

Bridging Financial Gaps in Healthcare



Advancing Healthcare, Engaging Patients.



**The Synergy of Digital Payment Platforms
and Patient Financing**

Independent use of digital patient payment platforms has obscured the complex implications of managing long-term accounts receivable.

A hand is shown typing on a laptop keyboard. Overlaid on the screen is a digital payment interface. At the top, the word "Payment" is displayed in a large, white, sans-serif font. Below it is a green circular icon containing a white shield with a checkmark. The form includes several input fields: "Owner" (a long horizontal box), "CCV" (a small box), "Card Number" (a long horizontal box), and "Expiration Date" (two boxes labeled "mm/dd" and "yyyy"). At the bottom of the form is a blue button with the word "Confirm" in white. The background of the image is dark with some bokeh light effects.

Payment



Owner

CCV

Card Number

Expiration Date

Technology platforms have dramatically transformed healthcare financial operations and patient financial engagement, offering streamlined billing processes and simplified short-term payment solutions. Health systems, through their native EHR platform or through an integrated third-party solution, have embraced the use of digital payment platforms. However, health systems have discovered that their

independent use has obscured the complex implications of managing long-term accounts receivable (AR).

This oversight can lead to unintended negative consequences for healthcare systems and patients alike, driving up collection cost of the health system and inadvertently creating disparate treatment of their patients.

The Role of Digital Payment Platforms in Patient Pay Collections

A patient financial engagement platform (digital payment platform) is a service provider specializing in offering digital payment solutions to streamline the medical billing process. These platforms facilitate secure transactions, empowering patients to manage their healthcare bills in a more accessible, transparent, and efficient manner. Through these platforms, patients can view their billing details, make payments, and

establish payment plans, thereby reducing the administrative load on healthcare providers and enhancing the patient experience. These portals often integrate with healthcare systems' existing infrastructure, providing a seamless transition and interface for both patients and healthcare providers alike. In recent years, health systems have begun relying solely on these platforms for the collection of patient pay.



The Hidden Cost of Sole Dependence on Digital Payment Platforms

On the face, digital payment platforms provide a lower cost alternative compared to early-out vendors and managing self-pay collections with healthcare provider staff. However, relying solely on a digital payment platform often leads to an increase in bad-debt expense due to limited payment options (repayment terms) and higher payment default when extending long-term payment options. Healthcare providers often require patients to establish an autopay via credit or debit card to receive the pay-over-time option. This undue requirement causes a population of patients to forgo a payment plan as the patient fears it could limit their ability to afford food, medicine, or other necessities. This population often ends up written off to bad debt with no viable payment plan option, adversely affecting patient loyalty and financial health.

In addition, by deferring payment over an extended period the medical provider bears substantial AR carrying cost that often exceeds 10% due to the time value of money. By deferring payment over an extended period of time, the provider ties up valuable working capital, requiring greater reliance on debt financing to support operations and/or forgoing projects, including operating at lower staffing levels.

Collectively, the health system is missing a tremendous opportunity to collect patient pay at the lowest cost, while maximizing patient engagement.





Synergies of Patient Financing and Digital Payment Platforms

While patient financing and digital payment platforms both play crucial roles in enhancing the financial experience for health systems and their patients, their approaches are complementary rather than competitive. Digital payment platforms are invaluable in the ecosystem for their digital solutions that simplify the medical billing process. They provide secure, efficient platforms that allow patients to easily manage and execute their payments online, significantly reducing the administrative burden on health systems and improving overall patient satisfaction. However, digital payment platforms do not provide a complete solution, nor the most cost-effective method to collect patient pay.

ClearBalance Healthcare, on the other hand, extends the value proposition beyond digital transactions by offering both a comprehensive patient financing solution, along with digital engagement solutions. This includes the management of both short-term and long-term payment plans tailored to the needs of healthcare systems and their patients. ClearBalance analytics

empower healthcare systems to make informed decisions that mitigate risks and enhance financial outcomes.

ClearBalance leverages a unique dataset to perform in-depth analyses of the real costs associated with managing these payment plans, which encompasses payment processing costs, staff expenses, opportunity costs, and the potential for bad debt.

By providing a versatile financing solution, **ClearBalance** not only ensures healthcare systems can maximize value from their patient payer relationships but also guarantees that patients have the necessary flexibility to manage their healthcare expenses over time. Thus, when integrated properly, the digital prowess found in digital patient engagement systems along with comprehensive patient financing solutions, both offered by **ClearBalance**, create a cohesive, all-encompassing approach to financial health that benefits both providers and patients, fostering a win-win scenario for everyone involved.



Conclusion: Integrating Traditional and Digital Solutions for Enhanced Patient Financial Engagement

In the evolving landscape of patient financial engagement, **ClearBalance** recognizes the importance of integrating patient financing solutions with the advanced capabilities provided by digital platforms. This harmonization of services underscores our commitment to catering to the diverse needs of healthcare systems and their patients. Rather than positioning these resources as contrasting options, we emphasize their complementary nature.

Our approach is to blend the best of both worlds—leveraging the robust, data-driven insights and flexible financing options that have long been the hallmark of **ClearBalance**, alongside the efficiency and accessibility offered by digital payment platform technologies. This combination ensures healthcare systems can maximize the value from their patient payor relationships, offering a tailored, end-to-end

solution that ranges from front-door intake through to the final payment. By adopting a holistic view that encompasses both patient financing and digital payment platforms, **ClearBalance** is uniquely positioned to guide healthcare systems in making informed financial and patient experience decisions, balancing the lowest cost method of collection with the highest probability for repayment.

The integration of **ClearBalance's** comprehensive patient financing solutions with the efficiencies of digital payment platforms represents a forward-looking strategy designed to enhance patient financial experiences while maximizing collections for healthcare systems at the lowest cost. This balanced approach advocates for making informed, data-driven strategic decisions ensuring a win-win scenario for healthcare providers and patients alike.

Visit ClearBalance.org to learn more about how we can revolutionize financial health in your healthcare system. Discover the multitude of ways we can guide your institution in achieving financial excellence and exemplary patient care.