Curing patient financial pain
Guidance to improve the patient financial experience
Health systems receive comments like this every day. Patients are often afforded limited price transparency, few financial options and sub-par service quality. Certainly, it’s a situation that isn’t intended to cause patients pain, even as your clinical team focuses on their healing.

There are systemic roadblocks to effectively providing actual service prices and out of pocket estimates to patients. However, the effects of a poor patient financial experience can last longer than the recovery from the health event that brought the patient to you. Your peers tell us that they often find themselves in cringe-worthy social conversations and public relations challenges.

Instead of reacting to individual issues, consider an approach that explores the entire financial journey and provides solutions to meet and exceed your patients’ expectations.

65% of patients would consider switching providers for a better health care payment experience.¹

“I had a great experience getting care with you, but then you drop this huge bill on me a month after I’m discharged, and I had no idea it was coming. It’s a shame, because your billing process completely negated all of my good feelings about you guys, and it’s not just about the money. You were so supportive through my care — why did you not mention that I could owe you this kind of money earlier? I’m not sure I even want to pay you now.”

– Patient to Service Representative, Midwest Health System

The rewards of getting it right

- Improving lifetime patient value
- Reducing bad debt exposure
- Preventing denials and revenue adjustments
- Lowering your cost to collect
Where to start: Understanding your patients’ needs

Opportunities to impress patients are abundant but can be elusive unless we understand all segments of the financial journey, from pre-service, to time of service and post-service. These financial experience flashpoints can mean the difference between patient satisfaction and a highly negative review. More importantly, it can mean the difference between the patient paying or not paying his or her obligation — with considerable downstream implications.

Why focus on the patient financial experience now?

The patient financial experience has taken on greater significance in the last several years due to:

- **Growing financial burden activates patients.** The pace of high-deductible health plan (HDHP) adoption has intensified over the last several years — 29% HDHP enrollment in 2018.1 With increased out-of-pocket obligation, patients expect their doctors and hospitals to provide detailed information on what they will pay. However, that is not easy to do, particularly without direct interaction with the patient’s insurance company.

- **Consumerism and social media.** Patients expect their health care experiences to mirror retail and high-tech experiences. Similar to other consumer-facing organizations, hospital systems nationwide are building out their revenue cycle departments to address the financial journey their patients take alongside the clinical path. They are also devoting leadership attention and designing roles to address patient financial experience opportunities.

“My father continues to get ‘payment due now’ and even ‘past due’ bills long after his care, and it’s not clear if we need to pay them, or if they will ultimately be covered by his insurance. This has been going on for months, and it’s caused him great anxiety.”

1. Where should I choose?
2. How long will it take to schedule an appointment?
3. How much will I have to pay?

1. Why/what should I pay now?
2. Has my financial obligation changed?

1. What do these bills even mean?
2. How can I pay my bills?
“I went online to research how much my procedure would cost, and I was quoted a range of hospital prices vs. outpatient care center prices. Trying to find out exactly how much I will have to pay is so confusing.”

- Executive order (June 24, 2019). Health and Human Services has been directed to enact policies that require the price of certain health care procedures to be published and available to patients.

- Spotlight on surprise billing. Increasing media awareness and national coverage has led to an upswing in demand from patients that they want and deserve a world-class financial experience that mirrors their clinical care expectations.

The Optum approach to achieving a best-in-class patient financial experience

It takes a comprehensive approach to measurably improve the patient financial experience. Meeting patient expectations — and exceeding them — at each moment of the patient journey requires coordinating complex decisions, actions and interactions. While nothing about this level of transformation is easy, it is achievable.

Centralized scheduling services accelerate access to care, minimize appointment wait times and prevent no-shows

Appointment reminders and pre-service communication

Coordinated financial clearance team workflow

Eligibility and estimation technology

Customer service and collections training

Staff maximize time with patients

Investment in signage and transportation

Milestone or flashpoint?

Statement design and technology investment for balanced communication

Advanced telephony IVR and patient portal resources

Key moments are the points at which expectations can be met... or not. An amazing experience is achieved when expectations are met with precision and simplicity.
“After I put my kids to bed, I went to call my doctor’s billing office with questions about my medical bill, only to find out they close weekdays at 6 p.m. I don’t know when or how to get the answers I need.”

Drawing on our foundation of 40 years of best-practice research across all touchpoints of the continuum of care, Optum Advisory Services has developed an approach that balances quantitative and qualitative feedback to identify technological, service and aesthetic gaps in the financial experience. This can help give your patients a financial experience equal to the high-quality clinical experience you provide.

For the last several years, discussions with leading providers like you deepened our understanding of your challenges and uncovered best practices for a more ideal financial experience.

But for progressive CEOs at clinically leading-edge organizations who acknowledge the importance of a financial experience that aligns with their clinical commitment, we have an approach designed to facilitate a smooth journey.

Transformation return on investment

There are many benefits to improving the patient financial experience. Virtually all relate to bolstering your bottom line and accelerating payment. For example:

- Reducing revenue leakage because more people are paying bills
- Reducing bad debt/denials by billing insurance accurately
- Engaging patients digitally through their preferred channels so they are likely to respond faster — satisfying them and boosting cost-effectiveness for you
- Measurably improving key success indicators, such as those listed at right

More reasons to believe:
It’s five times more costly to attract a new patient than retain a current one.³

Thoughtfully presenting seemingly disparate data can reveal correlation of operational changes and patient experience impact.
Evaluating your patient financial experience: Two key considerations

- Do you really understand the patient perspective? And what does your market expect? An experience audit and comprehensive market and patient surveys reveal opportunities and barriers in each of these areas. It’s also useful to create personas to help go beyond your own perspective — and understand how different types of patients across different types of clinical settings interact financially with you.

- How can you use technology to enhance the patient financial experience and increase affordability? For example, if you are considering or are in transition to a new electronic medical record (EMR) system, this provides an excellent opportunity to embed touch points for your staff to improve their engagement with patients — and promote digital financial engagement.

So many inputs to create the one solution right for you

There is no one solution that will achieve the transformation you specifically need. Our experts identify a range of opportunities, prioritize recommendations and help you realize success.
Whether establishing a best-practice patient contact center to improve access, focusing on the timeliness and accuracy of payment estimates, expanding payment options (including health service account (HSA) deductions), or modernizing the billing and customer service process, we are uniquely positioned to define your differentiated financial experience strategy.

In our work with other organizations on the journey to improve their patient financial experience, we’ve gathered fundamental learnings that are proving to be hallmarks of a successful strategy. These include:

• **Give patients options to access information so they aren’t forced into a communication channel (such as phone, web, text, portal, walk-ins) they don’t like.** It’s not just about implementing the right technology. It’s just as important to have customer service advocates skilled at guiding patients to the information they seek.

• **Take a hard look at where your organization is today and whether you are ready to move forward with a strong strategy that can address issues of price transparency and patient dissatisfaction.** If you aren’t — perhaps there are other issues that are taking a priority — then look ahead to a time when you would be ready, and determine what you can do today to prepare for that.

• **Do everything you can do to promote price transparency and financial advocacy prior to the point of service.** Avoid relying on a reactive strategy for managing the patient financial experience.
Patients are demanding better; leading health systems are delivering better

This isn’t a small-scale change. But it is a vital transformation that can and should take place across the health care system. Here’s the good news: You aren’t in it alone. Many others are paving the way and sharing what they’ve learned. We can help navigate your way forward to an optimal patient financial experience.

Look for the early wins to set the foundation for lasting results … and inspire your stakeholders that the journey is worth it.

Consider the tactics (below) that an academic medical center in the South used to see important incremental gains right away.

1. **ADDING SIMPLICITY**
   - All referrals documented, patients contacted and radiology orders contacted within 1 business day
   - All patients receive an estimate
   - Customer service abandon rate < 3%; hold time, 20 seconds

2. **EMBRACING AUTOMATION**
   - Self-scheduling
   - Online forms and check-in include payment options
   - Paperless statements
   - Online bill pay includes payment plans and pay-as-guest options
   - Online self-estimates (currently being rolled out)

3. **BOOSTING SERVICE QUALITY**
   - Customer service advocates take calls that require additional information/input to solve billing problems
   - Conduct three-way calls with patient and insurance company
   - Monitor progress of issue resolution and keep patients informed
Why Optum Advisory Services?

Optum Advisory Services is dedicated to researching, assessing and implementing patient financial experience best practices across the country. Our team has invested heavily in understanding the interplay of the patient’s non-clinical experience, volumes and margins.

- **50+** on-site executive strategy retreats
- **40+** partnerships to strategically price services, attract consumers, grow volumes and enhance collections, etc.
- **100+** best practices installed to improve PFE across 30+ markets
- **1,000+** patients surveyed on PFE

We recognize what it takes in this increasingly consumer-driven marketplace to help provider organizations align their high-quality clinical experiences with an equally high-quality, highly satisfying patient financial experience.

Meet our experts

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Sources:
1. Stewart A. 12 key billing statistics: Payment experience causes 65% to consider switching providers.

Learn how Optum Advisory Services can help you determine and reach your organization’s goals.

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Learn more