Patient Financial Experience of the Future: An Update on HIMSS Revenue Cycle Improvement Task Force Activities

Stuart Hanson
FY16 Chair, HIMSS RCI Task Force
SVP & General Manager,
Consumer Payment Solutions
ChangeHealthcare

John Showalter, MD, MSIS
Member, HIMSS RCI Task Force
CIO/Asst Professor
University of Mississippi Medical Ctr

DISCLAIMER: The views and opinions expressed in this presentation are those of the author and do not necessarily represent official policy or position of HIMSS.

www.himssconference.org
Revenue Cycle Management Challenges

• Current:
  – Rising patient financial responsibility
  – Lack of understanding of most patients regarding their healthcare insurance, especially the newly insured with Bronze plans
  – Fragmented communications between those involved in an episode of care
  – Lack of interoperable systems (internal and external)
  – Culture of little to no focus on price of a particular service/care plan
  – Changing reimbursement methodologies

• Immediate Horizon:
  – Higher consumer expectations as they become more engaged in the outcomes and costs of their care
  – New Payment Models
Current Provider Collection Experience is Time-Consuming

According to a 2013 survey of health care providers:

- Doctors and hospitals often wait 75-150 days for payment
- 50% of patient obligations go unpaid

Projected financial impact for providers

In 2011, patient non-POS Write-offs totaled $102 billion

By 2019, patient non-POS Write-offs are estimated to exceed $189 billion

Source: Citi analysis, based on 2011 data from the U.S. Dept. of Health & Human Services and Center for Medicare & Medicaid Services.
Patient Obligations are Growing

- Patient payments averaged **30% of revenue** in 2012\(^1\)
- 13% of providers interviewed state higher copays and co-insurance are **most pressing** payment issues\(^2\)

Sources:  
\(^1\) Citi analysis, based on 2011 data from the U.S. Dept. of Health & Human Services and Center for Medicare & Medicaid Services.  
\(^2\) Citi analysis based on client interviews, conducted by Boundary Information Group (June 2013)
Bad Debt is Increasing

• McKinsey - Bad Debt is increasing over 30% each year in some hospitals.

• Yet, the McKinsey study found that 74% of insured consumers indicated they are both able and willing to pay their out-of-pocket medical expenses up to $1000 per year.

• The survey respondents indicated that a lack of options for payment plans, poor timing of bills and difficulties coping with confusing statements or policies were major barriers to paying.

Source: Marbury, Donna. “Do high deductible health plans mean high risk for physicians?” Medical Economics. 12/10/2013
http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/aca/do-high-deductibles-mean-high-risk-physicians
And billing experience is important to overall patient satisfaction... and to providers.

Only 29% of patients gave a top rating of “fully satisfied” with hospital billing.

- Of the Fully Satisfied...
  - 96% would return for future service
  - 88% would recommend to a friend
  - 70% paid their bills in FULL

- Of the Unsatisfied...
  - 15% would recommend to a friend
  - 49% would return for future service
  - 29% paid their bills in FULL

Patients with bills > $100

Information from Connance Consumer Impact Study, September 2013
Revenue Cycle Improvement Task Force

Purpose
Convene innovative stakeholders from across the healthcare industry to create a vision for the next generation of revenue cycle management business processes and tools that will keep administrative cost containment, interoperability and consumer engagement front and center.

Membership
Industry thought leaders from all major stakeholder groups, including physicians, hospitals, retail health clinics, payers, financial services, health plans, consultants, industry associations, and vendors.

Philosophy
• Bring your expertise
• Leave your company hat at the door
• This is a journey of possibility thinking
Key Underpinnings

Basic Tenet
Cannot create the Patient Financial Experience of the Future without the back office functionality to support it

<table>
<thead>
<tr>
<th>Guiding Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Centered</td>
</tr>
<tr>
<td>Transparent Pricing</td>
</tr>
<tr>
<td>Efficient/Automated</td>
</tr>
<tr>
<td>Non-Duplicative Bus. Processes</td>
</tr>
<tr>
<td>Leverage Existing/Emerging Tech</td>
</tr>
</tbody>
</table>
Brief History

FY15

• Developed the vision; focused on the what, not the how
• Created infographic based on a basic pre-planned office visit
• Published White Paper outlining vision

www.himss.org/hbs

FY16

- Expanded scenario used in infographic to include an episode of care involving multiple disparate providers delivering care in a variety of settings
- Created microsite to illustrate this scenario
- Conducted gap analysis using this expanded scenario to identify potential technical gaps that will need to be addressed to realize vision
- Call for Case Studies
FY16 Activity #1 – Meet Mrs. Smith
FY16 Activity #2 - Gap Analysis

Purpose
• Identify technical functionality needed to realize task force vision for Patient Financial Experience of the Future
• Recognize available solutions/work under way that will drive the industry forward

Approach
• Identify categories of activity involved in typical episode of care
• Call out the technical functionality needed to support vision
• List potential gaps
• Acknowledge work currently under way
• Generate ideas for possible case studies

Presentation Wednesday, 03/02 2:30 – 3:00
HIMSS Revenue Cycle Knowledge Center
FY16 Activity #3 – Case Studies

Purpose
• Identify solutions already operating in the marketplace that address potential identified gaps, but that may not have widespread adoption
• Serve as matchmaker between organizations that would like to develop/pilot solutions and those that would be willing to participate in pilot as an end-user

Approach
• Open call for Case Studies (do not have to be a HIMSS member to participate)
• Submissions reviewed by HIMSS Senior Management and HIMSS RCI Task Force
• Mature Case Studies promoted on HIMSS website; in HIMSS publications and at HIMSS Annual Conference

Presentation Thursday, March 3 11:30 – 12:00
HIMSS Interoperability Showcase
Proposed Activities – FY17

Microsite
• Divide into two separate paths: the patient experience and the practitioner experience
• Imbed examples of business solutions into appropriate path

Case Studies
• Dedicated area of Interoperability Showcase to demonstrate mature business solutions
• Promote minimum of three case studies in HIMSS publications/websites/webinars
Get Involved

• Submit your own case study
  – Case Study submission form

• Volunteer to participate in someone else’s case study

• Join the HIMSS Revenue Cycle Improvement Task Force

• Check out our work products:
  – Patient Financial Experience of the Future Infographic
  – White Paper: Rethinking Revenue Cycle Management
  – Patient Financial Experience of the Future Microsite
Contact Information

Pam Jodock
Senior Director
HIMSS Health Business Solutions
(312) 507-9924
pjodock@himss.org

Joanne Bartley
Manager
HIMSS Health Business Solutions
(312) 915-9251
jbartley@himss.org

Stuart Hanson
Chair, HIMSS RCI Task Force
(630) 235-0616
StHanson@changehealthcare.com

John Showalter
Member, HIMSS RCI Task Force
(601) 984-1140
jshowalter@umc.edu
Questions?