Patient Lending Program

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Patient Lending Program

• What is it?

A merchant lending program that is used to finance medical/dental procedures for clients/patients who lack medical insurance, have fixed income, or simply do not have the disposable income to afford a large out-of-pocket expense for medical/dental services.
Patient Lending Program

- This is a financial institution that supports the LSUHSC system.
- We went through this particular lending institution because of our relationship.
- They offer many other business services for faculty staff and students at our campus.
Patient Lending Program

• Why?
• Began researching this in 2008
• Opened up a huge can of worms.
• ‘This will never work’.
• Held many meetings with the lending institution officers.
• Many unknowns.
How does it work?

• Installed a private and secure cloud-based process to enter all loan application

➤ 1<sup>st</sup> floor Screening area
➤ 2<sup>nd</sup> and 3<sup>rd</sup> floor Undergraduate Areas
➤ 4<sup>th</sup> floor Post Graduate Area
How Does It Work?

• Hospital Admission Technicians (HATs) have been trained to enter loan applications.

✓ Patient completes manual application form.
✓ Verify patient identification, obtain copy of drivers license and obtain electronic signature from patient
How Does It Work?

• This system provides instant loan decisions or places the loan in pending status for immediate review

• If loan is pending, a loan officer from the lending institution will render a loan decision within 15-20 minutes and send notification directly to the system
How Does It Work?

• Dental School requests funding electronically the week prior to the treatment
• The lending institution sends funding electronically to the dental school accounting office.
Easy Application Process

Application is entered by HATs in designated areas

Application is decisioned

Patient signs documents electronically

Clinic requests funding the week prior to treatment

Funding is processed within 48 hours

Procedures are performed in Dental Clinic

Patient receives ‘Card’ for future use
Payment plans offered

• Multiple payment plans available for patients:

  ✓ Interest –free financing up to 18 months available. (6, 12 and 18 month options available)

  ✓ Traditional loans available up to 48 months.

  ✓ This program does not charge ‘retro interest’ on unpaid balances.
Comparison

Our lending program

• Low rates to the clinic. (4%-11%)
• Local decisioning - easily accessible representatives.
• No additional equipment to purchase
• Local offices to service your patients.
• Standard rate after promotional period - 14.99%.
• After promotional period ends, interest is charged monthly to the current outstanding balance.
• Penalty rate 17.90%. (interest is only charged on the outstanding balance)

Other programs

• Higher rates to the clinic. (13%-15%)
• No local representative to assist decisioning loans.
• Must purchase special terminal for card processing.
• No local offices
• Standard rate after promotional period - 26.99%
• After promotional period ends, interest is assessed from the transaction date
• Penalty rate - 29.99%. (interest is assessed from the transaction date)
Dental School Benefits

- Provides multiple options for patients.
- Greater opportunity to perform Post-Graduate procedures.
- Helps increase operating income as more treatment plans will be completed.
- Dental school not responsible for Collections and will recognize the revenue.
Patient Benefits

- Patients get the dental care they desperately need; creating good will.
- Patients with fixed income will have multiple financing options to pay interest-free for up to 18 months or 48 months for traditional low interest loans.
- No retro-interest payments.
LSUHSC School of Dentistry
ANALYSIS
OCTOBER 2012 - SEPTEMBER 15, 2014

<table>
<thead>
<tr>
<th>Floor</th>
<th>Total Applications</th>
<th>Instant Approved</th>
<th>Approved</th>
<th>Declined</th>
<th># Funded</th>
<th>Approval Ratio</th>
<th>Approved $$$</th>
<th>Funded $$$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Floor</td>
<td>42</td>
<td>5</td>
<td>17</td>
<td>20</td>
<td>19</td>
<td>52%</td>
<td>$ 51,946.00</td>
<td>$ 46,006.00</td>
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<tr>
<td>2nd Floor</td>
<td>339</td>
<td>63</td>
<td>105</td>
<td>171</td>
<td>147</td>
<td>50%</td>
<td>$ 351,140.00</td>
<td>$ 290,158.00</td>
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<tr>
<td>3rd Floor</td>
<td>257</td>
<td>41</td>
<td>83</td>
<td>133</td>
<td>97</td>
<td>48%</td>
<td>$ 231,670.00</td>
<td>$ 155,701.00</td>
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<tr>
<td>Endo</td>
<td>50</td>
<td>4</td>
<td>12</td>
<td>34</td>
<td>14</td>
<td>32%</td>
<td>$ 19,401.00</td>
<td>$ 15,036.00</td>
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<tr>
<td>Oral-GPR</td>
<td>23</td>
<td>3</td>
<td>8</td>
<td>12</td>
<td>10</td>
<td>48%</td>
<td>$ 17,532.00</td>
<td>$ 15,020.00</td>
</tr>
<tr>
<td>Perio</td>
<td>34</td>
<td>13</td>
<td>12</td>
<td>9</td>
<td>19</td>
<td>74%</td>
<td>$ 93,280.00</td>
<td>$ 59,480.00</td>
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<tr>
<td>Ortho</td>
<td>33</td>
<td>2</td>
<td>10</td>
<td>21</td>
<td>6</td>
<td>36%</td>
<td>$ 24,030.00</td>
<td>$ 9,680.00</td>
</tr>
<tr>
<td>Prosth</td>
<td>39</td>
<td>10</td>
<td>11</td>
<td>18</td>
<td>17</td>
<td>54%</td>
<td>$ 197,113.00</td>
<td>$ 101,473.00</td>
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<tr>
<td>Totals</td>
<td>817</td>
<td>141</td>
<td>258</td>
<td>418</td>
<td>329</td>
<td>49%</td>
<td>$ 986,112.00</td>
<td>$ 692,554.00</td>
</tr>
</tbody>
</table>

**Appr/Funded Difference** $293,558.00
Thank You!

Questions?
Relaxation