



CASE STUDY

Orthopedics & Rheumatology of the North Shore

Problem

- ▶ As a small, independent practice, ORNS depends on a steady influx of patient payments to preserve its financial health
- ▶ ORNS patients are shouldering higher out-of-pocket medical costs than ever before, primarily due to the proliferation of high-deductible health plans
- ▶ Historically, patients don't pay their medical bills until other expenses are covered - and then often pay in installments over several months
- ▶ ORNS needed to change its patient payment procedures so that the practice no longer served as a lender to patients and received patient payments more promptly

Purchase Factors

ORNS implemented a mandatory credit card on file program that is fully integrated into Aprima EHR.

- ▶ The solution is integrated into staff workflows for patient pre-registration and intake
- ▶ All patients, except those on Medicaid, are required to provide a credit card number on file and are billed at the time of service
- ▶ No up-front investment was required to implement the credit card on file program beyond adding card readers at each computer

Like many small, independent physician practices, Orthopedics & Rheumatology of the North Shore (ORNS)* has experienced a financial impact from the industry's shift to high-deductible insurance plans. Under these plans, patients pay lower premiums but higher out-of-pocket costs for their medical care. Traditionally, many patients defer payment on their healthcare bills until they've first met other financial obligations - which can lead to cash flow issues for providers, especially those not employed by large health systems with deep financial pockets.

By 2016, ORNS providers and staff worried that the shift to high-deductible plans was fueling a growth in patient accounts receivable. Office Manager Amy Rogers realized that in order to preserve the practice's financial health, the group needed to implement a credit card on file program.

REPLACING A DEFAULT NON-PAYMENT POLICY WITH AUTOMATIC POINT OF CARE PAYMENT

Credit card on file programs are common for a wide variety of consumer services, but healthcare organizations have been slow to implement similar initiatives for patient collections. However, in order to avoid the potentially crippling impact of high-deductible plans, Rogers worked with Aprima and their partner Easy Pay Solutions to address the patient collection challenge.

"Historically, patients would wait for their bills and then pay us in small installments," explains Rogers. "We decided we would much rather have patients make payments to their own credit card than to us."

ORNS's credit card on file policy requires all patients to provide the practice with a credit card number that is kept on file. Rather than accepting a default non-payment policy, payment is now captured automatically at the point of care.

PHYSICIAN SUPPORT AND PATIENT EDUCATION ARE CRITICAL

Rogers emphasizes a successful credit card on file program requires full physician support.



Results

- ▶ ORNS saw a 53% year-over-year decrease in accounts receivable; in the 91- to 120-day category, receivables fell 73%
- ▶ The practice has reduced the number of statements sent each month because credit card payments are automatically processed for any account with an outstanding patient balance

“We are not a bank and we can’t afford to be a bank. We realized that we can’t continue supporting the impact that high-deductible health plans were having on our cash flow, especially when patient deductibles are, on average, around \$3,000.”

AMY ROGERS, OFFICE MANAGER
ORTHOPAEDICS & RHEUMATOLOGY OF
THE NORTH SHORE*

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*Customer received compensation as a referral and was told in advance that they would be featured in an advertisement.

“You can’t do this if you have pushback from your physicians. Overall, our physicians have been consistent in conveying our message – that we need to get paid promptly so we can continue to deliver high-quality healthcare and meet our own financial obligations. I can count on one hand the number of patients that the doctors have come to me about and asked for an exception.”

Patient education is also critical. When new patients call ORNS to schedule an appointment, staff advises them of the credit card on file policy. The practice also displays signage that explains the policy and the staff is well-trained in addressing any patient concerns.

“We explain to patients that healthcare has changed and that we are not owned by the hospital and must do this in order to maintain our independence. Most of the patients accept that and we’ve only had a few leave – ones who were likely not to pay anyway,” states Rogers.

SEAMLESS INTEGRATION WITH APRIMA

Rogers reports that the integration between Aprima and Easy Pay is “seamless,” and staff productivity has been positively impacted. The process is integrated into staff workflows for patient pre-registration and intake. They swipe the card and through the Easy Pay/Aprima integration, payments are automatically posted to Aprima. “Not only am I able to post credit card payments in a batch, but also the system actually applies payments to individual accounts for us,” explains Rogers.

ORNS has established limits on the amounts charged to credit cards, such as \$500 per swipe for patients with private insurance and \$200 per swipe for Medicare patients.

When necessary, ORNS will establish payment plans that satisfy a patient’s financial needs while also adhering to the practice’s revenue cycle requirements. If a patient has a large balance, Easy Pay can be set up to automatically charge a patient’s card monthly for a predetermined number of months. Easy Pay calculates the monthly charge amount and automatically processes the payments.

IMPRESSIVE RESULTS

ORNS has seen a dramatic impact on accounts receivable since implementing the credit card on file program. For example:

- ▶ Patient accounts receivable fell 28% within the first six months of implementing the program.
- ▶ In the first three months of 2017 – when patients are traditionally paying out of pocket to meet deductibles – ORNS experienced a 53% decline in accounts receivable compared to one year earlier.
- ▶ Also during the first quarter of 2017, receivables in the 91- to 120-day category declined 73% year-over-year.

In addition, because the system automatically processes patient payments on a monthly basis, ORNS has been able to reduce the number of statements sent each month, saving the practice both time and money.

Rogers believes that all healthcare providers could benefit from a credit card on file program. “As an industry, we need to create the expectation that patients need to pay their bills because we can no longer afford not to be paid or manage patients’ no-interest loans,” says Rogers. “We are doing this successfully and are proof that this does work!”