HFMA South Texas Spring Institute
May 15-17, 2016

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REVENUE CYCLE. PERFECTED.

FROM EDUCATION TO IMPLEMENTATION,
REDESIGNING PFX

Presented by
Suzanne Lestina, FHFMA, CPC
VP Revenue Cycle Client Innovation

Total Market Transformation

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- Consolidation of provider-types into cohesive delivery networks
- Shrinking margins for health systems
- Health providers projecting unified, integrated brands
- Penalties to providers for bad patient behaviors
- Patients demanding consumer-friendly interaction
- Controlling the total cost of care while maintaining quality
- Increase In patient dollars owed at visit
- Health systems becoming their own payers

Health systems need patients to:
- Engage in their healthcare
  - ➢ Financial improvement
  - ➢ Health behavior improvement

2

I am a Patient, Today

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- I hurt my knee

- I am going to **Health System X** to fix it

- It will take many visits, x-rays, surgery, rehab, spanning weeks, even months

3

The Patient Experience

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- **The Care Giver Focuses on:**

  - ✓ **Patient needs**

  - ✓ **Communication**

  - ✓ **Treatment plan**

  - ✓ **Knowledge**

  - ✓ **Compassion**

Continual Process Improvement

Quality

Loyalty

Efficiency

Patient Satisfaction

Safety

Clinical Outcomes

4

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WHERE'S THE "F" IN PATIENT EXPERIENCE

5

The Patient Experience Future/Better State

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- **The Financial Advocate Focuses on:**
  - ✓ **Patient needs**
  - ✓ **Communication**
  - ✓ **Financial plan**
  - ✓ **Knowledge**
  - ✓ **Compassion**

Quality

Continual Process Improvement

Financial

Efficiency

Loyalty

Safety

Patient Satisfaction

Clinical Outcomes

6

Today's Session

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Consumerism in Healthcare
The Patient Financial Experience
Reform Opportunities

7

The Healthcare Consumer

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- Patient Experience is increasingly driving allocation of healthcare dollars
- The newly active healthcare consumer is moving from awareness to adoption
  - Greater access to better information online
  - Tools to shop for and evaluate healthcare plans
  - Increasing desire to be more active in the management of their own healthcare
  - Preference for the ability to customize products and services
- **Financial aspect of the Patient Experience has been insufficiently considered and addressed by the marketplace**

Source: Kelly Calabria, SVP, Account Director, Healthcare, Capstrat

8

The Value Connection

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Hospital Value-Based Purchasing (VBP) portion of the Affordable Care Act returns higher Medicare reimbursements based on patient experience scores.

- The payment process is integral to the patient experience.
- **Patients who don't understand their bills, what they owe, and why they owe it tend to give lower scores on patient satisfaction surveys**.

Source: **The Elephant in the Waiting Room: Healthcare Organizations Can No Longer Afford to Look the Other Way on Patient Pay By Sean Biehle, 09/17/14**

9

Criteria for Performance Excellence

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Customer Engagement: How do you engage customers by serving their needs and building relationships?

3.2. Customer engagement refers to your customers' investment in or commitment to your brand and product offerings. ***Characteristics of engaged customers include retention, brand loyalty, willingness to make an effort to do business—and increase their business—with you, and willingness to actively advocate for and recommend your brand and product offerings.***

http://www.nist.gov/baldrige/publications/upload/2015_2016_Baldrige_Framework_BNP_Free_Sample.pdf

10

Online Review
Yelp – 1 Star

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Rating is not for quality of care with doctors or nurses; no beef with them. Strictly for billing practices and complete lack of informed consent for patients when it comes to unexpectedly high costs of a simple blood test.

I feel completely duped and extorted by this hospital. My son went in for a singular blood test to help determine what was causing his eczema. ONE BLOOD DRAW. How much do you think a simple blood test should cost? I was thinking that I'd pay, oh maybe a couple hundred bucks at most. You know what they actually charged for that one blood test without telling me in advance or warning me that this isn't a normal standard blood test? $3400, of which I was responsible for $1250 (my insurance company paid the rest). I called them multiple times to dispute and explain the charge; no one called me back.

It'd be one thing if the hospital were upfront with us to explain the unexpectedly high cost, but NOPE. Really, is it that hard? You don't think a regular consumer would be caught off guard when you charge then $1250 for one simple blood test? Nice. Oh, and I especially loved when they sicced their collection agency on me only after a couple of months and sent me threatening notes about filing lawsuits and ruining my credit score.

11

Consumerism in Action

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Patients' selection of a care provider has changed with today's increased availability and expectation of online information:

29 percent of patients view online ratings/reviews as their first step in doctor search

One in three patients will avoid a provider based on a negative review

http://www.nationalresearch.com/blog/105/#sthash.HoYRWd00.dpuf – Advance Healthcare *Executive Insight* magazine article, *Consumerism: Changing How Hospitals Do Business*, Andrew Ibbotson, Vice President of Reputation at National Research

12

Online Review
Yelp – 5 Stars

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Unfortunately, Good Sam will always be associated with the place that I learned my husband has stage 4 colon cancer at a young and otherwise healthy 29 years old. While we got the worst possible news here, especially since it was a week after we found out we were expecting our first child, I can't deny the fact that the care he got was pretty exceptional. Sure, there was a nurse or two during his week long stay that left a little to be desired, but all in all, the nurses were more than kind and the doctors that helped him have been wonderful. At this point he's had two surgeries, a colonoscopy, an endoscopy a lung biopsy and two liver biopsies done here, and every time we leave feeling like he was in great hands.

Next up, we get to see how their labor and delivery department is!

My only complaint is with their billing department. What a nightmare! It's been one issue after another after another. They say one thing, the insurance companies say another. Back and forth, back and forth. It's exhausting.

13

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CONSUMER CONFUSION

14

Today's Financial Experience

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- Poor financial communication
  - Consumer confusion
    - Consumer dissatisfaction
      Results in:
      - ✓ Failed collections
      - ✓ Low patient satisfaction scores
      - ✓ No loyalty (trust)

15

How Well Do We Communicate

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Legend:
- 5 (Very Satisfied)
- 4 (Satisfied)
- 3 (Neutral)
- 2 (Unsatisfied)
- 1 (Very Unsatisfied)

X-axis categories:
- Q1. On your call today, how satisfied are you with the way our representative handled your call?
- Q2. How satisfied were you with the options presented to settle your account balance?
- Q3. Throughout this healthcare experience, how satisfied are you with the handling of your account?
- Q4. Before you received healthcare services, how satisfied were you with the explanation of your financial responsibility?

Data Source: Avadyne Health client/patient satisfaction survey data, Jun, Jul, Aug 2015 data

16

Patient Financial Communication and Satisfaction

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msg966817.wav

In regards to question 4…

msg976952.wav

Disillusioned

msg1138103.wav

Fix it

msg1124863.wav

Bills from everywhere

17

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# PATIENT *FINANCIAL* EXPERIENCE

18

The Patient Financial Experience (PFX)

19
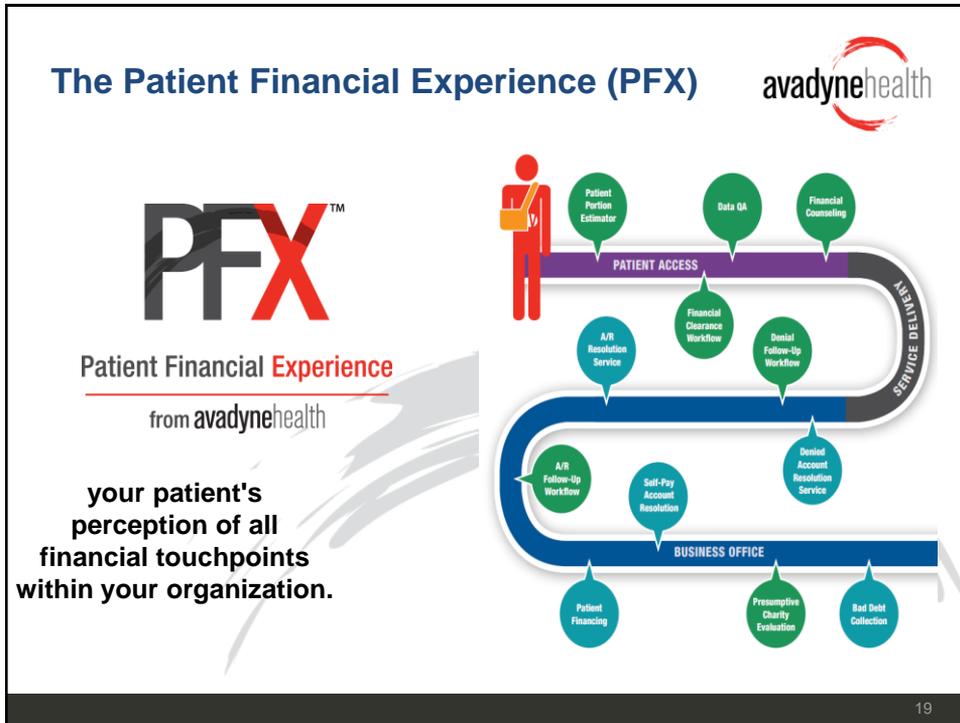
Patient's Perception

How would a patient describe the perfect financial experience?

- It was simple
- Payment options were great
- Staff were knowledge and compassionate
- Great self service options
- I had no surprises

What else would they say?

20

Connecting the Financial and Human

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The Patient Financial Experience focuses on:
- Patient's right to know
- Reducing patient's anxiety or fear through education:
- Access to key data – charge and payment information

Knowledgeable compassionate staff

Advocacy:
- Options for account resolution – willingness to work with patients

21

PFX Ideal

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- Pre-Service: Maximum resources applied to financial communication and consumer activity – prospective patient liabilities calculated
- Time of Service: Patient aware of financial responsibilities – patient prepared
- Post Service: Highly integrated financial communication and consumer activity

22

Patient Financial Experience Barriers

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- Pre-Service: Minimal resources applied to financial communication and consumer activity
- Time of Service: Typically engage patient in time of service financial discussion – patient not prepared
- Post Service: Self Pay follow-up and financial communication with minimal integration

23

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HOW WELL ARE WE DOING?

24

Pre-Pay Discussion

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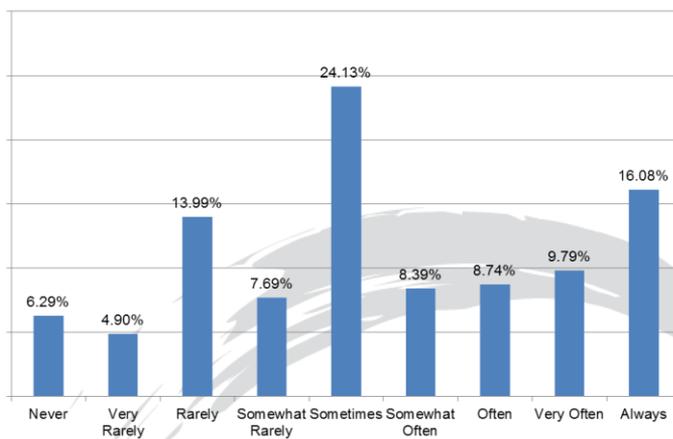
**We have a detailed discussion with each patient on their potential financial obligation**

25

Detailed Eligibility

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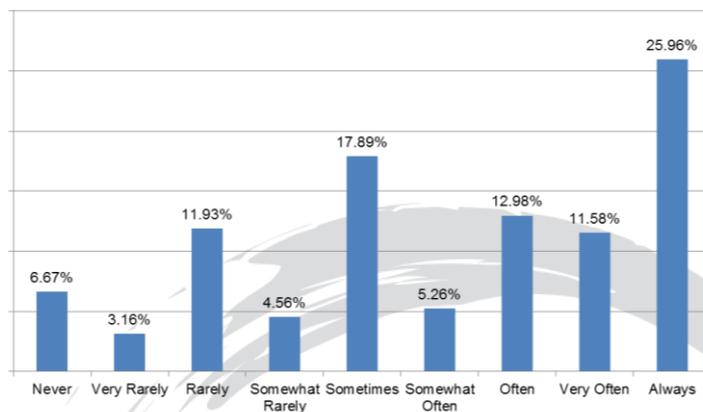
We gather detailed eligibility through our eligibility system and/or contact with payer

26

Electronic Estimate

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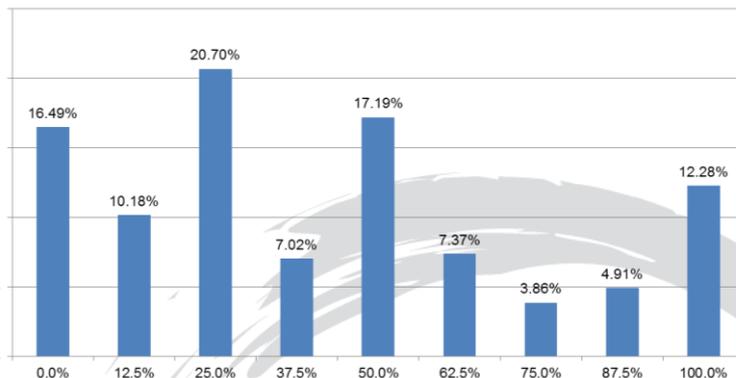
Percentage of patients who receive an electronic estimate

27

Pre-Payment Options

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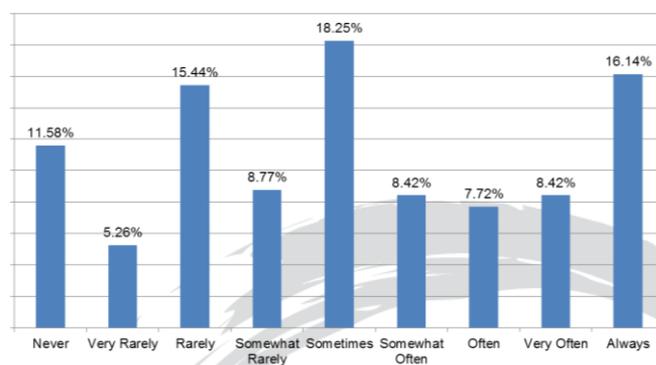
We provide pre-payment options for patients

28

Consolidate IDN Bills

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We consolidate patient bills across our IDN and bill everything on a guarantor basis

29

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YOUR TRANSFORMATIONAL OPPORTUNITIES

30

Where Do I Start

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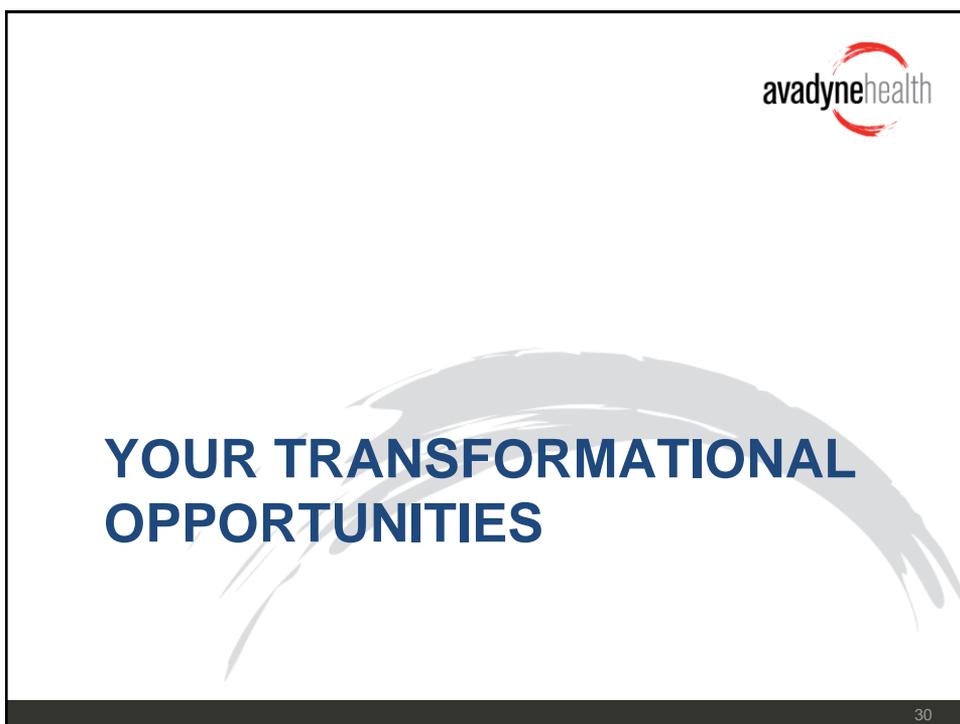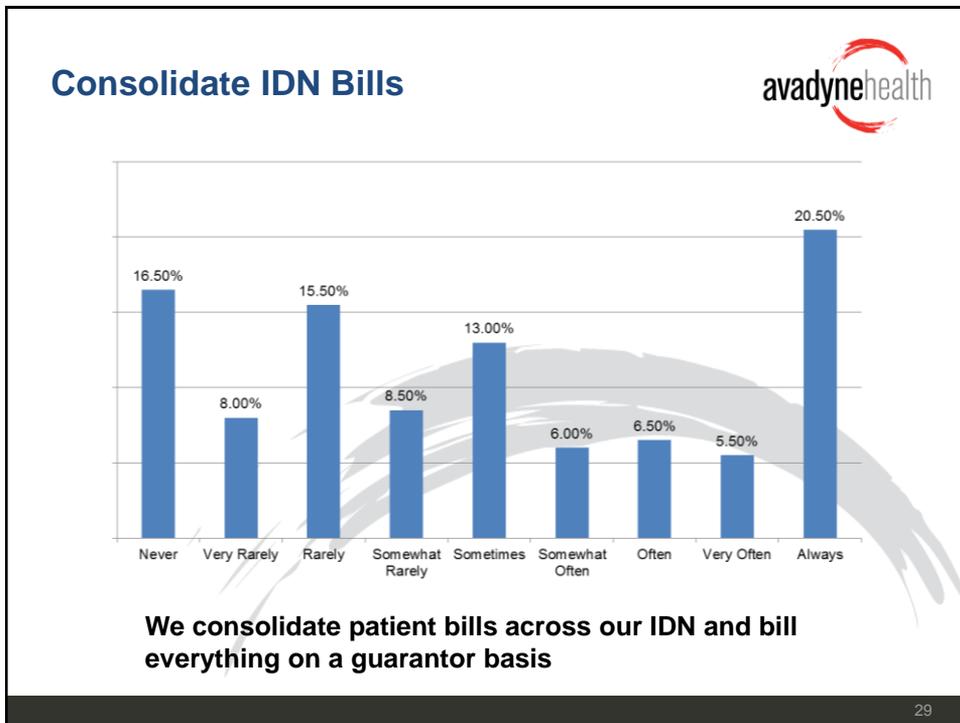
Culture
Technology
Resources
Integration

31

Step 1: It Starts at the Top

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Today's healthcare executives need to:

Engage leadership at the highest level on importance of the Patient Financial Experience

Create an initiative to engage all key stakeholders on the importance of patient financial communication to increase *patient satisfaction and loyalty*

Develop corporate wide goals around *consumerism in healthcare*

Engage clinical and operational stakeholders to ensure *success and sustainability*

Implement processes that are *patient friendly* and designed for a high-touch patient sensitive revenue cycle

Measure the results to drive *continuous performance improvement*

32

Step 2: Determine ROI

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Improve cash collections

Improve productivity

Improve patient satisfaction

Performance goals:
- Increase patient contacts
- Increase cash collected
- Decrease bad debt
- Appropriately classify charity dollars
- Provide additional payment options to patients
- Control long term payment plans

33

Step 3: Identify Key Stakeholders

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Skills – Knowledge – Culture
- Decision makers
- SME
- Innovative thinkers

34

5/9/2016

Step 4: Conduct Gap Analysis

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- Increase scheduling window
  - Gain additional time for processing
- Decrease gap between scheduling and pre-registration/insurance verification processing
  - Allow more time to contact patient and resolve account
- Integrate physician documentation with revenue cycle workflow
- Define urgent exceptions
- Initiate contact with patient earlier in processing cycle
- Increase number of patients contacted
- Restructure number of hours/attempts

35

Step 4: Invest in Human Capital

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New language and interpersonal skills are required for today's consumer:

Develop exceptional staff

- Develop Competence
  - Knowledge and skills to perform
- Build Compassion
  - Empathy and awareness of others' emotions

Focus on the professional growth of your staff

- Tools
- Training
- Scripting
- Skill development

36

Step 6: Invest in Technology

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Invest in tools and resources to conduct the following critical revenue cycle functions:

- Scheduling
- Pre-registration
- Medical Necessity
- Authorizations
- Real-Time Screening
  - Charity / Medicaid Screening
- 3rd party coverage and liabilities
- Accurate patient and payer cost estimates

37

Step 7: Implement Patient Centered Communication

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- Simplify payment process for patients
  - Improve ease of access for patient to quickly pay bills
  - Instant text message notification
  - Access to e-statements
- Simplify assistance regarding questions, reducing the patient's time on the phone, in person, etc.
  - Provide patient online chat capability
- Integration across IDN allowing access to statements and payment functionality regardless of service
  - Portal integration
- Use propensity to pay tools to predict potential payment options that align with patient's ability to pay
  - Provide flexible payment options to patients
  - Incentivize early payments - Pre-pay discount

38

Step 8: Measure the Results

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Number of patient contacts
- Base:
- Current performance:
  - outbound
  - inbound
- Value:
  - Number
  - Dollars

Percentage of contacts resulting in:
- ✓ payment in full
- ✓ deposit payment
- ✓ payment plans
- ✓ bank loans
- ✓ charity applications
- ✓ updated insurance information
- ✓ financial screening
- ✓ Medicaid eligibility

39

Patient Satisfaction Metrics

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Referrals – (i.e. scheduled for later date)

Patient self cancellations

Urgency exceptions – medically cleared by physician

Number of patient complaints concerning self pay collections

Overall Patient satisfaction scores
- base
- current performance

40

Additional Metrics – Downstream Affect

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Clean claim submission
Denials
Cash collections
Aged A/R
Bad Debt

41

THE IDEAL PATIENT FINANCIAL EXPERIENCE

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Patient **expectation** of payment set **early**

Patient expectation of payment **updated as it changes**

Patient financial interactions are **seamless** across all visits to any provider in the IDN

Patient **financial options** are offered **pro-actively** and **tailored** to their needs

Patient **financial interactions** leave the consumer feeling taken care of and **breed loyalty**

42   42

PFX Reform

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"Financial experience reform isn't just a change in the delivery model, but in the reform of financial communication, relationships and the entire paradigm. This means no longer silo-centered communication, but person-centered and engaged patient financial communication."

Adapted from: Vicki Harter, Vice President of product management for care coordination and activation at Caradigm

43

Suzanne K. Lestina, FHFMA, CPC,
Vice President, Revenue Cycle Innovation, AvadyneHealth

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In this role, Suzanne works on executing strategies that will lead the industry in next-generation revenue cycle concepts. In addition, leveraging innovative tools and technology Suzanne assists customers in implementing change that transforms their revenue cycles and help them achieve positive outcomes.

Prior to joining AvadyneHealth, Suzanne was HFMA's director of revenue cycle MAP where she served as the technical expert and consultant for HFMA's MAP product line(s) and served in an advisory capacity regarding the technical aspects of revenue cycle performance improvement. Suzanne has extensive revenue cycle experience, including revenue cycle consulting and hospital revenue cycle leadership roles in the Chicago area.

Background and Affiliations
Suzanne holds a bachelor's degree in organizational management from Concordia College. She is a past president of the 1st Illinois Chapter of HFMA and speaks frequently to HFMA chapters, healthcare providers, state hospital associations, and other professional organizations.

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44