Real-Time Adjudication: Collecting Copayments and Balances before the Patient Sees the Doctor

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Doctors need to become better businesspeople, which means making sure that they collect all the monies that they deserve for all the services they provide to their patients. One method to achieve this is to use real-time adjudication. This article will describe real-time adjudication and how it can improve your collections by 7% to 10%.

KEY WORDS: Accounts receivable; collections; practice management; overhead costs; productivity.

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Let's go back in time to April 13, 1970, when an oxygen tank on the Apollo 13 spacecraft exploded, and when the commander, Jim Lovell, contacted Mission Control with those famous words, "Houston, we've had a problem." But with American creativity, ingenuity, and resourcefulness, the problem was solved, and the space mission returned safely to earth. Can we use these same techniques in healthcare to solve some of the problems we all face today?

Now fast forward to 2011. This is a difficult time for American medicine. The future is uncertain, and the healthcare package passed by Congress may take years before it is implemented. Healthcare costs continue to spiral out of control and now account for 17% of the GDP. This escalation is unsustainable and must be controlled. We are experiencing, as expected, a decrease in the reimbursement physicians receive for their services. At the same time, overhead costs and the costs of doing business are increasing.

Thanks to the Internet, American healthcare consumers are more sophisticated and knowledgeable about their health and come to the doctor's office with dozens of articles, both credible and incredible, about their illnesses and medical conditions. As a result, patients are asking for, and even demanding, more face-to-face time to be spent with their physicians. But the reality is that doctors have less time to spend with patients as they are trying to make up for the shortfall in incomes by increasing their patient volumes. This translates to placing the physician in a quandary of trying to spend more time with his or her patients but having less time per patient because of the increased volume of patients that have to be squeezed into the schedule.

Finally, there is the ever-present risk of litigation, which each physician fears, and yet not one sentence in the 2700-page healthcare reform package was allocated to tort reform.

So what is the solution to these problems? There are four potential solutions for all physicians and all medical practices regardless of size, geography, or affiliation. They are:
1. Improve the efficiency of the practice.
2. Increase productivity.
3. Decrease overhead costs.
4. Improve collections.

This article will focus on improving collections by using technology to facilitate payment at the point of service, thus reducing billing costs and ensuring that the practice is paid for its services at the point of care.

There is a technological solution called Phreesia that provides a simple solution to these issues. Phreesia offers real-time adjudication that addresses medical practices' major pain points and seeks to maximize efficiency and productivity while improving the bottom line. This technology collects and updates critical patient information, verifies patient insurance, and automatically collects payments during the check-in process before the patient is taken from the reception area to the examination room. As a HIPAA-compliant addition to the check-in process, it captures electronic signatures on all required consent forms, and it integrates with existing practice management and electronic health record systems to automate and simplify the entire check-in process, allowing office staff and

clinicians to focus on customer service and patients' health concerns, rather than on administrative burdens.

So how does technology streamline practice workflow from the minute patients walk through the front door? While waiting for the doctor in the reception area, patients are asked to enter or update their demographic and clinical information on the touch-screen device, in the same way that they would fill out paper forms during the traditional check-in process. This digitized process reduces the burden on front-office staff by eliminating paper forms and results in higher-quality data collection from patients. After capturing a patient's data, the device enables the practice to print out a comprehensive patient report for the clinician before the patient enters the exam room.

Feedback from patients indicates that they consider the device a welcome improvement to the check-in process as well. In studies of patients who use the touch-screen device, patients consistently report that the device is extremely easy to use and understand, and most prefer it to the traditional check-in clipboard where the patient manually enters the data on the forms provided by the practice.

The device will verify insurance eligibility and flag all patients with inactive insurance.

This technology also automates the labor-intensive and often-overlooked process of insurance verification. While checking-in on the touch screen, patients are asked to enter the name of their insurance company and their policy number. By the time patients complete their check-in interview, the device will have verified their eligibility and flagged all patients with inactive insurance. In addition, electronic insurance verification saves staff considerable time in manual processing. In an eight-clinician practice, this new technology was able to save staff over 20 hours per month that would otherwise have been spent on eligibility and benefits reporting.

When it comes to collecting payments, this technology adds a great value to medical practices. It automatically computes patients' exact copayment amount, and patients are asked to pay any outstanding balances. With its built-in credit card-swipe technology, patients are able to pay directly via the touch-screen computer (Figure 1), or they can pay with cash or check at the front desk. Following payment, the device automatically generates a receipt for front-desk staff to print and present to patients. On average, this technology helps practices increase collections by 10%, and it saves staff time by eliminating the need for manual receipts and manual payment processing. One physician practice reported that this device reduced the accounts receivable timeline from 50 days to just 12, and the practice now sends 50% fewer paper statements to patients each month, saving the practice $2800 and eliminating

Figure 1. Wireless touch-screen computer with option for credit card swiping.

60 hours of manual processing each month. My practice (NHB) reported a 7% improvement in collections the second month after implementing the device.

This technology's end-to-end check-in solution maximizes efficiencies for front-desk staff and clinicians, decreases overhead costs, and improves collections at the point of care. Many practices have limited technological resources, but this device is easily implemented in a straightforward process. And unlike other technologies or platforms that often take three to six months to put into place, the device can be installed in only a few weeks.

Shortly after learning about this device, we contacted the company to schedule an online demonstration. After the demonstration, we finalized our agreement and arranged an implementation with my practice manager. At that meeting, the company analyzed our current workflow and assessed how its solution would work best in our office. A week after the implementation meeting, the device was installed, and the company held a staff-training program via the Internet. The company configures its solution to optimize results in each office, taking into consideration a practice's specific needs and concerns, and provides staff with as much training as is necessary for the practice to succeed.

Take-Home Message: There is very little doctors can do to change the reimbursement they receive for the services they provide. But there are techniques and technologies that can help doctors capture the compensation that they deserve for the services that they have provided for their patients. Using touch-screen technologies and collecting copayments and remaining balances before the patient is taken from the reception area to the exam room is one that is user-friendly, is easily implemented, and improves collections and the bottom line! ▓