

Three Strategies to Thrive

Employees are returning to the office, people are booking much-needed vacations, and patients are visiting their doctors in person again. While there is a semblance of normalcy creeping back into our day-to-day life, the pandemic ushered in the transformative adoption of digital technologies that have forever altered the healthcare landscape. The medical billing industry has also witnessed unprecedented technology adoption and growth as telehealth and digital patient engagement were thrust into the mainstream.

What's next is an opportunity to build for the future and thrive. To thrive as a medical biller today requires three key strategies: **Adapt, Measure, and Automate.**





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Medical
Office

Despite this backdrop of uncertainty, many medical billers are fearlessly forging ahead, recognizing that agility is required to succeed during the ever changing conditions in their community. Your peers, in fact, are busy becoming more agile.

Adapt

Patients are coming back, and not just for critical care. Elective procedures and routine visits are rising as more people are vaccinated and feel more comfortable visiting their doctor. This pent-up demand has Medical Billers at the crux of a long-term steady incline in business. In fact, according to Grandview Research, the U.S. revenue cycle management market size is expected to grow at a compound annual growth rate of 11.2% from 2021-2028.

Why adapt (and then adapt again)? The healthcare industry has been on a rollercoaster ride unlike any other the last decade due to health trends, regulatory changes and the increase in high-deductible plans (HDHP).

According to a [Lendingtree & Valuepenguin study](#):¹

- 51% of the US workforce are enrolled in high-deductible health plans
- HDHP enrollment has risen by 43% over the last five years

The increase in HDHP is not new to medical billers, but as patients come back in force the effects of these plans will compound patient financial responsibility to new heights. According to Kalorama Information, a healthcare market research group, nationwide out-of-pocket spending jumped 10% in 2021, and is expected to grow annually by that same amount for the next five years, yielding approximately [\\$800 billion in out-of-pocket spending by 2026](#).²

Medical billers are under pressure to collect on these accounts receivable before they become past due. As billers know, there is a direct correlation between the time a bill goes unpaid and the likelihood of payment. This puts increased pressure on medical

billers to collect from patients who are already buried under more medical debt than ever before. In fact, 60% of Americans have been in debt due to medical bills, with most consumers owing on average between \$5,000 and \$9,999 ([and 13% owing more than \\$20,000](#))³. Agility is required to succeed in this post-pandemic environment where billers need to balance increased patient collections with empathy for individual hardships. Your peers have adapted to this new climate in the following ways:

Our own Inbox Health Survey says...

- 86% of surveyed medical billers are increasing support for telehealth
- 50% are reducing overhead costs
- 37% are automating new processes and workflows
- 33% are offering more flexible patient payment options
- 28% are implementing new remote payment options

Reality Check-in: Have you prepared for the expansion of AR in light of the pent-up demand from delayed doctor visits? Are you regularly reviewing budgets and forecasts to manage against practices' unpredictable patient loads? Are you offering payment plans to patients to help them pay off their rising medical debt? Are you working with your doctors to set up pre-approved debt-waivers for more efficient patient interactions?

Here are five recommendations to help you adapt in a constantly changing post-pandemic world:

- 1 Spot the technology trends.** Doctors might be risk-averse, but their patients are not. Every demographic is adopting new ways to communicate, engage and interact with their doctors and their medical bills. The pandemic acted as a catalyst for broader technology adoption that is destined to accelerate. Starting today, set up your company in a way to quickly adopt new technologies to positively influence collections and patient engagement so you can continue to collect on medical debt while helping your patients work through their hardships.
- 2 Think variable, not fixed.** It's important to keep your costs in check as billing volume grows. It's too easy to grow your expenses with revenue. Fixed costs - whether people, office or technology - can be your undoing as you grow. Variable costs will allow you to absorb future pullbacks without having to furlough or let go of full-time hires. Consider employing contract, part-time and/

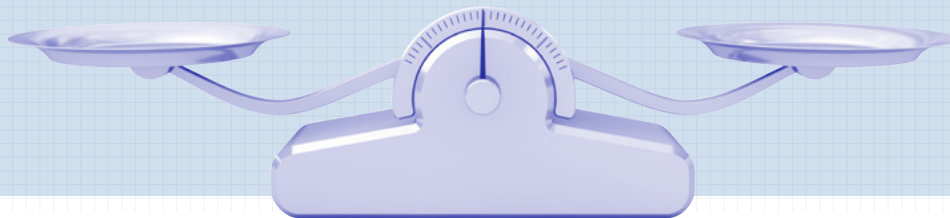
or freelance staff to perform specific job functions. Build flexibility into your lease in regards to space requirements with office space still in large supply, and consider remote or hybrid work for your staff. Avoid long-term contractual commitments on technology (e.g. Practice Management systems) and guaranteed minimums (e.g. number of papers bills per month) which can limit your ability to adjust to changing conditions.

- 3 Reimagine the office.** Prior to COVID-19, some medical billers maintained a work-from-home office but they were the minority. Now the rest of us are playing catch up. Common home office set-ups such as personal computers, phones, printers and shared at-home work spaces require a secure work space for compliance. Implement an adaptive strategy to support your team in a comfortable, equitable and productive HIPAA-compliant remote work arrangement. [IntegraMDP details how they set up their employees.](#)
- 4 Make time for the important.** As a Medical Billing leader, it is easy to get caught up in seemingly unending day-to-day tasks. Before too long, you are a slave to the urgent and have neglected the important: developing new strategies, checking in on existing clients and (subtly) reminding them of your value, refreshing your website to make it welcoming for potential clients.
- 5 Demonstrate compassion.** Mental health practices are [busy today for a reason](#). If ever we needed to show compassion to our staff and ourselves, now is the time. Reach out to your team members - especially those that are remote - twice weekly to check on their wellbeing. It's the right thing to do and will allow you to catch issues before they become problems.

Bottom line: Companies don't change people do. Which means that staying competitive in today's environment warrants not only the skill and will to adapt to evolve, but also the foresight to anticipate change. How can you be a part of the solution and recovery? Is your business ready to adapt and even grow in the pandemic era?

1. <https://www.valuepenguin.com/enrollment-changes-to-high-definition-health-insurance-plans>
2. <https://kaloramainformation.com/product/out-of-pocket-healthcare-expenditures-in-the-united-states-5th-edition/>
3. <https://www.lendingtree.com/personal/medical-debt-survey/#MostAmericanshavebeenindebtduetomedicalexpenditures>

	Revenue			Expense	
	1,034			1960	
	350			120	
	84			345	
	1250			20	
	25			1800	
	230				



Measure

With Americans frequently adjusting their health behaviors coming out of the pandemic, so too are most businesses. Billers need to identify and measure variances in revenue, costs and cash flow to stay efficient as growth continues.

Why measure? Defining your business metrics helps you keep an eye on operational areas that directly impact revenue and profitability.

To quote Warren Buffet, “It’s not until the tide goes out that you discover who is swimming naked.” It’s easy to overlook parts of your business that may be money losers as things continue to improve in the medical billing market. It’s important to scrutinize the not so obvious processes to efficiently capture growth while keeping costs in check in case the tide changes once again.

The costs of both mailing paper bills and answering patient questions are only part of the billing cycle problem. Skilled labor shortages and manual processes are acting like restraints on your company’s growth.

Reality check-in: Do you know the percentage of your patients who pay versus those who pay only a portion or none at all? Co-pays, coinsurance and rising deductibles are driving the patient responsibility of a bill from 10% a decade ago to 30% today. Add to this the slow job recovery and respective loss of insurance coverage and you have financial distress tagging along with the increased doctor visits. To manage this scenario, adopt a mindset built on compassion to help individuals recognize and face their financial responsibility as they return to their doctors en masse. Doing so will increase the percentage of patients who fall into your ‘paid-in-full’ category.

Consider these four recommendations that can be implemented now and measured for financial impact:

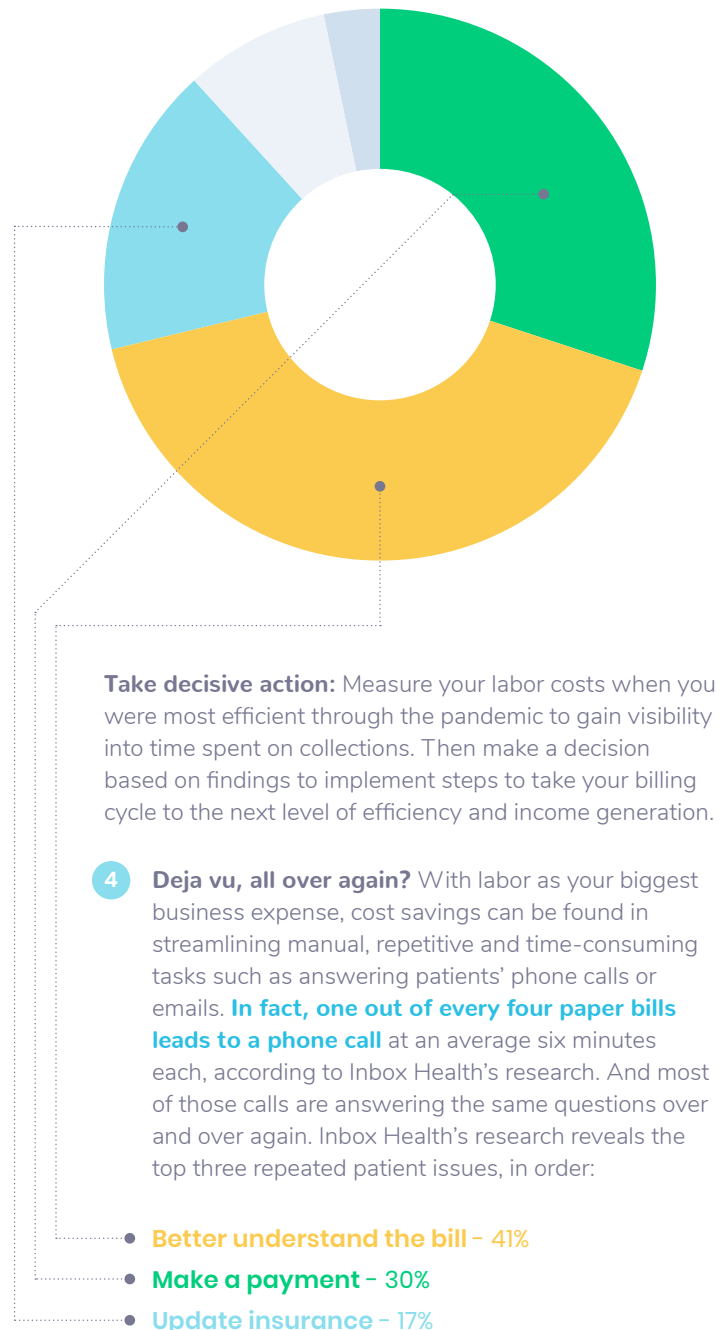
1 Get ready for increased A/R. Of course, the concurrent increase in patient visits and deductibles have a direct correlation with your A/R. Just because a percentage of your patients haven't paid their bills in the first 90 days doesn't mean that they are unable or unwilling to pay. Quite possibly, your patients just need a compelling reason or nudge from you to help them along. The nudge is even more important when you consider the likelihood of payment decreases the further out from the billing date a patient goes. Implementing payment reminders at the right times can improve your payment velocity, reduce your A/R, and bring in more cash.

2 Cash is king. As a small business owner, you know that nothing is more important than having cash in your account. The medical billers who thrive will be those who implement patient-focused strategies that maximize collections through patient-friendly payment mechanisms. Think about the patient situations and come up with innovative ways to engage them to quickly impact cash flow. For example, now more than ever, expect to control more of their daily lives digitally. Offering patient payment plans that they themselves can set up and adjust based on your pre-set parameters will knockdown obstacles to payment and bring your cash flow forward.

Profitability metrics should center on levers that drive collections with patients. For example, how much are you collecting per bill sent? How quickly are collections coming in per bill? From which patients are you collecting more money per billing period?

3 Upside Down? The costs of both mailing paper bills and answering patient questions are only part of the billing cycle problem. Skilled labor shortages and manual processes are acting like restraints on your company's growth.

Case in point: You're issuing 1,000+ paper bills and collecting approximately 50%, with the other half sent to collections. Your net monthly revenue is roughly \$2,500. The labor cost to manage those bills is \$3,000. You've just created a \$500 loss. Depending on the size of your operations, your numbers may vary but the challenge remains. If patient billing and collections was the only work your business performed, you'd be in the red and destined to close your doors. Insurance reimbursements could be counted on to support patient billing as a loss leader, but current competitive market dynamics don't afford leeway for operations to work at a loss anymore. Continuing to operate as usual is not sustainable as patient financial responsibility becomes a large percentage of your revenue.



Bottom line: The business metrics of yesterday no longer apply today. It's important to adjust and implement new short and long-term approaches that focus on your company's key sources of truth as financial health takes center stage. Are you ready to adapt your metrics based on what really matters to your business, to your billing practices and to your customers?



Automate

A lot of time, effort and money have been poured into automating new ways to deliver care. Still, many opportunities exist to automate better communication in healthcare. In particular, the patient collections process has historically lacked automation investment and is ripe for improvement.

Why Automate: From the front end to the back end of the billing cycle, each step can be costly and take precious time away from the biller. Through it all, there's a good chance your revenue is not being fully captured. Fact is, medical bills and the automated processes that support them are riddled with holes, errors and miscommunications. Money is left on the table.

You know the drill: A doctor's visit results in a billing claim being coded and sent to the patient's health insurer. The payer then reviews the claim and issues an EOB letter. After that, the medical biller invoices the patient for the remaining patient balance. Straightforward, no?

Indeed, billing systems integrated with a strong clearinghouse streamline the initial adjudication process fairly well. However, the patient billing process, and certainly the resolution of patient concerns that follows is not streamlined by a long shot.

Reality Check-in: From buying groceries to shopping for a car, the pandemic has forever changed customer perceptions and acceptance of digital engagement. Are you targeting patients through the platforms and communication platforms that patients prefer? Despite common thought, new research from AARP found that more older adults (44%) view tech more positively than they did before COVID-19. [Adults 50+ also dramatically increased the use of their smartphones from 28% to 40% for healthcare activities](#)⁴ like telehealth visits, ordering prescriptions, or making appointments. Automating your patient interactions to focus on emphatic digital engagement will align your business with customer preferences across all ages and demographics.

Timing is everything when it comes to starting the billing cycle, but removing barriers to communication along the way to payment can actually lead to less time spent on the phone; and greater paythru rates.

Foster empathetic automation. Of course, automation is necessary to eliminate unnecessary, repetitive and time-consuming labor. Yet, automation and personalized support are not mutually exclusive in the world of patient collections. Moreover, automated billing processes minus the empathy piece can feel impersonal and worse, not get results.

The following three recommendations will help you get started with empathetic automation:

1 Review and send bills differently.

Don't leave room for questions. Does your business have a review process in place before each bill is distributed? Scrutinizing every patient account ensures attributes are accurate, e.g. CPT and other codes, service date and type, insurance information, balance/amount due and more. Ultimately, clear, accurate medical bills enhance patient satisfaction and a stronger willingness to pay.

Quick: what did you have for breakfast? Timing is everything when it comes to starting the billing cycle. Patients are more likely to recall recent doctor visits. Instead of adhering to a traditional rigid 30/60/90 schedule, automate review and send statements closer to patients' most recent provider visit. With seeing their doctor still fresh in the patient's mind, that individual is more inclined to pay their bill by due date.

2 Communicate differently.

Mom just texted. Everybody is texting or emailing these days, why don't medical billers. Patients will be happier if you are adapting to their personal preferences, whether your answer is by paper, email or text – or even all of the above. So next time you get ready to distribute statements, think like a retailer with the consumer's communication choices in mind. Are you doing all that is possible to connect with your patients?

A piece of paper won't answer back. A big reason that patients don't pay their bills is that they don't understand them. Many receive the traditional paper bill in the mail, scratch their heads at the complex wording and numbers, and put it aside to attend to later or more likely never. Forward-thinking companies are increasingly using digital means to help patients communicate questions about their bills. Even cable and utility companies are doing it. How is the patient communicating to YOU about their bill? Make the communication process bi-directional and use the communication mode they prefer. Find out their preferred communication channel and embrace it.

Old-school customer service matters. To manage patient queries, implement a ticketing and tracking system. This helps you follow up and answer patients' questions promptly. Sadly, if no system exists, do expect patient's billing questions to fall through the cracks and

create even more work for you. With one out of every four bills resulting in an inquiry to the medical biller, it's easy to fall behind. Being responsive to patients' queries is not only good old-fashioned customer service, it leads to faster payment and less work for your staff.

3 Pay and post differently.

Easy to pay. The easiest and most secure way for patients to pay bills online is to offer a patient portal. Any argument? But, to be effective, your portal has to be simple and secure. Not like traditional portals that require the patient to remember a password (another password-argghhh!) and are clunky to navigate.

Payments made personal. In addition to high deductibles, co-pays or lost health insurance, many patients are struggling with unique situations beyond their control; but, many also want to make progress paying down on bills. Americans need access to healthcare, but they also need workable ways to pay for that care. Be part of the solution showing compassion by offering to customize and automate flexible payment plans and options to meet individual needs.

Easy to post and apply. Getting a payment is only part of the challenge for a biller. Accurately posting that payment to the correct patient's account and specific bill is too often a major time sink – especially when patients and practices do not provide necessary information like the patient name, date-of-birth or account number. Rather than tediously keying in and assigning each payment, post and apply digital and mailed payments automatically allowing your staff to only deal with outliers. Result: you save time and the patient is more likely to get an accurate bill.

Don't forget to communicate with physicians. As the first 90-days of the billing cycle concludes, collaborate with the physician or practice leader with advice for next steps to collect overdue bills maintaining continuity of all the communications efforts that came before. While you're at it, share your collections efforts on their behalf and the positive impact on their top line.

Bottom line: Better and more timely communications and engagement with patients makes it easier to understand and address their issues and get paid faster. Show them and your physician customers too that you care by automating billing processes to ease and simplify their lives. Providing meaningful ways to help and inspire patients to stay on top of their financial responsibility is the right thing to do.

4. <https://www.aarp.org/research/topics/technology/info-2021/2021-technology-trends-older-americans.html-CMP=RDRCT-PRI-TECH-040721/?cmp=RDRCT-907b618d-20210416>

About Inbox Health

Inbox Health is changing the way people think about patient billing. The company's patient billing communication platform helps medical billing teams streamline patient engagement and support while creating exceptional consumer experiences.

Using Inbox Health's data-driven platform, billers easily automate and personalize patient communication, providing consumers increased clarity and confidence around charges and more convenient payment options which dramatically improves profitability, collection rates and speed to payment.

Learn more at inboxhealth.com