How Are Your Patients Looking for Price?

Learn How to Stay Competitive in an Increasingly Cost-Conscious Market
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Leslie Schreiber is a managing director with more than 17 years of experience in consulting and management services. Leslie has extensive experience in strategy, technology implementation and integrations, and business process re-engineering.

Her specific expertise includes pricing and retail strategy, omni-channel customer experience, human-centered service design, contact center optimization, operational consolidation, payments and reconciliation, digital transformation, and customer relationship management.

Leslie’s clients include hospital systems such as Emory Healthcare, Adventist Health System, Froedtert Hospital, Hospital Sisters Health System, Mercy Health System, ProMedica, IU Health Goshen, and Avera Health.

Prior to joining The Advisory Board Company, she worked at Accenture, where she led its Digital Service Transformation practice. In this capacity, Leslie helped clients transform their customer experience and improve operational efficiency through migration to digital technologies. She worked with clients such as the Department of Veterans Affairs to optimize the use of their electronic health record and implement disruptive technologies like telemedicine, and with the Centers for Medicare and Medicaid to improve customer service effectiveness for the Federal Marketplace.

Leslie earned her bachelor of science in biology and German from the University of Richmond.

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Executive Summary

- Now that patients are a new and emerging payer, having an effective consumer pricing strategy in place is more important than ever.
- Advisory Board research found that 56% of Americans now actively look for pricing information before getting care, and 47% ranked out-of-pocket cost as the most important factor when it came to selecting a provider for highly shopped procedures.
- Advisory Board conducted a survey of more than 5,000 consumers to identify where and how patients search for pricing information.
- These three best practices will help you implement an effective consumer pricing strategy:
  1. Provide accurate estimates that are easy to find
  2. Provide staff with scripting for all points of service
  3. Streamline the payment process

Active Shoppers

As high-deductible health plans (HDHPs) become more common, patients are new emerging payers. In fact, Advisory Board research found that 56% of Americans now actively look for pricing information before getting care for certain “shoppable procedures” including imaging, orthopedics, lab work, and even some same-day surgeries.

This increase in shopping has a huge potential to impact hospital revenue. Advisory Board research found that a four-hospital system can see swings in revenue of $16 million to $40 million due to its consumer pricing strategy.

Patients’ satisfaction with their financial experience drastically affects patient loyalty and likelihood to recommend—as measured by Net Promoter Scores (NPS). The Connance Annual Consumer Impact Study found that 95% of patients who reported being satisfied with the billing process were likely to return to that hospital for another procedure.

But, it’s not just patient satisfaction that is at stake. The same study found that NPS directly affect the likelihood of patients eventually paying their hospital bills. In fact, 67% of patients who gave a hospital a negative NPS (less than 0) never paid their total financial obligations. On the other hand, 74% of patients who gave the hospital a positive NPS paid their bill in full.

One crucial component to a positive experience is being able to find price prior to getting care. The remainder of this document explores how patients are looking for price, where they’d like to look, and how hospitals and health systems can meet patients where they are through easily accessible, accurate estimates.
What We Found

To understand consumer shopping behavior, Advisory Board conducted a survey of more than 5,000 patients and referring physicians nationwide. The results showed where patients are looking for pricing information – and where they’d like to look – for “shoppable” procedures. (Advisory Board defines shoppable procedures as services that are high-volume and/or elective, such as radiology, diagnostic GI, orthopedic procedures, etc.)

As you can see below, about half (54%) of all patients looking for price ask their doctor’s office or insurance company, with 24% reporting calling a hospital or medical facility or looking at its website.

Interestingly, when asked how they preferred to search for price, patients said they’d prefer to contact their employer’s health assistance program or search online.

Despite the fact that the leading ways patients are seeking out pricing information is by reaching out to doctor’s offices and hospitals, we found that 60% of employed physicians feel they and their staff don’t have good cost information to share.

Now we’ll look at some of the less popular, but much more discussed sources of pricing. Consistent with consumer shopping behaviors in other industries like the travel industry, patients are turning online to price comparison sites when trying to determine where to go for care.
Although our research shows that they’re not a huge source of pricing data currently, there’s nonetheless been a proliferation of price estimator sites in recent years.

While these sites aren’t the most popular option for patients to date, they’ve garnered plenty of media attention.

Unfortunately, the data housed on these sites is often inaccurate, charge-based, and frequently out of date. This misinformation can significantly modify patient’s health care decisions.

When patients find incorrect data or when they can’t find a price at all, they might elect to go elsewhere for care, or potentially forego care all together. It is important to maintain control of the prices being shared about your organization, so you can be sure that patients are getting the most reliable and up-to-date information.

If patients are unable to find information straight from the source – your organization – they will often turn to unlikely and sometimes uncomfortable sources. Recently ProPublica partnered with Yelp and compiled Hospital Compare metrics on ER wait time, doctor communication and room noise levels allowing patients to learn about the consumer experience at over 25 thousand facilities, including 4,600 hospitals.
Though Yelp isn’t traditionally top of mind when thinking about healthcare it now addresses 12 more measures than HCAHPS scores alone including cost of hospital visit, amenities, scheduling, and compassion of staff. Authors suggest that Yelp can help policy makers determine the hospital quality measures that matter most to patients and caregivers.

With over 85 million monthly users Yelp is now the most widely used, and freely available, commercial website in the United States for hospital ratings.

“Now the millions of consumers who use Yelp… will have even more information at their fingertips when they are in the midst of the most critical life decisions, like which hospital to choose for a sick child or which nursing home will provide the best care for aging parents.”

Jeremy Stoppelman, CEO Yelp

Action is Needed

So what do you do with all this information? Below we will share best practices for the total financial experience, from the search for price all the way to payment.

1. Meet patients where they are

As I shared earlier, it’s important to make your estimates easily accessible and to make sure they are accurate (within 20%). If patients have a hard time finding price they are likely to choose another provider or worse, forego care all together. When displaying prices on your website be sure to minimize clicks to find prices, the data is accurate, and enable patients to create a custom estimate.

2. **Provide staff with scripting for all points of service**

Make sure that your staff is well equipped when speaking with patients at all points of service. Create call center scripting for your most highly shopped procedures to empower staff to be able to quickly and accurately quote price, validate quality, move to schedule, and collect payment. Ensure your team is prepared to confirm cost and ask for payment when calling to confirm patient appointments prior to the day of service.

3. **Streamline the payment process**

All the hard work you’ve put in at the front end won’t matter if the patient is dissatisfied with the final billing experience.

Collect payment information at the front-end and instruct staff to share it across all departments so patients won’t have to share information multiple times for a single episode of care. Also offer financial counseling and train financial counselors to introduce themselves and their role, be prepared with necessary information, speak to the patients in a private area, be aware of tone and volume of voice, and come to the table with possible solutions and payment plan options. Be sure to provide consolidated billing statements and provide flexible payment options that work well for your patients and for you.

Giving patients a holistic view of their financial obligations with different payment access points increases the likelihood that they will pay their bills in full.

**How Advisory Board Helps**

Health systems are increasingly competing for patients in a cost-conscious market. Having inaccessible or incorrect pricing information available can make it easy to miss out on a major section of the market all together.

To be successful in the era of price transparency you need a comprehensive strategy to ensure you provide accurate estimates, help patients understand price information, and build awareness of your transparency efforts. When done correctly you can attract price-sensitive patients and protect patient loyalty.

Learn more about [how we help](#)