Improving Patient Payment Experience in U.S. Healthcare

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2017-2019

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Introduction: U.S. Healthcare

- U.S. Healthcare coverage is provided by the combination of private health insurance and public health coverage.
- Healthcare facilities are largely owned and operated by private sector.
- According to Center of Medicare and Medicaid Services (CMS) U.S. healthcare spending grew 3.9 percent in 2017, reaching $3.5 trillion. As a share of nation's GDP, health spending accounts for 17.9 percent.
- Most of the citizens in U.S. are covered by private insurance or various federal and state programs.

Healthcare Business Insights (HBI)

- HBI is the part of DRG which turns insights into action for healthcare providers.
- HBI has four research academies:

Academy	Topics
Revenue Cycle	Authorization, insurance verification, patient collections, preventing insurance denials, coding, clinical documentation, patient out-of-pocket estimates
Cost and Quality	Reducing readmissions, infection control, care coordination, chronic illness management, preventing hospital-acquired conditions
Supply Chain	Value analysis, inventory management, product review, logistics, environmental services
Information Technology	Data analytics, cyber security, encryption, electronic health records, disaster recovery, cloud computing

Healthcare Business Insights (HBI)

- **Revenue Cycle**: The process used by healthcare systems in the United States to collect revenue from patients and third-party payers. The revenue cycle includes administrative and clinical functions that occur from the time services are scheduled to final account resolution.
- The three parts of the revenue cycle are:

Patient Access

- Scheduling
- Patient Information Collection
- Insurance Verification
- Authorization
- Residual Collections
- Patient Estimates
- Financial Clearance

Health Information Management

- Charge Capture
- Coding
- Clinical Documentation
- Medical Records

Billing and Collections

- Billing
- Denials and Underpayments
- Vendor Management
- Collections

Common Queries Received From Clients Regarding Patients' Statement:

- What are best practices for answering patients' questions about their statements?
- What are best practices for including a plain language summary of charges on statements?
- Are there benchmarks for patient usage of electronic statements?
- Can we use text messages for patient statements?
- Would you happen to have examples of best practice for the back of patient statements including plain language?
- What is the best way to offer patients self-service estimates?
- How can we create patient estimates for different services (such as ED, radiology, physical therapy)?
- What are benchmarks for patient estimate accuracy?
- What language do we use when providing a patient estimate?

Problem and Its Significance

- There has been tremendous increase in the treatment cost since decades which has imposed a significant financial burden on families or individuals, even those with health insurance. The financial burden has created an adverse situation where uninsured families or individuals have been spending their savings and assets.
- Every year out-of-pocket cost had been increasing by some percentage, like in 2017 it has increased by 11%.
- More people are enrolling in the High Deductible Health Plan (HDHP) in which patient has to pay more health care cost before the insurance company starts to pay its share.

Cont.

- Providers are continuously attempting to make charges easily available to the patient.
- A variety of new tools have been developed that provide information directly to patients about the charges that they could face.
- This will help patients to understand in advance what they will pay and have payment assistance option so that they can go ahead and schedule the appointment for their care.

Research Question

- How can providers make it easier for patients to understand what they owe, thus resolving their bills with respect to rising out-of-pocket costs for patients?

Objectives

- To know how information is helping patients to understand what they owe and how to pay, included on back side of billing statements.
- To know how providers are using online tools to estimate patients' out-of-pocket costs and collect from those patients prior to service.

Methodology

- **Study Design:** Observational Descriptive Study
- **Sample Size:** 20 (Articles-10, Case Study-10)
- **Inclusion Criteria:** Only those organizations who are members of the HBI
- **Exclusion Criteria:** Those organizations who are not members of HBI
- **Study Tools:** Healthcare Business Insights (HBI) articles and case studies
- **Data Analysis:** A thorough review is done and conclusion is drawn on the basis of articles and case studies of HBI

Review of Literature

S.No.	Author	Study Title	Result	References
1	Patrick Richard	The burden of out of pocket costs and medical debt faced by households with chronic health conditions in the United States	Households with 1 to 3 chronic conditions had higher chance of having any OOPC compared to households with no chronic conditions.	https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6016939/
2	Vineet Arora and Neel Shah	The Challenge of Understanding Health Care Costs and Charges	Patients don't know how much they are going to pay for a particular procedure and not aware of type of insurance coverage.	https://journalofethics.ama-assn.org/article/challenge-understanding-health-care-costs-and-charges/2015-11

Cont.

S.No.	Author	Study Title	Result	Reference
3	Jay Deady	We're missing the true point of hospital price transparency	Price calculator generates accurate estimates based on the visitor's insurance coverage or ability to self-pay.	https://www.statnews.com/2019/02/04/missing-true-point-hospital-price-transparency/
4	Marc I. Roemer	Out-of-Pocket Health Care Expenses for Medical Services, by Insurance Coverage, 2000-2014	Paid out of pocket among the non-elderly population with any expense is highest for the uninsured.	https://europepmc.org/books/NBK447190;jsessionid=DD1D2E3C6FBFC5093F5DEB54CFAD6666

Cont.

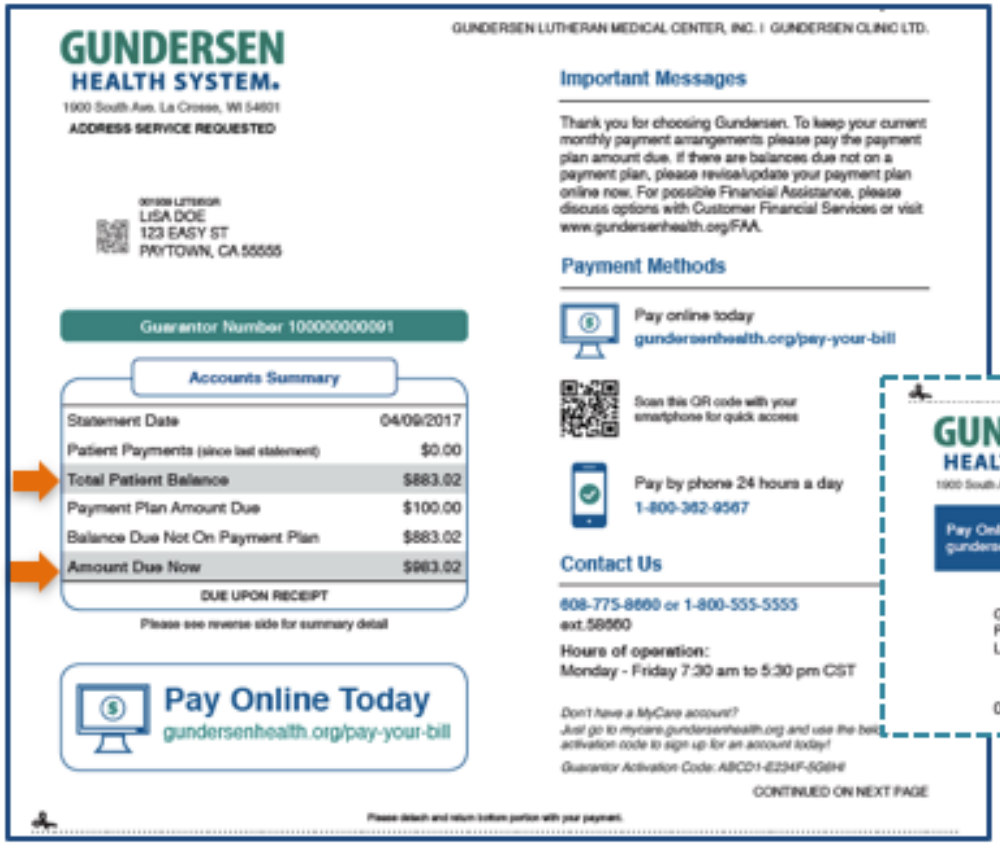
S.No	Author	Study Title	Result	Reference
5	Henrikson NB, Banegas MP	Workflow Requirements for Cost-of-Care Conversations in Outpatient Settings Providing Oncology or Primary Care: A Qualitative, Human-Centered Design Study.	Patients know who to go with cost questions, patients' concerns are documented to minimize repetition to multiple team members and patients learn their expected out-of-pocket costs before treatment begins.	https://www.ncbi.nlm.nih.gov/pubmed/31060061

Introduction of Back Side of Billing Statement

- Different organization include different type of information on the back side of the statement which they think will be helpful to patients.
- Most of the organizations explain online statement and bill pay options, how to dispute a bill, and a summary of its financial assistance policy on the back side of the statement.
- Organizations also put the application on the back side so that patients no longer need to talk to or admit their financial situation to staff member in order to fill out the form.

How Back Side of Billing Statement Looks Like

Rethinking Billing & Collections – Statement Redesign (Phase 1)



GUNDERSEN LUTHERAN MEDICAL CENTER, INC. | GUNDERSEN CLINIC LTD.

GUNDERSEN HEALTH SYSTEM.
1900 South Ave. La Crosse, WI 54601
ADDRESS SERVICE REQUESTED

LISA DOE
123 EASY ST
PAYTOWN, CA 55555

Guarantor Number 100000000091

Accounts Summary

Statement Date	04/09/2017
Patient Payments (since last statement)	$0.00
Total Patient Balance	$883.02
Payment Plan Amount Due	$100.00
Balance Due Not On Payment Plan	$883.02
Amount Due Now	$983.02

DUE UPON RECEIPT

Please see reverse side for summary detail

Pay Online Today
gundersenhealth.org/pay-your-bill

Important Messages

Thank you for choosing Gundersen. To keep your current monthly payment arrangements please pay the payment plan amount due. If there are balances due not on a payment plan, please revise/update your payment plan online now. For possible Financial Assistance, please discuss options with Customer Financial Services or visit www.gundersenhealth.org/FAA.

Payment Methods

Pay online today
gundersenhealth.org/pay-your-bill

Scan this QR code with your smartphone for quick access

Pay by phone 24 hours a day
1-800-362-9567

Contact Us

608-775-8660 or 1-800-555-5555 ext.58660

Hours of operation:
Monday - Friday 7:30 am to 5:30 pm CST

Don't have a MyCare account?
Just go to mycare.gundersenhealth.org and use the below activation code to sign up for an account today!

Guarantor Activation Code: ABCD1-E234F-5G6HI

CONTINUED ON NEXT PAGE

Please detach and return bottom portion with your payment.

Please detach and return bottom portion with your payment.

GUNDERSEN HEALTH SYSTEM.
1900 South Ave. La Crosse, WI 54601

Pay Online
gundersenhealth.org/pay-your-bill

Gundersen Health System
PO Box 4444
La Crosse, WI 54602

Pay by check, money order or debit/credit card

Guarantor: Lisa Doe
Guarantor Number: 100000000091
Card Number
Exp. Date
CVV
Signature
VISA

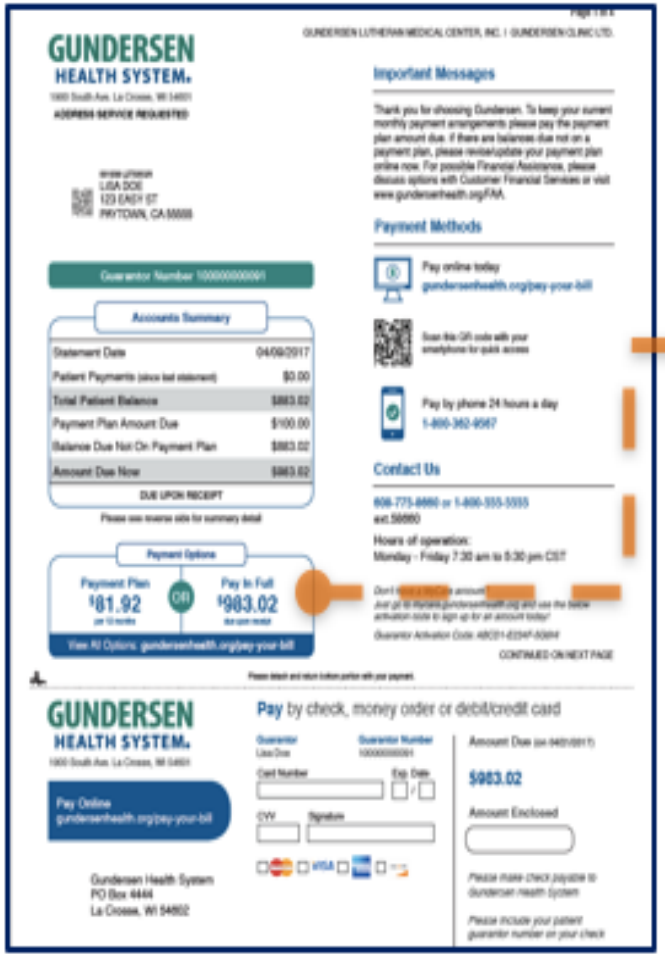
Amount Due (on 04/21/2017)
$983.02
Amount Enclosed

Please make check payable to Gundersen Health System
Please include your patient guarantor number on your check

012345678901234 5 01234567890 1

- Gundersen has already adjusted statement design and language
  - Discontinued "insurance jargon"

Rethinking Billing & Collections – Statement Redesign (Phase 2)


GUNDERSEN
HEALTH SYSTEM.

GUNDERSEN LUTHERAN MEDICAL CENTER, INC. | GUNDERSEN CLINIC LTD.

ADDRESS SERVICE REQUESTED

LISA DOE
123 EASY ST
PAYTOWN, CA 55555

Guarantor Number 100000000001

Accounts Summary

Statement Date	04/08/2017
Patient Payments (since last statement)	$0.00
Total Patient Balance	$983.02
Payment Plan Amount Due	$100.00
Balance Due Not On Payment Plan	$883.02
Amount Due Now	$983.02

DUE UPON RECEIPT

Please see reverse side for summary detail

Payment Options

Payment Plan $81.92 per 12 months OR Pay In Full $983.02 due upon receipt

View All Options: gundersenhealth.org/pay-your-bill

Important Messages

Thank you for choosing Gundersen. To keep your current monthly payment arrangements please pay the payment plan amount due. If there are balances due not on a payment plan, please review/update your payment plan online now. For possible Financial Assistance, please discuss options with Customer Financial Services or visit www.gundersenhealth.org/FAA.

Payment Methods

Pay online today
gundersenhealth.org/pay-your-bill

Scan this QR code with your smartphone for quick access

Pay by phone 24 hours a day
1-800-362-9567

Contact Us

608-775-8660 or 1-800-555-5555
ext.58080

Hours of operation:
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Don't have a mobile account? Just go to MyHealth.gundersenhealth.org and use the below activation code to sign up for an account today!

Guarantor Activation Code: ABCD1-EDSAF-SDBHF

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Please detach and return bottom portion with your payment.

GUNDERSEN
HEALTH SYSTEM.

Pay Online
gundersenhealth.org/pay-your-bill

Gundersen Health System
PO Box 4444
La Crosse, WI 54602

Pay by check, money order or debit/credit card

Guarantor: Lisa Doe
Guarantor Number: 100000000001

Card Number
Exp. Date
CVV
Signature

VISA

Amount Due (as of 04/01/2017)
$983.02

Amount Enclosed

Please make check payable to Gundersen Health System

Please include your patient guarantor number on your check

Case Matrix

S.No.	QESTIONS	CASE 1	CASE 2	CASE 3	CASE 4	CASE 5
1.	Does the case study show the statement?	Yes	Yes	Yes	Yes	Yes
2.	Does the case study include the visuals of backside of the statement?	Yes	Yes	Yes	Yes	Yes
3.	Does the backside of the statement include an explanation of the financial assistance policy/plain language summary?	Yes	Yes	No	Yes	No
4.	Does it also include an application or fields that patients can fill in with their information and send back to be applied/qualified for the financial assistance program?	Yes	Yes	No	Yes	Yes

Interpretation

- All the cases in the matrix shows the visual of back side of the statement and give us example how it looks like and what all information is included in the statement.
- 3 out of 5 cases have financial assistance policy on its back side which assist patients on how to apply for online bill payment or other option for payment.
- 4 out of 5 cases have application attached on the back side so that patients no longer need to talk to or admit their financial situation to staff member in order to fill out the form and in any case if patients want to change their information they can make a change in this form like change in address and more.

Introduction of Patient Estimates

- Patient Estimates is a user-friendly, web-based pricing transparency tool for hospitals, medical facilities and physicians that creates accurate estimates of authorized services for patients before or at the point-of-service.
- Different organizations have different estimate processes, like manual, semi-automated, automated.
- Some organizations are planning to increase the number of services for which it provide estimates.
- Organizations are planning to create self-service estimates which will educate patients more on their out-of-pocket cost.
- If patient are aware of OOPC prior to the care, they feel more comfortable and more likely to pay their bill on time.

Patient Estimate Process

Patient Portal Estimation Process at Ochsner Health System

EHR calculates patient's out-of-pocket amount based on payer contract terms

Patients receive a message alerting them to their upcoming deposit responsibility with a link to pre-pay

Patients who are not financially cleared five days prior to service receive calls from the financial clearance team

Estimate accuracy is audited manually, but will be automated in the future

Case Matrix

S. No.	QUESTIONS	CASE 1	CASE 2	CASE 3	CASE 4	CASE 5
1.	Does this organization provide patient estimates?	Yes	Yes	Yes	Yes	Yes
2.	When does this organization provide the patients' estimates?	Before the service	Before the service	At the point of service	At the point of service	Before the service
3.	For what services is the organization able to or it provide these estimates?	Cardiology Catheterization lab Gastroenterology ED	Surgeries and radiology services (CT scans & MRI)	Surgeries, ED visits, All lab services, Cardiac procedures.	CT scans, MRI and ECG.	Cardiology, Surgeries, All lab services
4.	How is the estimate provided?	Via call by the organization	Via hotline created by organization where patients call & ask for estimates	Organization use semi-automated method to generate estimates	Via email or over the phone	Via call or email by the organization

Cont.

5.	What is the process step of how the patient & staff generate the estimate & how the patient receives it?	Process begins when EHR calculates amount what patient owes and ends when patients receive call from financial clearance team about their estimates.	Patient estimate process begins when patients call in facility and request for estimates and ends when staff member call back to patient and inform them about estimates.	Counsellors utilize EHR tool to generate estimates and registration staff provide estimate to patients	Process begins when patient call in facility to generate estimates and ends when estimator call back patient with results and mail estimate letter	Patient estimator receives call from patient for estimates and then estimator calculates estimates and call back patient
6.	What is the outcome of this process for the organization?	Decrease in bad debt.	As a result, point-of-service collection has gone up from $11M to $21M	This results in reduction of bad debts and cost to collect and upfront collection has gone up from $2.7M to $5.6M in two years.	Increase in collection from $3.5M to $5.5M	As a result, bad debt decreases and point of service collection increased by 8% from previous years

Interpretation

- All the cases in the matrix provide patient estimates.
- Different organizations provide patient estimates at different point of time, three organizations provide before the service and two at the point of the service.
- Most of the organizations provide estimates for services like cardiology, lab services, surgeries, radiology services and more.
- Most of the organizations provide estimate via phone call, email or through messages.

Cont.

- Process of providing estimates are different for different organizations, for example process begins when patients request for estimates via call or email than estimators calculates estimates with the help of EHR calculator considering various factors like name of service they want, physician name and type of insurance and after calculation estimators inform patient about their estimates via call or email.
- As a result, providing estimates to patient organizations experience decrease in bad debts and increase in collections.

Table 1

- Due to shifts in cost sharing, a larger portion of many hospitals' reimbursement now comes from patients rather than commercial payers, this means hospitals are coming up to collect patients bills to meet their financial demand. So that patients are facing some issues regarding their bills.

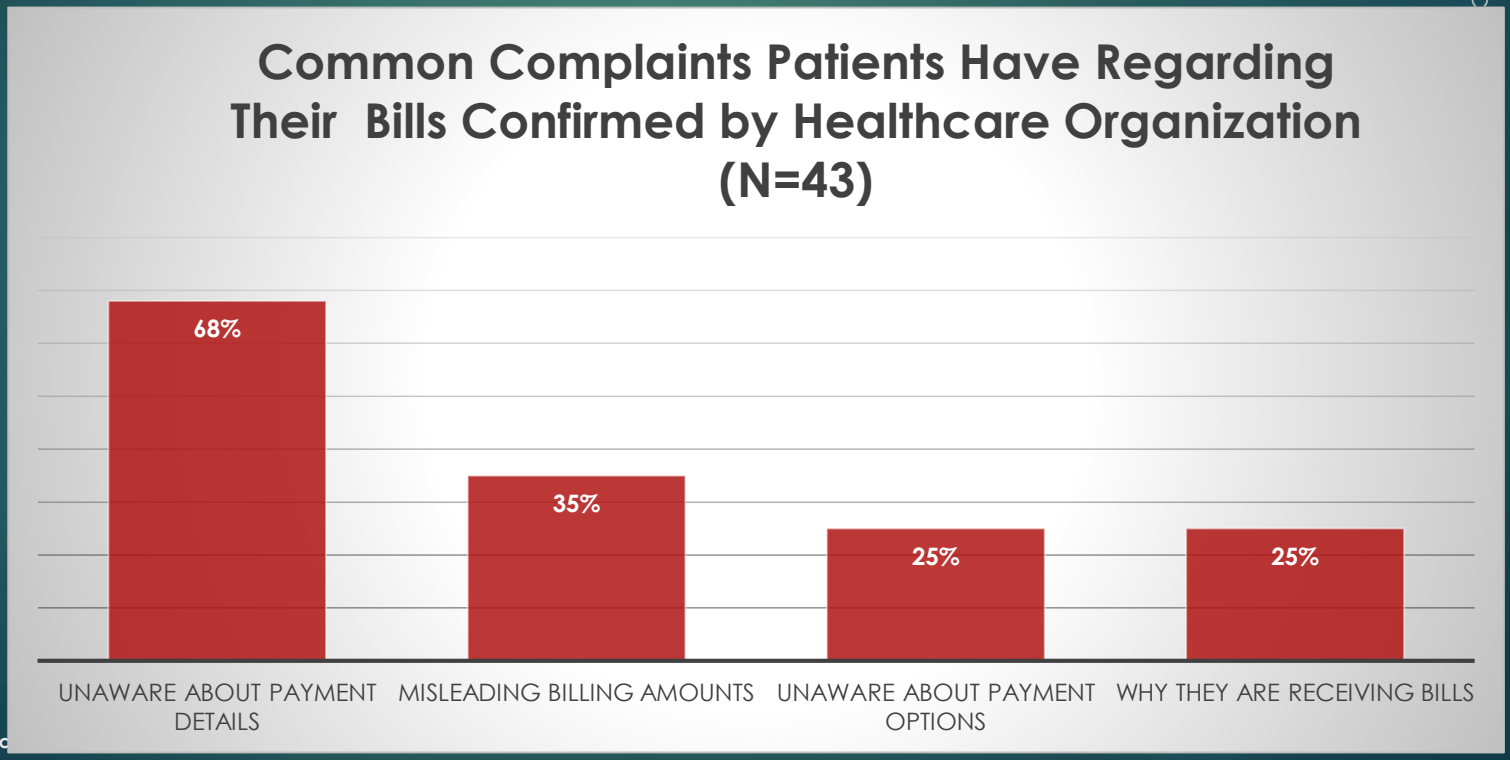
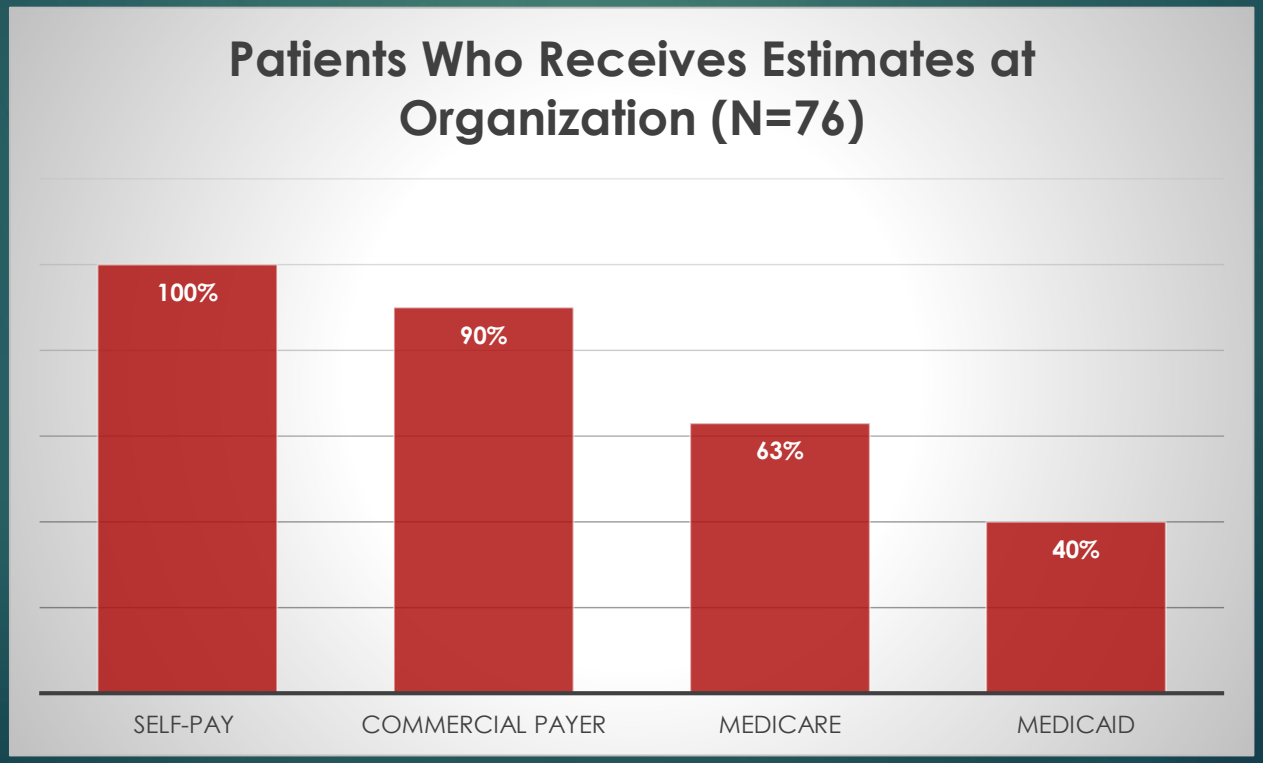


Table 2

- It is important to provide estimates to uninsured patients so that they can know their care cost prior to the service as well as they can pay their bill on time because they have to pay their whole bill by themselves and it become tough for them to pay big amount together.



Discussion

- U.S. Healthcare spending have put prices under public scrutiny, in response federal and state regulations have increased but compliance and enforcement have proved slow going.
- From the above results we can say that, to achieve price transparency healthcare industry must empower patients to make meaningful comparisons, provide tools which are easy to use and understand and give patients an understanding of the total price of their care.
- Different organizations have different type of estimation tools like public website through which patients can access self-service price calculator and phone call, patients may also contact to patient financial advocates to request an estimates.

Cont.

- Result shows that online tool also guides patient through a series of question about their service, insurance and out-of-pocket costs to inform results.
- Bad debts decreased and point of service collection increased.

Recommendations

- Organizations should publish the full charge list through its public facing website in readable format with further instructions to the online tool to better assist the patient in full cost of care estimates.
- Further enhancements to patient-friendly terminology.
- Staff should inform patients clearly that the estimates is a suggested amount not a final bill which will prevent misunderstanding and encourages payment.
- Organizations should Provide a comprehensive training program that include group and one-on-one educational sessions which will helps to ensure front-end-staff are well trained to create estimates and collecting payments.

Thank you