Outpatient Facility Coding Alert

Reimbursement: Change Your Game Plan to Prepare for Increased Out-of-Pocket Pay

What you need to do to stay solvent in the age of HDHPs.

Sure, your billing staff's revenue cycle management for insurance reimbursements may be a well-oiled machine, but how are you doing with patients who have high-deductible health plans (HDHPs)? Read on to increase collectibles, reduce days in A/R, and keep your health care organization profitable during the challenging days ahead.

The High-Deductible Health Plan Challenge

Are your billers complaining that they're more overworked now than they were last year? Are your days in A/R climbing? Is revenue cycle management more challenging than ever before? You can thank the rise of HDHPs.

A 2016 National Center for Health Statistics (NCHS) report shows that 40 percent of privately insured people under 65 are enrolled in HDHPs. With the burden of payment increasingly falling on your patients, your billing and collection policies must adapt to compensate.

What is an HDHP?

A high-deductible health plan is a plan with a minimum deductible of $1,300 per year for self-only coverage and $2,600 for self-and-family coverage, as outlined by IRS prerequisites for a health savings account (HSA). The maximum amount out-of-pocket limit for HDHPs is $6,550 for self-only coverage and $13,100 for self-and-family coverage.

In theory, consumers in high-deductible plans make more cost-effective health decisions because they have financial skin in the game. The lower premiums appeal to those who rarely use health services (think Millennials or healthy Boomers nearing Medicare beneficiary status).

And employers love HDHPs. Last year, one out of three companies offered HDHPs only to employees. That's up from one in ten in 2010.

So what's causing the problem? Many people, particularly previously uninsured individuals using the marketplace, opt for HDHPs because of the lower premiums.

And this presents two potential problems your practice:

Scenario 1: The patient who knows how his plan works. Imagine a low-income patient has ignored a minor ailment to avoid paying for a visit. The minor problem then becomes a major one. This patient, who couldn't afford treatment for his minor ailment, now has to come in for a more expensive major treatment. How will he pay this bill when he couldn't pay the cheaper one?

Scenario 2: The patient who doesn't know how his plan works, only that he's got insurance. This patient comes in for her appointment, flashes her insurance card, receives treatment, and then balks at the expensive bill that she thought insurance would pay. She wasn't budgeting for a several-hundred-dollar visit. How will she pay?

Be Proactive: No More "File-and-Forget"

Your billing policy is more important than ever. Collecting on coinsurance and copays was time-consuming enough. Now, we're talking about patients footing the bill for entire office visits up to these higher deductibles. Focusing on an efficient claims process is still critical, but proactive collection of out-of-pocket payments plays a larger role than before.

- **Ensure your patients are insured.** The first step is to prevent denials. Verify coverage up front and train staff to question patients about their plan if you find issues. Check their eligibility information at every visit.
- **Confirm that your patients know how they're insured.** Most providers had a notoriously tough time collecting and processing patient payments before this recent shift. Now, your patients are not just responsible for more upfront costs; they may not even realize that their plan doesn't cover their care until they see the bill.
- **Tip:** Train your staff to discuss costs for copay and deductibles on appointment reminder calls. This guarantees patients are aware of their responsibility to pay on the day of care. Electronic subscription services allow you to verify the coinsurance and deductibles before the patient arrives.
- **Collect balances on the front end.** Collect coinsurance when the patient checks in at your practice, since these figures don't depend on which services you render. Requesting payments before the appointment and immediately after dramatically increases collections and drastically decreases issues after treatment. It may help to discuss an amount to be paid at the point of care and establish a payment plan at that point, before it becomes an issue.