



Client Spotlight

Client at a Glance

Location:

St. Paul, MN

Specialty:

Family Practice

Number of providers:

3 Physicians and
1 Nurse Practitioner

“In addition to decreasing the patient accounts receivable by 50% and reducing the bad debt run rate, the practice is now saving both hard and soft costs because they are mailing fewer statements”

Steven K.
Administrative Consultant

Reducing Receivables by 50% in a Family Practice Clinic Setting

Practice Summary: In 2007, this Practice had nearly 14,000 patient encounters and generated \$2.9M in revenue.

Challenge: This Practice detected a rise in aging accounts specifically where patients owed a significant portion of the bill. Additionally, they were experiencing a rise in uncollectible accounts. The increasing number of patients with high deductible plans suggested the problem would continue to grow. The staff was spending increased amounts of time with patients explaining details about their health coverage.

Solution: The Practice sought the advice of business advisors to address these issue and identified the mPay Gateway system as the market leading solution. mPay Gateway’s software enabled the Practice to secure the patient payment responsibility before the patient left the office.

The mPay Gateway software calculated the patient responsibility after insurance and allowed the Practice to obtain an “authorization” on the patient’s debit or credit card for only the estimated amount. The new process also brought transparency to the cost of services and insurance coverage so the staff could conclude the financial discussion at check-out.

The credit card authorization secured the patient’s payment until the claim was paid by the insurance company. When the payer’s adjudication was complete, and the patient responsibility was reported to the Practice, the Practice entered the mPay Gateway application and simply opened the patient’s account and charged the exact amount due. The Practice received the funds overnight through the card network.

Patient Communication Strategies: The Practice’s most significant concern was the anticipated reaction from their patients. After considering a variety of patient communication strategies, the Practice opted to inform patients about the new payment process at multiple points with written and verbal communication. First, during the phone pre-registration, second at the appointment check-in, and finally at check-out, after seeing the physician. The billing office was available to answer any questions or concerns.



“It’s about time you guys figured this out. I can’t go to my dentist or orthodontist without having to pay significant portions of my bill prior to leaving the clinic.”

The Practice has successfully explained the new payment system to thousands of patients, comparing it to similar processes most patients have already experienced when they reserve a hotel room or car rental. The Practice has received **very** favorable comments from its patients and they now accept it as standard procedure.

RESULTS: The overall economic impact of the mPay Gateway system on the Practice has been impressive. After 12 weeks, the patient portion of the accounts receivable value was reduced by more than 50 percent. Using mPay Gateway reduced the aging of these accounts, in many cases from 90 days and greater to less than 30 days.

Not only did the Practice benefit from the improved cash flow, it also saved the typical expense associated with the production of multiple patient statements, which averaged 2.6 statements per patient visit at a cost of more than \$3 per statement produced. Most significantly, the Practice reduced the percentage of accounts written-off as bad debt.

“I like knowing what my visit costs at the time of my departure. I like to be able to pay my portion and be done with it; rather than having to deal with it a couple months later when the billing catches up to the payer.”