

Case Study:

Sierra Pacific Orthopedics Automates Over 80% of Collections With InstaMed

BACKGROUND

Sierra Pacific Orthopedics is a comprehensive muscular skeletal practice in Fresno, California that serves up to 500 patients a day with a staff of 22 physicians and 50 total providers. The practice also offers physical therapy and MRI services in addition to orthopedics and family practice. Sierra Pacific Orthopedics' CEO Joe Clark is quoted throughout this case study except as indicated.

CHALLENGE

Sierra Pacific Orthopedics faced significant increases in patient responsibility as the average deductible for single coverage doubled from 2010 to 2016 (Kaiser Family Foundation). The practice needed a way to increase collections without significant staff work and with support for integration with NextGen[®] Enterprise PM (formerly NextGen[®] Practice Management).

SOLUTION

Sierra Pacific Orthopedics implemented the InstaMed Auto Payment Collect[™] solution to securely save a payment card before or during a patient's visit and automatically collect any patient responsibility. InstaMed's integration with NextGen Enterprise PM allowed for a seamless, fast implementation with minimal staff involvement.

Sierra Pacific Orthopedics saw the following results with **InstaMed**:

- **Over 80% of patient payments collected after claim adjudication were automated in the first year**
- **44% reduction in A/R over 90 days in a two-year period with a 16% reduction in overall days in A/R**
- **35% decrease in bad debt**
- **63% decrease in payments that required manual posting and reconciliation**
- **Adoption rate of nearly 100% among new patients for saving a payment card on file**

CHALLENGE:

Seeing the Impacts of Increased Patient Responsibility

Previously, almost all of Sierra Pacific Orthopedics' revenue was collected from payers after claims were submitted and adjudicated. In recent years, patient responsibility increased significantly, and Sierra Pacific Orthopedics felt the impact of the sharp rise in high deductible health plans. This surge in payment responsibility resulted in a shift of revenue from payers to patients.

For Sierra Pacific Orthopedics, billing at the time of service can be difficult, as unexpected costs are very common in the orthopedic specialty. During a patient visit, various procedures such as x-rays or MRIs may be needed to determine a diagnosis and treatment, which can even result in an unplanned surgery.

"We were increasingly required to collect more from our patients and forced to rely less on collecting from payers. If a patient has not paid their balance, providers essentially loan them that money without any assurance of payment. Medical groups practice medicine; they are not creditors. We needed a way to make sure patients paid their responsibility without any additional costs to collect."

SOLUTION:

Utilizing Technology to Increase Collections

Sierra Pacific Orthopedics partnered with NextGen Healthcare to develop a best practice revenue cycle, leveraging the InstaMed Auto Payment Collect solution to securely save a payment card before or during a patient's visit and automatically collect any patient responsibility. The payment card is only charged once the claim is adjudicated and the patient balance has been determined by the health plan. In addition, the paper statement is automatically suppressed when the payment is collected, and patients receive an email receipt of the payment.

Once the payment card is saved, the payment collection process is completely automated and requires little to no staff effort. The integration between InstaMed and NextGen Healthcare, further streamlines the process for Sierra Pacific Orthopedics.

“The InstaMed Auto Payment Collect solution gave us a robust tool to alleviate the burden of increasing patient responsibility due to high deductible health plans, while reducing the costs and time to collect from patients. With InstaMed, the payment information is not stored in our system, meeting the high standards of PCI and eliminating our risk of a payment data breach.”

The InstaMed Auto Payment Collect solution has improved the collection process. Both providers and patients benefit from eliminating paper statements. Patients have an understanding of the payment experience upfront and have clear, real-time insight into their payments through email notifications.

“We are extremely satisfied with the results that this process has produced for Sierra Pacific Orthopedics and are encouraging all clients to consider this best practice for collection of patient balances,” said Sharon Funk, Vice President of Operations at NextGen Healthcare.

Creating a New Patient Payment Experience

Since implementing the InstaMed Auto Payment Collect solution, Sierra Pacific Orthopedics now requires all patients to present a card before or during their visit. Training videos and role playing exercises were utilized to help staff become comfortable with overcoming any objections from patients, especially any security concerns. A key goal was to help patients understand that their payment cards would not be charged until claim adjudication. The practice also updated the new patient packet to notify patients that a payment card was required at the initial visit.

“It is natural for staff to have a hard time asking a patient for money, but when I showed each physician how much revenue they had lost on patient responsibility, everyone was on board. We trained staff on simple ways to bring up payment responsibility with patients and performed role-playing exercises to make it second nature. Since we implemented the InstaMed Auto Payment Collect solution, we have heard from patients that presenting a payment card isn’t a big deal. In fact, we are now seeing an adoption rate of nearly 100 percent amongst new patients for saving a payment card on file during their visit.”

RESULTS:

Guaranteeing Revenue With the InstaMed Auto Payment Collect Solution

The combination of InstaMed’s technology and new billing policies have enabled Sierra Pacific Orthopedics to guarantee payments from their patients with minimal costs to collect. Every time a patient’s payment card is saved on file with the InstaMed Auto Payment Collect solution, their outstanding payment responsibility is guaranteed to be collected without a paper statement or follow-up from staff. Once received, the payment is automatically posted in NextGen Healthcare and reconciled to the practice’s existing bank account. This implementation resulted in a 63 percent decrease in payments that required manual posting and reconciliation and a 35 percent decrease in bad debt.

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“With the InstaMed Auto Payment Collect solution, more than 80 percent of our payment collections are automated and that number is growing every day. The best part is that we are guaranteeing more revenue with fewer resources, in less time and at a lower cost. As a result, the practice’s days in accounts receivable have decreased by 16 percent and the percentage of patient balances over 90 days has decreased by 44 percent, reaching an all-time low.”

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