

To stay afloat financially, get smarter collections data

Altru Health System increases collections 100%+ by identifying accounts with a high propensity to pay

A rise in the number of self-pay patients and high deductible insurance plans resulted in an increase in the number of accounts with open balances. As a result, Altru Health System (Altru) faced increasing pressure to collect payments to avoid bad debt and sluggish cash flow. This was placing a growing burden on staff to collect outstanding patient payments in a timely manner.

Challenge

"Self-pay volume just kept increasing for true self-pay and self-pay after insurance—and started coming dangerously close to growing out of control," says **Stan Salwei**, Patient Financial Services Manager at Altru.

Solution

Experian Health's **Collections Optimization Manager** helps hospitals and health systems assess a patient's unique financial situation and tailor collections strategies to meet their needs. By segmenting patient accounts, healthcare staff can easily direct them to the appropriate team — whether in-house or agency collections. Further, Collections Optimization Manager monitors patient accounts for changes in their ability to pay and provides collections staff with targeted, timely updates enhancing recovery time and improving staff productivity.

Altru selected Collections Optimization Manager to better manage self-pay accounts through data enriched segmentation. Using financial background and behavioural data, Collections Optimization Manager utilizes algorithms to create weighted scores that illustrate patient payment ability and probability. Those scores can then be segmented into categories, ranging from high to low, that determine which patients are most in need of custom payment arrangements. This highlights the appropriate priority level related to an account so that staff can more effectively manage and work each one.

Altru's financial services staff then built on this detailed segmentation strategy by analyzing a number of custom variables unique to their health system. Using this approach,

Altru secured the business intelligence needed to predict a patient's likelihood to pay a balance.

In addition, Altru was able to revamp its internal collections strategy to more effectively provide financial solutions for its patients in an ethical and compassionate manner. Through a more focused approach that better leverages their limited resources, **Altru realized a 114% increase in collections**. Most of this increase came from the higher propensity to pay segments that were identified by Collections Optimization Manager.

Altru also used the Medicare screening feature to identify accounts that qualified for Medicaid. This ensured that patients who were Medicaid eligible were not forwarded for collection activity, and that their insurance was billed in a timely manner to avoid past due claim filing denials.

Results

Within 10 months of implementing this process, **Altru identified more than 4,000 accounts representing nearly \$2.7 million for assistance** — helping reduce days in accounts receivable, obtain Medicaid reimbursement for the insurance filings and reduce bad debt write-offs.

"Partnering with Experian Health has allowed us to be an advocate for our patients while also protecting the bottom line," Salwei says.

About

Altru Health System in Grand Forks, North Dakota, is an integrated not-for-profit community health system that includes a 262-bed acute care hospital and 20 outpatient clinics.