

# Holston Medical Group Reduces Bad Debt by 85%



Founded in 1977, Holston Medical Group (HMG) is one of the largest physician-led, multi-specialty groups in the southeastern United States. Located in Tennessee near the borders of Kentucky and Virginia, HMG has approximately 150 primary care physicians, specialists and mid-level providers, with 24-hour medical and surgical coverage.

The physician group's patient and community-focused mission, vision, and values (see page 3) have been put to the test in recent years as individual responsibility for out-of-pocket medical expenses have continued to increase.

When Mike Carter joined HMG as the group's Revenue Cycle Manager, he set out to find a financial solution that would provide a more flexible and affordable payment option for patients while curbing the encroaching threat of rising bad debt. He found that CarePayment® was the natural choice to help patients, reduce the self-pay portion of accounts receivable and lower bad debt.

"CarePayment® looked like a sound way to bring cash in the door quickly and give our patients breathing room in getting their bills paid," Carter said.

## An innovative solution

CarePayment® offers HMG's patients access to a 25-month, interest-free payment option for paying their out-of-pocket expenses. All patients are eligible, regardless of insurance coverage, credit history or employment. There is no application process involved. CarePayment® provides a solution for patients who find it easier to meet their financial obligations over time—one that enhances their experience with HMG. "Patient responses have been positive," said Carter.

HMG introduces patients to Care-Payment® by placing brochures and posters at all of its 12 clinics. It has also included a banner and a landing page about the program on



### Quick Stats

Founded in 1977

Located in Kingsport, TN

### Specialties

One of the largest multi-specialty physician practices in the Southeast

### Staff

**150**  
primary care physicians,  
specialists

**800**  
employees

*CarePayment® has had a direct impact on our bad debt going down. We're recovering our bad debt expense, pulling it back and sending it to our bottom line.*

- MIKE CARTER, REVENUE CYCLE MANAGER, HOLSTON MEDICAL GROUP

its website. "We want patients to learn about the program early so that they can ask questions if they have them," Carter explained. "All other communications are handled by CarePayment®."

Patients have the opportunity to accept the CarePayment® option when they receive their first bill from HMG for their share of the balance. If they choose to accept the program, CarePayment® takes on responsibility for sending out all subsequent statements. These statements are co-branded with both the HMG and CarePayment® logos. "Our relationship with CarePayment® is a partnership, and we want our patients to know that," said Carter.

Charges for additional services may also be added to a patient's CarePayment® account. After insurance has paid its portion of the bill and a self-pay balance remains, the HMG system automatically routes the balance to CarePayment®. "Patients are responsible for a single monthly payment, making it easier for them to manage their medical bills. Taking advantage of CarePayment® has cut down our call volume tremendously so that staff can be more productive," Carter said.



## Mission

To provide quality medical care that exceeds Patient expectations and builds lasting relationships.

## Vision

Engaging our patients and our communities to be the healthiest region in America.

## Core Values

We, at Holston Medical Group, adopt these values as our essential guiding principles and the foundation for every decision we make.

### Life

We value human life in every stage from conception to death, treating everyone with dignity and respect.

### Excellence

We value excellence and innovation in the delivery of healthcare of the highest quality, continually striving to improve all aspects of our performance

### Collaboration

We value collaboration and teamwork to positively impact not only the lives of our patients but our partners and the communities we serve.

### Integrity

We value honesty and fairness, behaving ethically and accepting responsibility for our actions.

### Compassion

We value true compassion and empathy in our response to both those whom we serve and with one another.

### Accountability

We value holding ourselves as well as those we work with accountable for carrying out HMG's Mission, Vision and Core Values as express through each of our roles and duties to perform.

*"We discovered old payment plans set to pay out in 115 years. Now, every patient has a fair and reasonable payment option and we can readily track the status of each account individually and the class as a whole. CarePayment® has been one of the easiest vendors I've worked with in my 34 years of experience."*

- MIKE CARTER, REVENUE CYCLE MANAGER, HOLSTON MEDICAL GROUP

## A/R days down, bottom line up

When HMG began working with CarePayment®, 69 percent of its self-pay accounts were more than 90 days old. That number dropped substantially over the following months. “Within the first month of our partnership, the percentage of self-pay accounts over 90 days old dropped to 48 percent. It continued to decline over the next six months and today it is just 27 percent,” said Carter.

Bad debt as a percentage of total A/R also dropped due to the partnership with CarePayment® from 3 percent of A/R to just 0.45 percent of A/R — an 85 percent improvement. “CarePayment® has had a direct impact on our bad debt going down. We’re recovering our bad debt expense, pulling it back and sending it to our bottom line.”

With CarePayment®, HMG balances are managed consistently, from the setting of payment terms through follow up. “Before, we really had no way of efficiently assessing the status of our self-pay accounts. CarePayment’s systematized approach showed us just how out of control these accounts were. We discovered old payment plans set to pay out in 115 years. Every patient has a fair and reasonable payment option and we can readily track the status of each balance individually and the class as a whole,” Carter said. “CarePayment® has been one of the easiest vendors I’ve worked with in my 34 years of experience.”

Craig Froude, CEO for CarePayment®, notes the importance of bringing rigor to the management of patient self-pay accounts. “Implementing a self-pay solution that is powered by analytics and technology, while also being patient-friendly, is becoming increasingly critical as patients bear a greater share in the costs of their care. The vitality of the healthcare organization will depend on providing patients with a simple, transparent solution that helps them meet their financial responsibilities.”

## About CarePayment®

Headquartered in Lake Oswego, Oregon, CarePayment provides flexible healthcare finance solutions that improve financial performance for healthcare providers, increase patient satisfaction and loyalty, and are fully compliant with applicable state and federal consumer credit laws. The 0.0% APR payment program requires no application, has no impact on credit score, and is supported by a friendly US-based customer service staff. Accounts for the program are issued by WebBank of Salt Lake City, UT. For additional information, please call **(800) 316.4350** or visit [www.carepayment.com](http://www.carepayment.com).

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