

Patient Friendly Billing Project[®]

2009 Focus, Journey thus Far, Progress, Updates

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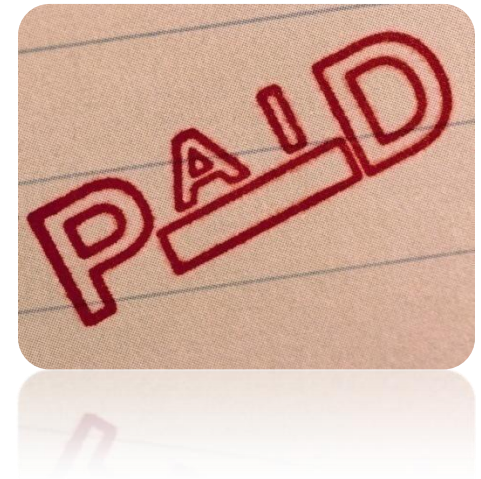
PATIENT FRIENDLY BILLING[®] History

- 2001: Patient focus groups findings & task force solutions
- 2002: Approaches by medical group practices
- 2003: Emphasis on technology
- 2005: Uninsured/underinsured
- 2006: Consumerism in healthcare
- 2007: Reconstructing pricing systems
- 2009: Standards of Excellence
 - Hospital leaders have consistently told HFMA that having credible evidence of specific drivers of value is immensely important as they consider and prioritize which Patient Friendly Billing practices to implement. As such, the current phase of the Patient Friendly Billing project focuses on researching and analyzing the specific revenue cycle characteristics or processes that provide the greatest value.

Consumerism in Health Care Report

Five objectives outlined that providers should focus on to enhance the patient experience:

- Price transparency
- Agreement on payment expectations and terms between providers and patients
- Simplified charge and payment structures
- Easy patient access and scheduling
- Appropriate staff with the requisite training and tools



Strategies to Enhance Consumerism

For each of the five objectives, HFMA provided a set of practical strategies that Providers could undertake to improve their operations. These strategies were grouped into the following categories:

Organizational strategies

Human resource strategies

Patient communication strategies

Technology strategies

Collaboration strategies

Objective #1

Price Transparency



Objective #1: Price Transparency

Organizational Strategies

- Providing written estimates prior to or at time of service
- Seeking requests for payment/agreement to terms prior to or at the time of service
- For predictable services, publishing rates for full payment in advance of service

Human Resource Strategies

- Enhancing employee awareness and understanding of reimbursement concepts and procedures
- Incorporating success drivers (e.g., patient satisfaction, estimation accuracy, etc.) in employee incentive programs
- Educating personnel regarding the importance of providing expected financial obligations to patients
- Using scripts and role playing to train employees on how to communicate financial information



Objective #1: Price Transparency

Patient Communication Strategies

- Providing written information to patients about financial obligations with appropriate caveats, including what is and is not included
- Clearly communicating
- Encouraging patients to become fully educated on their benefits

Objective # 1: Price Transparency

Collaboration Strategies

- Achieving price transparency best achieved through collaboration with other stakeholders.
- Encouraging insurers and employers to fully educate enrollees on their coverage.
- Establishing payer contracts that allow patient communication in advance of treatment regarding expected financial obligations
- Encouraging insurers and employers to fully educate enrollees on coverage choices
- Encouraging insurers to make available real-time ,electronic information regarding coverage, benefits, non-covered services, copayments, deductibles, coinsurance, and maximum out-of-pocket by implementing the Committee on Operating Rules for Information Exchange (CORE)
- Encouraging payers to actively educate enrollees regarding providers excluded from their networks (e.g., pathologists, anesthesiologists, hospitalists, etc.)
- Referring patients to insurers for information about financial obligations
- Working with provider associations, payers, payer associations, and others toward having financial information for commonly performed services available to patients in a format that allows meaningful comparisons
- Supporting a national database for coordinating benefits
- Encouraging hospital information and practice management system vendors to become CORE certified and achieve interoperable, all-payer access to eligibility and benefits information

Objective #2

Payment Expectations & Terms

Objective # 2: Payment Expectations & Terms

Organizational Strategies

- For patients with ability to pay, collecting estimated obligation in advance or at time non-emergency services rendered
- Offering payment arrangements or financial assistance, if needed
- Offering flexible payment arrangements (e.g., minimum monthly payments with maximum lengths of time to pay, payroll deduction programs, external financing source referrals, etc.).
- Tailoring pre-service collection and financial counseling practices to the patient's specific benefit plan
- Developing specific and fair discount policies for the uninsured



Objective # 2: Payment Expectations & Terms

Human Resource Strategies

- Ensuring staff who interact with patients are compassionate, respectful and effective
- Hiring and cross-training staff with customer service skills and the ability to communicate financial expectations
- Providing staff with the tools necessary to assist patients in meeting their financial obligations

Patient Communication Strategies

- Providing patient education about billing processes, including: (1) what to expect; (2) preparing to pay for services or make arrangements; and (3) how to obtain financial assistance
- Using consumer-finance tools to: (1) identify patients who cannot pay; and (2) provide estimates to those with the ability to pay
- For scheduled patients who are uninsured, providing written estimates of their expected financial obligation
- Including outstanding balances from previous services during financial counseling discussions



Objective #2: Payment Expectations & Terms

Technology Strategies

- Developing online billing and payment capabilities
- Offering patients multiple ways to make payments (e.g., cash, credit cards, payments from health saving vehicles, payment arrangements, outside financing sources, etc.)
- For those with the ability to pay, obtaining permission to hold an appropriate amount on the patient's credit card at the time services are scheduled and, then, charging the card when services are delivered

Collaboration Strategies

- Developing programs to have employers or insurers collect amounts due to providers from their employees/ enrollees

Objective #3

Simplified Charge & Payment Structures



Objective #3: Simplified Charge & Payment Structures

Organizational Strategies

- Taking into account questions and complaints from patients and insurers about specific charges when updating the CDM
- Simplifying and reducing the number of items in the CDM
- Over the long-term, developing a comprehensive charging policy that is more rational and easily explained to the public (may require significant revisions to the CDM)

Collaboration Strategies

- Working with employers and insurers to rationalize the CDM and to manage the impact on revenue
- Consider implementing a reference pricing methodology, in which the payment methodology is standard but the amount of the payment is negotiated



Objective #4

Easy Access and Scheduling



Objective #4: Easy Access & Scheduling

Organizational Strategies

- Using centralized scheduling
- Offering flexible scheduling (e.g., evenings and weekends)
- Obtaining all financial and demographic information prior to the visit and coordinating this information among physicians, hospitals, and other providers throughout the system
- Scheduling by CPT code, procedure, DRGs, etc., instead of simply filling time slots, thereby helping to ensure that needed clinical information is available to facilitate pre-service communications with the insurer and appropriate time is reserved for care
- Offering 24-7 patient access for self-scheduling through multiple venues (e.g., internet portals, integrated voice response systems, check-in kiosks, etc.).
- Having the scheduling function report through the revenue cycle organization or otherwise ensure that they are closely linked

Objective #4: Easy Access & Scheduling

Human Resource Strategies

- Dedicating a trainer/coach to build integrated processes and education programs
- Reaching-out to clinical staff to gain their support for a patient-centric, streamlined scheduling and registration function by explaining protocols, benefits, internal resources, and expectations

Patient Communication Strategies

- Providing patients with estimates of expected financial obligations and making payment arrangements at time of scheduling or registration. Then, at the time of service, providing patients with the actual amount owed, and updating financial arrangements if the amount changed
- Using technology to remind patients of appointments and financial obligations



Objective #4: Easy Access & Scheduling

Technology Strategies

- Using and expanding seamless technology with the ability to link to insurer online tools, store patient demographic and insurance information, generate patient estimate letters, automatically send patient information throughout the system, and interface information into the provider financial system
- To update patient demographic and insurance information, consider utilizing existing databases or clearing houses

Collaboration Strategies

- Encouraging insurers to make available real-time data regarding deductibles, coinsurance, and maximum out-of-pocket levels by implementing the CORE rules on eligibility and benefits
- Improving connectivity and coordination between physician offices and hospital departments by assigning responsibility for this function to a specific person or department
- Consider hosting meetings with physician office schedulers in the evenings or by bringing lunch to their offices

Objective #5

Appropriate Staff Support



Objective #5: Appropriate Staff Support

Organizational Strategies

- Establishing a separate function to move the patient experience from post-service to pre-service and point-of-service

Patient Communication Strategies

- Providing access to highly trained financial staff for patients 24-7



Objective #5: Appropriate Staff Support

Human Resource Strategies

- Seeking service-savvy employees from other industries
- Making sure employees responsible for determining estimated patient financial obligations have the requisite skills
- Sharing revenue cycle metrics with all staff to increase awareness and support for improvements; consider having group incentive programs for overall exceptional performance
- Incrementally upgrading the skills of current staff to include patient-centric processes, starting with registration and scheduling
- Providing additional training for staff in scheduling/ registration, financial counseling, customer service, physician offices, and other departments that may intercede on behalf of a patient
- Using e-learning and train-the-trainer techniques to accelerate cost-effective training, automate competency assessments, and track participation in educational activities
- Developing and implementing metrics to measure performance in areas that are important to the patient



2009: Project Objectives



Standards of Excellence:

- To identify revenue cycle characteristics or processes with the most impact on value to consumers and hospitals.

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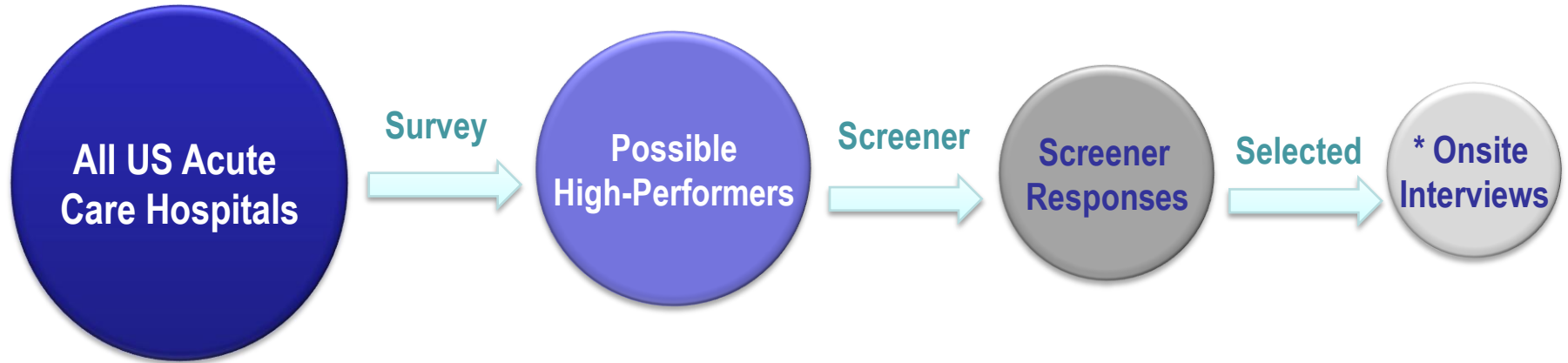
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Noblis named one of the “World’s Most Ethical Companies” 2008 by the Ethisphere Institute

High Performing Hospital Selection Methodology

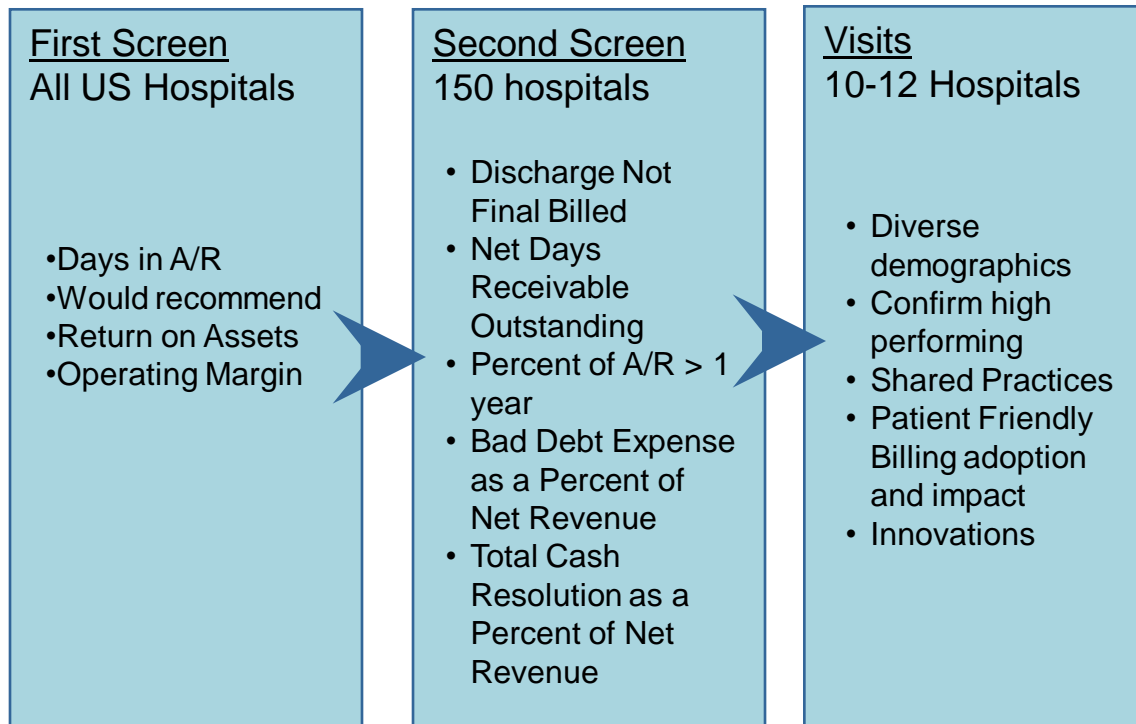


Hospitals Selected for Onsite Interviews



- Considerations: Bed size, geographic location, system/stand alone, tax status, teaching/non-teaching

Selection



Standards of Excellence; Initial Standards



Standards of Excellence

Initial Standards

- **Customer service**
- **Support of staff with high patient contact**
- **Coordination with physician offices**
- **Advance communication about financial expectations**
- **On-line billing, payment and communications**
- **Financial assistance policies in accordance with Patient Friendly Billing guidelines**



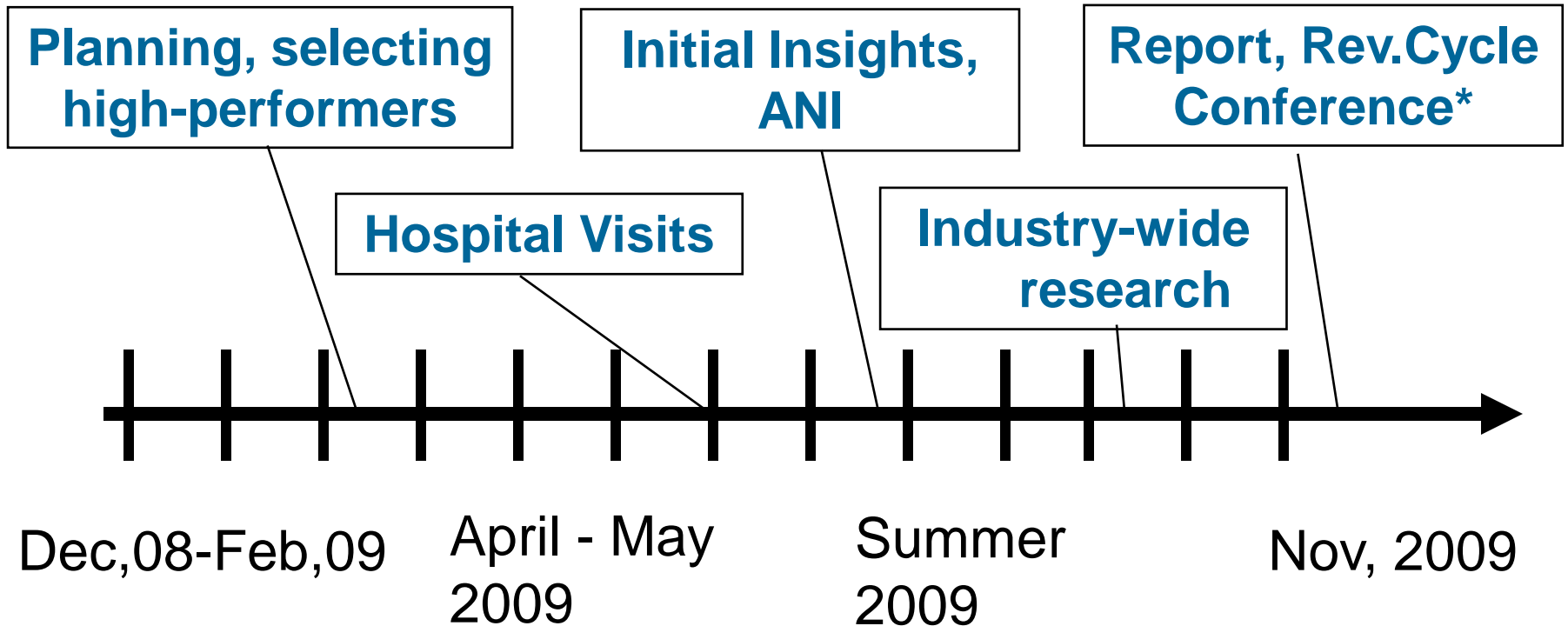
Standards of Excellence

Initial Standards

- **Simple, automated financial assistance applications**
- **Consumer tools**
- **Patient Friendly Billing guidelines in place in all patient financial communications**
- **Convenient and effective scheduling and registration**
- **Simplified contractual relationships with payers**



Key Milestones and Next Steps



* HFMA 2009 Fall Revenue Cycle Conference; Chicago

Closing Comments

Group Discussion

Questions

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