



FROST-ARNETT

SINCE 1893

CASE STUDY

PAYJOURNEY

Showcasing how our end-to-end financial care platform transformed the patient and provider financial experience and multiplied collections within the first six months of going live.

CUSTOMER PROFILE

- \$400MM NPR Health System in New York
- 3 hospitals
- 220 providers
- 25+ specialties

Go Live: March 2024

INDUSTRY TRENDS & FOREWORD

Out-of-pocket costs have risen 230% over the past ten years. 81% of self-pay net revenues go unrecovered. 20-30% of a typical hospital's AR consists of patient responsibility balances with 80% or more of those dollars stemming from high balances (over \$500). Patients are becoming increasingly unable to pay more than a \$150 monthly payment plan. Coupled with low collection rates, new bad debt regulations, and staffing shortages, it's no surprise that both patients and hospitals struggle in a vicious cycle to stay afloat.

Implementation fatigue and administrative burnout are also real barriers to change. If only there was a single, purpose-built staffing and technology solution that championed the change management and workflow optimization needed to truly create a transformative experience. There's a growing demand for an end-to-end platform solution which can infuse call center expertise with digital engagement and patient financing to accelerate cash and increase patient retention.

Good news: *there is one.* Meet PayJourney, and learn the story of how we helped transform three hospitals and a physician group into a thriving patient engagement and collections experience.

EXECUTIVE SUMMARY

The Opportunities

- Patient responsibility AR was climbing to around \$10MM and accounted for 20% of overall AR
- Not leveraging digital engagement nor patient financing and 85% of patient AR had balances over \$500
- Outdated collection strategies and statistics coupled with frequent turnover made it difficult to advance collection goals
- In-house collection call center abandonment rates were over 20%, they were not performing any outbound courtesy calls, and reporting was subpar and couldn't effectively track/trend upstream issues
- Patient Access teams were short on pre-registration FTEs and financial counselors and were not generating estimates for patients with insurance (only true self pay) nor calling patients pre-service
- Guarantor prior balances were not being discussed with patients pre-service/time of service (TOS), and front-end staff were not accustomed to having financial conversations
- They had just started an Epic implementation, so stakeholder bandwidth was very limited

The Solution

Along with our Early-Out call center expertise, we infused digital engagement, digital billing, and non-recourse patient financing (pre- and post-service) to maximize engagement and accelerate cash collections. Our Bad Debt cash back program began monitoring Bad Debt in the tertiary position, which then assumed primary collection responsibilities.

After conducting a pre-engagement assessment of their Patient Access and back-end collection teams, we embedded our end-to-end patient engagement and collections platform into their revenue cycle operations. Our Change Management operationalized new front-end workflows to improve point of service (POS) collections and estimation and also worked with senior leadership to shift their legacy call center staff to the front-end, where they became pre-registrars and financial counselors.

The Results: *First Six Months*

Overall Patient
Collections

+25%

POS optimization,
patient financing,
Early-Out

Overall Patient
Cash Collected

\$1MM

Additional \$50k in
Bad Debt
recoupments

Point of Service
Collections

+50%

Pre-registration, walk-ins,
emergency department,
and inpatient
training initiatives

Preregistrations
per Month

+12,000

Improved account
integrity and financial
clearance

Abandonment
Rate

-1,000%

From 21% to <2%
to yield 3,000+ (2x)
additional calls/month

THE BACKSTORY

The health system started its partnership with Frost-Arnett (FA) in late 2023 when they were searching for an end-to-end patient engagement and collections platform that would transform their patient collections and engagement capabilities in order to improve the patient financial experience and maximize collections; they were looking to increase patient retention and stickiness while simultaneously accelerating cash collection volume and velocity. With so many solutions in the marketplace from large vendors who they worried wouldn't give them the partnership and attention truly needed to transform their operations, they were seeking a uniform platform from a single partner they could trust.

Recent New York regulatory changes were hampering the ability to collect Bad Debt. Lawsuits with patients over unpaid medical bills were on the rise. They needed a paradigm shift and sought to become more effective at engaging and collecting earlier in the revenue cycle.

After studying the volume of accounts on their patient responsibility AR, we found that about one out of seven patients had a consolidated balance over \$500. When adding the AR dollars across those patients, we discovered that it comprised 85% of the actual AR dollars. FA's concept of using our non-recourse financing (no fees, no interest charges) to accelerate cash collections for those higher balances, while giving patients more time to pay their bills, seemed not only very attractive but also practical given that those high balances only represented about one out seven patients—especially if additional resources could be applied pre- and post-service to accomplish that goal.



Patient Access

Patient Access needed additional pre-registration and financial counselors. Not only were staff unaccustomed to discussing financial conversations (estimates, prior balance) with patients outside of copays, they were in need of new best practice scripting, job aides, and SOPs to improve POS collection results.

Pre-registration rates were under 50%, which impacted financial clearance, financial assistance screenings, and wait times. They were not calculating estimates on patients with insurance (only true self pay) nor were they reviewing patient prior balances at the time of service/pre-service.

Call Center

The health system's internal patient collection team of nine FTEs averaged over a 20% abandonment rate and an average speed to answer of eight minutes.

They struggled with frequent turnover and were leveraging outdated collection strategies and technologies (no digital billing nor outbound dials), which also hampered their ability to achieve higher collection goals. Insufficient reporting and statistics made it difficult to trend and root cause upstream issues.

THE SOLUTION

We implemented a fully integrated, end-to-end patient engagement and collections platform, which infused Frost-Arnett's inbound/outbound call center expertise and analytics with the power of non-recourse patient financing and digital outreach. We also leveraged a tertiary Bad Debt extended monitoring initiative to recoup monies that otherwise wouldn't have been collected.



1

Change Management/Consulting

Our Patient Access and RCM Directors lead the change management, developing new scripting, SOPs, and job aides to optimize workflows and train staff.



2

Digital Front & Back Office

Proactive texts/emails pre- and post-visit embed estimates while automatically screening the patient for charity/Medicaid and coverage discovery. Integrates with our call center tactics.



3

Dedicated Call Center

Empathetic patient outreach and inbound call management reviews. Collects guarantor balances pre- and post-service.



4

Non-recourse Financing

Up to a 3-year payment plan at 0% interest with no fees. Provider funded in 7 days for the balance.



5

Bad Debt Recoupment

4-year lookback initiative with a tertiary Bad Debt monitoring program recoups a 4-6% liquidation rate of otherwise uncollected monies.

DIGITAL ENGAGEMENT

- Uniform patient experience
- Easy, self-service payment options (auto-pay, payment plans, financing)
- Machine learning engagement
- Integrates with call center tactics
- Reduced cost to collect

CHANGE MANAGEMENT

- Assessment and stakeholder alignment
- Implementation and support lead; OKRs
- Patient access and back-end optimization
- Secure data, baselines, KPIs, and leads value measurement

FINANCING

- Patients receive up to a 3-year pay plan with 0% interest and no fees
- 100% non-recourse with no credit check/score impact
- We never send to Bad Debt nor pursue litigation
- Health system is funded within 7 days post-discharge
- Increases payment volume 2-5x

DEDICATED CALL CENTER

- Courtesy calls provide estimates, review balance and payment options, assist in financing enrollment
- Financial assistance screening
- Professionalism, experience, and empathy
- Rigorous daily performance metrics
- Robust analytics across platform

BAD DEBT CASHBACK

- 4-year lookback on closed accounts
- 4-6% liquidation rate (20% increase in Bad Debt recoveries)
- No change to existing Bad Debt collection process
- 1,000 unique variables build a profile
- 12+ vendors nationwide, dedicated patient service team

THE CHANGE

Change Management

Our Change Management consulting service assesses opportunities and aligns key stakeholders to the strategic vision while spearheading the operational redesign and optimization of relevant workflows, staff, policies, and procedures involved in the implementation. This significantly reduced the client's level of effort and puts most of the legwork on us. FA's EVP of Revenue Optimization, Matthew Vecchio, championed Change Management in the following ways:

- Conducted an RCM assessment of Patient Access and back-end collection teams and presented his findings with road map recommendations to leadership
- Spearheaded an FTE reallocation plan with HR and senior leadership, shifting the client's legacy collection staff to pre-registration and financial counselor roles
- Prepared the population for transition to digital billing through targeted campaigns, such as marketing initiatives, statement stuffers, postcards, table tents, posters, and Patient Access and call center scripting
- Established and led four different workstreams (operations, treasury, marketing, IT) throughout the implementation to align stakeholders to the change objectives and key results
- Worked with Patient Access supervisors and staff to optimize workflows, developing new SOPs, scripting, and job aides pertaining to estimation, prior balance review, POS collections, and patient financing enrollment
- Assisted with improving emergency department and inpatient financial discharge procedures, escalating change barriers to leadership for remediation
- On site every other week to forge stakeholder relationships while addressing any concerns in real-time and operationalizing workflows
- Championed value measurement by capturing baseline KPIs and mapping against post-go-live KPIs

Methodology

WORKSTREAM

Led the implementation through the creation of four workstreams: operations, treasury, marketing, and IT:

Operations: Approved design decisions, SOPs, and scripting in Patient Access and back-end collections

Treasury: Reviewed funds flow into new bank account, invoicing, and cash posting scenarios

Marketing: Reviewed and approved marketing materials to bring awareness to community and staff.

IT: Integrated with the host EHR via flat files and HL7

INDIVIDUAL

Aligned with supervisors on a daily basis and worked elbow-to-elbow with staff to train them on new scripting, job aides, and workflows. We also financially incentivized staff to hit goals pertaining to patient financing.

ORGANIZATIONAL

Spearheaded the strategic vision and alignment with leadership, planned and managed the change while escalating barriers, and reported progress throughout the implementation. Also championed value measurement, collecting baseline KPIs (collections, Patient Access, call center) to measure value post-implementation and improve on opportunity areas.

THE RESULTS: *First Six Months*

OVERALL

+25%

Overall Cash
Collections Improvement

\$1MM

Additional
Cash Collected

-\$72,000

in Paper Costs
(50% reduction)

120,000+

Texts
and/or Emails

PATIENT ACCESS

+50%

POS Collections
against Baseline

12,000+

Accounts Pre-Registered
per Month

9 FTEs

Repurposed from Call
Center to Front-End Roles

12+

SOPs with Scripting
& Job Aides across 4 SLs

CALL CENTER

-93%

Reduced Average Speed to
Answer (8 min to 36 sec)

-1,000%

Abandonment Rate
Reduction

+2,000

Insurances Discovered
on Self Pay Accounts

+60,000

Additional Outbound
Courtesy Calls

"We were able to successfully accomplish what we set out to do. We accelerated cash collections and improved the patient financial experience."

–Health System CFO