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The Patient Financial Experience Company®

# This Isn't Your Mother's Patient Financial Experience

## *Developing a Next-Generation Approach to Financial Communications*

Hospitals that meet consumers' changing needs and expectations by creating a seamless, customized experience across channels, not only become better positioned to drive an optimal patient financial experience, but also strengthen capabilities for capturing revenue and reducing bad debt.

The move toward a highly-digital experience accelerated in 2020, and it raised the bar for customer communications—including financial communications. Seventy percent of consumers expect technology to become a bigger part of their lives in the next three years, an [Accenture analysis](#) found. In this new world, 90 percent of healthcare leaders believe they [must work in partnership with consumers](#) to provide the digital experiences patients seek. Digital design dominated payment trends in

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2020; now, alternative e-wallet payments like Apple Pay [represent the future of payment](#), even in the healthcare revenue cycle.

### In the Move Toward Customized Communications, Where Does Your Organization Stand?

68 percent of patients aren't satisfied with hospitals' ability to customize bill delivery.<sup>1</sup>

Interactive messaging is up 150 percent in the first half of 2020—and it's key to building relationships.<sup>2</sup>

70 percent of patients say there's a gap between the experience they desire and the experience they receive.<sup>3</sup>

Footnote:

1. "Patient Financial Experience Market Study," Avadyne Health, 2018, [https://cdn2.hubspot.net/hubfs/1620511/Content/Avadyne\\_Bridging\\_the\\_Gap.pdf](https://cdn2.hubspot.net/hubfs/1620511/Content/Avadyne_Bridging_the_Gap.pdf).
2. Glabbeek, J., "The 2021 Digital Communication Trends That Will Boost Your Business," Martech Zone, Dec. 7, 2020, <https://martech.zone/digital-communication-trends/>.
3. "Experience Is Everything. Get It Right," pwc, 2018, <https://www.pwc.com/future-of-cx>.

But the desire for highly-integrated, seamless communications didn't start in 2020. In 2018, Avadyne Health's [Bridging the Gap](#) market study found that 60 percent of consumers weren't satisfied with hospitals' ability to customize bill delivery according to patient preference. Nearly half of consumers didn't believe their hospitals were doing enough to communicate the information that consumers most want: the amount they could expect to pay out of pocket for care. Moreover, there were signs that consumers—especially Millennials (40 percent)—wanted greater control over their financial experience.

As the transition toward tightly-coordinated, digital experiences accelerate across industries, hospitals cannot afford to cling to outdated modes of delivering financial communications. In this new world, disjointed technologies and processes dampen the patient experience. They also put self-pay dollars at risk.

## Creating the Experience Today's Consumers Want

[Ninety percent of patient access leaders](#) believe the patient experience will be the most important differentiator for winning and retaining patients in 2021. It's one reason why the patient financial experience—the first and last experience consumers have with a hospital—merits attention from revenue cycle leaders.

Designing a patient-centric, highly responsive approach to financial communications deepens trust. It also fosters higher levels of engagement. When patients understand the amount they are expected to pay for care and have a reliable contact to answer questions, they are more likely to pay their bill. In our experience, [26 percent of patients pay upfront](#) when their providers engage them in financial discussions early in their healthcare encounter. One large health system increased self-pay recoveries 65 percent and reduced bad debt write-offs 24 percent by focusing on early engagement.

These attributes are critically important when self-pay dollars are on the line. That's especially true in today's economic environment, when nearly [70% of hospital leaders](#) expect an increase in self-pay accounts due to the economic impact of the COVID-19 pandemic. Financial uncertainty stretches across income levels, a recent survey shows, and it affects consumers' confidence in their ability to pay for their care.

## Consumer Confidence in Their Ability to Pay for Care Wavers

[66% of patient access leaders](#) believe they could pay an unexpected \$1,000 bill from their savings.<sup>1</sup>

[70% of patient access leaders](#) would use a credit card to pay for medical expenses.<sup>2</sup>

[66% of patient access leaders](#) would borrow money from a family member to pay medical bills.<sup>3</sup>

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60% of patients are very or somewhat concerned about their ability to pay for medical expenses in 2021.

References:

1. Ostrowski, J., "Survey: Fewer than 4 in 10 Americans Could Pay a Surprise \$1,000 Bill from Savings," Bankrate, Jan. 11, 2021, <https://www.bankrate.com/banking/savings/financial-security-january-2021/>.
2. Ibid.
3. Ibid.
4. AccessOne Patient Finance Survey, October 2020, <https://www.accessonemedcard.com/wp-content/uploads/2020/12/AccessOne-Patient-Finance-Survey-2020.pdf>

Yet while 60% of patients expect continuity in billing processes, communications and tools, Avadyne Health's [Bridging the Gap](#) market study shows 55% are less than satisfied with their hospital's offerings.

Developing a next-level patient financial experience—one that delivers an integrated, seamless experience at every point of the financial encounter—starts before care is delivered. Sometimes, requests for estimates of out-of-pocket costs trigger the communications process. Other times, scheduling of patients for service kicks off the start of the financial encounter.

The design of an integrated, digital-first communications model must take into account patients' individual preferences, including [increased desire for self-service options](#). It also must consider the need to deliver a consistent experience across communications channels, from text to online chat, emails, apps, billing statements, payment portals, payment plans and live customer support.

## Designing an Omnichannel Patient Financial Experience

The key to a modern, highly-responsive patient financial communications model is a tightly integrated system that:

Begins at the first point of contact

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Customizes communications based on consumer preferences

Ensures information is accurate and easy to understand across channels

Provides options for do-it-yourself service or live support

Offer continuity and consistency of experience at every touch point

## Getting There from Here

How can hospitals develop a financial communications model that lowers cost and delivers an optimal patient experience? Here are five action steps to consider.

With more consumers seeking [digital-first communications](#) and contactless payment, an omnichannel approach to patient financial services is a revenue cycle department's greatest resource. The best models build online chat, texting and phone support into all billing access points to provide assistance whenever and wherever it's needed. They also consider generational and individual preferences in building out a timely, transparent communications strategy. The goal is simple: Meet patients where they want to be met. Not only does an omnichannel approach boost satisfaction, but it also increases self-pay collections and reduces cost to collect.

For consumers, real-time support changes the psychology of payment by making the patient's financial experience easier to understand and navigate. It also provides the continuity in service that patients crave.



For example, one Western health system uses an augmented reality app with an avatar, the Patient Concierge, to walk patients through their bill using their statement and a smartphone. The avatar explains the patient's bill, thereby reducing calls to the contact center. Within a year of implementing the Patient Concierge, this 28-hospital system had more than 80% of users clicking the app to pay their bill and less than 4.5% needing further assistance from the contact center.

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Hospitals that rely on multiple business partners for patient billing and collections can communicate inconsistency—and it's a major dissatisfier for consumers. Siloed processes very quickly lead to a lack of trust, such as when:

The customer service phone numbers change based on who is answering incoming calls at different times in the financial journey

Consumers receive statements from multiple providers in multiple formats for the same episode of care

The manner in which payment is collected varies by touchpoint

Variations such as these lead to distrust. When this happens, accounts cannot be financially cleared prior to service. Collection costs increase, and payment becomes much more difficult to obtain.

By streamlining financial communications processes and support, hospitals create a more seamless, highly-reliable financial experience for consumers from pre-service to post-service. That's a game changer for hospital revenue cycle departments in fostering a financial relationship with patients.

"We want to give patients flexibility and options, which historically they have not been able to receive," says Bradley Tinnermon, Vice President Revenue Cycle and Revenue Integrity, Banner Health, Phoenix. "We want patients to expect and receive the highest level of customer service from us."

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Would you go to a restaurant not knowing how much you could expect to pay for a meal? Not likely. So why should the need to understand cost of care—before care is delivered—be any different? Examine your organization's financial clearance process. Then, ask yourself:

To what extent could your organization deliver highly accurate out-of-pocket estimates prior to care delivery, down to the amount of the patient deductible met to date?

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Does your revenue cycle department have the tools to screen uninsured patients for eligibility for Medicare or Medicaid and enroll individuals for coverage?

Does your hospital help patients in need apply for charity care?

Both face-to-face advocacy and technology-enabled processes create a more positive, more transparent patient financial experience—and improves collections.

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At Avadyne Health, our experience shows that when patients engage in self-service, costs to collect drop up to 50 percent. Yet while self-service options present [the single greatest opportunity](#) to improve patient financial engagement over the next five years, our work indicates that while patients want self-service, many patients—especially younger patients—still need live support. Older generations, on the other hand, need less assistance and pay more—a data point that contradicts common assumptions. That's because younger individuals tend to have more complicated coverage and less experience navigating healthcare and commercial insurance, while older individuals tend to have a high degree of trust in their providers and have been dealing with insurance for years.

It's no wonder, then, that one out of two patients in our [Bridging the Gap](#) market study said they want a dedicated concierge, or support person, to engage with them throughout their financial experience. Investment in a dedicated concierge for financial communications personalizes the patient financial experience. It also sets the stage for higher levels of patient satisfaction—and drives higher rates of self-pay collections.

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Leading hospitals use data analytics—including speech analytics—to pinpoint where missteps in the patient financial experience occur and adjust their approach. They also develop a framework for responding to lapses in customer service in real time, when patient engagement and trust can be recovered.

