

## Solving Rural Hospitals' Self-Pay Challenges: A Proven Strategy for Financial Stability

### Self-Pay Pressures in Rural Hospitals

Self-pay has become a growing operational challenge in rural hospitals. A challenge that goes far beyond billing and balance sheets. As patient responsibility increases, already stretched billing teams are being asked to do more with less; processing claims, checking eligibility, responding to patient inquiries, and navigating financial assistance while self-pay balances continue to grow.

In these resource-limited settings, there's no dedicated self-pay department. It's the same small group of people handling every aspect of the revenue cycle. As accounts pile up, staff are forced into reactive mode. Communication breaks down, follow up is delayed, patients grow frustrated, and collections suffer. This pressure is especially acute in rural communities where staffing is tight, recruitment is difficult, and the patient population often includes a higher proportion of seniors or under-insured individuals. There's little room for inefficiency and no back up plan when the system starts to crack.

That's exactly what happened at two rural hospitals: a critical access facility in rural Illinois with **fewer than 25 beds**, and a regional hospital in Indiana serving a broader population with **more than 80 beds** and growing outpatient demand. Though different in size and setting, both facilities were experiencing the same reality: mounting self-pay balances were pulling staff away from core responsibilities, damaging patient trust, and threatening financial performance.

They weren't alone. Their experience reflects a broader trend across rural healthcare where solving the self-pay problem isn't about chasing payments. It's about protecting the stability of hospitals that serve as lifelines to their communities.

What follows is how these hospitals tackled the problem, what changed, and why a structured self-pay strategy made all the difference.

### Implementing a Rural-Focused Self-Pay Solution

The hospitals in Illinois and Indiana didn't need more staff or costly new systems, they needed structure that fit their reality. Both facilities needed something that could work with the resources they had, not around them.

Magnet Solutions partnered with each hospital to design a process that fit with their day to day operations. There was no cookie-cutter fix. Each strategy was built around what mattered most: clear patient communication, consistent follow-up, financial assistance screening, and real-time reporting. All of which was handled by a dedicated support team that reinforced each hospital's own staff.

The transition was practical and grounded in reality. It didn't disrupt existing workflows or require massive changes. Instead, it brought structure to an area that had become reactive and inconsistent. By aligning with their current teams and tools, Magnet helped both hospitals take control of their self-pay processes without stretching their people any further.

# Case Study

## Proven Results in Rural Revenue Recovery

Implementing a structured self-pay process led to measurable improvements across both hospitals in operations, finances, and patient perceptions.

At the Illinois facility, the shift was immediate. Staff were able to offload billing inquiries and billing management to Magnet's team. This opened up time to focus on core responsibilities, while Magnet delivered:

- A projected \$1M increase in self-pay collections in 2025
- Timelier and more consistent patient communication
- Fewer billing complaints, especially among elderly patients

At the regional hospital in Indiana, the challenge was keeping up with collections while managing the demands of daily billing operations. Like many rural facilities, the billing staff rotated phone duties, which regularly pulled them away from claim work and made it difficult to maintain consistent communication with patients.

Since implementing the new self-pay process, the hospital has seen noticeable improvements. Phone routing is more efficient, call center performance has improved, and patient follow-up is more reliable. Internal staff are no longer juggling conflicting responsibilities, and patients are getting quicker, clearer responses. Satisfaction has increased among team members who now have room to focus as well as among patients who feel more supported and informed. Across both facilities, Magnet's involvement brought structure to previously fragmented efforts.

The results:

- A 20-25% increase in cash flow from self-pay accounts.
- Net liquidation rates between 45-72%, outperforming prior vendor performance
- Fewer billing complaints and renewed trust among patients

*"This process took a huge burden off our staff's shoulders. The transition was smooth, and we finally have the structure we needed for self-pay accounts."*

*– Revenue Cycle Director, Indiana Regional Hospital*

In rural hospitals where staffing is lean, systems are often outdated, and every hour counts, these improvements went far beyond collections. They created space for teams to focus, strengthened patient relationships, and stabilized a critical part of hospital operations.

Most importantly, they gave these hospitals room to breathe. In the process, restored confidence, relieved staff, and provided a better experience for every patient they serve.

## Moving Forward with Confidence

Managing self-pay shouldn't be a burden on your staff or your bottom line. Magnet Solutions partners with rural hospitals to create a smarter, more efficient approach to revenue cycle management.

We're here to help you explore a smarter approach to self-pay. One that eases the burden on staff, supports patients, and strengthens financial performance.