MID AMERICA 2022 SUMMER INSTITUTE

EMBRACING CHANGE AND TRANSFORMATION

RETHINKING THE PATIENT FINANCIAL EXPERIENCE

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Attendees will be able to explain:

- What is driving payment behavior today;
- How organizations can begin making meaningful improvements to their patients' financial journey;
- How to measure the patient financial experience (satisfaction).

Most Frequent Patient Conversations (900K conversations)

- 36% Feel they owe nothing as it was to be paid by insurance.
- 35% Claim to never have received bill/statement.
- 36% Establish a formal payment arrangement.
- 11% Guarantor/Third Party calling to discuss paying balance in full.

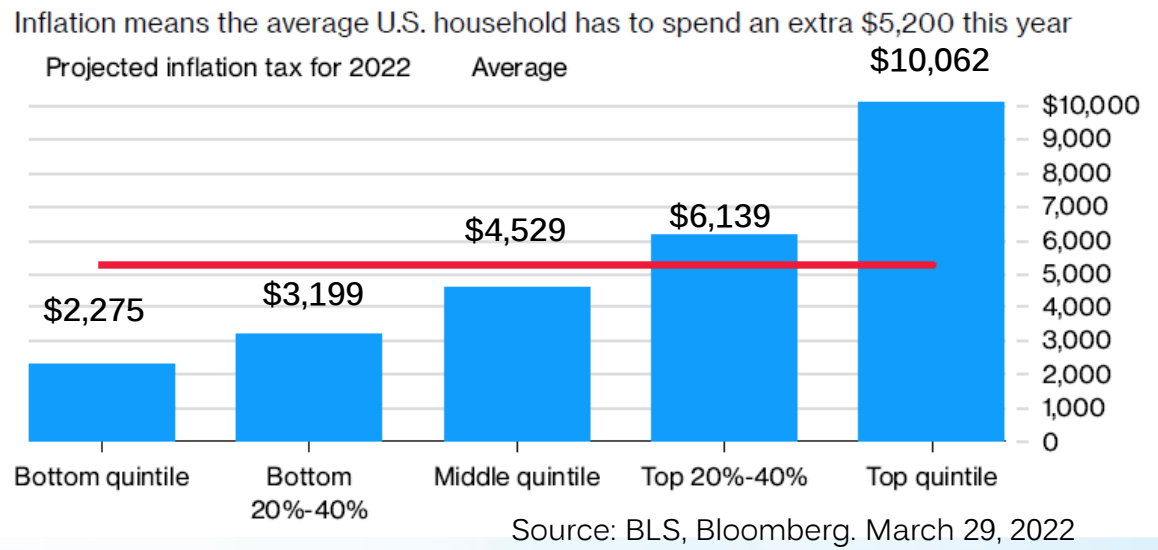
Drivers of Payment Behavior

Inflation

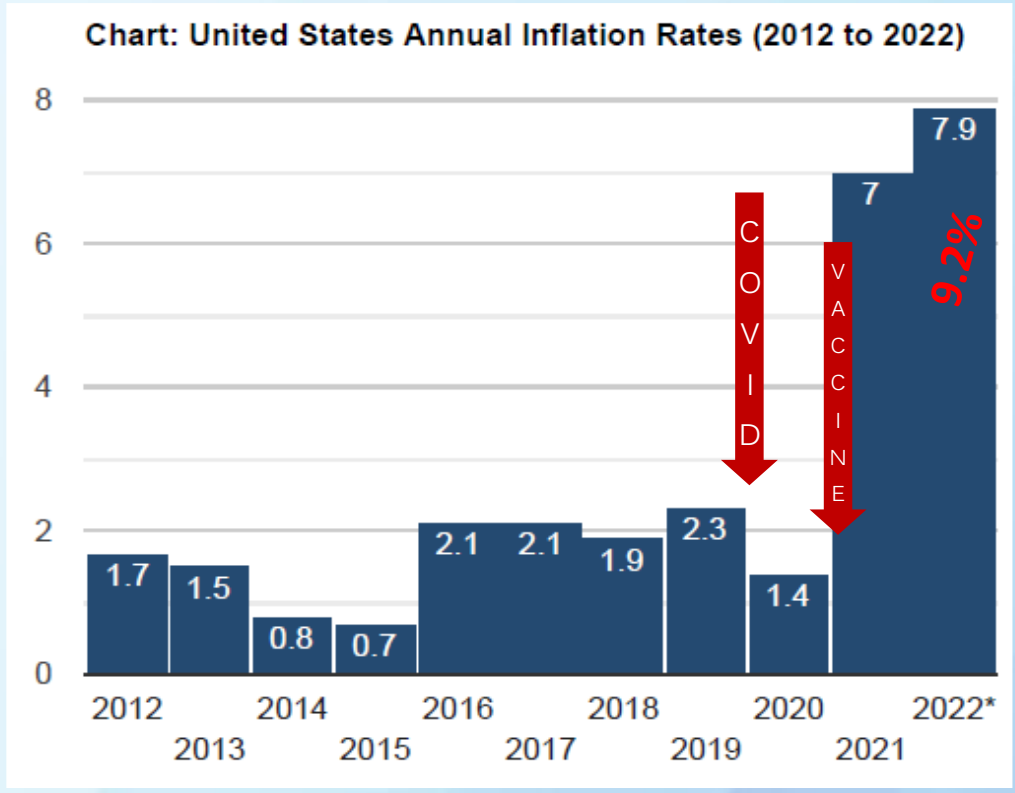
Percent who say it is very/somewhat difficult to afford the following:

33%	Rent/mortgage
30%	Gasoline/transportation costs
30%	Utilities
25%	Food

SOURCE: KFF Health Tracking Poll (Sept. 23-Oct. 4, 2021)



Source: BLS, Bloomberg. March 29, 2022

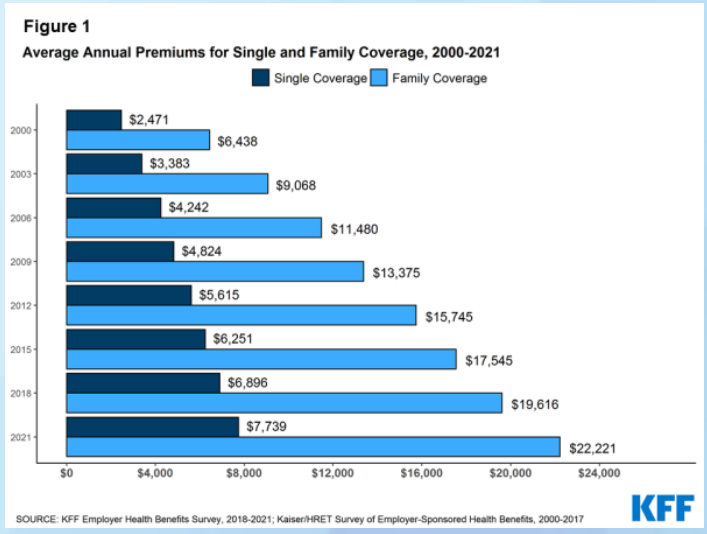


www.usinflationcalculator.com/inflation/current-inflation-rates/

Patient Cost of Insurance

- Annual premiums for employer-sponsored family health coverage reached $22,221, with *workers on average pay $5,969 toward the cost of their coverage*.
- 46% of insured adults have difficulty affording their out-of-pocket costs, and
- 27% have difficulty affording their deductible.
- The average premium for family coverage has increased 22% over the last five years and 47% over the last ten years.
- Covered workers (single coverage)
  - 29% have a general annual deductible of $2,000 or more.
  - 27% have an out-of-pocket maximum of $6,000 or more.

Kaiser Family Foundation (DEC 2021)



Patient Cost of Care

CONSUMER FINANCIAL PROTECTION BUREAU

FEBRUARY 2022

- As of 2021, **58% of all third-party debt collection tradelines** were **medical debt** (not on CC). The second most common was telecom debt at 15%.
- 2/3 of medical debts are the result of a one-time or short-term medical expense arising from an acute need.
- Choice of medical services is limited due to price opacity, restrictive insurance networks, constraints on provider availability, and in some cases, emergency need.

Best Credit Cards

- 39% having issues with medical bill payments have employer insurance.

American Journal of Medicine

- 60% who file for medical bankruptcy have attended college.
- **Average age who file for medical bankruptcy is 44.9 years.**

The Balance

- 20% of all medical bankruptcy filers are people over the age of 55.

Kaiser Family Foundation

- 51% have delayed or gone without certain medical care during the past year due to cost.
- 29% not taking medicines as prescribed at some point because of cost.
- 24% borrowed money (credit card, loan, 2nd mortgage, friends/family).
- 15% cut spending on basic household items (food, etc.).
- 12% used most or all their savings.
- 11% took a second job.

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HFMA Blog

Report: 87% of consumers were surprised by a medical bill in 2021

Patients:

- 56% got a bill for more than expected.
- 50% received an unexpected bill.
- 19% were sent to collections.

The cost of surprise medical bills averages between $750 and $2,600.

Provider trends:

- 75% use paper & manual processes for collections.
- 74% say it takes more than one statement to collect.
- 51% are prioritizing the digital payment experience for patients.

Improving the Financial Experience

Patients' Simply Want:

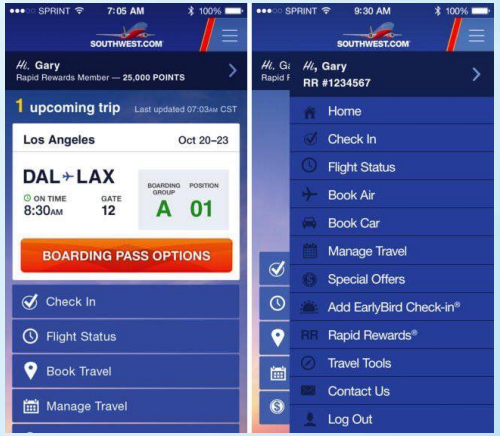
- Minimize out-of-pocket costs: Best pricing & a discount.
- Healthcare providers that are also financial advocates.
  - Helpful, respectful, and empathetic assistance. Best interest of patient.
    - An accurate total out-of-pocket estimate before service (Knowing what insurance covers).
    - Financial guidance / counseling (Identifying financial support options and pricing flexibility).
    - Multiple ways to make payment.
    - Affordable financing options (Affording their healthcare services).
- Communication of choice and self-help options.

Customer Centric in 2022

Before 1995

1995

Today



Customer Service = ROI

iVita Financial

- 78% of patients say extended payment options increase their likelihood of returning.

Patientco

- 26% of all patients are willing to switch providers to access ***more*** affordable payment options, even if it is inconvenient.
- 37% of patients between 26-44 are likely to change providers.

Connance

- Patients reporting a **poor experience** with the "business office", **only 25% paid their bills in full**.
- Nearly **75%** of patients reporting being very satisfied, **paid-in-full bills**.
- 82% of patients giving the billing process a good rating would recommend the hospital, 95% would return for future services.

Culturalized the Patient Financial Experience

Establish a patient financial service excellence program

1. **Map the patient financial journey** at your organization to understand the full scope of when/where a patient financial interaction takes place/ or should take place.

   Based on the Map, establish work groups of decision makers from different departments (have patient interaction) to be change partners in redefining the patient financial journey at your organization.

2. Empower point of service staff to help patients with their financial questions and hold those staff accountable.

   Avoid having a patient communicate with multiple representatives to get all of their financial questions answered. Prevent the “runaround” perception.

3. Train, practice, monitor, and evaluate staff on ideal customer service behaviors.

4. Do you have the right people in the right jobs to provide a quality patient-centric experience?

From Collections To Superior Customer Service

- **Change focus to financial advocates** that support patients in managing the financial side of healthcare.
- Provide **accurate estimates before patients receive services**: includes calling patients in advance of procedures regarding financial decisions on cost, insurance coverage and more.
  - **Move financial conversations to the beginning of the revenue cycle** rather than waiting until the back end so patients can make a more fully informed decision and are never surprised when they receive a medical bill.
- Establish a **Central Pricing Office** to SUPPORT pricing questions from patients, clinicians, and administrators, and to provide estimates for people comparative shopping.

From Collections To Superior Customer Service

- Help your organization realize how integrated the financial experience really is and educate staff (patient-facing or not) on how they are part of and have an impact on the patient financial experience.
- Build a team of educators that help to inform and increase the financial knowledge of patients, families, and the community.
  - Empower point of service staff to help patients with their financial questions.
  - Avoid having a patient communicate with multiple representatives to get all of their financial questions answered to prevent the “runaround” perception.
  - Helping patients understand why independent providers (radiologists, anesthesiologists, etc.) do bill separately for the same encounter and help patients navigate the complexity of those bills.
- Train, practice, monitor, and evaluate staff on ideal customer service behaviors.
- Track data to measure true consumer sentiment for the experience areas you are addressing.
- Engage patient and family voices to ensure an “outside-in” perspective as you look at the opportunities for improvement and actions.

Financial Journey Map (Walk in Patient's Shoes)

Scheduling and Pre-Access

Scheduling:

- Can patients complete and sign most/all required forms on-line before they arrive on-site?
- Do patients pay their co-pay at time of scheduling (on-line)?
- Have you streamlined processes and reduced redundant questions so patients are not frustrated by having to answer the same questions over and over along their journey?
- Do patients receive their expected costs and available finance options?
- Are alternatives/costs regularly discussed with the patient?
  - Are facility charges disclosed and an offer made to offer lower cost options for the same services that may be provided in other affiliated clinics that are in other locations?
  - Are patients (paying out-of-pocket) offered discounts that approaches what would normally be accepted from a commercial payer?

Pre-Access:

- Are required routine studies ordered before the patient's service?
  - Is the price(s) of any ordered study readily communicated with the patient?
- Patient liability presentation and discussion.
  - Provide upfront estimates;
  - Initial discussion around insurance, co-pay collection.
  - Payment options presentation.
  - Ease of making payment.
- Financial counselor discussion.
  - Are post-service considerations and the costs associated with those, discussed with the patient?
  - Does your facility routinely refer cases to financial counseling before services are performed and when the situation changes (e.g., when complications occur or the diagnosis changes)… or only after discharge/service?

Benefits to Patients

- Helps patients manage unexpected out-of-pocket costs.
- Reduces financial stress associated with care costs.
- Ensures patients can afford the care they need when they need it.

Benefits to Providers

- Reduces AR and the cost to collect.
- Improves patient satisfaction.
- Reduces no-shows and cancellations.
- Increases positive patient referrals.

During Services: Inpatient stay (Did patient understand options?).

- Additional financial discussions during the treatment process (financial counseling visit, additional charges presented, etc.)
- Secure signed CONSCENT from the patient, documenting that what was explained (which services Medicare or other insurance may not provide) to document the patient financially responsibility.
- Pre-discharge financial discussion for inpatients.
- Preliminary Bill presentment at discharge (not 30 days later).

Post Discharge (Does patient understand obligations?)

- Follow-up (final) bill presentment.
- Opt-in for outbound electronic communications.
- Assistance available to walk a patient through the bills received after discharge/service?
- Post-service financial counseling discussion as required.

Measuring the Patient Financial Experience

KPIs

Key performance indicators can provide invaluable insight.

- **Ratio of pre- and point-of-service collections to post service liability.**
  - Paid in full payment plans initiated to post service patient owed amounts provides insight into how much is collected before/at the time of service (effectiveness of staff efforts).
  - Establish parameters for smaller to larger amounts, outpatient and inpatient.
- **Track patient financial experience satisfaction trends** and uncover improvement opportunities via patient surveys.
  - How understandable is your bill?
  - Was it clear how to get additional information?
  - How easy was it to get additional information (if requested)?
  - Do we have useful/convenient options to pay your bill?
  - Overall how satisfied are you with the billing process?

Pre-Visit KPIs

Financial obligation

- Was the patient financial obligation clearly explained upon scheduling appointment / procedure?
- Did the estimate of charges and patient liability provided make sense to the patient?
  - Was the patient clear on what charges are covered by the patient and covered by their insurance?
- Measure accuracy of the estimate of charges and patient liability: Pre-service vs Post-service.

Financial Counseling

- How well did the patient understand the reason for the questions asked?
- How well did the patient feel that the counselor understood their situation and was helpful?

Payment Options

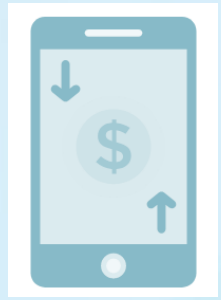
- Were all payment options explained to the patient for their portion of the expected bill?
- Payment Options: What payment arrangement did the patient agree/commit too?
- Amounts collected: by check, ACH, credit card, etc.

During-Visit KPIs

Additional Costs

- Was the patient informed of additional tests/procedures that would add costs and fully apprised of those coats (patiently liability and insurance liability)?
- How satisfied was the patient with the amount of information provided regarding potential additional charges during their clinic visit or hospital stay?

Post-Discharge KPIs



- Bill Clarity
  - Ratio of statements sent vs inbound phone calls received and self-directed payments made.
- Payment
  - What payment option did the patient choose? (cash, check, bank debit card, credit card, IVR, auto draft, mobile phone app, etc.)
  - Number of accounts and $ paid in full within 120 days.
  - Number of accounts and $ in payment plans.
  - Number of accounts opting in for payment reminders.
  - Number of accounts and $ that defaulted out of payment plans.
- Call monitoring for performance and compliance (speaking with patients)

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AND TRANSFORMATION

How are you enhancing the PFE at your organization?