Healthfuse
Transparency. Relationship. Trust.

Vendor Relationships Built On Trust

HOW TO DELIVER AN OPTIMAL PATIENT EXPERIENCE FOR MAXIMUM FINANCIAL RESULTS

Each patient interaction has a direct impact on your brand reputation and your bottom line.

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Maintaining solvency has become more challenging in the age of value-based contracting and increasing patient responsibility. Every year, $7.5 billion of the $63.7 billion in patient responsibility goes uncollected.[1] That represents more than 10% of revenue lost to ineffective revenue cycle processes. Now that patient responsibility represents more than 35% of a provider's bottom line; the potential financial impact is more significant than ever.[2]

The Majority of Patients Do Not Pay on Time[3]

70%

Portion of millennials who say they have missed a medical payment deadline

67%

Patients who report having trouble making timely medical payments due to their financial situation

56%

Patients who delay medical payments at some point

Beyond a provider's bottom line, the inability of patients to pay for care has an even more troubling impact. More than 60% of patients surveyed said they have had put off needed care due to cost.[4] While providers understand the importance of providing a quality clinical experience for their patients, they may not realize the role the financial experience has on their patients' health. Now that those patients owe more of their own healthcare costs, the connection between the financial and clinical experience is evermore intertwined. Therefore, the quest to improve a patient's health should also be a quest to improve a patient's ability to pay for their care.

Now that patients are the third-largest payer behind only Medicare and Medicaid, providers need a more proactive, patient-centric process for collecting.[5]

With so many stakeholders in the revenue cycle—patients, payers, providers, vendors, clearinghouses, billing companies, and more—it can be challenging to decide what to tackle first. The following are three areas proven to deliver an optimal return on your investment.

Improve Price Transparency

Whether from an illness or accident, patients and their families are often taken by surprise when the need for hospitalization arises. They have no opportunity to plan and save for the event. Since 40% of Americans surveyed say they would have trouble paying a $400 surprise bill, they would be even more unlikely to have the means to cover a hospital bill in the thousands.[6] Even for those with insurance, issues with out-of-network providers and preauthorization requirements can increase denials and make it even harder for patients to pay and providers to collect.

Why Patients Do Not Pay[7]

30%

Confused about how much they will owe and what insurance will cover

30%

Received bills for services they don't think they're responsible for

25%

Want to wait for the final bill, so they are sure what they will owe

11%

Uncertain about how to pay

The first step in helping patients pay is to remove some of the confusion around what they will owe. While legislation is already underway that will require greater levels of price transparency, providers can benefit by getting ahead of any impending mandates.[8]

Of course, it is impossible to share information you do not have yourself. While most providers use patient access tools to verify coverage, those tools often fall short in providing current, accurate, and complete information. The other alternative is to call payers to validate patient information. But that requires staff to spend hours on the phone with payers or searching through payer websites. Neither of those options provides the level of patient data necessary to reach an effective level of price transparency.

The better approach is to use patient financial estimation tools to create a detailed overview of each patient's plan, co-pays, remaining deductibles, and other coverage information. The estimates can be shared with the patient to help them better understand their full responsibility.

Leveraging patient responsibility estimation tools helps position the provider as an advocate for the patient. Patients will better understand that their responsibility is set by the plan they chose, not by the provider, which can help build a relationship of trust and loyalty.

Build a Patient-Centric Payment Experience

In a recent survey of more than 2,000 patients, 90% said they want to pay their healthcare bills in full.[10] The same percentage said they would prefer using a payment plan to do so. Yet, most hospitals and health systems only offer this option if a patient asks for it. Since requesting payment only after the patient visit can reduce collections by up to 50%, providers should consider offering a payment plan before service.[11] To be most effective, plans should be customizable to each patient's unique financial situation and should allow additional balances to be added over time, even from the patient's family members.

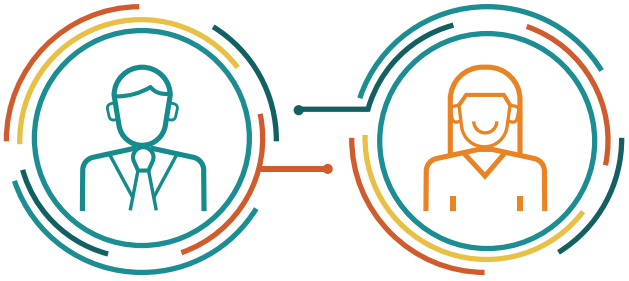
Besides proactive payment plans, providers can enhance the patient pay experience by offering a variety of tools through which to pay. This includes online portals, automated phone systems, and mobile payments. Since there is still a large contingency of patients who prefer paying through the mail, providers can improve the experience by providing patient-friendly billing statements. "Patient-friendly" means the statements are clear, concise, and easy to understand. They should include all encounters on a single statement, so patients are not inundated with multiple bills from multiple entities. Statements that are easier to understand get paid faster. They also reduce calls into the billing department.

The entire payment process should be seamless for the patient, no matter which facility or provider delivered the care. When each provider uses a different payment process and offers different payment options, patients get confused. And confusion leads to delayed payment and poor customer satisfaction. Large health systems with multiple facilities can benefit by partnering with patient payment experts. These vendors can offer patients a consistent payment experience, from proactive payment plans to multiple payment options. The return on investment comes from reduced write-offs, faster payments, and improve patient satisfaction scores.

Enhance Patient Engagement

A hospital's collection staff are of equal importance to the clinical staff when it comes to patient engagement. A poor financial experience can completely offset a positive clinical experience. And patients are not afraid to take their business elsewhere if it means a better patient financial experience. Staff should be trained on how to have a positive, effective financial conversation with patients. They should also learn "soft skills," such as attentive listening and compassion. All too often, collections staff are more focused on getting through the day's call roster than curating a positive patient experience. This is understandable for hospitals and health systems with limited resources. In such cases, it can be helpful to partner with collection vendors to manage the process. The most effective vendors are those that follow industry best practices and are committed to transparency and continuous improvement. Collection vendors act as an extension of a hospital's billing department and represent the hospital's brand at every patient interaction.

Enhancing the patient experience also plays a vital role in quality outcomes and patient satisfaction. A negative experience from an aggressive or poorly trained collection agent can cause patients to put off future care, which can increase readmissions and reduce care outcomes. It may also cause patients to choose a different provider the next time they need care.



Success Story

Nebraska Methodist Hospital

Nebraska Methodist Hospital, a part of the Methodist Health Systems, has been serving the people of Omaha and Western Iowa for more than 35 years. The non-profit includes a 430-bed acute care hospital with more than 2,000 full-time employees and 400+ physicians. Nebraska Methodist Hospital used the same early-out vendor for many years. Even with the valued and trusted relationship, the health system experienced increasing complaints from patients who were unsure as to why they were being sent to bad debt. They also discovered that there was an influx in bad-debt collections within the first three weeks after agency placement, driving up the cost to collect. The health system needed a way to analyze the vendor's processes to identify areas for improvement.

Nebraska Methodist Hospital chose Healthfuse to perform a process audit and to help improve transparency between the health system and the vendor. The proprietary automated rules-based auditing tool, AutoAudit—runs throughout a client's system, scrubbing activity files produced by the vendor, or dialer files if for early out, bad debt, or patient financing. AutoAudit identifies and flags potential issues on an account and then segments those issues based on the various rules violated. Healthfuse analysts then work with vendors, participating in call auditing to ensure customer service best practices are being met and providing remediation and improvement counseling.

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The increased transparency Healthfuse was able to deliver helped not only us but our long-standing vendor as well. Together, we've been able to significantly improve self-pay collections and reduce bad-debt in a relatively short amount of time.

Michaela Thomsen, *Director of Patient Financial Services*
Nebraska Methodist Health System

Healthfuse, Nebraska Methodist, and the vendor worked collaboratively to address gaps in procedures and to implement improvements across all collection and bad-debt processes. **With Healthfuse, Nebraska Methodist has achieved:**

45%
improvement in outsourcers productivity

$131K
in invoicing errors recovered to-date

$10.9M
in incremental cash improvement to-date due to increased vendor liquidation

$333K
in contract savings to-date

Nebraska Methodist Health System maximized patient collections with its early-out self-pay agency, reducing accelerated payments in bad debt from 12% to less than 3% in two months while improving patient satisfaction.

Meeting Patients Where They Are

Traditional patient collection processes were developed to benefit the provider, not the patient. Ironically, they benefit neither. But creating a more patient-centric process is not something a provider can do overnight. It takes time, resources, and a level of expertise; many hospitals and health systems do not have. Partnering with vendors can be an intelligent option. But not all vendors are created equal. Partnering with industry experts like Healthfuse can ensure vendors are held accountable for delivering a positive patient financial experience—from patient access to final payment—while returning optimal financial results for the provider.

SOURCES

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