

Case Study

MedAssist Closes the Loop for Uninsured Patients

Saint Vincent's Hospital

Saint Vincent's is a Member of Ascension Health, the largest not for profit healthcare organization in the nation. It is a 338 bed facility located in Birmingham, Alabama with \$500 Million in annual revenue.

The Situation

St Vincent's Hospital developed an internal loan program which resulted in an increase of expenses, paperwork and personnel.

The Challenge

St Vincent's partnered with MedAssist to provide a payment option which allowed the hospital to reallocate their resources. Additionally the application and qualifying process was easier their patients.

The Results

Since implementing MedAssist's program, St Vincent's revenues have averaged \$42,000.00 per month as compared to \$14,500.00 with their loan program.

► The Situation

St. Vincent's has been dealing with many of the same issues relative to patients of limited means as most hospitals across the country; employers shifting more of the healthcare financial burden to employees and a growing uninsured population that has hospitals searching for compensation for care provided. St. Vincent has historically approached this challenge by offering a "Prompt Pay" discount. Many patients did not have the financial resources to take advantage of the "Prompt Pay" discount. For those patients, St. Vincent's offered a loan program from a third party finance company. As a component of the program, St. Vincent's pulled credit scores through a vendor and absorbed the costs. The loans were recourse and offered an interest rate of at least 14% to the patients. Only a limited number of applicants met the minimum required credit score for approval. St. Vincent's paid all of the costs of back interest and the administrative charges to recourse the loans. In addition, St. Vincent's offered a hospital charity program that wrote off obligations for those under 200% of the Federal Poverty Level and provided discounts on a sliding scale from 200% to 300% of the FPL. The steps in the self-pay process for St. Vincent's were as follows:

- Prompt pay if paid in full, 20%
- Payment arrangement in 90 days
- Loan program with Credit Scoring
- If none of the above applied, sent to collections
- Contracted attorney for judgments

► The Challenge

Jerry Smith, Director of Business Services for St. Vincent's, determined that he needed a better option than the loan program that was easier for the patient and did not burden the hospital with additional paperwork. He needed a financing option that met the following criteria:

- No qualifying credit score
- Expansive patient base
- Minimum qualifying events for maximized cash flow
- Recourse for only the original amount of loan, no added fees
- Electronic cash transactions
- Low percentage charge with no additional in-house costs
- Daily reports on loans detailing electronic deposits
- Monthly Report detailing:
 - Loan Funding by Month
 - Loans in 60 day arrears (potential defaults)
 - Recourses
 - Historical Review of recourses

► The Solution

Mr. Smith felt that a medical credit card would better meet his needs and contacted MedAssist, who offered a credit card financing program through a partnership with US Bank. St. Vincent's and MedAssist developed a comprehensive program that included Financial Counseling, Eligibility Screening, Point of Service Collections and the MAP[™] (Medical Advantage Plan) patient credit card financing program.

Within MAP[™], the patient is typically offered a settlement discount that will offset interest. In order to sign up for MAP[™], the patient is required to make a good faith payment of at least \$50. There are various interest options available to the hospital. Mr. Smith chose a program that was based on "Prime + 5.99%". The MAP[™] program is setup for the patient's payments to be a minimum of \$10 per Month or 1% of the balance, whichever is greater. Applications are processed via a web-enabled tool. All payments, account maintenance and collection efforts are handled through US Bank. Because recourse is taken by St. Vincent's, many more patients apply and qualify than with the previous loan product. If a balance does recourse, St. Vincent's has use of the money for at least 90 days. The balance recourses to St. Vincent's only if the patient misses three consecutive payments. If the patient defaults, the settlement discount can be added back to the account balance.

Mr. Smith is pleased with the results since the program was launched in March 2004. Revenues that are generated from the MAP[™] program average \$42,000 per month as compared to \$14,500 with the old loan program. This is due in part to the ease of application and a more encompassing set of qualifiers for MAP[™]. Patients have taken advantage of the program by utilizing it for subsequent hospital visits and other immediate family members. The following graph illustrates the successful financial impact of MAP[™] at St. Vincent's over the first twelve months of the program.

About MedAssist

MedAssist, a Firstsource Company, provides a comprehensive suite of innovative, technology-driven eligibility and revenue cycle management services, including Medicaid Eligibility, Receivables Solutions, Business Office Outsourcing and Collection Services. MedAssist utilizes a social service approach and a commitment to patient dignity, compassion and integrity to improve cash flow, maximize reimbursement and reduce bad debt. All MedAssist's major service lines are approved by the HFMA Peer Review.

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► Benefits of MAP[™]

MAP[™] is a low interest hospital credit card that pays the hospital 100% upfront, but spreads the obligation for the patient. It offers the patient an additional option to relieving outstanding balances that might otherwise become bad debt for the hospital.

Patient Benefits

- Minimal qualification criteria
- Flexible payment terms that break down bills into smaller, more manageable payments
- Below market interest rate
- Account balance reduction
- Combines expenses from immediate family into a single account
- Reduces stress
- Helps establish or repair credit history
- Covers future healthcare services

Hospital Benefits

- Maximize cash flow
- Reduce bad debt write-offs
- 72 Hour funding turnaround
- Reduce days in A/R
- Available for all categories
- Resolve account balances
- Creates good will
- Improves overall satisfaction for the billing and collections process

About Firstsource

Firstsource (NSE: FSL.NS, Reuters: FISO.BO, Bloomberg: FSOL@IN) is among India's leading BPO (business process outsourcing) service providers. Firstsource provides customized business process management to global leaders in the Banking & Financial Services, Telecom & Media and Healthcare sectors. Its clients include "Fortune Global 500" banks, "Fortune Global 500" telecommunications companies and "Fortune 100" healthcare companies. Firstsource has a global delivery model with operations in India, US, UK & Argentina and Philippines.
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