Personalizing the Payment Process Builds Patient Satisfaction

By Patrick Maurer

Messages specific to balance due amounts allow hospitals to tailor wording and payment options based on high or low balances.

Patients are now responsible for a higher percentage of their balances than ever before. In fact, in 2015, individuals were responsible for paying more than $420 billion out of pocket. For a variety of reasons—including financial hardships or even confusion—more than 15 percent of that went uncollected. For providers, the cost to collect patient balances continues to rise.

As a result, it is critical for healthcare providers to balance patient needs with financial performance. To do this, they must engage with their patients in a new way. It’s about creating an emotional connection, expressing empathy, and driving patient engagement. People want personalization, relevancy, and information that is tailored to them as individuals. As a result of these shifting expectations, accurate patient insights are more critical than ever before.

Recognize Real and Growing Revenue Cycle Challenges

Out-of-pocket expenses for patients can be substantial—with deductibles averaging $2,000 or more. Despite positive steps to make statements easier to understand, patients are still confused. Confusion leads to dissatisfaction—and that dissatisfaction erodes the relationship
providers have with their patients. The result is a poor impact on future loyalty and a huge financial burden—for both healthcare facilities and their patients.

**See Patients as Individuals**
There are ways that providers can ease the burden of this experience by better matching financial communications and payment options to payment needs. Patients want to pay their bills, and if providers can help them find solutions in a way that fits their needs, that is to everyone’s benefit.

Think of it this way: If physicians only knew one or two things about their patients, could they provide sound diagnoses? Of course not. Without the right data, it’s difficult to understand the needs of patients and how to care for them.

**Consider Data and Their Benefits**
By developing a deeper understanding of how patients pay and making the end-to-end financial experience more appropriate, it increases patients’ likelihood to pay; it helps providers carve out costs and helps to strengthen patient relationships.

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Healthcare providers can use the following data generated by patient financial interactions to strengthen patient relationships:

- Type of payer (e.g., Medicare/Medicaid, commercial insurance, or true self-pay)
- Where they live
- Household composition
- Income
- Balance due
- Payment history
- Propensity to pay
- Age/generational behavior
- Technology use

Each one of these personal dimensions (and others) can help providers better understand their patients in order to appropriately tailor financial communications.

For example, technology is a key piece of the patient profile. Case in point: 35 percent of millennials are considered “super checkers,” meaning they look at their phones at least 50 times a day. In addition, millennials paid an average of three bills per month from their phone.

Recognizing this trend, a Pennsylvania health system began incorporating quick response (QR) codes on its statements so patients can pay their balance from their phone. Not only has this improved overall speed to payment, but patients find it very convenient. Since implementing the QR code technology, mobile payments have grown to comprise 17 percent of all self-made electronic patient payments, and 45 percent of those payments are completed via QR code. Providing convenient payment options such as this has helped the organization achieve an impressive 95.9 percent patient satisfaction rating for their financial experience.

Similarly, messaging specific to the balance due is important because certain payment options are better suited for high balances while others are better for low balances. For example, promoting a payment plan wouldn’t make sense for a balance under $50.

An Illinois health system tailored its financial messaging based on balance due and statement cycle to promote more appropriate payment options and maximize the amount collected from its patients. Here is an example of one of its messaging campaigns:

- Balance < $250, cycle 1: Promote QR code and online bill pay to make it as convenient as possible for the patient to pay
- Balance < $250, cycle 2: Promote a payment plan in hopes of collecting something rather than nothing, while still providing a QR code to make it easy to pay in case patients intend to pay in full
- Balance < $250, cycle 3: Focus on “final notice” messaging

Propensity to pay is another critical component, but it’s not all about credit score. How patients paid in the past, specifically for healthcare bills, is critical. For example, factors such as what channel they used and how long it took them to pay provide insights into how they might pay in the future. More importantly, this information helps providers influence their future behavior.

**Communicate Consistently Across the Revenue Cycle**
It’s important that providers pull information from all patient touchpoints together, ideally managed through an analytics engine, to help build an understanding of each patient’s unique personal and
financial profile. The engine should have the ability to push the appropriate financial communication to the right patient at the right time using the right communication method.

Some patients may prefer to be reached via text or email, while others use the patient portal to interact. Either way, they should be treated as individuals—not an account number—which will increase engagement, trust, and loyalty and improve results for all involved.

For example, one Florida health system revamped its statements to reduce confusion, applied strategic messaging campaigns to change payment behavior, and streamlined the revenue cycle communication process. The result was a $12 million turnaround in self-pay performance.

Similarly, the Pennsylvania health system mentioned earlier combined its hospital and physician statements and applied strategic messaging campaigns that promoted online payment through its patient portal. It saw an 8 percent reduction in statement volume and a 25 percent increase in patient portal adoption, resulting in significant cost savings for the facility and a better user experience for their patients.

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Analyze and Optimize
As competition in the healthcare space intensifies, communication can become the great equalizer. Provider communication models should incorporate mechanisms to gain feedback on patient experiences and their preferences and then look for patterns in data that indicate areas of change.

Patients have different financial needs and preferences that affect how, when, and if they pay their bills. Building an understanding of patient needs, behaviors, and tendencies—and communicating with patients in a way that shows they mean more to healthcare providers than their balance—delivers more personalized patient experiences and better financial results.

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