

## Case Study Summary: Using the mPay Gateway Solution in a Family Practice Clinic Setting

**Practice Summary:** This primary care clinic consists of 3 FTE Physicians (2 Family Practice Certified Physicians, 1 Internal Medicine Specialist), and a Certified Nurse Practitioner. In 2007, this Practice had almost 14K encounters and generated \$2.9M in gross production. This volume yielded approximately \$1.75M in net patient care revenue. 2007 Write-offs for uncollectible accounts totaled almost \$16K.

**Implementation of mPay Gateway Product:** This Practice, like many others, detected this rise in the aging of patient responsibility accounts and a rise in uncollectible accounts. The Practice sought the advice of business advisors to resolve this issue and identified the mPay Gateway system as an emerging marketplace solution. mPay Gateway's software enabled the Practice to overcome the largest barrier to collecting patient responsibility prior to final adjudication: knowing the claim value of the Patient Responsibility **before** the patient left the office.

The mPay Gateway software included the functionality that allowed the Practice to obtain an "authorization" on the patient's debit or credit card for the estimated Patient Responsibility. This authorization served to virtually guarantee payment from the patient once the actual claim was adjudicated by the payer, typically 30 days later.

When the payer's adjudication was complete, and the Patient Responsibility was reported to the Practice, the Practice entered the mPay Gateway application and simply opened the card authorization created when the patient was in the office and requested settlement for the actual amount. The Practice received the funds overnight through the card network; in most cases without having to send out additional patient billing statements.

**Practice Management Interface:** mPay Gateway software is designed to work with, rather than duplicate, a practice's existing patient accounting system. Instead, it enhances the existing PMS by adding functions not available on existing systems.

**Patient Flow Process Change:** Although the mPay Gateway software is flexible in the way a practice can implement the system, this Practice chose to implement using a patient check-out procedure, without interfacing the Practice's PMS.

**Patient Adoption Strategies:** The Practice's most significant implementation concern was clearly the anticipated reaction from their patients. The Practice was long accustomed to patients having little to no knowledge of their health insurance coverage; the Practice increasingly found itself taking valuable staff time to explain to the patient details about their health coverage. With the mPay Gateway software, the Practice staff

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could now conclude the financial transaction after explaining the Patient Responsibility. After considering a variety of patient communication strategies, the Practice opted to inform patients about the new mPay Gateway process at the time of visit. First, during the phone pre-registration process that took place a couple of days in advance of the actual visit, patients received their first information about this change. Then, during the check-in process on the date of their visit, patients were handed a letter to review while they are waiting for their visit to begin. This letter explained the new process and what to expect. Finally, the patient completed the check-out process of communicating the estimate and creating an authorization on the patient's payment card.

**Impact of Product Implementation:** The overall economic impact of the mPay Gateway system on the Practice has been overwhelmingly positive. After 12 weeks of implementation for patients with Blue Cross coverage, the Practice's Patient Responsibility Accounts Receivable value was reduced by more than 50 percent and continues to decline further. Using mPay Gateway reduced the aging of patient responsibility accounts, in many cases from 90 days and greater to less than 30 days. Not only did the Practice benefit from the improved cash flow, it also saved the typical expense associated with the production of multiple patient statements for these patient responsibility balances; typically averaging 2.6 statements per outstanding balance at a cost of more than \$1 per statement produced. Most significantly, the Practice reduced the percentage of such accounts that historically continued to age until having to be written-off as uncollectible.

The overall impact on Practice staffing has been relatively neutral. The Practice anticipates that it will not have to add staff as a result of the full implementation of mPay Gateway across all payers. Many clerical support job functions have changed.

The vast majority of the Practice's patients have reacted neutral to positive about the implementation of the mPay Gateway system. The Practice has successfully explained the mPay Gateway system to patients, liking it to similar processes most patients have already experienced when they reserve a hotel room or car rental. After a couple of hundred mPay Gateway transactions, the Practice can identify only a handful of patients who were concerned by the change, or did not want to comply with the new procedures. The Practice has had many positive comments from its patients such as, "It's about time you guys figured this out. I can't go to my dentist or orthodontist without having to pay significant portions of my bill prior to leaving the clinic." Also, "I like knowing what my visit costs at the time of my departure. I like to be able to pay my portion and be done with it; rather than having to deal with it a couple months later when the billing catches up to the payer."