



A Healthcare Opportunity

PHILIP HARDIN, Executive Vice President of Provider Services at Emdeon Business Services, discusses online patient billing and payment.

Online billing and payment is gaining acceptance and momentum in most markets, with 74 percent of consumers paying at least one bill per month online. Given this growth in the retail sector, what are some reasons why healthcare has been slow to adopt online patient billing and payment?

The healthcare industry has unique challenges that have slowed the adoption of online patient billing and payment. Due to the nonrecurring nature of healthcare billing, providers are skeptical about the need for online billing and payment methods and are concerned that patients may not utilize these methods. Additionally, more in healthcare than in any other industry, security concerns associated with online billing and payment are paramount. HIPAA requirements established by the federal government mandate the protection of protected health information (PHI), forcing healthcare to more carefully consider the implications of placing patient information on the Internet.

There is also the perception in healthcare that online billing and payment systems are expensive to implement and time-consuming to manage. However, the application service provider (ASP) technology to enable these capabilities is available with modest IT and capital investments. Initially, healthcare providers and payers must make some necessary workflow changes to facilitate online patient billing and payment. Some of these workflow changes may be as simple as creating a method to capture and store necessary patient communication data such as e-mail addresses. To be consistent with other retail-oriented industries, there are some long-term workflow changes that are necessary to give consumers visibility into primary insurance payments, contractual discounts and coordination of benefits on a timely basis.

Which healthcare trends will impact provider adoption of online patient billing and payment solutions?

As consumer-directed health plans (CDHP) increase in popularity, a greater percentage of healthcare costs will be transferred to

the patient. In response to this, providers will need new methods – both paper and electronic – to communicate financial responsibility to patients. In addition, as the Healthcare Financial Management Association (HFMA) PATIENT FRIENDLY BILLING® initiative gains visibility, more providers will be encouraged to develop a technology strategy for improved patient financial communication, including online billing and payment capabilities.

Another healthcare trend that will impact the adoption of online billing and payment solutions is the rising cost of collections providers are experiencing. Costs associated with in-house billing and payment activities such as printing and mailing statements, returned mail management, and storage, retrieval and archival of paper information have been steadily increasing, forcing providers to look for ways to reduce costs. As a result, online billing and payment solutions are more likely to be considered since they enable providers to reduce or eliminate the paper-based billing, and payment activities and the associated costs.

What are the potential benefits of increased utilization of online billing and payment for the healthcare community?

If we compare the healthcare cost saving opportunities to those achieved in retail sectors, we would see that healthcare organizations stand to save as much as \$3 per statement by moving to Web-based consumer billing.

Another advantage is the shortened invoice to payment cycle. Providers traditionally encounter significant delays in receiving payments through paper-based billing and payment processes. When statements are delivered electronically, however, mailing delays are eliminated so that patients receive bills five to seven days earlier. When receiving statements online, patients are more likely to pay outstanding balances online as well, further shortening the cycle. As a result, providers receive payments faster for increased cash flow.

There are also back-office advantages, such as providers being able to more effectively deploy personnel as well as financial and physical resources, enabling them to do more with less. Furthermore, the elimination of manual processes associated with receipting, recording and posting of patient payments also increases back office efficiency and potentially lowers personnel costs.

Transitioning paper-based processes to electronic ones has the potential to save 2.5 billion pieces of paper annually – a benefit to healthcare as well as the environment.

What are the possible impacts of online billing and payment solutions on patient relationships?

In healthcare, the monthly paper statement is one of the most frequent touchpoints between provider and patient. By delivering statements electronically and also offering online payment options, providers can establish a more frequent and readily available touchpoint which further builds the provider-patient relationship.

Online patient billing and payment methods also strengthen provider-patient relationships by increasing the ability to connect and share information. Traditionally, when a patient has a question or concern with his or her statement, the patient must call the provider's customer support area; this can be time-consuming for both the patient and provider staff. The patient may also choose to wait until his or her next visit to address the billing issue, further delaying payment to the provider. Today, however, most online billing and payment solutions provide patients with greater access by enabling direct contact with their provider's customer support area via secure e-mail. Patients also have the ability to view billing policies, FAQs and other pertinent information online, providing education to the patient about billing and payment processes.

By providing online billing and payment, healthcare providers are also placing a greater level of control in the hands of the patient which can improve patient satisfaction. Empowering patients with 24/7 access to manage their accounts, update demographic information, view updated payment and billing history that reflects the latest insurance status and establish payment plans mirrors the online capabilities offered in other industries and gives patients the self-service abilities to which they are accustomed. Offering flexible payment options, including the acceptance of multiple forms of payments, can further increase patient satisfaction and enhance the provider-patient relationship.

What factors should providers consider when looking for an online billing and payment solution?

Any online billing and payment solution being considered should encompass healthcare billing compliance requirements and standards, including HIPAA requirements, to protect PHI. Technology deployment is also important as providers typically have limited IT resources. The ideal online billing and payment solution should require few provider IT resources to implement or maintain. The best solutions are integrated with the providers' patient statement printing and mailing process. This prevents a second system implementation, minimizes ongoing maintenance costs and eliminates synchronization issues that would confuse the patient.

The ability to integrate with existing patient billing processes is also important when evaluating an online solution. For instance,

understanding existing credit card processor agreements and whether or not these will need to change with a new online billing and payment solution is critical. Furthermore, an integrated solution will also enable comprehensive visibility of all payment activity across multiple facilities and should eliminate the need for manual keying of payment information through automated payment posting to the patient's record.

Another important factor that providers should consider when selecting an online billing and payment solution is the ability to accept a wide variety of payment types such as credit cards, check cards, and eCheck/automated clearing house (ACH) payments. The more flexible the payment options are, the more likely that patients will pay.

How can providers uniquely leverage online billing and payment technology?

Although the most common application of online billing and payment solutions is to collect patient payments through the Internet, the technology can also be leveraged in a variety of areas within a healthcare facility. At patient access, it can be used to shift the culture of asking for patient payments during patient registration. The technology can be used in conjunction with eligibility verification systems to allow a provider to collect payments at the first point of the patient encounter. A provider's business office can use the solution as a tool to automatically capture and electronically load all payments into existing information systems. As a customer service or collection department tool, online billing and payment technology can be utilized to view real-time account information, accept payments and establish payment plans. Finance departments can also use data generated from online billing and payment solutions as a means to better understand cash flow with custom reporting on enterprise-wide payments received.

What final thoughts can you provide to help guide anyone considering an online billing and payment solution?

The movement toward offering online billing and payment solutions is gaining momentum in the healthcare industry. With the majority of the U.S. population accustomed to paying bills online, providers can be confident that patients will utilize online billing and payment solutions. By bringing billing and payment online, providers are offering patients the convenience and account self-service they expect.

Online billing and payment technology is readily available and incorporates the best of today's billing and payment methodologies. Most ASP-based online billing and payment solutions can be implemented with minimal hardware or IT involvement. Integrated solutions that combine traditional print and mail capabilities and online capabilities reduce the implementation and maintenance costs. The ROI from implementing an online billing and payment solution can be realized early, not only due to few IT resources needed for implementation, but also due to the benefits gained, such as shortened invoice to payment cycle and greater back office efficiencies. **FH**

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