

ROI Value Model

By ClearBalance

How does your ROI Value Model help healthcare organizations understand the cost-to-collect for patient payments and evaluate potential vendors?

The [ClearBalance® ROI Value Model™](#) identifies a healthcare provider's cost to collect patient pay and sets nationally recognized benchmarks for a long-term financing alternative. Five years ago, healthcare providers began focusing on patient pay as a critical reimbursement component. Also, the patient payment space exploded with new vendors claiming various performance measures. [ClearBalance®](#) recognized the need to establish patient pay metrics that could be benchmarked to validate performance and quantify ROI. We collaborated with a few long-time health system partners and used our 25 years of patient pay cost and collection performance data to create and validate patient pay metrics that became the [ClearBalance® ROI Value Model™](#). This tool allows organizations to not only gauge their own performance over time and compare it to peers but validate the work of outside vendors.

The tool's real-world statistics underwent and passed the HFMA Peer Review process, receiving close scrutinization from a panel of CFOs and financial analysts who deemed that the model provides valid and meaningful operational and financial performance metrics. It is now considered the standard for patient pay financing benchmarks.

What advice would you offer to healthcare leaders when determining which patient payment metrics to measure?

First and foremost, make sure any metrics are validated and allow for even data comparisons. The measures we use – including payer mix, labor/IT, time-value of money and collection rates – have been validated by our health system customers and by the Peer Review process for four consecutive years. They complement HFMA MAP KPIs and are considered fundamental patient payment collection measures. ■

QUICK FACTS

Number of years on the Short List: Four consecutive years.

In HFMA's 2018 review process, ClearBalance and its ROI Value Model achieved impressive results including:

- **100% of Peer Reviewers said they would recommend ClearBalance to a colleague.**
- **100% said the ROI Value Model's metrics are defined appropriately to address patient financing.**
- **100% said ClearBalance's patient financing service represents good value for the cost.**

Also, it's important to thoroughly understand how potential vendors report their patient pay performance data to ensure apples-to-apples comparisons. For example, examine how they report default performance; whether there are any extra costs such as transaction fees; and whether they can demonstrate performance data based on similar demographic/acute levels.

What other best practices can you offer providers when they evaluate outsourcing patient financing?

It is important to use data to regularly assess a patient financing program. For example, consider tracking how a short-term payment plan (six months or less) compares to a longer-term plan (seven-plus months) in terms of cost to manage and expected ROI. In addition, be sure to make patient engagement a top priority. Adopt a "pre-service to next-service" mentality to communicate and offer payment options throughout the patient's care and payment cycle. Use a partner that blends high-tech digital convenience with high-touch human interaction to elevate the customer service experience and decrease payment abandonment rates. ■



Better experience for your patients. Best results for you. ClearBalance® patient financing gives consumers an affordable way to pay their medical costs with the convenience of using our program the next time they need care at your health system. ClearBalance reduces bad debt and enhances patient loyalty to your brand through an exceptional financial experience. We maintain the industry's highest repayment rate. Our healthcare partners see an average 260 percent ROI within 12 months. [ClearBalance.org](#)

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