



**hfma** massachusetts - rhode island chapter  
healthcare financial management association

Championship Revenue Cycle:

Passion & Purpose



## The Evolution of Consumerism in Health Care

Friday, January 19<sup>th</sup>, 2018  
Gillette Stadium Clubhouse

Aliina Hopkins, Managing Director  
The Advisory Board Company  
Joann Barnes-Lague, Director of Customer Care  
Shields Health Care Group  
Sandy Clay-Hillyard, Director of Patient Access  
Lowell General Hospital

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## An Emerging Up-At-Night Issue for Hospital Leaders

Getting Consumerism Right In Healthcare

**HealthAffairs** August Issue: Consumerism

**Forbes**

Healthcare reform law to usher in new age of consumerism

*Health insurance companies are developing services, tools and communication strategies to attract and retain customers.*

**Los Angeles Times**

Is Your Health System Prepared for Consumerism?

**healthcare  
informatics**

**Value shopping**

**Modern  
Healthcare**

Employers, payers and patients are looking beyond quality measures in their provider comparisons

Source: Howard P. "Power to the Patients: How To Increase Consumerism in Healthcare," *Forbes*, January 13, 2016; Jain SH, "Getting Consumerism Right in Healthcare," *Forbes*, October 1, 2015; Landi, H. "Is Your Health System Prepared for Consumerism?," *Healthcare Informatics*, July 27, 2017; Zamosky L. "Healthcare reform law to usher in new age of consumerism," *LA Times*, September 8, 2012; Evans M. "Value Shopping: Employers, payers and patients are looking beyond quality measures in their provider comparisons," *Modern Healthcare*, June 23, 2012; Financial Leadership Council interviews and analysis.



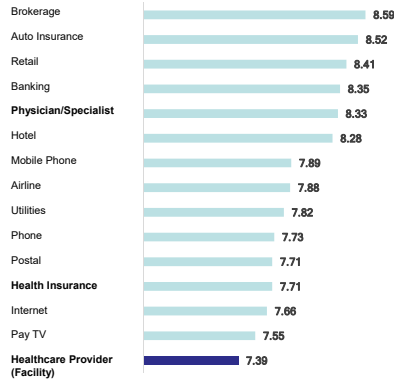
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# Health Care Facilities Lag in Customer Satisfaction

## Average Customer Satisfaction Scores

Average Score, 1-10 Scale<sup>1</sup>



**90%**  
Hospital executives for whom improving the patient experience is a high priority

**30%**  
Hospital with established capabilities to improve the patient experience

“Most providers continue to take a reactive approach to consumer issues—responding to complaints as they arise—rather than proactively working to improve the consumer experience.”

Kaufman Hall Consumerism Report, 2017.

McKinsey Consumer Experience Survey, 2013. Customer satisfaction was measured on a scale of 1 to 10; includes up to three companies per industry per respondent.  
Source: Cordina J. et al. "Winning with consumers: What payors can learn from 'consumer' companies." McKinsey, 2013; Kaufman Hall, "2017 State of Consumerism in Healthcare: Slow Progress in Fast Times," Kaufman Hall, 2017; Financial Leadership Council interviews and analysis.



# Higher Deductibles Driving Increased Price Sensitivity

1

### Forgo Care?

Spending Reductions Following Implementation of High-Deductible Health Plans

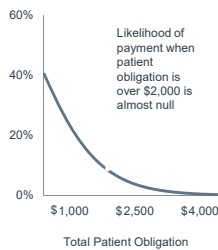
**25%**  
Reduction in physician office spending

**18%**  
Reduction in ED spending

2

### Fail to Pay?

Low probability of collecting patient obligation without a POS payment<sup>1,2</sup>



3

### Shop Carefully?



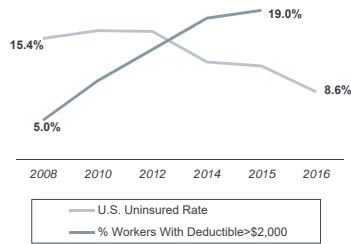
n=382,288 patient encounters, 18 facilities.  
Analysis for a median performing facility, defined as collecting 26.5%–71.7% of total patient obligations when no POS payment is made.  
Source: Brot-Goldberg Z et al., "What Does a Deductible Do? The Impact of Cost-Sharing on Health Care Prices, Quantities, and Spending Dynamics," The National Bureau of Economic Research, October 2015, available at: <http://www.nber.org>; Altman D, "Health-Care Deductibles Climbing Out of Reach," *Wall Street Journal*, March 11, 2015, available at: [www.blogs.wsj.com](http://www.blogs.wsj.com); Financial Leadership Council, "Are You Asking for Enough at Point-of-Service?," January 11, 2016; Financial Leadership Council interviews and analysis.





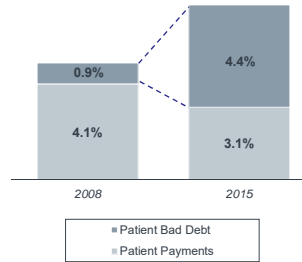
## Patient Debt Neutralizing Benefits of Coverage Gains

Coverage Expansion Met with Rise in HDHPs



More Commercial Patient Obligations Going to Bad Debt

Hospital Potential Revenue from Patient Obligations<sup>1</sup>



Many Americans Lack Cash Flow to Cover Potential Out-of-Pocket Costs

**35%** Households without enough liquid assets to pay \$2,500 deductible

Potential Revenue defined as the sum of Total Insurer Payments, Total Patient Payments, and Total Patient Bad Debt.



## Moving Beyond Price Shopping

Experience Drives Loyalty...



...and Loyalty Drives Business



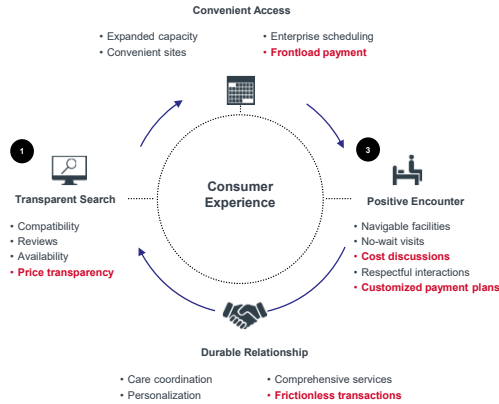
Source: "What Drives Consumer Loyalty to a Primary Care Physician?" Market Innovation Center, The Advisory Board Company, 2015; "What Do Consumers Want from Specialty Care?" Market Innovation Center, The Advisory Board Company, 2015; Coffman J, Yale P. "Would you recommend this hospital to a friend?"; Bain & Company, 2007; Reichheld FF, Sasser WE. "Zero Defection: Quality Comes to Services." Harvard Business Review, 1990, 68:105-11; Murphy EC, Murphy MA. Leading on the Edge of Chaos. Prentice Hall Press (TR), 2002; Friedman F. "Do portals make patients more loyal?"; Practice Notes, The Advisory Board Company, 2015; Financial Leadership Council interviews and analysis.



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# Consumer Strategy Extends to Revenue Cycle



## Patient Financial Experience Checklist

### Transparent Search

Do we provide price estimates on our website?

### Convenient Access

Do we provide price estimates during scheduling?  
 Do we frontload patient payment?

### Positive Encounter

Do staff engage in respectful payment conversations with patients?  
 Do we offer customized payment plans?

### Durable Relationship

Is each point of financial contact professional and of consistent quality?

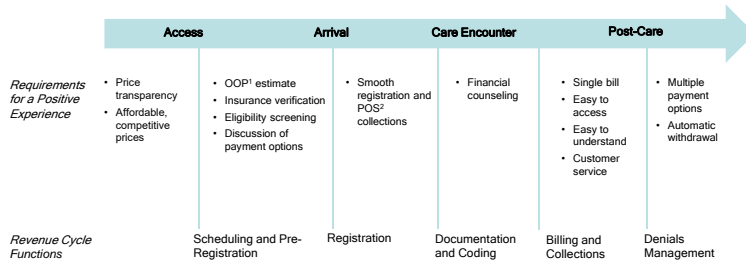


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# The Patient Financial Journey

The Patient Financial Journey



Out-of-pocket.  
Point-of-service.



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## Shields Health Care Group



### 30+ Facility Radiology Group

- Massachusetts
- New Hampshire
- Maine

### 5 Offerings

- MRI
- PET
- CT
- Mammo
- Ambulatory

### Six Sigma Driven Company



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## Pedal to the Metal

Keep Patients Informed



We have started emailing pre-service estimates and post-service balances to patients

Price Transparency



Price transparency is advertised on our website, educating patients on cost of service in a user-friendly way

The registration process is hardcoded to ensure every patient receives an estimate or financial disclosure

Online Payment Option



Our online payment solution allows patients to pay prior to service, at the point of service, and after service.

iPad Check-in Process



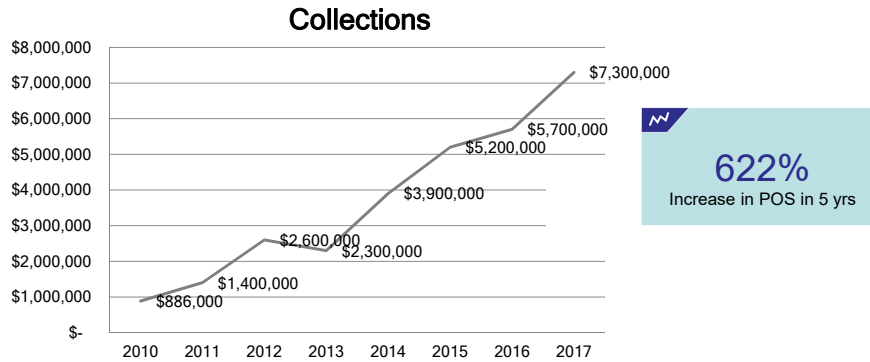
Our iPad patient check-in technology will help us streamline patient access processes and workflow, ultimately creating a seamless patient experience



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## Improving Collections



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## Lowell General Hospital

Our mission: *Patients First in Everything We Do*



- » Part of Wellforce- Circle Health with Tufts Medical Center and Hallmark Health are setting a new standard for healthcare
- » Not-for-profit
- » Two primary campuses located in Lowell each with an ED, a Patient Service Center and medical and surgical inpatient services
- » Three Urgent Care centers located in surrounding towns
- » A series of satellite patient service centers throughout greater Lowell



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## Setting a New Standard

Educating Patients/  
Engaging Staff



Identify  
Inform  
Collect  
Document

Financial  
Conversations  
Curriculum



Patient Experience  
Excellence  
Registration and Eligibility  
Verification  
Estimation and Scripting  
Laws and Regulation

Uninsured  
Patients and the  
501r



AGB  
Financial Signage  
Website  
Financial Brochure  
501r Discounts

PFR and  
Prior Balance  
Visibility



Connect pricing estimator  
with e-cashiering tool  
Connect prior balances with  
e-cashiering tool  
Offer payment plans  
through e-cashiering tool



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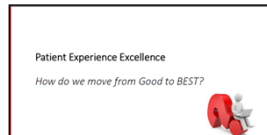
## Creating a Curriculum

### TRAINING

- 200 team members
- Multiple sessions/module
- APR-SEP 2017

### FY18

- ❖ Q1 Cultural Competencies
- ❖ Q2 Insurance Identification
- ❖ Q3 Point of Service Collections
- ❖ Q4 Metrics and Goal Setting



Registration and Eligibility Verification Training  
Module

Patient Access  
May 2017



Laws and Regulations

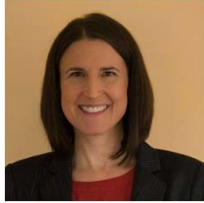
Patient Access  
2017



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## Discussion



Aliina Hopkins  
Managing Director  
The Advisory Board



Joann Barnes-Lague  
Director of Customer Care  
Shields Health Care Group



Sandy Clay-Hillyard  
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