

# Telehealth Offers Hospitals Models for Improved Billing and Payment Systems

When you think of the benefits of telemedicine, your mind might immediately register the healthcare convenience for patients, especially those in underserved areas. While that is indeed one of the biggest pluses recommending telehealth, there's another perk that justifies the wide use of digital platforms, albeit more of the behind-the-scenes variety: collecting payments from patients.

According to Dan Berger, national director at the health financial tech company AxiaMed, in the not-so-distant past, hospitals relied on patient payments to a lesser degree than they do now. On average, the patient responsibility portion made up around five percent of outstanding billables, while now that same portion is at 20% and is expected to swell to nearly one-third of all amounts owed to hospitals within the next few years. Regarding the changing revenue cycle that shift has necessitated, Berger had this to say to Healthcare IT News:

"Patient payment was once small enough that while [hospitals] tried to collect the money, they weren't dependent on it. At 20 percent or 30 percent, it can't be written off. That's really changed the nature of the revenue cycle challenge in these health systems and hospitals, and large ambulatory practices as well as small. Collecting from a patient is a lot different than collecting from a payer."

And that's where telehealth can come in. Since typically the patient portion of the hospital bill is paid after care is administered (and after the insurance company pays their portion), it's relatively easy for patients to postpone payment at best . . . or ignore the bill entirely at worst. Alternatively, because telehealth offers unmatched convenience, patients tend to be willing to pay for the service before care is delivered.

"[Telehealth providers] can ask for payment up front," said Berger. "What we're seeing is that patients, in many cases, are unsure whether insurance will cover that visit, but they'll pay for it anyway, just for the convenience."

## Convenience is key

The fact that telehealth is relatively new in the healthcare field also gives it an advantage when it comes to collecting money owed from patients; telehealth billing platforms are not burdened by billing operations as usual, so in a real sense, the collections status quo can be rewritten. Telehealth providers can appeal to patients in ways that Amazon and the like appeal to consumers: pay first, receive what you've purchased after that. And part of that successful billing process is keeping the consumer's credit card on file.

Even traditional healthcare providers are looking to adopt more fluid (and successful) ways of collecting from patients. More commonly, providers are requiring patients to pay their portions of the bill at the time of services (not excepting ER visits). And among those that allow a balance to be carried forward, some providers have set up automated systems that will nudge patients via mobile platforms when a payment is due. As opposed to asking patients to log in to a website, these platforms make it far easier for patients to authorize charges right on their device.

"Convenience has become so important that patient portals are not that successful, because someone has to log in to the portal to make a payment," Berger told Healthcare IT News. "Just to log in is a deterrent. What is successful is pay-by-text. You get a text message that says, 'You owe this balance, would you like to pay now? Hit 1 to say yes, 2 to say no.' Again, that requires the card to be on file somewhere."

## The future is here, and it is "absolutely online and mobile"



We don't need to wait for the future (nor do we need to ask our Smartphones) to recognize that so much of life is rooted in the digital sphere — Berger encapsulates it this way:

"Today's reality is absolutely online and mobile," he said. "This is fast becoming the preferred method of payment. Someday 20 years from now people will laugh at the idea that we used to mail envelopes and write checks. It will seem very quaint."

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