Best Practices to Support the Revenue Cycle Road Map to the Future

Sandra Johnston, FACHE, FHFMA
Vice President, Revenue Cycle Management
Johns Hopkins Medicine
Member, HIMSS Revenue Cycle Improvement TF

Sandra Wolfskill, FHFMA
Health Practices Policy Director, Revenue Cycle MAP,
Healthcare Financial Management Association (HFMA)
Member, HIMSS Revenue Cycle Improvement TF
Agenda

- Patient Financial Communications, Price Transparency and Medical Account Resolution Best Practices
- Incorporating the Best Practices into the Future Revenue Cycle Workflows
- Bringing Technology Solutions to Support the Future
Empowering Consumerism

Why are consumers demanding price information now more than ever before?

Average Deductible: All Covered Workers

- 2006: $303
- 2009: $533*
- 2012: $802
- 2015: $1,077

SOURCE:
2) 19th Annual Towers Watson National Business Group on Health Employer Benefits Survey
Every day, healthcare professionals conduct sensitive financial discussions with patients. But there have been no accepted, consistent best practices to guide them in these discussions—until now …

“How much does it cost?”
“What does my insurance cover?”
“What if I can’t pay?”
Patient Financial Communications

• Best practices for healthcare providers:
  – Emergency Department
  – Time of Service (Outside the ED)
  – In Advance of Service
  – Patient Financial Communications – All Settings
  – Measurement Criteria Framework
    • Training
    • Process compliance evaluation
    • Technology evaluation
    • Feedback and response evaluation
    • Executive level metrics reporting
An Actionable Definition of Price Transparency

Readily available information on the price of healthcare services that, together with other information, helps define the value of those services and enables patients and other care purchasers to identify, compare, and choose providers that offer the desired level of value.
Guiding Principles

• Price transparency information should:
  • Empower patients and other care purchasers to make meaningful price comparisons
  • Be easy to use and easy to communicate
  • Be paired with other information that defines the value of services for the care purchaser
  • Enable patients to understand the total price of their care and what is included in that price

• And price transparency will require the commitment and active participation of all stakeholders.
Incorporating Best Practices into the Roadmap of the Future – Preservice

Price transparency
- Total cost
- Benefits
- Price to the patient

Financial communications
- Insurance education-benefits
- Explanation of price to the patient
- Screening for financial assistance
Incorporating Best Practices into the Roadmap of the Future – Time of Service – Emergency Department

Price transparency
- Total cost
- Benefits
- Price to the patient

Financial communications
- Insurance education-benefits
- Explanation of price to the patient
- Screening for financial assistance

Price transparency
- Total cost
- Benefits
- Price to the patient

Financial communications
- Insurance education-benefits
- Explanation of price to the patient
- Screening for financial assistance
Incorporating Best Practices into the Roadmap of the Future – Account Resolution

Price transparency
- Total cost
- Benefits
- Price to the patient

Financial communications
- Insurance education-benefits
- Explanation of price to the patient
- Screening for financial assistance

Medical Account Resolution
- Financial communication
- 501(r) Compliance as applicable
The barriers to price transparency:
- No consistent methodology for determining total cost
  - Based on the strategic pricing model that being used
  - No standard for what’s included in the procedural pricing
  - No method to account for complications
- Benefit knowledge
  - Few have staffing to provide patient education
  - Working with payors to understand “preferred providers” and other uniqueness's
- Price to the patient
  - There are risks to capturing the correct deductible
What Technology is Available to the Future Roadmap

• Payor cost estimating systems:
  – It provides patients with cost estimates for hospitals based on data in the payers database
  – It has the correct deductible and the uniqueness's of the benefits plans
  – Concern that payers will use this information to influence patients to make decisions in the payer’s best interest

• Vendor cost estimating systems:
  – The estimate is usually driven by a contract management or decision support system
  – Estimates can be obtained through patient portals, mobile devices or hospital websites
  – Providing the correct deductible amount “is a risk” until it’s met
What Technology is Available to the Future Roadmap

• Patient Education:
  – Patent education can be driven through patient portals or mobile devices

• Financial Assistance:
  – There are multiple financial assistance screening tools
  – Patients can access them prior to the visits using web technology
Technology – Support for IRS 501(r) Compliance - Future Roadmap

• IRS Final Regulations for tax exempt status 501 (r):
  – Using technology to widely publicize the FAP within the community
  – To list providers which are not covered by the FAP
  – Can we offer the FAP in different languages electronically
  – Providing notifications of application status and presumptive eligibility electronically
Presenters’ Information

Sandra Johnston, FACHE, FHFMA
Vice President, Revenue Cycle Management, Johns Hopkins Medicine

• 25 years of revenue cycle management
• Responsible for all aspects of the revenue cycle including: patient access, health information management, case management, patient financial services, uncompensated care, managed care and reimbursement
• BS cum laude, College of Great Falls; MBA, University of Montana; MHA, Troy State University

sjohn187@jhmi.edu / 443-997-0001

Sandra Wolfskill, FHFMA
Health Practices Policy Director, Revenue Cycle MAP, Healthcare Financial Management Association (HFMA)

• Extensive healthcare financial experience in the provider space
• Consults clients throughout the country on revenue cycle issues
• Involved in all aspects of healthcare revenue cycle issues at HFMA.
• BA cum laude, Wittenberg University; MA University of Delaware

swolfskill@hfma.org / 800-252-HFMA