

How Financial Technology Can Improve the Revenue Cycle

Health Systems can improve their Revenue Cycle and patient satisfaction by using technology to understand their patients' financial health. Industry trends show a continued increase in the number of self-insured individuals and those covered under high deductible plans. This dramatic shift in financial responsibility has created the age of the informed consumer and the need for a more digital patient-centric approach to financial transparency.

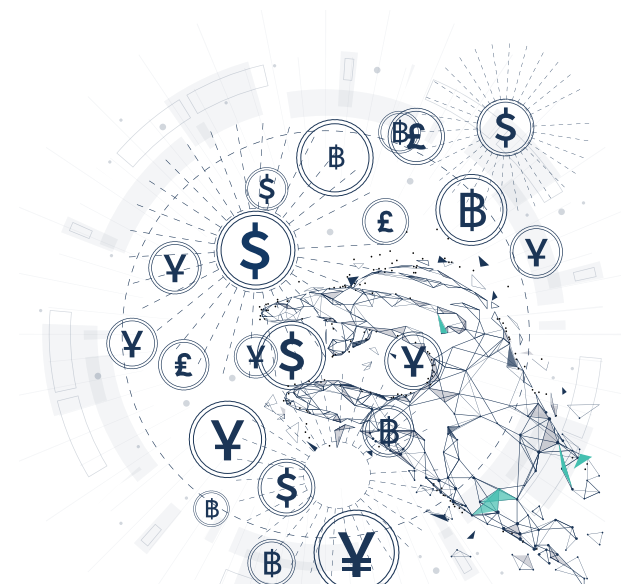
The Current Landscape

According to a February 2017 article in HFM Magazine, "Bad Debt Expense Benchmarks," the amount of bad debt reported by U.S. acute-care hospitals in 2015 was more than \$55 billion, due largely to the increased cost burden placed on patients with high-deductible insurance plans.

This new age of hospital guided financial transparency requires strategies that address the patient as an individual consumer with cost and quality choices. This positions the front office as both a revenue generator and a key determinant of patient satisfaction.

Financial Technology Opportunity

One way to approach this new paradigm is to incorporate Financial Technology into the heart of the Revenue Cycle process. "Financial



Technology" refers to the utilization of digital solutions to engage, assess, and evaluate consumers' financial capabilities.

For healthcare, this creates a process for improving patient engagement while automating complex actions such as the following:

- Determining status (insured, underinsured, or uninsured)
- Estimating financial obligation
- Seeking upfront and follow up payments
- Prioritizing billing and collections

Technology allows many of these tasks to be performed asynchronously which increases efficiency. The same information gathered in

front-end processes can be re-used later in other downstream workflows.

Additionally, these tools help compare a patient's obligation against their payment capability in a way that delivers benefit for all stakeholders.

Benefits of Financial Collaboration

The ability to work with patients on managing higher out-of-pocket costs using Financial Technology has direct benefits for both provider and patient:

- **Increased Top Line Revenue:** Today's patients select providers based on both quality of care and financial determinants.
- **Eligibility Screening:** Automated screening for Medicaid eligibility and other financial assistance programs increases efficiency and revenue.
- **Reduced Cost:** Technology eliminates overhead and reduces human error.
- **Better Patient Experience:** Patients can digitally engage 24/7 and benefit from better transparency across the entire patient journey.

Types of Financial Technology

Many types of financial technology exist that can enhance the current Revenue Cycle process. "Financial Technology" is a broad category that can include a number of different areas such as:

- **Data Aggregation:** Consumer permissioned information such as digital bank statements can be used to verify income and assets.
- **Payment Planning:** Payment plan options that fit within the patient's specific budget help improve A/R metrics.

- **Consumer Financial Reports:** Both Individual and aggregate reports can enhance financial assistance, modeling, and billing/collections.
- **Financial Document Automation:** Automate document compliance for financial assistance programs such as Medicaid and charity care.

Integration Methods

Organizations will benefit from an internal analysis to identify current gaps and potential opportunities for improvement. Integration methods can include:

- **Software-as-a-Service (SaaS)** for rapid deployment
- **Modular** components for existing software implementations
- **API integration** for deeper system-to-system connections such as to an EHR.

The ultimate goal of any integration should be to enhance or improve current practices and maximum ROI with the least amount of disruption.

PatientClear is a South Florida based software company specializing in financial technology for the healthcare industry.

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