

ENHANCE SELF-PAY COLLECTIONS WITH MULTICHANNEL CONVERSATIONAL AI



Early-out collections have become increasingly challenging for RCM providers in the healthcare sector. The adoption of Conversational AI can significantly alleviate pain points by automating early-out collection processes to streamline revenue recovery, reduce costs, and improve the patient experience.



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Executive Summary

Revenue cycle management (RCM) providers encounter significant hurdles when performing early-out patient collections. Staffing and operational costs, agent availability, and retention, coupled with patient outreach challenges, can cause a setback. To overcome these obstacles, it has become essential to leverage cutting-edge technology like Conversational AI for end-to-end automation of early-out collection.



This white paper aims to analyze the challenges early-out collection providers face and how Conversational AI can solve them.



Key Takeaways

The current state of automation in healthcare RCM



The potential of Conversational AI in early-out collections



Why should you adopt Conversational AI, and why now?



Examples of success with Conversational AI



The Rise of AI in Medical Billing and Early-Out Collections

Automation with artificial intelligence has become commonplace in the healthcare industry, particularly in revenue cycle management. Healthcare and RCM providers have been early adopters of technology. A recent [study](#) revealed that around **two-thirds of healthcare facilities and systems rely on AI for their revenue cycle management**. AI is used for verifications, payment estimations, and denial management. The adoption of AI for fraud detection and compliance management is also underway.

Over the last few years, Conversational AI specifically has taken the reigns. From patient onboarding and appointment scheduling to early-out collections, Conversational AI has been automating tasks and simultaneously enhancing the patient experience thanks to its ability to handle human-like, complex conversations with patients across multiple channels. More and more healthcare companies are adopting Conversational AI to automate patient interactions. Early adopters have deployed virtual assistants (voice, SMS, chat, and email) to resolve patient queries and improve the overall patient experience quickly.



Mount Sinai Health System, a major healthcare provider and hospital network in New York, for example, [has introduced a chat-bot](#) for routine tasks such as providing directions, locating facilities, viewing, canceling, and rescheduling appointments. More companies are seeing success by deploying similar tech in the healthcare space.





A new [study](#) by Kodiak shows that the collection rate is 69% when patient dues are \$100 or less, but it decreases to 29% when dues exceed \$5,000. This finding indicates that collecting higher amounts of patient dues is more challenging. Additionally, the decreasing collection rate with higher self-pay dues causes an ample loss of opportunity. Conversational AI can change that with persistent outreach and effective engagement.

About half of adults say they would be unable to pay an unexpected \$500 medical bill without borrowing money.

Source: [A KFF poll](#)



The Potential of Conversational AI in Early-out Collections

One of the biggest challenges providers face is to collect payments shortly after services have been delivered. In fact, nearly [half of healthcare leaders](#) recently agreed that **collecting payments is the biggest challenge** their practices face. Due to higher deductibles and copays, patients are expected to bear sizable out-of-pocket costs, ultimately aggravating early-out collections. Other common pain points are limited agent availability, inflationary costs, and shorter early-out collection time windows.

Between 2022 and 2023, patients owed around [\\$1.1 billion of the \\$21 billion](#) total charges. However, healthcare providers only managed to collect less than half of this sum, amounting to \$500.5 million. This indicates a notable deficiency in the early-out collections process, signaling the need for innovative solutions to bridge this gap.

The solution lies in leveraging Conversational AI and automating early-out collections with cutting-edge technology.

In 2023, 53% of bad debt write-offs were from patients with some form of health insurance.

Source: [Kodiak revenue cycle KPI benchmarking report](#)



Conversational AI can address these challenges more effectively. It can automate the early-out collections process end-to-end—from patient outreach to payment negotiations, enhancing scale and speed for RCM providers. It can authenticate patients, clarify bill breakups, facilitate payments, and set up payment plans, eventually improving revenue recovery.

Conversational AI improves patient engagement by providing multiple communication channels, such as voice, email, SMS, and chat, enabling them to engage via their preferred mode of communication. This technology allows providers to send out multiple timely reminders while complying with regulations. Conversational AI allows live agents to focus on complex disputes and personalized assistance by automating early-out collections and transferring the calls to the live agents when requested or necessary. This ultimately boosts efficiency and productivity while lowering staffing needs and training costs.

The healthcare RCM market is anticipated to grow at a CAGR of [10.3%](#) in the coming years (2023-2030). It is imperative for companies in this sector to adopt Conversational AI, as it can:



Improve operational
efficiency



Save on costs and
resources



Provide a competitive
advantage



Why Conversational AI and Why Now?

Digital transformation in healthcare operations has become widespread, even when it comes to diagnostic tools. However, Conversational AI is now starting to make significant inroads into early-out collections and patient engagement.

Early-out collection strategies are critical for RCM providers to ensure a healthy revenue stream for their clients. Whether answering inbound calls from patients or launching an outbound collection campaign, providers can significantly benefit from automating these tasks to ensure efficiency, scale, and a positive patient experience.

Today, Multichannel Conversational AI solutions powered by Generative AI can automate two-way interactions, resolve queries, and process payments.

The Multichannel Conversational AI Solution

End-to-end Early-out Collections with 24/7 Availability

Voice AI Inbound

- Zero wait time
- No missed collection opportunities

Voice AI Outbound

- Engage all consumers, ensuring compliant frequency.

Text Assistants

Two-way communication

SMS and Email

- Real-time, automated responses for incremental penetration

Web Chat

- Collect more with Convenient self-serve

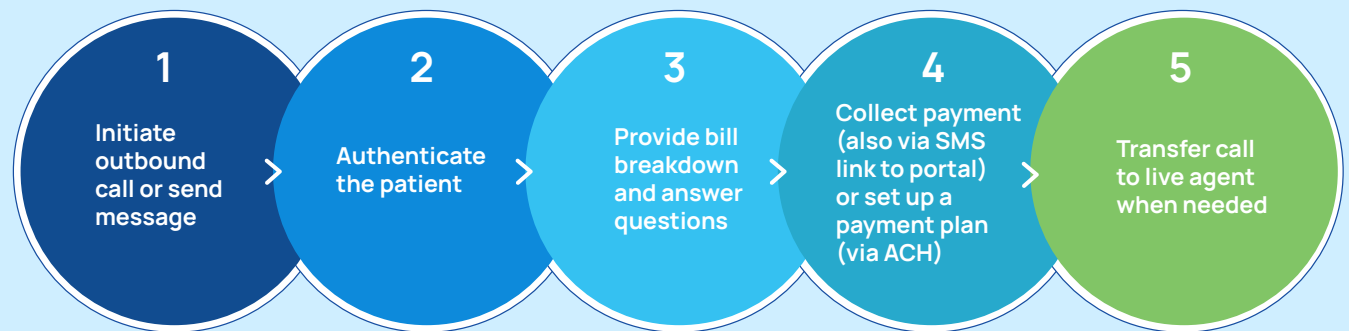


With Multichannel Conversational AI, early-out collection providers can initiate thousands of conversations across various channels (voice, text, etc.) within minutes and handle inbound calls and messages 24/7, so they never miss a single recovery opportunity. The capabilities of Multichannel Conversational AI include:

- Extensive outreach, including multiple follow-ups to establish contact with patients.
- Authenticating patients, providing bill breakup, and collecting payments.
- Set up payment plans or autopay to ensure smooth bill resolution.
- Sending payment reminders on planned dates.
- Collecting payments on-call or direct patients via text-based payment links to a mobile-friendly payment portal.
- Solving the issues related to agent bandwidth, attrition, and reducing the overall cost of collections.

The Capabilities of Multichannel Conversational AI

Healthcare RCMs and Early-out Collections



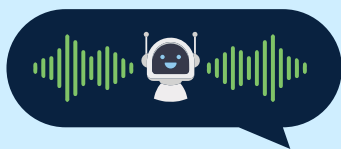
Leverage multiple communication channels:



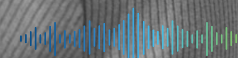
Why Should Early-Out Collection Providers **Adopt Conversational AI Now?**

Missing the AI Wave: Loss of Competitive Advantage

RCM providers are facing unprecedented struggles due to inflationary staffing costs and rising medical debt. With fewer agents available to perform early-out collections, a higher number of self-pay accounts, and higher amounts owed, an efficient collection operation becomes challenging to execute.



Low collections cause thinning margins for both RCM and healthcare providers. Persistent inefficiency in early-out collections may lead healthcare providers to switch to other RCM providers who utilize Conversational AI for better collections. Thus, it is imperative for RCM providers to adopt new technologies or risk being marginalized by their competitors.



Concurrency of Challenges and Opportunities

With the rise of these concurrent challenges, it is becoming increasingly difficult for RCM providers to collect more self-pay dues.

a) Agent Bottlenecks

Agent attrition and hiring costs have long been pain points in the collections industry. High turnover rates result in a constant need for staff recruitment and training, which is time-consuming and expensive for early-out collection providers.

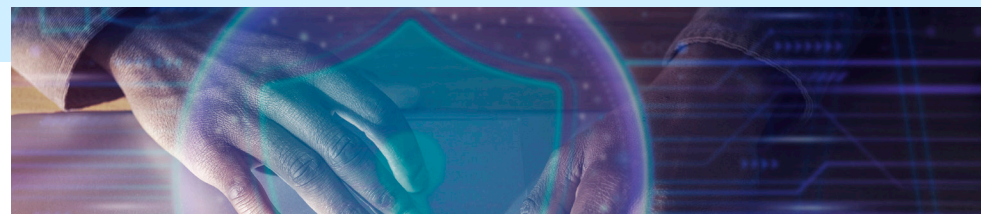
Due to the inflation currently affecting our economy, many companies have moved their operations offshore to reduce staffing expenses. Nevertheless, concerns arise regarding the security of patient data (transaction data, PII information) and the processes involved in data migration. Additionally, relying on offshore staff can lead to a poor patient experience.

Conversational AI can automate end-to-end collections, reducing reliance on live agents for routine tasks and empowering them to focus on more complex issues.

b) Data Privacy Challenges

The healthcare sector faces serious concerns regarding the protection of patient data. Live agents may encounter difficulties ensuring data security and privacy, as they are susceptible to errors. Even minor mistakes can result in significant financial losses. A major healthcare provider recently lost up to [\\$1.6 billion](#) in a ransomware attack.

Conversational AI in early-out collections can help providers comply with data security regulations, strengthening compliance with HIPAA and SOC 2 Type II certification, among others.



c) Rising HDHPs and Collection Opportunities



The rise in popularity of high-deductible healthcare plans (HDHPs) has led more individuals to face higher self-pay dues. This translates to the necessity for increased collection efforts, in which Conversational AI can be crucial to efficiently collect payments.

d) Cost of Collections



The cost of collections is an important element to keep in mind when formulating new collection strategies and workflows. Conversational AI is a cost-effective solution that can reduce these expenses, as it eliminates the need for live agents to perform extensive manual intervention by automating tasks such as patient outreach, billing inquiries, payment reminders, and payment processing, thereby reducing labor costs and improving operational efficiency.

e) Patient Engagement and Dissatisfaction



Patient experience is essential in healthcare delivery, both during treatment and post-discharge. Medical invoices can be complex to understand, mainly when patients are vulnerable during their recovery, requiring a gentle and empathetic approach. Even if patients have numerous inquiries about their bills, it's crucial to address them with understanding and compassion. Some RCM companies outsource early-out collections to regions with lower labor costs, resulting in potential communication barriers due to accents or colloquial language differences.

This is where Conversational AI proves invaluable. AI-powered voice bots can never have a bad day and always ensure consistent, calm, and empathetic communication with patients. Moreover, Conversational AI can facilitate seamless interactions by sending SMS payment reminders or bill details via email, enhancing the overall patient experience during critical moments.



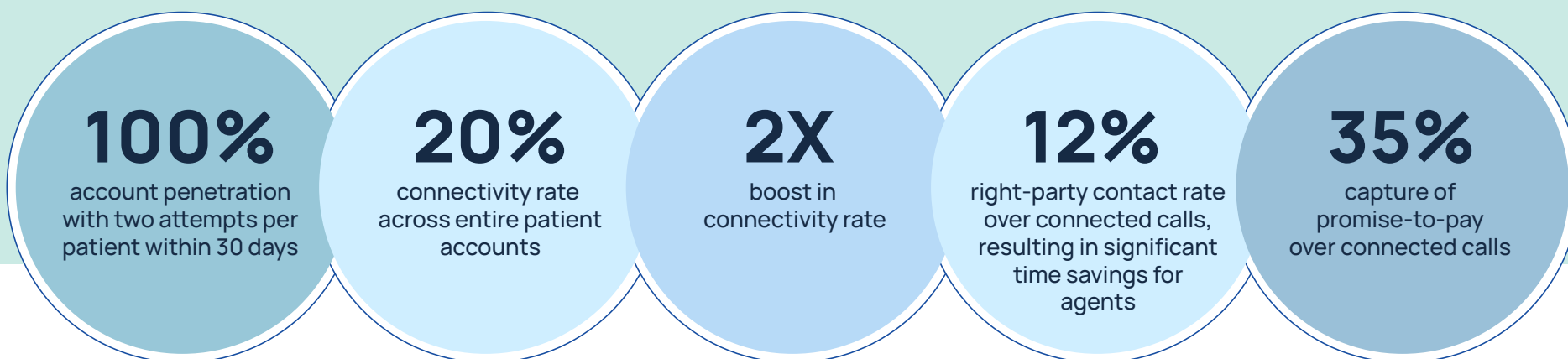
Success Stories:

Conversational AI in Healthcare Collections

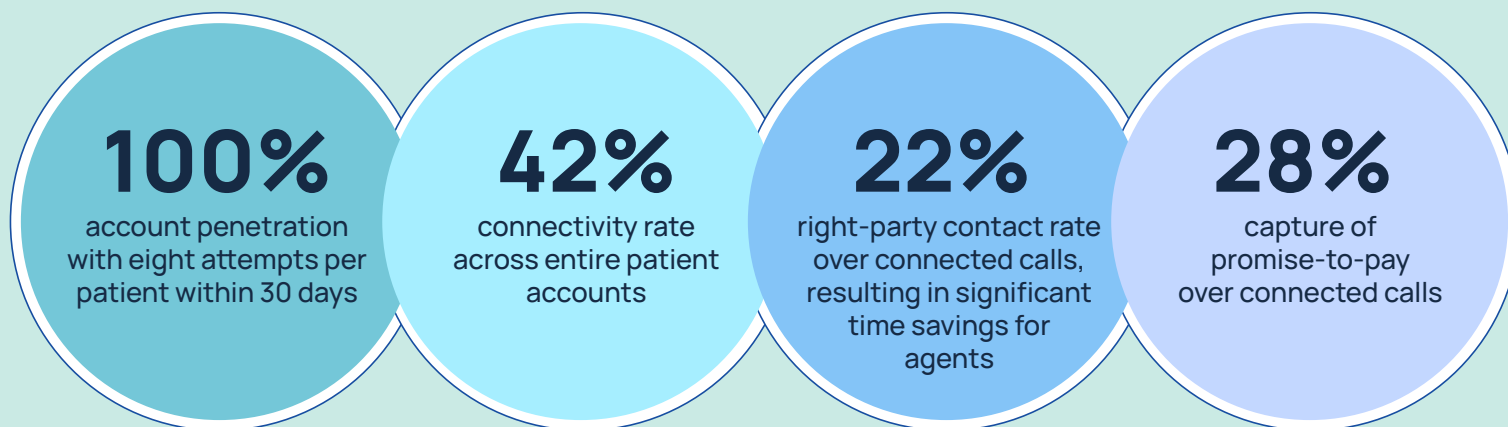
Companies have implemented Skit.ai's Conversational AI solution for early-out collections and have experienced successful acceleration in their collection operations.

A leading Extended Business Office (EBO) provider based in Kansas specializing in early-out collections for healthcare providers adopted Conversational AI, aiming to enhance outreach frequency, streamline agent transfers after establishing right-party contact, and boost collections for increased revenue.

Following the adoption of Conversational AI for early-out collections, they reported:



Another RCM provider based in New Jersey sought to streamline its collections process and enhance revenue recovery efficiency. The business was searching for a solution to handle the high call volumes effectively. The team faced challenges in collecting patient dues further exacerbated by the time-sensitive nature of early-out collections. Following the adoption of Skit.ai's Conversational AI solution, the company reported:



Conclusion

With the increase in self-pay bills, it is becoming increasingly difficult for RCM providers to collect self-pay dues effectively and on time. **Multichannel Conversational AI can assist in early-out collections by boosting engagement within a limited timeframe, saving agent time through automated end-to-end collection processes, and enhancing patient engagement.**





Want to learn more?
Schedule a free demo with one of our experts.

Visit www.skit.ai

Skit.ai is the accounts receivables management industry's leading Conversational AI solution provider, enabling collection agencies and lenders to streamline and accelerate revenue recovery via a suite of multichannel solutions, including voice, text, email, and chat.

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