

JUST THE FACTS:

Estimating Patient Costs Before the Office Visit

Information is everywhere. Go to the internet and you can get just about any question answered. But patients who request an estimate of their bill from a doctor are usually out of luck. Few physician offices are capable of generating this information on demand to let their patients know how much they should expect to pay following a visit. These same physicians also miss the opportunity to proactively talk with patients about payment.

Providers who aren't ready or able to supply this information need to move quickly because patients are "...furiously googling, desperately trying to understand their healthcare options and know which questions to ask," according to Oxeon, a healthcare services firm.

One of the questions they're asking: what should I expect?

Expecting the Unexpected

Physician offices with the ability to provide an upfront cost estimate to a patient can help eliminate an unexpected bill, which will likely cause problems for the patient and, ultimately, the practice. Physicians spend years developing relationships with their patients and a surprise bill can destroy that connection in a moment. Primarily because no one likes this kind of surprise and many patients struggle to pay an unanticipated bill.

Forty-five percent of Americans say they "would have difficulty paying a surprise medical bill of \$500," according to a report from The Henry J. Kaiser Family Foundation. A separate study found 37 percent of patients would go into debt if they had to pay a \$100 medical bill.

In addition, only 48 percent of those who are insured pay their bill in full when they receive treatment. In addition, and it just makes sense; the lower the insured's income the less likely they are able to pay. Once a patient bill enters collections, the average provider receives less than \$16 for every \$100 owed, according to *MGMA Connexion*. By the time a patient's bill enters collections, they've already paid premiums and deductibles, both of which sap financial resources.

If a patient gets a surprise bill following treatment, there's a chance they've already spent a fair amount of money. Unfortunately, the provider is the final stop on this long road of patient healthcare payments.

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Transparency

As patients take on more financial responsibility by increasing their share of medical costs through high-deductible health plans and ever-increasing premiums, they're forced to shop for the best medical treatment at the lowest price. Their financial responsibilities have become more complicated: They won't pay what they don't know they owe. In fact, HFMA reports 60 percent of all patients never pay their medical bill once they leave the office.

Getting an accurate cost estimate to the patient before they leave is critical. Physician offices that can provide cost information prior to an appointment will have an advantage over those can't. Patients have become much more than that; they are also consumers who have benefitted from cost transparency.

By the Numbers

To deliver meaningful numbers, cost estimates must be highly accurate and based on the patient's specific benefits plan. Ideally, this estimate would be generated in anticipation of the patient's visit or at the time of service. But getting the numbers right is only half the solution.

Ensuring the cost estimate is straightforward is key. It's important to deliver the information in an easy-to-understand format with clear, line-item explanations of the services and their associated costs. Finally, office staff should offer to sit down with the patient to clear any confusion that remains.

Providing an estimate of a patient's bill is good customer service, and helps ensure faster and more complete payment. It's the right thing for consumers who need to become savvier about where, when and how they spend their healthcare dollars.



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