



Perspectives on Managing Patient Responsibility

Survey of Independent Medical Practices
and Billing Companies

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Introduction

Today's era of healthcare is defined by rising patient responsibility. This trend is a catalyst for increased patient consumerism and medical debt. Several important factors are propelling patients to take on an increased burden of medical costs.

This report explores the underlying factors fueling this trend and the associated need for more advanced and efficient billing processes to optimally manage patient responsibility. This report also presents results from an online survey¹ conducted with independent medical practices and medical billing companies to gain deeper insight into these topics.

Executive Summary

This survey was conducted to better understand the unique challenges practices and billing companies face as patient responsibility rises in healthcare.

The goals were to compare how practices and billing companies currently approach patient accounts receivable and how they see their methods changing in the future. The data consists of 140 respondents who participated via an online survey. Most notably, over half of practices said rising patient payments/responsibility is their primary business challenge, and less than half are satisfied with the way patient responsibility is currently managed. Billing companies and practices agree that managing patient phone calls is one of the top operational challenges, and better communication channels are imperative to improve administration of collections. Billing companies, in particular, view mobile payments as a key solution streamlined operations.

Key Highlights from Survey:



Over 50% of medical practices have **had a patient leave their practice** because of a perceived billing issue.



After collecting patient balances, both practices and billing companies said **managing phone calls** is their primary patient responsibility challenge.



Both practices and billing companies said **better patient communication channels is the #1 factor** that would help improve patient collections. In the next 12 months, 48% of practices would like to offer text support.



Over two-thirds of billing companies would like to **offer mobile payments** within the next 12 months.



Less than half of practices are satisfied with the way patient responsibility is currently managed.

Patient Responsibility Rises

A large driver of the growth in patient responsibility is the rise in enrollment in high-deductible health plans (HDHPs). HDHPs, created to provide an option for consumers to obtain health insurance at a lower premium, are defined by the IRS as any plan with a deductible of at least \$1,400 for an individual or \$2,800 for a family.² Fifty-one percent of the workforce nationwide was enrolled in a HDHP in 2019.³

Regardless of whether a deductible applies, a large share of covered workers also pay a portion of the cost when they visit an in-network physician. Most covered workers have a copayment when they visit a doctor, and some also have coinsurance requirements. The average copayments in 2020 were \$26 for primary care and \$42 for specialty care. The average coinsurance rates were 18% for primary care and 19% for specialty care.⁴

Moreover, individuals without insurance bear the full brunt of their medical expenses. In the first half of 2020, 12.5% of U.S. adults ages 19-64 were uninsured and 43.4% were inadequately insured.⁵

The rise of patient responsibility corresponds with the rise of medical debt. In June 2020, an estimated 17.8% of individuals had medical debt,⁶ and just over one-third of consumers said they have had an unpaid medical bill go to collections.⁷

Unexpected medical bills are similarly ubiquitous. More than half of respondents to a 2020 survey said they have received an unexpected medical bill, meaning that they assumed a service was covered by insurance and it ultimately was not, or the amount they expected to pay out of pocket was different from the bill they received.⁸ Furthermore, 48% have been late on a medical bill payment, owing in large part to confusion over the bill and who owes what,⁹ highlighting the need for better communication about patient responsibility.

Rising Patient Consumerism and Increased Adoption of Digital Technology

With rising patient consumerism – patients acting as consumers with a choice in their healthcare options and striving to make the best decisions for quality and cost – comes a shift in patient experience expectations. Paralleling this rising consumerism of healthcare is a rapidly increasing adoption of digital technology. According to a 2019 survey:¹⁰

- **49% of healthcare consumers said they are frustrated about their provider's lack of adoption of digital administrative processes**, such as online bill pay, access to insurance information, digital pre-appointment forms, or mobile and email bill delivery.
- **41% of patients said they would stop going to their healthcare provider over a poor digital experience.** One in five patients already stopped or switched providers over a poor digital experience.

Furthermore, the COVID-19 pandemic has accelerated adoption and expectations for digital offerings. During the

pandemic, consumers shifted rapidly and dramatically to online channels,¹¹ with technology and digital capabilities standing out as key factors of business success during the crisis.¹² Notably, 44% of older adults (50+) have a more positive attitude toward technology now than they did prior to the pandemic.¹³

What Does This Mean for Medical Practices and Billing Companies?

With these aforementioned factors as the backdrop, medical practices and billing companies must effectively and efficiently manage their patient accounts receivable to sustain the business. Furthermore, for practices, a poor patient experience can result in negative reviews and subsequent loss of business and associated revenue. For billing companies, a negative patient experience can result in loss of clients and stunted growth.

Over half of the medical practices participating in the survey had a patient leave their practice because of a perceived billing issue.

Patient billing is a vital task, but it places an enormous administrative burden on practices and billing companies. A study of 27 health system administrators and 34 physicians in 2016 and 2017 showed the estimated costs of billing and insurance-related activities ranged from \$20 for a primary care visit to \$215 for an inpatient surgical procedure, representing 3% to 25% of professional revenue.¹⁴

Survey respondents spend an average of 15 minutes on each patient statement.

“Phone calls with billing questions take up a significant amount of time, regardless [of how] carefully we review patient statements prior to sending for clarity and accuracy.”

- Billing Company Operations Leader

Survey of Medical Practices and Billing Companies

Survey Goals

The goals of the online survey conducted with independent medical practices and medical billing companies were to:

- Identify trends, challenges, and key factors important to each constituent regarding collecting patient responsibility
- Better understand how patient collections are currently managed
- Provide insight into preferences for payment and bill delivery methods
- Compare responses from medical practices with billing companies to identify potential opportunities

Respondent Demographics

Medical Practices

A total of approximately 90 independent medical practices throughout the country are represented in the survey results.

Respondent roles were as follows:

- Physician: 48%
- Practice Manager/Administrator/Front Office: 25%
- Medical Biller/Billing Manager: 11%
- Other roles: 16%

Practices ranged in size from 1 to 100 or more providers, with an average of 16 providers across a variety of clinical specialties.

Billing Companies

A total of approximately 50 billing companies throughout the country are represented in the survey results.

Respondent roles were as follows:

- Owner/CEO/President: 56%
- Operations Leader: 21%
- Billing Manager: 11%
- Other roles: 12%

Billing companies served anywhere from 1 to over 100 practices, with an average of 37 practices across a variety of clinical specialties.

Survey Results

This section provides an in-depth look at key findings from the survey.

Rising patient responsibility is in the top three business challenges for practices. ✓

Primary Business Challenges of Medical Practices

	Responses
69% Insurance reimbursement challenges	70
65% Paperwork/administrative tasks	66
57% Rising patient payments/responsibility	58
25% Improving patient experience	25
17% Shift toward value-based care	17
17% Other	17
12% Reputation management/competition	12
10% Price transparency	10
Total Respondents:	101

Collecting patient balances is a top challenge of managing patient responsibility for both practices and billing companies. ✓

The survey showed the top three patient responsibility **challenges for practices** to be:

- 1 Collecting patient balances
- 2 Managing patient phone calls (tie)
- 3 Collecting copayments at the time of service (tie)

The top three patient responsibility **challenges for billing companies** were cited as:

- 1 Collecting patient balances
- 2 Managing patient phone calls
- 3 Cost of collecting from patients

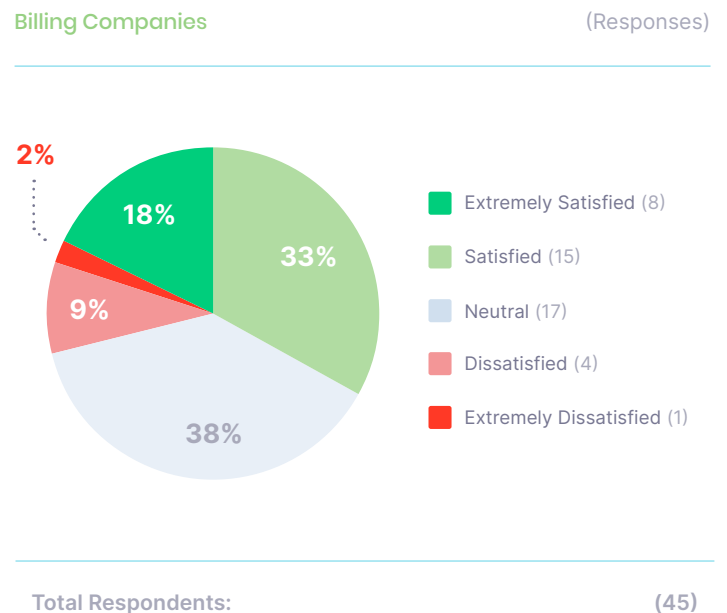
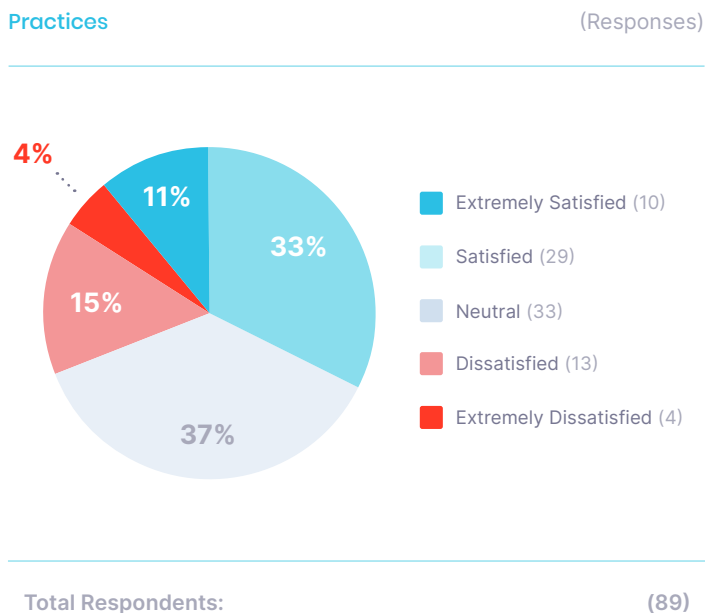
Primary Patient Responsibility Challenges for Practices and Billing Companies

Practices	Responses
57% Collecting patient balances	58
39% Collecting copayments at the time of service	39
39% Managing patient phone calls	39
31% Cost of collecting from patients	31
30% Front desk/billing team communication	30
28% Reviewing statements for accuracy	28
20% Patient payment experience	20
19% Posting/processing patient payments	19
18% Reporting on patient collections performance	18
12% Other	12
Total Respondents:	101

Billing Companies	Responses
77% Collecting patient balances	44
58% Managing patient phone calls	33
51% Cost of collecting from patients	29
44% Reviewing statements for accuracy	25
40% Front desk/billing team communication	23
33% Posting/processing patient payments	19
30% Patient payment experience	17
28% Collecting copayments at the time of service	16
25% Reporting on patient collections performance	14
5% Other	3
Total Respondents:	57

Overall satisfaction with the way patient responsibility is managed is relatively low: 56% of practices and 49% of billing companies are less than satisfied. ✓

Satisfaction with Managing Patient Responsibility

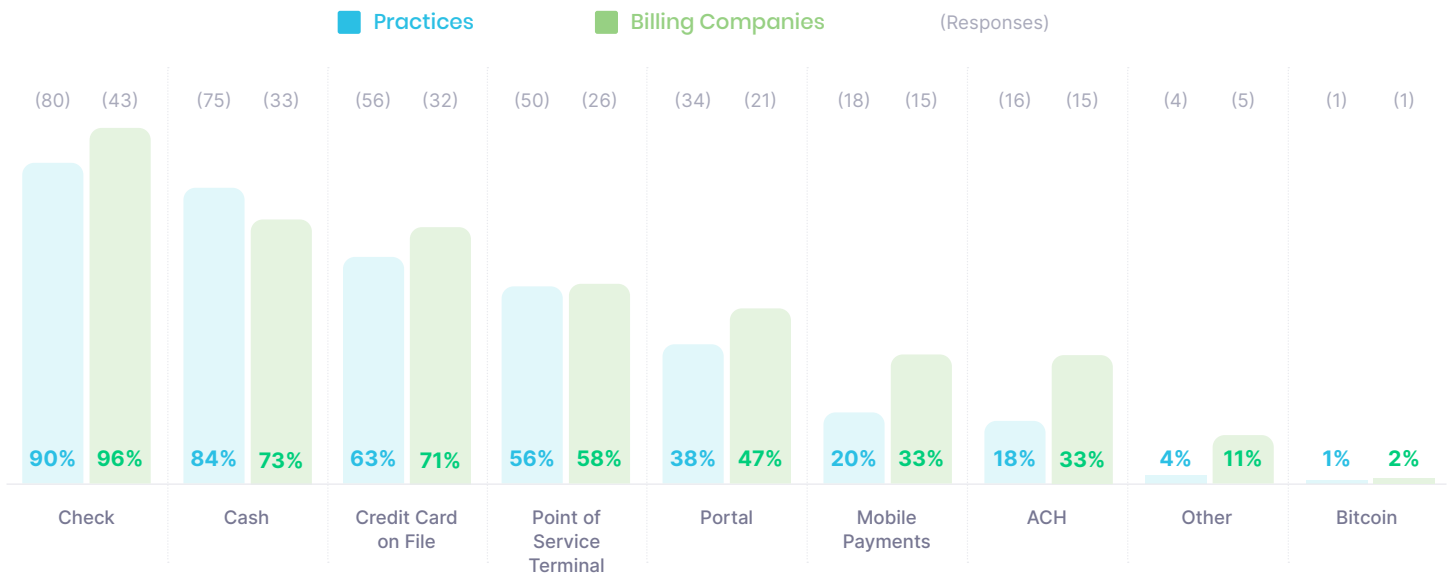


Both practices and billing companies would like to see an increase in all digital payment methods, including credit card, ACH, mobile payment, and portal and a decrease in payments via cash and check.

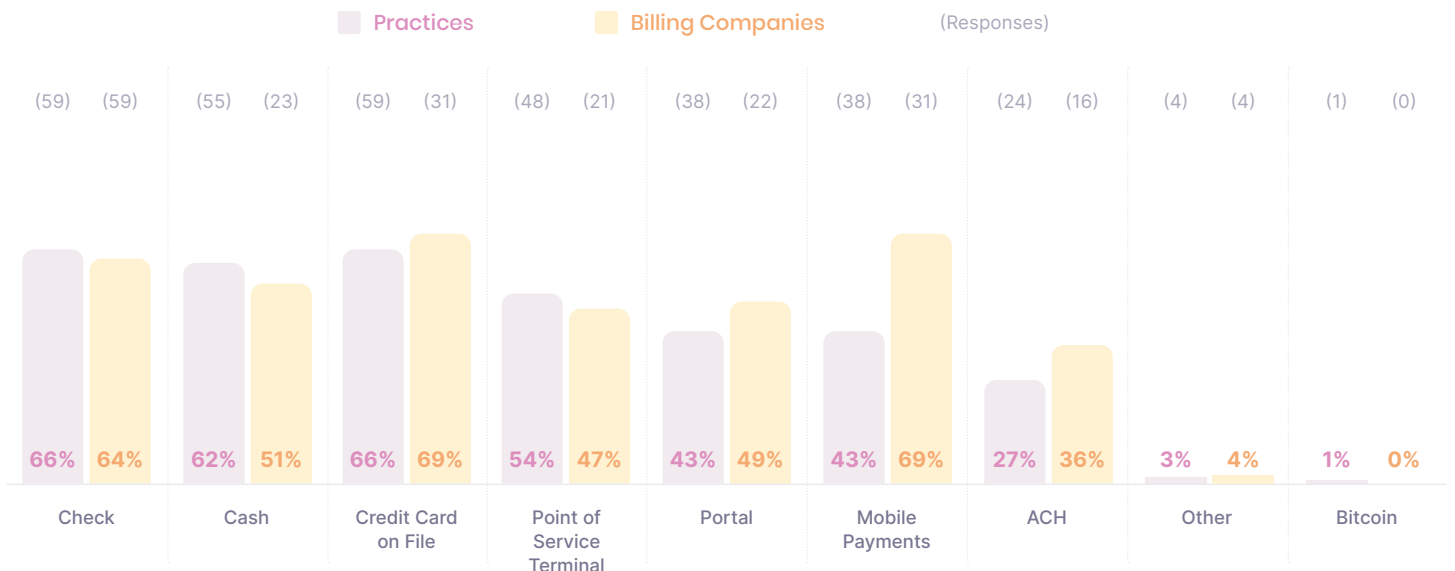
Notably, while only 33% of billing companies currently offer mobile payments, **69% would like to offer mobile payments in the next 12 months.**

Preferences for billing methods trending toward digital. ↙

Payment Method Preferences: What Practices and Billing Companies Currently Offer



Payment Method Preferences: What Practices and Billing Companies Would Like to Offer in the Next 12 Months

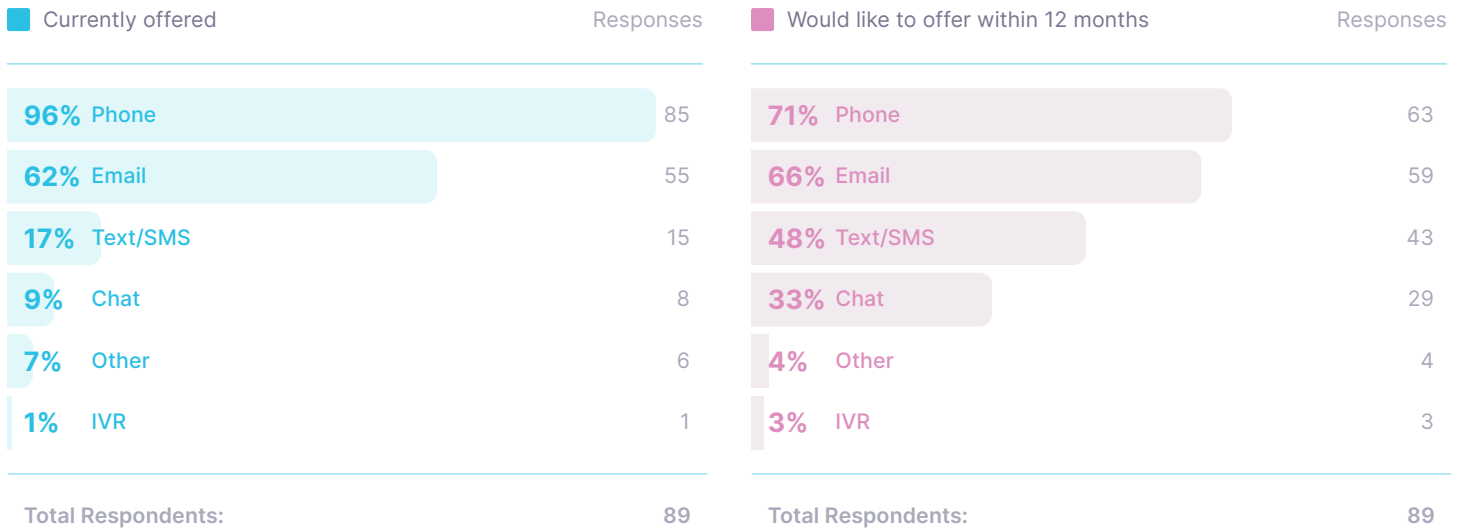


Practices want fewer phone calls and more text-based billing support. ↙

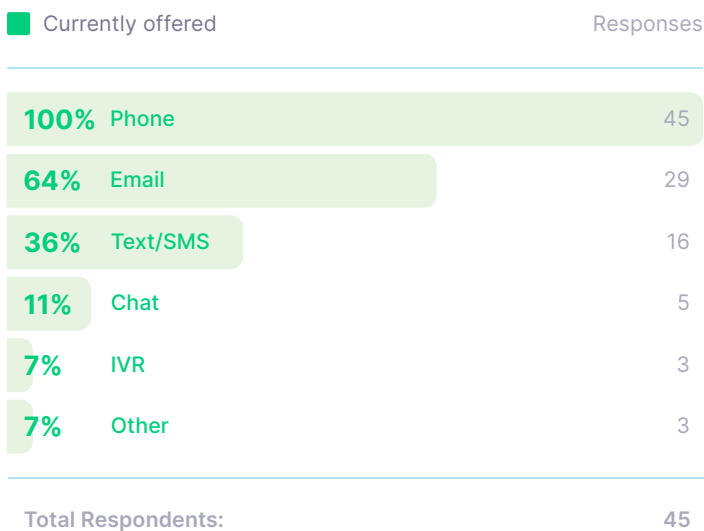
Practices would like to see an increase in digital support options and a reduction in phone calls.

The survey showed that **only 36% of billing companies** responding to the survey **currently offer text/SMS** patient billing support.

Practice Preferences for Billing Support Options



Support Options Currently Offered by Billing Companies



Better communication cited as top means to improve collecting patient responsibility. ↙

Respondents from medical practices and billing companies alike cited **better patient communication channels** as one of the **best ways to improve** collecting patient responsibility.

Features to Improve Collecting Patient Responsibility

Practices	Responses	Billing Companies	Responses
43% A better patient portal	38	49% Better patient comm. channels (email, text, IVR)	22
43% Better patient comm. channels (email, text, IVR)	38	47% Automated patient billing	21
39% Improved analytics and reporting	35	47% Automated patient payment posting	21
36% Personalized patient statements	32	42% A better patient portal	19
35% Automated patient billing	31	36% More patient payment options	16
34% Automated patient payment posting	30	31% Improved analytics and reporting	14
29% More patient payment options	26	24% Personalized patient statements	11
13% Other	12	4% Other	2
Total Respondents:	89	Total Respondents:	45

Billing companies share their thoughts on the benefits achieved from using a specialized billing software solution:

“Automation, online payments, [fewer] phone calls.”

“Major increase of patient payments. Patients did not have a way to pay online previously and now they just click and pay. Also, they can ask a quick question via text or email and get a response from Inbox Health team. Saves me lots of questions and time. Love the convenience of clicking a button to send out a paper statement.”

“Saving time by not printing, folding, stuffing envelopes, [and adding] postage.”

“Reducing the inbound phone calls has allowed my team to focus on their daily duties without constant interruption.”

“Velocity of capital, less human error, fewer touch points in the process.”

Inbox Health Users Stand Out in the Survey

Although representing a small portion of the overall survey respondents, responses from billing companies that use Inbox Health's specialized billing software consistently had a more positive perspective on many of the topics covered in the survey.

- An overwhelming majority of respondents using Inbox Health say they are satisfied with the way patient responsibility is managed.
- Inbox Health users also indicated that using the platform has:
 - ✓ Reduced the level of effort required to manage patient collections
 - ✓ Streamlined sending of patient statements (greater utilization of text)
 - ✓ Improved patient collections
 - ✓ Improved performance reporting
 - ✓ Reduced inbound patient calls
 - ✓ Improved overall patient experience

“Inbox Health has truly been a game-changer.”

- Medical Billing Company Owner

“Love using Inbox Health for patient payments.”

- Medical Biller/Account Manager

Conclusions

The survey results reveal a resounding need for more efficient and technically advanced methods of managing patient responsibility, undoubtedly spurred by the recent pandemic that acted as a catalyst for broader technology adoption. Further, there is a growing emphasis on the patient financial journey, as patients are demanding new ways to communicate, engage, and interact with their doctors and their medical bills at the same time as copayments, coinsurance, and rising deductibles drive patient responsibility increasingly higher.

For billing companies, more efficient and effective billing and payment options can improve overall productivity and drive patient satisfaction for their client organizations while removing barriers to communication regarding payment, which can in turn result in less time spent on the phone and greater payment rates. It is inevitable that the medical billers who thrive will be those who implement patient-focused strategies that maximize collections through patient-friendly payment mechanisms.

Sources

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- ³ 51% of U.S. Workforce Enrolled in High-Deductible Health Plans, Which May Leave Some Underinsured, Value Penguin, Jul 27, 2021, retrieved from <https://www.valuepenguin.com/enrollment-changes-to-high-definition-health-insurance-plans>.
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- ⁶ Kluender R, Mahoney N, Wong F, Yin W. Medical Debt in the US, 2009-2020. JAMA. 2021;326(3):250–256. doi:10.1001/jama.2021.8694, retrieved from <https://jamanetwork.com/journals/jama/article-abstract/2782187>.
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- ¹² Ibid.
- ¹³ Personal Tech and the Pandemic: Older Adults Are Upgrading for a Better Online Experience, 2021 Tech Trends and the 50+: Top 10 Biggest Trends, AARP Research, April 2021, retrieved from <https://www.aarp.org/research/topics/technology/info-2021/2021-technology-trends-older-americans.html-CMP=RDRCT-PRI-TECH-040721/?cmp=RDRCT-907b618d-20210416>.
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About Inbox Health

Inbox Health is changing the way people think about patient billing. The company's patient billing communication platform helps medical billing teams streamline patient engagement and support while creating exceptional consumer experiences.

Using Inbox Health's data-driven platform, billers easily automate and personalize patient communication, providing consumers increased clarity and confidence around charges and more convenient payment options which dramatically improves profitability, collection rates and speed to payment.

This survey was conducted by Inbox Health.
Data was collected from September to October 2021.
Learn more at inboxhealth.com