

Guide to Managing Deductible Season



53%

The average deductible has **increased 53%** over the past decade.¹

51%

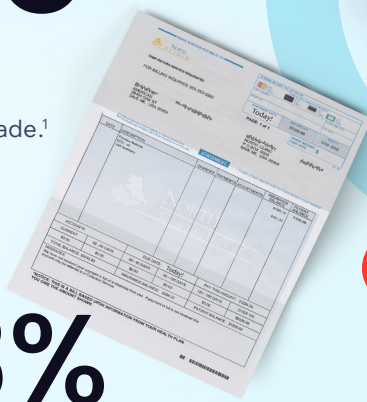
51% of private industry workers are enrolled in HDHPs.³

HDHP Enrollment has **grown by 43%** over the past five years.²

43%

\$ 1,735

Average deductible for single coverage. In 2011, the average was \$991.⁴



ABOVE Deductibles are higher today than they were 10 years ago. As a result, practices and billing companies feel the effects and spend more time dealing with patient collections, especially during the first quarter of the year.

Challenges During Deductible Season

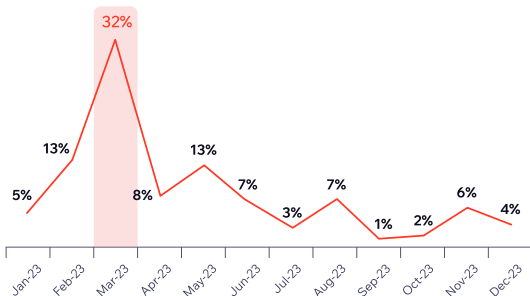
Ready, Set, Deductible Reset

Billing teams are presented with many challenges during the first few months of the calendar year when deductibles reset. This time period, typically January through March, is known as deductible season. However, deductible season does not have to be synonymous with collection challenges, dips in revenue, and confused patients. There are steps you can take to minimize delay in capital, create a positive patient experience, and run your business efficiently.

- 1 Reduced practice income.** Higher patient responsibility at the beginning of the year means reduced reimbursement from insurance. A dip in income is common.
- 2 Slower payment speeds.** If you aren't prepared, it can take over six months to receive payment for a service that you provided in January.

In March, healthcare organizations billed over 5x more than the remainder of the year.

Patients pay **58% more** during deductible season compared to the remainder of the year.



Common scenario: A patient comes in for a service and leaves without paying. Then, the front desk bills insurance but the deductible is unmet. The patient receives a bill at home for the full cost of the service. At this point, it is in the patient's hands to pay the bill, and he may not be able to afford it or simply puts it off. Regardless, it can take months to receive the payment in full or start a payment plan.

- 3 Higher cost for patients.** Many patients are not prepared to pay a higher balance. About one-fourth of U.S. adults (26%) say they or a household member have had problems paying medical bills.⁵

Steps for Success During Deductible Season

With preparation, practices can mitigate the challenges associated with deductible season and remain financially secure during the first quarter of the year.

- ✓ **Check for insurance eligibility.** The new year means new insurance plans for many patients. However, patients may forget to update their providers. Check for eligibility and benefits before patients come in for their visit. This way, data is up to date and providers get paid the full amount on time. To speed up the process, make sure your staff has website access for insurance carriers so verification can be completed online instead of by phone call. Plus, checking for eligibility ahead of time allows practices to communicate the most accurate information to patients when they arrive for their visit. When the front desk is organized, providers build trust and loyalty. While you check for eligibility, send new paperwork to patients for both insurance and demographic verification.
- ✓ **Scan every insurance card.** Collect insurance from every patient at his or her first visit of the year. This is especially important during the months of January through March when out-of-pocket costs are higher because deductibles have not yet been met. Scanning images of patients' insurance cards into a HIPAA-compliant software saves time and reduces the likelihood of human error. If there is the slightest mistake in the input of insurance information, there is little a billing company can do to collect from a patient until it is corrected. In that case, a practice may be waiting for a patient to update their insurance information for months.
- ✓ **Collect money before you see a patient.** Use the time while a patient waits to collect payment. The same standard applies for telehealth services. With Inbox Health's Checkout card reader, you can simplify the patient collection process and organize workflows by keeping all payments in one place. The feature also allows you to securely keep credit cards on file so you have accurate payment information for subsequent transactions. Patients don't like high pressure around money when they visit their doctor, so practices need to make sure the payment process is streamlined and low stress. If you remove ambiguity around what

Sample Script:



Front desk representative: Hi, _____. Today, you owe \$_____ for your visit and a \$_____ copayment. How would you like to pay?



Patient: Can you explain the charges?



Front desk representative: Of course. The cost of the visit is an out-of-pocket expense that will apply toward your deductible.



Patient: Thanks, do you take credit cards?



Front desk representative: Yes, we take credit cards, digital wallet payments, ACH, and paper checks.

- ✓ **Update your website.** As a doctor, you are your patient's ally in navigating insurance. Update messaging on your website to empower patients to take control of their healthcare. Consider adding an FAQ or a glossary of insurance terms. See next page for sample messaging.
- ✓ **Make payment convenient and transparent.** Doctors get paid faster when payment is easier. Give patients the choice to pay with credit card, digital wallet, phone payment, or paper checks. Technology solutions like Inbox Health allow the front desk to accept a variety of payment methods and empower patients to set up a payment plan if necessary. In the event you are unable to collect payment up front, patient statements need to be easy to understand by clearly showing the cost of service, what insurance paid, and what the patient owes. On Inbox Health's statements, for example, you even have the option to add a custom note during deductible season to further explain the bill. Patients are empowered to pay when they understand the charges.
- ✓ **Support your patients with clear communication channels.** No one likes to spend hours on the phone sorting out medical bills. Patients may have more questions about their medical bills during deductible season, so it's important to have fast, empathetic support in place. Consider using software that offers communication through live chat, email, text, and phone call. The faster a patient is able to get his question answered, the faster you'll receive payment.

Communication Examples

Practice Name Here
Return Street Address
City, ST Zip Code

Patient Name
Patient Street Address
City, ST Zip Code

Questions about your bill?
View your bill, ask questions and pay online at inboxhealth.com/mybill.
Email questions to MyBill@inboxhealth.com, or call (123) 456-7890.

Statement Date: Month 00, 0000

ABC Dermatology
PC Assoc.

Account Summary:
Visit date(s): On 02/04/0000
Provider(s):
Payment due now: \$35.00

Date	Service Description	Charges	Patient Payments	Insurance Payments	Adjustments	Patient Balance
02/04/0000	99204 - OFFICE/OUTPATIENT VISIT NEW	\$296.00		-\$113.00	-\$148.00	\$35.00
Deductibles for most health plans reset on January 1, 2025. This means you may owe more out of pocket for your visit.						
Totals		\$296.00		-\$113.00	-\$148.00	\$35.00

The above services may not include charges for which you have no patient balance.
View more information about your bill online at inboxhealth.com/mybill

A message from your billing team:
Have billing questions? Please call (123) 456-7890, online chat at <https://inboxhealth.com/patient/guestLogin> or email here, mybill@inboxhealth.com We want to help!

Detach lower portion and return in enclosed envelope

Statement Date: Month 00, 0000

View & Pay Online:
inboxhealth.com/mybill
Access Number:
Access Code:

Pay by Phone:
(123) 456-7890

Pay by Check:

Practice Name & Address

← **LEFT** Pre-emptive deductible messaging on Inbox Health paper/mail communication.

“Deductibles for most health plans reset on January 1, 2025. This means you may owe more out of pocket for your visit.”

↓ **BELOW** Sample live chat communication resolving balance inquiry.

inboxhealth. Search patients... View Dashboard as...

Checkout Dashboard Patients Patient Billing Payments Notes Appointments Gift Cards Reports Transfers Practice Settings Personal Settings

Practice Settings

All Patient Notes My Patient Notes Unassign

Search by patient...

Status	Message	Sent At
OPEN	KEVIN SAMPLE No problem, thanks. It will take a few d...	Nov 7
OPEN	JONAS SMITH No, I have new insurance that I need to...	Nov 7
CLOSED	FITZ FARSEER	Nov 7
OPEN	JULIE SMITH I think my insurance should cover more on...	Nov 6
OPEN	JONAS SMITH Hello, did you get the new insurance...	Nov 5
OPEN	SAM WALTER Yes I do. I will send my new information...	Nov 5
OPEN	CHRIS FOUNTAIN Hello. I received a statement from my...	Nov 5
CLOSED	AMY NOBLE	Nov 5

Julie Smith
ABC Dermatology, PC

10/06/24 12 40 PM

JS Julie Smith
I received a bill for \$250 from your practice. I have insurance. Why was I charged?

PS Practice Staff
Hi, Julie! Happy to help. Let me look up the details of your account.

JS Julie Smith
Ok, thank you.

PS Practice Staff
It looks like you came in for a visit on January 12. We ran the visit through your insurance. You have a deductible, which likely reset at the beginning of the year. For this visit, insurance paid \$0 and you owe \$250. The \$250 for your visit will be applied toward your deductible. Would you like to pay now?

JS Julie Smith
That makes sense. Thanks for your help. Yes, can I pay online?

PS Practice Staff
Yes, you can make a secure payment here: <https://nsku4ze6>

Sample Messaging for Your Website

Sample Messaging:

Deductibles for most health plans reset on January 1, 2025. This means you may owe more out of pocket for your visit. As a reminder, visits start at \$____. However, your plan may cover certain preventive services. We recommend all patients review their insurance plan.

Need help navigating insurance? Familiarize yourself with these common terms:

- **Deductible:** The amount you pay for covered health care services before your insurance plan starts to pay.
- **Copayment:** A fixed amount you pay for a covered health care service after you've paid your deductible.
- **Coinsurance:** The percentage of costs of a covered health care service you pay after you've paid your deductible.
- **Premium:** The amount you pay for your health insurance every month.
- **Allowed amount:** The maximum amount a plan will pay for a covered health care service. May also be called "eligible expense," "payment allowance," or "negotiated rate."
- **In network:** The facilities, providers, and suppliers your health insurer or plan has contracted with to provide health care services.
- **Out of network:** The facilities, providers, and suppliers outside of your plan's network.
- **Out-of-pocket costs:** Your expenses for medical care that aren't reimbursed by insurance. Out-of-pocket costs include deductibles, coinsurance, and copayments for covered services plus all costs for services that aren't covered.
- **Preventive services:** Routine health care that includes screenings, check-ups, and patient counseling to prevent illnesses, disease, or other health problems.

Contributor:



Jeff Hillam

CEO

Red House Medical Billing

Jeff is an entrepreneur, CEO of Red House, mid-cap RCM investor, and healthcare practice owner. He believes in keeping healthcare diverse, non-consolidated, and provides services to ensure doctors can efficiently operate in the business of medicine. Red House distinguishes itself by incorporating AI-backed RPA processes, developing work culture for a new era, and deepening payer and patient relationships.

About Inbox Health

Inbox Health directly addresses one of the fastest-growing problems in healthcare—the challenge of patient A/R. Built for billing teams, Inbox Health automates patient billing and payments and modernizes the support experience. Inbox Health improves patient engagement by providing clear medical bills immediately after service, choice of payment methods and communication channels, and fast, empathetic support through the phone and live chat. By improving the patient experience, billers see an increase in profitability and collection speeds, reduce paper statement costs, and spend less time on the phone with patients.

Learn more at inboxhealth.com

1. Kaiser Family Foundation Employer Health Benefits Survey
2. Value Penguin
3. U.S. Bureau of Labor Statistics
4. Kaiser Family Foundation Employer Health Benefits Survey (2019)
5. Kaiser Family Foundation Employer Health Benefits Survey (2019)