

THE KEYS TO BUILDING AN EFFECTIVE PATIENT BILLING AND PAYMENT PARTNERSHIP



A WHITE PAPER

by Emdeon Business Services

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EFFECTIVE PATIENT BILLING

Don't just select a patient billing and payment partner, select the *right* patient billing and payment partner.

Once your healthcare business has decided to seek a third-party vendor to assist with your billing and payment processes, make sure you are taking everything into account. Your partner should be able to leverage the best processes and solutions right now, while delivering the expertise and flexibility to adapt as new technologies and techniques emerge. As you encounter key questions in this white paper, ask yourself if your prospective partner is ready to make your patient communications clearer and more efficient for the long-term. Your patients will thank you for it.

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Offering comprehensible financial communications benefit both patients and providers. Easy-to-read bills and statements will educate patients on the treatment rendered by the provider and on their financial responsibilities for those services. With better informed patients who clearly understand their bill, providers may experience a higher bill payment rate.

Ensuring patients receive concise financial communications, while still supplying sufficient detail to explain the included information, can be difficult. However, by adopting *PATIENT FRIENDLY BILLING*[®] guidelines, an initiative created by the Healthcare Financial Management Association (HFMA) in partnership with the American Hospital Association (AHA) and the Medical Group Management Association (MGMA) to promote simplified financial communication formats, providers can easily offer this beneficial and needed service.

The three methods most often used by providers when communicating with patients are:

- Correspondences internally created and mailed
- Services provided through an information systems vendor
- Reliance on a third-party vendor

Due to the financial, technological, and personnel resources required to internally produce and distribute bills and statements, many providers rely on third-party vendors to generate their financial communications. If providers choose to utilize an external source for communications distribution, they should thoroughly research vendors prior to selecting a service partner.

The following section offers providers *PATIENT FRIENDLY BILLING*[®] guidelines to consider when seeking a vendor to supply financial communications services.



How familiar is the vendor with healthcare billing compliance requirements?

While a vendor may be capable of processing statements for certain industries, they may not be prepared for the requirements established for the healthcare industry since it is regulated by specific governmental security requirements. The vendor must also understand that significant differences exist between their standard clients, such as credit card companies and utility departments, and healthcare providers. The provider's patients must not only be informed of their financial responsibilities, but they also must be clearly educated on the services and treatments received from the provider.

Will services that embrace *PATIENT FRIENDLY BILLING*[®] guidelines assist in accelerating payments?

Well-designed, organized and concise financial communications will educate patients on their financial responsibilities. By clearly understanding their bill, patients may be more inclined to expedite their payments, especially when coupled with various payment options, such as credit card payment and online bill payment.

Are flexible financial communication designs available?

As a vital attribute of any successful *PATIENT FRIENDLY BILLING*[®] initiative, communications should be highly customizable to your business and not hindered by technology or system limitations. Unfortunately, some hospital information systems offer minimal customization options for communication designs and messaging. Also be aware that some customization options vary depending on monthly volume. When reviewing vendors, ask questions concerning customization limitations and ensure that their designs provide clear and understandable statements.

Can financial communications be delivered more promptly and efficiently?

Electronic data interchange (EDI) solutions have reduced many obstacles hindering the prompt delivery of information to vendors. Providers processing communications internally or locally may discover that remote vendors can now process bills and statements more economically and faster than the method they currently use. Also, by using the tools offered by the United States Postal Service[™], vendors can minimize the work required to deliver bulk mail, which creates a fast, efficient mailing system.

Well-designed, organized, and concise financial communications will educate patients on their financial responsibilities.



To ensure a successful solution implementation, a vendor should work closely with you to develop a detailed, informative implementation plan.

Will the vendor be prepared for future changes in the patient billing process?

Effective vendors should be prepared for advancements in the patient billing industry and always utilize the latest patient billing process technologies, such as piece-level tracking options and file-based processing, to generate and deliver statements. For example, as the number of people paying bills online continues to grow, the external source you choose should have the capabilities to offer online bill presentment and payment solutions, which is steadily becoming a viable alternative to paper statements. With online bill presentment and payment solutions, patients can review bills at their convenience through hospital websites and immediately pay by credit card or eCheck. Through this process, patients save time and fewer provider resources are required. As more patients demand payment and presentment alternatives, vendors should have plans for integrating new alternatives with traditional methods to offer you the most options to address your needs.

Will the vendor work closely with your organization to implement a successful patient communications solution?

To ensure a successful solution implementation, a vendor should work closely with you to develop a detailed, informative implementation plan that defines the responsibilities of both parties and ensures that expectations are met within the established timeframe. Consider choosing a vendor familiar with various healthcare information systems. Vendors with this experience are more likely to understand your file requirements and experience minimal, if any, implementation issues.



Is utilizing a vendor for generating and distributing financial communications more economical?

With healthcare providers often lacking the tools required for the timely and accurate delivery of bulk mail, outsourcing large volumes of print and mail business can potentially save providers significant time and money.

While overall cost is an important element to consider when evaluating, providers should completely research and understand each vendor's quote before committing to the proposed services. Cost elements that should be contained in a quote include:

- Printing single page statements
- Printing additional statement pages
- Comparison of duplex printing and single face printing
- Color printing of your organization's logo and credit card logos
- Postage

Additional services to consider:

- Statement viewing and archiving
- National Change of Address (NCOA) processing
- Online bill payment solutions
- Electronic bill presentment and payment options

Providers should also understand that the length of the contract can affect the cost of the services. Shorter contracts may involve less risk and commitment, but a longer contract may enable you to lock in pricing, excluding postage and paper costs, for a longer period of time. Contracted pricing may result in savings if processing fees increase during the contract term.

What other sources should you consider when compiling information to determine the correct vendor to provide you with the best patient billing services?

- Ask other providers in your affiliated network which vendors they use and if they are satisfied with their services.
- Determine the statement design elements your organization wants to utilize, either through internal meetings or the use of focus groups, and present these to the potential vendors for review.
- Thoroughly evaluate vendors by asking any questions you feel relevant to the proposed services and compare responses.
- Remember that *PATIENT FRIENDLY BILLING*[®] techniques may be different for everyone and only you can decide which services are correct for you and your patients.

Involving your vendor in the file layout process is recommended.

An experienced vendor can offer suggestions on how to efficiently handle this process.



If appreciation letters are used, they should be informative, easy-to-understand, and visually appealing.

What information is required to generate your communications?

After you determine your desired communications design and the information it should contain, verify with your staff that appropriate file layouts can be provided. You will need to provide the vendor with the file layout, which will allow them to read your communications file and transfer the information to the new communications design. Involving your vendor in the file layout process is recommended. An experienced vendor can offer suggestions on how to efficiently handle this process. By completing this process upfront, time can be saved during implementation.

Are additional communication options available that should be considered?

To thank patients for choosing their services, many providers send appreciation letters. These letters can also assist in initially verifying insurance and can provide an organized summary of care, allowing patients to view the progression of account events and respond if insurance or treatment information is incorrect. Subsequent statements can communicate balances due or requests for patients to contact the provider's business office for additional information. If appreciation letters are used, they should be informative, easy-to-understand, and visually appealing.

Emdeon Business Services is a leading provider of revenue cycle management and clinical communication solutions that enables payers, providers and patients to improve healthcare business processes. Emdeon's solutions are designed to simplify the business and improve the delivery of healthcare for providers, payers and patients. Emdeon is proud to serve as the exclusive sponsor of the distribution of the HFMA Summer 2007 Report on Pricing Transparency.

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At Emdeon™, we're committed to empowering healthcare professionals through innovative cash flow solutions and a connection to the most complete industry network of payers, partners and resources. Our unique approach helps you manage the business of healthcare in every way, so you save considerable time and money while you focus on, as it should be, providing the best healthcare possible.

Emdeon is a leading provider of business, technology and information solutions that transform both the financial and clinical aspects of healthcare delivery.

To learn more about our company, our services and our commitment to improving healthcare, visit our website at www.emdeon.com/pbps



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