

# The real cost to collect after the visit: It's more than you think



As inflation rises and labor costs surge, it's becoming far more difficult for healthcare organizations to control costs. For most practices, maintaining financial health is a major focus—not only by acquiring new patients and increasing per-visit revenue, but also by collecting copays and balances quickly and in full. But collecting at the time of service has never been easy.

**The solution?** Give patients convenient ways to pay their bills from anywhere—before, during and after their visit. By modernizing your billing and collections processes, you can increase revenue, enhance your reputation and improve your relationships with patients.

Here's a snapshot of what can happen when you wait to bill and collect.

## Monetary costs



### 1 in 3

patients whose balances exceed \$200 **do not pay them in full**<sup>1</sup>

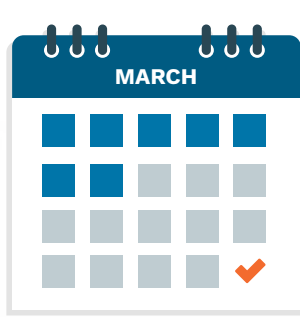
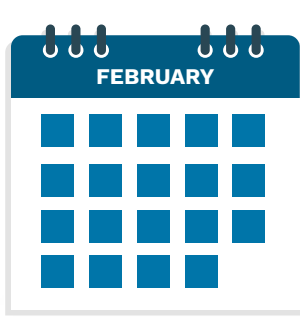
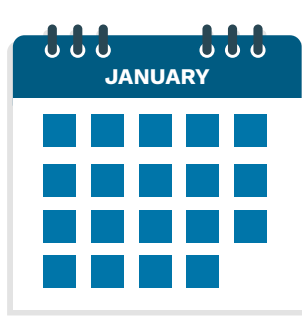


### 94%

of outstanding balances are **not collected** when a patient's debt is more than \$200<sup>2</sup>

On average, providers mail **more than three statements** before a patient's account is sent to collections.<sup>3</sup>

Approximately **75% of physician practices** wait more than 90 days to turn overdue bills over to a collections agency.<sup>4</sup>



Nearly **1 in 5** people living in the U.S. have medical debt in collections.<sup>5</sup>

After the time of service, there is only a **30% chance** of collecting patients' financial responsibility<sup>6</sup>

Once a patient's balance gets sent to collections, there is only a **7.4% chance** of full recovery<sup>7</sup>

**\$140 billion:** Estimated total **medical debt** in the U.S.<sup>5</sup>



## More than the money

### TIME

Post-visit billing and collections processes are labor-intensive, taking up staff time that could be better spent on revenue-generating opportunities like acquiring new patients, recalling existing patients and keeping clinicians' schedules full.

### PATIENT EXPERIENCE AND RETENTION

The billing process is often the final and most influential point of contact between patients and their provider. An aggressive collections experience leaves patients with a bad impression and can make them less likely to return for follow-up care.

### COMPLIANCE WITH TREATMENT

Research shows there's a direct correlation between patient-provider trust, cost pressures and medication adherence.<sup>8, 9</sup> Aggressive collections efforts can diminish that trust and damage the patient-provider connection, which may negatively affect patients' health outcomes.

### REPUTATION AND BRAND IDENTITY

A bad collections experience can lead to negative patient reviews that damage an organization's hard-earned reputation<sup>10</sup> and make it harder to acquire new patients. It can also exacerbate bad debt and increase the likelihood of payments that never get collected.



**Aggressive collection efforts after the visit rarely work—the process is time-consuming, expensive, pushes patients away and can ruin your brand.**



—Elizabeth Woodcock,  
Principal, Woodcock & Associates

Providing patients with flexible, time-of-service collection options like **card on file**, **online payments** and **payment plans** will help you avoid both the monetary and non-monetary costs to bill and collect after the visit.



<sup>1</sup> Health Affairs

<sup>2</sup> athenahealth

<sup>3</sup> Medical Group Management Association (MGMA)

<sup>4</sup> MGMA

<sup>5</sup> JAMA Network

<sup>6</sup> Healthcare Financial Management Association

<sup>7</sup> Consumer Financial Protection Bureau

<sup>8</sup> Journal of General Internal Medicine

<sup>9</sup> Journal of Health and Social Behavior

<sup>10</sup> HIT Consultant