Develop a system to collect patient credit card information

By Madeline Hyden, MGMA staff member

The popularity of high-deductible health plans (HDHPs) is growing, according to a census report[1] from America's Health Insurance Plans, Washington, D.C., which translates into increased patient financial responsibility and more pressure on medical practices to collect unpaid balances from patients.

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"Billing at the time of service can be difficult because you don't always know what exactly will be billed until after the appointment," says Joe Clark, MBA, CMPE, MGMA member, chief executive officer, Sierra Pacific Orthopedics, Fresno, Calif. "The patient might end up needing an MRI or an unexpected surgery by the end of the visit," adds Clark, who spoke during the MGMA 2015 Financial Management and Payer Contracting Conference in March.

The easiest way to alleviate patient collection pressure, especially for those with HDHPs, is to require patients to provide a credit card, debit card or health savings account card number when they schedule appointments, Clark says. As soon as a visit and any subsequent lab work or procedures are billed and the practice receives the explanation of benefits (EOB) from the payer, a patient's card is charged for the amount owed.

When patients leave without paying, practices are essentially giving them loans, Clark says. "Medical practices aren't lenders. We shouldn't be loaning money like that."

Here are Clark's tips to set up a credit card number collection process.

Technology

The question of where and how to store patient credit card information is a delicate one, as a misstep in the process could make a patient's financial information vulnerable to a breach. Clark recommends that practices use a third-party credit card processor, housed off-site, to store patient credit card information. "That way the practice has no record of any credit card numbers," he explains.

This software should connect to your practice management system (PMS) so that when a patient makes an appointment, staff members can enter card information into the PMS and it is automatically stored in the third-party database. When a patient arrives for an appointment, he or she will need to sign a credit card authorization form giving the practice permission to charge any balance the insurance company did not cover.

The first step is to determine the needs of your PMS, Clark says. Find out what companies your system partners with for processing credit card information and make sure the vendor is certified by the Payment Card Industry.[2]

Training

"People have a really hard time asking for money," Clark says. This means that your staff need detailed training on how to tell patients they will need to provide a credit card number. This training should be a part of all customer service training, Clark says, and should include:

- Education on why the practice is doing this and why it's important.
- Scripts for all staff who might answer the phone and book an appointment, including clinical staff. "It should be communicated as practice-wide policy that is enforced by the entire organization."
- Role-playing between staff members to help them get comfortable.

Getting physicians to accept the policy can be challenging, although "getting doctors' buy-in is simple if you show them what you're writing off in unpaid claims," Clark adds.

One recommendation: Think like a hotel employee, Clark says. You always have to provide a credit card in order to book a hotel room. "It's expected," he adds. "And people no longer question it."

Once your staff is fully trained, pick a day to start implementing the new policy with patients who make appointments.

Communicate to patients

If patients are hesitant about providing a credit card number, explain the benefit of providing credit card information before appointments and the reason for the policy. Benefits include a reduced chance of overpayment since a credit card is charged only after a claim is processed and quicker refunds if there is an overpayment (no need to mail a check).

Patients also need to understand that the practice isn't taking a payment at the time of service, Clark says. The only payment required on the day of the appointment is a copay, if applicable, and the card will only be charged after the EOB arrives. "Explain that their insurance company decides the amount that will be charged; we don't," Clark adds.

In his experience, 99% of new patients provided a credit card number with no issue but there will be certain patients who need more hand-holding. "These are generally long-standing patients who are used to managing their billing in a certain way."

Other tips:

- Send a letter to all patients who have previously scheduled appointments after the go-live date. It should explain the security measures the practice is taking to protect their information.
- Create FAQs list for your website and have copies available in the office.

If patients refuse to provide credit cards, Clark recommends asking physicians to decide how to handle it. ■

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Notes:

1. ahip.org/2014/HSA-Census-Report/
2. pcisecuritystandards.org/

Learn more about this topic in the free, on-demand "Collecting Time-of-Service Patient Liability," webinar, mgma.org/store, Item 16WEB02.