"WE KNOW HOW OUR PATIENTS FEEL ABOUT US!" (Or *Do* We?)

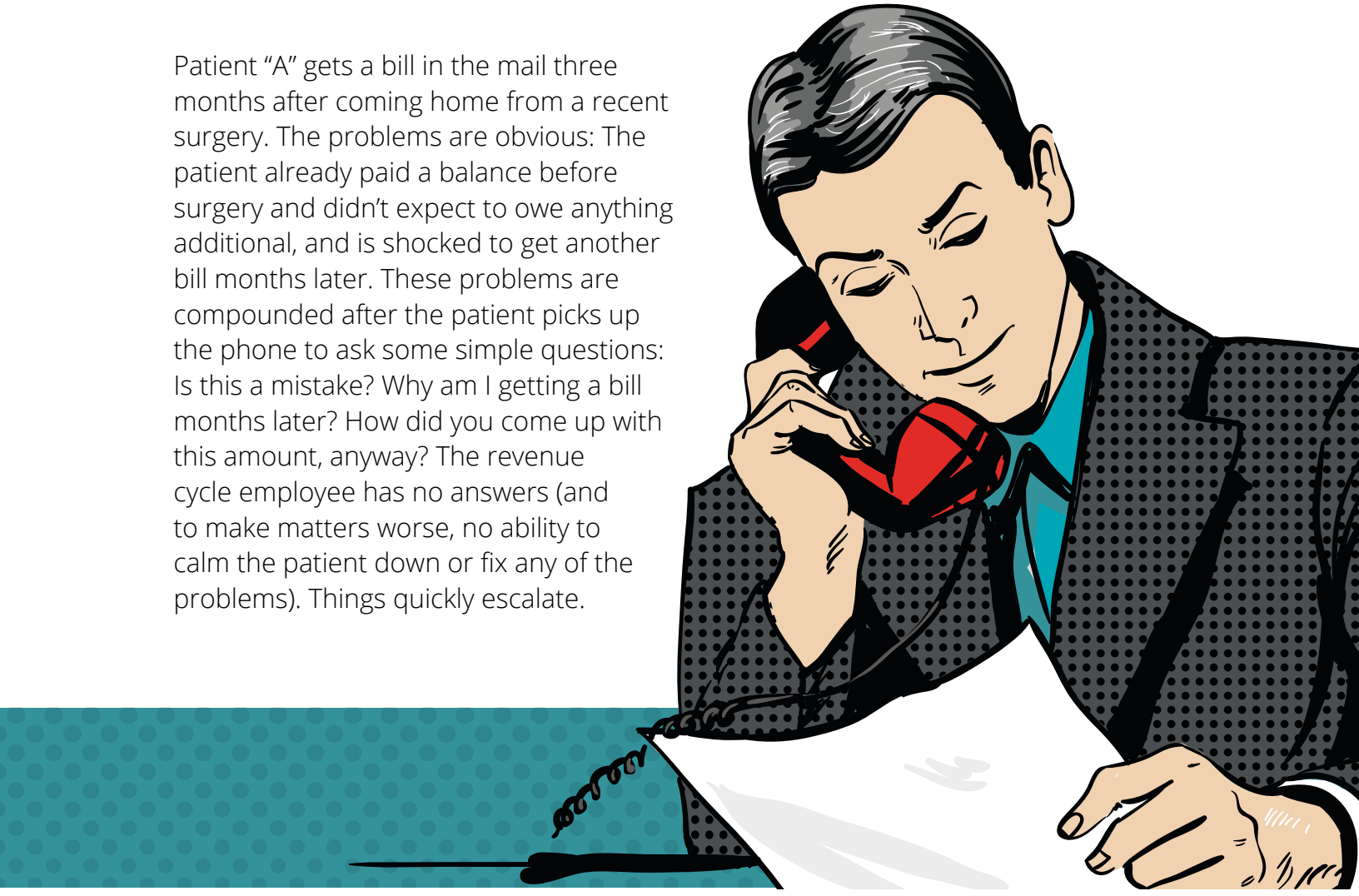
Putting Financial Dis-satisfaction Under the Microscope in Search of New Cures

By Jayson Yardley, CEO

avadynehealth
The Patient Financial Experience Company℠

It's just a piece of paper, but it sets in motion a chain of events that eventually trickles up to hospital leaders-and the revenue cycle department is left to deal with the aftermath.

Patient "A" gets a bill in the mail three months after coming home from a recent surgery. The problems are obvious: The patient already paid a balance before surgery and didn't expect to owe anything additional, and is shocked to get another bill months later. These problems are compounded after the patient picks up the phone to ask some simple questions: Is this a mistake? Why am I getting a bill months later? How did you come up with this amount, anyway? The revenue cycle employee has no answers (and to make matters worse, no ability to calm the patient down or fix any of the problems). Things quickly escalate.



Couldn't the revenue cycle director see this call coming a mile away?

After all, the dysfunctional processes that led to this disastrous phone call may have been going on for months. Sound eerily familiar? The fact is, there is no shortage of reasons for patients to be dissatisfied with their Financial Experience.

Revenue cycle leaders are no strangers to complaints like this one. They get them every day, but have surprisingly little data on their causes, type and frequency. New approaches are needed to stop patients (and revenue) from simply walking out the door. Predicting which patients are likely to escalate with the use of speech analytics, and acting on those that do escalate with service recovery, is necessary. This is the new frontier in revenue cycle complaint management, where data is a change-driver instead of relying on guesswork.

With the ability to predict escalation and provide service recovery, patients really have no reason to go elsewhere. They're getting an excellent experience right where they stand. *Without* those tools...well, I'll put it this way: There are many other hospitals willing to see that patient.

When something goes wrong with the Patient Financial Experience, what happens next determines if revenue is lost or protected. Let's find out what happened with that surprise medical bill.

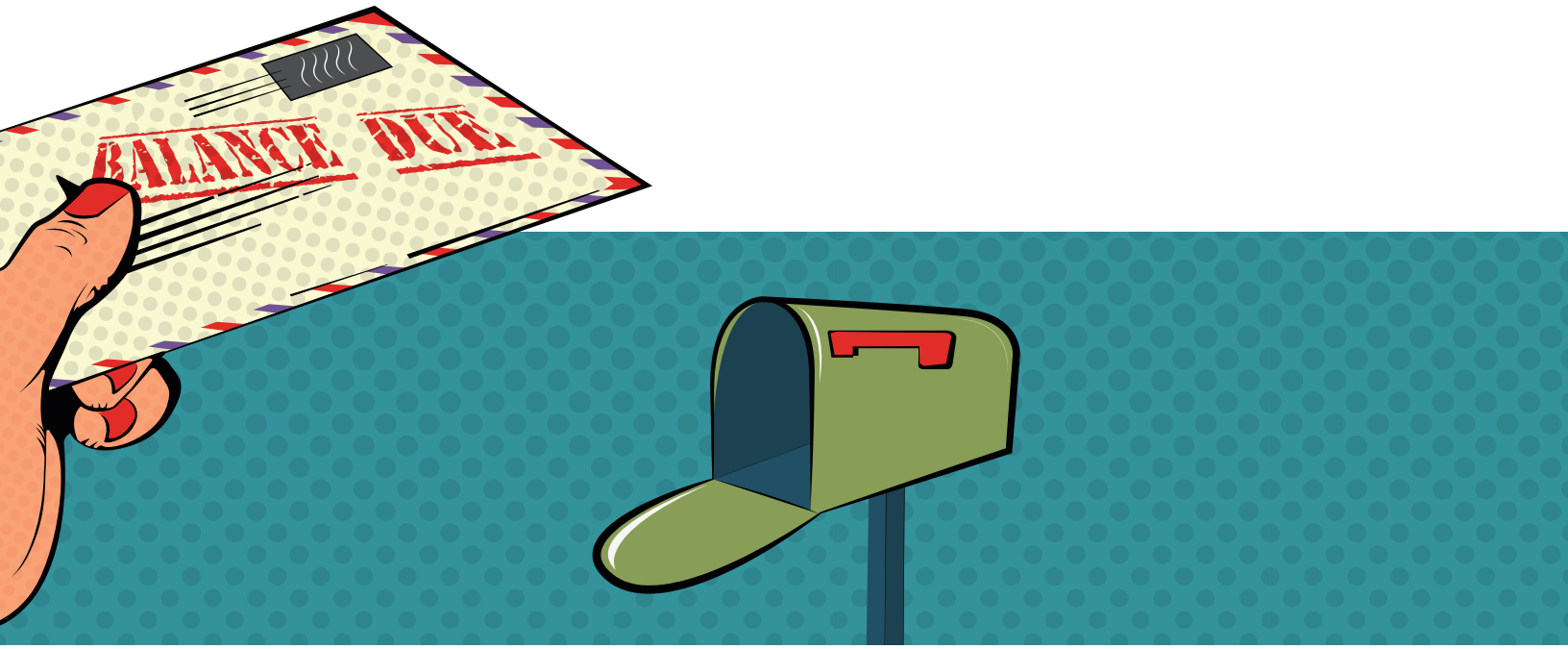
“It’s your loss, not mine!”

When the patient got the unexpected bill in the mail, her first reaction was to pick up the phone and get to the bottom of it. The patient didn’t wait to calm down and do some research before making the call. No, the patient was already pretty upset, and a long hold time didn’t exactly make things better. Not surprisingly, when the revenue cycle employee finally got on the line, it didn’t take long for the patient’s voice to raise and become an octave higher. After getting a less than ideal response, from the revenue cycle employee, profanity is used. Instead of getting a supervisor involved, the employee lashes out at the patient.

What happens next? The problem is that too often, *nothing* happens when a call like this occurs.

The employee doesn’t de-escalate the patient, doesn’t listen to the patient’s needs, and doesn’t do much, if anything, to help matters.

But plenty happens on the *patient’s* side of things. For the patient, the problem isn’t something abstract. It isn’t part of their daily routine, business as usual, to get a $3,000 bill out of nowhere. For her, it’s an emergency–not a medical emergency, but a financial one. It’s a lot of money at stake. And the patient has now lost confidence in the health care provider, because of a poor Patient Financial Experience.



This unhappy person isn't likely to hang up and forget about it. One way or another, things will escalate. That caller is going to be incensed and want to take action. Let's consider what kind of action that might be:

1. THE PATIENT MIGHT TELL PEOPLE THEY KNOW ABOUT THEIR POOR EXPERIENCE

It might be just a few people. But if it colors the attitude of even one person about the hospital, revenue is lost.

2. THE PATIENT MIGHT POST ON SOCIAL MEDIA

This kind of post could hit a nerve in countless people in the community who are fed up with the "heartless" hospital who might only seem to care about money.

3. THE PATIENT MIGHT CONTACT LOCAL NEWS REPORTERS

It's a great story–after all, most people have had a similar experience and will be able to relate. Once the patient tells their side, the hospital is going to be left to tell theirs, or simply give a "no comment" response. Either way, serious damage is done to the hospital's reputation.

4. THE PATIENT MIGHT VENT FRUSTRATION TO A HOSPITAL LEADER

It only takes a few seconds to be patched through to the CEO's office. Or maybe the patient runs across the CFO or another hospital leader in the community and shares their opinion.

However the patient reacts, the revenue cycle leader is the last one standing when this difficult question is posed:

"What went wrong here?"

And regardless of who the patient contacts and who they end up telling their story to, revenue is going to be lost.

Desperately Seeking Data

Every day, countless patients are dissatisfied with the Financial Experience they receive in a health care setting. Some are just a little dissatisfied. Others are irate. Surprisingly, very little is really known about all of this dissatisfaction.

It always amazes me how little data there is on complaints involving the revenue cycle. How many are you getting? What exactly are people complaining *about*? Often, complaints are not even logged at all.

This is a problem, because the first step toward delivering a world-class Financial Experience is to know where you are falling short. Complaints are a form of opportunity because they are drivers of change. If you got a handful of complaints from patients who had a high-dollar radiology procedure, it might be that the authorization process needs to be tweaked. If you get a complaint that a registrar was rude, training or disciplinary action might be needed. If a particular clinical service is involved, there might be something that needs fixing that has nothing to do with the revenue cycle. It still needs fixing–something that simply can't happen unless we know where our complaints are coming from. Who is unhappy and why?

If there's an unexpected bad outcome with a surgical patient, a root cause analysis identifies all of the contributing factors that resulted in a medical misadventure. When there's an unexpected bad outcome with a patient's Financial Experience, a similar approach is needed. Let's take the call above. There are three obvious problems. The bill didn't come at the right time–it came months after the patient was discharged. The bill wasn't what the patient expected–the patient thought she'd already taken care of her liability. **The third problem is that no safety net existed** to prevent this from becoming a full-fledged Financial Experience Disaster. When the patient finally, inevitably, reached out, things were allowed to escalate.

Now let's look at some practices that could have prevented this disastrous call–and protected revenue for the hospital.

1. EXAMINE ALL THE COMPLAINTS THAT COME IN INVOLVING THE FINANCIAL EXPERIENCE

Usually, it's only formal written complaints that get tracked and acted on. In reality, complaints about Financial Experience come in many forms. It's time to expand the definition of what constitutes a complaint in the revenue cycle.

If a registrar overhears a patient stating that it's wrong to be collecting money in the ER, is that a complaint? How about if a hospitalized patient says she's too sick to be discussing payment plans as family members glare at the revenue cycle rep? Or if a patient mutters, while handing over a credit card, "I wish I'd found out sooner I was going to owe all this money," but pays in full without additional remarks?

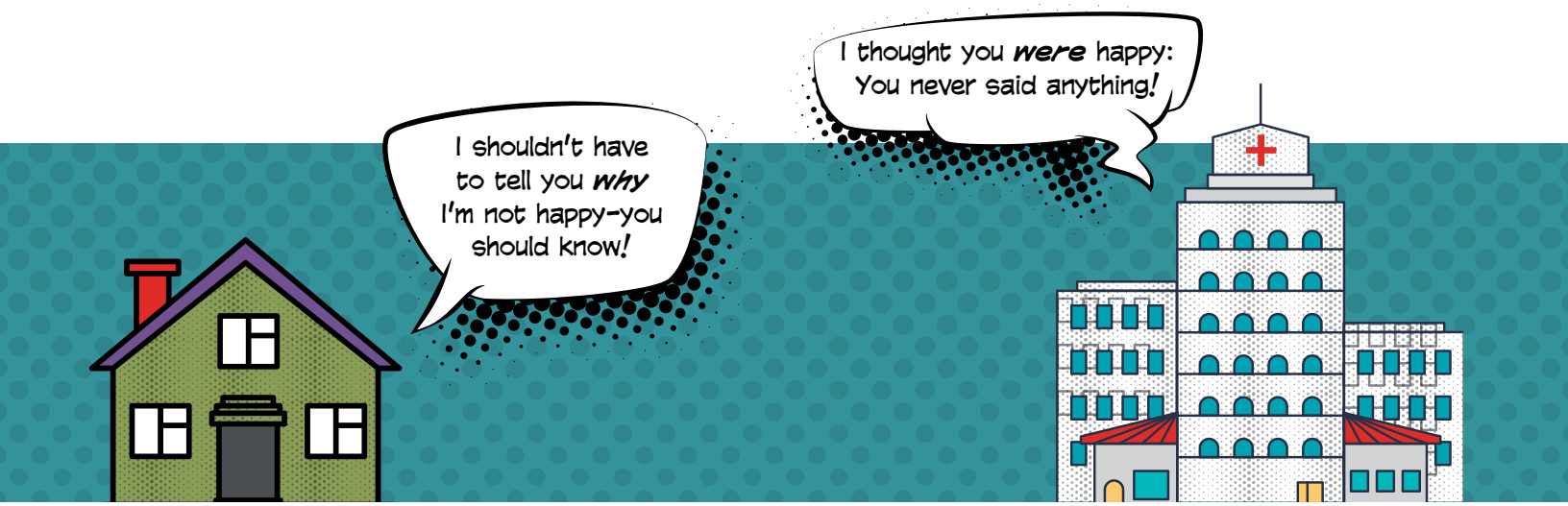
All of these are complaints. They should be logged and acted on with the same process and sense of purpose we'd use if a patient put a complaint in writing.

Very few written complaints will come in about revenue cycle. That doesn't mean unhappy people aren't out there. You can bet that the silent, dissatisfied patient is telling *someone* they're unhappy. It takes time to lodge a formal complaint. There are many reasons why it doesn't always happen. Instead of spending a lot of time and effort complaining, **patients vote with their wallets**. The next time they need healthcare, they'll go to the provider that they feel will give them a better experience. If the hospital doesn't get that person back, their reputation in that marketplace is at risk.

2. PREDICT PATIENT BEHAVIOR

"It's As Though You Read My Mind!"

The way a revenue cycle complaint is dealt with today might involve an antiquated approach. First, somebody complains. If it's to a hospital leader–let's say it's the CFO–that person then talks to the revenue cycle leadership. Next, somebody has to go pull the recording of the call and listen to it. That is not a very customer-centric approach.



A better approach would be to *predict* which calls are most likely to lead to escalation and take action before things get out of hand.

If a call, for example, is not going well, there's a better approach than letting the patient remain dissatisfied. If the revenue cycle rep cannot help to de-escalate the matter, a supervisor or manager needs to get involved quickly. Too often, registrars are reluctant to bother management because they fear retribution, or they don't want to bother their boss. Perhaps it's time to turn that around and get a supervisor involved, even before the patient asks. And even better:

What if we could predict which encounters are likely to escalate, as they are occurring-and do something about it?

This scenario is the true stop-gap for lost revenue.

3. LOOK AT ALL ENCOUNTERS, NOT JUST A RANDOM BATCH.

"You Treat Me As Though I'm Invisible!"

When quality assurance (QA) is done in the revenue cycle, typically a certain number of calls are looked at. Maybe it's 10 out of 100 calls. These encounters are looked at pretty closely. They might check that the employee did things such as greeted the patient, collected specific pieces of demographic information, and at the end of the call, thanked the patient.

Sometimes you get lucky, and a serious customer service issue is discovered and gets addressed. That's all well and good, but what about the other 90 calls? There could be undetected disasters waiting to escalate. Revenue cycle leaders today needs information on all encounters, from calls to in-person visits to payment portals and billing.

Imagine if the hospital made clinical practice decisions based on a random sampling of 10% of surgical patients, but ignored the other 90%? If it's not acceptable in the

clinical world, why should it be on the financial side? If you do QA on a random sampling, problem encounters will get missed. All that valuable information isn't known, and it certainly can't be acted on.

This is known as the "needle in a haystack" approach to QA in the revenue cycle.

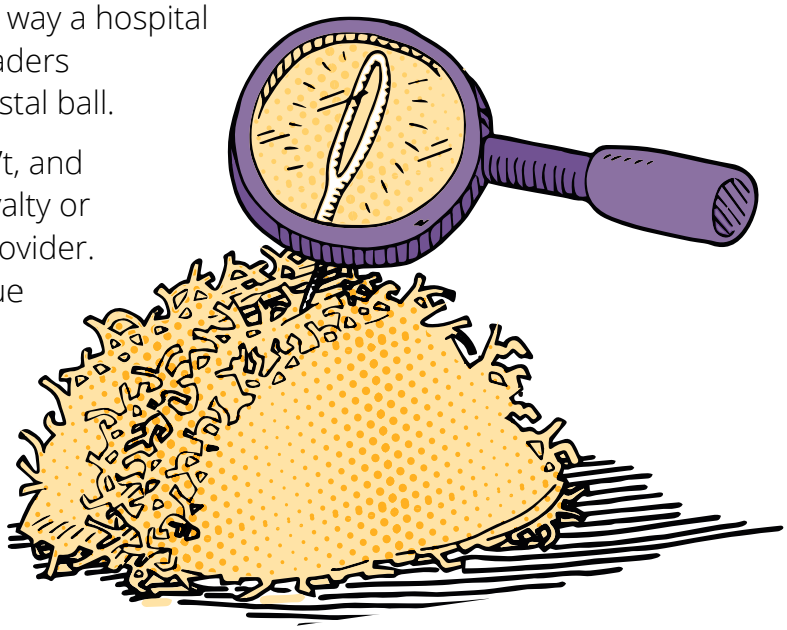
It's how it's always been done, but that doesn't make it an effective process. It's hit or miss. You might find an occasional call you can learn something from. Since you're not looking at all the encounters, though you're not getting some important information that could help the department improve. What if *all* revenue cycle encounters were measured?

It's well-known that some patients are high-risk for poor surgical outcomes. For example, this group of patients might include smokers or people with a family history of cardiac disease, and they're treated differently than the other patients having similar procedures. Maybe the higher-risk patients are monitored more closely or prescribed an additional medication.

Now, consider people at high risk for having poor *financial* outcome in health care. Interventions can ensure these patients have good outcomes. The problem is, we don't know who these patients are. We continually hear about evidence-based practices in medicine. Perhaps it's time for revenue cycle leadership to use the same approach for financial encounters.

Clinicians don't have to guess which patients are at higher risk for a poor surgical outcome. They have data to tell them. The same model should be used for financial outcomes and how satisfied people are with their experiences.
To discover how a patient feels about the way a hospital treated them financially, revenue cycle leaders shouldn't have to guess or gaze into a crystal ball.

With actual data–who is satisfied, who isn't, and why–we can predict what the patient's loyalty or actions are going to be, relative to that provider. That's valuable information for the revenue cycle leader who wants to be proactive, rather than reactive, when it comes to satisfaction with their Patients' Financial Experience.



"There are other fish in the sea!"

Consider for a minute how much revenue could be lost if the above disaster calls go unaddressed? If the opportunity to stop lost revenue is missed, the actual cost to the hospital or health system is high. It's a lot higher than most people imagine.

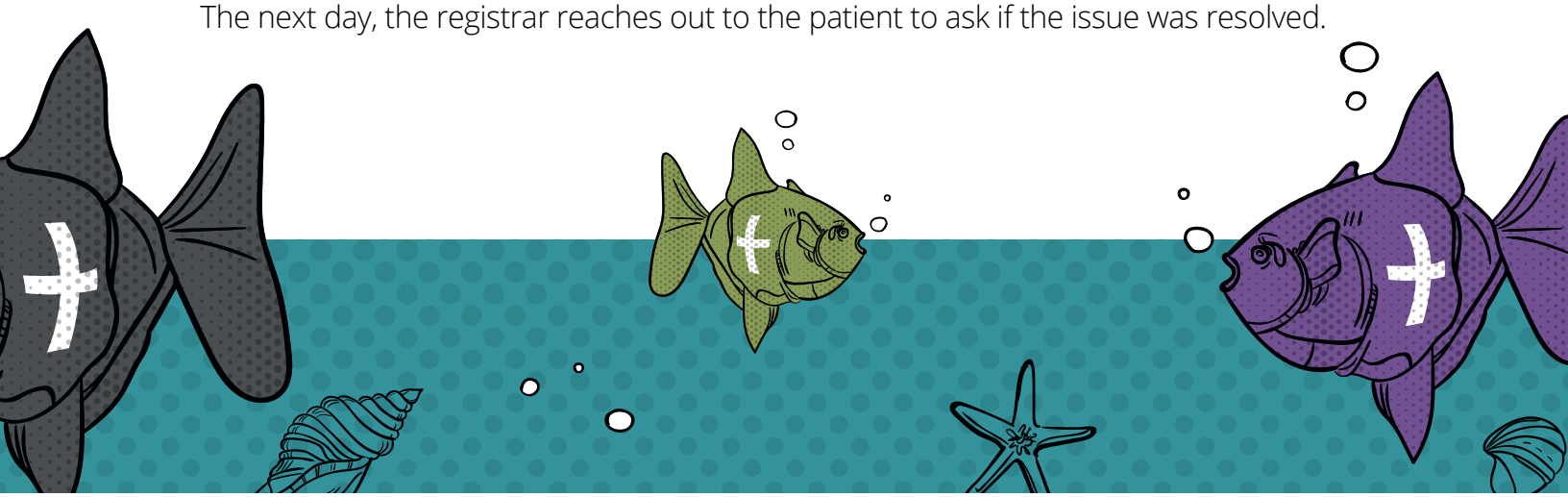
Each dissatisfied patient who walks away and decides to give their business to a competitor represents lost revenue–a lot of lost revenue. It's estimated at over a million dollars. And, many times it's doesn't just affect that one patient, but their entire household or perhaps even others they tell about their experience.

So why isn't something done to prevent the patient from going to a competitor? Part of the problem is that a revenue cycle just isn't set up to act when it's most needed. When retailers get this wrong, they know their reputations suffer. For example, at Nordstrom's, every associate, not just supervisors or managers, can make an on-the-spot decision to address a customer service issue.[1]

This empowered approach may be in sharp contrast to the revenue cycle, where front-end staff may lack the clout to make a customer service decision or service recovery.

Service recovery doesn't have to involve money. It can take many forms. A common example: A patient is visibly upset and says something about the way he or she was treated. The registrar says something along the lines of, "Well, I'm sorry you feel that way, but your balance is still $500." The patient is left to stew–and to react. You don't need a crystal ball to know that lost revenue is in the future for that hospital.

Imagine if front-end staff acted like associates at high-end department stores. A patient encounter is not going well, whether on the phone or in person. The person is becoming visibly upset. The well-trained registrar expresses empathy and a friendly, calm demeanor, then offers a colleague's phone number so the patient can discuss the situation in detail. The registrar assures the patient there are many options available. The next day, the registrar reaches out to the patient to ask if the issue was resolved.



The registrar has done three important things: She's acknowledged the issue, she's fixed the problem and she's followed up.

Empowering staff doesn't mean they're allowed to write off balances whenever somebody's unhappy. It means they know how to provide a high-touch experience and make that person feel they were heard.

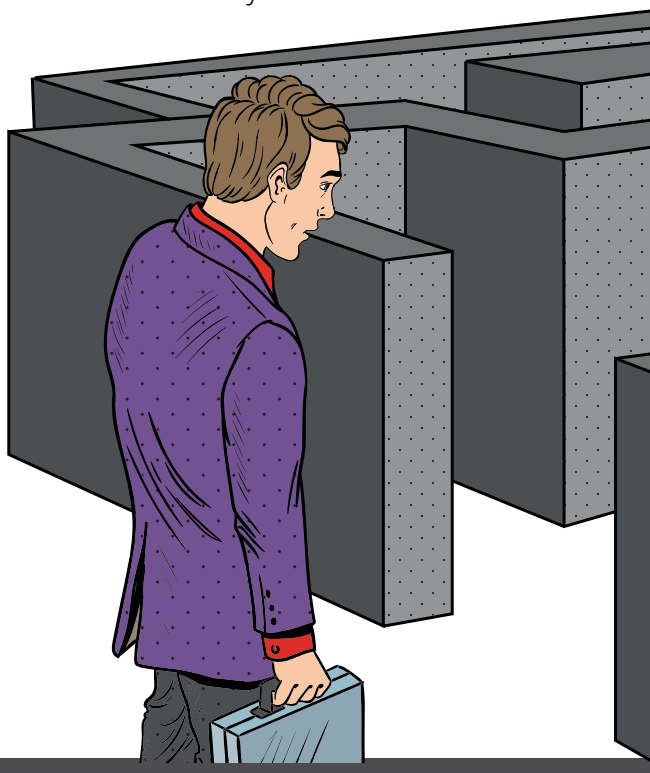
People simply don't want a financial hassle when they are utilizing health care services. And a patient may not realize where the hassle is coming from. A "surprise" bill wasn't really too surprising if you consider the fact that no authorization was obtained in the timeframe required by the insurance payer.

This is why revenue cycle may need to look across a large data set to determine the root causes of dissatisfaction. You shouldn't have to wait until complaints come rolling in about radiology charges to realize there's a problem with an authorization process. Finding out earlier can confirm your suspicions. Data–not anecdotes or gut feelings–can justify a process change or technology investment to those who may otherwise be reluctant to change.

Call centers typically can tell you how long people are waiting on hold, how many callers hang up, how long an average call takes and how much is being collected. That's not nearly enough data. To drive change and promote a world-class Patient Financial Experience, you need to know more.

There are many obstacles to satisfaction, especially for patients used to getting updates on flight departure times texted to their phones and paying their electric bills by texting a single letter. People may not understand why health care can't deliver those same experiences.

We've seen many times how the appearance of a bill or statement can affect satisfaction. We also know that if the account is over 90 days old from the point of discharge, patient satisfaction starts to fall off. If it's taking that long to bill, it usually means something went sideways with insurance or there were other problems. If there was no payment from the insurance company and the patient gets billed for full charges, patient satisfaction falls off. Another risk factor is high liability balances over $2,500 that tend to result in dissatisfaction. All of these indicators are moving targets. Data is needed to know what part of the process is broken and how to fix it.



"You were there when I needed you"

One of the biggest root causes of dissatisfaction is that patients don't understand their insurance coverage–until they go to use it. Healthcare services are often unplanned. Someone bought a plan they could afford, and don't realize the downside of a $5,000 deductible until they go to use their insurance. People often don't know the healthcare terminology such as the difference between an HMO and a PPO or a deductible from coinsurance.

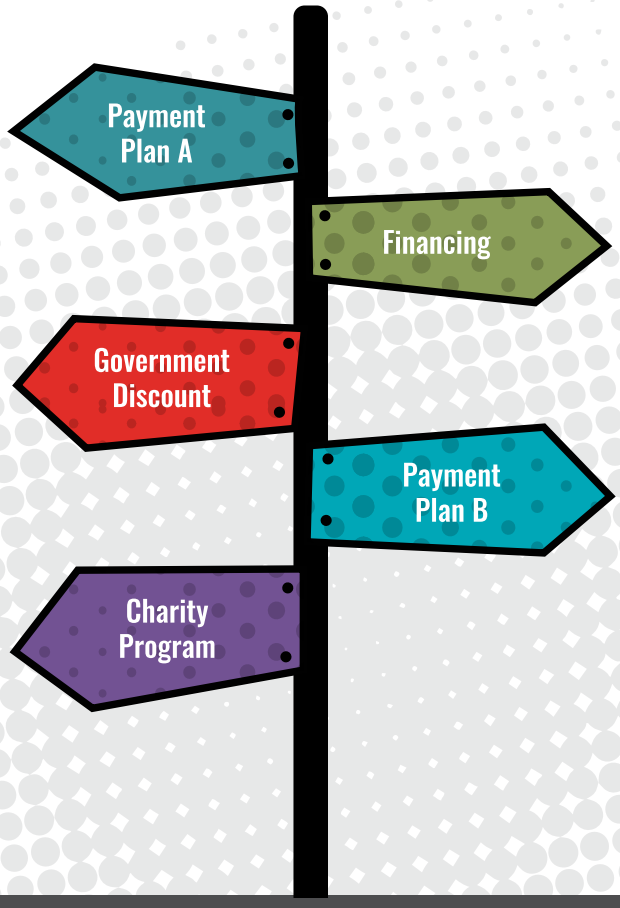
It's human nature to turn to the first people you encounter in the hospital setting–the revenue cycle–for help and guidance when faced with foreign-sounding terminology. The revenue cycle has no say over the patients' coverage, of course, but that doesn't change the fact that the patient will look to them for help. Revenue cycle leaders who embrace their new status as educators will do well in this environment.

Healthcare is one of the most complicated businesses there is for consumers. People simply don't understand why the total charges are over $30,000, but somehow there is a big adjustment and the insurance company ends up paying a much smaller amount and the patient pays a larger amount.

And who does the patient blame for all this confusion? The hospital, of course.

Options become very important here. It's important to provide something for everyone–payment plans, discounts for paying in full, financing programs, screening for government and county and city programs and a robust and flexible charity program.

On the clinical side as provider you help patients understand their treatment plans and how to hopefully get on the road to recovery. A similar process is needed for your financial side. Patients need help understanding the financial impact of their medical plans.



“I’ll never forget you!”

Revenue cycle employees are usually the first–and the last–people the patient encounters. For better or worse, they’re not quickly forgotten. Pre-service, they’re collecting information and arranging scheduling, and sometimes collecting balances. After-service, the patient hears from the revenue cycle again in the form of a statement or bill. If financial discussions happen early in the process, the relationship goes a lot smoother.

Even if they have a great clinical experience, a bad financial experience can create dissatisfaction that puts the entire experience under a dark cloud.

This can start a negative cycle that puts millions of dollars at risk.

Retailers, hotels, and airlines have long known how disastrous an unhappy customer can be. When that customer decides to take their business elsewhere, revenue is lost. There is a domino effect, as other customers base decisions on the dissatisfied person’s reviews or warnings.

Consider the airline industry. Suppose the flight experience was second to none–no delays, excellent onboard service and even the food was better than anyone expected!

But when the customer thinks back on the overall experience, problems they experienced in paying for the ticket seem to overshadow everything. When the patient tried to buy a ticket, the website asked for their name and email address but would only take a request for the reservation. The patient had to email and call multiple times to get the ticket. Even after the patient paid for the ticket, the price changed after that because fuel costs went up and someone realized the patient had been undercharged. The actual cost ended up higher. Can you imagine any airline customer putting up with these shenanigans? No, because it would never happen in the airline world. Surprisingly, that’s the kind of experience patients may be put through every day in the revenue cycle.

“There’s no one else quite like you!”

Customers are very savvy when it comes to retailers, hotels and airlines. People are expecting a different retail experience at Nordstrom’s than KMart. Until now, the financial experience at hospitals didn’t really differ much. Insurance was handled the same way–it was only the clinical experience patients were concerned with. For decades, clinical practices have been scrutinized, analyzed, researched and improved. Hospitals prided themselves on their clinical care, but financial care was not really on anyone’s radar.

I recently met with a hospital CFO who told me, if we provide a bad financial experience, our patients have the ability to go “*right there*.” He literally pointed to the hospital across the street. In some communities there may not be big geographical distance between hospitals. Often, there aren’t huge differentiators in clinical care.

The Patient Financial Experience can be the differentiator.

The Patient Financial Experience is now driving customer loyalty. People are willing to pay a lot of money to go to Disneyland and it’s not just for the rides. It’s the great customer experience they know they’ll be getting. Why not use the Patient Financial Experience to differentiate your hospital from the competition?

Key Takeaways:

1. Revenue cycle employees get complaints every day, in one form or another, but have little data on which calls are likely to escalate and what to do about it.
2. Revenue cycle leaders need to predict which calls are most likely to escalate, show signs of dissatisfaction or a refusal to pay so service recovery can be provided to the right patients at the right point in time.
3. If revenue cycle leaders track *all* customer encounters, they can identify those with dissatisfaction and make changes to prevent lost revenue.
4. Hospital can differentiate themselves in the marketplace by consistently providing an excellent Patient Financial Experience.

HERE ARE A FEW QUESTIONS TO CONSIDER ABOUT COMPLAINTS AND THE PATIENT FINANCIAL EXPERIENCE:

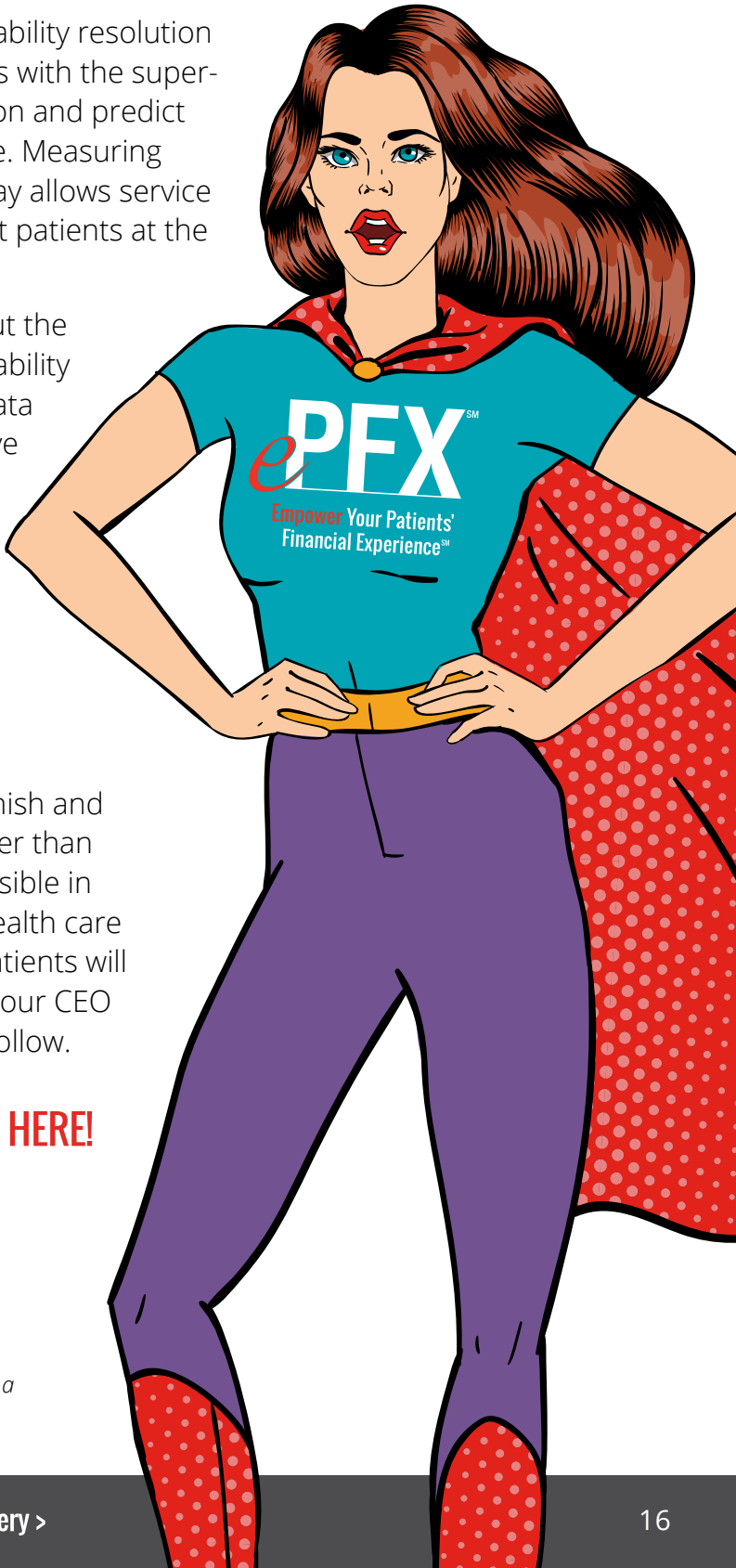
1. How does your department currently track complaints involving the Patient Financial Experience?
2. Do you need more data on the frequency and type of complaints you are receiving?
3. Can you predict which patient encounters are likely to escalate, be causing dissatisfaction or are leading to a refusal to pay?
4. Do you want to protect lost revenue stemming from dissatisfaction with the Patient Financial Experience? (If so, we have a proprietary data measurement system that does that and so much more.)

ABOUT AVADYNE HEALTH

With Avadyne Health as a leading voice in the Patient Financial Experience, satisfaction and revenue are no longer at odds. The 21st century view of financial care is as holistic as clinical care.

Using ePFXpredict throughout our patient liability resolution services provides our revenue cycle partners with the super-power data necessary to measure satisfaction and predict the situations that are most likely to escalate. Measuring escalation, dissatisfaction and a refusal to pay allows service recovery to happen more quickly to the right patients at the right point in time.

Avadyne Health engages patients throughout the continuum of care empowering all patient liability resolution with an entire suite of services, data integration tools, technology and consultative professionals to leverage every patient engagement as an opportunity to optimize satisfaction, loyalty and revenue.



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 CLAIM YOUR CAPES HERE!

1. *Exception Service, Exceptional Profit: The Secrets of Building a Five-Star Customer Organization,* Leonardo Inghilleri