Using Data to drive Charity and Collections processes

Presented by

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Charity care – Current State

30%

Charity deduction increase
2022-2024

→

18%

Increase in bad debt
2022-2024

State hospital financial assistance laws

33 states have state charity care laws*

*Includes District of Columbia
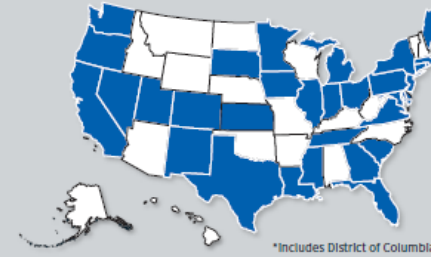
20 states have laws specifying a minimum Federal Poverty Level ratio for charity care*

*Includes District of Columbia
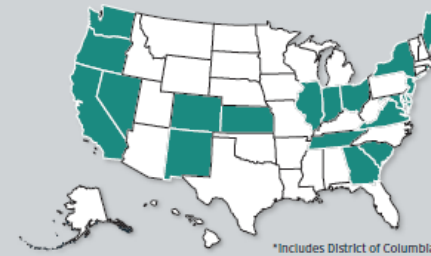
11 states have laws offering charity care eligibility for individuals with health insurance
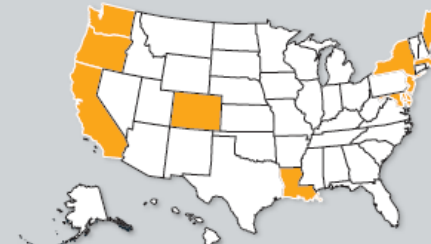
Source: Office of the New York State Attorney General, presentation, "Charity care compliance, part 1: An introduction to the OAG & the amended HFAL," Dec. 5, 2024.

Source: Daly, R., "Bad debt, charity up 32% since 2022," *FastFinance*, HFMA, May 13, 2025.

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Where are the gaps?

Patient application gaps

- Eligibility rules vary widely by hospital.

- Applications are complex and paperwork-heavy.

- Some applications improperly denied or never processed.

- Distrust in hospitals discourages applying.

- Confusion between Medicaid and charity care eligibility.

Process/automation gap

- Manual workflows slow eligibility determinations.

- Lack of integrated data to verify income/coverage.

- Minimal automation for presumptive eligibility screening.

- Weak tracking of outcomes and denials.

- Compliance risk from inconsistent charity care practices.

Data to drive a streamlined process

Front End – IV/PFC

- Understand who is most likely to qualify for financial assistance sooner in the process?

- Understand patients likelihood to pay to have more knowledgeable discussions at point of service.

- Use data to drive process improvement and point of service discussions.

- Presumptively approve and/or prioritize staff attention

Financial Counseling - PFC

- Provide a screening tool for financial counselors to use real time.

- Provide data to financial counselors to help drive payment discussions and provide payment plan amounts patient is most likely able to pay.

- Real time data on financial data to help with financial assistance decisions versus payment plans.

Back End - CO

- Screen accounts in AR file to determine found coverage, bankruptcy accounts, deceased as well as those accounts that meet charity thresholds.

- Segment accounts to help drive collections discussions.

- Route accounts to the appropriate agency or in-house based on the segmentation strategies.

- Agency Management and Compliance

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Patient collections
Common pain points for leaders

"We spend too much on contingency fees."

Bad debt expense is on the rise.

"Resources (IT, staff) are scarce – how do I do more with less?"
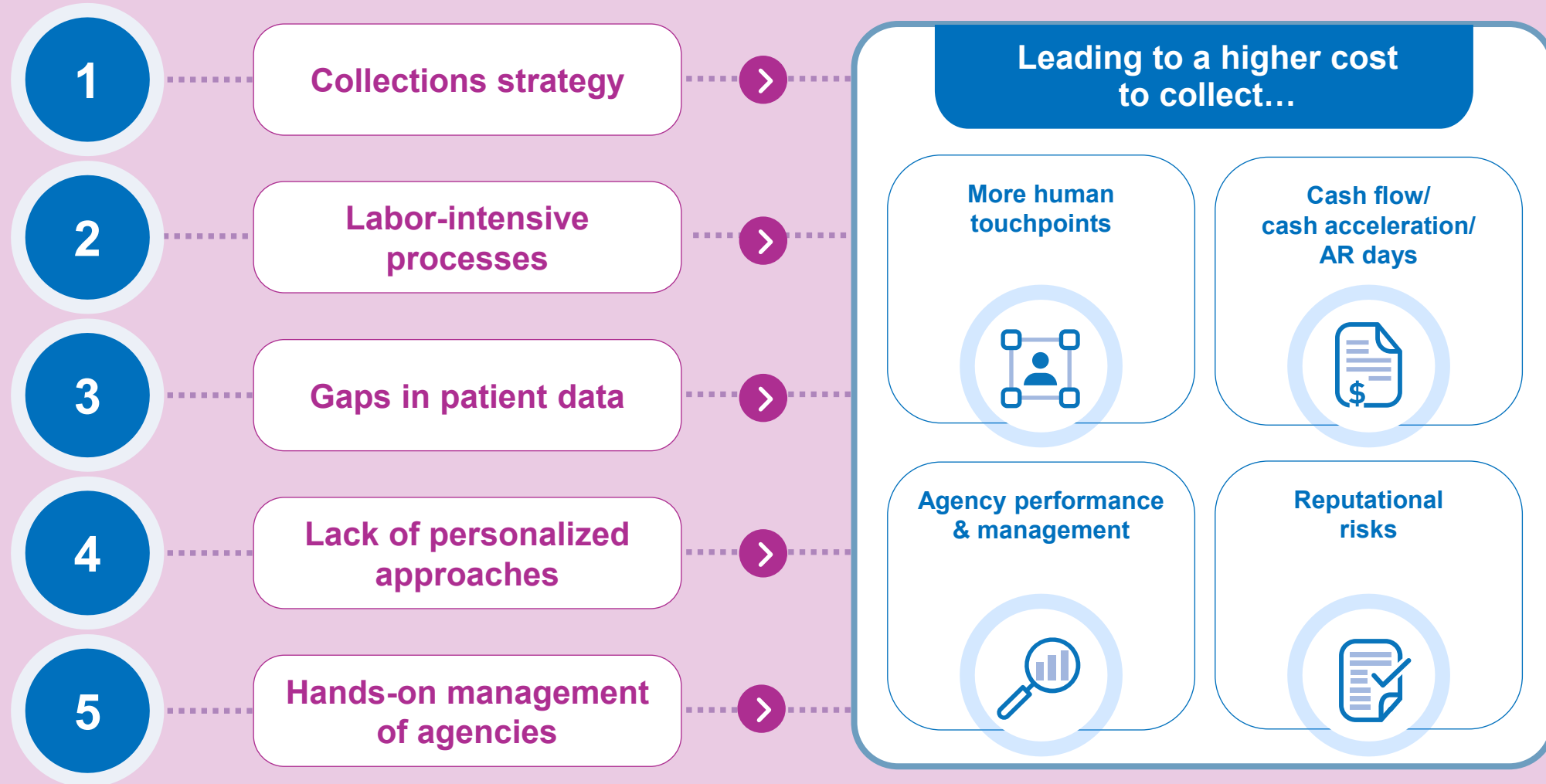
Charity applications consume too much staff time.

Hard to evaluate agency performance and stay compliant.
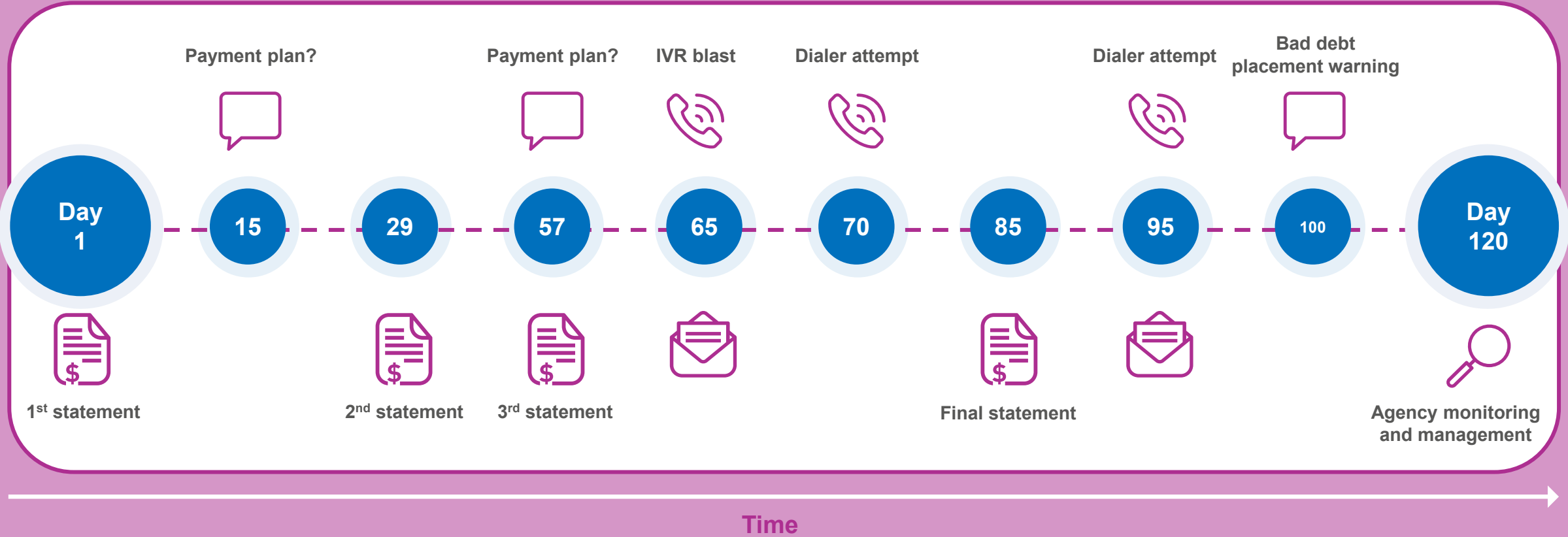
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How do you enable your mission?

"To provide compassionate patient care with seamless coordination and to advance medicine."

Patient care

$ **$** $

Financial enablement

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High costs of incomplete data and ineffective processes

1 Collections strategy

2 Labor-intensive processes

3 Gaps in patient data

4 Lack of personalized approaches

5 Hands-on management of agencies

Leading to a higher cost to collect…

More human touchpoints

Cash flow/ cash acceleration/ AR days

Agency performance & management

Reputational risks

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A lose-lose situation?

Spending hours on calls and voicemails with a low return

Failing to accurately reflect **patients' true financial conditions**

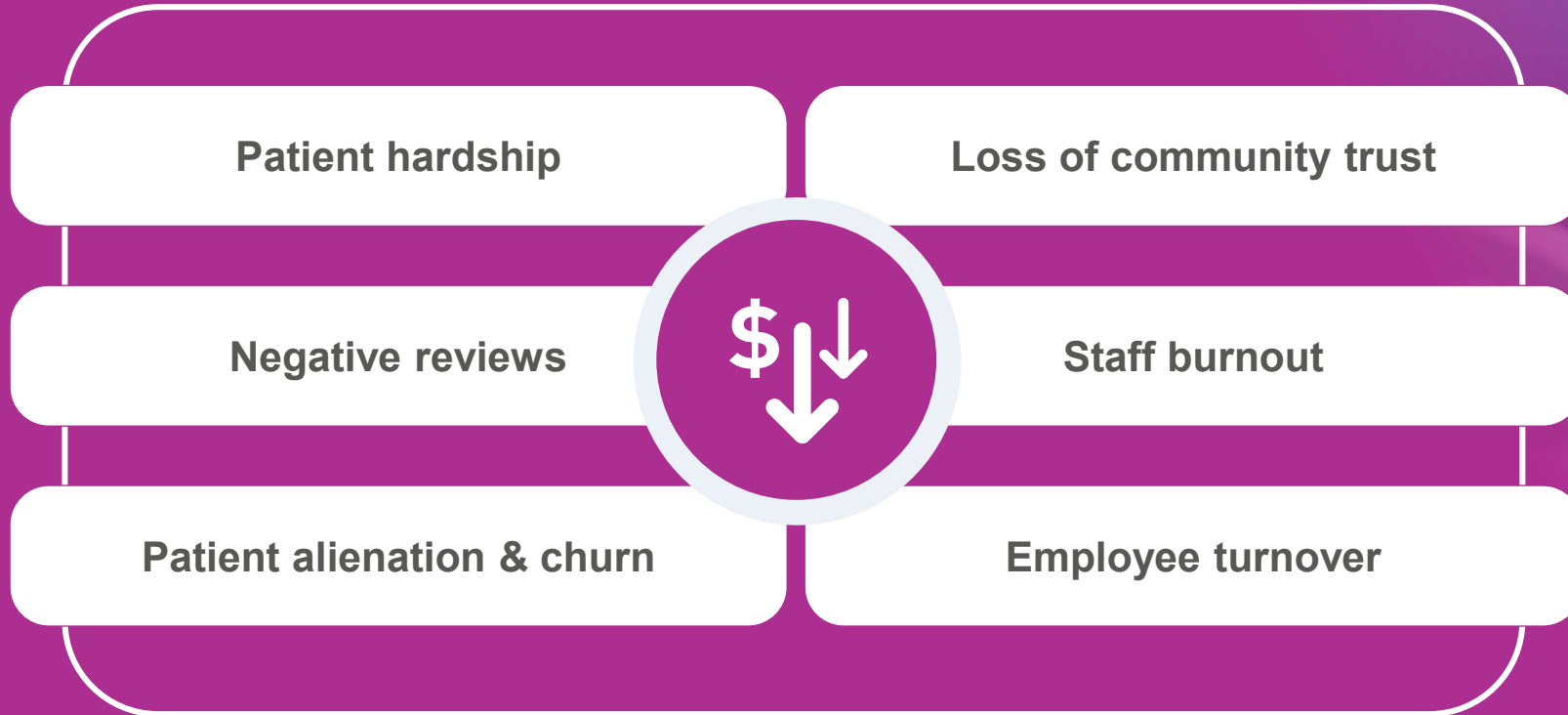**Losing 15%** to collection agency fees on top of internal costs

> " Our staff wasn't even collecting enough money to cover their own salaries. It really was a waste of time and money. "
>
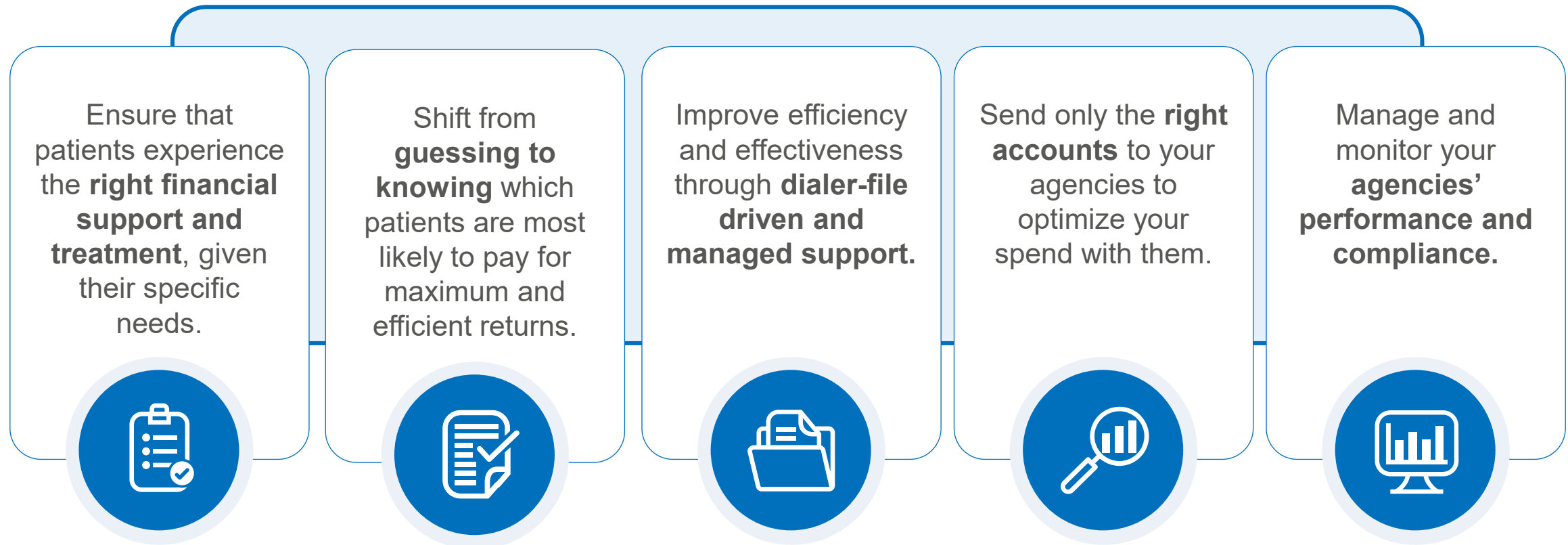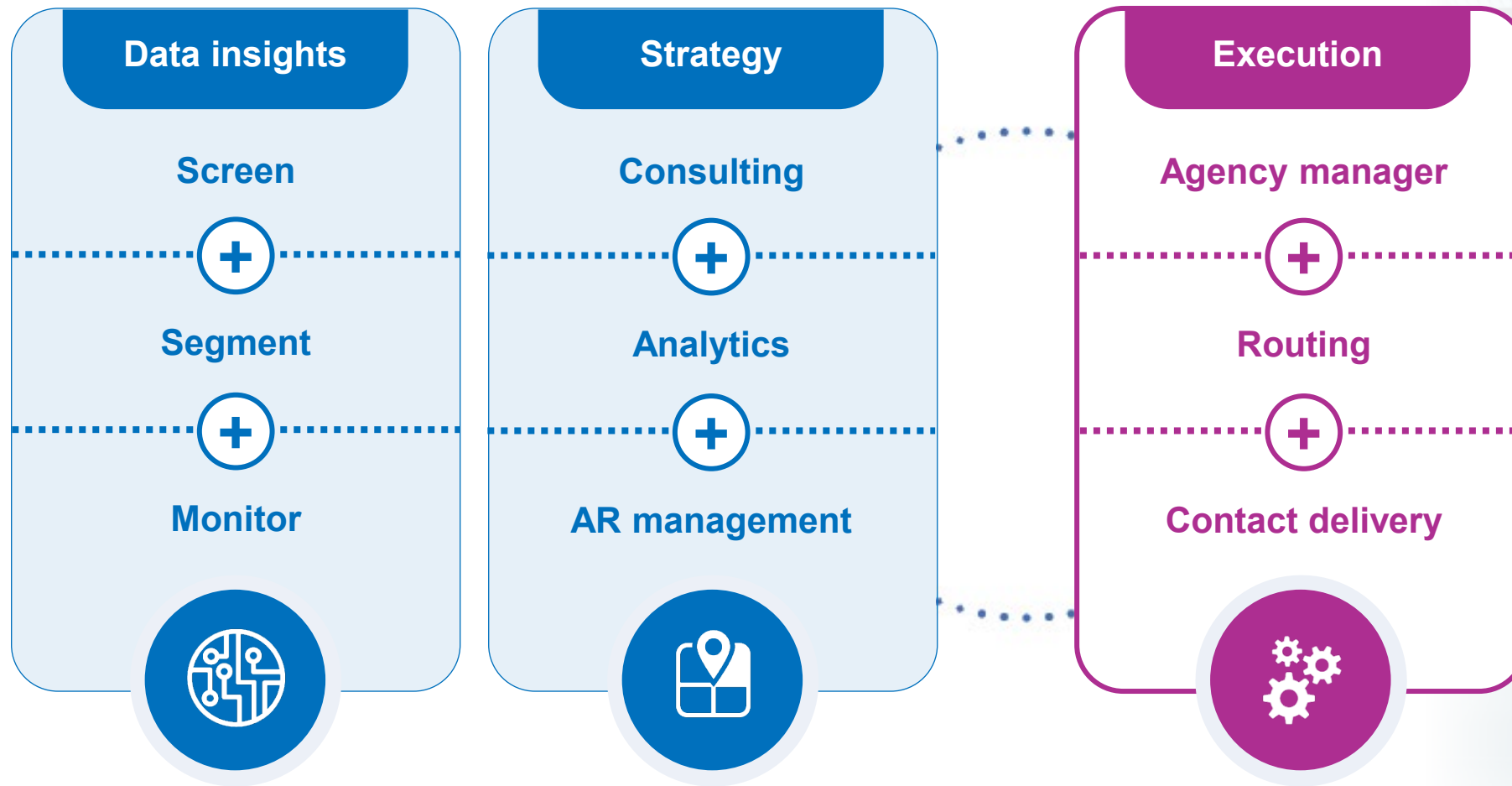> - Anonymous

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From burnout to patient loss
The human consequences

Patient hardship

Loss of community trust

Negative reviews

Staff burnout

Patient alienation & churn

Employee turnover

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Ensure that patients experience the **right financial support and treatment**, given their specific needs.

Shift from **guessing to knowing** which patients are most likely to pay for maximum and efficient returns.

Improve efficiency and effectiveness through **dialer-file driven and managed support.**

Send only the **right accounts** to your agencies to optimize your spend with them.

Manage and monitor your **agencies' performance and compliance.**

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Our collections suite

Data insights

Screen

$+$

Segment

$+$

Monitor

Strategy

Consulting

$+$

Analytics

$+$

AR management

Execution

Agency manager

$+$

Routing

$+$

Contact delivery

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Data insights: segmentation

Segment 2

> 10% of accounts
> 50% of revenue

Segment 1/2/3

> 50% of accounts
> 90% of revenue

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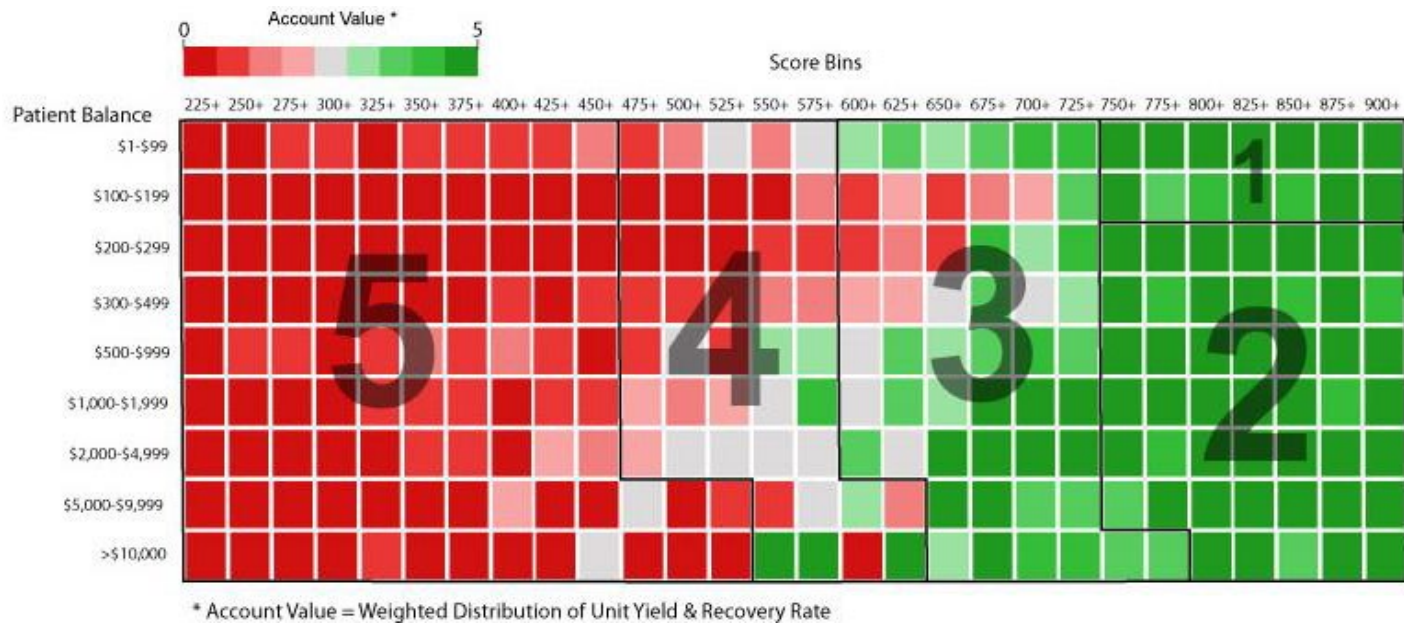
Your personal guide for smarter collections

Dedicated consultant

Tailored workflows

Proven results over time

Data-driven strategy

Continuous improvement

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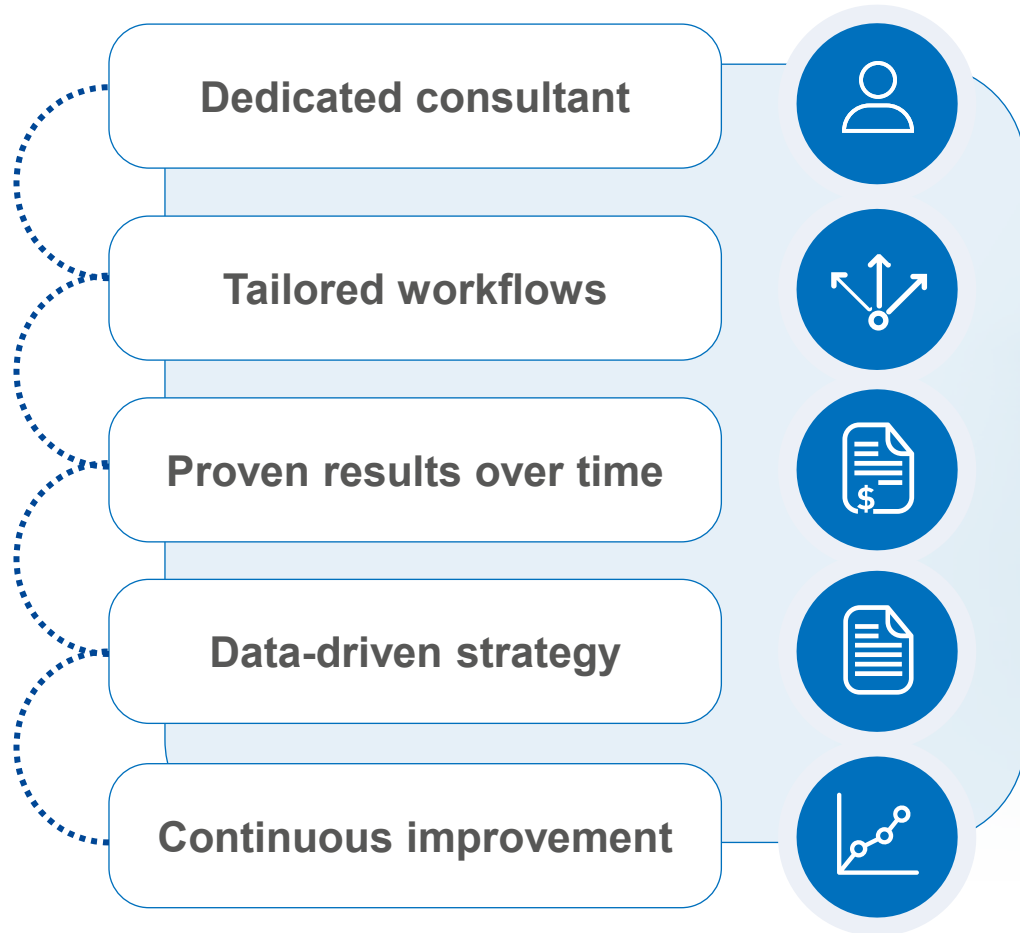
How we help you succeed

1 **Monitor** new financial activities to maximize collection opportunities.

2 Incorporate **socioeconomic insights** to craft patient-centric strategies.

3 Stay by your side with **ongoing optimization** and support.

" **We actually automate our bad-debt assignments, and we automate our presumptive charity write-offs by using the segmentation and scoring solution. And we can actually reduce our cost-to-collect by not statementing as much…** "

Kristine Grajo, Stanford Health

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