



Healthcare Business Insights™

HELP partnership pays long-term dividends: 25% increase in cash collections, \$500K annual vendor savings

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Introduction

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Even with developments such as the No Surprises Act and widely available insurance coverage on the decade-old Affordable Care Act marketplace, Americans continue to struggle with their medical bills. Consider the following:

- A 2022 Kaiser Family Foundation poll found that **half of U.S. adults** don't have the cash on hand to pay off an **unexpected medical bill of just \$500** (KFF Health News, 2022).
- The U.S. Census Bureau reports that about **one-fifth of U.S. households** had some medical debt, with the **median amount owed being \$2,000** (U.S. Census Bureau, 2021).
- The White House released a fact sheet saying that **11 million Americans have medical debt above \$2000** and **3 million Americans have debt over \$10,000** (The White House, 2022)
- For those enrolled in Medicare Advantage plans, the **average out-of-pocket limit is over \$4,800** (Ochieng et al., 2023).

These facts have been hurting the financial health of providers for many years. But that's not the only thing providers need to worry about—recent unanticipated events have put a spotlight on how shaky a healthcare organization's cash flow situation can be. A once-in-a-lifetime pandemic suddenly put providers on precarious financial footing. More recently, the Change Healthcare cyberattack forced many organizations to process claims manually for months, slowing providers' revenue cycles to a crawl.

These circumstances underscore the importance of having options when it comes to helping patients pay their medical bills, and to be prepared for the financial impact of unexpected events. With HELP Financial, providers have a partner to support them during cash crunches.

HELP's patient financing program benefits providers by taking over the management of in-house payment plans, funding legacy payment plans when organizations undergo system conversions, and funding new patient-friendly payment plans with interest-free options. HELP's partners have seen results such as:

- Saving FTE hours, enabling organizations to repurpose staff.
- Eliminating redundant business partners.
- Increasing cash collections by as much as 25%.
- Realizing up to \$500K a year in savings.

HELP's long-time partners have realized these results for more than 10 years and continue to see benefits to this day. These are their success stories.

\$1.5M	\$20.7M	\$22.2M	12.4%	6.3%
Legacy payment plans funded by HELP (2013)	New payment plans funded by HELP	Total funded by HELP	Recourse on legacy payment plans	Recourse on new payment plans

Source: HELP Financial (2024)

Avita Health System includes three hospitals serving central Ohio and has partnered with HELP since 2013. At the beginning of the partnership, HELP funded and managed Avita’s existing payment plans worth \$1.5 million and integrated a program to fund and manage all new payment plans from that point forward. In more than a decade, HELP has funded \$22.2 million in patient payment plans. After all this time, the partnership continues to be beneficial even as the healthcare industry has changed.

“The challenges are somewhat different now than they were ten years ago, but there’s still always things that we have to be accounting for,” said revenue cycle director Rhonda Ridenour. “Whether it be things that come out of nowhere like a pandemic or the Change Healthcare cyberattack, to things that are more familiar—patients still have high balances and high deductibles.”

During the initial setup of the program in 2013, the HELP team trained Avita’s financial counselors on how to administer payment plans, and HELP also provided collateral such as brochures, statement inserts, letter templates, and scripting. Since that time, the HELP program has become ingrained in Avita’s workflows and new avenues for patient support have opened up.

Avita is in the process of launching a financial clearance process for scheduled surgical patients. Part of the process includes allowing patients to set up pre-service payment plans via HELP if they want. Avita is also planning to add HELP payment plans to bundled services such as bariatrics and OB/deliveries.

“It will allow patients to start paying for those anticipated services,” Ridenour said. “Once the services are completed and we process insurance, we’ll reconcile and adjust the remaining loan amounts. The advantage of course to Avita is that we’re funded as soon as the patient signs that loan and makes their first payment.”

Another recent development is self-service functionality so patients can easily apply for payment plans, which they can do via the Avita website or through a link in Epic MyChart.

“It’s so much easier now for patients to apply, and the amount of time our team is spending creating those loans, processing the payments and the recourses is far less than our early years,” Ridenour said. “We also have automated some of the processes with HELP. We have EFT payments now that automatically post to our patient accounts. It’s no longer a manual process.”

Even as the partnership has evolved since 2013, the benefits for Avita have continued to accumulate. Cash collections from the HELP program for March through May 2024 are 25% higher than the same period in 2019, while revenue has increased 29%. The organization has also maintained strong performance on self-pay receivables over 90 days compared to industry benchmarks.

Figure 1: Gross self-pay A/R over 90 days



Source: Avita Health System (2024), Clarivate (2024)

While these results are noteworthy, perhaps the most important aspect of the partnership is how HELP works with Avita’s patients.

“It’s community outreach with excellent customer service. HELP worked with patients during [the pandemic] and really built trust. With our smaller communities, that makes a big difference,” Ridenour said. “We couldn’t still be here over 10 years later if there hadn’t been great customer service from the HELP team.”

Cameron Memorial Community Hospital



Source: HELP Financial (2024)

Cameron Memorial Community Hospital is located in Steuben County, Indiana, with a service area that includes northeast Indiana, northwest Ohio, and southern Michigan. When Cameron began working with HELP in 2018, HELP funded and managed \$1.4 million of its existing payment plans, giving it a much-needed cash infusion right after the hospital had converted to Epic.

Currently, the process is that a patient who is unable to resolve their balance within four statements either has to set up a HELP loan or the account will be turned over to bad debt.

"We explain to patients when they get that fourth statement, if they can't pay it by the due date they will need to set up a HELP loan," said executive director of revenue cycle Janelle Sponsler. "They can set up a HELP loan for up to 12 months interest-free or if it is necessary to set it for longer there will be an option that includes interest as well. Once they set up the HELP loan, HELP funds the hospital and HELP sends out the statements for the payment plan. This is a smooth process for patients not only to set up the HELP loan initially, but to add subsequent accounts to their HELP loan if they so desire."

In addition to patient experience benefits, working with HELP enabled Cameron to reduce expenses related to redundant vendors. The hospital had been using an early out vendor that sent statements and made phone calls to patients at a cost of about \$50K per month. With HELP handling payment plans and the related patient engagement, Cameron was able to cancel the early out vendor and reorganize its patient financial services team. The result was \$40K in monthly savings.

Another advantage of HELP payment plans is that Cameron doesn't have to worry about patient collections and potentially running into legal issues.

"We don't make outbound calls for collections. We call on higher dollar accounts only to ask if we missed insurance," Sponsler said. "We don't open ourselves up to collection laws because we are not calling on a collection basis."

HELP now funds about \$170K per month in payment plans for Cameron. Patients with existing HELP loans can conveniently add new balances from both the hospital and physician sides. In fact, about 40% of new dollars managed by HELP are add-ons to existing plans, which substantially shortens the revenue cycle, a testament to the great customer service HELP provides.

"HELP has been a great asset to Cameron and we have enjoyed our partnership immensely over the years," added controller Wendy Stamper.

Conclusion

Many Americans struggle with paying their medical bills, and healthcare providers that offer patients financing options can improve financial performance while still fulfilling their missions of community service. Avita Health System and Cameron Memorial Community Hospital are two examples of the benefits of partnering with HELP Financial, which include increased collections, reduced vendor costs, better utilization of staff, low recourse rates, and excellent patient financial experience. Given the state of medical debt in the U.S., enabling patients to set up payment plans with interest-free options is a great strategy for providers, patients, and their communities.

About HELP Financial

HELP Financial has more than 35 years of experience partnering with healthcare organizations across the country, providing affordable options to patients that allow them to pay over time while benefiting the provider with upfront funding. In all cases, the patient's financial success is the number one priority. In that time, HELP has worked with hundreds of providers, alleviating the financial burden for over 2.5 million guarantors. HELP's Patient Financing Solutions was HFMA Peer Reviewed and is a pipeline partner with the National Rural Health Association. For more information, please visit: helpfinancial.com.

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Citations

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