.
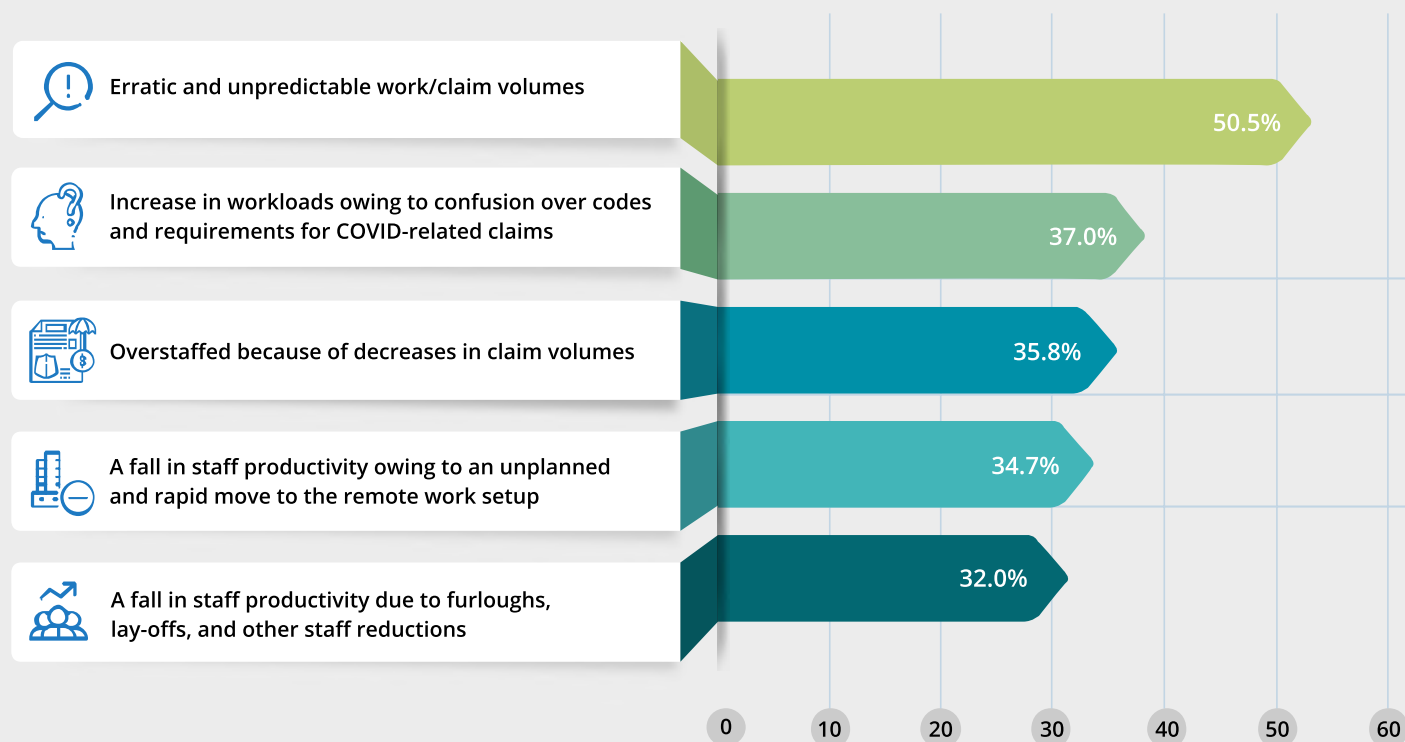

There are substantive reasons why medical billing was one of the worst-hit areas in the healthcare space. In fact, medical billing continues to cause more havoc in the already battered medical system of the US. While factors such as inadequate digitization measures, workforce shortage, absence of a clear strategy, etc. can be blamed, the need of the hour is to make amends for the shortcomings and brace up to transform the experience of the patients in medical billing. It's high time the industry leaders got their act together to transform the face of medical billing in the post-Covid world. The motivation for this pursuit should be a patient-friendly system, appealing economics, and better care outcomes.

3 Devastating Impacts of the Covid-19 Disaster on Medical Billing

Changing Billing Updates

While healthcare providers were struggling with unprecedented health and operational complications presented by the pandemic, medical billers had to contend with the challenge of constantly changing billing guidelines. In response to the crisis, both the industry regulators and the federal government mandated critical changes to the medical billing process which care providers had to abide by. One such change was the introduction of new coding details that the International Classification of Diseases (ICD-10) was updated with.

According to it, when diagnosing any patient with Covid-19, providers must use U07.1, 2019-nCoV acute respiratory disease. The new rules also require providers to code for exposure to the virus using code Z03.818. While the medical billing team was already trying its best to be precise in tracking and billing for patient services, such changes required them to put in additional effort. Amidst the enormous pressure to diagnose and treat patients, keeping track of updates, although necessary, isn't easy.

Label	Value
Erratic and unpredictable work/claim volumes	50.5%
Increase in workloads owing to confusion over codes and requirements for COVID-related claims	37.0%
Overstaffed because of decreases in claim volumes	35.8%
A fall in staff productivity owing to an unplanned and rapid move to the remote work setup	34.7%
A fall in staff productivity due to furloughs, lay-offs, and other staff reductions	32.0%

0   10   20   30   40   50   60

Effects of Covid-19 on the healthcare revenue cycle as per a survey featuring revenue cycle leaders and chief financial officers at health systems and hospitals across the US.

Acute Resource Shortage

During Covid 19 most support teams in healthcare setups have perennially been understaffed. The high rate of spread of the virus and measures like running operations with a skeletal staff undermined the ability of billing teams to handle the piling pressure of patient inflow. Consequently, there were more billing errors (hence high denied claims). Besides, several other aspects related to medical billing took a hit because of the resource crunch. These include critical processes like, A/R analysis and follow up, appeals processing, credit balance/refund processing, denials management etc. The cumulative impact of these hit the revenue streams of the organizations like never before.

Rising Claim Denials

With financial uncertainty surging because of mounting claim denials, the billing team was under immense pressure to turn things around. It had to evaluate the cause of the denials and continuously tailor a foolproof plan to curb the rise. As a part of the strategy, teams adopted a three-part approach to tackle this. First, analysis of denials, data audit to determine errors, and then examine those as per the type, payer, and reason. To meet the challenges, it became important to provide additional training to the teams. This, stressed billing professionals to the point of burnout. And to top this there was the challenge of constantly changing rules that led them to commit mistakes.

Patient-Centric Billing Approach - A Growing Reality

Patient-centricity is not an alien word in the healthcare arena, yet the popular but ambitious idea was never really pursued by care providers. Patient centricity refers to putting patients' needs and expectations first and doing what's necessary for a positive patient experience. For patients, this concept translates into an enhanced ability to make informed choices about their healthcare plans, including choosing which medical practices to frequent. Patient centricity also has a massive bearing on the success of the medical billing team. Faced with a plethora of options, today patients look to approach practices offering superior client experiences throughout an episode. Patient-centric billing enables healthcare providers to build up a loyal client base for the future.

As **35 percent of healthcare revenue** comes from patient billing, medical providers must make the process a positive one for patients. As per a **2018 survey**, half of the total patients with a negative billing experience didn't settle their full bills infull.

Why Embrace Patient-centric Billing in the Post-Covid Era

Concerns about Quality, Access to Care, and Surging Costs

Patients today are much more aware and choosier about the choices and options they have than they were a few years ago. The rapidly changing dynamics of the industry have made the healthcare consumer concerned about the quality and costs of the services they receive. This, in turn, is pushing care providers to embrace a consumer-focused approach to their clinical and financial operations. Furthermore, with the exponential rise in out-of-pocket healthcare expenses, consumers are demanding a convenient and improved way to pay their bills, an experience comparable to the one offered by other industries like retail and banking. Another implication of patient-centric billing is that providers must be more transparent about costs and extend greater convenience to best meet patients' needs to stay competitive.

70-80% of patients (on average) owe at least $500 to their care providers. **Over 45% of patients** owe above $1000. When a healthcare bill is not settled, the expense of the treatment never gets recovered.

Increasing Financial Responsibilities of Patients

Healthcare costs are spiraling, and there is a growing shift towards increased patient responsibility. As patients are extremely conscious about their part of the payment, it's important for the billing department to be more transparent and provide consumers with accurate estimates of expenses. In addition, patients must be provided with a range of easy payment options. This is an important pre-requisite of patient billing because if patients don't know what they owe, or providers make payment difficult for them, they are likely to choose not to pay or select a different care provider the next time they need healthcare. Self-service payment options allow the staff to focus on the more complex cases requiring personalized assistance.

Growing Competition

Today, healthcare setups are facing an unprecedented rise in competition. With providers competing with each other to serve as many patients as possible, it is the patients who are the biggest gainers. To gain an upper hand in the market, providers are creating new conveniences for patients through innovations like telehealth, virtual visits, and retail clinics. Providers are being forced to revisit their workflows to align them perfectly with the expectations of the patients. Also, with the rise in the patient's share of expenses, they are starting to compare costs and quality prior to choosing a provider, even considering some nontraditional options as possibilities. All of these require healthcare entities to extend superior services at a competitive price to stay relevant.

Demand for Better Experience

Today, consumers demand easy access to healthcare services. Their idea of convenience has evolved and they expect facilities such as one-touch functionality which they get in other industries. Providers can no longer afford to brush this reality under the carpet. Instead they have to devise ways to deliver such functionality. For the medical billing team, this requirement translates into features such as making the patient registration and check-in processes digital and seamless to enhance the overall experience of the consumer. Today, leading healthcare setups allow individuals to check in with kiosks, registrars, and even through a portal app via their mobiles. Patients can use the portal to run estimates and sign forms prior to their appointments. They can also save their credit card details in their accounts, making the paying of co-pays and residual balances fast, easy, and straight forward.

Ways to Become Patient-centric in Medical Billing

The first step to patient-centricity is acknowledging the patient as the focal point of the healthcare ecosystem. Caring for patients and their experience at every step of the healthcare continuum is the core idea of the concept. For the billing team, it needs to revise and improve its approach to billing through a shift in its internal culture. Every team member has to shift its mindset from 'having a billing job' to 'having a patient job'. This intent has to be backed by adequate technological support in the form of digitization through modern applications.

> Studies have proved that prospective patients are likely to consult social media rather than company websites while choosing a healthcare provider. For any elective or non-urgent medical procedure, they will, on average, drive past six cheaper practices, before going to the one the doctor recommends.

Improve Interactions

Timely, clear, and emphatic communication is key to win the approval of patients. Billing professionals must prioritize the task of keeping patients informed about their payment balances and other important updates. For that, it's prudent to take to omnichannel communication via text, email, live chat, or anything with which the patient is familiar.

> Social media influences over **40%** of healthcare consumers in the way they manage their health. **60%** of doctors agree that exposure to social media has improved the quality of patient care.

Providers can use questionnaires, surveys, or simple informal conversations with each patient and note their concerns and expectations. The reporting features of the EHR can reveal volumes about billing, diagnosis, and outcomes, highlighting scope for improvement.

Medical marketers can play a key role by connecting with patients online through social platforms. They can make efforts to identify relevant remarks from the target patient group, making it more convenient for the billing team to address negative feedback.

For enhanced transparency, providers can leverage electronic medical records (EMRs). They must keep the invoicing process simple by consolidating charges from various departments, highlighting the expenses covered by providers, and delineating the patient's share of the payment.

Encourage the Use of Digital Payments

A recent survey revealed that consumer payment portals caused the most significant rise in payment channels owing to the pandemic.

The pandemic has induced an awareness even among the non-tech-savvy group about the features and advantages of digital, contactless payments. Like other businesses that are transitioning to digital transactions, medical billers are using online payment portals to enable patients to manage their accounts, make self-serve payments, and set up payment plans. Patients have the luxury to log into the portals at any time and from any place to access easy-to-understand bills.

A digital health platform that enables automation of the billing process, including payment and debt collection messages, improves collection, saves significant operating costs, and hence, provides the financial cushion to the team to enhance their patients' experience.

Self-service tools allow patients to understand each line item mentioned in their bill and make timely payments without any assistance. This is a big relief for the RCM team which is always flooded with manual tasks pertaining to collections and payment processing.

Features such as digital payment options and access to self-service tools help the healthcare setup to lay a stronger digital footprint, creating a positive impression and making patients central in their own experience.

A survey covering 180 hospitals in the US revealed that while **82%** of health systems offer no or low-interest payment plans to their patients, just **41%** of them said they extend self-select payment plans to patients.

Leverage Patient-centric RCM Metrics

In the post-Covid era, the billing department must go out of its way to measure metrics such as net collection ratio, time to collect, claims denial rate, and charge lag. Traditional revenue cycle metrics were designed for the well-being of the health system. But considering the centerpiece in the healthcare landscape, i.e. patients, providers need advanced patient-focused RCM metrics to adopt patient-focused measures. With rising competition and dwindling revenues, care setups are also embracing more advanced metrics such as net promoter score, call wait times, call abandonment rate, the number of phone calls received, and more to make their model more patient centric.
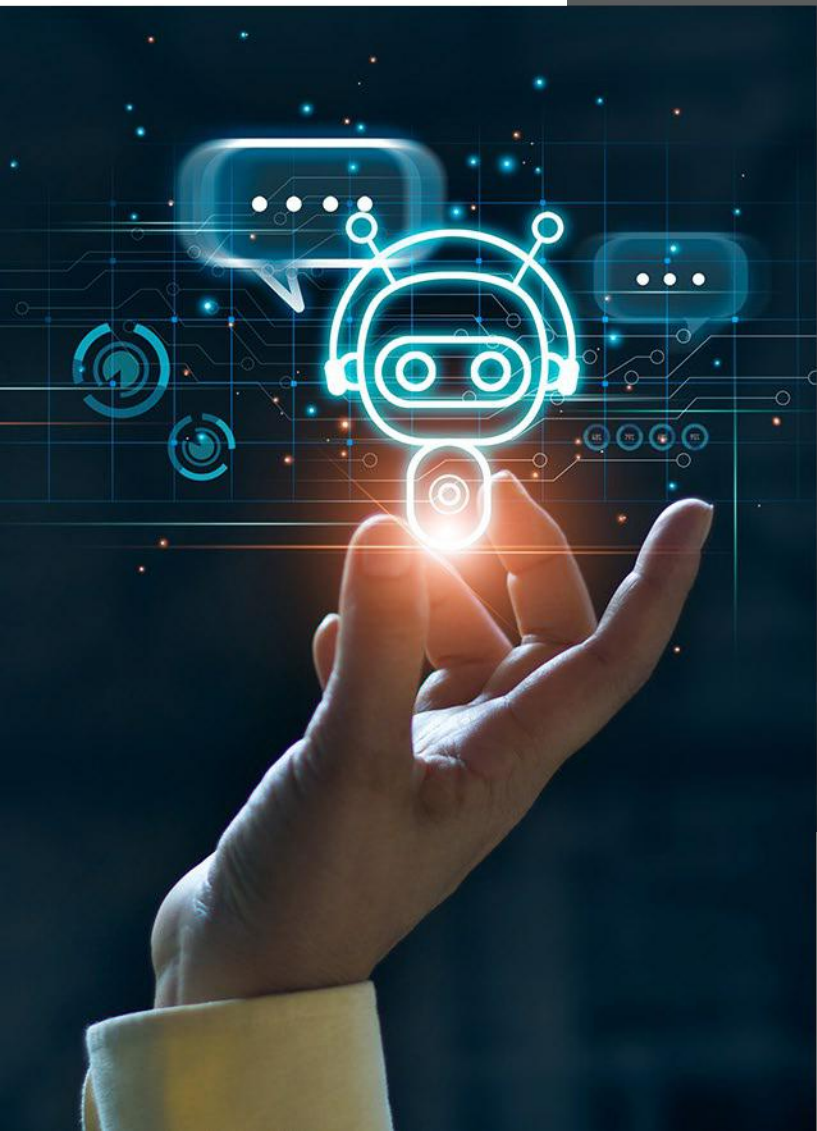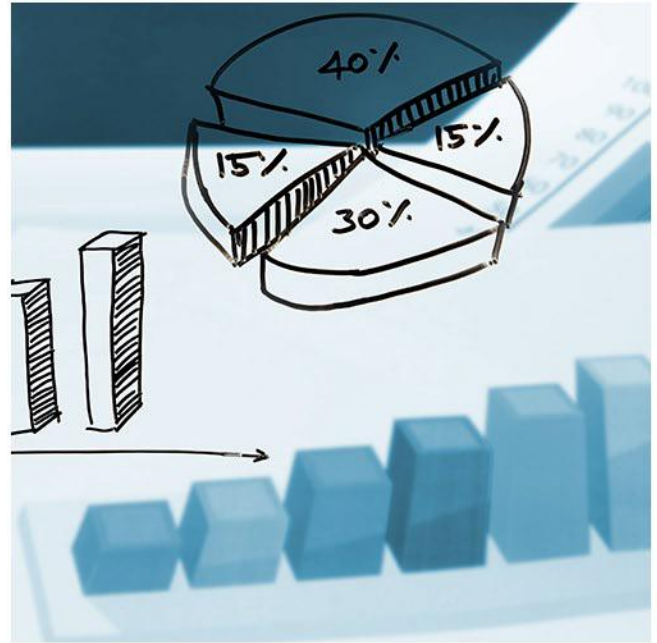
Billing teams must be equipped with big data solutions and machine-learning algorithms for automated workflow management. It provides them with hidden insights into performance metrics while processing multiple variables or determinants to guide staff workflow.

As most providers lack the resources to filter through analytics dashboards for insights, a healthcare consultant or vendor partner is their best bet. Such firms have the expertise to drill down into data and spot the causes of negative financial outcomes efficiently.

AI-powered workflow automation tools drive change at the staffing level. They save the staff from sifting through multiple spreadsheets, trying to figure out their action items. The staff can just log into their computer and be notified which claims to work on.

Challenges in Pursuing Patient-centricity

As important, urgent, and noble as the concept of patient-centric medical billing may seem, reality presents several hurdles on the way to it. The current revenue cycle management is apparently ill-adapted to handle the current market forces impacting the industry. Haphazardly introducing changes as massive as the ones discussed in the preceding sections, incorporating innovative technologies, and attempting to revamp existing processes increases operating costs of RCM processes. Likewise, such a change would require addressing changing fiscal demands, phasing out of aging technologies, and renewed concentration on consumer expectations.

The Age-Old Provider-centric Billing Mode

Any change takes time to implement. In the context of healthcare, it takes a lot of effort on the management's part to understand and agree to fundamental changes to their billing structure. Once the will is developed, the next challenge would be to convince the employees who have got so used to the prevalent processes that they move heaven and earth to resist any change. In the old provider-centric billing mode, appointments and procedures are scheduled as per the convenience of the organization, physician, and staff, not the patient. Because the patient-centric approach can turn the tables, it might imply a few extra hours of work for the staff, hence the reluctance.

Technical Shortcomings

Healthcare setups have never been enthusiastic about new technologies. Even today, many providers are operating in silos with no data transparency, leading to massive inefficiencies and operational failures. Technology is an anchor in the pursuit of a patient-centric billing ecosystem where systems are integrated with one another, facilitating seamless inter-departmental communication and collaboration. Every department can interact swiftly with the patient, introducing higher accuracy into patient scheduling and revenue cycle thereby adding to the patient's positive experience. But the lack of technical expertise to execute changes to this level is a big hindrance for most providers.

Shortage of Staff

The inadequacy in technology coupled with the lack of adequate manpower is deterrent to undertakings like this. For instance, for the convenience of the patient, billers would want to provide them with multiple communication channels, including patient portals, phone and face-to-face meetings, instant messaging, etc., but this also requires staff. However, while striving to provide patients with what they need, providers must ensure not to overstaff their various resources. Another source of concern is the training of the staff to understand and execute the new changes while maintaining the quality of their output.

Patients Resisting Change

It might read absurd but it's true - although the well-intentioned patient-centricity model is solely based on the convenience of patients, it would still take massive effort to get the patient to accept it. One of the primary reasons behind it is the considerable involvement of new processes and technologies, which doesn't impress everyone. For instance, most providers have reported patient hesitations when they implemented kiosks and digital check-ins because they thought they would need to get trained on using those seemingly 'hi-tech elements'. Patients might also be suspicious about the safety of information pertaining to their health and payment details.

Ensuring Adherence

Another pain point in implementing a patient-centric billing model at a healthcare center is ensuring the patient's adherence to the treatment plan. Treatment adherence for the well-being of the patient with a chronic condition and the concurrent assurance of revenue inflow as a consequence is a win-win proposition. But reports claim that around 75% of patients do not take their prescribed medications. One out of two patients with chronic diseases do not comply with the prescribed treatment and a shocking four out of five HCV patients are non-compliant. This poses a massive challenge to care providers as they strive to secure patient support to realize their goal.

Improving patient adherence can cause three fewer visits (average) to healthcare professionals.

How Outsourcing can Help to Build a Patient-centric Billing Model

The last 18 months have been an eye-opener for the medical industry. Amidst the challenges of high patient inflow, reduced employee strength, and dwindling profits, the pandemic taught providers a crucial lesson – the importance of staying prepared for future calamities. Another change the pandemic has induced is the growing awareness among healthcare consumers about the need for an enhanced experience at every touchpoint, and hence the patient-centric billing model. Handling patient concerns, amidst the chaos in a typical medical practice, and the dire need to do things quickly usually lead to inconsistent billing practices and mistakes.

There also exist several other obstacles with varying degrees of difficulty. A cocktail of issues consisting of a lack of technical expertise, training facilities, budget, employee and patient willingness, etc. challenges the implementation of this utopian idea. However, there's a way out – outsourcing. Professional medical billing and coding firms have always been the savior of providers in their patient management efforts. This time too, they have come to the rescue. These firms strive to deliver consistent billing experience by managing the practice's billing needs in keeping with the times. This eliminates the distractions that an in-house team faces, allowing the client to achieve a higher level of accuracy and consistency.

> The size of the global medical billing outsourcing market, valued at **$10.2 billion** in 2020, is expected to increase at a compounded annual growth rate of **12.3%** from 2021 to 2028.

Focus on Patient Care

The healthcare landscape is evolving, and the post-Covid period would see more significant changes. While providers must closely monitor their revenue cycle process for business continuity, but it should not be at the cost of quality care and due patient attention. In a patient-centric setup where patient engagement and experience are forcing providers to change their delivery models, outsourcing RCM services will help providers stay compliant while focusing primarily on patient care.
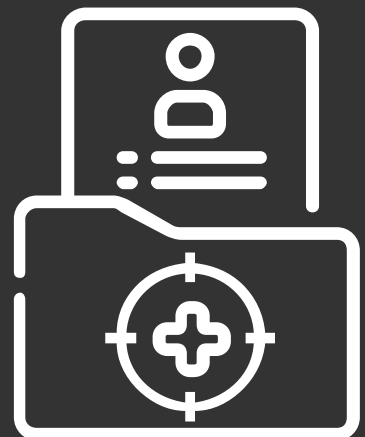
Create a Patient Journey Map

To identify high touchpoints for better patient experience and outcomes, providers can collaborate with worthy partners to devise a detailed transformation roadmap and identity project phases, timelines, and KPIs. The partner firm can help develop that strategic vision, cultural mindset, and a patient-centric pipeline and portfolio plan. They can help introduce the required changes to the workflow structures and create training and development programs for the client's team.

Collaboration for Successful Patient Centricity

Collaboration, to a large extent, determines the success of a healthcare setup's effort for patient-centricity in the long run. While providers might hesitate to pursue collaboration with the ecosystem owing to the lack of intent or resources, maintaining the right equation with the other elements, including payers, health tech partners, and regulatory bodies is of prime importance. Providers can rely on a third-party RCM firm to build fruitful relationships with all cross-industry entities. The seamless cross-industry collaboration enabled by such a partner encourages focus on the full experience of the patient and greater consideration of value.

Ensure Cash Flow to Implement Patient-centricity

As a commercial setup, regular cash flow is the oxygen for healthcare providers. While focusing on the experience of patients is the primary objective, the management must always keep an eye on their equation with payer organizations for timely payments. Owing to their expertise in medical billing and reimbursement, a professional billing firm can assure its clients of timely payments. From gathering and verifying patient enrollment details to using the correct medical codes and liaising with payers, it assumes responsibility for the end-to-end revenue cycle functions.

With the latest technical tools and expertise, some healthcare setups save up to **30%** of costs in their billing and receiving processes.

A Step Toward Digitization

The goal of patient-centric billing is not feasible without digitization. Reliable RCM service providers bank on the latest software and processes to manage and ensure error-free billing. Once the client shares the relevant documents with the service provider, the latter subjects it to their cutting-edge billing tool. They also use AI and ML-powered software for insurance verifications and A/R collections, which ultimately benefits the patient.

CONCLUSION

As the Covid-19 virus finally shows signs of abating (after an aggressive vaccination drive), the healthcare industry is set to undergo several major changes related to operations, regulations, and revenue. The upcoming days would present care providers with a great opportunity to transform themselves by prioritizing patient experience as the central idea of the whole ecosystem. And transforming the experience of the patient must start with the touchpoint that has the highest bearing on it – medical billing. Today the billing and coding department sees enormous potential for innovation through digitization, with the patient as the primary beneficiary. Providers can enable this by partnering with a competent medical billing services firm to help Them adopt the right technology platforms, capture and organize patient-related data, and draw insights from the data to transform outcomes for patients with a goal of enhancing the patient's experience.
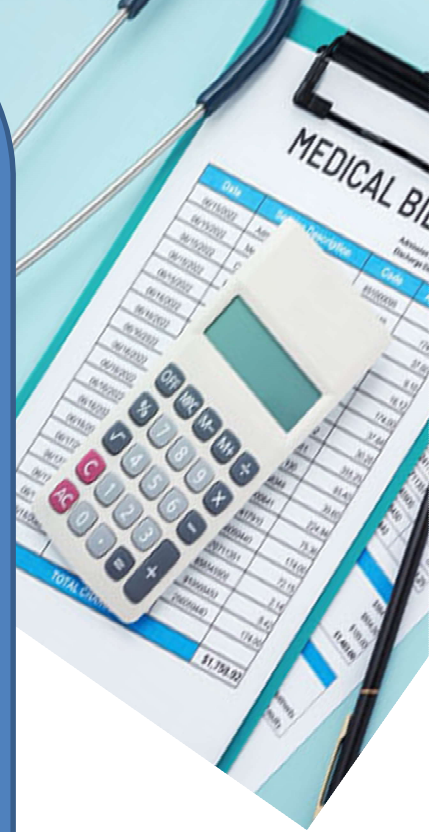
WHO WE ARE AND WHY COUNT ON OUR BILLING SERVICES?

SBN Healthcare is a healthcare BPO service provider with over 5 years of experience in developing customized billing services for clients. Over the years, we have been trusted by many big and small hospitals and practices to transform their aging workflows and expedite their revenue generation process. With the massive shift in the patient engagement landscape throughout 2020, we have developed a sophisticated approach to make medical billing error-free, compliant, and most importantly patient-centric. Get in touch with us to know more

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