



# The Patient Financial Experience Toolkit

Eight Tools to Increase Patient Satisfaction and Patient Collections

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Revenue Cycle Advancement Center

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# Additional Resources Within Your RCAC Membership

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In addition to this toolkit, the Revenue Cycle Advancement Center has developed several resources to help revenue cycle leaders understand what patients want from their financial journey.



## **Understanding Patient Financial Preferences**

*Results from the 2018 Patient Financial Experience Survey*

This executive research briefing details the results from our survey of 1,000 adult patients who recently underwent a non-emergency surgery. We highlight key data-driven imperatives for revenue cycle leaders and provide three distinct consumer profiles to understand how patients' financial needs vary by payer type.



## **Navigating the Patient Financial Journey: Part 1**

*Delivering a Best-in-Class Experience*

In this two-part webconference series, you will learn how to understand and meet your patients' financial expectations around price transparency, cost estimates, and point-of-service collections.



## **Navigating the Patient Financial Journey: Part 2**

*How to Increase Revenue Through a Superior Patient Experience*

In the final presentation of our two-part series, you'll learn about the important role of financial counselors, how to provide a consumer-friendly bill, and what types of patient payment options to consider.



## **The Patient Financial Journey Infographic**

*Same Path, New Perspective*

Our latest infographic illustrates the ideal patient financial journey, highlighting the questions and fears that arise at each step, and the requisite tools and support that the revenue cycle must proactively provide.

### **ACCESS THESE RESOURCES**

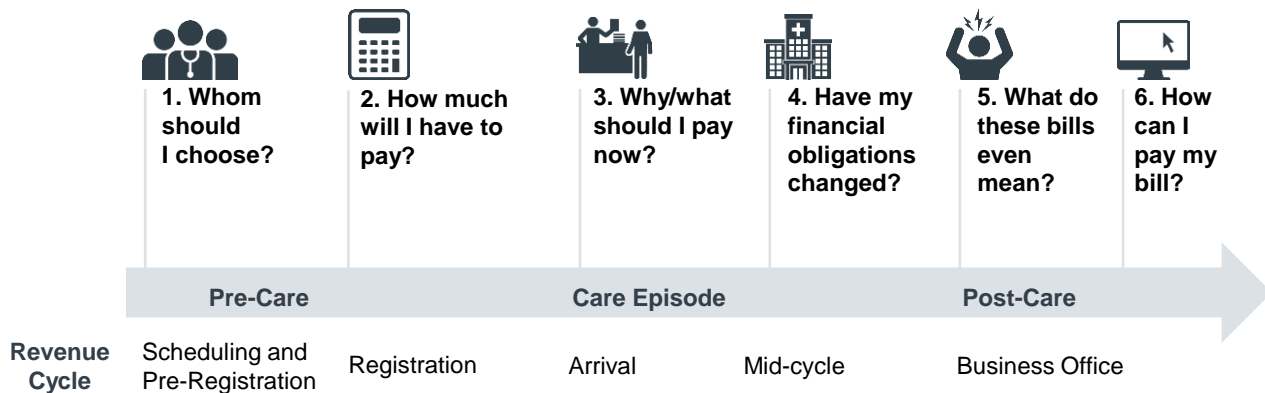
To access these and other revenue cycle resources, please visit [www.advisory.com/rcac](http://www.advisory.com/rcac)

# Introduction to the Patient Financial Experience Toolkit

As hospital margins remain narrow, health systems face enormous pressure to protect their revenue. At the same time, the rise of patient consumerism has pushed hospitals to offer a best-in-class patient experience. These goals can actually support each other: by offering an ideal patient financial experience, providers can increase a patient's satisfaction, as well as a patient's likelihood to pay.

In order to implement the ideal patient financial experience, revenue cycle leaders must understand the patient financial journey. The graphic below details six questions that arise for patients during their care journey. This toolkit is designed to meet patients at each step along the way, ensuring patients receive support that mitigates their anxiety and increases their likelihood to pay.

## The Patient Financial Journey



This toolkit includes eight resources to help revenue cycle leaders implement the ideal patient financial experience. These tools correspond to three mandates: secure effective personnel, refine existing infrastructure, and invest in the right tools and technology.

**Section I**  
*Secure Effective Personnel*

**Goal:** Provides guidance on selecting the right talent for critical patient access and financial counselor roles.

**Tool #1:** Patient Finance Staffing Manual

**Section II**  
*Refine Existing Infrastructure*

**Goal:** Improves and/or helps implement the necessary workflows to provide patients with financial guidance and support.

**Tool #2:** Pre-Service Bill Template

**Tool #3:** Point-of-Service (POS) Collections Guide

**Tool #4:** Financial Counselor User Guide

**Tool #5:** Guide to Effective Clinician-Patient Financial Conversations

**Section III**  
*Invest in the Right Tools and Technology*

**Goal:** Highlights critical technologies and tools proven to boost the patient financial experience.

**Tool #6:** Price Transparency Tool Evaluation Guide

**Tool #7:** Propensity-to-Pay Scoring Development Guide

**Tool #8:** Patient Billing Vendor Guidebook

Source: Revenue Cycle Advancement Center interviews and analysis.

# I. Secure Effective Personnel

- Tool #1: Patient Finance Staffing Manual

# Patient Finance Staffing Manual

## Strategy and Job Descriptions for Patient Access and Financial Counselors

**Tool-in-Brief:** This tool provides job descriptions of frontline patient access staff and financial counselors.

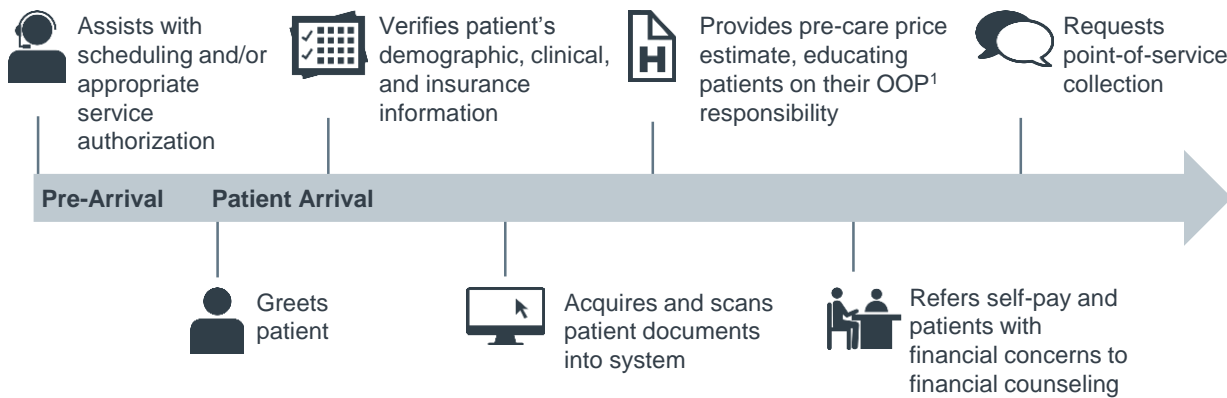
**Intended Audience:** Revenue cycle leaders and/or those responsible for revenue cycle staffing.

### Patient Access and Financial Counseling: Why Staffing is so Critical

Changes in payer coverage and the rise in consumerism have altered the roles of patient access staff and financial counselors. No longer is it sufficient to focus on patient check-in and answering one-off questions about charity care eligibility. Patient finance staff are expected to navigate complex patient interactions with superior customer service. Providing estimates of patient obligations, collecting at point-of-service, and continuing support around billing and payment options have all become critical components of these roles.

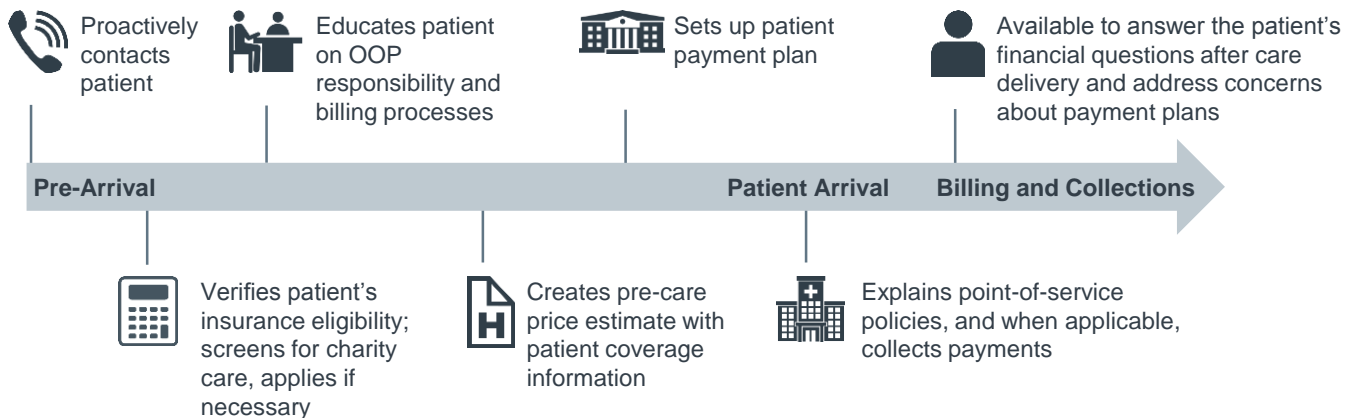
Because patient access and financial counseling staff have an outsized impact on the financial experience, revenue cycle leaders must craft each role with care, being sure to clearly outline expectations and fill the positions with staff who are able to fulfill these duties.

### Best Practice Patient Access Responsibilities



### Best Practice Financial Counselor Responsibilities

*Frontload Counselor Involvement and Deploy the Following*



1) Out-of-pocket

Source: Revenue Cycle Advancement Center interviews and analysis.

# Patient Access Job Description

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## PATIENT ACCESS ASSOCIATE

### Position Summary

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Patient access associates are the gatekeepers to providing patients with a positive care experience. They serve on the frontlines of patient care, greeting each patient at arrival and leading thoughtful financial interactions that are critical to the system's revenue cycle. Patient access associates obtain and verify the patient's demographic, clinical, and financial information during the registration process, request point-of-service payments, and clear the patient for service delivery.

### Essential Functions

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#### Customer Service

- Knows, understands, and incorporates hospital mission, core values, and vision in behaviors and decisions
- Respects patients' confidentiality of sensitive information
- Provides helpful assistance in anticipating and responding to patient needs
- Ability to navigate a fast-paced, high-energy environment and effectively calm distressed or agitated patients and their families

#### Pre-Registration/Insurance Verification

- Schedules patients using scheduling software
- Performs insurance eligibility verification utilizing EDI transactions, payer web access, or calling payers directly
- Interviews patients to collect data on patient information, demographics, and insurance coverage
- Acquires necessary patient documents and scans documents into system
- Initiates electronic medical records and validates or enters data related to procedures, tests, and diagnosis
- Determines the need for appropriate service authorizations (pre-certification, third-party authorization, referrals) and contacts Care Management/Utilization Review, as needed

#### Patient Collections at Point-of-Service

- Provides patients with a price estimate before care, explaining patients' personal liability, including copayments, coinsurance, deductibles, and outstanding balances
- Details the hospital payment policy and confidently requests patient payment at point-of-service, performing routine cashiering functions
- Refers self-pay patients and patients with financial questions or concerns to financial counseling services

### Qualifications

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1. High school diploma or equivalent required; Associates degree highly desired
2. Past work experience of at least one to three years within a hospital or clinic environment, insurance company, managed care organization, or other health care financial service setting
3. Demonstrated ability to provide excellent customer service
4. Knowledge of third-party payer requirements, including Medicare, Medicaid, and private insurance payers is preferred
5. Working knowledge of medical terminology and medical record coding (ICD-10, CPT, HCPCS) is preferable



# Financial Counselor Job Description

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## FINANCIAL COUNSELOR

### Position Summary

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Financial counselors serve as the central patient advocate for uninsured and underinsured inpatients and outpatients. They are responsible for conducting an in-depth evaluation of each patient's financial history and responsible for individually coordinating payment sources for all rendered hospital services. It is integral that the financial counselor perform all functions in a compassionate and respectful manner, advocating for the patient's best interest and well-being.

In addition, counselors may assist patient access staff in the insurance authorization for all applicable accounts, as well as provide information to the billing department to ensure accurate billing of current and future services.

### Essential Functions

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#### Customer Service

- Knows, understands, and incorporates hospital mission, core values, and vision in behaviors and decisions
- Respects patients' confidentiality of sensitive information
- Provides helpful assistance in anticipating and responding to the needs of our patients
- Collaborates with patients in planning and decision-making to result in optimal solutions
- Ability to remain calm under pressure and effectively calm distressed or agitated patients and their families

#### Insurance Verification

- Serves as a technical expert in determining patients' benefit coverage and hospital reimbursement; has knowledge of all third-party payer specifications in regard to patient access criteria, pre-certification, prior authorization, and second opinion requirements
- Explains out-of-network vs. in-network benefits to patients; assists patients in obtaining exceptions to the out-of-network determinations from insurance companies

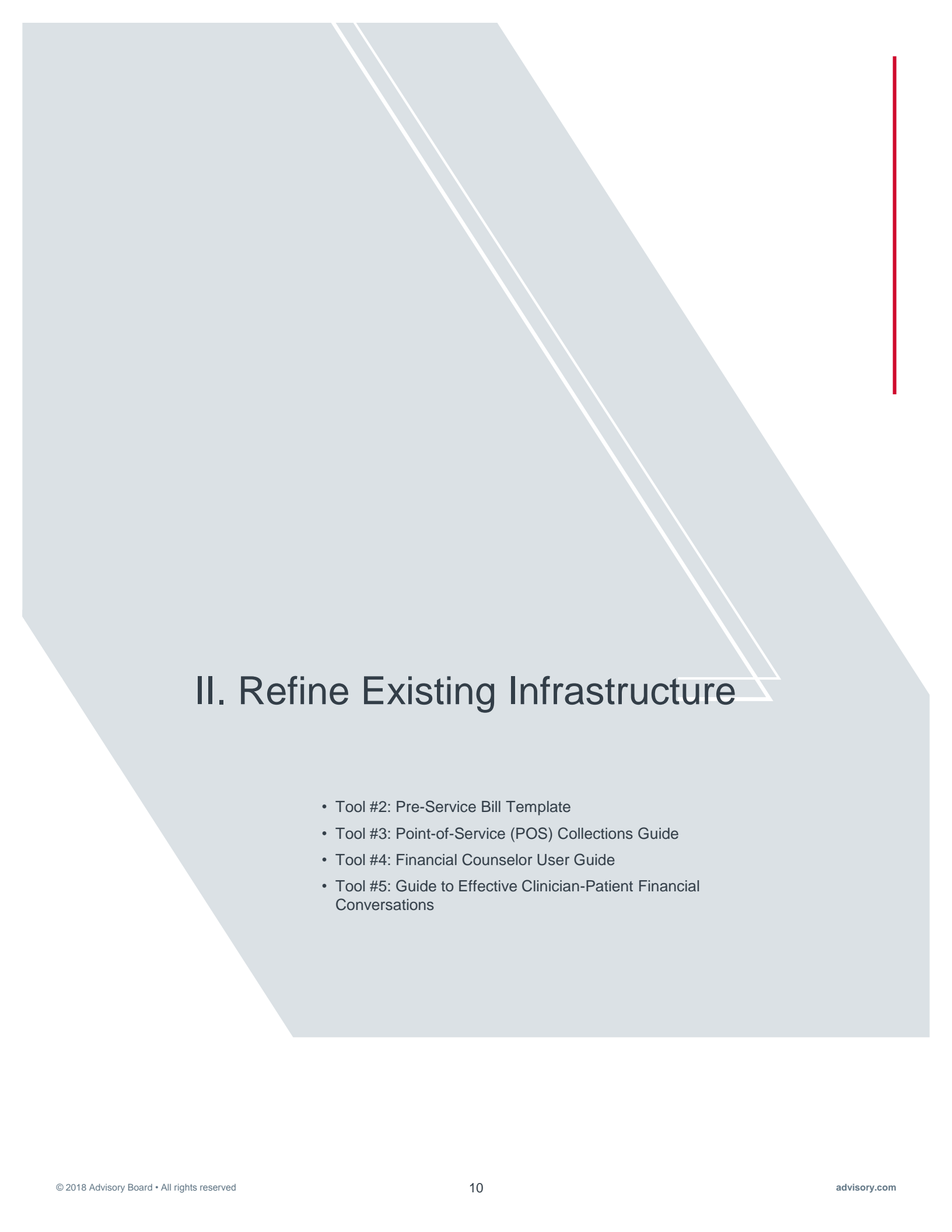
#### Financial Counseling

- Interviews patients and/or their representatives to update demographic, financial, and insurance data and screen for patient eligibility in financial assistance or charity care
- Assists appropriate patients with the application process for government programs
- Calculates and provides patient price estimate before care, outlining patient liabilities including copayments, coinsurance, deductibles, and outstanding balances. Explains the hospital's payment policy and collect applicable patient payments at point-of-service
- Establishes patient payment plans as per hospital guidelines
- Provides patient information to billing department to ensure accurate billing of current and future services

### Qualifications

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1. Bachelor's or Associate's degree required
2. Minimum four years of current experience in patient registration, business office and/or case management as related to insurance
3. Extended knowledge of third-party payer requirements knowledge, including Medicare, Medicaid, and commercial insurance payers
4. Evidence of excellent interpersonal skills, creative problem-solving, and organizational abilities
5. Demonstrated attention to detail and the ability to work independently are required
6. Experience with insurance benefit verification and pre-certification preferred
7. Prior patient collections experience preferred
8. Working knowledge of medical terminology and medical record coding (ICD-10, CPT, HCPCS) is preferable



## II. Refine Existing Infrastructure

- Tool #2: Pre-Service Bill Template
- Tool #3: Point-of-Service (POS) Collections Guide
- Tool #4: Financial Counselor User Guide
- Tool #5: Guide to Effective Clinician-Patient Financial Conversations

# Pre-Service Bill Template

**Tool-in-Brief:** This tool provides guidance on developing pre-service bills.

**Intended Audience:** This resource is intended for patient access staff and revenue cycle leaders looking to increase their price transparency in non-emergency services.

## The Value of a Pre-Service Bill

*Pre-Care Price Estimates Avoid Bill Shock and Increase Patient's Likelihood to Pay*

**#1 Ranked Resource**

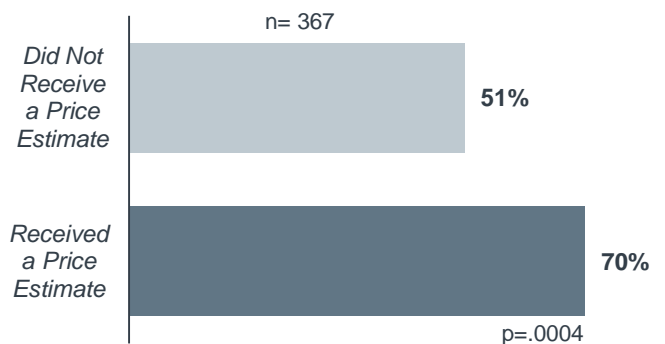
In our recent consumer survey, the majority of respondents identified a pre-service bill as the most valuable patient financial resource

**90%**

Percentage of patients who consider pre-care price estimates to be somewhat or extremely important

### Patient Likelihood to Pay After a Price Estimate

*Percentage of Patients With Commercial Insurance Who Paid Bill in Full Within 1 Month of Arrival*



## Key Components of a Pre-Service Bill

*Design Your Template Around Five Characteristics*



### Proactively Provided After Scheduling, Prior to Care

For all scheduled procedures, provide pre-service bills before the patient arrives for care. Aim to deliver each statement one week in advance, whether through mail, email, or via phone.



### Accurately Predicts Care Costs

To the fullest extent possible, ensure your price estimates accurately predict the patient's care cost, fit to the individual's insurance status and plan details. Although the post-care calculation of a patient's obligation may vary depending on care and payer circumstance, a pre-service bill represents the hospital's best estimation as to how much the patient will be expected to pay.



### Notifies the Patient of Amount Due at Point-of-Service

Prepare the patient by outlining a deposit amount requested at the point-of-service.



### Uses Consumer-Friendly Language

Avoid technical language and consider including an explanation of key terms in their obligation calculation.



### Identifies Where to Direct Further Questions

Include the contact information for a financial counselor or call center so the patient knows where to direct further questions.

# Pre-Service Bill Template

## Reduce Patient Financial Anxiety Before Care



### Advisory Board Health

Patient Name  
Address  
City, State Zip

Dear Patient,

Thank you for choosing ADVISORY BOARD HEALTH for your health care needs. Below you will find an estimate of the price for your upcoming [PROCEDURE]. This estimate was calculated based upon information you provided in regards to your insurance coverage.

Procedure	Expected total payment	Your insurer will pay	You will owe	Deposit due when you arrive on the day of your procedure
Removal Deep Implant	\$5,650.00	\$2,920	\$2,730	\$1,638
<b>Total</b>	<b>\$5,650.00</b>	<b>\$2,290</b>	<b>\$2,730</b>	<b>\$1,638</b>

Uses consumer-friendly language

Shows total amount of patient's obligation

Your patient responsibility was calculated using the benefit information provided by your insurer. A breakdown of this information is below:

	Benefit	Used this Year	Remaining this Year
Deductible	\$2,000	\$0	\$2,000
Coinsurance	20.00%	\$0	\$730

Explains each aspect of the billing estimate

Please note that this is a price estimate. Actual amounts could increase or decrease depending on what may be required to carry out your physician's orders.

Notes that estimation is subject to change

At the date of your procedure, please be prepared to pay your deposit amount by cash, check, or credit card. For your convenience, if you would prefer to pay you deposit prior to your procedure date, our financial call center is happy to take your payment over phone at 1(800)000-0000.

Identifies deposit due at point-of-service

If you have any questions or concerns about this price estimate, or if you would like to more information about a payment plan, please contact our financial counselors via phone or email at 1(800)000-0000 or [financialcounseling@advisory.com](mailto:financialcounseling@advisory.com)

Provides resources to direct questions or concerns

#### Explanation of Terms

**Deductible:** The amount you pay each year before your health plan starts to pay a portion for your services (copays do not count towards your deductible.)

**Coinsurance:** The percentage and amount of covered services that you are responsible for, once your annual deductible has been met. You have not met your annual deductible before this estimate. Therefore, you will need to pay your remaining deductible. Any amount leftover is subject to the coinsurance rates and will be added to the amount you owe.

# Point-of-Service (POS) Collections Guide

## Key Strategy and Example Scripting

**Tool-in-Brief:** This tool outlines strategies for collecting at point-of-service and provides sample scripting.

**Intended Audience:** Patient access staff and management in non-emergency department settings.

*Note:* this guidance is not intended for emergency department (ED) staff, as ED point-of-service payments should be requested at time of patient discharge.

### Point-of-Service Collections: Why You Need It

*POS Collections are a Crucial Mechanism for Bad Debt Management*

**2x**

Greater likelihood of overall payment by patients who make a point-of-service collections payment

**36%**

Chance a patient will pay the full amount of a \$150 obligation without a point-of-service payment

### Key Components in Optimal Point-of-Service Collections

*Patient Access Staff Should Remember Five Key Points*



#### **Be mindful of the care setting**

Avoid asking for payment when patients are visibly distressed or in emergency condition. In the emergency department, reserve payment requests for patient discharge. Do not ask patients in the trauma center and do not request bedside payment for patients in acute care.



#### **Provide a price estimate**

RCAC's consumer survey illustrated that 90% of patients consider pre-care estimates to be somewhat or extremely important. Coupling POS payment requests with pre-care price estimates helps conceptualize the payment as the patient's first step in paying their total obligation.



#### **Use the opportunity to explain insurance coverage**

Only 9% of Americans understand basic health insurance terms. Use your POS interaction as an opportunity to become the patient's ally for understanding their insurance contract. Review key terms like annual deductible, copay, coinsurance, and out-of-pocket maximum and explain each term in relation to the patient's individualized plan.



#### **Don't be afraid to direct the patient to a financial counselor**

Recognize when a financial counselor may be better suited to answer patient questions or concerns. When patients ask about available payment plans or if a patient appears to qualify for financial assistance or charity care, direct them to a financial counselor. Patients will appreciate the individualized attention.



#### **Ensure coordination between patient access and business office**

All POS payments should be clearly reflected in the patient's final bill. A patient who is "double billed" will be unlikely to trust any future point-of-service payment request.

Source: 2018 Consumer Financial Experience Survey; UnitedHealthcare. "UnitedHealthcare Consumer Sentiment Survey." UnitedHealthcare. 2017; Revenue Cycle Advancement Center interviews and analysis.

# Make the Ask and Address Concerns

## How to Make the Ask

- 1 Before engaging the patient, **prepare** all necessary patient information. This includes a patient price estimate and information about the patient's individual insurance plan.
- 2 Next, **verify** the patient is not visibly distressed or in emergency condition.<sup>1</sup>
- 3 Finally, **ask** for payment in a confident and warm manner.

## Recommended Scripting

For insured patients with a deductible and coinsurance:

*"I verified your insurance with (patient's payer) and your insurance plan indicates you have a \$X deductible remaining and a X% coinsurance. Added together, your estimated out-of-pocket balance is \$X. Would you like to pay with cash, credit, or check today?"*

For insured patients with copayment:

*"I verified your insurance with (patient's payer) and your insurance plan indicates you have \$X copayment due for your service today. Would you like to pay with cash, credit, or check today?"*

For uninsured patients:

*"Here is a pre-service price estimate for today's service. We request that you put down a deposit towards that amount and then I'll get you in touch with one of our financial counselors who will discuss a payment plan on the remaining balance. How much are you able to put down as a deposit today?"*

## After Payment Request, Address Questions and Concerns

Listen to the patient's question or concern. Are they indicating they do not want to pay or that they can't afford to pay?

### Patient Doesn't Want to Pay



Highlight the benefits of paying at point-of-service and ask for payment one additional time

### Patient Can't Afford to Pay



Connect the patient to a financial counselor to discuss payment options and financial assistance

<sup>1</sup>) Patients in the emergency department should be asked for point-of-service payment at time of discharge.

# Overcoming Patient Objections

## Sample Scripting

Patient Pushback	Response
“Just send me a bill.”	“To best serve our patients, our hospital policy is to ask for payment at time of care. Paying upfront is actually beneficial for you. By taking care of the bill now, you maintain a good credit record and feel secure that you won’t suddenly find a surprise bill in the mail. Would you like to pay with cash, credit, or check today?”
“I can’t afford this.”	“We request that you put down a deposit towards that amount and then I’ll get you in touch with one of our financial counselors who will discuss a payment plan on the remaining balance. How much are you able to put down as a deposit today?”
“Won’t my insurance cover this?”	“To a certain extent, yes. We verified your insurance and your contract with (patient’s payer) includes a deductible/copayment associated with your treatment that is your responsibility. Would you like to pay with cash, credit, or check today?”
“I’m not currently working. Just bill me.”	“I understand. I’ll connect you with one of our financial counselors who can work with you to discuss setting you up with a payment plan or financial assistance. One moment, please.”
“I’ve already paid my deductible.”	[First re-verify estimate] “I re-verified your insurance with (patient’s payer). It shows you’ve paid some of your annual deductible, but still have a remaining balance of \$X, which is how we’ve calculated your cost of service. Would you like to pay with cash, credit, or check today?”
“I’ve been coming here for years and you’ve never asked for payment.”	“I’m sorry we weren’t able to discuss this with you sooner. Since you were here last year, we have changed our policy to request payments at time of care. Paying upfront is actually beneficial for you. By taking care of the bill now, you can ensure you have a good credit record and feel secure that you won’t suddenly find a surprise bill in the mail. Would you like to pay with cash, credit, or check today?”
“My ex-spouse is responsible for all my child’s medical bills.”	“I understand. I’m happy to give you a receipt so that you can get reimbursed by your co-parent. Would you like to pay with cash, credit, or check today?”
If the patient still refuses to pay after a second payment request	“We will bill you for today’s services. Let me take a moment to walk you through the breakdown of your charges so that there are no surprises. Also, please do know that it is [your hospital’s name] policy to educate patients upfront, so please plan to bring a method of payment to your next visit.”

Source: Revenue Cycle Advancement Center interviews and analysis.

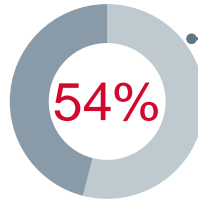
# Financial Counselor User Guide

**Tool-in-Brief:** This tool outlines three strategies to increase patient utilization of financial counseling.

**Intended Audience:** Financial counselors and revenue cycle leaders.

## Financial Counseling: Why You Need It

**Top 3** In our recent consumer survey, patients ranked financial counseling as their third most preferred financial tool



Patients who reported **no access to a financial counselor** during their most recent non-emergency surgery.

## Robust Financial Counseling Pays Off

*Florida Hospital Generates \$100 Million a Year in New Payments*

**\$3.5 Million**

Annual cost of 40 financial counselors and two vendors who assist with Medicaid applications



**\$100 Million**

Annual revenue generated in Medicaid or state exchange payments from previously uninsured patients



**CASE**  
EXAMPLE

### Florida Hospital

2,000 bed acute-care facility part of Adventist Health System • Orlando, FL

- Adventist Health's main facility, Florida Hospital, offers a robust financial counseling through their "financial advocacy" program
- Financial counselors establish payment plans for insured patients and screen uninsured patients for Medicaid, charity care, and subsidized coverage on the state exchange
- In 2015, an estimated 14% of Florida Hospital's patient population was uninsured. The \$3.5 million financial counseling program secured insurance for half of the uninsured population, generating \$100 million in new Medicaid and state exchange payments.

## How To Increase Patient Utilization

- 1 For select patients, standardize patient intake appointments with a financial counselor
- 2 Create multiple access points to your financial counselors
- 3 Ensure coordination between clinicians and financial counselors

Source: 2018 Consumer Financial Experience Survey; Butcher, Lola, "Financial Advocacy Approach Has Big ROI," HFMA, 2015, <https://www.hfma.org/Content.aspx?id=41055>; Revenue Cycle Advancement Center interviews and analysis.



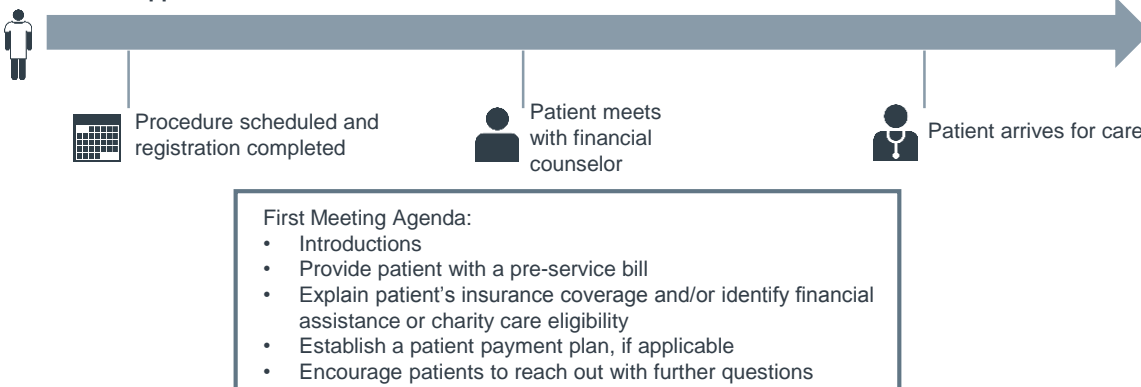
# Understanding the Three Approaches

1

## For select patients, standardize intake appointments with a financial counselor

Standardize intake appointments for the uninsured, Medicaid, and HDHP<sup>1</sup> patients to ensure your most vulnerable patients are exposed to financial counseling prior to their care. After scheduling the patient's procedure, financial counselors should conduct an intake meeting, either in-person or via phone.

### New Patient Appointments



2

## Create multiple access points to your financial counselors

Patients come under financial distress at differing points in their care journey. While some may self-refer to financial counseling when they first schedule their procedure, others may only realize they need financial guidance towards the middle or end of their care journey. To support this variation, systems should create multiple opportunities for all patients to access financial counseling.

### Three Channels to Connect Patients to Financial Counseling



#### Self-Referral

Provide all new patients education materials on your financial resources. Advertise that they can self-refer to financial counseling at any time



#### Distress Screenings

Create "financial distress screenings" for all patients to complete at every visit. If they indicate difficulty understanding their insurance or paying their bills, refer them to financial counseling



#### Billing Language

Include financial counselor contact information on every patient bill and encourage patients to call with questions

3

## Ensure coordination between clinicians and financial counselors

Previous RCAC research illustrates that patients are more likely to ask their physician for price information, rather than utilize a hospital-managed resource, such as a call center. Educate all clinicians to refer patient financial questions or concerns to a financial counselor.

### Strategies to Bridge the Gap

#### 1 Create an EHR<sup>2</sup> Work Queue

Establish a "consult to financial counseling" EHR work queue

Train clinicians to send the work queue when patients express a financial concern or question. Financial counselors should contact the patient within 24-48 hours to discuss the individual inquiry

#### 2 Provide Calling Cards

Equip physician offices with calling cards that list the number for financial counseling services

Clinicians should give a calling card to patients who express a financial concern or question

1) High Deductible Health Plan

2) Electronic Health Record

# Guide to Effective Clinician-Patient Financial Conversations

## Empower Clinicians to Refer Patients to Your Financial Resources

**Tool-in-Brief:** This tool outlines how revenue cycle leaders should support clinician-patient financial conversations. The tool also provides sample templates for two of the three suggested best practices.

**Intended Audience:** Revenue cycle leaders seeking to better support their clinician-patient financial conversations. Due to the nature of specialty offices, specialists are most likely to require support with their patient's financial questions or concerns.

### Supporting Clinician-Patient Financial Conversations: Why It Matters

*Patients Turn to Clinicians for Financial Questions and Concerns*

**37%**

Of Americans say they could not afford an unexpected medical bill for \$100 or more, without going into debt

**2x**

Patients are twice more likely to ask their physician for a price estimate than use a hospital-managed resource, such as a financial call center

### The Ideal Clinician-Patient Financial Conversation

*Revenue Cycle Leaders Need to Support a Successful Interaction*

#### 1 Clinician recognizes when a patient is seeking financial guidance.

A patient could benefit from financial counseling if they:

- Inquire about the cost of any procedure, medication, office visit, or imaging service  
*"How much will this surgery cost?"*
- Inquire about insurance details or how to utilize their plan  
*"Do you think my insurance cover this?"*
- Ask how a change in their care plan affects their financial obligation  
*"Will this new treatment be more affordable?"*
- Express concern or stress about the cost of their care  
*"I guess my insurance isn't as great as I thought..."*
- Tell you they are currently delaying or are considering delaying care because of the financial burden  
*"I won't pick up this prescription until my next paycheck."*

#### 2 Clinician informs the patient that they are entitled to free financial counseling services.




*"I hear you—healthcare costs are an issue for most patients we see. I'm going to ask our hospital's finance department to contact you in the next few days. Their service is free, and they'll be able to answer your questions and connect you with available financial resources."*

#### 3 Clinician seamlessly refers the patient to the hospital's finance department.

Source: Amino, "Ipsos/Amino Poll: 63% of Americans Think a Large Medical Bill That They Can't Afford is Worse Than or Equal to a Serious Illness," Marketwired, 2017; Revenue Cycle Advancement Center interviews and analysis.

# Supporting Clinician-Patient Conversations

## Three Strategies for the Revenue Cycle Leader

- ▶ Allow clinicians to refer patients to financial counseling via an EHR<sup>1</sup> work order. When patients express a financial question or concern, the work order will flag the patient for financial counselor outreach. 
- ▶ Equip physician offices and nursing stations with cards listing your financial call center. When patients ask about price, clinicians can hand them a card and encourage them to call the hospital's call center. 
- ▶ Staff financial counselors in specialist offices. When patients express a financial question or concern, clinicians can direct them to the counselor's work station. 



### CASE EXAMPLE

#### NYU Langone

450-bed academic teaching hospital in Brooklyn, NY

In 2014, Langone created a “consult to financial counseling” EHR work order for emergency physicians. When patients express concerns about the cost of care, Langone physicians send the order to the financial counselor's work queue.

## NYU Langone Emergency Physicians Refer Price Inquiries

### Physician Flags Price Inquiry



- When emergency physicians receive a patient price inquiry, they send a “consult to financial counseling” EHR work order
- Physicians are trained to tell patient that the financial counselor is best suited to provide a price estimate

### Financial Counselors Follow Up



- Financial counselors contact patient within 24-48 hours to discuss individual inquiry
- Counselors provide a cost estimate and explain available financial assistance



### Program Results

Within the first 19 months of implementation,

**426**

Patients referred to financial counselor by physician

**\$500,000**

In financial assistance provided to physician-referred patients

1) Electronic Health Record

# Patient Referral Memo

## Sample Scripting to Instruct Your Clinicians

*Note:* This template is designed as a starting point, and it will therefore require customization in accordance to the specific needs of your organization. In particular, if your organization is referring patients to financial counselors without using an EHR work order, the scripting will need to be adjusted.

**To: Dr. Doe and Nurse Smith**  
**From: Rory Revenue, VP of Revenue Cycle**  
**Date: 1/25/2019**  
**RE: Referring Patients to Financial Counseling**



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Dear [Clinician],

On [program launch date], our financial counseling services will launch a clinician referral program, which will impact your day-to-day operations. The program empowers you to directly refer patients to financial counseling for a price estimate, explanation of patient insurance benefits, financial assistance screening, and more. Your participation is vital to our program success. The following outlines your program responsibility:

- 1) Recognize when a patient is seeking financial guidance. The following patients are ideal candidates for financial counseling:
  - Patients inquiring about the cost of any procedure, medication, office visit, or imaging service
  - Patients inquiring about details of their insurance or how to utilize their plan
  - Patients expressing concern or stress about the cost of their care
  - Patients who are currently delaying care or who are considering a delay because of the financial burden
- 2) Inform patients that they are entitled to free financial counseling services
  - If a patient asks for your personal financial advice, tell them that a financial counselor is better positioned to address their financial question or concern
- 3) Promptly refer the patient to financial counseling via an EHR work order
  - Tell the patient that a financial counselor will contact them within 24-48 hours to discuss their individual inquiry or concern

Further details on work order submission will be shared closer to program launch. We appreciate your participation in this program, as we look to provide a best-in-class experience to our patients. Please feel free to reach out to me with any questions.

# Financial Center Calling Card

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## Sample Scripting to Refer Patients to a Financial Call Center

*Note:* This card template should be provided in all physician offices and nursing stations. Revenue cycle leaders will need to instruct clinicians to hand patients the information if they have a financial concern or question.




### **Advisory Board Health Financial Call Center**

Advisory Board Health is dedicated to providing patients the best care experience possible.

If you have questions about the financial aspects of your care, please contact our financial call center. Our experts can assist you in with a price estimate or connect you to available financial assistance resources.

Please call our Financial Call Center at 1 (800) 000-000 on Monday-Friday from 8:00 am- 5:15 pm. You can also find additional information about your account balance by logging onto your patient portal at [www.advisoryboardhealth.com/portal](http://www.advisoryboardhealth.com/portal).



## III. Invest in the Right Tools and Technology

- Tool #6: Price Transparency Tool Evaluation Guide
- Tool #7: Propensity-to-Pay Scoring Development Guide
- Tool #8: Patient Billing Vendor Guidebook

# Price Transparency Tool Evaluation Guide

## How to Evaluate and Negotiate with Price Transparency Vendors

**Tool-in-Brief:** This tool offers guidance on how to evaluate price transparency solutions, detailing three ideal traits of effective tools. In addition, the tool provides a worksheet to evaluate potential vendors.

**Intended Audience:** Revenue cycle leaders looking to invest in a price transparency solution.

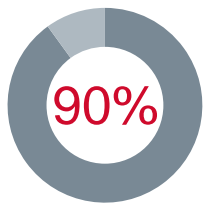
### Price Transparency Doesn't Stop at a Chargemaster

In response to CMS' 2019 IPPS Final Rule, many hospitals and health systems have posted their chargemaster to their website. While such action brings a hospital into compliance, a list of standard charges does not provide patients with sufficient price information. Indeed, standard charges are often meaningless to insured patients, whose financial obligations vary widely based on payer-provider contracts.

Regardless of a posted chargemaster, health systems must invest in true price transparency for their patients. As previous RCAC research indicates, doing so will only benefit a system's bottom line. Patients who understand the financial responsibility before care are more likely to pay their bill in full within one month.

### Patients Want Individualized Price Estimates

*Patients Want Price Transparency, Yet Around Half of Report No Price Estimate Before Care*



Patients who consider pre-care price estimates to be **somewhat or extremely important**



**47%** of patients did not receive a price estimate before their most recent non-emergency surgery

### How to Evaluate a Price Transparency Tool

*Look For These Three Traits in Any Potential Vendor*



#### Comprehensive Technical Capabilities

- Prioritize vendors who offer price estimates for all types of care, including inpatient, outpatient, imaging, and diagnostic services
- Ensure patients receive a customized price quote—not a reading of the standard charges. Solutions should incorporate the patient's insurance status and their specific plan details



#### High Quality Implementation Experience

- Verify the vendor has established beta testing procedures and timelines
- Prioritize vendors that will lead testing of the estimation tool
- Confirm the vendor can guarantee HIPAA compliance and a secure platform



#### Broader Commitment to Partnership

- Verify the solution allows you to track performance metrics (including the tool's use rate and associated patient satisfaction)
- Confirm the vendor will be able to scale the tool as your organization grows in services and patients

Source: 2018 Consumer Financial Experience Survey; Revenue Cycle Advancement Center interviews and analysis.

# Technology Vendor Worksheet

## Prioritize Needed Capabilities to Select Best Vendor & Structure Partnership

1

Does the vendor have the necessary **technical capabilities**?

Evaluate potential vendors based on the technical capabilities and support necessary for each use case:

1. Survey your team and IT staff to assign High, Medium, or Low importance to each of the capabilities to develop a targeted RFP<sup>1</sup> for potential vendors in column labeled "Importance."
2. Use the Vendor columns to indicate whether each potential vendor offers the capabilities you've prioritized.

	Capability	Importance	Vendor 1	Vendor 2
Prioritized Features	Does the technology offer patient-specific price estimates, incorporating the patient's insurance status and specific plan details?			
	Does the vendor allow price estimates for all types of care, including inpatient, outpatient, imaging, and diagnostic services?			
	Is the technology patient-facing or will price estimates only be generated through patient access and financial counseling staff?			
	If the solution is patient-facing, can patients access the technology with multiple devices, such as a phone, desktop, or tablet?			
	If the solution is patient-facing, does the technology require patients to log on? If so, will patients be able to utilize a single sign-on feature?			
Automation	Does the technology offered by the vendor automatically map patient encounters to their EHR <sup>2</sup> ?			
	Is the automatic update of records reliable?			
	Does the vendor offer cloud-based updates for ease of installation?			
Capital Management	Will the vendor host the software on their servers?			
	Will the vendor monitor the servers?			
	Will we need to provide additional staff to monitor or maintain the servers?			

1) Request for Proposal  
2) Electronic Health Record

Source: Revenue Cycle Advancement Center research and analysis.



# Technology Vendor Worksheet

Will the vendor provide a high-quality **experience**?

*In addition to offering the technical equipment and expertise, vendors should also be able to provide a high-quality implementation experience to ensure the program is launched successfully. Answer these questions about the vendors' processes using the same process as on the previous page.*

	Capability	Importance	Vendor 1	Vendor 2
Testing	Will the vendor lead testing of the technology?			
	Does the vendor have established beta testing procedures, metrics, and timelines?			
	Does the vendor employ a user experience (UX/UI) specialist?			
Support	Does the vendor offer training and ongoing IT support for our staff?			
	Does the vendor offer customer service for patients?			
	Does the vendor offer marketing support or materials?			
Liability	Has the vendor successfully responded to equipment breakdowns/software malfunctions/data breaches in the past or have an action plan in place to respond to potential issues?			
	Does the vendor's service include liability and credentialing requirements?			
	Can the vendor ensure HIPAA compliance and a secure platform?			
	Does the vendor warranty their work?			
Financial Expectations	Can we afford any upfront costs for office space, training, document management services, or annual maintenance fees required by the vendor?			
	Can the vendor demonstrate strong ROI from past projects?			

# Technology Vendor Worksheet

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## 3 What will the partnership look like?

Use these questions to define your partnership with a potential vendor, including what your mutual expectations are, how the relationship will be managed, and whether the vendor will fit with your organization's culture.

### **Outlining General Partnership Roles**

- What is the timeline for this partnership? Will there be an option to renew a contract, or will the partnership be for this project alone?
- Will our organization be a consultant, or will there be team members from our organization involved in the daily development of the offering?
- How can we co-brand this partnership (e.g. "ABC Hospital, Powered by Vendor")?

### **Designating Operational and Legal Responsibilities**

- What is the timeline for testing and launching the program?
- Who will own the rights to the offering?
- What are our expectations for communication? Should emails be answered within 24 hours? Who will be the main point of contact?
- What documentation will we need from the vendor?
- What plans does the vendor have in place to prevent data breaches or equipment breakdowns? What will my organization have to do in this event?
- What legal protections does the vendor require, and are we able to comply with those protections? What new considerations will we have to make to fulfill our legal obligations?
- How will services run through the vendor's tool be billed? Will we pay a fee per use/download or an annual membership fee?

### **Measuring Success**

- What will the metrics be for evaluating the performance of the program?
- How often and when will we evaluate progress? Will we hold weekly check-ins, monthly calls, quarterly reviews? Will we hold them via email, phone, or in-person meetings?
- What are the internal process metrics for this project? What has the vendor used to evaluate progress in the past? What do we usually use?
- As the organization grows, how will the vendor scale the offering appropriately and attend to new needs as they arise?

# Propensity-to-Pay Score Development Guide

**Tool-in-Brief:** This tool explains how to best utilize propensity-to-pay scoring in the patient financial journey. This section also includes a case study of Allina Health and how they developed their propensity-to-pay technology.

**Intended Audience:** Revenue cycle leaders seeking infrastructure for strategic patient financial engagement.

## Defining Propensity-to-Pay

*Propensity-to-Pay Scoring Combines Patient Financial Data to Evaluate a Patient's Financial Health*

**Calculating Propensity-to-Pay**

Your equation could consider:

- Patient demographics, credit score
- Patient payment history
- Patient bad debt history

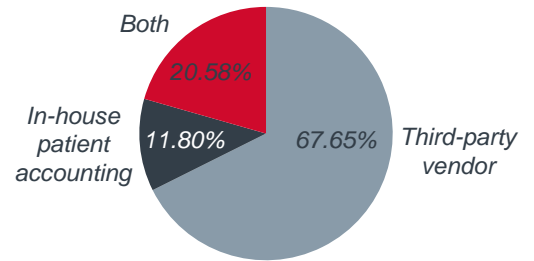


**44%**

Percentage of hospitals who use propensity-to-pay scoring

### How Hospitals Calculate Propensity-to-Pay

n=34



## How To Use It

*Maximize Efficiencies Through Varied Distribution of Patient Financial Resources*

### Ideal Resource Distribution By Propensity Segments

Patient Likelihood to Pay HIGH ----- LOW	<b>Patient Access Action Steps</b>	<b>Business Office Action Steps</b>
	<ul style="list-style-type: none"> <li>• Proactively offer a pre-care price estimate</li> <li>• Financial counseling available upon patient request or clinician referral</li> <li>• Request patient payment at point-of-service</li> </ul>	<ul style="list-style-type: none"> <li>• No initial intervention needed</li> <li>• If balance is unpaid after set timeframe:                             <ul style="list-style-type: none"> <li>– Begin billing reminders and staff outreach</li> <li>– Offer patient payment plan</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Immediately screen for financial assistance or charity care</li> <li>• Proactively offer a pre-care price estimate</li> <li>• Enroll patient in income-sensitive payment plan</li> <li>• Request patient pay a portion of their balance at point-of-service</li> </ul>	<ul style="list-style-type: none"> <li>• Institute automated billing reminders or staff outreach</li> <li>• If balance is unpaid after set timeframe, send to bad debt</li> </ul>

Source: TransUnion, "Healthcare Solutions: Propensity to Pay," TransUnion, 2016; Unger, Dan, "Resolving Uncompensated Care: Artificial Intelligence Takes on One of Healthcare's Biggest Costs," HealthCatalyst, <https://www.healthcatalyst.com/uncompensated-care-resolving-major-healthcare-cost>; 2017 Hospital Revenue Cycle Benchmarking Survey; Revenue Cycle Advancement Center interviews and analysis.

# Developing Propensity to Pay

## Allina Health matches Propensity Segments to Actionable Outputs

In 2018, Allina partnered with Health Catalyst to design propensity to pay technology that informs patient engagement. For each self-pay patient, Allina considers the individual's demographics, payment history, and bad debt history. After slotting patients into one of three propensity segments, Allina's Accounts Receivable staff executes each patient's mapped engagement strategy.

### Key Takeaways from Allina's Success

- 1 Defined specific goal for technology
- 2 Effectively organized data with third-party platform
- 3 Deliberately segmented patients into actionable outputs

#### CASE EXAMPLE

##### Allina Health

13-hospital not-for-profit health system • Minneapolis, MN

Since implementation, Allina has observed:

**\$250,000**

Average monthly increase in payments taken by phone

**21%**

Percentage increase in inbound call volume to Interactive Voice Responses (IVR) phone payment line

### Outlining Allina's P2P Development

- 1 **Defined Goal** 

Allina's AR Director wanted a solution that informed her staff's patient engagement
- 2 **Third-Party Partnership** 

Allina partnered with a third-party platform to effectively organize patient data from their Electronic Health Record and data repository
- 3 **Created Additional Output Metrics** 

Allina created an additional output that examines a patient's previous charity care status and predicts if the patient is likely to requalify
- 4 **Selected Equation Inputs** 

Strategically chose to input patient payment and demographic data
- 5 **Manual Refinement** 

Before deployment, AR Director manually validated outputs and adjusted equation when output misrepresented patient accounts

### Patient Engagement Strategy by Segmentation

Allina's Accounts Receivable staff dials each patient at varying days in their account age:



#### High Propensity Patients

- No contact until account nears referral to collection agency
- 90% of accounts are resolved without staff involvement



#### Medium/Low Propensity Patients

- Staff calls patients every 21 days
- Staff proactively offers charity care, government assistance application, or payment plans, depending on patient's circumstance



"You need to look at your business operations, apply a strategy that works given [your] human dynamics and behavior, and **then** throw automation at it. That's how you get the best of those worlds."

Accounts Receivable Director  
ALLINA HEALTH

# Patient Billing Vendor Guidebook

**Tool-in-Brief:** This tool explains how to partner with a third-party payment plan vendor. It also provides a case study outlining how Novant Health offers zero-interest payment plans through a third party.




**Intended Audience:** This resource is intended for revenue cycle leaders seeking the ability to offer patient payment plans.

## Payment Plans: Why You Need Them

*Plans Benefit Patients and Their Provider*



### Provider Benefits From Offering Payment Plans

-  Reduce Bad Debt
-  Gain competitive advantage when strategically advertised
-  Increase cash flow

## How to Partner with a Third-Party

- 1 Decide between a local bank partnership or commercial vendor contract**  
While commercial vendors may allow more flexible partnerships, a local bank carries higher community recognition
- 2 Select a vendor with demonstrated expertise in payment plan design and collections**  
Patients should have access to short- and long-term plans, with low or zero interest
- 3 Align the vendor to your values and business priorities**  
The vendor should enhance your system's brand
- 4 Clarify how aggressively the vendor will engage patients for monthly payment**  
Patients will blame you for any dissatisfying encounters with your vendor
- 5 Co-brand all patient communication materials with your system logo**  
Patients need to know they can trust the vendor's communication
- 6 Advertise your payment plans throughout the patient financial journey**  
Begin enrolling the uninsured, Medicaid, and High Deductible Health Plan patients before care delivery

Source: Hamel et al., "The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey," Kaiser Family Foundation, 2016; Revenue Cycle Advancement Center interviews and analysis.

# Integrating Payment Plans Into the Patient Financial Journey

## Novant Health Reengineers Transactions from Start to Finish

In 2012, Novant partnered with ClearBalance to offer a zero-interest payment plan to acute care patients. Although the system previously offered payment plans with a 12% interest rate, Novant wanted to grant patients more time to pay their bills without facing high interest fees. Pleased with the success of their acute program, Novant extended the zero-interest plan offerings to their ambulatory patients in 2014.

### Key Takeaways from Novant’s Success

- 1 Thoroughly vetted their vendor before partnership
- 2 Co-branded patient communication materials to reflect both the vendor’s and Novant’s logo
- 3 Incorporated payment plans into the patient financial journey, focusing on enrolling patients before care

**CASE EXAMPLE**

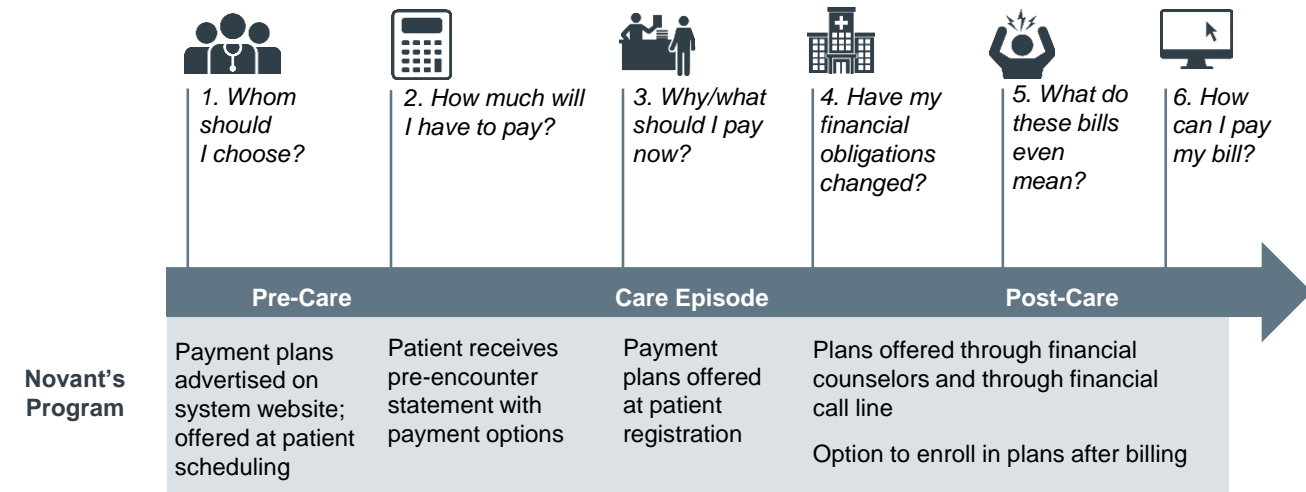
**Novant Health**  
14-hospital integrated health system • Winston-Salem, NC

Since payment plan implementation, Novant has observed

- 12%** Reduction in bad debt
- 92%** Patients who would choose Novant over competitors due to their zero interest loan program
- \$15M** Cash flow increase after first year of launching plan into one market

Novant’s payment plans are offered at multiple touchpoints, with the goal of enrolling most patients in a payment plan before care delivery. Once patients enroll in a plan, they receive a financial welcome package explaining the payment terms and timeframe. While operating under their previous interest-bearing plan, Novant’s patient default rate was at 30%. Novant now measures a 10% default rate on this new zero-interest payment plan.

### Novant’s Payment Plans Across the Patient Financial Journey



Source: Revenue Cycle Advancement Center interviews and analysis.

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The best  
practices are  
the ones that  
work for **you.**<sup>SM</sup>

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