How to Prepare Patient Financial Services for Reform

By John Young

Although the ACA provisions were designed to provide better access to care for the uninsured, they undoubtedly also have resulted in many challenges for PFS counselors.

At the beginning of the year, several key provisions of the Affordable Care Act (ACA) were up and running, including health insurance exchanges, the expansion of Medicaid to low-income adults in many states, and the launch of new Medicaid eligibility and enrollment processes.

Although these provisions were designed to provide better access to care to those who need it most, they undoubtedly also have resulted in many challenges for revenue cycle departments, particularly for those staff members—the patient financial services (PFS) counselors—who interact daily with these patients.

Traditionally, the PFS counselor role has been pretty straightforward: collecting payment from patients, directing patients to a Medicaid assistance plan, or setting them on a path for charity care. Today’s PFS counselor, however, faces a more complex set of guidelines in evaluating patient financial assistance and completing the application process.

Understanding the Challenges

Challenges that are prompting the need for greater expertise in the PFS counselor role include the following:

*Increased patient volume.* Enrollments in the health insurance marketplaces totaled 4 million as of the end of February. Newly insured consumers means that new patients will need help understanding the complex world of health insurance. The task of understanding copays, networks, and plan options are extremely challenging—and often ignored until a service is needed or a crisis occurs. Uninsured patients will need the most assistance in navigating through the available coverage options and the enrollment process.

*Expanded Medicaid coverage.* More than half of the states have elected to expand Medicaid coverage above the federal minimums, resulting in a more complex set of guidelines and processes in evaluating patient financial assistance.

Presumptive eligibility adds another wrinkle. Hospitals that choose this fast-track option to grant immediate coverage must successfully manage compliance rules and also run the risk of eligibility decisions being overturned.

*New technology.* Federal rules require use of Medicaid eligibility application systems to enroll patients. This electronic application has been seen as both a positive and negative addition to revenue cycle responsibilities.

For PFS counselors, there are many unresolved issues: Are there disability programs to assess that are separate from the online application? Is there a need to continue applying for Social Security disability even though a state has a medical reviewing agency for disability claims? Is there a way to obtain a clear status of the application that was filed through the electronic application system?

Overcoming the Challenges

Successfully navigating these new challenges requires strengthening the PFS function. Strategies for creating a more robust PFS department include the following:
Implement a dedicated PFS leadership role. Staying up to date on eligibility policy updates and new rulings requires a significant amount of time. Hospitals should establish a dedicated role that is charged with gathering/tracking information from all available sources, such as federal and state-issued memos and web sites. Because this information can be challenging to understand, it is also up to the PFS leader to correctly interpret the latest updates and rulings, enabling PFS counselors to do their jobs effectively.

Strengthen relationships with state agencies. Hospitals and health systems should establish contacts with their state and county Medicaid agency leaders to gather current program and process changes. Periodic meetings with such leaders can provide insight into changes that are in a planning stage, which can enable hospitals and health systems to prepare for further program modifications and may offer them a chance to provide input into final rulings.

Invest in resources. As patient volumes rise as more consumers obtain coverage either through Medicaid or the insurance marketplaces, hospitals will need to add PFS counselors to keep up with demand for financial assistance. The application rate is estimated to increase between 30 percent and 50 percent in states with expanded coverage, according to the Centers for Medicare and Medicaid Services.

Provide training. PFS counselors should receive a regular review of Medicaid manual changes and reference lists. Training should include classroom sessions, shadowing of more experienced counselors, and role playing of the screening process. Counselors should also receive continuing education, an especially important retention tool in this new world of eligibility.

Securing Benefits
As Medicaid eligibility, marketplace enrollment, and online applications are infused into our healthcare system, there are both opportunities and challenges for healthcare organizations. Embracing new processes and technology related to Medicaid eligibility and maintaining an effective application process is the challenge at hand. Those healthcare leaders who have the expertise and resources to keep their PFS staff current with regulatory and technology changes will have the greatest advantage in securing benefits for their patients.

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