

# Self-Pay Management Financial Analysis

Health System revenue cycle leaders are continually faced with a choice in deciding how to most effectively and efficiently manage their self-pay patient populations. This question will become even more important as the impacts of COVID-19, specifically the historic loss of jobs, is felt across the patient population. Medicaid enrollment is expected to increase to over 90 million people by the end of 2020. Self-pay patient volume will increase and strategies for account management will need to be examined to ensure they can meet the demand while staying within even more constrained budgets.

The goal of a self-pay management strategy is to quickly and accurately identify assistance program eligibility and to facilitate the enrollment process. Typically, there are three approaches to managing self-pay populations: utilize internal staff, engage an external vendor, or leverage some combination of the two often referred to as a hybrid model. The following analysis provides a side by side comparison of the internal staff model and a vendor-based model. The internal model in the analysis leverages the MAPS Self-Pay management technology platform to achieve its results.

## Key Factors to Consider

- 1) The number of self-pay patients you are able to screen for assistance program eligibility. With the MAPS solution, the Quickscreen tool can be deployed across the patient financial services department, in the Emergency Department, or at Patient Registration. When fully deployed, the screening percentage for inpatient accounts should approach 75%, with an outsource vendor this percentage will be closer to 60%.
- 2) The conversion of eligible individuals to revenue generating reimbursement programs such as Medicaid. With the MAPS solution the financial counselors are walked through the enrollment process from collecting all required information and forms, to application submission. Diligently following these steps should result in enrollment percentages above 50% of those potentially eligible. Results from an outsource vendor will vary but are typically closer to a 40% conversion rate.

| SELF-PAY FINANCIAL ANALYSIS RESULTS SUMMARY |        |                    |                       |
|---|--------|--------------------|-----------------------|
|   |        | INSOURCE WITH MAPS | OUTSOURCE WITH VENDOR |
| Self-Pay Inpatients Annually                |        | 4000               | 4000                  |
| Screening Percentage                        |        | 75%                | 60%                   |
| Patients Screened                           |        | 3000               | 2400                  |
| Potentially Eligible                        | 75%    | 2250               | 1800                  |
| Enrollment Percentage                       |        | 50%                | 40%                   |
| Enrolled Patients                           |        | 1125               | 720                   |
| Average Reimbursement                       | \$2500 | \$2,812,500        | \$1,800,000           |
| Annual Cost                                 |        | \$56,400           | \$216,000             |
| Estimated Financial Impact                  |        | \$2,756,100        | \$1,584,000           |

**Comparison Notes:**

Analysis based upon estimates at a two facility health system  
 Potential eligibility based on states with expanded Medicaid coverage  
 Annual MAPS cost based on implementing across the two facilities  
 Annual vendor cost based upon a 12% contingency fee per approval

- 3) The cost to convert accounts. The MAPS solution has a fixed monthly licensing fee based on the number of facilities in the health system. The outsource vendor will likely be paid a contingency fee based on the approved account reimbursement. This fee can be between 10% and 15%. Also, given that most health systems have staff in place to manage their financial assistance programs, more resources are typically not needed when utilizing the MAPS solution.

When clients fully employ a robust insource model with the MAPS Self-Pay Management platform, not only can they save money but they also have the opportunity to generate more reimbursement revenue. Contact Bluemark today to see the full financial analysis and to learn more about how MAPS can help your organization achieve its self-pay management goals.