Personalization in the Healthcare Consumer Payment Process

Why start the payment process prior to service?
As healthcare consumers’ financial responsibility grows, providers are increasingly recognizing the need to help patients pay for services based on their unique needs.

**Data driven, flexible payment options** tailored to an individual’s specific financial situation and financial assistance options, presented prior to service, is an approach being undertaken by innovative healthcare organizations.

**Leveraging automated tools and data** to personalize payment for each and every healthcare consumer—just as the approach to care is personalized—goes a long way toward enhancing the overall patient experience.

**Proactively providing cost of service estimates** with price transparency is the expectation of today’s healthcare consumers and is an opportunity for providers to receive payment at point of service.

As healthcare consumers continue to feel the financial squeeze, the payment side of the equation deserves attention.

- Sixty-two percent of American consumers have less than $1,000 in savings, and 20 percent have no savings at all
- HDHPs’ deductibles of $1,200 to $5,000 for individuals and $2,400 to $10,000 for families are not uncommon
- The average employer-insured consumer’s deductible of $1,217

It’s apparent that the need and opportunity for healthcare financing exists.

**Showing compassion** for patients struggling with medical bills is good for business. Serving patients this way—25 percent of healthcare consumers in poor/fair health said billing damaged their view of the hospital—keeps them from looking elsewhere for services with a provider that offers payment options that meet their need.

Payment planning assistance and financing options make it easy to for patients to do business with a provider. These valued services also help healthcare organizations **maximize cash flow, minimize bad debt while satisfying the patients they serve.**
Increasingly, the out of pocket portion is too much for patients to handle:

*Then...*

Before high deductible health plans and the high numbers of underinsured and uninsured patient came on the scene, the healthcare dynamic was relatively simple and comparatively risk-free.

- **Providers** relied on insurers and government payers for the majority of their revenue.
- **Patients** had minimal understanding of—and responsibility for—the cost of healthcare services.

*...Now*

The Affordable Care Act changed the healthcare industry, with patients assuming a greater share of their cost of care, and providers facing the need to sensitively and effectively collect that cost share.

- **Providers’** ability to collect directly from patients while keeping satisfaction levels high requires innovative and personalized ways for patients to finance their care.
- **Patients** increasingly shop for care and choose to receive healthcare services where payment options are available.

**Provide easy access to information and financial assistance**

![Image of a payment interface]
8 ways to personalize the healthcare consumer payment process with data driven strategies

What happens when healthcare organizations innovate and personalize patient payment processes? By helping patients manage their financial responsibilities, they increase collections, reduce AR days and minimize write-offs. But more importantly, they demonstrate their commitment to not just a patient’s unique clinical needs, but their unique financial needs as well. Assessing each patient in a timely manner, providing options that are right for them, and assuring they’re on the appropriate financial pathway results in a well-rounded patient experience that benefits all involved.

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<tr>
<th>By employing these best practices prior to service...</th>
<th>Providers ...</th>
<th>And Patients ...</th>
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<tr>
<td>1. <strong>Begin financial screening up front.</strong> Find out if uninsured or underinsured patients qualify for Medicaid, charity or other assistance programs.</td>
<td>Minimize bad debt while providing valuable financial services to patients.</td>
<td>Are informed and supported through the payment process.</td>
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<td>2. <strong>Help patients discover coverage they may not know they have.</strong> Leverage available data to discern eligibility previously unknown.</td>
<td>Increase collections and help patients achieve payment peace-of-mind.</td>
<td>Benefit from eligibility they didn’t know about, saving them money.</td>
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<td>3. <strong>Assess patients’ propensity to meet payment responsibilities.</strong> Determine their likelihood to pay based on prior history, and credit/demographic data.</td>
<td>Focus efforts appropriately to maximize productivity and payment assurance.</td>
<td>Are matched with appropriate, empathetic workflow.</td>
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<td>4. <strong>Apply the most appropriate collection policy.</strong> Initiate financial counseling aligned with each patient’s particular financial situation.</td>
<td>Manage to meet patient needs to achieve optimal collections/satisfaction levels.</td>
<td>Feel empowered to meet financial obligations in a way that works for them.</td>
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<td>5. <strong>Facilitate sensitive and effective discussions.</strong> Address the unique needs of individual patients using customizable dialogue and tools.</td>
<td>Communicate clearly and perceptively to foster understanding.</td>
<td>Benefit from a conversation that addresses specific concerns.</td>
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Personalizing Healthcare Consumer Payments

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| 6. **Calculate the patient’s optimal payment capacity.**  
Develop a payment plan based on the patient’s specific financial position. | Present realistic terms that the patient can adhere to, to increase collections. | Receive a realistic plan that meets their unique needs. |
| 7. **Match the patient to a trusted patient financing program.**  
Financially screen patients to determine and match them to a viable source of financing. | Increase likelihood of collection while providing a valued financial service. | Leverage a fully vetted payment option. |
| 8. **Provide online payment options.**  
Make it easy for patients to monitor their care and payment status—and communicate to the provider—through an online patient portal. | Minimize phone calls, improve collections, reduce bad debt, and offer convenience. | Have more autonomy and flexibility, and a convenient way to pay. |

Taking the healthcare consumer payment initiative

Following are key criteria needed to achieve the ability to provide affordable options for patients to meet their financial obligations while reducing the cost-to-collect, bad debt and days in AR.

**Start pre-service**

Payment information and processes need to begin pre-service when possible. The fact that 50 cents of every dollar not collected up front is typically written off, means it’s vital to clear as much as possible as early as possible. At the same time, to effectively manage the financing experience on behalf of the patient requires a comprehensive solution that addresses the process end-to-end.

**Automate the workflow**

Automation of virtually every part of each process ensures consistency, eliminates the need for ad hoc decision-making and minimizes staff time. From initial screening to payment option presentation, from loan initiation to online billing—each step requires touchless workflow, with manual intervention only needed on a low-percentage exception-basis.
Conclusion

As a patient’s financial obligation grows, it’s imperative to tailor strategies to each patient’s unique situation. In pre-service stages, data-driven solutions provide a higher likelihood of securing patient payment. Flexible patient payment plans contribute to a positive billing, payment, and overall engagement experience, as well as a provider’s financial health.

Sources

1 “Approximately 62% of Americans have less than $1,000 in their savings accounts savings, and 21% don’t even have a savings account.” Google Consumer Survey, as reported by MarketWatch, Dec. 23, 2015, by Quentin Fottrell

2 “$1,217: Average deductible for employer-insured consumers, up 47% since 2009.” CMS, AHIP, PwC, Kaiser Foundation