Debunking Common Myths

THAT ARE HURTING RURAL PROVIDERS

Rural communities are on the brink of a healthcare epidemic. With nearly 20% of rural hospitals at a high-risk of closing due to insolvency, providing quality patient care isn't the only thing lost in a healthcare desert. These financial strains impact much more than the facility, they impact the community the hospital serves.

According to the 2019 Rural Health IT Survey, declining reimbursements are the number one challenge that rural health facilities are facing. The number three challenge is improving billing processes and managing denials. With this in mind, let's take a look at three revenue cycle management (RCM) myths we commonly hear and see how they are impacting revenue.

Myth #1: Patients are only a small portion of payer mix.

From 2007 to 2017, out-of-pocket patient expenses increased by 230 percent. Patients are now the third-largest payer, encumbered with increasing financial responsibility for their healthcare costs. Even within Azalea's RCM customer base, we saw patient collections grow seven percent from 2017 to 2018. Nationwide, a greater portion of the rural population is more likely to be uninsured, especially in states that did not expand Medicaid. Rural clinics and hospitals therefore need to place greater emphasis on providing accurate patient estimations before delivering care and also collecting fees upfront.

Myth #2: Financing plans are only for hospitals.

According to TransUnion, in 2017 nearly 70 percent of Americans with medical bills of $500 or less didn't pay the full balance — up from 49 percent in 2014. And according to a Kaiser/HRET Survey, 51 percent of covered workers in 2017 reported an annual deductible of $1,000 or more for single coverage, up from 34 percent in 2012. The bottom line: more patients will be seeking low-interest financing options to pay their medical bills from this point forward. Providing patients options of no-interest or low-interest financing has the potential to increase self-pay A/R and reduce bad debt.

Myth #3: Patient engagement doesn't impact revenue.

In today's digital world, patient engagement is all-encompassing - patient portals, appointment reminders, chronic care management (CCM), and more. These services can serve to not only provide better care, but also drive revenue to a facility's bottom line. For instance, more than 50 percent of practices leverage appointment reminders to reduce no-shows. Facilities deploying CCM programs are reimbursed by CMS. Patient portals provide opportunities for patients to pay their bills electronically, accelerating revenue capture.

Moving Beyond the Myths

Don't take yesterday's myths as today's facts. Once rural health organizations grasp today's reality, there are steps they can take to increase profitability and drive new revenue streams. Adding additional services such as chronic care management will help drive more reimbursement dollars. Educating patients on the cost of care and offering them the opportunity to pre-pay for services, can improve timely payments and the patient experience.

Check out the complete article, where I debunk even more myths that plague the rural market and share proven best practices for tackling some of the rural market's biggest revenue and reimbursement challenges. If you are interested in learning more, make sure to visit Azalea Health at the NARHC Annual Conference, May 7 - 10, 2019, in Atlanta, GA.

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