



**2022 Revenue Cycle Virtual Symposium**  
Coming together to elevate healthcare experiences

# Revenue Cycle and the Patient Experience

**May 10, 2022**

**Presented by**  
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# Presenter



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**Jan Oldenburg, FHIMSS**, is the principal in Participatory Health Consulting. She advises and mentors healthcare organizations about the evolving digital health landscape.

Her experience includes leadership roles in several advisory firms, including EY. She has worked for and advised organizations in all areas of healthcare: payers, providers, medical device manufacturers, and software vendors.

Ms. Oldenburg is the principal editor of:

- “Participatory Healthcare: A Person-Centered Approach to Healthcare Transformation,” published 2016
- “Engage! Transforming Healthcare Through Digital Patient Engagement,” published in 2013

She also authored chapters in:

- “Medical Informatics: An Executive Primer,” third edition, published in 2016
- “Health Informatics: Multidisciplinary Approaches for Current and Future Professionals,” to be published June 1, 2022

# Agenda

1

Why revenue cycle management (RCM) is a strategic opportunity

2

What consumers want from RCM experiences throughout the patient journey

3

How to manage and measure how you're doing with RCM

4

Summary

POLLING QUESTION #1

How does your organization treat RCM customer experience?  
Select the answer that fits best.

**A**

We generally don't think about customer experience in RCM.

**B**

We've made a few changes to improve RCM customer experience, but it isn't a strategic focus.

**C**

We've made a concerted effort to improve our patients' RCM experience.



Think revenue  
cycle is just  
about the money?





## Meet Kelly

Kelly is self-employed. He's on an ACA plan with a \$6,000 deductible.

- He wants to make the most of his coverage.
- At the end of his annual physical, his doctor asks if there's anything else. Kelly says, "There is, but I'm afraid to ask because I think I'll be charged."
- He gets a referral to PT—which he never uses because of the cost. He also gets an invoice for an office visit based on the referral.
- Kelly's trust in his doctor and health system is broken—and he shares with everyone he knows.



# Meet Beth

Beth is juggling an active family. Both she and her husband work.

- She's has been doing PT for 3 months with little improvement in knee pain.
- She revisits an orthopedic specialist to discuss treatment options. Beth asks about outcomes, cost, and recovery time. Her doctor can talk about outcomes and recovery time, but not costs.
- Beth researches costs on various websites and in her community. She ends up having surgery where the doctor discusses cost and quality—and provides an estimate.





## Meet Ethel

Ethel was very happy with the care her husband received from her local hospital in his last illness. Thinking about the kindness of the doctors, nurses, and even the housekeeping staff, she's about to make a major gift to the hospital in her husband's name:

- Until she begins reading headlines about the way the hospital sues poor patients—including its own housekeeping staff—for small medical debts.
- She reads about families forced into bankruptcy.
- Thinking about the values she and her husband held, her major gift goes to the local homeless shelter instead.



# Where does RCM belong in the patient journey?



# Where does RCM belong in the patient journey?



# What do patients want from their RCM experiences?

## Flexibility:

- Understandable bills
- Flexible payment terms
- Convenient payment options
- Coordination with insurers
- Respect



## Clarity:

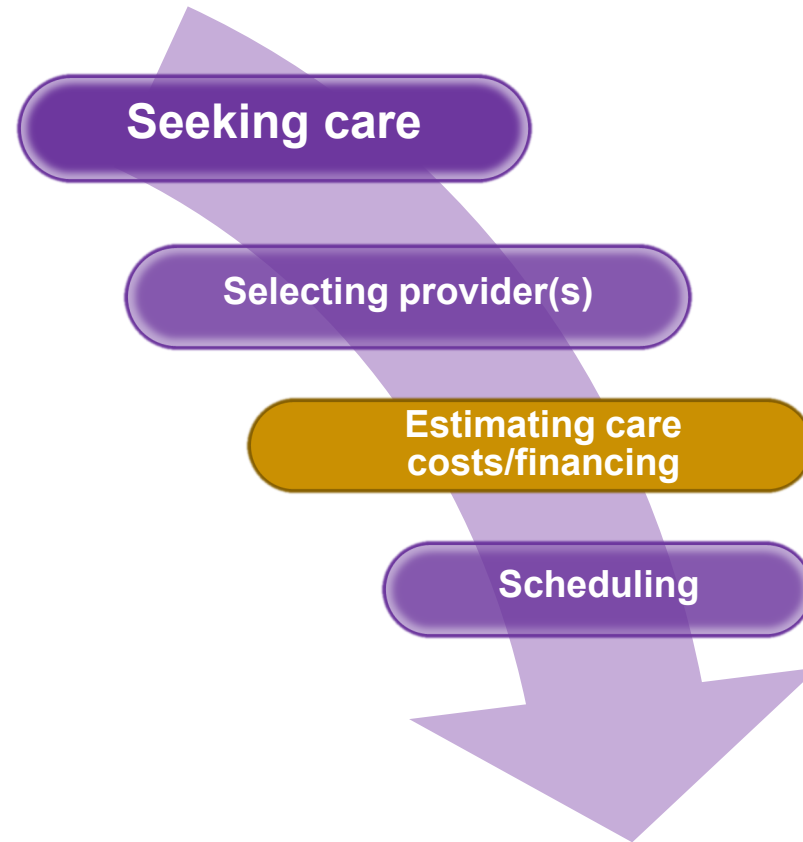
- Cost estimates
- Cost transparency
- Financing options
- Access to charity care

## Impact:

- Honest discussion of cost in conjunction with outcome
- Ability to compare cost against efficacy
- Coordination with insurers



# Seeking care



POLLING QUESTION #2

How does your organization address RCM during the “seeking care” phase of the patient journey? Select all that apply.

**A**

We post average costs for high-volume procedures on our website.

**B**

We have a cost estimation tool that consumers can use to get personalized estimates.

**C**

We train all front office and call center staff how to discuss cost and financing options.

**D**

We provide payment plan options to consumers that are visible before they schedule.

**E**

The guidelines to qualify for charity care are easy to find.

**F**

We encourage prospective patients who have cost concerns to talk with a financial counselor.

# Patient share of cost is increasing

**92%**

Increase in the average worker's deductible since 2011<sup>1</sup>

**2X**

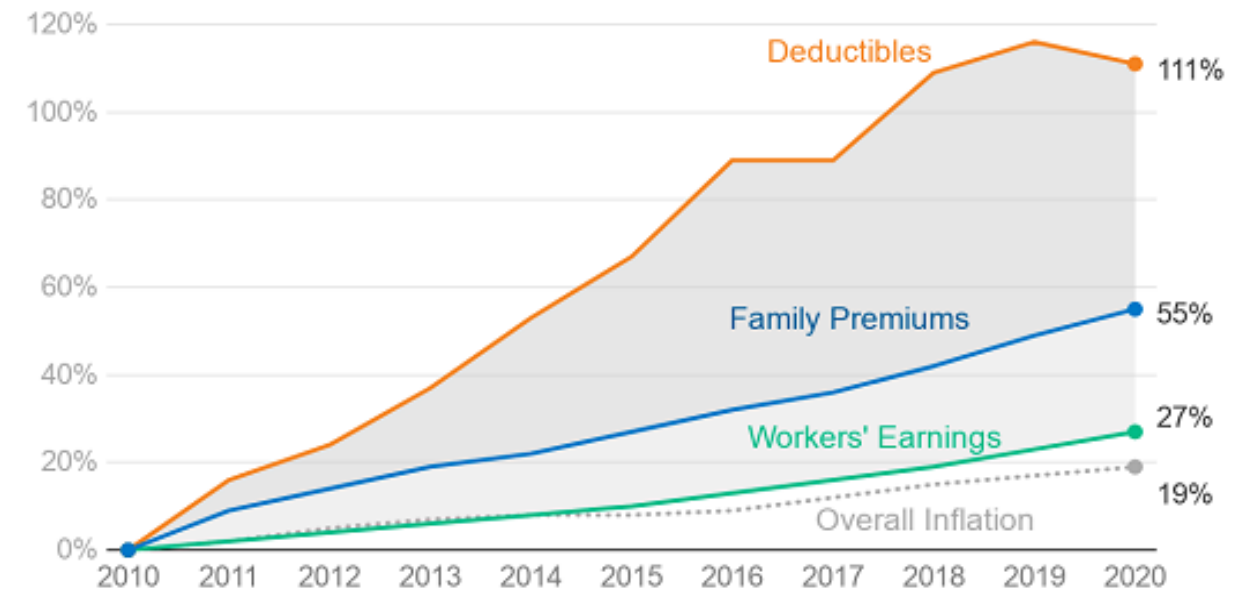
Rise in out-of-pocket (OOP) healthcare costs compared to rise in take-home wages over decade before 2018<sup>2</sup>

**67%**

Increase in the average family's OOP healthcare costs in the decade between 2008 and 2018<sup>3</sup>

In context, 35% of Americans would have difficulty paying for an unexpected expense of \$400<sup>4</sup>

## Employer Premiums and Deductibles Have Risen Much Faster than Wages Since 2010



NOTE: Average general annual deductibles are for single coverage and are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.





# Increasing share of cost concerns patients

**73%**

of Americans surveyed said they are concerned about being able to pay for medical treatment if they get sick.<sup>1</sup>

**53%**

of patients surveyed said receiving an invoice post-visit is stressful.<sup>2</sup>

**50%**

of Americans surveyed said they feel one sickness away from being in serious financial trouble.<sup>3</sup>

**59%**

of those who filed for bankruptcy cited medical bills as a key cause of the filing.<sup>4</sup>

**40%**

of those with medical bills said the debt had a significant impact on their family.<sup>5</sup>

# Concerns about costs impact choices about care

**43%**

of Americans surveyed said they changed their behavior around medical procedures or medications because of costs.<sup>1</sup>

**40%**

are more afraid of paying for healthcare than of getting seriously ill (33%).<sup>2</sup>

A comprehensive study of high-deductible plans showed that people reduced care across the board—creating beneficial cost impacts and adverse health impacts.<sup>3</sup>

Delayed medical or dental services or healthcare procedures

**37%**

Delayed or elected not to fill a prescription

**24%**

Did not comply fully with a recommended medical treatment

**20%**

Took less than the recommended dosage of a prescription

**16%**

# Americans want cost transparency

91%

of surveyed individuals thought health systems should be required to disclose the costs of their services.<sup>1</sup>

66%

of surveyed individuals said they would shop for care if pricing was clear.<sup>1</sup>

62%

of surveyed individuals want personalized estimates rather than standard prices.<sup>1</sup>



Transparency would work better in a “rational” healthcare market, where consumers choices had more impact on pricing.





# Americans want cost estimates

**48%**

expect a cost estimate ahead of medical services—and younger people want it more.<sup>1</sup>

**65%**

of surveyed individuals were willing to make a partial payment up front if they had an estimate.<sup>2</sup>

**47%**

of surveyed individuals would consider switching providers for upfront cost estimates.<sup>3</sup>

Cost estimation is an easy way to stand out from the crowd.

# Americans want payment plan options

**39%**

of patients under 40 have used payment plans for medical bills.<sup>1</sup>

**25%**

When patients were offered personalized payment plans, missed payments declined by 25%.<sup>2</sup>

**49%**

of Americans – 79M – are paying off medical debt.<sup>3</sup>

**42%**

of surveyed individuals would like to be offered a payment plan.<sup>4</sup>







# Cost transparency requirements

## Effective 1/1/21:

- **New requirements** for hospitals (beyond chargemaster publication)
- Comprehensive machine-readable file of **all items and services** the hospital provides
- Consumer-friendly set of **at least 300 shoppable services**:
  - 70 CMS-specified
  - 230 hospital-selected
- Can accomplish this using a **cost estimation tool**

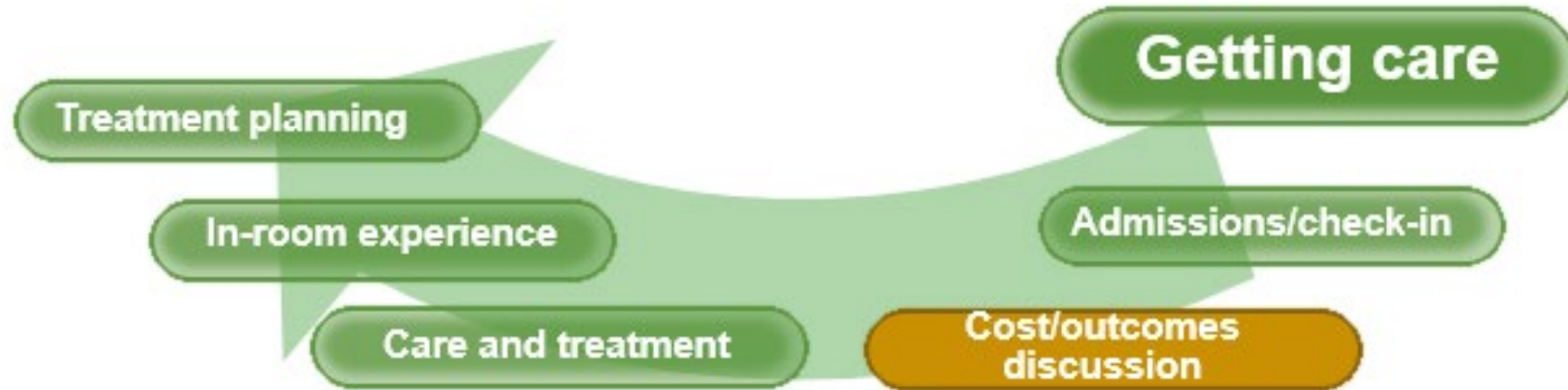
# Questions to ask yourself about seeking care

- Are you compliant with the cost transparency requirements?
- Is it easy for patients to find out how they qualify for charity care?
- Is it easy to find a wide range of procedures on your site?
- Can people get personalized comparisons that take into account their likely deductibles and copays?
- Do you start making financial counseling available at the beginning of the process?
- Have you trained your staff to be comfortable talking about costs?





# Getting care



POLLING QUESTION #3

How does your organization address RCM during the “getting care” phase of the patient journey? Select all that apply.

A

We have trained our clinicians to talk about cost.

B

We provide our clinicians with cost estimation tools.

C

We route patients to a financial counselor at the end of a visit with a clinician.

D

We routinely provide cost estimates to patients.

E

We attempt to collect the patient’s share of cost upfront.

F

We offer access to third-party financing programs.

## 'CAN WE TALK?'



8 out of 10 doctors are concerned about their patients' ability to afford their treatments.



Yet In a typical week, doctors discuss drug costs with only 2.6 out of every 10 patients.

## Reluctance to talk about cost

**67%**

of patients have not discussed – and don't plan to discuss – their final bill with the hospital.<sup>1</sup>

**6%**

of surveyed individuals learned the cost of their prescription medication while in the doctor's office.<sup>2</sup>

**86%**

of healthcare executives felt physicians didn't have training to discuss costs with patients.<sup>3</sup>

Conversations about cost lowered uncertainty and raised patient engagement scores.<sup>4</sup>

# Why don't people talk to their clinicians about cost?

- Their physicians seem uncomfortable with the topic
- Varying levels of financial and health literacy
- Unclear or complex choices
- Social barriers/stigma
- Concern that they will be treated differently if they ask about cost
- Power dynamic, pride







## Education about cost/quality/outcomes trade-offs

- Most consumers don't understand trade-offs between cost and quality.
- We are conditioned to believe that higher cost is associated with higher quality—generally true of other consumer goods.
- Consumer choice doesn't affect cost directly.

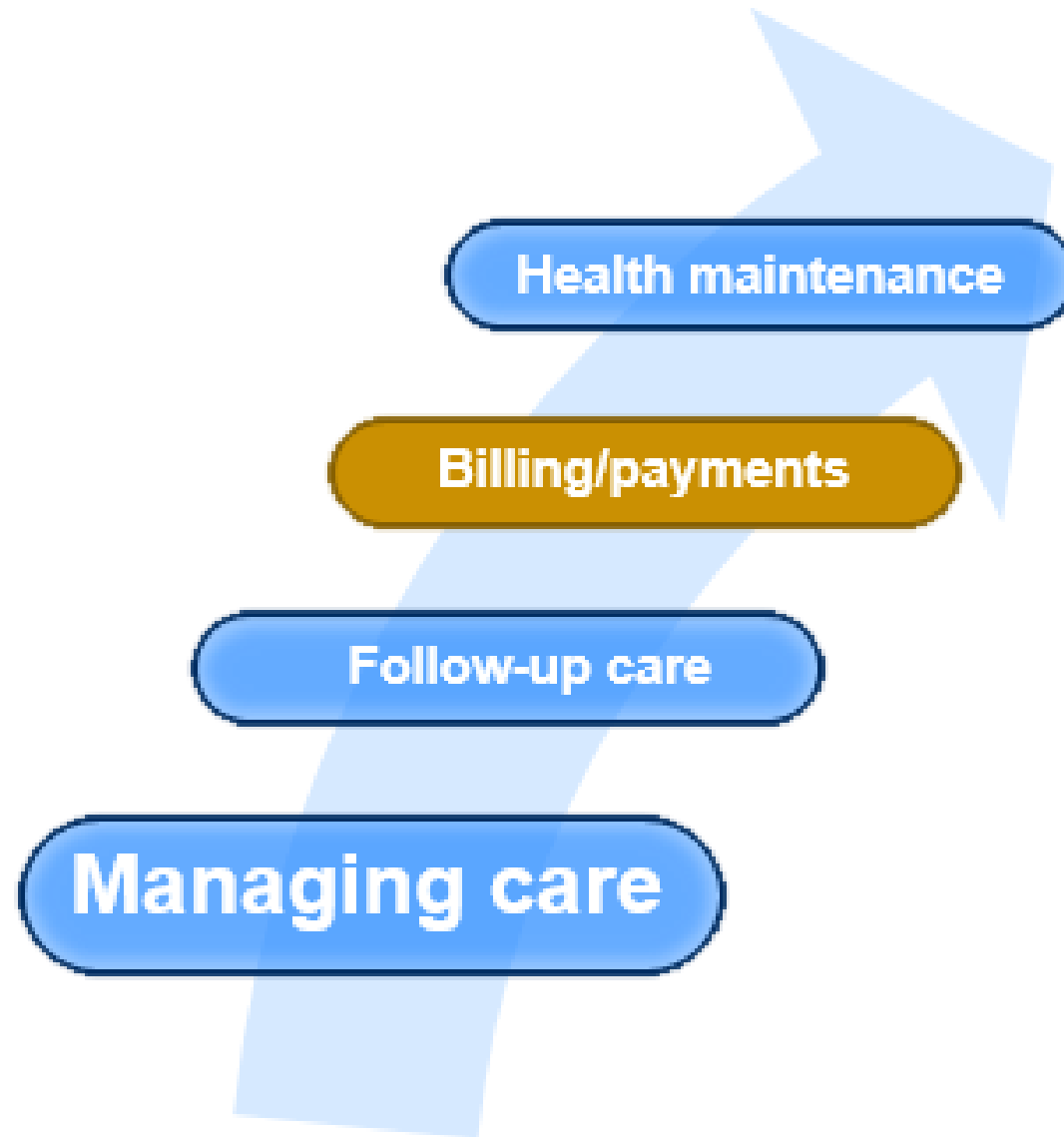


# Questions to ask yourself about this phase of the process

- Do physicians have access to cost estimation tools as part of their workflow?
- Have you educated physicians about how to talk about cost, outcomes, and quality as part of shared decision-making?
- Do you have a process for supporting people through financial counseling—including enlisting social services?
- Is it easy for people to gather information to discuss at home?



# Managing care



POLLING QUESTION #4

How does your organization address RCM during the “managing care” phase of the patient journey? Select all that apply.

A

We have redesigned our patient bills for clarity.

B

We offer a variety of convenient payment options such as credit cards, HSA options, or e-checks.

C

We sue patients who don't pay us without regard for their ability to pay.

D

We survey patients about their satisfaction with our RCM processes.

E

We monitor social media and complaints and grievances for issues related to RCM processes.

F

We consider RCM patient experiences to be as important as clinical patient experiences.



# Patients are generally unhappy with billing experiences

**40%**

of surveyed individuals were unhappy with provider billing.<sup>1</sup>

**71%**

are confused by their medical bills.<sup>2</sup>

**65%**

of patients surveyed said they would consider switching providers after receiving an unexpectedly high bill.<sup>3</sup>

**59%**

said they would consider switching doctors if “office staff could not tell me the cost” of a visit or procedure.<sup>4</sup>





## Flexibility in payment options impacts satisfaction

**86%**

of surveyed individuals receive paper medical bills, though 75% of consumers want e-statements.<sup>1</sup>

**85%**

of surveyed individuals prefer to pay medical bills online.<sup>2</sup>

**74%**

of millennials would switch providers for a better payment experience.<sup>3</sup>



# People prefer cashless options

**82%**

of consumers surveyed said they consider contactless payments a cleaner way to pay.<sup>1</sup>

**52%**

of consumers surveyed said they are using cash less often or not at all.<sup>1</sup>

**26%**

of consumers surveyed said they'd switch for more payment methods, including payment plans.<sup>2</sup>

Patients want to be able to use apps like Venmo, Paypal, and Zelle to pay their bills.<sup>3</sup>





## Unhappiness with billing impacts loyalty

**90%**

of surveyed individuals said a good billing experience was the deciding factor in their decision to return to a provider.<sup>1</sup>

**57%**

said a good billing experience made them more likely to recommend a provider to family and friends.<sup>1</sup>

**5X**

Patients who are satisfied with the billing process are 5X more likely to recommend the hospital and 2X more likely to recommend a physician.<sup>2</sup>

**74%**

of patients who are satisfied with their billing pay their bills in full, compared to 33% of patients less satisfied with billing.<sup>3</sup>



# Predatory collection practices create reputational risk

- Headlines like these impact hospital reputation far beyond the immediate impact.
- Failing to funnel eligible patients to charity care first may jeopardize nonprofit status.<sup>2,3</sup>
- Potential employees who see employees sued for hospital bills may steer clear of the organization.
- 46,783 Providence payers who qualified for charity care were allegedly sent to collections (McKinsey “RevUp” strategy).

**Viewpoint: CHS 'predatory billing' threatens public trust**

**Johns Hopkins Hospital sues patients, many low income, for medical debt**

**The Nonprofit Hospital That Makes Millions, Owns a Collection Agency and Relentlessly Sues the Poor**

**'UVA Has Ruined Us': Health System Sues Thousands Of Patients, Seizing Paychecks And Claiming Homes**

**Nonprofit hospitals spend less on charity care than for-profits,**

**Washington sues Providence over collection tactics**

**How America's top hospitals hound patients with predatory billing**

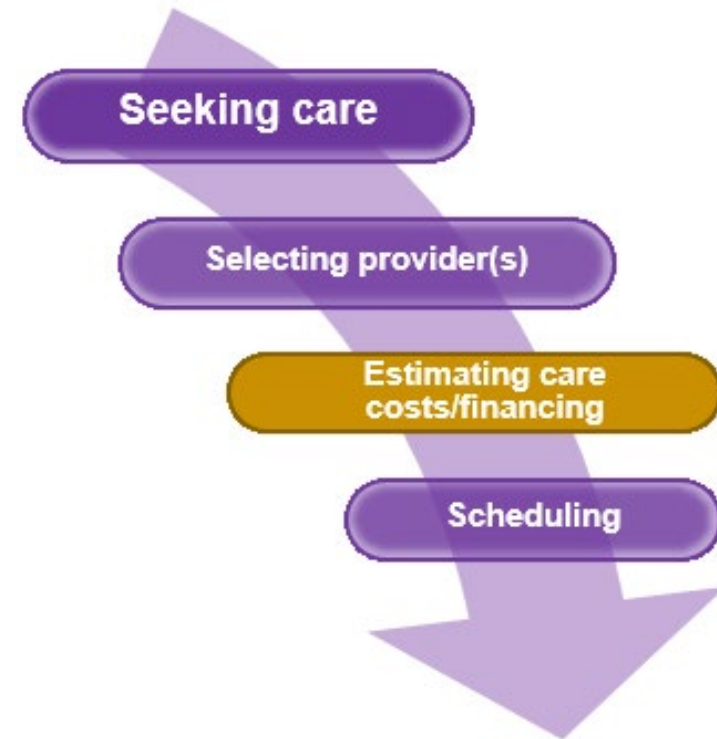


## Questions to consider

- How clear are your bills?
- If you provided an estimate, how close is it? Do you stand behind it?
- How are you handling collections, especially for underserved individuals?
- What percentage of your complaints and grievances are financial?
- Do your practices put you at risk for headlines like those on the previous page?
- Do you write off care only after adding stress and hardship to people's lives?

# Make it easy for patients to select your organization

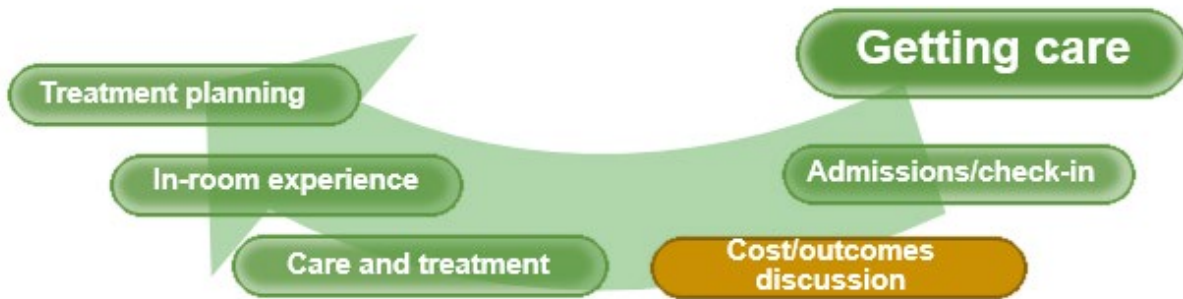
- Make sure you know what your costs are and communicate them clearly.
- Review how you've handled cost estimates on your site—are you doing the bare minimum?
- Make it clear how patients qualify for charity care.
- Train staff in how to handle financial conversations that are reassuring and offer options.





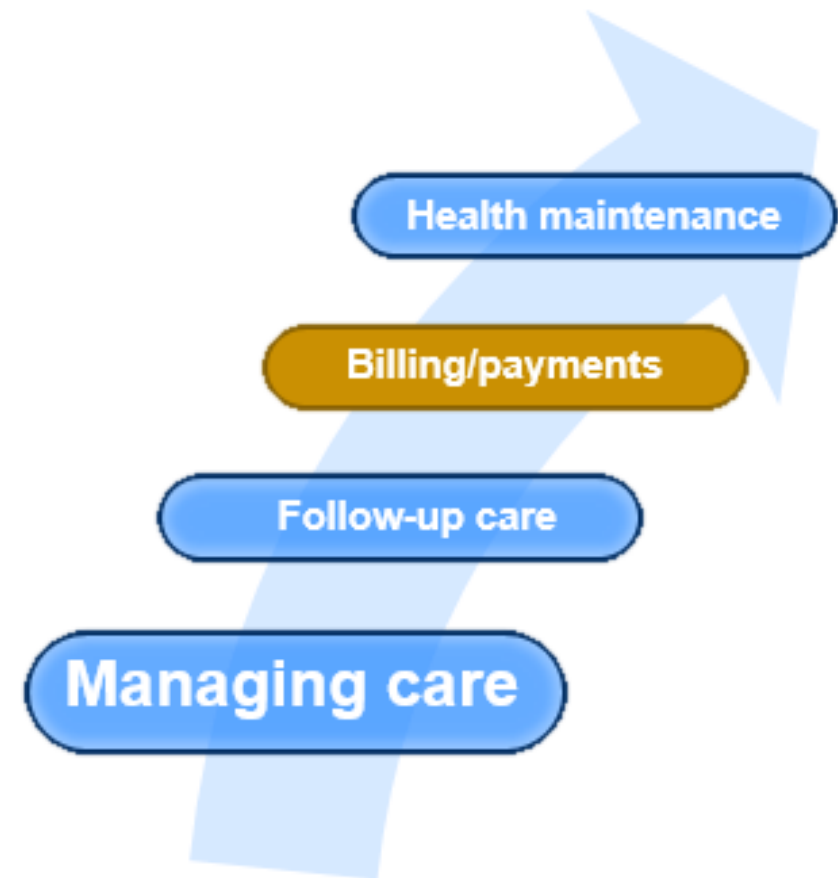
# Make it OK to talk about cost

- Provide your clinicians with tools to look up prices—for procedures and medications.
- Train your doctors to be comfortable broaching the topic of cost as a part of shared-decision discussions.
- Incorporate financial satisfaction surveys into your surveys of the care received—it shouldn't be an afterthought.
- Align your financial process with your mission.



# Finish with a strong billing experience

- Conduct a deep dive into your RCM policies.
- Look strategically at your RCM policies for areas of risk and unfairness.
- Redesign your bills for clarity. Put them through a design session with patients.
- Track what is being said about your financial policies on social media.
- Create a plan to deal with potential adverse publicity.



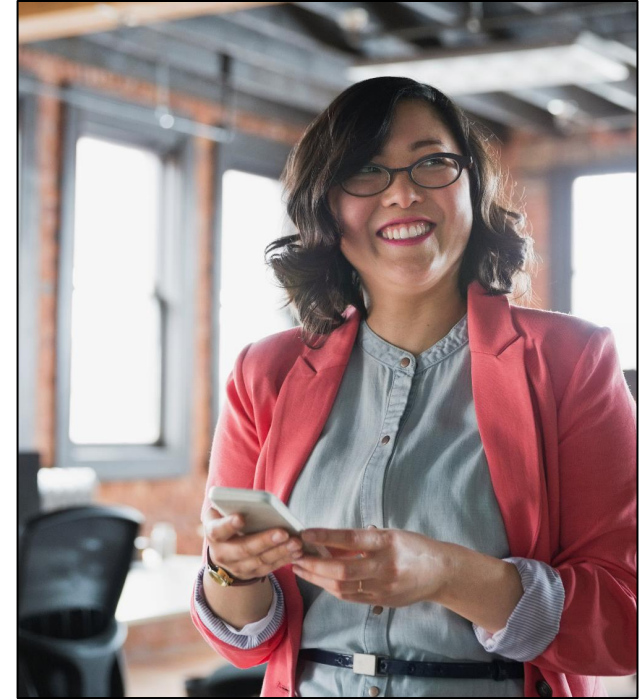
# Patient experience should be considered as part of RCM policies



Kelly



Ethyl



Beth



# Summary

- RCM is not just about the money!
- RCM patient experience considerations belong in every aspect of the patient journey.
- Patients judge overall quality by experiences across the WHOLE journey.
- RCM policies may reverberate far beyond individual experiences, impacting:
  - Likelihood to collect
  - Reputation and community standing
  - Tax-exempt status
- RCM can be a key differentiator for your organization if you pay attention to the patient experience.



# Thank you



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