

OK, I'VE GOT A PORTAL: WHY AREN'T THE PAYMENTS POURING IN?

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I've heard the same complaint recently from several hospital administrators. The scenarios are all pretty similar: They implemented a payment portal with very high hopes, sometimes stemming from promises made by vendors. But they got disappointing results.

These well-intentioned hospital leaders all expected the same thing: That a high percentage of self-pay patients would pay online via portals, at minimal cost to the organization. Collection costs would be zero, with the hospital getting 100% of the revenue instead of incurring expenses with paper statements or collection agencies.

At first glance, it sounds like a winning solution to a tough problem. Wouldn't most patients want to get rid of their liability with a few clicks--just as they do with retailers and airline tickets and everything else they pay for? Online payments are the way of the world, so why the disappointing results with health care payment portals? It's actually very simple. With other bills, patients don't need much, if any, explanation. Nobody needs personalized information and a complex financial discussion to pay an electric bill or buy an airplane ticket. But with hospital bills, they do.

With this in mind, it's easy to see why the portals got such disappointing results. Portals are set up to take payments quickly and easily, and they do it well. But if someone has questions, this "easy" option isn't so appealing after all. No matter how user-friendly portals are, patients won't pay if they don't understand or trust the amount.

In this blog, I'm going to examine some of the reasons for the disconnect between what hospitals expect from payment portals, and what they're actually getting.

The Information Gap

Our recent [market study](#) revealed something very interesting. When it comes to portals, it turns out that hospitals and patients are coming from completely opposite ends of the spectrum.

On the one hand, you have providers, who are largely focused on building mechanisms to help patients

pay. They identified portals as one of their top three priorities. But for patients, it's information that's their top priority. It's pretty clear that patients need to know a lot more about what they owe before they're willing to pay. Most (65%) said that an estimate or explanation of costs prior to service was very important to them. Yet only about a third of the providers we surveyed offer this. That's a pretty big disconnect, and it's what's behind the disappointing portal results. That's a problem for the revenue cycle, since patients have proven time and again that they aren't comfortable resolving their accounts until they trust the amount.

Put yourself in the patient's shoes for a moment. You're a patient logging on to a portal, and see that your balance is \$500. Here are just some of the questions that might cross your mind:

- Is that before or after insurance?
- Do they realize I already met my \$1,500 deductible?
- Is there going to be a separate bill for the physicians who saw me during the hospital stay, or does this include those charges as well?
- Is this amount being charged to me because the coverage got denied due to no authorization?
- Is the amount going to be lower if the hospital successfully appeals the denied claim?
- Do I qualify for financial assistance or charity care? Who would I talk to about that?
- If I pay the amount and later it turns out insurance pays some or all of it, is my money going to be refunded?

Many of these questions (and most patients have several of these and more) don't really have a "yes" or "no" answer. The answer is a little different for each patient. Each question takes some time and effort to answer. Importantly, whoever is answering needs to have a full understanding of the patient's coverage to give good, trustworthy information.

Portals alone aren't enough to change patients' financial behavior. Paying online is part of the answer, but it's not the whole answer. What patients really want is information they can't get from a portal. Hospitals unfortunately may not be entirely great at giving that information. It's a new role for the revenue cycle. Specialized training is needed for staff, who in turn must educate patients about their financial responsibility and available options.

To sum things up: Yes, it's true, patients do want to pay their bills online. But they will not pay a bill that they do not understand. Nor will they make a payment if they do not trust that the provider has exhausted efforts to obtain reimbursement from their insurance company.

A Concierge Approach

Just as a concierge gives hotel guests everything they need for their stay, ranging from directions to explanations and advance, hospital patients want the same kind of treatment for their financial care. What would that concierge experience look like? First, we need to acknowledge that patients need and deserve information about their liability. The first step is good pre-service discussions explaining the patient's benefits, along with an accurate price estimate. An estimate on paper or a price quote over the phone is not good enough, though. Patients want the nitty-gritty on how the amount was derived. Just as a hotel guest can tell if a concierge has enough expertise that a restaurant recommendation is trusted, hospital patients can tell if a revenue cycle employee knows their financials enough to trust their price quote. If that part is done well, early financial clearance is much more likely.

If the amount is uncomplicated—let's say, the patient has a \$250 copay for an abdominal CT scan with contrast, and the test has been authorized by insurance, and can be scheduled immediately—the patient may well pay via the portal. That patient will appreciate some choices—he or she may choose to set up a payment plan for \$50 a month, or pay the amount in full. Either way, the hospital wins because collection costs are zero. But many (if not most) situations are a bit more complex than that—sometimes much more complex. And if the amount is unclear for any reason—such as a surgery where authorization has not yet been obtained, or a hospital bill involving out-of-network providers, patients will wait to pay. They will not pay by portal—not until all of their questions get answered.

But what happens if there is nobody available to answer these questions? Will the patient, confused and surprised over the amount they owe, just put an end to the matter by paying via portal? If they encounter poorly trained employees, will they just want to get on with their lives and past the health care episode so badly that they'll just pay the amount by the portal?

No, they will not. Virtually all patients will hold off paying if there is any confusion or uncertainty over the bill.

Let's take the scenario of an inpatient bill for surgery where the level of care is being disputed by the payer, and the hospital is appealing the first denial of the claim. A peer-to-peer review between the payer's physician and the patient's physician is being arranged. This alone will take days to schedule, at which point the ball is in the payer's court to either approve or deny the claim. If denied, a second time-consuming level of appeal is necessary. Who really knows at this point in time what the patient will ultimately end up being responsible for?

While all this back-and-forth goes on, the patient is waiting for answers. All this time, the patient's out-of-pocket expenses are unknown, not just to the patient, but even to the hospital. It will take time—weeks, if not months—to get a final answer from the payer about what portion of the bill if any they will actually cover. Portals are of no use to that patient. A different approach is needed—one that includes financial counseling from a trusted source who can explain the complexities in layperson's language.

The same is true for an ED visit where several specialists, a hospitalist, and ED physicians who are part of an outside group all saw the patient. Some of the providers are in-network, others are not. How much use will a portal be to this patient? Very little, since multiple bills are involved, each with its own set of questions. Charity care screening might be required due to the patient's income, which payment portals cannot provide.

In conclusion: Portals are one of many options that should be offered to the patient, yes. But a diversified approach is needed. Financial resolution of most accounts is possibly only with two things: Information and options.

Who in the hospital is best-positioned to give patients these things? It's no contest: Revenue cycle employees, or trained outsource professionals, are the right people for this role. Those who can help with personalized service and answers that the patient can trust require training. To handle these challenging conversations, someone needs to have a thorough understanding of insurance and the entire array of options that are available to that particular patient. There's just no shortcut when it comes to training that allows employees to give patients dependable information on financials. (For more on specialized training for the Patient Financial Experience, see our eBook, [Financial Discussions Can Put Even a Solid Relationship On Thin Ice](#))

Let portals do the job of resolving the low-hanging fruit. Balances that don't need any explanation can be paid with a click or two, it's true. But be sure to capture all the other balances—the ones that aren't so simple—by offering plenty of good information. There's an option for every self-pay patient out there, after all. But it takes the right information to lead them to it—and that's a job tailor-made for the revenue cycle.

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