

How digital payment tools can repair a fractured revenue cycle.

**BECKER'S
HEALTHCARE**



Orthopedic practices, clinics, and hospital groups are gradually rebounding from the elective procedure freeze, furloughs, and revenue impacts of 2020. However, “normal” is still just out of reach, as evidenced by massive surgery backlogs. On top of the challenges brought on this past year, is a problem that already existed in a critical part of the revenue cycle: capturing patient payments. In addition to patient care, revenue cycle management and receiving timely patient payments is a top concern for orthopedic practices.

The traditional payment model for healthcare providers across specialties is broken. For example, in many cases, patients leave appointments or procedures without knowing how much they owe and without establishing expectations with the provider of how or when they will pay a balance. Follow up statements are sent, of which many go unpaid, and providers are left chasing after those payments. The revenue cycle stalls at accounts receivables, and unfortunately, that’s not an anomaly for healthcare providers.

The orthopedic care sector is a pioneer of cutting-edge clinical technology and therapy techniques, but its payment and revenue cycle systems are often lagging. As one of the highest billing specialties in healthcare, these balances can build up to staggering numbers.

Dane Trask, CEO of Ortho Florida, Florida’s largest orthopedic umbrella group, explains,

“ We have to get the patients paying their bills, either at the time of service, before they walk out, or at least [set up] a payment program as they leave.

Because otherwise, the service is rendered, they’re walking out the door, and we’re chasing, chasing, chasing.”

Trask discovered that technology exists to alleviate the problems of chasing patient payments and outstanding accounts receivables by making it easier for patients to pay, extending payment options, and automating the payment workflow in offices. According to Trask, his group recognized the need, prioritized finding the right solution, and set aside the time and resources that it takes to implement new technology.



Scott Sabolich Prosthetics, an esteemed orthotics and prosthetics provider located in Oklahoma, also recently transformed their front-office, billing, and payment technology. Optimizing their incoming payments was of monumental importance, Sabolich shared, “We are in the eight-digit billing mark gross a year, and you can imagine what the A/R looks like. We have easily over seven figures in A/R, and the patients’ portion is a good twenty to thirty percent of that A/R. That’s a sizeable chunk to be sitting on hoping to get paid.”

Despite the clear pain points, for some groups, the perceived burden of implementation and a time-consuming training process creates hesitation from moving forward. This whitepaper brings you the top three ways that technology can help solve the cash flow problem in the orthopedic sector, including insights and firsthand experiences from orthopedic providers and business professionals that have recently completed a technology transformation, and their practical advice for a successful technology implementation.

Three ways that orthopedic practices can optimize cash flow through the use of payment technology.

1. Leverage digital payment options to replace outdated, ineffective methods

Patients want a retail-like payment experience, and COVID-19 has only strengthened the preference for convenient and contactless methods. Despite offering world-class orthopedic care, many offices are still years behind offering the latest payment options.

Before investing in automated payment technology, Sabolich described his office's billing process as "messy", with twenty to thirty statements mailed out a week, and "A lot of phone calls. A lot of interaction with the patient. A lot of old-school, 1980s calling [the patient] and saying, 'Are you ready to pay a portion of your bill?'" The traditional method of mailed bills, checks, and credit card numbers read over the phone is inefficient and certainly not best practices for safety and security. It is equally bad for providers because they are less likely to receive timely payments and their staff is going to spend a significant portion of their time chasing them.

Adriana Weicht, Chief Operating Officer of Innovative Healthcare Business Solutions, recognized that Ortho Florida, to whom she consults, had a problem that is familiar to many practices – the amount of payments that patients owed continued to rise above their incoming cash flow. Weicht saw the opportunity that digital options could create by allowing the patients to manage their own finances, realizing, "If we wanted the patients to make those payments, we needed to make it as easy as possible for them."

Leveraging the latest digital payment options means that instead of mailed statements and phone calls, patients can pay their bills online using a computer, tablet, or their mobile device when it is most convenient for them in their day.

With text-to-pay technology, offices can text patients their balance details with a link to pay directly from their smartphones. Giving patients the convenient payment tools that they want and expect greatly increases the chances of receiving a timely payment.

2. Use Card on File and payment plan technology to stabilize cashflow

Storing patients' preferred card information through secure card-on-file-technology is a practical way that providers can ensure that they receive payment for the services rendered. Card on File can also help facilitate a simpler in-person check-out process.

Payment plan technology – linked to a debit, HSA/FSA, or credit card on file, gives providers a practical solution for working with patients who are unable to, or prefer not to, make a lumpsum payment. According to a recent study¹,

54% of patients said they would store their preferred payment details with their provider(s), and two out of three patients said they want access to payment plans.

¹ Of 2,000 patients surveyed in *The Healthcare Payment Experience, January 2021*, produced by PYMNTS.com and Rectangle Health.

Payment plans allow patients to afford care, and providers to receive consistent incoming payments instead of waiting on a large payment that might not come.

Having an all-encompassing payment tool with the ability to create individualized payment plans means that your practice can have flexibility to adapt to each patient's specific needs. In Trask's group of over 100 independent orthopedic practices, "Some practices cater to a clientele that is comfortable receiving their amounts due when they arrive, and some want to see it ahead of time." Trask explains that they found the answer in technology that allowed the practice to customize the patient experience.

Offering payment plans to help patients make payments manageable and can incent patients to start treatment that they might otherwise be hesitant to begin, increase their satisfaction and loyalty, and create a better business model for providers.

Using technology with built-in payment plan capabilities means that providers can offer flexible payment plans to their patients without splitting revenue with a third-party and without depending on collection companies.

Early communication is key to ensuring that patients know what their payment options are and when their payments are due. Make it a part of your office flow to talk to patients about what the payment process will look like and utilize convenient communication tools in front-office technology to send text message communications to patients with details about upcoming payments and balances.

This shift of opening up more convenient payment methods has a big impact on practices. Therapy Specialists of Oklahoma, a physical therapy group with five locations across Oklahoma, recently transformed their office and payment technology, and Sam Zantout, Co-Owner, has seen significant operational improvements, “I think cash flow for any business is super important for growth, period... You remove the collection company out of the equation; it’s huge.”

3. Automate payment posting to increase office efficiency and reduce errors

With more payments coming in, it is imperative to invest in a revenue cycle tool that will interface with existing practice management systems and automatically post payments to the patient ledger.

Doing so frees office staff up for other, revenue-building activities and saves them time and bandwidth in their days. Zantout put it practically,

“When you reduce the administrative burden, that’s time. Time is money.”

Carroll Papajohn, Care Center Manager of Florida Bone and Joint Specialists, has seen additional benefits of automatic payment posting, explaining that the technology, “Takes a manual, very tiresome, and because there are humans involved – error-prone – process and automates it... that’s going to free up time for the billing staff to be able to focus on other, more revenue-generating activities.”

Having an automatic way to sync payments between systems also removes the possibility of error, ultimately meaning more accurate reconciliation and revenue numbers and higher patient satisfaction because of up-to-date information.

Papajohn says he didn’t realize, “How much of a morale boost it would be to take a manual process and automate it.” Weicht echoes this sentiment, saying that,

“The staff is just so happy that we eliminated a step for them having to post those payments manually.”

Practical steps to a smooth implementation.

The first step to profitability is identifying the root of your practice's cash flow problem, and then researching the technology options that are available to you. When making a list of what would most benefit the practices that she was optimizing, Weicht didn't settle, "We looked for a solution that interfaced with our practice management system and that could help us speed up the check-in process, and we also wanted patients to be able to make payments on an online portal. So we were looking for an all-in-one solution, and that's really what we went after."

Beyond the solution itself, take time to learn about the implementation process and the level of support that the technology vendor provides with set-up, troubleshooting, and training. The right technology provider will come alongside your organization as a partner in the implementation process and move the process along smoothly and efficiently.

Prioritize implementation and stay steadfast.

With the competing demands and daily responsibilities of keeping an orthopedic practice running, the thought of finding the time, money, and brainpower to undergo a technology transformation can be daunting. Even after your group or practice has identified a clear need for improved payment technology and researched solutions, it's common for the process to get pushed aside.

According to Trask, making a technology implementation happen requires treating it as a top priority and a necessity. He relates the shift to new office and payment technology to the shift that Ortho Florida, and so many other healthcare providers across the country, made to telemedicine in the last year, "We did something that has been in the works, or on the horizon, for 15 years. We did telemedicine. And we implemented it in a matter of weeks. It was awkward, disjointed, on all sorts of different platforms, but we figured it out. And now it's a huge part of our practice."

Trask's advice is to harness the same drive that it took to adapt to doing business in the last year and "Look at the next project that you've been talking about doing, or that you've gone to seminars to learn about that you've been putting off. These other projects can be done... I think anybody who hasn't implemented a revenue cycle management tool like this, it should be the next thing on your list for priority."

Plan, share, and continue to communicate along the way.

Weicht had the significant role of overseeing the implementation process for the 100+ orthopedic groups under Ortho Florida's umbrella. She worked with the chosen technology vendor to come up with an implementation plan that would be proven to work effectively based on their experience and that would also make their care centers comfortable with the process.

"When we decided to make this transition, we needed to make sure this would be an easy transition across all of the care centers," she said. "I decided to split the group into smaller groups of four care centers at a time." The implementation team used a three-part implementation process, all done remotely through calls, to break the process up into manageable pieces and to allow time for questions and troubleshooting along the way.

Finding the right time for a new technology implementation at a busy orthopedic care center can be a challenge but setting your group up for revenue success and improved workflows far outweighs any inconvenience. Zantout reflects on the payoff, saying, "Only thing I wish we had done different is that we had done it sooner."

A complete healthcare technology solution for orthopedics.

With customized solutions for the orthopedic specialty, Rectangle Health has been providing healthcare payment technology to providers for over 25 years. Their Practice Management Bridge® platform offers all-encompassing payment tools, including online payments, text-to-pay, and flexible payment plans, and office efficiency tools, such as customizable text messages, that help offices

easily communicate with patients, receive more payments, and operate more smoothly.

Rectangle Health is a proud partner to world-class orthopedic providers like Ortho Florida, Therapy Specialists of Oklahoma, and Scott Sabolich Prosthetics. With their many years of experience, Rectangle Health has smooth and efficient implementation down to an art and knows how to work effectively with healthcare offices of all sizes.

“I can’t say enough about the Rectangle Health team. They have been there through all of it, and I think that has made the difference... It’s really been smooth sailing for such a large group,” Weicht recounts.

Papajohn has had a similarly positive experience at the care center level, sharing that, “It’s going very well. Our structure is complex where we have to set up multiple processors within the same location. Rectangle Health was very adaptable and worked diligently to get the merchant IDs set up... They’ve been very helpful with PCI compliance. All in all, very positive experience with the Rectangle Health team.”

Rectangle HEALTH

Innovation That Drives Patient Payments

Rectangle Health, a leading healthcare technology company, empowers practices with seamless and secure solutions to drive revenue by increasing patient payments and streamlining practice management. Since 1992, the company's innovative technology has reduced administrative burden and rebalanced the ledger for its thousands of healthcare providers in the U.S., reliably processing over billions of dollars in payments annually.

To learn more about how our technology solutions can work for you, please visit us online.

RectangleHealth.com

**BECKER'S
HEALTHCARE**