Collections Optimization

Apply advanced data, analytics, and best practices to dramatically improve patient collections

Benefits:

- **Increase patient collections:** Develop custom collections strategies to increase patient payments using a blend of data, analytics, business intelligence and best practice consulting
- **Reduce costs:** Increase productivity while lowering the cost to collect and bad debt expense by ensuring each account is handled by the right team in the most appropriate manner
- **Identify performance improvement opportunities:** Monitor real-time dashboards and reports to evaluate the performance of internal staff and collection agencies against internal objectives and industry standards
- **Improve patient satisfaction:** Implement proven communication policies that accurately reflect a patient’s financial situation, enhances patient interactions, and positively impacts overall patient satisfaction

Overview

Collecting the patient portion in a timely, cost-effective manner is critical to a healthcare provider’s financial strength. Unfortunately, many organizations spend too much money and time collecting patient payments — often writing off accounts as bad debt, prioritizing accounts improperly, or paying high or unnecessary fees to outside agencies.

Backed by in-depth data and analytics, Collections Optimization helps healthcare organizations optimize their collections process by properly identifying accounts that offer the highest likelihood of payment, while ensuring a positive patient-provider relationship.

All patient accounts are not the same. Collections Optimization maximizes the productivity of collections staff — whether in-house or outsourced agency — through a targeted approach that reflects patients’ differing abilities to pay. Prioritizing accounts and implementing communications efforts that apply specifically to each patient segment ensures collection of a greater percentage of money owed and improves patient satisfaction.

When paired with Experian Health’s consultative services, healthcare organizations are armed with critical data and tailored strategies for an optimal, patient-friendly model for account collections that yield stronger financial performance.

How it works

Collections Optimization is comprised of six key components, customized based on each organization’s specific patient collections challenges. Starting with a comprehensive analysis of an individual organization’s needs, Collections Optimization provides ongoing consultative assistance that includes champion/challenger scenario evaluations, treatment strategies, and process improvement recommendations throughout the life of the relationship.
1. Screen
An analysis of all active receivables identifies accounts that should not be targeted for collections. By screening for bankruptcies, deceased accounts, Medicaid and other charity eligibility, collections staff time will be better spent on accounts for which payments are more likely.

2. Segment
Collections segmentation is driven by a highly predictive and healthcare-specific collections scoring algorithm that creates weighted scores to illustrate patient payment probability. A blended model that leverages both credit and non-credit information, such as demographic data and payment history, produces a complete picture of the patient’s likelihood to pay.

Accurate segmenting of accounts optimizes resources by focusing staff efforts on accounts with the greatest likelihood of payment and permitting the outsourcing of others, which lowers overall costs. Collections strategies proven to work for each segment — from specific timing recommendations to the wording of letters and telephone calls — maximize recovery of funds.

Segmentation Example

3. Route and Reconcile
Collections Optimization builds the complex routing and recall rules that allow the distribution of accounts to multiple internal and external collections groups. By leveraging a data-driven rules engine for account distribution, each account can be placed with the collections group most likely to successfully collect the amount owed. A flexible system enables revenue cycle leaders to easily move accounts between collections groups as necessary.

Managers can reconcile accounts and verify inventory for each outsource partner or collection agency to make sure all records are correct and quickly identify discrepancies. This enables providers to know where their accounts are and the real-time status of each account. Reconciliation reports also highlight typical discrepancies to help providers reconcile account inventories and monthly vendor invoices.

4. Performance Management
Evaluating collections agencies’ or outsource partners’ performance is possible with real-time dashboards and reports delivered via a secure Web portal, mobile device or email. Targeting key performance indicators supports and drives business decisions. The performance of outside vendors can be compared to industry standards to guide placement of future accounts.

Analytics that improve forecasting of patient payments enable revenue cycle leaders to adjust workflow and to more precisely manage bad debt reserves for continual performance improvement. The champion/challenger analysis facilitates performance improvement by identifying and implementing best practices — without disrupting workflow or delaying changes.

5. Monitor
Collections Optimization monitors unpaid accounts for changes in a patient’s ability to pay. Modification of a patient’s financial situation — such as becoming employed, paying off delinquent accounts or shopping for credit — generates an immediate notification to the in-house staff or the collection agency working the account. The ability to contact patients immediately after a change in their financial situation increases the likelihood of collecting unpaid account balances.

6. Consulting and Analytics
With Collections Optimization comes a full-time, dedicated revenue cycle consultant and data analyst. Working hand-in-hand with each client, these experts recommend best practice collections and outsourcing strategies, evaluate reports for opportunities, and oversee champion/challenger scenarios. Leveraging the deep industry expertise of Experian Health, organizations gain access to effective industry insight throughout the life of the partnership.

Collections Optimization provides industry-leading data and analytics, along with consultative expertise, that together, help design a strategy that fits an organization’s specific needs. It presents healthcare providers with a proactive approach to the patient collections process while maintaining a positive patient-provider relationship that benefits the entire enterprise through increased revenue and lower cost to collect.