ARE PATIENTS BREAKING UP WITH YOU AND YOU DON'T KNOW WHY?

Scoring Financial Satisfaction Turns You into a Relationship Hero Rather Than a Villain

By Jayson Yardley, CEO

avadynehealth

The Patient Financial Experience Company℠

A PROVIDER RECENTLY CONFIDED:

"My Board asked me to measure our patients' financial experience, but I have no idea how I'm going to do it."

In today's health care environment, the Patient Financial Experience is king. Simply put: If a hospital gets it right, their competitors will find themselves losing market share.

But just how happy ARE patients with their Financial Experience? It's the million dollar question for hospitals today. The hospital C-Suite and Board won't want to see a look of panic on the revenue cycle director's face when it's asked (and it's only a matter of time before someone will!)

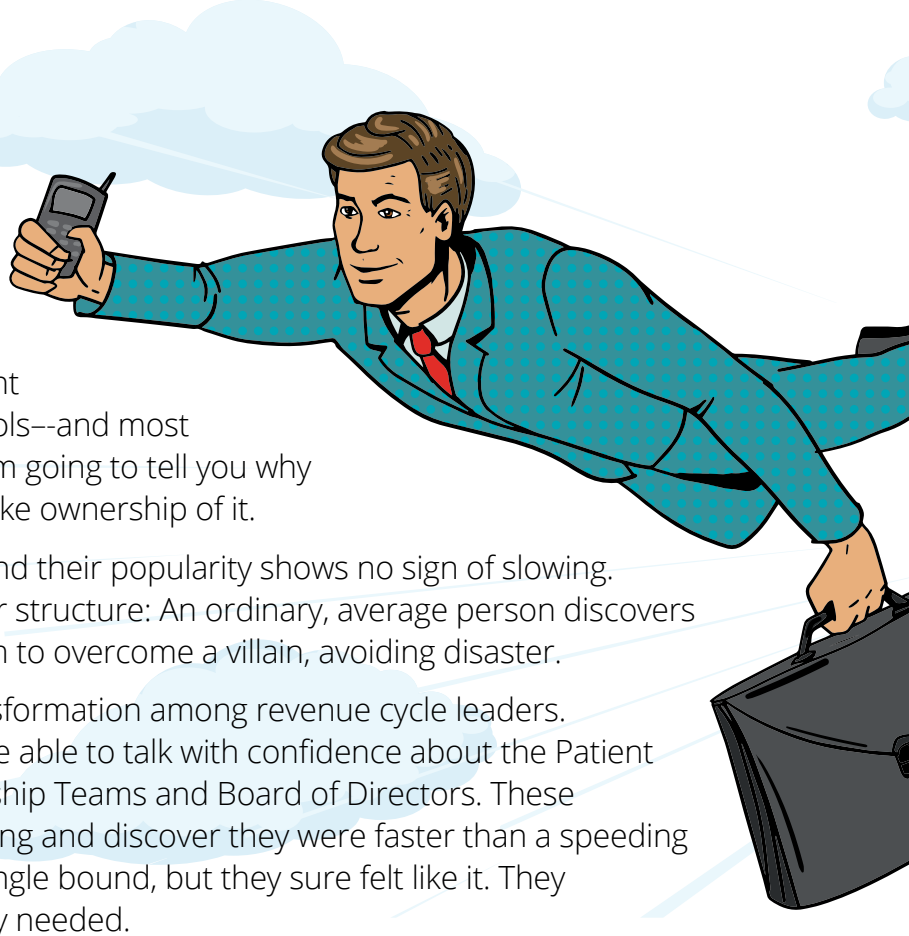
The fact is, a data-driven answer to this question transforms an ordinary revenue cycle director into a superhero in the eyes of her CFO and Board of Directors. And let's not forget the community, who will have a financially solvent hospital to turn to for many years to come.

When an organization makes a commitment to scoring the Patient Financial Experience, we see many important metrics head in the right direction. We see more revenue and

THE MILLION DOLLAR QUESTION!

Just how happy ARE patients with their Financial Experience?

satisfaction, less complaints and bad debt—all the things that give hospitals a competitive advantage.



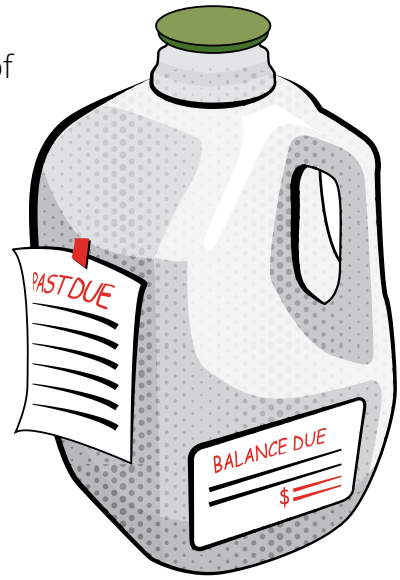
Measuring and monitoring the Patient Financial Experience calls for new tools--and most importantly, a new way of thinking. I'm going to tell you why revenue cycle leadership needs to take ownership of it.

Superhero movies are all the rage, and their popularity shows no sign of slowing. The story arcs tend to follow a similar structure: An ordinary, average person discovers a talent or capability that allows them to overcome a villain, avoiding disaster.

I've recently witnessed a similar transformation among revenue cycle leaders. These revenue cycle superheroes are able to talk with confidence about the Patient Financial Experience to their Leadership Teams and Board of Directors. These individuals didn't wake up one morning and discover they were faster than a speeding bullet or could jump buildings in a single bound, but they sure felt like it. They suddenly had the answers everybody needed.

Just as Batman responded to the bat signal over the Gotham skyline, revenue cycle heroes are answering their own call to action. I see it as more of an **"S.O.S." Score, Optimize. Succeed.** And what exactly triggered the revenue cycle distress signal? In a word: Consumerism. Market forces are driving patients to behave more like consumers.

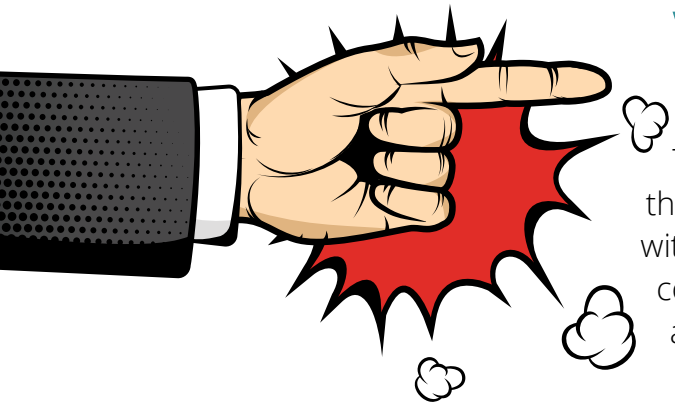
Patient liabilities are growing. This forces patients to become more active participants in decisions on healthcare purchases. In turn, providers are forced to think more like retailers, hotels, airlines or restaurants. This means dealing with the concept of customer loyalty for the first time. It's not just the quality of clinical care patients are weighing, to be clear. The overall Patient Financial Experience is what they'll remember.



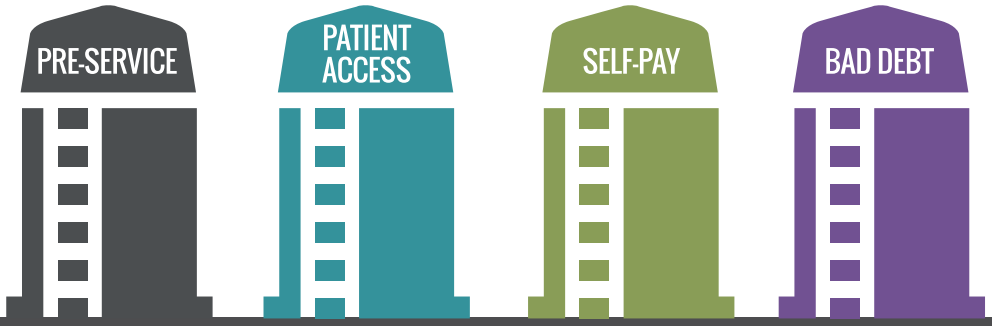
To put it in perspective, imagine the simple act of buying a gallon of milk. Maybe the milk is fresher, better-tasting, and higher-quality at one store than any place else in the neighborhood. A sign says the milk is $1. But when they go to pay, the cashier says it's actually $5.99. Undaunted, the frugal shopper presents a coupon for half-price off the item, but slumps upon learning that only a portion of the coupon will be accepted, making the "bargain" milk a grand total of $3.99. Weeks later, the shopper gets a bill in the mail for an additional $15.99 –making the actual cost of the milk almost $20. Suddenly the milk doesn't seem quite as delicious. Is it any wonder that the next time this person shops for milk, he'll go to another store –any other store, to avoid this financial hassle?

Unfortunately, that's what the healthcare Financial Experience feels like to many patients –a confusing, insulting encounter, without consistency or clarity. And worst of all, it happens when the person is sick, injured, worried sick –and is only wanting their good health to be restored. Copays, deductibles, co-insurance, all foreign terms, are bounced around with different numbers quoted everywhere they turn.

Who often gets blamed for this? Yes, the hospital.



The Patient Financial Experience is not an easy thing for hospitals to fix. It's a complex process with multiple patient touches. And silo-based communications threaten patient loyalty, satisfaction, and resolution of outstanding liabilities.



But hospitals have much to gain by getting this right, their own survival for starters.

The experience provided to a patient today can financially impact a provider for years or decades to come. The reality is, we are not talking about a lost $50 copay or $1000 deductible. We are talking about the patient's lifetime potential healthcare spend, and the provider's ability to maintain loyalty with that patient over the long haul. Statistics show that the average family will spend approximately $1.8 million dollars over their lifespan on healthcare purchases. Who patients choose to provide their health care services will be determined by their feelings and experiences.

For most patients, the very first impression at the hospital is something financial, whether a copay is taken by a registrar, or a pre-service financial call is made to discuss the coverage and benefits. And the last encounter is equally memorable –for far too many people, that means an unexpected bill in the mailbox. Nearly one third of privately insured Americans received a surprise medical bill (where their health plan paid less than expected) in the past two years, according to a recent survey by the Consumer Reports National Research Center.

Surprise medical bills have gotten a lot of attention in the lay press, and with good reason –people hate them. But what's not as talked about is how each and every patient who gets one will likely take out their frustration on the hospital. You guessed it –not the payer who created the confusing plan, not the employer who provided the coverage –the hospital. (Does the phrase "Don't kill the messenger" come to mind?) It's just human nature: Great clinical care can quickly be overshadowed by the poor financial treatment someone receives.

Hospital's estimated **lifetime revenue value** of a patient's household

$1,800,000

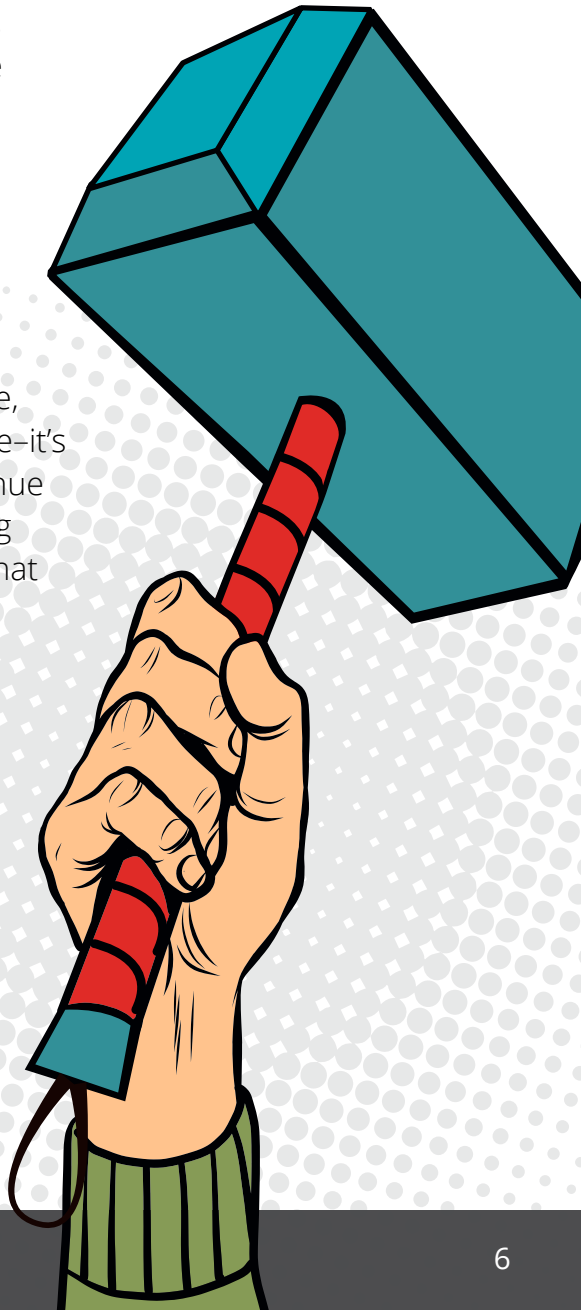
Measuring and monitoring the patient financial experience requires a new way of thinking and new tools.

Our revenue cycle leaders need their own version of Thor's Hammer –a mighty tool used to provide a great experience today while protecting revenue for the future.

The first step is to measure the experience. Let's get back to the board member's tough (but fair) question. Here are two possible ways it can play out:

Our first scenario is a disaster scene, but the site isn't Gotham City. It's a hospital (hopefully, not your hospital!) At a closed-door meeting, including members of the C-Suite, the topic turns to The Patient Experience. No surprise there–it's been a top priority for the organization for years. The revenue cycle leader leans back and sips her coffee, eagerly awaiting the chance to present the latest scores from PressGaney that pertain to registration areas. The scores are looking pretty darn good, after lots of hard work. When the clinically-oriented discussion moves to other hospital areas, the revenue cycle launches into a concise summary of the improved satisfaction in registration areas. Suddenly, the CFO interjects,

"What we really need are specifics on the Patient Financial Experience. What can you tell us?"



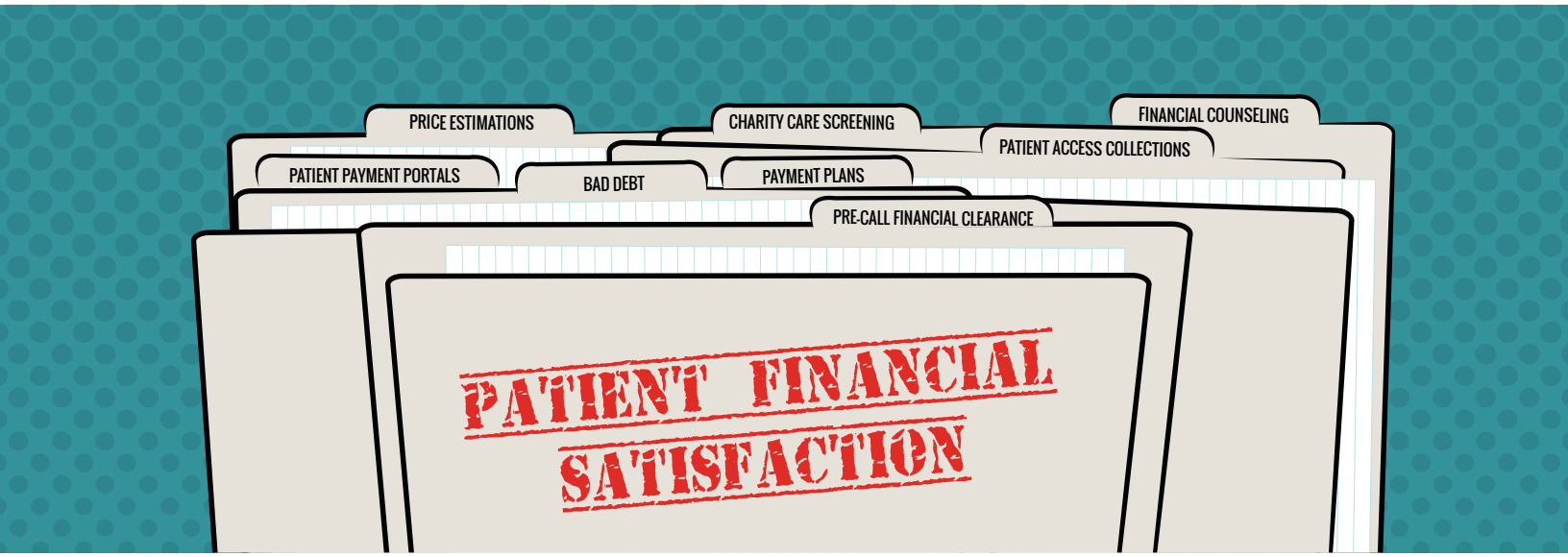
The revenue cycle director, momentarily flummoxed, quickly recovers. She starts rattling off the latest HCAHPS scores (some significant improvement to brag about!) But the response is: "Yes, but those are largely clinical measures. We're interested in the *financial* side of satisfaction. And anyway –aren't survey completion rates pretty dismal?"

The revenue cycle director has only one thing left to add –post-call surveys, which show a pretty impressive uptick in satisfaction. Unfortunately, someone in the group quickly points out that these, too, have dismal completion rates. (Read: They don't really count for much!) The revenue cycle director takes a "warm and fuzzy" tactic, recounting a heartfelt letter from a patient who couldn't rave enough about the financial counseling she received during her hospital stay. (Later, when the CFO asked for specifics to learn why the patient was so happy, he found that the charges had been written off because a wildly inaccurate price estimate had been given –not exactly the kind of financial experience any hospital can afford to deliver!) Shortly after the disastrous meeting, the board and CFO make a decision. The revenue cycle leader is not invited to the next board meeting (Why offer a seat at the table to someone who can't help the organization achieve its goals?)

The fact is, relying solely on patient satisfaction scores to understand patients' financial experiences is a losing game.

It tells you next to nothing about the patient's financial experience. The data is far too vague to give actionable specifics. You may learn that the department is in the 10th, 50th or even 98th percentile for the question "How satisfied were you with your registration process?"

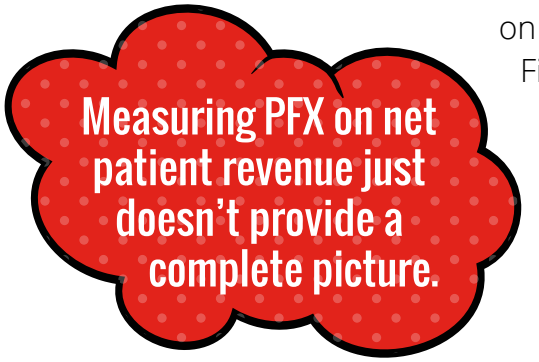
But what you really need to know are specifics –how *each* part of the process is affecting satisfaction within the financial experience. You want to know how the percentage of pre-service financial clearance calls are affecting overall satisfaction. You want to know how additional training in collections is affecting your bad debt. You want to know about copay collection, price estimation, financial counseling, charity care screening, payment plans, patient payment portals –and everything in between. All of it.



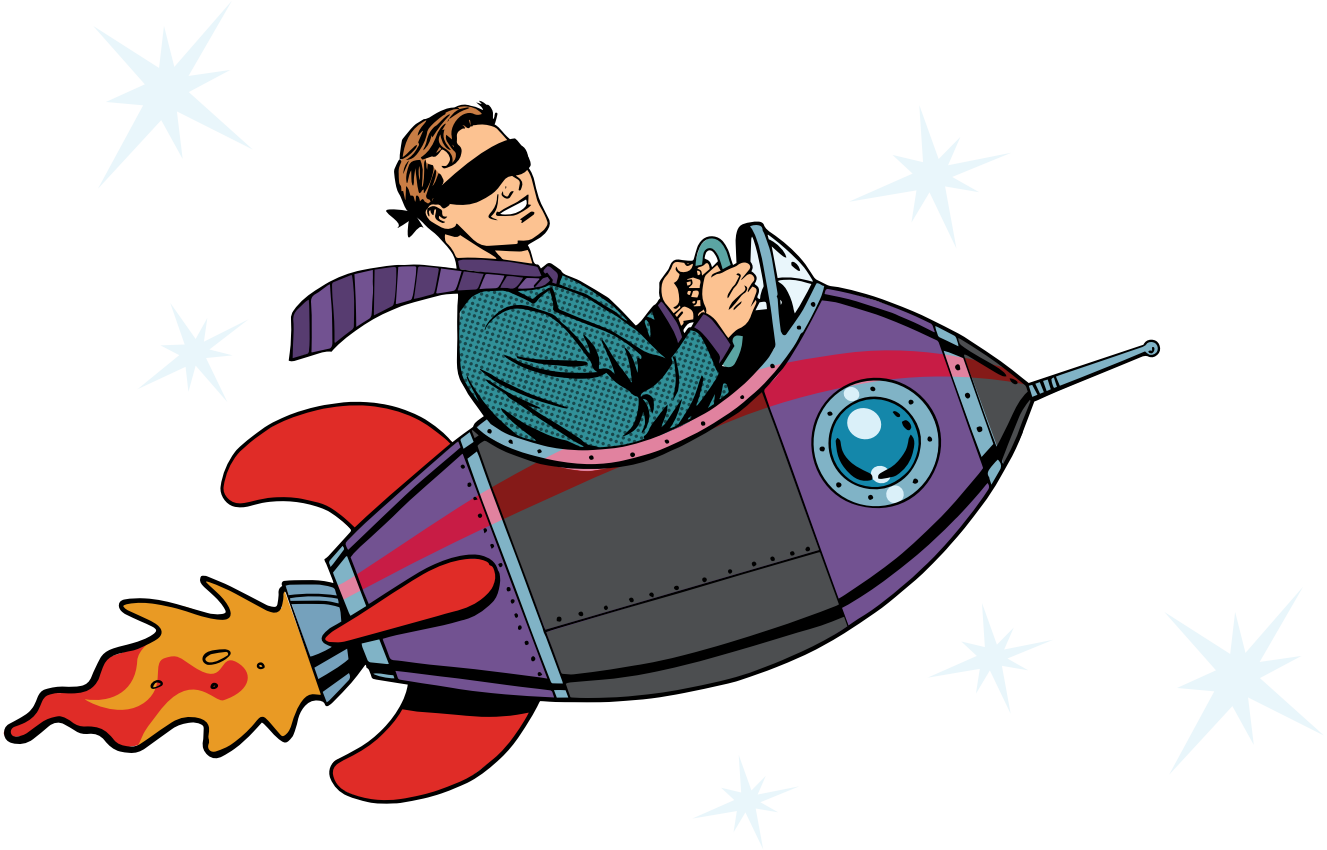
The old ways don't work anymore -and high-deductible plans are not going away, much as patients (and hospitals) might want them to.

The patient is an important part of the paying equation, and an unhappy patient/payer simply will not return to you –even if things were really great on the clinical side. That's why scoring the Patient Financial Experience is a necessity. Post-call surveys are not going to cut it. Ask yourself this: Would your hospital base an important clinical change on only 6% of patients? That's how many patients we have found complete post-call surveys. And the survey feedback we do receive tends to be skewed toward the polar ends of the feedback spectrum –it was the best or worst experience ever.

As for relying on HCAHPS surveys that measure clinical engagement, there are a few problems with that. First, completion rates are a dismal 30% nationwide. Those that are completed tend to reflect the "best and worst" of the spectrum. Where does this leave the revenue cycle leader? To measure patient satisfaction on net patient revenue –or go by gut instinct. Is the Patient Financial Experience getting somewhat better, staying the same, or plummeting badly? You just don't know, because you don't have any way to measure it.



At your next board meeting when Financial Experience comes up, if all you have to point to is HCAHPS surveys or post-call surveys, you're coming up empty-handed, and others will know it.



Suppose you just implemented a new collections initiative, and of course, you want to know if it's successful. Would you determine that based on a patient who left the facility thrilled to have qualified for charity care, and a handful who complained because they owed too much, without considering the other thousands of patients who came through your system? If this flawed approach –looking only at outliers –is used to measure Patient Financial Experience, the revenue cycle is flying blind.

Imagine a clinical team that has absolutely no idea how they are doing with outcomes. They remember one patient whose life was saved despite a poor prognosis, and another the same week who unfortunately died, but have zero overall data on their results. They also have no data to help them understand what occurred to cause the terrible outcome –or what the first surgeon did that saved his patient's life. In reality, **clinicians have ample data to track what went right, what went wrong, at what time and by whom.** Best practices are being followed, or not. Guidelines are being adhered to, or they are not. Training for all clinicians involved in the case is top notch –or not.

Now let's return to the board meeting. This time, it's not a look of despair the revenue cycle leader's wearing. It's a superhero cape, and with good reason. >

The moment the topic turns to the Patient Experience, the revenue cycle leader perks up and delivers this killer opening:

"We identified three problems with The Patient Financial Experience in the last quarter. We made changes to fix each problem. In this quarter, the Patient Financial Experience score increased."

"By targeting our problem spots that triggered dissatisfied patients, we felt comfortable setting a very ambitious goal for the next quarter. I'm thrilled to say we're very much on track to meet that goal."

Shining with pride, the revenue cycle leader describes fewer accounts being placed in bad debt, improved timing in the placement of and first payment on accounts, new patient access training and processes. Each of these changes drives The Patient Financial Experience, putting their hospital in a stronger financial position than the competition.

Next, the director proudly shares a story about a pregnant patient who found out she was underinsured with a whopping $5,000 deductible, who was offered an early pay discount and no-interest payment plan, and left happy and relieved. (Revenue.) Another story is shared –this one, about a brave cancer patient who was uninsured, but ended up qualifying for Medicaid after hospital financial counselors helped her to apply –and was already scheduled for a follow-up surgery. (More revenue –and the ability to obtain needed follow-up medical care that could well mean a saved life.) That same patient mentioned that her daughter is pregnant and will choose no other hospital to have the baby because of the financial help her mother received at a time when things seemed truly desperate (Still more revenue.)

This time, the tales of happy patients don't come off as a smokescreen, because the numbers back it all up. For the first time, everyone in the room gets it. It's no accident that the feel-good stories coincide with decreased bad debt, increased upfront collections and shorter A/R.

The C-Suite is paying attention. The revenue cycle director talks about status of BAI accounts, the volume of accounts routing to bad debt, and a slew of other metrics –all producing an individual and holistic score for the measurement of patient financial satisfaction and experience. Virtually all the numbers are going in a good direction –and for the ones that aren't, a plan is in place to close those gaps. No need to wait for angry complaints to come rolling in. If the score goes down, you can act immediately –just as the clinical team would do if a patient's blood pressure plummeted. A changing vital sign wouldn't be ignored. It would be addressed so the patient survives. The same is true for the patient's financial experience. **A low score isn't cause for alarm, it's cause for change –maybe you need training in collecting copays in the ED during the night shift.** The training is provided, and the number goes up. The score goes down and you notice that pre-service financial clearance calls are only being made 80% of the time. You make the calls 90% of the time, and the number goes up.

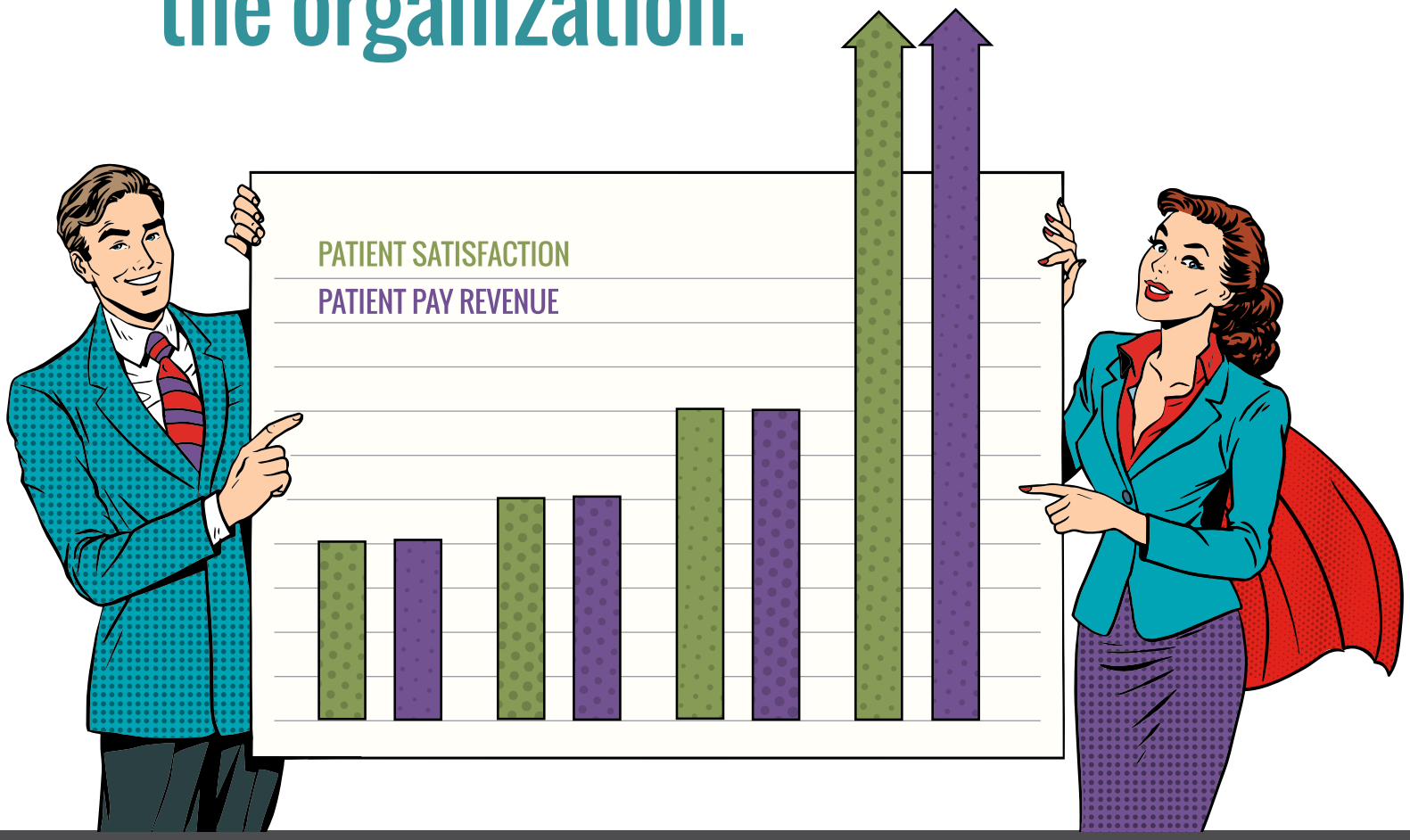
To succeed, the patient access department needs training, staffing and technology resources –and now the revenue cycle director is able to justify these investments, because it's all linked to the Patient Financial Experience.

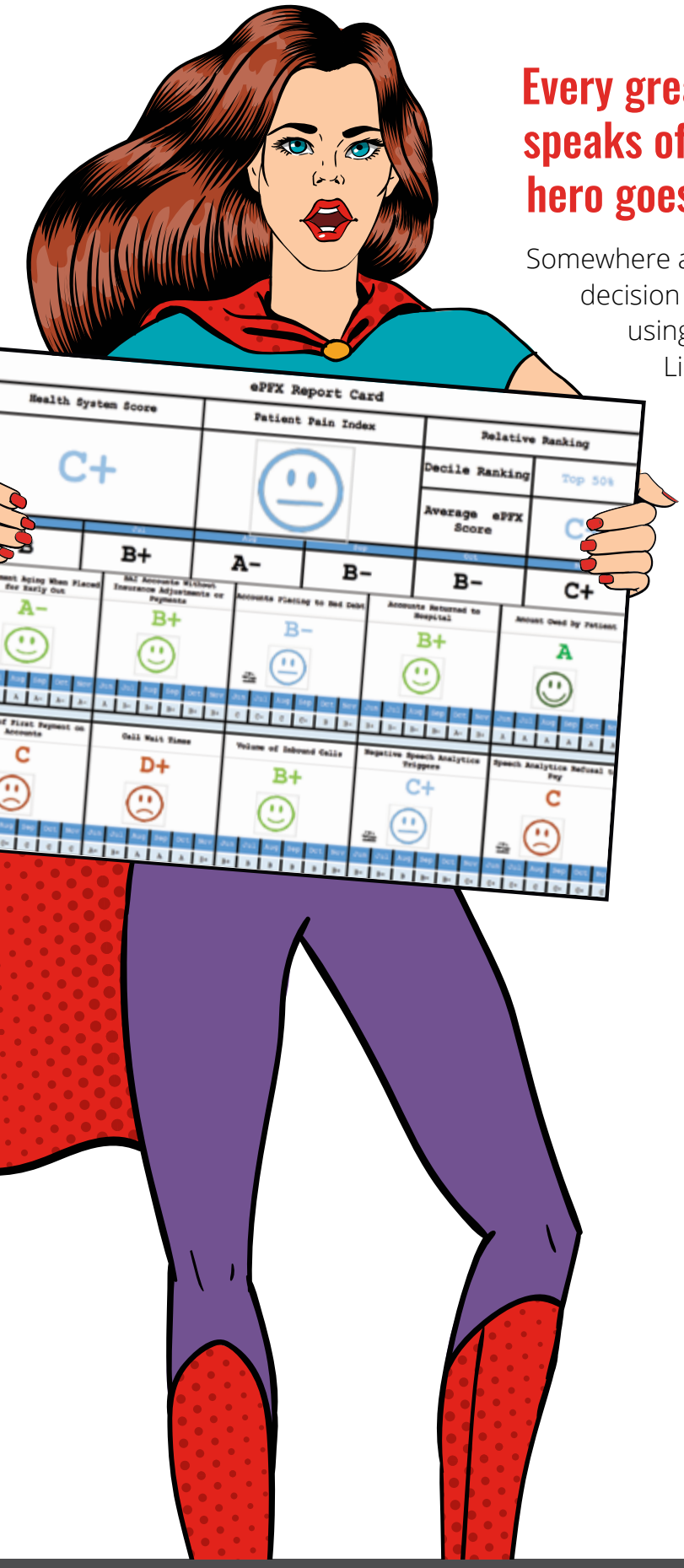
Not long ago, the patient access department was considered to be mere collectors of demographic information. Now they're viewed, correctly, as revenue generators and change drivers.

A couple of the board members hadn't thought specifically about the Patient Financial Experience, but they're certainly thinking about it now. The CFO had thought long and hard about it, but didn't really grasp it as being something separate and distinct from the overall patient experience. The CEO was unaware of the full extent of the long-term impact of an individual's Patient Financial Experience.

With the Patient's Financial Experience watched as closely as 30-day readmissions for heart failure, the organization is poised for success. Patients –yes, even those who owe much more money than they ever expected –are leaving fully satisfied with the care they received –*both clinical and financial*. The hospital is financially solvent, while competitors struggle to push back against declining revenue that is somehow linked –but exactly *how*, they can't say –to poor satisfaction.

And what's become of our revenue cycle director superhero? She leaves the meeting with new clout in the organization.





Every great superhero story speaks of the transformation the hero goes through.

Somewhere along the story line, a hero makes a decision to commit to achieving a difficult goal, using whatever resources are necessary. Likewise, the transformation of revenue cycle leaders into superheroes occurs through the use of new tools and new ways of thinking.

I will close with quotes from two of my favorite movie teachers:

"Either you karate do 'yes' or karate do 'no.' You karate do 'guess so,' get squished just like grape."

-Mr. Miyagi

"Try not! Do or do not, there is no try."

-Yoda

Key Takeaways:

1. Measuring and monitoring the Patient Financial Experience calls for new tools- and a new way of thinking.
2. Making a commitment to scoring the Patient Financial Experience sends all important metrics in the right direction (more revenue and satisfaction, less complaints and bad debt). Hospitals get a clear competitive advantage.
3. If revenue cycle leaders get Patient Financial Experience right, they'll succeed alongside the organization, with well-deserved new clout and status.

Here are a few questions to consider about Patient Financial Experience:

1. How does your organization measure the Patient Financial Experience? Should you be doing more than patient satisfaction surveys?
2. Are you providing Patient Financial Experience scoring and feedback to your Leadership Team and Board of Directors?
3. Do you have challenges with patient complaints about their financial experience, but you can't figure out their root cause?
4. Do you know why your patients refuse to pay or bad debt is increasing?
5. Do you feel like a revenue cycle superhero? If not, we have a red cape with your name on it.

avadynehealth

The Patient Financial Experience Company℠

ABOUT AVADYNE HEALTH

Avadyne Health is the leading voice behind the Patient Financial Experience.

Satisfaction and revenue are no longer at odds. The 21st century view of financial care is holistic, just like clinical care.

We're engaging patients throughout the continuum of care from pre- to post-account resolution, using one-of-a-kind ePFXscore to measure and score 100% of the Patients' Financial Experience across every engagement.

We empower all patient liability resolution services with an entire suite of data integration tools, technology and consultative professionals to leverage each patient engagement as an opportunity to optimize satisfaction, loyalty and revenue.

It's time to put a number to your performance and empower actions that will improve satisfaction, revenue and bad debt write-off.

BE THE NEW HERO ON YOUR BLOCK!

Contact Avadyne Health to learn more about how you can improve the storyline of your patient liabilities, drive real-time service recovery and directly and quantifiably empower your Patients' Financial Experience.

Watch complaints vanish and satisfaction soar higher than you ever thought possible in today's challenging health care environment. Your patients will thank you first –and your CEO and Board will soon follow.

< SUPER HEROES PRESS HERE TO START