

WHITE PAPER



The Future of Online Patient Billing Portals

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How understanding patient needs, behaviors and tendencies can deliver a more personalized patient experience—and a better financial result

Until recently, healthcare providers usually offered patients only one mechanism to pay online. Using a login and password, patients would visit a payment website hosted by the provider, a third-party billing partner, or an electronic health record (EHR) vendor.

Because of concerning trends in healthcare collections, providers are now seeking ways to incrementally collect more payments due from patients as well as speed up the rate of collections.

This is critical as patient-pay revenue increases as a fraction of overall healthcare revenues—a fraction that has increased by double-digits each of the last four years.

That trend is likely to continue. Although government and insurance payers will still account for most dollars paid, patient-paid revenue is rising and will continue to rise:

- In 2013, there was a 78 percent increase of covered workers enrolled in a plan with a general annual deductible. Additionally, more than 58 percent of workers covered at small firms (3–199 employees) had a deductible of \$1,000 or more (ACA International). These dramatic increases in high-deductible policies require that insured patients have much greater financial responsibility directly to providers than under traditional policies.
- Millions of additional people securing insurance on the new exchanges, often with higher-than-average deductibles as compared to common workplace-type plans. Almost 20 million newly-insured patients are likely to enter the healthcare system over the next four years as a result of the Affordable Care Act.



E-Billing & E-Payments
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Online Healthcare Payments—Background

It is also known that Healthcare organizations struggle more than service providers in other industries to collect payments. Efficient payment mechanisms, such as online bill-pay, have lagged behind in the healthcare vertical, in part due to complex privacy regulations, including HIPAA.



The “old” ways of receiving online payments are:

1. **Payment Capture Tool:** essentially an online form that gathers the information needed to process a payment (i.e., name, account, address, payment method, etc.) but still requires the healthcare facility to manually enter the payment into a payment processing mechanism to process the transaction. All payments also need to be manually posted into the practice management system. These are not real-time transactions.
2. **Link for Quick Payments:** typically involves a link on the healthcare facility’s website that will direct the payer to a separate payment screen. The payer will then key in their account and payment information and the payment will process real-time; however, this approach still requires the provider to manually enter the transactions into their practice management system to credit the patient’s account. The payer does not have access to the visual image of their statement, nor can he or she access the billing(statement and payment) history.

These “legacy” approaches to electronic payments typically lack a user-friendly and properly branded user interface and do not use valuable advertising space on the payment screens to promote electronic adoption.

While these approaches represented reasonable first ventures into the electronic payment space, they do not go far enough to reach patients effectively and promote client adoption of both e-statements and online payments, which is one of the most important ways for vendors to:

- a. **Collect more:** Improving communications with patients enables relationship building and often results in better payment metrics, including lower levels of accounts receivable and bad debt;
- b. **Collect more easily:** Paying bills online is becoming common practice among most commercial industries due to the online banking industry’s easy payment transfers;
- c. **Collect faster:** Providing convenient, easy-to-use payment tools to patients would ultimately decrease the costs associated with the current billing process.

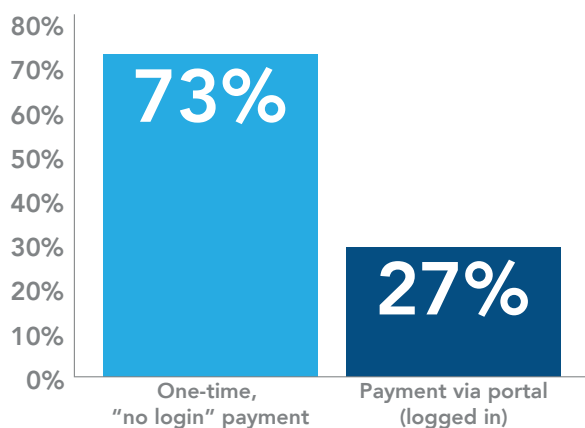
Newer Approaches to Online Payment Portals

1. **No-login option:** If the only way to use a payment portal is with a login and password, you may restrict online payment adoption. According to the CDC, 38 percent of the population visited healthcare providers once or not at all in the last twelve months, and therefore do not see the



value in creating “yet another” online account; according to Microsoft, the average internet user has 25 online accounts that require passwords and types an average of eight passwords per day. Also, patients who have accounts may not recall their login credentials when opening or paying statements, potentially leading to payment delays and requiring the hire of additional customer support staff.

While the no-log-in option does not include medical or payment histories, it does enable patients to quickly and easily make a secure payment toward their statement. Some payment solutions offer further innovations, such as pre-filled patient data fields when patients enter a unique identification code printed on the statement, which improves the patient experience and eliminates typographical errors.



In a broad internal study of customers who offer both no-login and traditional log-in options, 73% of payments received online arrived through the no-login option. Those are online payments providers wouldn't want to miss—and may lead to further website/portal interaction in the future.

2. EHR portal integration: Another variation on traditional online payment portals is the combination of providers' electronic health record (EHR) portals and full-feature payment portals using Single Sign-On (SSO) technology.

Vendors of practice management and EHR software often offer limited payment functionality “out of the box,” in which patients manually enter customer numbers, payment amounts, and other details. However, more full-fledged online payment portals—such as those built by statement processing partners or internal IT departments at larger health systems—generally offer a more robust patient experience, including pre-populated payment fields, payment histories, statement archives, and even the ability to allocate payments to specific line items (services). Single Sign-On (SSO) technology authorizes patients to use just one login to access both portals and review health records, schedule visits, and make payments.

All these features can help reduce calls to providers' billing office and support increased e-payment adoption. Also, as providers seek to increase patient use of EHRs in accordance with Meaningful Use Stage 2 requirements, they can help drive more traffic to the EHR by using SSO to leverage patients' existing familiarity with the process of making online payments.

3. Mobile technology: Mobile billing and payments have seen extraordinary growth in almost all consumer industries, including healthcare. According to a January 2014 Pew Research Internet Project study, 90 percent of U.S. adults own a cell phone, 58 percent own a smartphone, and 42 percent own a tablet computer.

This growing industry trend meets patients “where they are” and provides them with the convenience to review bills and make payments while they are on the go. So far, healthcare providers are primarily utilizing mobile technology to email, access the web, and download applications.

Of the 90 percent of American who own a smartphone, 52 percent claim to use it to send or receive emails. Providers are utilizing this information in a way that is similar to some of the no log-in options.

Providers are sending statement notification emails with a secure link for online mobile payments. These include pre-filled payment fields to improve the patient experience, eliminate typographical errors, and provide convenience.

There may be some hesitation from providers to adopt this billing method because of security concerns, but it can be done with full HIPAA and PCI compliance.

Mobile apps and sites offer a different set of advantages and disadvantages. With a reported 31,000+ health, fitness, and medical apps currently on the market by mHealthWatch and eHealth Initiative, apps provide industry professionals with the security of requiring a log-in—similar to current payment capture tools—and provide easy access to information by patients. One mobile bill pay app, Simplee, reports that 90 percent of its users make multiple payments after making their first. Numbers like these speak to a growing trend and profitable opportunity. However, there is

the deterring cost factor associated with the production of these applications, including the software development, information aggregation, and security provision.

We believe mobile technology is the option with the greatest potential, especially as an increasing number of “millennials” receive coverage.

4. Electronic file cabinet: These accounts are a new trend in online transactions across multiple industries. Several vendors are vying to become consumers’ home base on the web for both making payments and organizing transaction-related documents. Instead of the consumer visiting an array of payment websites, he or she can log in to an electronic file cabinet, which collects relevant data directly from billers (e.g., utilities, mobile communications, store credit cards, health insurance). Typically these accounts are free to consumers.

Specific to the healthcare vertical, these apps allow patients to receive and pay statements as well as organize explanations of benefits (EOBs) and other care-related documents from one central location. Hospitals and clinics can interface with these firms directly or through third-party e-statement or e-payment partners.

Providers may see a downside to this channel because of lost opportunity to promote Meaningful Use and fees associated with adding locations. However, patient responsibility balances keep growing at an alarming rate. So the challenge is to do both: drive patients to the existing patient portal while also promoting alternative presentment and payment channels.

RevSpring leads the market in financial communications and payment solutions that inspire patients to pay. Since 1981, the company has built the industry’s most comprehensive and impactful suite of patient engagement, communications and payment solutions backed by behavior analysis, propensity-to-pay scoring, contextual messaging and user experience best practices. Using proprietary data analytics to tailor the engagement workflows to fit individual circumstances and preferences, we improve the financial experience and outcomes for providers and their patients.

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