Consumerism in Healthcare
Designing PATIENT FRIENDLY BILLING®
Is there a need to improve the provider-patient financial interaction?

“I’ll have someone come in and prep you for the bill.”
What’s Driving Need to Improve

- Staffing constraints
- Decreasing margins
- Increasing patient-owed amounts
- Rising collection costs
- Rise of consumerism
- New technology
- Patient-Friendly Billing®
- Effective paper-based communications will continue to drive financial awareness and payment.
Patient Communications

Access & Scheduling Approaches

- Provide patients financial obligation estimate at scheduling.
- Provide patients actual obligation & collect or agree on payment expectations, at service.
- In writing, remind patients of financial obligations.
Patient Communications

- Provide financial estimates in writing, with descriptions of what is & isn’t included
- Encourage patients to learn about their benefits and what their financial obligations will be
- Use Patient Friendly Billing guidelines – clear, concise, correct and patient-focused

Payment Expectations & Terms Objective:

- Move patient communications earlier in the encounter
- Agree with patients on payment expectations & terms
The patient portion of the healthcare bill is growing in two ways
- Larger % being paid by the patient
- Greater # of self-pay/uninsured
  - (1 out of 5 working age adults is without health insurance in 2004 – totaling 45 Million Americans - CDC National Center for Health Statistics, June 2005)
• Sophisticated tools are now available to help collect patient-owed fees with less expense
• Patients are confused about healthcare finances; Patient-Friendly Billing® resonates well
• Significant monies are available through deploying a moderately aggressive patient receivables strategy
Session Objective

With the rise in consumerism, present a series of Best Practices – practical ideas – that will optimize your management of Patient-Owed Receivables. Patient-Friendly Billing®

More specifically --

<table>
<thead>
<tr>
<th>Increase the amount collected in patient-owned receivables</th>
<th>Decrease Bad Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the speed with which patient-owned receivables are realized</td>
<td>Decrease AR days</td>
</tr>
<tr>
<td>Increase bottom line profits</td>
<td>Decrease costs associated with collecting patient-owned receivables</td>
</tr>
<tr>
<td>Increase the bond between patient and provider</td>
<td>Decrease non-payment; promote repeat business</td>
</tr>
<tr>
<td>– extend “the quality of care” through the financial experience</td>
<td></td>
</tr>
</tbody>
</table>
Current Process for Patient-Owed Receivables

Send patient a statement with Balances Owed after Insurance has paid

Send patient a second statement when no payments have been received

Send Unpaid Balances to Collections

Receive Collected Funds (less 15 – 30%); write off remainder to Bad Debt

Patient responds with Insurance information

60-90 days

“We’ve done all we can do – it’s just the way it is with people – this is what we’re forced to settle on.”
Redefine Process for Patient-Owed Receivables

- **Patient Registration** → Get accurate information
- **Calculate Balance Due from the Patient** → Calculate quickly and accurately
- **Communication Plan** → Build a strong strategy
- **Preparing the Message** → Design for payment
- **Delivering the Message** → Deploy with speed and accuracy
- **Accepting Payments** → Automate for speed and accuracy
- **Handling Exceptions** → Minimize, work them!
Communication Plan

Stage Objective:

• Establish multi-channel processes throughout the patient interaction that promotes payment.

• Patient-Friendly Billing® guidelines have pushed much needed improvements in the patient receivable cycle.
Multi-Channel, Defined

**Rethink the process**

**Integrated set of communication / transaction services designed to:**

- Encourage self-service and motivate the patient to take action
- Provide seamless set of options to make it easy to communicate
- Move patients toward a set of services that optimize timely and efficient collection of fees
Communication Plan

Set the Expectation for Payment –

1. Include Financial Policies on statement & website information.

2. Utilize a Post-Encounter letter that sets the expectation for the process and for eventual patient payment.
   ✓ To be sent immediately after encounter

3. Include a Patient-Friendly brochure at registration describing the financial process for the services to be given.

4. Train patient access/finance personnel on up-front collections as much as possible.
Communication Plan

Employ Patient-Friendly Billing® Guidelines

Establish a work-team to score yourself compared to the PFB Guidelines.

1. Set targets for reduced calls.
2. Set targets for increased receivables.
Communication Plan

**Design the Statement/Bill for Payment** – A bill that is understood, is a bill that is paid!

1. Complete a design assessment of your current statement.
   - Color works!
   - 80% increase in comprehension and awareness
   - 30% improvement in timely payments

2. Include information about where to get questions answered.
   - FAQ’s on statement back will help reduce calls.

3. Note that many providers may have been included in their care and that other bills may be coming for those services.
Sample Documents based on Patient Friendly Guidelines

Dear John Q. Patient:

Thank you for choosing Perry Medical Hospital. It has been our privilege servicing...

We have billed Actea Insurance Company for the account above. Once your processed or paid the claim, we will bill your secondary insurance company. After you receive your explanation of benefits, please check the payment remittance advice... If we do not have your correct insurance information, or if your address has changed, please return it to Patient Financial Services. We will make the necessary changes... We hope you will always feel confident in Perry Medical Hospital commitment to you...

Sincerely,

Patient Financial Services

---

Account Summary

<table>
<thead>
<tr>
<th>Patient Name</th>
<th>John Q. Patient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number</td>
<td>0123-4567-90</td>
</tr>
<tr>
<td>Service Date(s)</td>
<td>July 11, 2000</td>
</tr>
<tr>
<td>What we billed to Actea</td>
<td>$15,885.93</td>
</tr>
<tr>
<td>Insurance Payment</td>
<td>20.00</td>
</tr>
<tr>
<td>Patient Payments</td>
<td>20.00</td>
</tr>
<tr>
<td>What you owe now</td>
<td>20.00</td>
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</table>

Summary of Charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Pharmacy</td>
<td>$3,335.76</td>
</tr>
<tr>
<td>Clinical Lab or Services</td>
<td>$155.00</td>
</tr>
<tr>
<td>Recovers Room</td>
<td>$62.00</td>
</tr>
<tr>
<td>Anesthesia</td>
<td>$180.00</td>
</tr>
<tr>
<td>Radiology Services</td>
<td>$38.00</td>
</tr>
<tr>
<td>Therapy Services</td>
<td>$270.00</td>
</tr>
<tr>
<td>Pathology Services</td>
<td>$216.00</td>
</tr>
<tr>
<td>Total</td>
<td>$10,023.00</td>
</tr>
</tbody>
</table>

Questions or Concerns

If you have any questions or concerns regarding your account, please contact us at 800-555-0054 or 321-555-8878. If you do not hear within 24 hours, please contact us... If we do not have your correct insurance information, or if your address has changed, please return it to Patient Financial Services. We will make the necessary changes... We hope you will always feel confident in Perry Medical Hospital commitment to you.

Sincerely,

Patient Financial Services

---

About Your Insurance

<table>
<thead>
<tr>
<th>Account Number</th>
<th>0123-4567</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Carrier</td>
<td>Actea</td>
</tr>
<tr>
<td>Plan Type</td>
<td>Indemnity</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/2000</td>
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<tr>
<td>Coverage Limit</td>
<td>$500,000.00</td>
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</table>

Insurance Information

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Indemnity</td>
<td>$500,000.00</td>
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</tbody>
</table>

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Visit Our Website: www.perrymedicalhospital.com
Preparing the Message

Outsource vs. In-house – Take advantage of the economies of scale and the core competencies of professional statement processors.

1. Outsourcers can get greater postage discounts.
2. Outsourcers can buy paper components for less.
3. Some outsourcers have the capital and processes available for creating the highest level of “document integrity” available in the industry – imperative with HIPAA.
Preparing the Message

Check Address Data quality; Repair Information – The address is still the key piece of information for communication with the patient.

1. Address Syntax improved – CASS (Coding Accuracy Support System)
   a. Post-net barcodes
   b. Zip + 4 carrier route added

2. Address Viability checked – DPV (Delivery Point Validation)
   a. Verifies existence of mailbox

   a. 18% of population moves each year
   b. 12% of your mail will be undeliverable
Delivering the Message

Stage Objective:

- Get the communication to the bill payer accurately the first time.
- Combined Billing: Is this a realistic option?
- A Multi-Channel strategy, and improvements in the “document industry” now make this possible
Delivering the Message

Employ a Multi-Channel Delivery Strategy – Get the financial information to the patient in a way that will reach them efficiently.

1. Establish web-based tools to deliver patient statements, patient alerts.

2. Integrate print-and-mail statements with web-based presentations.

3. Dovetail into the USPS (United States Postal Service), a key partner in getting the message to the patient:
   a. Prepare the mail in an optimal way to maximize postal discounts
   b. Establish billing cycles that correspond to the destination zip code.
Accepting Payments

**Establish Multi-Channel Methods for Payments** – People have changing preferences in how they pay their bills

1. **Web-based payments** – Q4-2004 online payments exceeded paper-check payments

2. **IVR (Interactive Voice Recognition)** – an effective way to collect payments

3. **Customer Service facilitated payments** – deploy customer service tools that allow the representative to ask for payment upon completion of answering the caller’s question

4. **Paper payments** – include a remit envelope with a pre-printed, pre-barcoded remit address
How Consumerism is Driving the Premise for Online Patient Accounts

- New approaches needed to improve the collection of patient-owed fees

- It's time your healthcare web site grew up and got a real job serving the needs of patients and the organization

- Online patient accounts can improve customer service and generate a measurable ROI
Why take patient accounts online?

- The Internet is the “New Normal”
- 63% of American adults go online
- Majority use high speed connectivity
- 79% have searched for health information

Source: Pew Foundation
What is Online Patient Accounts?

Hosted software

- Improve management & collection of patient-owed fees

Benefits

- Improves customer service & communications by providing a convenient self service option
- Increase staff efficiency of managing inquiries & collecting of patient-owed fees
What is Online Patient Accounts?

**Flexibly deployed through**
- Your organization’s website
- Point of service

**Leverages existing systems**
- Billing system
- Merchant accounts
- Web presence

**Three components:**
- Patient self-service
- Administrative/Work flow
- Data reporting
Bankable Benefits

- Reduce bad debt
- Lower A/R days
- Increase cash collections
- Decrease call center volume
- Lower support costs
- Greater patient satisfaction
Emdeon Patient Pay Online
## Emdeon Patient Pay Online

*Self-service billing application for patients to pay and manage their accounts online*

### Key Features
- Integrates with provider’s existing website
- Integrates with provider’s existing credit card agreements, using Verisign
- No additional software, hardware, maintenance, or programming required
- All forms of online payment accepted (Credit Cards, eCheck, ACH)
- Direct access for patients to account and demographic info
- Patients can securely communicate with customer service staff
- Custom content included - FAQs, Billing Policies, Helpful Resources

### Key Benefits
- Accelerates and increases patient collections
- Reduces customer support calls
- Increases billing data accuracy
- Gives patients more convenient payment choices
- Provides integrated view of all patient payments
Welcome to our Patient Financial Services Center

This site provides you with tools to make the billing process more manageable and user-friendly. By creating an online account, you will gain online access to a simple, up-to-date summary of your account, useful resources that answer your billing questions, and an easy way to conveniently view, manage, and pay your bill online.

Enrolled Users Login Here

Username: [Enter Username]
Password: [Enter Password]

Log In Pay Without Enrolling

Create an Online Account
Forget Password or User Name?
Not Enrolled Yet?
Privacy Policy
Help

We trust that your experience is valuable and we welcome your ideas for how to further improve this service for you in the future. Click here to give us suggestions on how we can improve.
Emdeon Patient Pay Online

Your Healthcare Company

Billing Information

To pay your account balance with your credit card or check, complete the fields below and click continue.

Your total amount now due is: $1,629.88

Payment Method: ☐ Credit Card ☐ eCheck ☐ NSF Fees

Billing Name: JANE DOE
Billing Address: 1828 21ST RD
Billing City: ASTORIA
Billing State: NY
Billing Zip Code: 11105-3941

Routing #: Account #: Check #: Phone #: Payment Amount: $1,629.88

CANCEL CONTINUE

* Required
* As it appears on your check
Emdeon Patient Pay Online

Your Healthcare Company

Billing Information

To pay your account balance with your credit card, complete the fields below and click continue.

Your total amount now due is $1,044.88

* Billing Name¶: JANE DOE

* Billing Address: 1829 21ST RD

* Billing City: ASTORIA

* Billing State: NY

* Billing Zip Code: 11105-3941

Email Address: test@lx.com

Credit Card Number: 

Expiration Date: Month Year

CVV (On back of card): 

** Required

¶ As it appears on your credit card
Emdeon Patient Pay Online

<table>
<thead>
<tr>
<th>eCashing</th>
<th>Patient Pay Online</th>
<th>Patient Connect</th>
<th>Business Analytics</th>
<th>Administration</th>
</tr>
</thead>
</table>

**Account Summary**

<table>
<thead>
<tr>
<th>Patient Online</th>
<th>Account:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Site Visits</td>
<td>Today</td>
</tr>
<tr>
<td>Enrollments</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secure Communications</th>
<th>Today</th>
<th>Month To Date</th>
<th>Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of Address</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Change of Insurance</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Emdeon eCashiering
Enterprise-wide payment processing for collecting and managing patient payments

**Key Features**

- Patient payments accepted from all locations within the enterprise
- Payments processed for both outstanding balance AND current point of service payments
- All common forms of electronic payment processed
- All forms of physical payment processed
- Comprehensive payment management
- Audit, track, receipt, post, and report 100% of patient payments

**Key Benefits**

- Accelerates and increases patient collections
- Increases speed of payment capture
- Saves time by automating manual payment posting
- Increases efficiency by enabling all employees to accept payments
- Improves customer service
- Provides dashboard reporting of patient payment activity
- Empowers organizations to change the culture of asking patients for money
Emdeon eCashiering

To pay this account balance with a credit card or check, complete the fields below and click continue.

Total payment amount: $100.00

<table>
<thead>
<tr>
<th>Payment Method:</th>
<th>Credit</th>
<th>eCheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Name:</td>
<td>John Doe</td>
<td></td>
</tr>
<tr>
<td>Billing Address:</td>
<td>123 Main St</td>
<td></td>
</tr>
<tr>
<td>Billing City:</td>
<td>Nashville</td>
<td></td>
</tr>
<tr>
<td>Billing State:</td>
<td>TN</td>
<td></td>
</tr>
<tr>
<td>Billing Zip Code:</td>
<td>37215</td>
<td></td>
</tr>
<tr>
<td>Email Address:</td>
<td><a href="mailto:test@emdeon.com">test@emdeon.com</a></td>
<td></td>
</tr>
</tbody>
</table>

Credit Card Number: 4111111111111111
Expiration Date: 3/2009
CVV: 123
Phone Number: 615-665-1212

* = Required
Emdeon eCashiering

Northwest Hospital & Medical Center

Customer Receipt Number: 00233711
Transaction ID: V78A0CD18402

Account Number  Account Name  Payment Amount
12345678        John Doe      $100.00

Total Payment Amount: $100.00

Payment Information
Date of Payment: 2/13/2008 5:06:13 PM
Payment Type: Visa
Credit Card Number: ************1111
Phone Number:  
Email Address: test@emdeon.com

[Buttons: Printable Version, Email Receipt, Print/Mail, Void/Refund, << Back]
## Emdeon eCashiering

### Cash Register

<table>
<thead>
<tr>
<th>Receipt Number</th>
<th>Account Name</th>
<th>Account Number</th>
<th>Method</th>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>00487812</td>
<td>John Doe</td>
<td>123456789</td>
<td>Visa</td>
<td>$100.00</td>
</tr>
<tr>
<td>00487510</td>
<td>Lyle Beasley</td>
<td>123456789</td>
<td>Cash</td>
<td>$75.00</td>
</tr>
<tr>
<td>00487511</td>
<td>Betty Smith</td>
<td>123456789</td>
<td>Visa</td>
<td>$87.93</td>
</tr>
<tr>
<td>00487512</td>
<td>Jane Doe</td>
<td>123456789</td>
<td>eCheck</td>
<td>$679.54</td>
</tr>
</tbody>
</table>

**Summary**

- **Total Credit Cards**: $187.39
- **Total Checks**: $679.54
- **Total Cash**: $8,500.00
- **Total Business Checks**: $0.00
- **Total Personal Checks**: $0.00
- **Total Money Orders**: $0.00
- **Total Other**: $0.00
- **Total Void/Refund**: $0.00

**Register Total**: $941.83
## Emdeon eCashiering

![Emdeon eCashiering Interface](image)

### Payment Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Today</th>
<th>Month To Date</th>
<th>Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>eCashiering</td>
<td>53</td>
<td>273</td>
<td>7,508</td>
</tr>
<tr>
<td>Patient Pay Online</td>
<td>14</td>
<td>104</td>
<td>3,375</td>
</tr>
<tr>
<td>IVR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Recurring</td>
<td>0</td>
<td>5</td>
<td>145</td>
</tr>
<tr>
<td>External</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>67</td>
<td>382</td>
<td>11,188</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>Today</th>
<th>Month To Date</th>
<th>Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>eCashiering Payments</td>
<td>$7,265.76</td>
<td>$42,856.84</td>
<td>$1,249,098.70</td>
</tr>
<tr>
<td>Patient Pay Online</td>
<td>$895.97</td>
<td>$11,638.48</td>
<td>$320,933.92</td>
</tr>
<tr>
<td>IVR Payments</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Recurring Payments</td>
<td>$0.00</td>
<td>$252.83</td>
<td>$10,698.55</td>
</tr>
<tr>
<td>External Payments</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,162.75</td>
<td>$54,748.15</td>
<td>$1,580,631.17</td>
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**Logout:** (click to logout)
Emdeon eCashiering

<table>
<thead>
<tr>
<th>Account</th>
<th>Source</th>
<th>Receipt</th>
<th>Transaction</th>
<th>Date</th>
<th>Method</th>
<th>Amount</th>
<th>Checking/CC</th>
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<tbody>
<tr>
<td>71103107</td>
<td>eCashiering</td>
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<td>Patient Pay Online</td>
<td>09/09/2008</td>
<td>Visa</td>
<td>$100.00</td>
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<td>Patient Pay Online</td>
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<td>718664077</td>
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<td>Visa</td>
<td>$100.00</td>
<td>9304</td>
</tr>
</tbody>
</table>

New Search Download
Emdeon eCashiering
Conclusion

• Evaluate current activities
• Evaluate current statement effectiveness
• Define steps for improvement
• Deploy a multi-channel approach to patient receivables
• Employ metrics to measure success
• And, always, execute well!
For More Information:

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419.324.3110
www.emdeon.com