

Patient Liability in the EMS Industry

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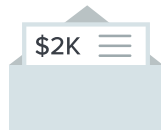
Introduction

The healthcare industry continues to experience significant transition amid shifts in patient demographics, new models of value-based care delivery and payment, as well as a growing number of high deductible health plans. In parallel, healthcare spending in the U.S. continues to rise and CMS estimates that healthcare spending will reach \$5.7 trillion and nearly 20% of total GDP by 2026¹. The combination of these changes has proven to have a significant financial impact on both providers and patients - among them a sharp increase in patient out-of-pocket liability.

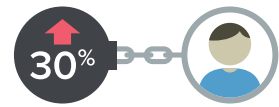
Current estimates are that:



Patient responsibility is now the number three payer behind Medicare and Medicaid².



1 out of 5 U.S. workers have a deductible of \$2,000 or more³.



Uncompensated care continues to grow in the healthcare industry with some hospitals reporting an increase of 30% in the rate of bad debt among insured patients⁴.

The impact of increasing patient responsibility is significant for all healthcare providers. The cost to collect is nearly three times greater and recovery rates can be as low as 5%⁵. Arguably, this impact may be felt more by EMS providers because their bills are some of the first received by the patient in the event of an illness or accident. This means that the patient may be unprepared financially, has not yet met their plan deductible, or doesn't understand their coverage benefits and limitations.



Hospitals have long been in the practice of offering financial counseling and assistance programs to patients to help curb some of the impact associated with self-pay balances. It is critical for EMS providers to establish these same types of programs to not only address their shifting payor mix, but proactively prepare for the anticipated evolution to an increasing number of population health management and value-based care programs where holistic management of the patient is the core mission.

EMS Provider Responsibilities

EMS providers have key “front-end” responsibilities for mitigating the risk associated with self-pay balances. These efforts are critical to an optimized and efficient revenue cycle.

- 1 Patient Information**
Obtain accurate patient demographic and insurance information to ease the burden associated with the cost to collect.
- 2 Financial Counseling**
Many hospitals offer financial counseling to patients or have eligibility/Medicaid conversion vendors to assist patients with coverage applications. EMS providers should partner with these local providers to help support this process and collaboratively share information related to patient coverage.
- 3 Charity Care**
Establish clear and consistent charity care policies when the patient doesn't qualify for Medicaid or other financial assistance programs. These policies should be based on tiered levels of incomes with standard and consistent documentation requirements from applicants.
- 4 Memberships**
Consider development of innovative membership programs to address the needs of uninsured patients with repetitive transports or patients transitioning to non-medical transportation scenarios (e.g. wheelchair transports).

Revenue Cycle Management Responsibilities

The Revenue Cycle Management partners for EMS providers also have key “back-end” responsibilities for optimized collection of patient liabilities.

- 1 Insurance Verification**
Verify patient demographic and insurance information and perform insurance discovery for patients who present as self-pay.
- 2 Patient Liability Collection**
Identify anticipated patient out-of-pocket amounts further upstream and attempt to educate the patient and collect a deposit in parallel with insurance processing.
- 3 Analytics**
Provide robust analytics for self-pay/balance after insurance to support development of strategies to address trends in issues or specific areas of opportunity.
- 4 Patient Statements**
Deliver accurate and timely patient statements with easy and optional payment methods - credit card, check, payment plans, portal, etc.
- 5 Charity Care**
Apply charity care policies in a consistent manner through high quality customer service and include reporting on charity care as part of the analytics process.
- 6 Collection Agency Placement**
Exhaust all collection efforts prior to collection agency placement through calls/letters to patients, Medicaid eligibility searching, etc. It is also important to analyze collection agency recoveries to address gaps in upstream processes where patient liability revenue is lost.

Many EMS providers fall behind in having these tactics in place and it is critical to evaluate current performance in these areas. The future landscape of healthcare is difficult to predict but the volatility in patient coverage and rising out-of-pocket liability will remain. All healthcare providers must quickly implement strategies to address this ongoing shift in payer mix for protection of revenue and the ability to provide quality care to the communities they serve.



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To read more about the revenue gaps facing EMS companies and how to plug them, check out Integra Connect's infographic, “Nine Opportunities for Revenue Loss” [here](#).

References

- ¹ CMS - <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>
- ² Becker's Hospital Review - <https://www.beckershospitalreview.com/finance/8-pieces-of-advice-on-improving-claim-collection-rates.html>
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- ⁴ Becker's Hospital Review - <https://www.beckershospitalreview.com/finance/21-statistics-on-high-deductible-health-plans.html>
- ⁵ Integra Connect Internal Analysis