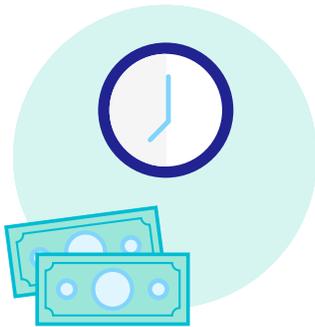


The Cost of No Shows

Defining the problem, understanding the impact, and reviewing the solutions



It is estimated that missed appointments cost the healthcare industry \$150 billion each year. While the blame for this issue is often directed toward the patient, inefficiency at the practice and clinic level can also be a cause.

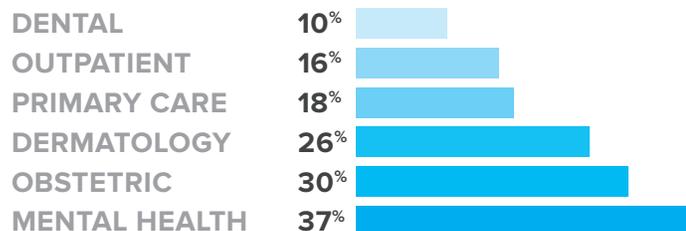
This paper outlines the most common reasons patients miss their appointments, provides benchmarks by speciality, highlights the impact on revenue, and reviews the tactics that practices and physicians can employ as a solution.

In one practice, the average rate of appointment no shows resulted in a daily loss of **\$725.42**

Missed appointments by type

To understand the pervasive nature of missed appointments, it is important to know the variance among practices and specialities. For example, no show rates can range from the low end of 2 percent all the way to 50 percent.

Below are several average rates according to the type of practice:



It should be noted that patients with chronic conditions are more likely to not show for a scheduled appointment, as the challenges associated with their condition can make it

Patient no shows cost group practices more than \$100 billion each year.

difficult to maintain a time commitment. Unfortunately, this group of patients are also the ones who stand to gain the most by showing up.

Another group of patients that contribute to higher than average no show rates are those with Medicaid insurance. One reason for this can be due to socioeconomic reasons, such as a patient needing to rely on public transportation or living in a rural area far from where their physician's office is located.

Common reasons for no shows

A patient may miss their appointment for a variety of reasons, however, the most common causes are:

- **Lack of reliable transportation to the appointment**
- **Too much time between the scheduling and the appointment**
- **Emotional barriers such as a negative perception of seeing the doctor**
- **Belief that staff do not respect their time or needs**

Interestingly, in reviewing the scores of satisfaction surveys, the friendliness of the staff is more important to the patient than the actual outcome of the care that is delivered. This could be due to a lack of clarity the patient has around how to measure the care they received. However, it is easy for them to know whether they felt respected or were met with kindness by practice staff.

There is also the belief among patients that they are doing a practice a favor when they cancel an appointment. A patient may think they are giving staff time back in their day or that a new appointment can easily take it's place.

Impact on the bottom line

There are approximately 230,000 physician practices in the U.S. Of those, 47 percent of them are group practices, meaning there is at least more than one physician or doctor at the location. Patient no shows cost this group more than \$100 billion dollars each year.

In a study on one practice, the average rate of appointment no shows was 18 percent, which resulted in a daily loss of \$725.42. When employing tactics to reduce the number of no shows, the practice was able to recoup between 3.8% to 10.5% in revenue, or \$166.61 to \$463.09.

In another study, a multi-physician clinic had more than 14,000 patient no shows in a single year, resulting in an estimated loss of \$1 million dollars in revenue. In single-physician practices, revenue losses can be as as much as \$150,000 each year.

On average, a primary care practice earns \$143.97 per patient visit, whereas a non-surgical specialty practice earns \$78.43 per patient. While these examples outline the revenue a practice stands to lose, they do not take into account other negative impacts, such as increased wait times or patient dissatisfaction. Therefore, the benefit of seeing more patients must be weighed against the risk of increased patient waiting time and staff overtime.

Current solutions and tactics

When considering possible alternatives to decrease the number of patient no-shows, practices and clinics have employed several tactics. These include text messages, direct mail, live phone calls, and automated phone calls.

While all these tactics have proven to be successful in reducing the number of no shows, it is important to implement a solution that is cost-effective and complements existing practice efforts. Depending on the goals and objectives, a combination of solutions may be the best option. **Below is a baseline introduction to these tactics:**

Text Messages

Many software solutions for healthcare practices offer a way to send text messages to patients to remind them of upcoming appointments. These messages also provide an opportunity for a patient to confirm they will keep their appointment, such as replying with a 'C' for confirmation. If a patient does not reply or responds with a cancellation answer, this signals the practice staff that there is a need to reach out directly to the patient to either confirm or reschedule their appointment.

Depending on the solution, the cost of sending text messages can be free or included as part of a larger software package or service offering. Additionally, text messages have a 99–100 percent open rate and reach a patient directly via their mobile device.

Direct Mail

Another option practices and clinics use to remind their patients of appointments is direct mail, often in the form of a simple postcard. A printed piece can cut through digital clutter and offers space to include additional information or callouts.

While printing costs can be relatively inexpensive for postcards—averaging \$0.15–0.32—they also rely on having accurate addresses for patients. Another drawback is the inability to have a patient immediately confirm they will keep their appointment. A postcard makes the patient aware but a follow up phone call, either by the patient or practice staff, is required for a confirmation.

Live Phone Calls

A call made by practice staff to a patient is a direct and personable way to reduce no shows. The live phone call also allows the patient to reschedule immediately if they are unable to make their appointment.

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While a fee does act as a deterrent, this can also cause a negative perception of the practice as a patient can feel penalized for missing an appointment for a legitimate reason.

However, this is a very manual process, requiring a dedicated staff person to devote time and energy to making and completing calls. A patient may not be available or answer when called, requiring a voice message be left or another call be made.

With this in mind, the benefits of speaking directly to a patient versus the resources spent must be weighed against one another.

Automated Phone Calls

An alternative to live phone calls is an automated service that calls patients on a list, using a pre recorded voice. These services can run in the background with minimal maintenance required by staff.

While these calls can be made indefinitely, they can give the impression of being highly impersonal. A patient may not always listen to the length of the call as well, choosing to hang up as soon as they recognize it as an automated call.

Additional measures to take

Missed appointment fees

As an alternative to appointment reminders, some practices have opted to implement a fee when a patient misses their appointment. This can be due to an outright no show or instituted if a patient cancels their appointment too late, such as within forty-eight hours of their scheduled appointment.

While a fee does act as a deterrent, this can also cause a negative perception of the practice as a patient can feel penalized for missing an appointment for a legitimate reason.

Overbooking

Another option to overcome no shows is to overbook an office's scheduled appointments. When this is done, an additional patient is already present in the event that a patient does not show up for their appointment.

However, the process of overbooking can be highly unreliable as it relies on predicting whether or not a patient will show up. If an unconfirmed patient does show up for an overbooked time slot, this can cause crowding in a waiting room, resulting in longer than normal wait times and a lower quality of service. If a patient's wait time is severe enough, this can force the practice staff to be behind for the day and struggle to catch up. Not only can service levels be negatively impacted for patients throughout the day but this can also force the physician to cut appointments short, sacrificing face time with the patient.

With this in mind, overbooking can solve the issue of no-show patients and potentially increase revenue, but create new problems in its place. Therefore, the benefit of seeing more patients must be weighed against the risk of increased patient waiting time and staff overtime.

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Conclusion

It is clear that patient no shows represent a significant problem to the healthcare industry, in both the primary care and speciality office space. However, just as the issues with missed appointments impact patients and providers alike, the solution must also be one that accommodates both parties.

For example, one solution may be economically viable for a practice, but not effective or utilized on behalf of the patient. By engaging with patients in the way they prefer, the foundation for an ongoing relationship can be established. Over time, the conversation moves beyond simple transactional communications and becomes more valuable to the patient and practice.

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CrossChx gives patients and providers a better way to connect to their health. The company's flagship platform, Connect, offers secure, intuitive and data-rich features including biometric verification and mobile information management to patients, practices, hospitals and care managers.