

**CommerceHealthcare<sup>®</sup>**



“STOP CHASING YOUR PATIENTS FOR PAYMENT”

Automating patient payments, payment plans, and financing

HFMA greater land conference

Mark Huebner  
Director, Patient Financing  
CommerceHealthcare

Tom Brekka  
CEO  
VestaCare

Greg Carda  
CFO  
Missouri Delta Medical Center



# Patient Consumerism Trivia

---

# Patient Consumerism Trivia

---

Combined premium contributions and deductibles have grown to reach \_\_\_% of median household income?

**a** 11.5%

**c** 23.7%

**b** 30.1%

**d** 48.3%

# Patient Consumerism Trivia

---

Combined premium contributions and deductibles have grown to reach \_\_\_% of median household income?

**Answer:**



11.5%

# Patient Consumerism Trivia

---

What percentage of private sector workers are enrolled in high deductible health plans?

**a** 25%

**c** 34%

**b** 55%

**d** 50%

# Patient Consumerism Trivia

---

What percentage of private sector workers are enrolled in high deductible health plans?

**Answer:**



55%

# Patient Consumerism Trivia

---

Prior to the pandemic, what percentage of Americans were just covering basic living expenses?

**a** 3%

**c** 23%

**b** 12%

**d** 30%

# Patient Consumerism Trivia

---

Prior to the pandemic, what percentage of Americans were just covering basic living expenses?

**Answer:**

**d** 30%

Source: Transamerica, Retirement Security Amid COVID -19: The Outlook of Three Generations, May 2020.



# AGENDA

---



➤ **State of Healthcare Debt**

➤ **Patient Behavior**

➤ **Patient Payment Plans**

➤ **The Problem**

➤ **The Solution**



# 70% Of Medical Collection Debt Will Soon Be Removed From Credit Reports: Here's What You Need To Know



CFPB issues report on consumer complaints involving medical debt; Biden Administration announces actions relating to medical debt



## Rate of American private-sector workers enrolled in HDHPs

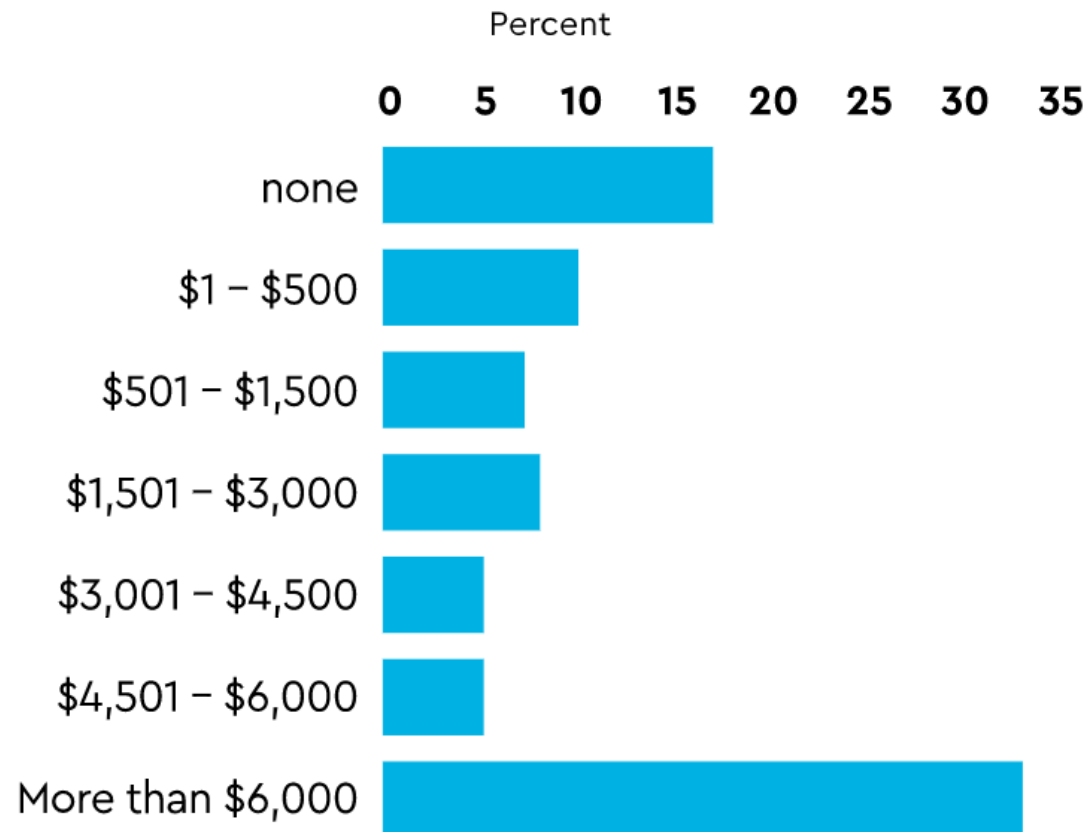
Year	Workers enrolled in HDHPs	Year-over-year % change
2012	34.3%	N/A
2013	30.3%	-11.5%
2014	35.2%	16.0%
2015	39.4%	12.0%
2016	42.6%	8.1%
2017	48.7%	14.2%
2018	49.1%	0.9%
2019	50.5%	2.9%
2020	52.9%	4.8%
2021	55.7%	5.3%

Source: ValuePenguin analysis of State Health Compare tool data

HDHPs  
enrollment has  
increased 62%  
since 2012

# Americans Savings

IN CASE OF EMERGENCY,  
HOW MUCH DO AMERICANS  
HAVE IN SAVINGS FOR MEDICAL BILLS?



# Delayed Billing

---

- Long billing process- No patient payments for **3–6 months or longer** after discharge
- Patients are **many times surprised** by a bill in the mail for service many months later

## Bottom Line

---

- Hospitals collect an average of only **15%** of total patient liability
- Self-pay after insurance patient collections rates dropped from **76%** in 2020 to **55%** in 2021

# Common Attempts

---

- Static payment plans **without AI, adjustment applied** only after statements are complete
- **Patients forced to carry balances on high interest** credit cards
- Waiting months and then **hoping** patients pay
- Sending patients to **collections**
- **Suing** patients and garnishing wages

# Patients Want More Options

---

- Moving towards ease and uncomplicated online self-service
  - Simplicity in understanding out-of-pocket expenses
    - Immediate and affordable payment options



Providers see up to **90%** boosts in payments when offering patients discounts at POS.



**92%** of patients would return to a healthcare facility that offer a loan program.



**64%** of patients want flexible payments.



Providers see **54%** more electronic payments when patients have the option to pay by phone or text.

# What Patients are Seeking

---



Dignity



Convenience



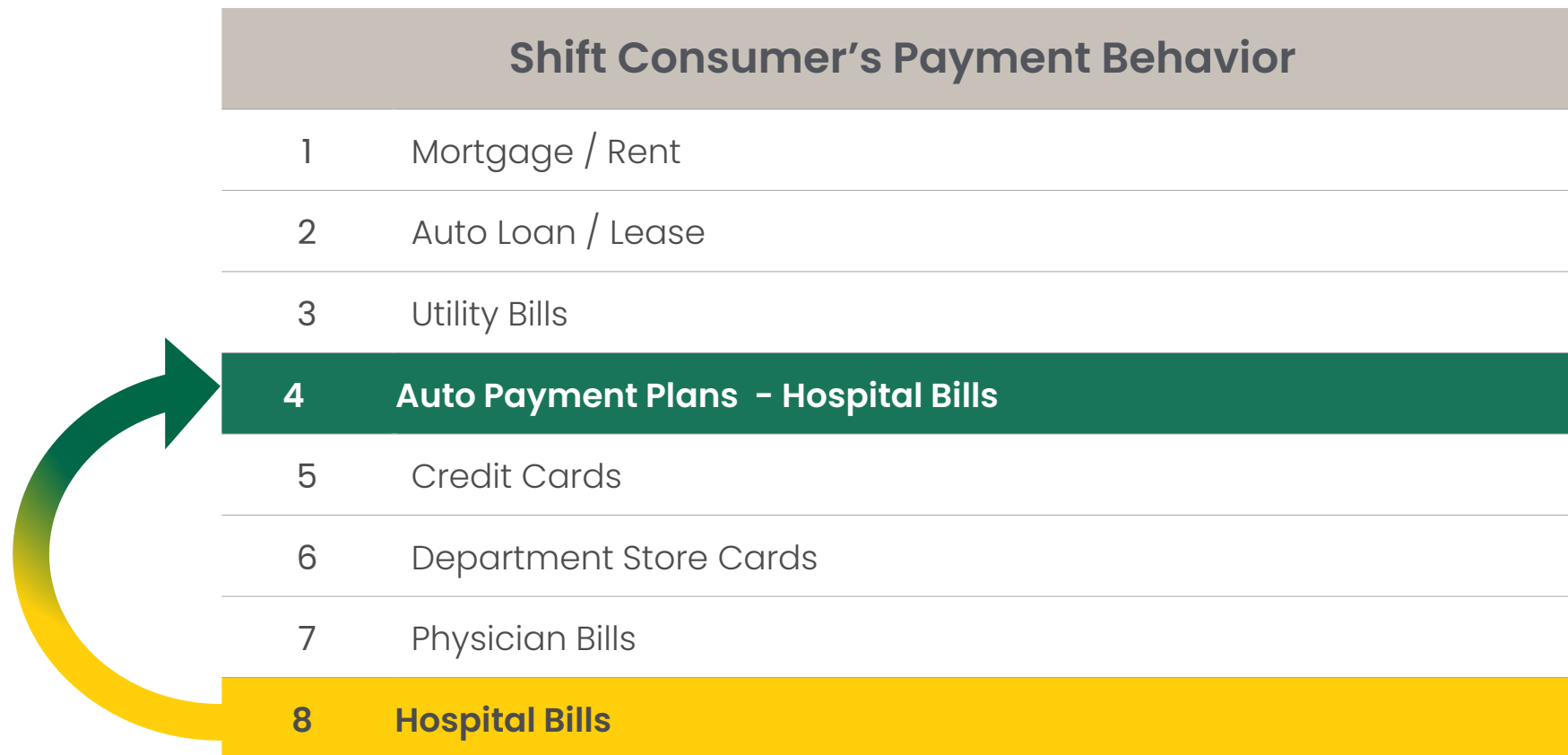
Equal Access to Credit



Affordability

# Auto-Payment Behavior

---



# The Need For Extended Term Options

## Limited In-House payment plan illustrations

Patient Balance	12-month term		24-month term	
	Patient's Monthly Payment	Relative Affordability	Patient's Monthly Payment	Relative Affordability
\$500	\$42	Affordable	\$20.83	Affordable
\$1,000	\$84	Affordable	\$41.66	Affordable
\$2,500	\$208	Less Affordable	\$104.17	Affordable
\$5,000	\$417	Unaffordable	\$208.33	Less Affordable
\$10,000	\$834	Unaffordable	\$416.66	Less Affordable
\$20,000	\$1,667	Unaffordable	\$666.67	Unaffordable

# Patient Financing Sample Structure

Patient APR	Patient Transaction Size	Patient Repayment Term	Maximum Monthly Payment
0%	\$250-\$3,000	24 Months (2 Year)	\$125
0%	\$3,000-\$5,000	36 Months (3 Years)	\$139
0%	\$5,000-\$8,000	48 Months (4 Years)	\$167
0%	\$8,000-\$20,000	60 Months (5 Years)	\$333

## Keys to Success



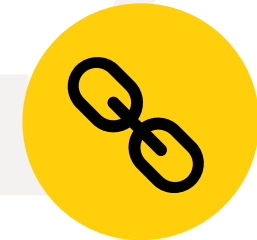
Affordability Significantly  
Improves Patient  
Balance Collections



Enrollment Must Be  
Quick And Easy

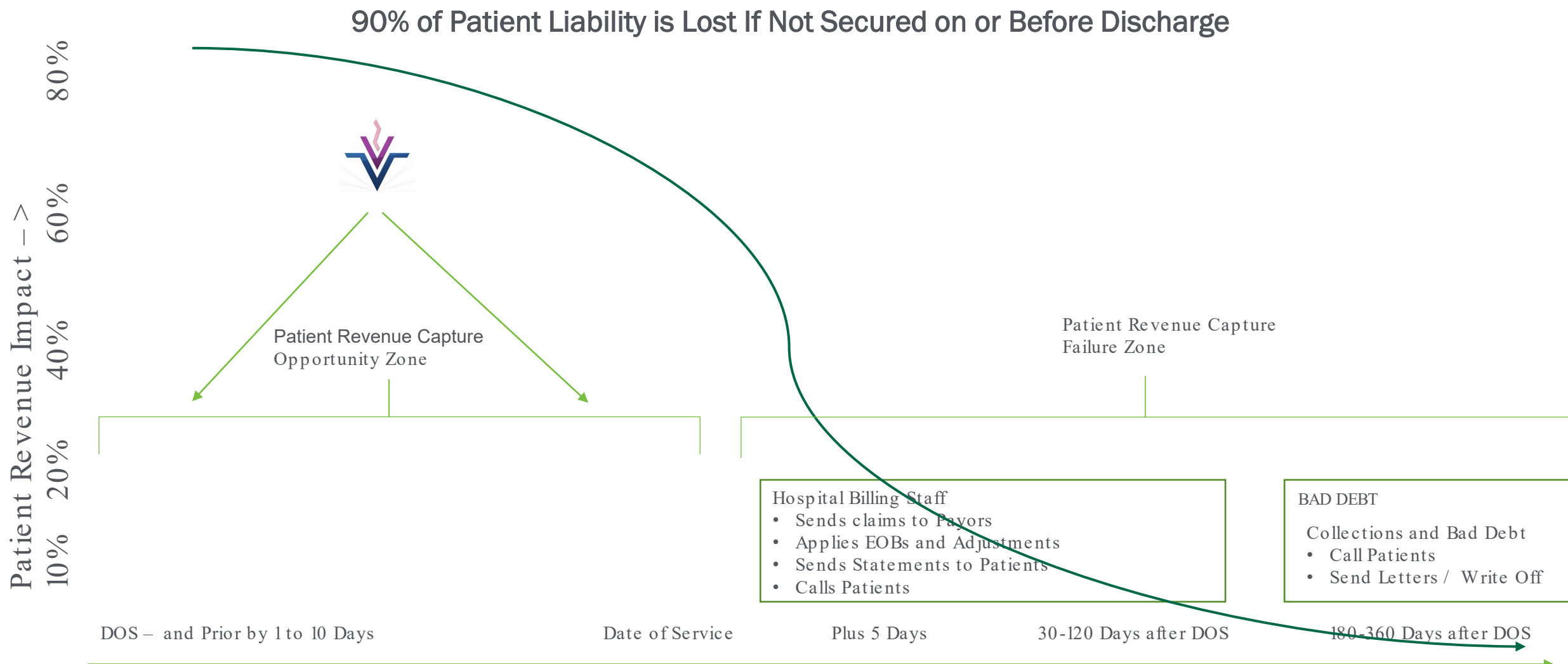


Patients Cannot Be  
Turned Down For  
Credit



Multiple Charges  
Must Be Combined  
for Single Billing

# THE Problem



\* Based on VestaCare historical experience

Patient Episode of Care and Financial Timeline

CommerceHealthcare®



## STRATEGY – Secure 100% of Known and Unknown Balances BEFORE Discharge

---

- Patients**
- How do you do this when you don't know exactly what the patient owes at time of service?
  - Patients don't want to pay on non-final charges
- Staff**
- Not comfortable asking for money particularly on estimates
- Hospitals**
- Forego cash flow and then lose 90% of the total liability

### Walk-in Patients

- Emergency Department
- Ancillary Services

### Scheduled Patients

- Surgery
- Pre-Access
- Oncology

---

Low Leverage  
High Volume

High Leverage  
Low Leverage

# HOW DID WE DO IT?

Everything Centers Around Time-of-Service\*

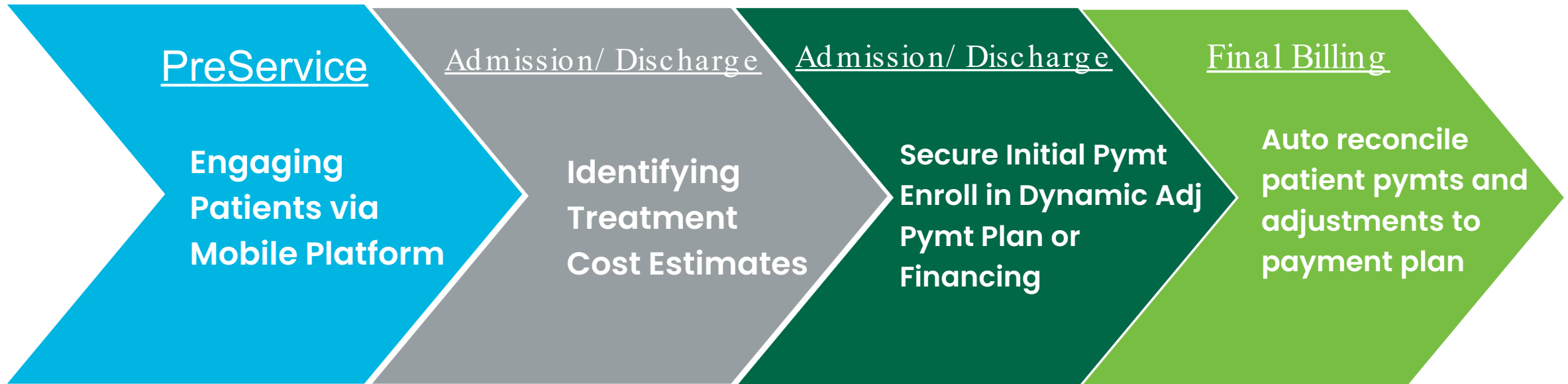
- 100% ESTIMATE – With superior accuracy estimating tools
- 100% ASK – Every patient to pay today – Consistent Staff Training
- 100% ENROLL – All patients with any potential liability
- THE HUMAN TOUCH – Training Staff on engaging all patients

\* DYNAMIC BALANCE ADJUSTING AutoPay Plans

# Securing 100% of Patient Liability at TOS



## Patient Engagement



VestaPay Hospital:  
Hello Guillermo Rath,  
Your estimate is  
available for your visit  
on 03/02/2023 with  
VPH EMERGENCY  
DEPARTMENT Please  
visit the link [https://  
appdemo.vestacare  
.com/patientportal/  
?MDk1NjFiYTMTYmUx  
ZC00OGVjLTJhYTQtdW  
ZM5NzljMzZmZDcy](https://appdemo.vestacare.com/patientportal/?MDk1NjFiYTMTYmUxZC00OGVjLTJhYTQtdWZM5NzljMzZmZDcy) to  
review. Thanks.



Tap to load preview

6:07 PM



Text message



### Registration Assistant - Estimation Review

#### Patient Financial Estimate

Date Of Service: 03/02/2023  
Name: Guillermo, Rath  
MRN: 8323632  
Account: V3341513  
Patient Responsibility: \$ 725.50

Show Report

confirm



Your balance of **\$725.50** is due **03/02/2023**.  
Click [here](#) to review your estimate details  
how would you like to pay?

#### Pay Now

Pay **now** the total amount of **\$725.50**.

#### Pay Over Time ⓘ

Pay in **19 months** (\$40.00 per payment)

Adjust the fields below for your convenience.

Down Payment

**\$0.00**

Recurring Payment

**\$40.00**/Monthly

\$2.95 Technology fee

Starting Date

**04/13/2023**


#### Need longer to pay your bill?

Click [here](#) to enroll for a Line of Credit with  
Commerce Bank.

You will be given 24 months to repay your  
balance at a 0% interest rate and no fees for the  
full term of the loan.


Enrollment is easy and there is no credit check.


Proceed



[Go Back](#)

### Choose your payment option

  
Credit Card

  
Bank Account








Card Number

Card Holder Name


Expiry Date

MM / YY

CVV



[Proceed](#)



### Pay Over Time ⓘ

Pay in 19 months (\$40.00 per payment)

Recurring Payment

**\$40.00**/Monthly

\$2.95 Technology fee

Starting Date


**04/13/2023**

Current Plan:


0 of 19

Paid



[Show AutoPay Plan #13574 Agreement ⓘ](#)





VestaPay Hospital: Hello Guillermo Rath, Thank you for setting up your AutoPay Plan #13574, you can view the agreement by clicking <https://appdemo.vestacare.com/patientportal/?MDk1NjFiYTmtYmUxZC00OGVjLThjYTQtZW5NzljMzZmZDcy> . If you have any questions regarding your account please contact the hospital's Financial Counselors at [570-253-8144](tel:570-253-8144) for assistance. For technical issues, you can contact us at [vestapaysupport@vestacare.com](mailto:vestapaysupport@vestacare.com). Thanks.

  
Tap to load preview

6:09 PM







# RESULTS: **It Works!**

- Greg Carda, CFO, Missouri Delta Medical Center
- 15% is now **60-70%**
- This is accomplished by securing **100% of the KNOWN AND UNKNOWN LIABILITY** at time of service when you don't know exactly what a patient is going to owe!
- Financial Results are dramatically improved,
- While also improving patient satisfaction.



# RESULTS: It Works!

- Missouri Delta Medical Center
  - 144 Beds
  - \$112 M Total Patient Revenue
  - Rural/Agricultural Economy
  - Cerner Community Care Platform
  
- Challenges:
  - Staff turn-over
  - EMR Cost overruns, serious claims delay and financial impact
  - Culture of not paying for care
  - How to optimize staff engagement with patients?

	Missouri Delta Medical Center			
	Cash Net	Improvement (\$)	%	
2017	2,996,668.41			
2018	2,882,780.64	(113,887.77)	-3.8%	
2019	3,594,583.86	711,803.22	24.7%	
2020	3,797,790.32	203,206.46	5.7%	
2021	4,383,414.57	585,624.25	15.4%	
2022	4,678,999.81	295,585.24	6.7%	

62.3% growth since introduction of VestaPay  
Payment plans paying out at 80% vs 11.5%  
Carrying about \$1m original balances

# Solution Overview

---



Combining an effective method for securing 100% of the patient liability at time-of-service with financing options that match the specific needs of the hospital and patient creates a Best of Class winning solution

# THANK YOU