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Patient debt varies by specialty and location

By David Levine | August 30, 2017

As high-deductible insurance policies proliferate, physicians are keeping a close eye on balances owed by patients.

Should certain medical specialties or locations be particularly watchful? Yes, according to research from the athenahealth network, which shows that both the percent of revenue from patients and the percent of patient bad debt vary by specialty and by location across the provider network.

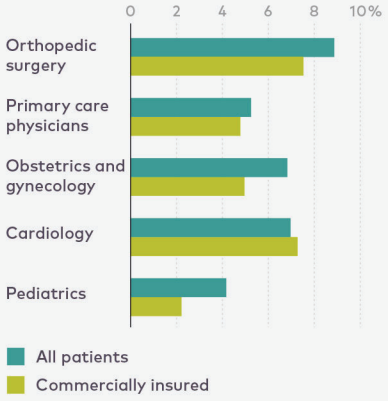
The findings are based on approximately 73 million patient visits to 31,000 providers — including primary care physicians (PCPs), ob-gyns, pediatricians, orthopedists, and cardiologists — in 2016. The data show patient payments account for 16 percent of physician revenue, with the majority of that revenue — 71.5 percent — generated from patients with commercial insurance.

Among commercially insured patients, orthopedists depend most on patient payments, which account for 26 percent of their total revenue, followed by PCPs at 24 percent, cardiologists at 22 percent, ob-gyn practices at 16 percent, and pediatricians at 13 percent.

Orthopedic surgery likewise is the specialty most likely to be affected by bad debt — defined as the amount that physicians are owed but fail to collect from insurance companies or from patients (who account for more than 95 percent of bad debt). Taking the entire sample into account, bad debt represented 6 percent of all physician payments in 2016.

Bad debt as a percent of payments

Bad debt is defined as the amount physicians are owed, but fail to collect, from either patients or payers



Source: athenaResearch
Sample: Approximately 73 million patient vists to 31,000 athenahealth providers in 2016

For all patients, including Medicare and Medicaid patients, orthopedic surgeons carried 8.7 percent of payments as bad debt, followed by ob-gyns at 6.7 percent, cardiologists at 6.6 percent, PCPs at 5.2 percent, and pediatricians at 4.2 percent.

Another research takeaway: Bad debt is higher in rural areas and is increasing faster than in urban centers.

In rural regions, 7.2 percent of bad debt comes from patient payments, an increase of 8 percent over the past two years, according to data collected from 134 million patient visits to 58,000 athenahealth providers from 2014 – 2016, across PCP, ob-gyn, pediatrics, orthopedic and cardiology specialties.

By comparison, 5.9 percent of debt in urban areas is attributed to patients, and that has increased just 2 percent over the same period. The discrepancies are greatest among PCPs, ob-gyns, and pediatricians.

That data squares with what W. Daniel Given sees in his role as chief financial officer at the Minnie Hamilton Health System in Grantsville, West Virginia.

"We've experienced an increase in bad debt over the years," says Given. He considers the most likely culprits to be higher deductibles for commercial insurance and a challenging economic environment in rural areas. "Patient debt has always been a concern in our network," he acknowledges, and "recently, it's become a greater concern."

David Levine is a regular contributor to athenaInsight.