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Have effective self-pay processes? Facility's fiscal health is at stake

Hospital stays for uninsured patients increased 21% between 2003 and 2008, according to a new report from the Agency for Healthcare Research and Quality (AHRQ).¹ "Increased use of hospitals by uninsured means treating more uninsured patients and probably hospitals absorbing more costs," says **P. Hannah Davis**, MS, the study's coauthor and a senior program analyst at AHRQ. Researchers found that there were 2.1 million uninsured admissions in 2008, compared to 1.8 million in both 2003 and 1998, with the average cost of a 2008 uninsured hospital stay at \$7,300. Increased uninsured hospital stays affect hospital capacity, causing more patients to be held in the emergency department due to lack of available inpatient beds, says Davis. "The increase in uninsured hospital stays may mean that some of the visits could have been prevented, had earlier care been given," she adds.

New financial counseling role for registrars

80% of uninsured in emergency department eligible for coverage

Offering them help on the spot

If an individual receives an array of costly diagnostic tests in your emergency department and ends up being admitted, the patient's uninsured status doesn't necessarily mean the hospital can't receive payment for services provided.

Nearly 80% of the uninsured patients in the emergency departments (EDs) of four San Diego hospitals were eligible for free or low-cost health coverage, yet weren't enrolled, according to a Point-of-Service ER Survey conducted by the San Jose, CA-based **Foundation for Health Coverage Education** (FHCE)¹.

"As a result, hospitals nationwide lost millions of dollars in revenue for the care provided," says **Phil Lebherz**, the organization's executive director. "U.S. hospitals lost \$36.5 billion in 2009, according to the American Hospital Association, much of which they chalk up to charity care."

AHC Media

Researchers surveyed 13,069 uninsured patients who came to the EDs over 11 months. Of this group, 79.7% were eligible for state and federal health coverage programs, 16.9% were eligible for private coverage, and 3.3% were eligible for high risk pool coverage. "There is a clear issue with the distribution channels of these public health coverage programs to the recipients who qualify," says Leberz.

According to an online survey done by FHCE, 61.7% of 180,250 people seeking to obtain health benefits over 17 months were unaware they were eligible for government coverage.

The biggest challenge for uninsured patients today is not the lack of free or low-cost programs, according to Leberz, but poor communication about existing programs. "This is becoming an increasingly important new role for patient access departments as the Medicaid ranks grow," he says.

Eliminate coverage barriers

San Diego-based Sharp Healthcare's hospitals saw an 11% increase in the number of self-pay accounts from 2008 to 2010, with a 27% increase in self-pay dollars, reports **Gerilynn Sevenikar**, vice president of patient financial services.

While referrals to the state's Medicaid program have increased because of more uninsured patients coming through the door, the eligibility percentage has dropped by 10% from the previous year, she adds.

In a perfect world, says Sevenikar, if an unfunded patient arrived at any care provider's facility, the ability to determine eligibility and secure a benefit would happen "right then and there."

"Currently, we are only in a position to arm our patients with information," she says. The obstacle, she says, is the registrar's inability to verify the information in an application, including income, assets, family size, expenses, citizenship and residency. There is quite a bit that goes into qualifying for county, state, or federal funding," says Sevenikar.

Sharp HealthCare's registrars ask uninsured patients to complete the FHCE's five-question Eligibility Survey. "Because the quiz is embedded in the registration process of an unfunded patient, our staff are asking the questions and producing the matrix," says Sevenikar. "The patient could also do it, but we are already at the screen performing input related to the registration." (See resources, p. 95, for how to access the Eligibility Survey.)

The patient's responses become part of their account, says Sevenikar, and he or she is given a list of possible funding options with information on how to apply and who to contact. "Whether these patients never sought coverage because they never thought they were going to be injured or sick, or whether they did and there were simply too many barriers to securing the coverage, they need the information now," says Sevenikar.

EXECUTIVE SUMMARY

Almost 80% of uninsured patients in the emergency departments (EDs) of four San Diego hospitals were eligible for free or low cost health coverage, yet weren't enrolled, says a survey done by the Foundation for Health Coverage Education. To identify individuals eligible for coverage:

- Give patients a list of possible funding options
- Assist patients with the application process
- Determine if liability insurance will cover the visit

Registrars also perform some additional outreach to patients and assist with the application process, she says. "We opted to take the process a step further," Sevenikar explains. "Our desire is that those who are eligible for assistance are able to receive it, and do not fall through the cracks because of the burdensome application process." (See related story, below, on an ED's process to convert self-pay patients.)

SOURCES/RESOURCE

For more information on providing assistance to uninsured emergency department patients, contact:

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The Foundation for Health Coverage Education (FHCE) provides public and private health insurance eligibility information, including an uninsured help line and eligibility quiz to simplify the enrollment process. To access the quiz, go to <http://coverageforall.org>. Click on "Eligibility Quiz." For more information, contact the FHCE at (800) 2341317 or FHCEinfo@coverageforall.org. ■