BUILDING A SMARTER PATIENT STATEMENT

A Simple Guide to More Profitable Patient Financial Communication

elite

Introduction

Rising treatment costs are gradually shifting the revenue landscape for many healthcare organizations. In 2012, health expenditures reached 18% of U.S. GDP – a six-year increase of over 25%[1]. Within the next decade, health-related spending is projected to account for a full one fifth of the U.S. economy[1].

Whereas patients have long been sheltered from the true cost of treatment, recent inflation is increasingly borne by consumers. Facing escalating insurance premiums (up 80% since 2003[2]) and an economy still in the midst of tenuous recovery, employers are asking patients to shoulder a larger portion of the costs of care.

Since 2009, the average deductible for all covered workers has increased by 47% - from $826 to $1,217 – and 41% of employees now face a deductible of over $1,000[3]. Expenses covered by individuals – through payroll deductions and out-of-pocket costs – have increased 73% since the beginning of the recession in 2007[3]. And the number of workers covered by high-deductible plans has quadrupled since 2007, from 5% to 20%[2].

A typical family of four covered by an average employer-sponsored plan now spends $9,695 on healthcare each year, with $3,787 coming directly out-of-pocket[4]. The result of this transition is that patient payment is becoming a more critical source of revenue for most providers. Today, employees are responsible for 41% of the cost of their care - through both premium sharing and benefit costs. If current trends persist, patient responsibility is expected to exceed 50% of the payment mix within the next 3-5 years[5].

If a higher portion of direct patient payments doesn't exactly have you jumping for joy, you're not alone. Out-of-pocket collections is often fraught with productivity roadblocks. It's more costly, more time consuming, and less likely to result in a preferred payment outcome. Collecting from patients directly can cost two to three times more than recouping payer payments, with more hands-on attention required and follow-up billing activities costing providers an average of $25 per re-bill[6]. In addition, patients pay twice as slowly as payers on average[7].

But despite the extra time and money, results are often lacking. For example, collection rates for small dollar liabilities range from 50 to 70% for insured patients, and just 5 to 10% for self-pay accounts[8] - with patients in the later category defaulting at a rate of 30% or more on average[9]. By 2018, 35% of bad debt is expected to come from patients with a balance after insurance, more than double the rate in 2010. Not to mention that subpar billing and aggressive collection tactics can alienate patients and put valuable, long-term treatment relationships in jeopardy.

In this guide, we'll examine the key role that simple, clear, user-friendly patient financial communication is set to play in a revenue environment that is increasingly reliant on self-payment. In addition, we'll present five traits shared by best-practice patient communication - a checklist of action-items that your organization can use for smart, effective statements that drive key financial outcomes, reduce collection costs, and optimize staff and resources.

A Low-Cost, High-Impact Strategy to Reach Financial Goals

Facing tight budgets and rising out-of-pocket revenue, healthcare organizations of all sizes are looking for ways to more effectively collect direct patient payments - without increasing operating costs.

The good news? Many of the reasons commonly cited by patients for non-payment can be solved by targeted initiatives from providers. For example, in a recent McKinsey & Company study that examined U.S. healthcare payment trends, the top three reasons for patient non-payment - and over 80% of total responses - could be grouped into "addressable" factors, such as "Lack of financing options", "I just received my statements", and"I forgot to pay or was confused about what I owe"[8].

Smart, effective patient communication is often a good first step for health systems looking to efficiently meet the rising tide of self-pay receivables head-on. Better - and more proactive - integration of financial tools and propensity-to-pay analytics, easy-to-understand patient statements and letters, and tighter control of back-end mailstream operations can help address many of the root causes of non-payment. And that, in turn, improves revenue cycle performance: enhancing and accelerating revenue collection, reducing service calls and costs, and building upon patient satisfaction and brand preference achieved during the treatment process.

In addition, unlike many revenue cycle initiatives, upgrading patient financial communication is generally a low-stress strategy. Document design and statement processing application changes usually aren't dependent on a large investment of staff time or financial resources. By employing best-practice patient communication strategies, healthcare providers can collect more while using less.

Addressing the Link Between Billing Practices and Patient Satisfaction

In addition to the clear impact it has on bottom-line financial performance, patient communication quality also plays a significant role in consumers' satisfaction with the billing process.

According to a recent study, only 21% of patients were fully satisfied with their billing experience, with a third reporting they had to contact the hospital directly to resolve a billing question[10]. Additionally, reported levels of satisfaction with the treatment process drop by 10% from the time a patient is discharged from the hospital[10]. Providers typically have little contact with patients during that period - aside from billing - suggesting a clear correlation between business office activities and a patient's holistic impression of their encounter.

Not surprisingly, patients that were highly satisfied with the billing process were five times more likely to recommend a hospital to a friend[10]. Similarly, almost 70% of respondents to a 2013 TransUnion study who gave the highest rating to their quality of care also gave high marks to their billing and payment experiences, compared to only 24% who rated their care poorly[11].

And patient satisfaction is set to assume an all new level of importance for providers. Under new ACA guidelines, nearly $1 billion in Medicare reimbursements are now tied to how providers score on the CMS' Hospital Consumer Assessment of Healthcare Providers and System survey, which gathers patient feedback on a wide range of experience metrics - including doctor and nurse communication, responsiveness of hospital staff, and overall rating of the hospital.

Because the billing process is generally the last chance you get to make any kind of impression – good or bad - a transaction that leaves patients with a poor taste is especially troublesome from a patient loyalty perspective. And confusing, complex, inaccurate billing is a major source of patient frustration and dissatisfaction.

Given all that's at stake – patient loyalty and preference, brand equity, Medicare reimbursement rates – now more than ever, it's essential that providers take the proper steps to ensure the billing and payment process is as simple, fast, and hassle-free as possible.

Transitioning to a Leaner, More Efficient Patient Communication Model

Paper statement print and mail operations are a source of mounting costs for many healthcare providers.

From a postage standpoint, the per ounce price to deliver a piece of standard mail has risen by $0.15 since 2000 – an increase of over 36%[12]. And that steady inflation is likely to persist. Postal volume has declined since the start of the recession in 2007 (by about 17%, according to a 2010 U.S. GAO report), and legacy costs are skyrocketing[13]. The resulting shortfall has put the USPS in a revenue crunch, with officials calling the current situation "unsustainable".

Although increases are currently capped at the rate of inflation by the 2006 Postal Accountability and Enhancement Act, the USPS can petition for a rate bump beyond inflation during years in which it experiences "exigent" circumstances. To offset expected revenue deficits, an exigent price increase was approved for 2014, raising postal costs by 6% year-over-year. And that's not even considering the additional expense of materials and labor to prepare, print, and insert statements for delivery.

Patients that receive multiple bills before paying not only slow receivables, they also increase collection cost and waste resources. Unfortunately, it's fairly typical for patients to receive multiple statements during a transaction. On average, providers send 3.3 statements to patients before they complete a payment[14]. And many health systems deliver four or five bills before referring a patient for collection proceedings. That means if a provider is able to collect in full directly from a patient, it can take months from the time of treatment.

Transitioning to a leaner, more efficient communications model requires better integration of patient financial analytics, ensuring all patients are categorized appropriately given their financial status and propensity-to-pay. Additionally, providers need to emphasize smart statement design principles to drive outcomes that support efficient revenue collection - such as achieving payment on the first bill. Good design not only encourages faster payment, it can also mitigate many of the multi-statement transactions that stealthily take aim at profitability.

Patient Communication that Improves Revenue Collection

In 2007, patient responsibility was 12% of total revenue. As of 2012, it had increased to 30%[15]. Historically, with so much revenue coming from payers, it was easy for many providers to overlook patient communication in the search for cost-containment and better revenue cycle outcomes. Not any longer. The rising tide of patient responsibility - and the challenges inherent in collecting from this segment - has many providers going back to the drawing board in pursuit of a smarter, more effective statement.

A good place to start that process is by identifying what makes statements difficult for patients to understand and pay, then implementing strategies that directly address those root frustrations. Throughout the rest of the guide, we'll be sharing our research on the subject: a proprietary statement usability checklist culled from hundreds of redesigns and A/B split-tests. All in pursuit of patient communication that saves resources, reduces overhead, and enhances and accelerates revenue collection.

Anatomy of an Usability-Tested Patient Statement

1. Account summary provides snapshot overview of key account information.

2. Branded elements, including full color logo, provide easy patient identification.

3. Greater emphasis placed on web-based, self-service payment and support channels.

4. Simple service detail provides summary breakdown of charges and payments.

5. Clear communication of billing and customer support channels.

6. Support prompts for ESL patients appear automatically on the statement.

7. Strategic use of highlight color increases awareness of important billing details.

8. Variable marketing panel is used to present branded messaging, announce events, or cross-sell/upsell targeted services.

9. Special instruction area enables down-to-the-individual-patient variable messaging.

10. Balance due information appears multiple times throughout the document.

11. Payment stub features account information and lock-box scanline for simplified payment processing.

Step 1: Usability

Smart, proven patient statements are a key building block of the most profitable revenue cycles. More than just ink-on-paper, effective statements inform in a glance, answer questions before they become service calls, and provide the instructions (and tools) to make it easy for patients to make a balance payment.

Not surprisingly, poorly planned and executed statements have the opposite effect: stalling the revenue cycle and frustrating customers. And, unfortunately, not all statements are created equal.

On average, patients spend five minutes reviewing each medical bill they receive[16]. And despite the industry-wide focus on patient-friendly billing practices, many consumers still struggle to understand their statements: over 40% of consumers believe the best way to improve financial communication is to make it easier to understand[16]. Statement clarity was the most popular response in a recent study investigating consumer billing preferences, beating out other popular statement design options like use of color and the inclusion of educational/informational content[16].

Simple, clear, clean correspondence helps patients quickly understand key billing takeaways – what's owed, for what, and by when. And proven design concepts manage eye movement and clearly highlight payment and billing support instructions.

Best-Practice Tool: Design Analytics
Effective statement design is critical. But it's not enough just to implement "patient-friendly" design changes. You need to know how statement design affects patient payment and billing satisfaction.

That's where design analytics can play a key role. By closely tracking what statement design elements are working, what needs to be fixed, and what to expect once a new change is made live, you can eliminate the guesswork from statement redesign and carefully build a tested, data-driven patient statement.

Design experiments enable healthcare organizations to closely track and monitor the success of individual statement changes - both within important patient demographic verticals and among the population as a whole. Key performance indicators are analyzed pre- and post-change to identify trends in relevant revenue cycle data.

Elements that outperform the control group in an experiment are integrated into an organization's statement, while those that demonstrate little or a negative impact don't become part of the "winning", or control, statement. This approach provides healthcare organizations with a battled-tested statement that is proven to resonate specifically with their patient base.

Patient Statement Usability Tips

•Don't bury the lead. Remember, bills are designed to inform and collect. And forcing customers to hunt for key billing details is a good way to slow that process. So give the most important information – what's owed, when it's due, and how it can be paid – priority placement above the fold at the top of the statement.

•Incorporate smart design to smoothly guide customers' visual focus throughout the statement. The best way to accomplish that is with a clean, grid-based structure that uses white space, colors, and contrast to emphasize and communicate key information. And don't design just to fill space: a simple, uncluttered statement is a lot more effective than one loaded with elements that don't aid collectability, like large pictures, aggressive colors, and invasive ads.

•Break-up large groups of data into bite-size chunks and stress the importance of high-priority information with tables, call-out boxes, and attractive shading.

•Single-out and emphasize specific words, sentences, and sections (like balance due) with headlines, bold text, underlining, and distinctive fonts. That creates the kind of contrast and movement that makes it easy for customers to quickly scan and understand their bills.

• Use simple, easy-to-decipher fonts in larger-than-you-might-have-considered type. Going with a large, clear type ensures that the millions of Americans that have visual impairments won't have trouble reading your bill. As for font color, aside from selective use of call-out bolds (like red), black type works best: it's easier to read than middling shades (like gray) and is therefore easier for customers to decipher and trust.

• Get the point across quickly with universally-understood graphics – like a phone for a customer service call center phone number or computer for your online payment portal – that help guide eye-path and promote desired outcomes without excessive copy.

• Separate and summarize transactional information. An account detail can be used to provide a drill-down summary of all customer activity for the billing period: charges, transactions, payments – any itemized data that affects what a customer is being asked to pay.

• Highlight important billing instructions. Are there additional fees for overdue accounts? Is this the last bill before collections proceedings begin? Will patients be asked to pay an ER doc in addition to your facility? Don't expect your customers to intuitively understand your billing process. Instead, provide on-statement tools and information that put them in control.

Step 2: Integrated

The most efficient patient communication solutions enable providers to use all the financial tools at their disposal to more intelligently bill patients and capture payment.

For example, 80% of self-pay revenue typically comes from less than 30% of accounts[17]. Not coincidentally, these accounts tend to be resource hogs, using a disproportionate amount of providers' time and budgets. By recognizing where opportunities exist to reduce costs and improve collectability, providers can develop customized billing funnels that help their staff work smarter and enhance cash collections.

In other words, best-practice statements are much more than just a generic print-out of legacy system billing information. Armed with, better, faster, more efficient data management and variable print technology, providers now have the tools at their disposal to create integrated, data-infused billing that solves critical revenue cycle operational issues and bottlenecks.

The result is smarter patient communication that achieves key financial outcomes and improves patient engagement by joining together data from across financial services. That includes front-end processes like patient access, eligibility, and cost estimation, as well as back-end activities like specialized financial counseling, charity care management, and availability of balance payment channels.

For example, of all patient balances that become bad debt, the Healthcare Financial Management Association estimates that up to 25% should actually be classified as charity care[18]. Many providers have proactively approached that issue by using aggregate financial data to develop propensity-to-pay models that funnel patients at risk financially into charity care silos for personalized outreach and follow-up. An integrated patient statement can intelligently support the objectives of that program, rather than dulling it's impact by confusing patients and wasting resources.

A statement delivered to patients that qualify for some form of charity could include presentation of a personalized payment plan or appropriate discounts. Another option would be to suppress statement production entirely in favor of a charity care application and related informational materials. By leveraging emerging big data analytics and variable print tools, providers can create a statement design that better aligns with big-picture revenue cycle goals

Best-Practice Tool: Multiple Payment Channel Options
Consumer bill pay habits remain highly fragmented. For example, 76% of consumers report using multiple channels to pay a bill each month[19]. And three-quarters claim having multiple ways to pay a bill each month is either important or very important[19].

Research suggests consumers are now using a mix of payment methods to build more flexibility, convenience, and choice into the billing process. One in five consumers changes the way they pay the same bill each month based upon factors such as the size of the balance owed and due date[19].

For statement design, the implications are clear. First, providers need to build flexibility into billing documents by presenting all the pay channels they offer, not just the ones that are cost-effective or save resources. The stakes are too high to assume all patients want to, or can, pay in the same way.

However, that's not to say that those efficient, self-service options shouldn't receive additional emphasis. Channels such as online bill pay, inbound IVR, and mobile pay are best at meeting the payment demands of patients. Forty-one percent of consumers pay bills within five days of the due date[16]. And many juggle payment type based upon funds availability.

Self-service channels not only make it easy for patients to call or click when they're ready to pay, they also make it much easier to pay quickly to avoid a late fee. Optimize statement design to drive patients to self-pay channels - giving online, mobile, and IVR options priority placement above the fold and greater emphasis with eye-catching colors and graphics.

Integrated Patient Statement Design Tips
• Use data from front-end processes to improve statement personalization and effectiveness. A good example of this is using propensity-to-pay analytics to uncover patients that qualify for charity care assistance. A low propensity-to-pay score on a high balance due could presumptively flag a statement for suppression, prompting a financial aid letter and application to be mailed in its place. Or it could change final statement output, initiating selective insertion of charity care materials along with a traditional patient statement.

• Leverage patient financial metrics to customize on-statement messaging. For example, a patient that doesn't qualify for charity assistance, but meets internal propensity-to-pay requirements on a balance due of less than $2,000 could automatically trigger a proposed payment plan - adding custom repayment terms to their statement.

• Incorporate on-statement elements to simplify patient access of billing channels. For example, a QR Code that patients can snap with a smartphone to quickly access a mobile-friendly version of your payment portal. Or a Personal URL to grab patient attention and make it easy for them to access a pre-populated quick pay website.

• Enable easy integration of patient data with back-end, business office processes. One way to accomplish this is by employing a OCR scan line on the payment stub to automate inbound mail payments. Similarly, driving patients to a self-service channel further promotes automation and reduces workload and the stress on internal resources.

• Pull from patient demographic data to present targeted, relevant promotional offers that increase cross-sell within specific groups. For example, a twenty-somthing might receive a promotional offer for a yoga class, while a male patient in his forties would be presented with an invitation for a free heart-health screening - all within the same billing cycle.

• Increase use of self-service help options. Using intuitive design to drive patients to an online FAQ, billing help page, or patient portal limits call volume and encourages use of web-based billing and payment tools.

• Step 3: Readability

Readability is the ease with which text can be read and understood. And it has major implications for the success of your statement processing solution.

Most techniques designed to improve statement comprehension focus on the design side of things – and for good reason. Sloppy, confusing statement design can make it difficult for customers to understand even well-written billing information and instructions. But make no mistake: the sentence structure, language style, and readability tools your billing uses can have just as much impact as how it is laid out.

According to the National Adult Literacy Study, the average adult in the U.S. reads at a 7th grade level[20]. And many health and safety experts recommend materials intended for the general public should be written at a 5th or 6th grade level[20].

Billing statements that use jargon, long or overly complex words, sentences, and paragraphs, and passive voice can easily confuse bill recipients – directly contributing to things like late or incorrect payment, more calls to your customer service center, and even bad debt.

Best-Practice Tool: Jargon-Free Communication
Good statement design should be all about simplicity. And yet statements often tack on inessential elements to the detriment of bill readability and customer understanding. Why? The fallacy of going big: that more words means more impact. That insider-language implies expertise and know-how. And that the more info you crowd into a statement the less chance there is that something has been left out.

But all that extra ornamentation detracts from the point of your statements: quickly collecting revenue and limiting related costs. Statements that incorporate financial jargon or bury billing instructions in technical language can be a major roadblock to revenue cycle productivity. Terms like "beneficiary", "claim", " date of service", or "expense" are intuitive to healthcare financial professionals, but read like a foreign language to many patients. There's no reason to say "Balance Amount Due For Services Rendered" when you could use something much easier to understand like "Please Pay".

Adopting a plain-language vocabulary and writing style is as critical as clear, to-the-point statement design in encouraging bill comprehension and payment. Simple, intuitive, jargon-free statements present a snapshot of the transaction that gives patients all the information they need to understand their financial obligation and complete payment.

Before your team drafts statement copy, consider diagraming a list of keywords to use (and, perhaps more importantly, to avoid), establishing a firm word count, and outlining exactly what you need to communicate to your customers to influence desired financial outcomes. After all, when the financial health of your organization is at stake, it pays to spend extra time choosing language that is clear, persuasive, and effective.

Statement Messaging Tips:

•Write for a 5th grade reading level. And while that's a good guideline, it isn't always all that helpful. After all, most of us aren't trained technical writers and will likely struggle to define what words and style fit a particular grade level. A more practical bit of advice: use the simplest, shortest, most recognizable word possible for every situation.

•Use short blocks of text. Length applies to sentence and paragraph size, too. White space is a powerful thing. People simply find it easier to read and understand short, simple blocks of text. Start by sticking to the guidelines used by many press associations: sentences that are under 15 words are easy to read, while anything over 20 should be avoided. And avoid big, nasty-looking blocks of text with short one and two sentence paragraphs.

•Strike all billing codes, overly-complicated medical terms, process-specific billing and insurance details, and other technical terms and jargon. All too often, it slows payment or results in a service call that increases billing overhead.

•Use familiar terms. Keep things as concise as possible: if you're trying to say "immediately", just use that instead of a similar, but more unnecessarily complex phrases like "without further delay" or "at your earliest convenience".

•Strive for conversational. Use an active voice, empathetic tone, and present-tense. Choose nouns and verbs that are specific and clear as possible. Finally, eliminate all adverbs – they're unnecessary ornamentation on an instructive document like a statement or billing letter. Remember: when it comes to statement messaging, brevity usually wins.

•Be empathetic. A friendly, informal, respectful writing style helps alleviate the tension and anxiety patients might feel when receiving a patient statement or letter. And it mimics the friendly, courteous way that your care providers and support staff would interact with them in a real-world situation.

•Stress ease-of-payment. We're all motivated by the idea of progress. The shorter the distance to the goal, the more encouraged we are to reach the finish line. It's called the Goal-Gradient effect. Leverage that tendency by stressing how easy it is for your patients to make a payment. For example, by highlighting online pay tools and reinforcing - through clear instructions and supporting messaging - just how simple it is for patients to log on and make a payment.

•Edit, test, then edit some more. Work back through all messaging with an eye for detail: removing all text and elements that aren't completely necessary. Then test your copy thoroughly with your actual patients to spot any potential comprehension pitfalls. Finally, with usability data in hand, add, subtract, or change your statement messaging to ensure that it's effective and patient-friendly.

•Step 4: Service-Oriented

Customer service overhead is a significant source of collection costs for many providers, reducing cash flow and weakening profitability levels.

That's not surprising, given that billing issues are among the most common reasons people contact customer service. For example, a third of patients surveyed in a recent study admitted that they have had to contact patient services in the past to resolve a billing question[10]. And even financially savvy patients often struggle with billing details - why was a payment divided and allocated to two separate sources? When is it okay to make a partial payment on an outstanding balance? What in the world does a "Physician Visit Level 2" mean?

Large call loads can quickly create productivity bottlenecks that increase collection costs and threaten patient satisfaction. Equally problematic is the effect overburdened financial staff and resources can have on patient satisfaction metrics. Limited staff tasked with fielding a large volume of calls often leads to high on-hold times and call abandonment. As a result, many satisfactory relationships are put into jeopardy: 89% of consumers have stopped doing business with a company after experiencing poor customer service[21].

Even more sobering, customers are four times more likely to leave a service interaction - of any kind - disloyal rather than loyal[22]. That data suggests the easiest way to keep patients coming back is by ensuring they never have to contact you for service in the first place. And if they do, that their experience is as easy and obstacle-free as possible.

In light of service costs that can slice into profitability and test patient/provider relationships, smart patient communication increasingly emphasizes customer service tools in much the same way that payment channels are prioritized. Because while even the best designed bills can't entirely prevent statement questions, incidents shouldn't have to escalate to costly, difficult support calls that threaten patient satisfaction.

Service-oriented statements anticipate and respond to patient issues in two important ways. The first is by leveraging internal patient service data to isolate the billing and payment issues most often handled by customer service. For example, patients that have a high balance due and low propensity-to-pay profile could receive a customized check-list or Frequently Asked Questions that centers on financial aid options – applying for charity care, internal assistance programs, or how a specialized payment plan works.

The second is by empowering patients with the information and tools to solve issues on their own schedule. For example, many providers only offer call center hours during the day, when patients are busy at their own jobs. That condenses call load into a small window and can lead to long wait times and call abandonment that harm satisfaction and loyalty. Presenting a variety of self-service support options on a statement - online help, an automated in-bound IVR phone line that's available 24-hours a day, secure communication via a payment portal, and a traditional call center - helps patients receive quick, simple answers to their billing issues. Not to mention reduces phone support and related collection costs for providers.

Best-In-Class Element: Frequently Asked Questions
If you're like most healthcare organizations, your customer support employees likely receive many of the same billing questions over and over again from patients.

That's helpful from a troubleshooting standpoint – it's easier to answer common issues than really unique ones, after all. But it's also tedious and inefficient - a waste of time for both your patients and support staff when a better option is available. Given the high cost of service calls, smart patient communication should proactively leverage support center data to provide fast, simple resolution of common billing issues.

For example, incorporating a list of Frequently Asked Questions into your statement design helps utilize the customer support information you've accumulated to head-off common issues before they become an expensive support call.

Consider limiting an FAQ to 3-5 of your most pressing customer billing questions. That enables you to provide patients with valuable answers and instructions, while still ensuring that your statement design remains clean, clear, and readable. Too many questions or long, drawn-out answers can clutter a design – confusing patients and detracting from statement effectiveness. And while additional pages helps maintain readabiilty, they can quickly increase collection costs.

Tips for Creating a Service-Oriented Statement
• Help relieve overburdened staff and limit patient on-hold times by using specialized phone numbers for self-service support options. For example, many providers use inbound IVR to troubleshoot common service issues that can be completed without operator assistance, such as processing payments or updating demographic or insurance information.

• Prioritize your online service tools. Three-quarters of consumers prefer to use online customer support over any offline option. Promoting your EBPP platform as both a payment channel and a support tool can help reduce collection costs and empower patients to resolve issues on their schedule - including after posted office hours.

• Use variably-imaged, user-specific contact information on each page of the statement that alerts patients where to contact if there is a billing question or problem. Repeating service information is an easy way to improve patient satisfaction and accelerate payment. While segmenting customers into specific queues – say alphabetically or by region or facility visited – helps ensure that work-load is dispersed efficiently amongst your staff.

• Highlight links to an online patient financial website for in-depth help and presentation of available financial discounts, payment plans, and charity care policies. On-statement FAQs are valuable, but when there's only space for a 2-3 questions, there's a definite limit to their utility. Online help pages aren't encumbered by the same space restrictions, enabling a fuller discussion of billing questions and financial support. In addition, online is the preferred troubleshooting option for many patients: 57% of inbound service-related calls are from consumers that first visited a business' website in an attempt to resolve a question or troubleshoot a problem[22].

• Enable customers to quickly update outdated or incorrect account information - like mailing address or insurance - with a large, easy-to-fill out form on the back of the payment stub.

• Provide a full list of all the automated payment channels you offer patients, including online pay and IVR. Balance payment is a common source of customer service calls. Automated channels simplify the payment process and reduce high on-hold times for patients, and help your staff redirect time and productivity to other mission-critical patient financial tasks.

• Print critical account information on the statement payment stub – like account number, balance due, and statement date – to enable your back-office staff to easily process payments or update profile data using only the portion of the bill remitted by the patient.

•Step 5: Personalization

Although healthcare organizations have historically maintained large repositories of patient clinical and financial data, until recently, their ability to access and use that intelligence has been relatively limited. Restricted by paper files, physical charts, and siloed software applications, key patient data often remained disconnected and under-utilized.

Recent advances in healthcare information management are quickly evolving the traditional model, however. Spurred by widespread adoption of Electronic Medical Records and new health information systems that can quickly and efficiently integrate data from both internal silos and external sources, today's hospitals, health systems, and medical groups have an unprecedented level of actionable patient data at their disposal.

From a patient design standpoint, the ease and speed with which patient data can be stored, retrieved, and analyzed has several positive implications. For one, personalization of patient communication enhances engagement and helps providers reach financial objectives. A specialized consultation with a skilled physician or nurse practitioner will yield far more detailed, comprehensive results than a patient is likely to receive reading a generic WebMD article.

Similarly, a statement that is personalized with lifetime transaction data or specialized financial analytics is more likely to resonate - reducing the chance that a Spanish-speaking patient receives a bill in English, for example. Or that the balance due reflected on patient's paper statement isn't the same figure that is quoted in an online payment application.

In addition, personalization is a good way for providers facing mounting financial pressures to control costs and do more with less. For example, by integrating predictive financial analytics - like propensity-to-pay modeling - providers can efficiently adapt the billing process to fit the specific financial realities faced by patients.

Using that example, a customer that qualifies for charity care would receive appropriate hands-on attention at the time of service, while automatically suppressing a subsequent statement. While a patient with the ability to pay based upon financial metrics would be placed in a queue for traditional follow-up. A personalized approach not only reduces monthly statement volume, it also enables your patient financial staff to use their time most productively.

Best-In-Class Element: Variable Production
The key personalization tool at the disposal of outsource statement processing companies in the print arena is variable imaging. Print and mail vendors now make use of high-speed, full color variable laser printers that enable statement elements – everything from bill messaging to the entire document – to be customized on-the-fly. This provides a major advantage over previous generations of printers, where creating a highly customized statement required several passes through a printer and lots of employee attention.

Additionally, variable print technology helps eliminate the use of pre-printed statement stock. That's valuable from an efficiency standpoint, as it reduces employee oversight of job production. Instead of relying on staff to engage in the time- and labor-intensive process of tracking down inventoried stock and matching it to a particular job, all statement processing work is produced on-the-fly using a blank stock.

Variable production also helps improve security standards and HIPAA compliancy. There's simply too many opportunities for embarrassing mix-ups when production employees are juggling forms for hundreds or thousands of clients. For example, printing billing information for one company's clients on another's statement paper.

Tips for Creating a Personalized Statement
• Shoot for bespoke as much as possible. Patients rate personalized content as the second most-important change providers can make to improve their patient statements[15]. Meet that demand by providing down-to-the-individual-patient customization of important statement details – like specialized billing instructions, due dates, or dunning messages based upon customers' revenue cycle status.

• Integrate specialized payment terms that enable you to calculate and present personalized discounts or payment plans to customers based upon their unique financial profile, credit score, and payment history.

• Personalize statement elements on-the-fly. Except in the case of major statement changes, it shouldn't take a lot of time – or cost an arm and a leg – to process simple changes to commonly-updated areas, like special offers or billing instructions. And those are areas where a little message tailoring can go a long way.

• Add a Spanish-language statement translation option for non-English speaking customers.

• Use a high degree of brand equity. Optimally-performing statements should enable enough bill customization (including logo, color scheme and brand elements) that adequately convey your unique value proposition. Unlike generic alternatives, branded statements allow customers to quickly identify the provider from whom they're receiving a bill.

• Use intelligent cross-promotional messaging. Sure, your stroke center might be award-winning. But there's little relevancy in that for a healthy, active twenty-something. Drill-down targeting - based upon each patient's unique demographic characteristics - helps provide a more appropriate, personalized billing experience for patients.

Questions? Comments? Ready to learn more?
Get in touch. We'd love to hear from you.

There are impressive economic and patient satisfaction advantages to be gained by embracing smart, simple, to-the-point statement design and an integrated, highly-customized approach to application development.

Upgrading revenue cycle performance is often as simple as calibrating your statements so that they both better utilize your existing patient financial toolset and meet the unique communication needs of self-pay patients. Everything from lower days in A/R, to less collection-related overhead, to improved patient satisfaction with the treatment process can be positively affected by making results-driven patient financial communication a top priority in your organization.

If you would like to discuss more smart strategies to take your patient financial communication to the next level, we'd be more than happy to meet with you - or talk by phone or web-conference - to map-out a roadmap for success.

Call us (toll free) at **800.276.5465** or email **info@eliteps.com** to get the ball rolling. Or if, you would like to learn more about how we help customers design and implement buzzworthy patient statement solutions, connect with us on the web at **eliteps.com/statements**.

References

1. Centers for Medicare and Medicaid Services. *National Health Expenditure Projections 2012-2022 Forecast Summary*: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/downloads/proj2012.pdf.

2. The Henry J. Kaiser Family Foundation. *2013 Employer Health Benefits Survey*: http://kff.org/report-section/2013-summary-of-findings/.

3. The Henry J. Kaiser Family Foundation. *2014 Employer Health Benefits Survey*: http://kff.org/private-insurance/report/2014-employer-health-benefits-survey/.

4. Milliman. *2014 Milliman Medical Index:* http://www.milliman.com/uploadedFiles/insight/Periodicals/mmi/pdfs/2014-mmi.pdf.

5. Muro, Dan. *Aetna CEO Bertolini Outlines 'Creative Destruction' Of Healthcare At HIMSS14*: http://www.forbes.com/sites/danmunro/2014/02/24/aetna-ceo-bertolini-outlines-creative-destruction-of-healthcare-at-himss14/.

6. Relay Health. *Improving Self Pay At All Points of Service*: http://ndha.org/image/cache/ImprovingSelf-PayAtAllPointsofService_RelayHealth__2_.pdf.

7. Bayley, Matthew MD, Sarah Calkins, Ed Levine MD, and Monisha Machado-Pereira. *Healthcare Revenue Cycle Operations: Opportunities Created by the ACA*: http://healthcare.mckinsey.com/sites/default/files/793544_Hospital_Revenue_Cycle_Operations.pdf.

8. McKinsey. *McKinsey on Payments*: http://www.mckinsey.com/App_Media/Reports/Financial_Services/US_healthcare_payments_Remedies_for_an_ailing_system.pdf.

9. Grace, Shirley. Physicians Beware: 'The Dog Ate My Checkbook': http://www.physicianspractice.com/physician-beware-%E2%80%98-dog-ate-my-checkbook%E2%80%99.

10. Connance. *2011 Connance Consumer Impact Study*: http://info.connance.com/rs/connance/images/ConnancePR_consumer%20impact%20study%20on%20patient%20billing%20and%20satisfaction%2010%2024%2012%20FINAL.pdf, 2012.

11. TransUnion Healthcare. http://www.marketwired.com/press-release/transunion-survey-healthcare-cost-transparency-major-factor-patients-choice-providers-1854520.htm

12. Dart, Andrew K. *The History of Postage Rates in the United States*: http://www.akdart.com/postrate.html.

13. Government Accountability Office. *Strategies and Options to Facilitate Progress toward Financial Viability*: http://www.gao.gov/assets/310/303034.html

14. Margolis, James and Christina Pope. *MGMA Connexion April 2010 - Perspective on Patient Payments*: http://www.mgma.com/Libraries/Assets/Practice%20Resources/Publications/MGMA%20Connexion/2010/Perspective-on-patient-payments-MGMA-Connexion-April-2010.pdf

15. Schweitzer, Shelia. *Your Number Three Payer Is About to be Your Worst Nightmare*: http://c.ymcdn.com/sites/www.naham.org/resource/resmgr/2014_Conference/Your_Number_Three_Payer_is_A.pdf

16. Fiserv. *Consumer Preferences for Healthcare Bills & Statements*: http://www.slideshare.net/FiservPR/consumer-preferences-info-trends-healthcare.

17. Connance. http://www.connance.com/our-programs/self-pay/

18. Connance. *Charity Care Policy and Process - Leading Practices for Presumptive Charity and Scoring*: http://www.mainehfma.org/site/files/263/126395/451928/620402/Charity_Care_Policy_and_Process_Leading_Practices_.

19. Fiserv. *Infographic: How Americans Pay Bills*: http://www.slideshare.net/FiservPR/infographic-how-americans-pay-bills.

20. DuBay, William H. *The Principles of Readability:* http://www.impact-information.com/impactinfo/readability02.pdf, 2004.

21. RightNow Technologies. *2011 Customer Experience Impact Report*: http://www.slideshare.net/RightNow/2011-customer-experience-impact-report.

22. Dixon, Matthew, Karen Freeman, and Nicholas Toman. *Stop Trying to Delight Your Customers*: https://hbr.org/2010/07/stop-trying-to-delight-your-customers.

Your Money. Faster.

Elite Services, Inc is a national provider of communication solutions to businesses of all shapes and sizes. We offer smart, results-driven statement processing, online payment, and document management applications.

To learn more about our organization, call 1.800.276.6456 or click Eliteps.com.

elite