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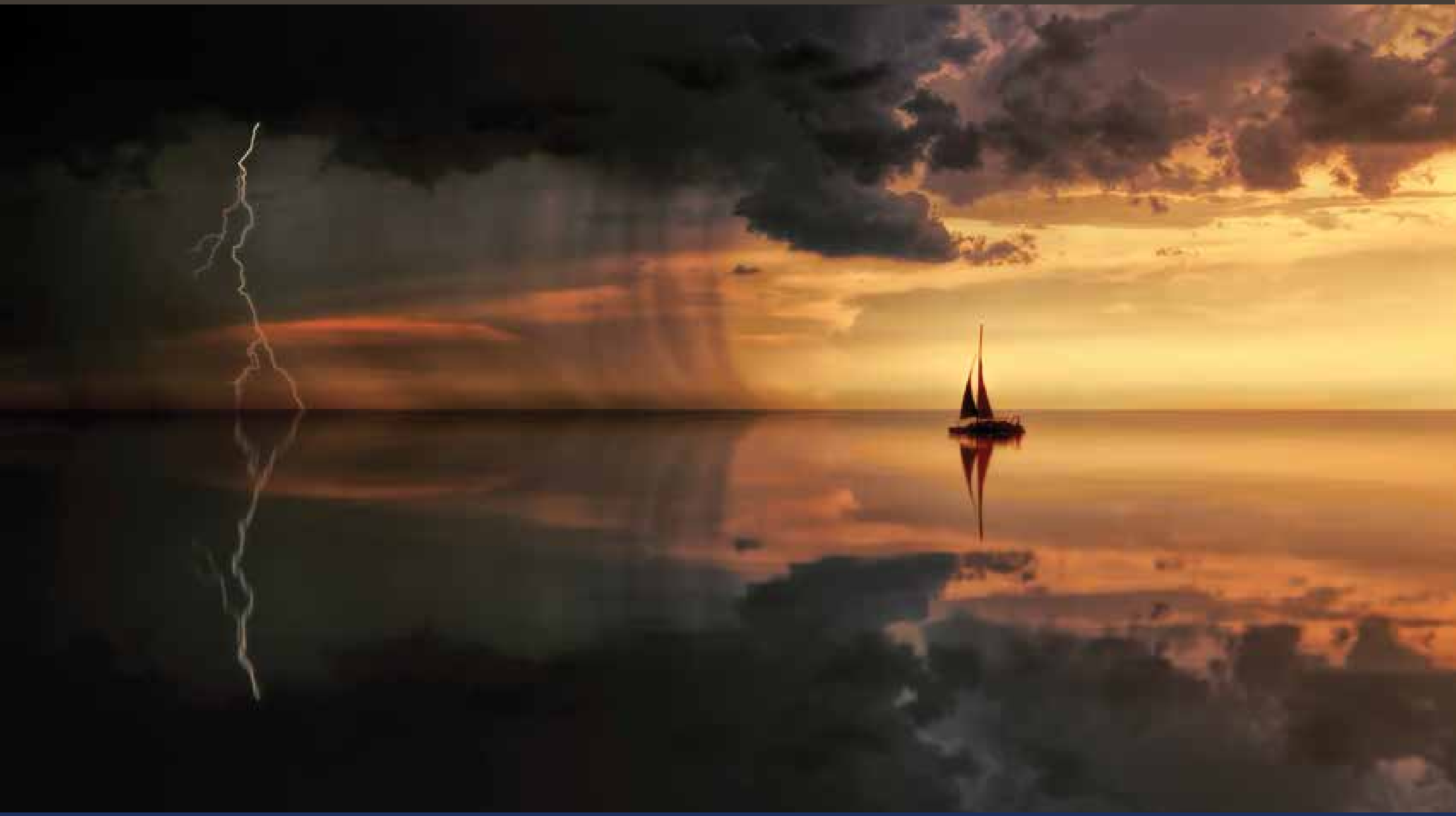
LYMAN Healthcare Solutions



Patient Financial Services in a Post COVID-19 World

This ship has sailed and if in revenue cycle you are scared of your shadow now, wait until you see the ghost of the future in 2021 with COVID-19. The financial losses from the COVID-19 pandemic are not just being felt today but will also have extreme effects on hospital revenues and revenue cycle management well into the future. Without a doubt, COVID-19 has upended the U.S. health care system.

The impact is far reaching and includes nonclinical workforces shifting to work from home models and virtual communication with patients has exploded. In spite of unemployment reaching all-time highs, there is also a shortage of personal in the Patient Financial Services (PFS) sector. Many in the industry feel the desire to get back to how things were, the term normal is often used to describe this former state. However, many aspects of the historical PFS business model are the very things that have left providers vulnerable to the crippling impact of the pandemic.

Moving forward, providers will need to create a “New Normal” in the PFS arena. The new PFS model will require providers to assess and embrace the positive transformations that have been introduced because of COVID-19 and make them policy then assess those activities that have been discontinued and abort them entirely.

The traditional PFS model of inhouse or outsourcing may no longer be applicable for the future and will in all likelihood be ill equipped to respond to the huge demand ahead. This is an opportunity for providers to use this unprecedented environment to correct what hasn’t worked and create new strategies, processes and goals. The thinking needs to shift to concepts such as process automation, account monitoring, labor savings and stronger overall management tools. Today, many providers are focusing on mitigating the financial impact of COVID-19 on their patients, staff, and overall businesses. But few have had the opportunity to strategically assess, “what comes next”, and the time to do this is now.

The purpose of this article is to review the “New Normal” of Patient Financial Services. Specifically, the return of non-urgent workers, coping with the second wave of COVID-19, new technology tools, vendor relationships, and responding to health care economic recovery both operationally and to the future management of the health care delivery system. It is understandable that providers are in somewhat of a pause with a response to the COVID-19 impact with PFS. However, reality will soon set in and with it the historical RCM management scrutiny Including: cash is king, days in receivables, increasing aged AR, sky-rocketing costs, and lower patient satisfaction.

One thing that will not change is the fact that nothing happens in the PFS function without a cause and effect with continual measuring and monitoring. Before diving more deeply into the strategies let’s have a quick review of the most relevant impacts on health care providers.

- Unemployment is now at 11% and demand will increase for evaluating the uninsured and underinsured. We spent the last few years looking at balance after insurance and now will revisit intensely those that have no coverage.
- Denials will increase, maybe not today with the sensitivity to COVID-19, but without question providers will need to have a strategy for denials management and to effectively collect every “dollar owed” for services rendered.
- Telehealth will add a whole new dynamic to Patient Financial Services, with increased denials, and audits in the near future.
- Patient collections will be a challenge with a focus on consumerism, technology, and patient sensitivity to the providers brand.

Without question the downstream effects will be more audits and law suits. Today, the flood gates are open but as we all know historically that they can be abused for various reasons and often not deliberately. Does anyone remember RAC in PFS? COVID-19 could make that challenge look like nothing ever happened back then.

As responsible finance leaders we must respond to the challenges posed with COVID-19 both today and tomorrow. It begs the question with providers and partners are we tracking the pandemic challenge and more important do we as providers have a strategy to manage the future?

Today we have a crisis in healthcare responding to this particular virus with clinicals, financial, and operations. We were not prepared and do not have a resilient health care revenue cycle model to respond to today and let alone tomorrow. All said providers are not prepared for the second or third wave of COVID-19 and flu epidemic in the fall of 2020 and the first half of 2021. Couple that with the increase in the uninsured, change in health care plans, reimbursement that does not cover cost, and patient consumerism.

A few questions for your strategy to offset the clinical and financial impact:

- How automated is your self-pay management process?
- Can you efficiently and securely assign work, manage productivity, and monitor account flow?
- Can you track staff effectiveness and promote tools to enhance communications and collaboration internally and externally?
- Do you have revenue cycle analytics tools to trend key performance indicators?
- Should you revisit options with partners who provide established tools that will complement the new world of revenue cycle management?

In our immediate response we know patients avoid healthcare facilities unless absolutely necessary for clinical care. Visits are done now by smartphones, laptops, transformed hotel rooms, parking lots, sports arenas, tents, an the list goes on. Sounds pretty flexible for now and I am a fan of integration of all areas to the continuum of care for the patient's financial situation and overall wellness.

What are the facts that we are acting on today and even more so tomorrow?

The American Hospital Association estimates that hospitals are slated to lose $300 Billion in revenue in 2020 as a result of COVID-19. As COVID-19 surges this numbers will continue to rise. Although elective services have started to resurface in certain geographic areas, it fails to cover the financial and consumerism exposure with COVID-19. The traditional top inpatient service that account for 50 percent of the total payments made to hospitals are at a 99% decrease. Add to that, patient confidence to return for these procedures is at an all-time low putting in further jeopardy this much-needed revenue stream now and after the pandemic subsides.

Healthcare providers need to re-invent their overall strategy to respond to these enormous financial losses. "Bricks and mortar" expansions are on hold, revisiting staffing models will be key, and rethinking automation options and support models will be on the front burner.

COVID-19 has placed the entire economy into a recession and not just with healthcare. According to the Urban Institute it is anticipated that 2.9 million individuals will become uninsured by the end of 2020 due to job losses related to the pandemic. Other projections have that number as high as 10 million people. Add that to the currently unemployed of 30 Million, that will result in even more Medicaid eligible beneficiaries.

This shift will not only create a dramatic financial burden but also a significant change in the providers payer mix creating more demand for different patient billing tactics. Providers are forced to rethink their management of the uninsured and underinsured, further stressing the need for technology, and third-party options. In recent years healthcare providers were required to place a great focus on self-pay patient accounts with high deductible plans. But the COVID-19 pandemic is forcing hospital management to revisit their self-pay strategies during the health care economic recession.

Whether we hate the new phrase "new normal" or not, there is no question that health care revenue cycle will not be the same in the years to come even after COVID-19 passes. But there could be a silver lining in that we will rethink and evolve the traditional models. These new models will encourage more automation and technology, different consumerism options to patients and providers, enhanced management tools, rebound reimbursement, and a decrease in costs to offset COVID-19 losses.

Ultimately, the "Next generation" of healthcare will require that we revisit the "old concepts" and become extensively digital systems of care, more interconnected, automated, community engaged, fiscally responsive, and more open to outside solutions. This concept is not necessarily new but because of COVID-19 it is now on "steroids" due to the clinical and financial impact. Historically with clinicals the technology has been around the "patient experience" but this virus has required us to improve the patients financial experience as well. Are you in front of that ship?

Working smarter not harder is the new world of Revenue Cycle Management

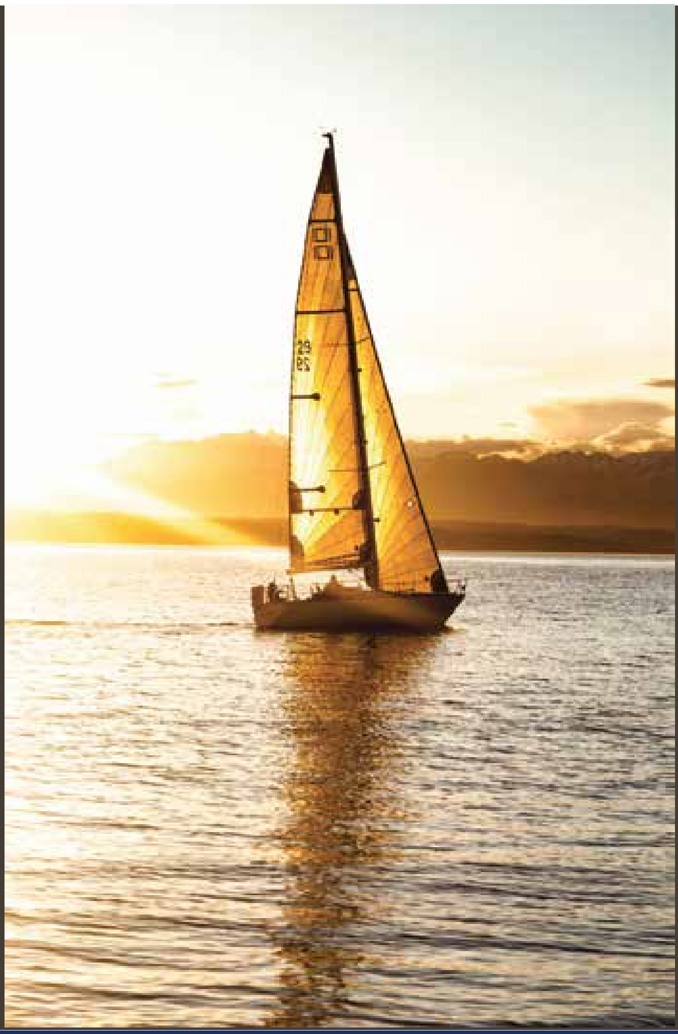
Technology has been a part of the patient financial services process for the past two decades. For those hospitals that have chosen to insource assistance program eligibility and enrollment, technology has been used for program screening, account processing and outcome reporting. This key functionality is still important today, but to truly excel in a post COVID-19 environment additional technology must be embraced and deployed. Specifically, self-service tools will be needed to support contactless engagement models. Evolved enrollment processing capability, featuring more automation and less manual actions, will enable stretched resources to handle more accounts. Highly sophisticated management tools and reporting will need to be in place to ensure that the patient financial services team operate at the highest level of efficiency and no reimbursement opportunities are missed.

For the foreseeable future, direct contact with the patient population will be a challenge, patient financial services staff may continue to operate remotely and contactless requirements will be in place. Self-service portals provide patients with a web application for eligibility screening and enrollment into available assistance programs. This technology takes advantage of email, text and QR codes to optimize patient outreach and drive higher levels of engagement. It also allows patients to securely self-screen, supply application information, submit required documentation and direct message with their financial counselor. The most effective solutions are optimized for use with smartphones and tablets and can be branded with the hospital's name and logo to enhance the overall patient experience.

Core account processing tools are at the heart of the evolved PFS process. These tools are designed to quickly and accurately assess an individual's eligibility for available assistance programs and then move the account through the appropriate workflows to ensure program enrollment. To effectively handle the expected increase in uninsured patient volume, new technology will need to be leveraged across the entire eligibility and enrollment process. The most efficient enrollment process will leverage a combination of direct data input and rules-based automation to keep patient accounts moving through the process. Optimized web-browsers will allow date sharing with state-based Medicaid portals to simplify the application submission process.

The combination of managing both the volume of self-pay patient accounts plus a team of financial counselors can be a daunting task for PFS leaders. New technology must come equipped with the most advanced management and reporting tools available in the industry. These tools will allow PFS leaders to identify potential issues before they become major problems. Solutions need to includes a portfolio of standard reports which have been developed and refined through years of client engagements, plus the ability to access the raw data and create their own reports utilizing a simple interface. Typical reports include account status, final disposition, processing cycle-time, and user productivity.

The “New Normal” for Patient Financial Services will include a combination of people, processes and technology. To be successful, revenue cycle leadership must apply all available resources, be open to new operational models and evaluate and embrace new technologies like never before. The healthcare system in this county is both resilient and flexible and I am more than confident that we will rise to the challenges from COVID-19 and form a better path forward as a result.



To learn more:

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