Discover how Stanford Health Care optimized their collections to maximize revenue and improve patient experience.

Stanford Health Care is a level-1 trauma center operating between San Francisco and San Jose, with over 2 million outpatient visits each year. In pursuit of its mission to heal humanity through science and compassion, it delivers clinical innovation across inpatient services, specialty health centers, physician offices, virtual care offerings and health plan programs.

Stanford Health is part of a leading academic health system that includes the Stanford University School of Medicine and Stanford Children's Health, which together are renowned for pioneering medical and surgical breakthroughs. Providing an excellent patient and family experience is a priority for the organization's Self-Pay Management Office, which assists with all patient billing and payment inquiries.

All entities within Stanford Health are served by a consolidated customer service call center, using a single enterprisewide patient statement. The center uses the single billing office platform from Epic® to manage self-pay accounts receivable (AR) for hospital and professional billing. It also offers a range of financial assistance options including uninsured patient discounts, payment plans and charity assistance.

Challenge

As for many providers, the changing healthcare financial landscape presents several new challenges for Stanford Health. High deductible health plan enrollment rose significantly between 2008 and 2018 for the organization, giving patients responsibility for an increased portion of the cost of care. Patient collections are therefore increasingly important to keep the organization's bad debt in check. Reducing the cost to collect is vital to improve operating margins. Thoughtful resource allocation is required to maintain a healthy revenue cycle and support patients.

As healthcare consumerism evolves, so too does the need to improve patient engagement. Patients have come to expect a seamless experience, underpinned by convenience, flexibility and choice. Relying on paper statements becomes increasingly risky as patients seek digital options that match other consumer payment ecosystems. And while demand for care has increased, staffing levels haven't.

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For these reasons, Stanford Health's overarching goals are to improve financial performance and deliver an outstanding patient financial experience. Specifically, they set out to:

- Use data-driven insights to remove uncollectible accounts.

- Maximize patient collections by prioritizing patient collection inventory.

- Identify missed coverage on true self-pay and Medicare accounts.

- Decrease manual interventions and collections calls and improve efficiency.

- Reduce the cost to collect, particularly around contingency fees with third-party collection agencies.

Resolution

Optimize collections to maximize recovery and reduce costs

Effective collections start with efficient resource allocation. With Collections Optimization Manager, Stanford Health can scrub accounts that shouldn't be targeted for collections. The solution screens out deceased accounts, bankruptcies, Medicaid, returned mail accounts and presumptive charity, so staff can focus their valuable time and expertise on the right accounts. This has allowed the organization to reduce manual intervention and cleanse AR of uncollectible accounts.

Collections Optimization Manager also scores and segments patient accounts. This enables Stanford to calculate each patient's propensity to pay and design an optimal collections strategy to maximize recovery. Machine learning builds and calibrates segments tailored to the organization's needs. Scoring is based on a highly predictive, healthcare-specific algorithm that draws on an Experian Health risk score, proprietary repayment history, encounter-specific attributes and demographic analysis. By strategically prioritizing patient accounts, the organization is able to accelerate cash flow and reduce associated costs while providing an exceptional patient experience.

Identify missing coverage to improve the patient experience and increase reimbursement

To identify any missed or forgotten coverage, Stanford Health uses Experian Health's Coverage Discovery® solution. This uses the existing Collections Optimization Manager AR file to check for accounts that may be submitted for immediate payment with primary, secondary or tertiary coverages that the patient may not have known about. This helps reduce costly self-pay amounts for the patient, bad debt write-offs and unwarranted charity designations.

Coverage Discovery supports regulatory compliance for COVID-19-related claims, eliminating the need for agent intervention. It also leverages U271 results so that data can be easily integrated to Epic.

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Results

Increasing efficiency to improve recovery rates

Experian Health's scoring and segmentation strategy has been a key driver in Stanford Health's collections strategy, leading to a $4.1 million increase in average monthly payments over a trailing three-year average from 2019 to 2021. Collections Optimization Manager also helped the organization save 672 hours per month by automating the screening of patient accounts. Reducing manual intervention in this way has led to an average efficiency gain of $109K per month and $1.3 million annually.

"We have received a lot of positive feedback with Collections Optimization Manager's Return Mail solution because it gives us the most updated contact information. Whenever we need to notify the patient, we have the most updated addresses in our system."

— **Teresa Ceja-Diaz**, Vendor Management Analyst, Self-Pay Management

Stanford Health leveraged Experian Health's Return Mail solution to ensure patient files contain only the most reliable patient addresses. This tool uses sophisticated search algorithms and multiple data sources, including proprietary financial and demographic data, to verify the patient's current contact information. Stanford can now easily access precise and up-to-date addresses with Experian Health's expansive data resources, significantly minimizing the need for manual skip tracing by staff. This provides faster, more reliable results without extended efforts or inexact public searches. This alone resulted in an annualized collections figure of $1.26 million. It's also a win for patients, who are more likely to receive timely reminders and can pay their balances on time.

And thanks to Coverage Discovery, Stanford Health was able to achieve their goal of identifying missed coverage, with 29% of all searches returning some coverage.

Key performance indicators	Results
Patient collections	**$4.1** million increase in average monthly payments (2019-2021)
Insurance coverage found with Coverage Discovery	**29%** of all searches resulting in coverage found
Return Mail	**$1.26** million in annual collections with corrected mail addresses
Presumptive charity screening	Efficiency gains of **400+** hours monthly
Deceased screening with automation	**4,296** total records processed
PatientDial	Efficiency gains of **900** hours per month and **27K** outbound calls automated
Efficiency gains by removing uncollectible accounts through screening	**672** hours per month

Improving the patient financial experience

One of Stanford Health's primary aims was to deliver a positive patient financial experience. Having accurate patient information on file that can be used across connected tools has contributed beyond the collections process by facilitating prompt communication in registration, appointments and billing.

"With rising patient costs, there has been a need for increased engagement and to keep costs low, while utilizing our resources wisely. Collections Optimization Manager is doing that for us, saving time and resources."

— **Kristine Grajo,** Director of the Self-Pay Management Office

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Delivering the best-in-class collections solutions

The dedicated Experian Health support team provided in-depth research and customization to maximize the efficiencies achieved through the above tools, reduce bad debt and further contribute to a better patient experience. Grajo says:

"Stanford is fortunate to have a dedicated Collections Optimization consultant. Collaborating with him and the support team has helped us build and customize a lot of our collections tool. The confidence of working with our consultant and the support team keeps us going and motivates us to find more solutions to add on from the tool. They are truly attentive and genuine in helping us find and customize solutions based on our operations."

— **Kristine Grajo,** Director of the Self-Pay Management Office

Find out more about how Collections Optimization Manager and Coverage Discovery help healthcare organizations accelerate collections and deliver an outstanding patient experience.

About Experian Health

Hospitals, health systems and physician groups have come to rely on Experian Health for revenue acceleration and profit gains through automation, submitting cleaner claims, fewer underpayments and a reduced cost to collect.

Providers only collect around one-third of patient balances greater than $200, with the balance sent to collections or written off as bad debt. With Collections Optimization Manager, minimize the amount of money written off as bad debt by prescreening out bankruptcies and ineligible accounts and focus on recovering those high-value amounts that matter most.

From pre-service to final scrub, Coverage Discovery helps you find billable Medicaid, Medicare and commercial insurances previously unknown or forgotten. Before, these accounts were unnecessarily destined for collections, charity or bad debt write-offs but now can be identified and submitted for immediate payment.