

# Targeted collections efforts yield outstanding results

Sanford Health increases patient collections and improves patient satisfaction with a hybrid approach

Sanford Health took several steps to improve collections with a patient-focused, hybrid approach that combines employee incentives with segmentation strategies. They also streamlined and re-designed patient statements for greater patient satisfaction and engagement.

### Challenge

Prior to working with Experian Health, Sanford's outbound collections calls were conducted manually on accounts with balances of \$1,500 and above. Accounts were placed in a work queue and sorted by 23 alpha splits. Sanford leadership monitored the work queues in an effort to maintain balance; however, this was a manual process and became cumbersome once balances became past due.

All account balances were manually called. Propensity to pay and scoring was unknown so targeting the highest yielding accounts to call did not exist. Sanford leveraged Experian Health's cloud-based dialing solution, PatientDial, to call on accounts with balances of \$10-\$1500. After a cell phone scrub was conducted, only 20-25% of the accounts qualified to be dialed.

As Sanford continued to grow, new services areas were acquired, the volume of manually calling campaigns became increasingly difficult to maintain. Sanford did not have the tools to provide Presumptive Financial Assistance; therefore, all Financial Assistance was processed manually by review of paper application.

### Objective

Sanford Health needed to improve its cash flow by getting a handle on growing bad debt and high volume of patient's not called regarding collection. The ultimate objective was to properly segment and implement a dialer process that would provide options for resolution of balance due with their patients. And to vet those patients who are unable to pay from those that are able to pay but neglect or refuse to do so.

Sanford's main objective to looking at Experian Health was Scoring and Segmentation and researching a solution to qualify patients for Presumptive Financial Assistance.

Sanford's general mix of uncompensated care was 2/3 bad debt and 1/3 financial assistance. Their aim was to change the dynamic, create more balance between uncompensated care bad debt and financial assistance. Sanford defined the following goals:

- Reduce accounts with open balances
- Achieve more timely collections
- Reduce self-pay volume
- Predict a patient's propensity to pay their balance; thus increasing cash collections
- Maximize results by consistently monitoring patient accounts for changes in their ability to pay.
- Implement a segmentation scoring strategy that feeds the dialer
- Increase staff productivity and resource management through account accuracy
- Streamline operations

Collections Optimization Manager has contributed to Sanford's in-house patient collection lift by over \$40 million since it was first implemented in October 2014; subsequent monthly lift averages \$2.3 million.

## Sanford Health

### Solution

Sanford Health vetted four other revenue cycle vendors before selecting Experian Health largely based on ease of implementation with the Epic platform, products that required limited intervention from Sanford's IT department, a strong team of consulting resources and previous success with other Experian products (**Contract Manager & Contract Analysis for Medical Groups, Claim Scrubber and Patient Statements**). Experian Health's strong presentation of project cost vs. ROI was a key driver in Sanford's decision to purchase **Collections Optimization Manager**.

*"Collections Optimization Manager really allows me to segment out and find those patients that have the ability to pay; and to avoid chasing those who instead qualify for our Presumptive Financial Assistance/Charity program,"* says Mike Beyer, Director Patient Accounts, Sanford Health.

Sanford Health now has a focused approach to managing the AR by identifying patients with a certain propensity to pay. Collections Optimization Manager allows Sanford to quickly identify a pathway and delivery to resolution of the patient's balance.

The analytical segmentation models within Collections Optimization Manager use precise algorithms that reveal those patients who likely are eligible for charity services, those who might prefer to pay in full at a discount, or those who might benefit from structured instalment payments.

Collections Optimization Manager feeds segmentation data to PatientDial, which Sanford Health uses to route calls to 70 patient account reps.

A big win was realized with the ability to identify the patient's upfront that qualify for Presumptive Financial Assistance and not use resources to call patients who have no ability to pay. For those patients who receive an automated message and then call back into call center, it provides another avenue for Sanford to identify its financial assistance population.

*"We initially thought we would see the contingency fees decrease with our agencies. However, the exact opposite occurred. The contingency fees increased as we were scrubbing the AR file for Presumptive Financial Assistance. Therefore, the agencies were receiving fewer but more collectible accounts,"* said Beyer.

### Results

Ultimately Sanford has benefited by incorporating a mix of Experian Health product and consulting expertise with solid workflow process improvements which have generated amazing results in improving their collections efforts.

With Collections Optimization Manager, Sanford Health realized a total in-house patient collection lift of \$40+ million since they first implemented in October 2014; with an average monthly lift is \$2.3 million. Contributing drivers of this success: leveraging segmentation and Federal Poverty Level (FPL) within Collections Optimization Manager to determine Presumptive Financial Assistance and account routing to the PatientDial cloud-based dialing system.

Sanford Health's bad debt amounts sourced to the collection agencies were reduced by 28.5% from Calendar Year 2015 to Calendar Year 2016; and its collection agency recoveries actually increased by 7.5%.

In addition to working with Experian Health, Sanford implemented a re-designed and more patient friendly patient statement format. Its improved cover page offers new sections for ease of reading and information gathering and improved patient awareness about the bill including relevant options such as prompt pay discounting as well as various options for balance payment. Ultimately, this statement re-design has also contributed to the increased collections success.

Another step in Sanford's road to collections success is the evolution of an employee incentive program that appropriately rewards staff based on their collections performance.

Sanford Health is very pleased with its Experian Health partnership noting well-designed implementation planning and consultation services as key to its success.

*"Experian provides a personal touch and interaction. There is always a clear and logical channel of support. The consultants have given us direction and assistance that helps us to analyze the information and modify our workflows,"* stated Beyer.

Post go-live Experian Health's Collections Optimization Consultant has remained involved to continually optimize the Collections Optimization Manager product, re-calibrating segmentations, creating strategies to improve cash flow, and identifying additional process improvements where Experian can assist with generating even greater results at Sanford Health in the future.

### About

Sanford Health is the largest non-profit, rural healthcare system in the nation, with roots dating back to the 1890s. Headquartered in the Dakotas, Sanford is a community-owned, private non-profit charitable organization with volunteer governance and a Board of Trustees representing the entire region. Sanford Health serves the following nine states; South Dakota, Minnesota, Iowa, Nebraska, North Dakota, Montana, Oklahoma, California, Oregon, and three countries; Ghana, China, and Mexico.