

# **Increase in Patient Responsibility and Payments from Insurance Carriers**

Over the last 10 years, patient responsibility for healthcare costs have increased. A TransUnion Healthcare analysis for 2017 showed that, in that year alone, patients experienced an 11 percent increase in their out-of-pocket costs from the previous year. Combining deductibles and co-pays, patient out-of-pocket costs increased by 30 percent between 2015 and 2017.

As deductibles and co-pays continue to increase, so does the percentage of patients who fail to pay their medical bill balances. In 2016, 68 percent of patients did not fully pay their medical bills. According to the TransUnion report, by 2020, it is expected that 95 percent of patients will not fully pay off their medical bill balances.

This trend will affect hospitals and physicians in private practice. Radiology groups may be particularly affected. The TransUnion analysis showed that slow or non-payment of medical bills is the “top collection concern” of 83 percent of physician practices with fewer than five practitioners. This increase in patient responsibility changes the way hospital and medical practices in general, and specifically radiology practices need to approach billing.

## **Radiologists Need to Change Their Billing Practices**

The billing practices of radiology groups through the years have been for the medical practice to interact primarily with private insurance companies or with a government entity that covered the radiology service that was provided. Now, the focus is on interaction from the radiology group to the

patient; the consumer who is receiving the services.

This takes some finesse. Studies have shown that patient satisfaction with the medical services they receive is directly related to whether the patients pay their medical bills. Research indicates that 74 percent of satisfied patients pay their medical bills in full compared to only 33 percent of patients who fully pay their medical bills but express dissatisfaction with the medical services they received.

In addition, patients become frustrated and are less likely to pay their bills when they are confronted with complex bills they do not understand, followed by collection letters. They are much more likely to pay, at least in part, when the billing process is explained to them in the beginning, and they are educated about the role insurance plays in their care. This way, they are not surprised that they must make a co-payment.

Most major recommendations for increasing radiology collections focus on customer service. Patients want to know in advance what their co-pays will be and need to be educated on options they have for paying their bill. Some billing and collection management suggestions follow.

**Inform patients of their co-pay at the time they schedule their appointment.** Research has found that the best time to collect insurance information and inform patients about their co-pay and deductible responsibilities is at the time the patient calls the office to make an appointment. This may require retraining of staff who, for years, have not found that this discussion was necessary for radiology practices since most of their bills and collections were between the practice and the insurer, whether a private insurer or government entity.

This method also lets the patient know what the payment

expectations are for them. They know to expect a follow-up bill if they do not pay in full at the time the service is provided.

**Train staff for positive patient billing and payment discussions.** When an insurer has failed to pay the expected amount, completely denied the claim, or the patient has failed to pay his or her portion, a phone call from the staff to the patient can initially be more effective than sending a billing statement to patients. This information can be given to the patient through an automated system that will make prerecorded calls to the patient with the ability for the patient to transfer the call to a billing agent when they want to speak to a live human being.

**Educate patients about the billing process and why they owe what they owe when their insurer has failed to pay the claim.** Interactions with patients about their bills need to be positive. Providing them with basic information about why they owe the amount they owe, and when their payments are due, results in an increase in collections.

**Use of technology to give patients options for paying their radiology bills.** Radiology practices need to have patient portals where patients can access their billing information and be able to pay their bill online. This eliminates the need for them to call the office and talk to a staff member.

**Employ follow-up collection methods.** Some have been discussed, like online patient portals and interactive voice response technology. Also, radiology practices should implement a procedure for claim-tracking status. Even texting payment reminders to patients has been found to be effective.

## **What Next?**

Implementing some of the suggestions provided here may be difficult for radiology practices that only recently have had

to worry about collecting from patients, patients who now are facing high deductibles and co-pays. Many radiology practices, no matter what their size, may not have the resources to hire enough staff whose job is to focus exclusively on billing and collections. If that is the case, they may consider outsourcing the billing and collections portion of their radiology practice.