Consumerism and Its Influence on the Patient Financial Experience

Laurie Hurwitz
Executive Director, Revenue Cycle
Gundersen Health System
Today’s Speaker:

Laurie Hurwitz  
*Executive Director, Revenue Cycle*  
Gundersen Health System

Laurie joined Gundersen in October 2012, and leads the revenue cycle hospital and clinic operations including pre-service, registration, financial counseling, customer financial service, hospital and professional coding, inpatient and ambulatory CDI, utilization management, billing and insurance follow-up, special billing, denial management, provider enrollment, managed care contracting, cost reporting, and regulatory compliance.

Laurie has over 20 years’ experience in healthcare financial management. Prior to joining Gundersen, she served as Director of Decision Support & Physician Practice Finance at McLaren Northern Michigan Health System, as Chief Financial Officer at East Jordan Family Health Center (FQHC), and Controller at Northern Michigan Community Mental Health.
Gundersen Health System At a Glance

• About us…
  – A physician-led, not-for profit healthcare system
  – Located throughout western Wisconsin, northeast Iowa, and southeast Minnesota caring for patients in 19 counties
  – Repeatedly named among the top 50 hospitals in the nation, placing us in the top 1%
  – Level II Trauma and Emergency Center
  – The designated Western Academic Campus for the University of Wisconsin School of Medicine & Public Health
  – Environmentally responsible, the first health system to achieve energy independence in October 2014

Organization Facts & Figures

<table>
<thead>
<tr>
<th>Clinic Locations</th>
<th>58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Hospitals</td>
<td>5</td>
</tr>
<tr>
<td>Staffed Beds</td>
<td>325</td>
</tr>
<tr>
<td>Employed Physicians</td>
<td>882</td>
</tr>
<tr>
<td>Associate Staff</td>
<td>540</td>
</tr>
<tr>
<td>Employees</td>
<td>7,500+</td>
</tr>
</tbody>
</table>
Learning Objectives

• Appraise the industry headwinds that are driving patients to become increasingly savvy consumers while also pressuring healthcare organizations to simplify, be more transparent & convenient, and rethink their approach toward the financial experience.

• Relate the initiatives of an organization recognized nationally for their overall patient experience to potential areas of improvement at your own organization, including payment plan offerings, statement design, patient-centric analytics, collections, and more.

• Consider the prospect of bringing certain patient-facing functions back in-house and the logistics of such an undertaking from the facts utilized in decision-making to the hiring and training of new workforce.
Industry Trends – Convenience in Healthcare

• We can learn a lot from other industries and how to deliver healthcare more seamlessly to our patients
  – Other industry leaders are positioned to disrupt our standard model of care delivery!

• Patients want choices
  – They want the option to pay quickly on their schedule, among other key functions
  – But they also want a personal contact to answer complex questions as needed

• Improving the patient experience requires that you also improve the employee experience
  – These two go hand in hand
  – Self-service options allow us to provide patients more choices at lower cost to us
Industry Trends – Convenience in Healthcare

But this means we need to re-engineer our structures, processes, and what we believe to be true!
Centralizing Registration – An Ongoing Pilot

- Making registration more convenient for patients
- Making registration a better experience for patients and staff
- Getting better results
More Industry Trends – Adjusting Our Expectations

• We need to adjust our expectations of patients…
  – If they cannot readily afford a $1,000 bill, why are we requiring they pay?

• Treatment is not a “one size fits all” scenario:
  revenue cycle processes should not be either
  if we want to be patient-centric

• Patients want to be treated with dignity
  – We used to make them tell us: what they can and cannot afford
  – Or get “permission” to pay what they can pay

2/3 of Americans could not manage an unexpected bill of $1,000
Rethinking Billing & Collections – Payment Plans

• Knowing our neighbors’ financial circumstance, Gundersen has completely shifted its stance on payment plans, including:
  – Repayment length
  – Terms
  – Who manages them

Previous State:
• 10-month term
• Pay full balance
• Sent to collections thereafter
Knowing our neighbors’ financial circumstance, Gundersen has completely shifted its stance on payment plans, including:

- Repayment length
- Terms
- Who is permitted to manage them

**Previous State:**
- 10-month term
- Pay full balance
- Sent to collections thereafter

**Current State:**
- Constantly evolving
- More options based on payment experience, type of services, and what the patient owes
Current State:

- Up to 24 months for self setup option
- At least $50 payment

Self-Service payment plans help us reduce our cost-to-collect in a couple of ways:
- Less staff needed to set them up and more calls resolved through an online or self-service option
- We’re no longer giving a percentage of what patients can afford to pay to our collection agency on these accounts

- This also allows us to stay out of patients’ credit
  - Remains zero interest

- Patients can also add new balances to existing plans themselves
In order to spread awareness of this change, Gundersen:

– Places information within its web portal
– Has cashiers and receptionists accepting patient payment trained to mention paperless billing
– Customer service staff taking payment plan calls are trained to explain how patients can do it themselves
– Library staff will sit down with patients to show them how to set up and manage plans
– *In essence, any time we interact with the patient, we are telling them about the option!*

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**Pay My Bill**

We understand how overwhelming it can be to deal with health issues as well as billing issues. It is our goal to make the process as easy as possible. We're here if you need help understanding your bill, have insurance questions or need financial assistance. You can also set up your own payment plan online.
Rethinking Billing & Collections – The Online Experience

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges</th>
<th>Insurance Pmt/Adj</th>
<th>Patient Pmt/Adj</th>
<th>Patient Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clinic Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visit #: 1004000</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Name: Jane Doe</td>
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<td></td>
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<tr>
<td>Provider: Susan M. Doe, MD</td>
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<tr>
<td>1/1/17 - 1/12/17</td>
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<tr>
<td>LABORATORY</td>
<td>$200.00</td>
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<tr>
<td>IV THERAPY</td>
<td>$1,000.00</td>
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<tr>
<td><strong>Account Subtotals</strong></td>
<td></td>
<td>-$125.00</td>
<td>-$50.00</td>
<td>$25.00</td>
</tr>
<tr>
<td><strong>Important Information:</strong> This account is not on a payment plan.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Hospital Accounts</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Visit #: 1005000</td>
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<td></td>
<td></td>
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<tr>
<td>Patient Name: Lisa Doe</td>
<td></td>
<td></td>
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<tr>
<td>1/3/17</td>
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<tr>
<td>EKG/ECG (Electrocardiogram)</td>
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<td>CARDIOLOGY</td>
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<td><strong>Account Subtotals</strong></td>
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<td>-$125.00</td>
<td>$50.00</td>
<td>$25.00</td>
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<tr>
<td><strong>Important Information:</strong> This account is not on a payment plan.</td>
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<tr>
<td><strong>Account (Non-Pay Plan) Totals</strong></td>
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<td>-$416.98</td>
<td>-$100.00</td>
<td><strong>$883.02</strong></td>
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</tbody>
</table>
## Rethinking Billing & Collections – The Online Experience

### Accounts On Payment Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>Charges</th>
<th>Insurance Pmt/Adj</th>
<th>Patient Pmt/Adj</th>
<th>Patient Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clinic Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Visit #1004000</td>
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<td></td>
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<td></td>
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<tr>
<td>1/11/17 - 1/20/17</td>
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<td></td>
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<tr>
<td>2/13/17</td>
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<tr>
<td>EMERGENCY ROOM</td>
<td>$5,000.00</td>
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<tr>
<td>CLINIC VISIT</td>
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<tr>
<td>Account Subtotals</td>
<td>$7,500.00</td>
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<td>-$50.00</td>
<td>$450.00</td>
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<tr>
<td><strong>Hospital Accounts</strong></td>
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<tr>
<td>Visit #1005000</td>
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<tr>
<td>1/15/17</td>
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<tr>
<td>VISIT</td>
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<td>Account Subtotals</td>
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<tr>
<td>Account (Pay Plan) Totals</td>
<td>$8,000.00</td>
<td>-$7,125.00</td>
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</table>

**Important Information:** Display message here.

### Pay Plan Amount Due

- **$100.00**

### Balance Summary

<table>
<thead>
<tr>
<th>Amount on a Payment Plan</th>
<th>Amount not on a Payment Plan</th>
<th>Total Billed Charges</th>
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</thead>
<tbody>
<tr>
<td>$775.00</td>
<td>$883.02</td>
<td>$1,658.02</td>
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</tbody>
</table>
Rethinking Billing & Collections – Payment Plans (Results)

- Payment plan utilization has exploded!

**Important Caveat to Consider:**
Your A/R will go up…

- **Pure self-pay** and **balance-after-insurance** A/R both increased by 4 days
- **However, insurance A/R decreased**
- Same trend can be seen with A/R over 90

Gundersen’s finance committee understands the reason behind this:
*We’re affording patients the time they need to reasonably be able to pay!*
Rethinking Billing & Collections – Statement Redesign (Phase 1)

- Gundersen has already adjusted statement design and language
  - Discontinued “insurance jargon”

Gundersen has already adjusted statement design and language – Discontinued “insurance jargon”
Rethinking Billing & Collections – Statement Redesign (Phase 2)
Rethinking Billing & Collections – Statement Redesign (Phase 2)

GUNDERSEN HEALTH SYSTEM

1000 South Ave. La Crosse, WI 54601
ADDRESS SERVICE REQUESTED

Important Messages

Thank you for choosing Gundersen. To keep your current monthly payment arrangement, please pay your payment plan amount due. If these balances are not on a payment plan, please review and update your payment plan online. For possible Financial Assistance, please discuss options with Gundersen Financial Services or visit www.gundersenhealth.org/PA.

Payment Methods

Pay online today

$83.82

Total Patient Balance

$83.82

Payment Plan Amount Due

$100.00

Balance Due Not On Payment Plan

$963.02

Amount Due Now:

$963.02

Auto Debit On: 4/21/2017

View Details: gundersenhealth.org/pay-your-bill

Payment by phone 24 hours a day

1-800-382-6077

Contact Us

800-775-0880 or 1-800-555-5555

Hours of Operation:

Monday - Friday 7:30 am to 5:30 pm CST

Guarantor: Lisa Doe

Account Number: 123456789

Amount Due: $83.02

Please include a check payable to Gundersen Health System and include your patient account number on your check.

GUNDERSSEN HEALTH SYSTEM
1000 South Ave. La Crosse, WI 54601

Pay Online gundersenhealth.org/pay-your-bill

Please see reverse side for summary detail.

2018 Spring Member Retreat
Rethinking Billing & Collections – Statement Redesign (Phase 2)

**Your Statement Information**
This statement reflects services provided by Gundersen Lutheran Medical Center, Inc. and/or Gundersen Clinics, Ltd. As a courtesy, we will file a claim to your insurance. Once we receive notice that your claim has been processed, we will send you an itemized statement and notify you of any amount due. If your insurance does not respond directly to us within an appropriate time frame, you will receive an itemized statement showing the amount due.

**Payment Expectations**
Account Balances are to be paid 21 days from the statement date. If you are unable to pay in full by this date, please call Customer Financial Services to discuss payment options. A partial payment, although appreciated, will not prevent your past due balance from being considered for referral to an outside collection agency.

**Online Statement and Bill Pay**
When you provide a check as payment, you authorize us to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. To view your statement, make a payment, update insurance or personal information, please visit us at www.gundersenhealth.org/paymybill or mycase.gundersenhealth.org/mycase to access your information online.

**Disputing Bills**
If you have questions or would like to dispute your bill, call Customer Financial Services. We will work with you within 30 days after receiving your dispute.

**Summary of Financial Assistance Policy**
Gundersen health System is a non-profit system and is committed to providing emergency and medically necessary health care services to patients regardless of their ability to pay. For patients, and patient guarantors, with limited financial resources, Gundersen has established a financial assistance program to help them in paying for medical care.

**Eligibility**
Patients with annual family incomes of less than four-times the federal poverty level, and within asset limit thresholds, will be eligible for financial assistance.

**Type of Assistance**
Covered services include emergency care and medically necessary care. Excluded services are listed at www.gundersenhealth.org/FAA. Free care is available to patients with limited assets and family income below or equal to less than two-times the federal poverty level. Discounted care is available to patients with limited assets and family income between two and four-times the federal poverty level. Patients not meeting these eligibility guidelines, but with extraordinary high medical expenses may qualify for catastrophic care assistance.

**Fee Charged to Patients Eligible for Financial Assistance**
No individual who qualifies for financial assistance will be charged more for emergency or medically necessary care that is equal to that charged to insured patients, specifically those covered by Medicare and/or private health insurers.

**Uninsured Patient Discount**
An uninsured discount is available to our uninsured patients. For more information on how to receive the discount please call Customer Financial Services.

**For More Information**
Information on Gundersen’s financial assistance policy is available upon request in English, Spanish, and Hmong. An application for financial assistance is available on our website at www.gundersenhealth.org/FAA.

Gundersen Health System
Attn: CFS/NCAS-01
1900 South Ave., Mailstop NCA-01
La Crosse, WI 54601
Phone at (608) 777-8960 or (800) 632-9697, ext. 58600
Rethinking Billing & Collections – Customization (Phase 2)

• What we are embarking on now is how to personalize statements to each individual consumer
  – We all have the data to inform this process – it’s just a matter of harnessing it!

• This will allow us to go beyond credit scores and whether patients pay their phone bills to know how they will actually prioritize and resolve their healthcare bill
  – Planned vs. unplanned bills
Rethinking Billing & Collections – Customization (Phase 2)

Patient A:

Is their bill less than $1,200?

No

Data shows patient typically sets up payment plan for $100 per month

"You can resolve this balance through a 12-month payment plan."

Yes

Data shows patient will resolve balance in full

"This amount is due in full by _______."

Patient Billing

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Treatment</td>
<td>$500</td>
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<tr>
<td>Anesthesia</td>
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<tr>
<td>Discount</td>
<td>$100</td>
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</tr>
<tr>
<td>Total</td>
<td>$900</td>
<td></td>
</tr>
</tbody>
</table>
Rethinking Billing & Collections – Customization (Phase 2)

• Of course, patients can still opt for a payment plan as desired, it will just require an extra click or step
  – Prevents patients who would normally resolve their bill from taking longer to pay
  – Also avoids turning patients off to payment when balances seem unmanageable

• Other considerations: Dollar thresholds would likely be established via a similar algorithm for new patients to determine when to offer a payment plan on statements
  – Might be payer-specific
  – Payment plan suggestions will be based on bill size, payment history and insurance

Our statement vendor, Simplee, is currently working with us to mine our internal payment and charge data
Bringing Customer Service Back In-House

• At the time I took on my current role, a consultant was evaluating our revenue cycle staffing

• In previous state, we had a hybrid model
  – Internal financial counselors, but customer service was outsourced

• But our external partner never really delivered the quality service we had hoped for
  – Hold times were high
  – Dropped calls never met expectations
  – They wanted more money

• We took a hard look at the contract, and what it would take to bring customer service back in-house
  – Complicated calls often got routed back to us anyway
  – We truly believed we could provide better service to our own neighbors
  – More self-service meant we didn’t need as many staff
Bringing Customer Service Back In-House – Logistics

• We hired all 12 staff, bringing them onboard 3 months before the transition
  – We decided to hire for attitude

• Able to handle the volume and multiple additional duties with 12 FTEs and two team leads
  – The vendor was using 24 and we were still handling all of the escalated calls
Bringing Customer Service Back In-House – Training

1. Initially focused on technical skills: learning the software, setting up insurance, etc.

2. Next, we oriented them to all the other revenue cycle departments by shadowing them and attending presentations from each

3. After that, we focused on methods to deal with upset patients and how to help them while still taking care of themselves

4. Finally we had testing and role playing of scenarios

Also, a daily thank you card
Bringing Customer Service Back In-House – Results

• Not only are we doing the job with **half the employees**, we are taking **better care** of our patients

• Wait times average **11 seconds**

• Drop call rates have significantly reduced from **8% to 0.75%**

• We’re resolving calls on the **first dial**, so patients do not have to call back

• Saving **$500,000** in outsourcing costs
Lessons Learned

All the training is great!

But, when there is a real, angry patient on the phone, it can be very challenging and upsetting for new staff.
Lessons Learned

All the training is great!

*But, when there is a real, angry patient on the phone, it can be very challenging and upsetting for new staff*

Have backup, experienced staff to jump in as needed
Lessons Learned

All the training is great!

But, when there is a real, angry patient on the phone, it can be very challenging and upsetting for new staff

Have backup, experienced staff to jump in as needed

Monitor the calls!
Questions?

Laurie Hurwitz  
*Executive Director, Revenue Cycle*  
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(608) 775-4370