EMPOWERING The Patient Financial Experience

HFMA Region 9 Webinar

Discussion Outline

- Transition from patients to consumers
- Creating a consistent standardized PFX
- Patient Satisfaction – Patient Survey Says What?
- The future of measuring PFX
“The most serious mistakes are not being made as a result of wrong answers.
The truly dangerous thing is asking the wrong questions.”
— Peter Drucker —
Understanding the Patient and Consumer

**Consumers make non-healthcare payments:**
- 84% on time or early
- 12% not more than 30 days
- 3% pay bills 30 days late
- 1% Pay bills 60 days late or more

**Patients make healthcare payments:**
- 29% make some payment prior to
- 13% prefer to make multiple payments
- 53% wait until after insurance payment before paying
- 5% wait as long as possible, (more than 60 days due to distrust the billing)

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**Question 1**

What do patients want in a Patient Financial Experience versus what providers think and offer?
Question 1 INSIGHTS
The Disconnect Between Patients and Providers

Patients Want:
• Accurate pre-service estimates
• Help understanding their coverage
• Consolidated bills
• Personal control; how bills are delivered, payment options, etc.
  • Consistent with a positive retail purchase experience

Providers Offer:
• 37% of providers offer an estimate or explanation of costs prior to services
  • 55% of patients not satisfied with information received
  • One quarter of estimates are inaccurate
• 55% of providers do not offer combined billing statements
• Providers are focusing on improving portals and payment plan options
  • Only 27% offer flexible payment plans
  • Only 12% offer online support

Question 2

Which patients are paying and what can we learn from their actions?
Question 2 INSIGHT

Nearly $1B in Patient Payments Annually Has Taught Us a Lot...

- Self-serve Payments (55%)
- Assisted Payments (45%)
- Patients Who Pay (60%)
- Patients Who DO NOT Pay (40%)
- Assisted No Pays (20%)
- No Pays (80%)

Question 3

Are there differences between self-service usage and payment trends between various generations?
Question 3 INSIGHT

Patients Who Require Assistance and Pay by Generation

<table>
<thead>
<tr>
<th>Generation</th>
<th>% Assisted</th>
<th>% Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z (1997)</td>
<td>0.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Millennials (1981-1996)</td>
<td>10.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Gen X (1965-1980)</td>
<td>20.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Baby Boomers (1946-1964)</td>
<td>30.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Traditionalists (1900-1945)</td>
<td>40.0%</td>
<td>30.0%</td>
</tr>
</tbody>
</table>

Which Generations Requires More Assistance?

**Millennials & Gen X**
- Switches providers often
- Questionable trust of providers
- Complicated Insurance
- Minimal experience with insurance
- Perceived as more tech savvy

**Baby Boomers & Traditionalists**
- Sticks with providers for years
- High trust in providers
- Less complex Insurance
- Lots of experience with insurance
- Perceived as non-tech savvy
Question 4

Do you believe patients want self-service in their financial experience?

Question 4 INSIGHT

Patients want self-service…but need assistance, until we simplify the industry and process

1 out of 2 patients want a dedicated concierge (support person) to engage with them throughout their financial experience
Why is Healthcare Different?

Patients want self-service...but need assistance, until we simplify the industry and process

- A price is not a price – hospital charge masters versus actual liabilities
- People don’t understand their insurance and liability
- Three party system (Patient, Provider, Insurance Company)
- Clarity of other industries – Price, Value, What we will receive

Historical: Siloed Practices

- Pre-Service: Minimal resources applied to financial communication and consumer activity.
- Time of Service: Typically engage patient at time of service – financial discussion – patient not prepared.
- Post Service: Patients notified of financial obligations after insurance is billed and paid.
**WHAT WE UNDERSTAND:**

- Siloed processes lead to a lack of trust from patients
- Patients expect continuity with:
  - people
  - processes
  - communication
  - billing and payment tools

**Hospitals must bridge the expectation gap**
Empower Patients

• Consistent and informative financial experience
  ✓ Information delivered proactively and earlier in the process
  ✓ Guidance and assistance in understanding what to pay
  ✓ Customized patient engagement support (i.e. online chat and phone support, etc. across all billing access points)

Advocate for Patients

• Investing in people, technology and data to improve patient financial processes – ability, prior balance discussions and payment options
  ✓ Prediction technology identifies at-risk patients earlier in the process
  ✓ Payment options and plans aligned with individual’s ability to pay
  ✓ Personal concierge service
Align Financial Communication

- Highly integrated financial communication
  - Single consolidated billing statements
  - Reminders about balances
  - Improved access to payment portals, phone, etc.
  - Streamline billing services across the system

1 out of 5 Millennial, Generation X and Baby Boomers said their patient financial interaction negatively impacted their clinical experience.
"You Can’t Manage What You Don’t Measure”
– Peter Drucker

Negative Patient Financial Experiences

1 out of 4 patients has had a less than satisfactory hospital financial experience in the past year.

Patients who don’t understand their bills, what they owe and why they owe it tend to give lower scores on patient satisfaction surveys.
How do my patients feel about the revenue cycle?

Not Sure

Measuring Patient Experience

1 in 20
Financial Survey response rates are even worse

28%
2016 U.S. HCAHPS Survey Response Rate

And you typically get two EXTREMES
A client of ours recently confided: "My Board asked me to measure our patients' financial experience. But I have no idea how to do it."
Score

- Measure how your organization is doing against the expectations of your population
Optimize

- Revenue cycle complaint management - leverage data

Succeed

- Provide a high touch experience
Complaints are a form of opportunity because they are drivers of change.

Score
Identify statistically relevant patient satisfaction data
- Criteria
- Triggers
- Components

Optimize
Predict patient behavior
- Likely to escalate
- Look at all encounters not just a random batch

Succeed
Initiate service recovery
- Acknowledge the issue
- Fix the problem
- Follow-up

Definition of a Patient Complaint

- Patient mutters while handing over their credit card that they’d wished they’d known sooner about what they owed
  YES
  NO

- Patient holds off paying until the last possible moment
  YES
  NO

- Patient has the ability to pay but never does
  YES
  NO

- Patient gets a bill 90 days after service and calls, confused on why they are being billed — and pays
  YES
  NO

- Patient gets a bill 90 days after service and calls, angry — and refuses to pay
  YES
  NO
Tracking the Patient Financial Experience Today

- Reactive
  - Post service surveys
  - Patient complaints – typically post service
  - Selective quality review – limited
  - Other?

- Recovery
  - Patient called – service recovery initiated

Question 5

What new solutions or technologies can be deployed to better understand patient desires and behavior?
Question 5 INSIGHT
Scoring the Patient Financial Experience

Proactively Measure, Predict, Score and Improve

100% of your Patients’ Financial Experience

Defining New Metrics for Success

Identify statistically relevant patient experience and satisfaction data

• Proactive - Use real-time patient feedback for pivotal transformation
  ✓ Call analytics
  ✓ Patient payment behavior
• Analyze 100% of all encounters
• Predict and respond to patient behavior
• Initiate real time service recovery
Leveraging Speech Analytics

‘Will Not Pay’ Word Bubble

Sample Score Criteria

- New or corrected insurance or account information after initial bill
- Time from hospital service to 1st patient bill
- Patient refuses to pay
- Call escalation
- Others?
Sample Score Card

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria #1</td>
<td>82%</td>
<td>96%</td>
<td>100%</td>
<td>96%</td>
<td>100%</td>
</tr>
<tr>
<td>Criteria #2</td>
<td>75%</td>
<td>100%</td>
<td>100%</td>
<td>36%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Sample Score Feedback

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Feedback</th>
<th>Action</th>
</tr>
</thead>
</table>
| New or corrected insurance or account information | • 18% of accounts indicate account errors  
• 82% of accounts indicate new insurance info found | 1. Review account for missing/incorrect adjustments  
2. Review insurance eligibility pre-service process  
3. Review type of account (i.e. ER vs. scheduled, etc.) |
| Refusal to Pay | • Reasons for refusal to pay:  
➢ Poor clinical experience  
➢ Expected insurance to pay  
➢ Unable to pay | 1. Escalate poor clinical experience  
2. Review insurance payments against contracted amount and/or eligibility  
3. Initiate financial assistance, review financial counseling process for enhancements |
True Consumer Partnership

- Consistent and informative financial experience
  - Personalize the financial experience - Offer multi-channel, high-touch patient communications

- Invest in people, technology and data to improve patient financial processes
  - Ability, prior balance discussions, and personalized payment options

- Highly integrated financial communication
  - Streamline billing services across the system

WHAT WE UNDERSTAND:

- Success will be determined by how well organizations know, react, and anticipate the patient’s experience

- Review the patient experience before, during and after the patient leaves your care

- Understand what consumers really need to make decisions about their healthcare spending

- Personalize the patient experience with greater clarity and immediacy
Thank you!

Suzanne K. Lestina, FHFMA, CPC
Vice President, Revenue Cycle Innovation, Avadyne Health

As Vice President of Revenue Cycle Innovation, Suzanne analyzes and advises hospitals in transforming their revenue cycle, using innovative processes, software technology and outsource services, to achieve positive financial outcomes and improvements in patient financial experience.

As a professionally trained speaker, her messages will inspire you to transform your health care organization.

Prior to joining Avadyne Health, Suzanne was HFMA’s Director of Revenue Cycle, and was the MAP product line expert. In addition, Suzanne has held revenue cycle leadership roles in the Chicago area as well as revenue cycle management consulting on a national level. She has a bachelor’s degree in organizational management from Concordia College and is a past president of the 1st Illinois Chapter of HFMA.

Ms. Lestina can be reached by telephone at (708) 710-3859 and/or by e-mail at slestina@avadynehealth.com
Avadyne Health’s report: *Bridging the Gap; The Growing Disconnect Between Patient Expectations and the Healthcare Financial Experience*

A study that captured the viewpoints of over 500 healthcare consumers who received hospital based services in the previous 12 months and 100 hospitals.

E-books;
1. Financial discussion can put even a solid relationship on thin ice
2. Are patients breaking up with you and you don’t know why
3. We know how our patients feel about us! (or *Do we?*)