Single Billing Office – The Myths and the Reality

With most consumer services, a bill is sent from a service provider, and the consumer will know immediately the amount that needs to be paid and when the payment is expected to be made. Medical bills, on the other hand, can be difficult for consumers to decode. Bills may be generated from multiple sources, may not reflect the adjusted price, may not include payments from insurance, and may not indicate items like copays, coinsurance, deductibles, and out-of-pocket maximums. After receiving statements from numerous providers (e.g., physician, lab, hospital facility) a patient will receive an Explanation of Benefit (EOB) from their insurance company, and the price of services rendered listed by the insurance company may not reflect what is on the bill from the medical providers. Eventually, an adjusted statement will be sent to the patient for each provider, however any questions a patient has about their bills may be handled by disparate customer service and billing departments.

The process can cause headaches for patients and providers alike. In an effort to reduce the complexity of the patient billing process, many organizations are implementing Epic’s Single Billing Office (SBO) model.

What is single billing office (SBO)?

In short, SBO is an Epic feature that consolidates facility and physician patient liabilities into a single guarantor level account, which allows for a single, patient friendly, statement and holistic self-pay follow up. The Epic SBO feature is more robust than third-party statement solutions, where self-pay balances are consolidated onto a single statement, but must be managed separately in different applications.

The Epic SBO feature is not shared registration; registration is shared with both the hospital and professional billing modules within Epic regardless of SBO. SBO also will not consolidate insurance-related items across the Resolute billing platforms. Furthermore, SBO will not consolidate the refunds process between hospital and professional billing modules. In essence, the Epic SBO feature consolidates a guarantor’s self-pay balance into a single workflow.

What are the Benefits of Implementing an SBO?

One of the largest benefits of SBO implementation is increased patient satisfaction and decreased patient confusion resulting from a single statement containing all patient liabilities for both the hospital and professional balances. In addition, having a single customer service point of contact for the combined patient liabilities will ease patient frustration and streamline financial service. The benefits extend beyond patient satisfaction, including streamlining the patient payment posting workflow, lowering costs to process statements and follow-up letters, increasing self-pay follow-up efficiency, and the ability to combine patient payment plans.
Cost Reduction

Creating a single workflow for patient payment posting, allowing cash to be distributed to both hospital and professional balances increases the efficiency of the cash posting process. The creation of a single patient account for all balances will reduce the number of patient statements and follow-up letters that need to be generated, which can greatly reduce processing costs. In addition, due to the consolidated patient balance, the follow-up process becomes more efficient as self-pay follow-up representatives can now access a patient’s total liabilities for hospital and professional balances in a single source. These streamlined processes present an opportunity to achieve labor efficiencies through management and staff consolidation as separate hospital and professional customer service and follow-up teams will not be needed.

Revenue Generation

Implementation of an SBO can lead to increased self-pay yield, decreasing bad debt, as patients receiving one single statement with clear balances are more likely to pay than patients confused by multiple patient statements from multiple sources. Furthermore, the SBO feature allows for combining of patient payment plans onto a single guarantor-level account with one adjusted payment, and patients are more likely to pay one single monthly payment.

What are the Risks of Implementing an SBO?

System and Process Change

While there are clear benefits to implementing an SBO, there are also risks that should be considered prior to implementation. These include a dramatic increase in the complexity of the system build and the forced integration of hospital and professional balances for follow-up. Training programs will need to be adapted to the new model, as staff that previously specialized in either hospital or professional processes will now need to understand both. An organization will need to consider the implications of combined patient liabilities on statement design from both the eyes of the patient and the strategy of the organization. Additional accounting issues will need to be dealt with, including such items as allocation of partial payments to patient balances, and a shared process for reconciling to the general ledger.

Cultural and Organizational Change

Not all risks associated with an SBO implementation are technical. The organization will need to go through a major change as all entities in an integrated system will turn their self-pay receivables over to a single follow-up team. Existing clinics, hospitals, and physician groups may have established relationships with banks, and implementation of an SBO will consolidate all of these to a single account. In addition, separate entities within a health system may have differing policies and processes for items such as small-balance write-offs, financial assistance, charity care, payment plans, and self-pay or prompt-pay discounts which will have to be standardized and aligned to the overall organization and be properly supported by the SBO system. The SBO implementation will necessitate an organization evaluating all processes and procedures throughout the revenue cycle to be sure that they are consistent, this will include looking at items from patient access and the mid-revenue cycle, in addition to the patient financial services items.
mentioned previously. This shift necessarily takes some autonomy from those separate entities and the organization will need to carefully manage the change. In order to prepare for the cultural and organizational changes that will accompany an SBO implementation, training for end users will need to include not only technical training, but in-depth education around processes, procedures, and how actions can affect items as they move through the revenue cycle.

Outside of the organization itself, the patient population will need to be educated about the changes to their statements and customer service process. Patients will ultimately view the streamlined process and consolidated statements as a satisfier, but an effective communication process is essential as changes occur during implementation.

What Does MCS Recommend?

McKinnis Consulting Services (MCS) has proven success working with many clients to transition to, or optimize the SBO feature. Organizations who are considering the single billing office model should conduct a thorough assessment of their revenue cycle technology and processes to understand the gaps in their current state that increase implementation risks. MCS has deep expertise in conducting current-state reviews of an organization’s processes, procedures, organizational structure, and how they are aligned to their technology solution, giving a clear understanding of where current gaps exist, and how those gaps need to be addressed to mitigate the risks involved with implementing an SBO feature. Our goal is to educate you on the implications of SBO and assist you in making an informed decision that best meets the needs of your organization. Then to guide you through the implementation process to ensure a smooth successful transition. After an organization has completed the assessment process with MCS they will have a clear understanding of all current gaps and a plan to address them, but to implement this new plan, sweeping organizational and cultural changes are required. Our consultants are experts in driving large-scale organizational change management from leadership to the front line. We will work alongside you to design and communicate the appropriate organizational structure, align policies and procedures, and drive the large-scale change management required for such a cultural shift in an organization.