Revenue Cycle POS and High-Risk Patient Toolkit

Follow these checklists to significantly reduce uncompensated care and bad debt with POS (point-of-service) collections

When you evaluate your point-of-service collections—or lack thereof—and your bad debt risk stratification, it’s often eye opening. For decades, the board, your community, and hospital staff may have been operating under the principle that “Our job is to be here for our patients, and most of them will pay us—eventually,” and so POS collections haven’t been pursued.

However, as costs have shifted to patients—who have become one of your de facto payers—getting paid has become more challenging. When it comes to collecting payments, it’s a whole new world for both staff and patients, requiring more effort and different protocols.

The first, and perhaps most critical step in the process is to discern between patients’ ability to pay and their willingness to pay for their care. This toolkit will help you to do just that, and increase the chances that both hospital staff and patients have a more positive experience with POS collections.

What’s inside:

→ **The 6 keys to creating a POS collections culture.** Learn how to gain buy-in from your staff and guide them to make POS collections a priority.

→ **5 tips to improve your POS collections.** Gain actionable advice that will help you take the stress out of your collections process.

→ **Best-practice revenue cycle KPIs.** Use these market indicators to monitor your revenue cycle performance.

→ **3 sample POS collection workflows.** View sample workflows to see steps you could be overlooking.

→ **Best-practice revenue cycle workflow.** Learn where best-practicing organizations are focusing their efforts and ensure that you aren’t missing key steps.

→ **High-balance self-pay financial clearance workflow.** Determine a patient’s financial position so that those who need assistance receive it, and those who can afford to pay, do.
The 6 keys to creating a POS collections culture

Moving to a POS collections process only works when there’s a shift in how hospital staff thinks, works and communicates with patients. Follow this advice to foster a culture of buy-in that supports POS collections.

1. Make POS collections a priority
For most staff members, asking for or collecting payments from patients is an often unwelcome change. Make POS collections a top goal, set your expectations, provide staff members plenty of training, and then hold them accountable for making the adjustment and committing to the process.

2. Tell your staff members WHY
You have one chance to present a new program to your staff, the board and patients. Tell your staff members why you are adopting a POS collections strategy, why it is important, and why you as a group need to make the shift now. Also describe how the change will help patients. Ensure that your staff fully understands why your POS collections program matters, specifically as it pertains to patient satisfaction.

3. Gain buy-in with clarity
Make certain that the line between clinical care and financial processes is crystal clear to all staff members, and ensure that everyone fully understands her or his roles. It’s critical that you create a consistent message between clinicians and registrars that supports the rationale behind your POS mission, and that you involve leaders at all levels to reinforce the message.

4. Provide plenty of real-world training
POS collections should enhance the patient experience, so offer customer service training that includes empathetic communication strategies staff can use when working with patients on financing their care. Teach staff members and leaders the overall importance of educating patients on their liability and what they must do to protect patients’ rights and dignity.

Additionally, train staff in financial counseling on all aspects of the revenue cycle. Put standard work, and standardized scripting in front of your staff to empower them to collect payment upfront, without hurting the customer experience.

Training materials should emphasize the calculation of what patients owe, using technology and tools. And you should create opportunities for staff to role-play scenarios for collecting for services. Role-playing ensures staff can explain payment plan options, patient financing or financial assistance charity options.

5. Identify the champions on your team
There are folks on your team right now who are passionate about improving the patient experience, and they are open to changes in processes, technology and workflows. Recruit them to champion the change. Involve them in planning, let them evaluate new technologies, provide them with training, and have them adopt the new POS collections process. Openly celebrate their successes, too. Others will be motivated to follow suit, and pretty soon, you will have a robust and growing POS collections program.

6. Increase the visibility of leadership
It is critical that executives and members of the C-suite—from both the facility and professional services side—be involved in the process. Encourage the leaders in your organization to play a key role in the initiative, including participating in training, removing barriers, ensuring resources are in place, being available for patient or staff service recovery, and celebrating successes. When leaders are visible and actively reinforcing the importance of POS collections, they build momentum and gain employee support.
5 tips to improve your POS collections

Follow these tips to increase the chances that patients will pay—before they receive care.

1. Discuss costs with patients upfront
Similar to any other industry, the best time to talk about financing care is when it is “ordered.” Healthcare is the only industry where shoplifting is “legal”—costs and payment are often navigated well after services are rendered. Explain coverage and patient costs at or in advance of care, not after it has been administered. For example, for scheduled, elective visits, make it standard operating procedure to talk about the charges and coverage prior to service, to set patient expectations—and increase your chances of collecting payment.

2. Communicate with patients early and often
Patients genuinely want to know how much services cost before they receive them, and they are more likely to pay if they know their financial obligation upfront. Communicating care costs early and on an ongoing basis can increase your collections. Tip: Obtaining a signed payment agreement from the patient can be even more effective.

3. Automate everything you can
Ideally, verify as much information as possible in advance. Obtain address, identity, insurance eligibility, out-of-pocket estimates, propensity to pay, charity assistance and so on—and if you can do it automatically, that’s far better. A thorough financial clearance process helps to ensure the highest possible reimbursement rate, while reducing patients’ initial financial burden.

4. Put your data to good use
Analyze your data to identify gaps within processes, find root causes, and surface opportunities, including decreasing waste and expenses. Additionally, put metrics and goals into an easy-to-use dashboard, and share the results so staff can manage their own work, while encouraging them to help the organization reach its goals. Be transparent in where you are, where you are going, and how you will get there.

5. Start with the low-hanging fruit
Start where there is an opportunity and the population is measurable and somewhat consistent. For example, you could focus first on:

- Patients coming in next month for diagnostic imaging
- Self-pay patients scheduled for surgery in the coming months
- Emergency patients who need charity prior to discharge

POS collections and the cultures surrounding it do not respond well to “big bang” approaches. Pilot the new approach in a few areas, get it right and then expand it. It does not take that much longer, and your chances of sustainability and success will be higher.
Best-practice revenue cycle KPIs

Use the following metrics to evaluate your revenue cycle's performance. These are some of the best-practice indicators from the market. Consistently monitor them to identify key gaps in your processes. In addition, develop policies and procedures based on the metrics to ensure that your employees follow and sustain standard work.

100% of scheduled patients are financially cleared pre-service*

90% of all patients are financially cleared prior to discharge

POS collections are > 1% net revenue

100% FAP documentation exists on all uninsured patients

Denial adjustment rate is < 1%

Clean claim rate is > 80%

100% claim scrub for FAP prior to turnover to third party

EOSP > 90% fund rate

TPCA > 70% fund rate

4:1 charity-to-bad debt ratio

AR days < 40

BAI 90 days < 10% of AR

* A funding mechanism is in place with all payment requirements met (payer/patient/program funding established and agreed upon and insurance rules met, including auth, pre-cert, MN, payment, etc.).
3 sample POS collection workflows

The following samples show best practices for collection workflows. Compare them with your own processes to identify areas where you can make improvements. Your goal is to make your processes as consistent and broad as possible to ensure the experience for the staff and patient is polished at every access point.

Pre-access screening helps you segment accounts into the appropriate workflows

**FPL < 400% with no insurance**
Potential charity care or Medicaid

**Strong ability to pay with nominal copay**
Collect payment at time of service

**Identity warnings**
Potential fraud—investigate further

**Borderline ability to pay with large deductible**
Consider for financing solutions
Sample front-end workflows – high BAI

**INSURED**

- **Likelihood of collections status?**
  - **YES**
  - **NO**

- **Patient presents with insurance (estimate known high OOP)**
  - **Credit info returned?**
    - **YES**
    - **NO**
  - **Correct and resubmit (1x)**

- **Check address verification data**
  - **Data correct?**
    - **YES**
    - **NO**
  - **Payment required or reschedule services**

- **Likelihood-to-pay score > 605**
  - **Ask for payment: may proceed without payment**

**Sample front-end workflows – self-pay

**SELF-PAY**

- **Patient presents as self-pay**
  - **Ask for payment**
    - **Payment collected?**
      - **YES**
      - **NO**
  - **Probability of financial aid?**
    - **YES**
    - **NO**
  - **Credit info returned?**
    - **YES**
    - **NO**
  - **Correct and resubmit (1x)**
  - **Check address verification data**
    - **Data correct?**
      - **YES**
      - **NO**

- **100% charity, no FA required, FPL < 200%**
  - **No FA required, collection zero**

- **Potential charity, needs application, FPL 201-399%**
  - **Collect FA, collect payment**

- **Not eligible for charity, FPL > 400%**
  - **Payment required or reschedule services**

- **No data available**
  - **Payment required or reschedule services**
Best-practice revenue cycle workflow

Next, the workflow below outlines where best-practicing organizations focus their efforts to ensure that their revenues are maximized within the revenue cycle. It establishes a process that will let you put into place standard work and ensure that you and staff aren’t missing key steps as patients access care within your organization. Each step and decision is a critical component of the financial clearance process.
High-balance self-pay financial clearance workflow

Patients should pay within their abilities. Using the workflow and standard work below can help you determine a patient’s financial position, ensuring that folks who need financial assistance and charity care receive it, and those who can afford to pay their bills, do. At the very least, you place people into the appropriate collections workflow to maximize your collection efforts.

1. **Self-pay/uninsured uninsured patient**
   - Financial application received?
     - YES: Complete application
     - NO: Document in EMR/HIS
2. **Document in EMR/HIS**
   - NO: Document in EMR/HIS of FAP and application?
   - YES: Charity requirements met?
     - YES: Charity
     - NO: Propensity-to-pay score?
       - NO: Patient payment?
         - YES: Patient payment
         - NO: Outbound contact to patient/physician
           - YES: Urgent/elective?
             - URGENT: Delay/reschedule; study 72 hours; allow for financial options to be more clearly defined
             - Elective: Follow provider P&P surrounding non-payment of elective procedures
           - NO: Contact patient and physician
         - NO: Contact patient and physician
   - YES: EOSP communications?
     - NO: EOSP communications?
       - YES: Bad debt collections
       - NO: Presumptive charity
         - YES: Allow test to proceed; have patient sign financial release and educate to cost of procedure; attempt partial collection
         - NO: Follow provider P&P surrounding non-payment of elective procedures