



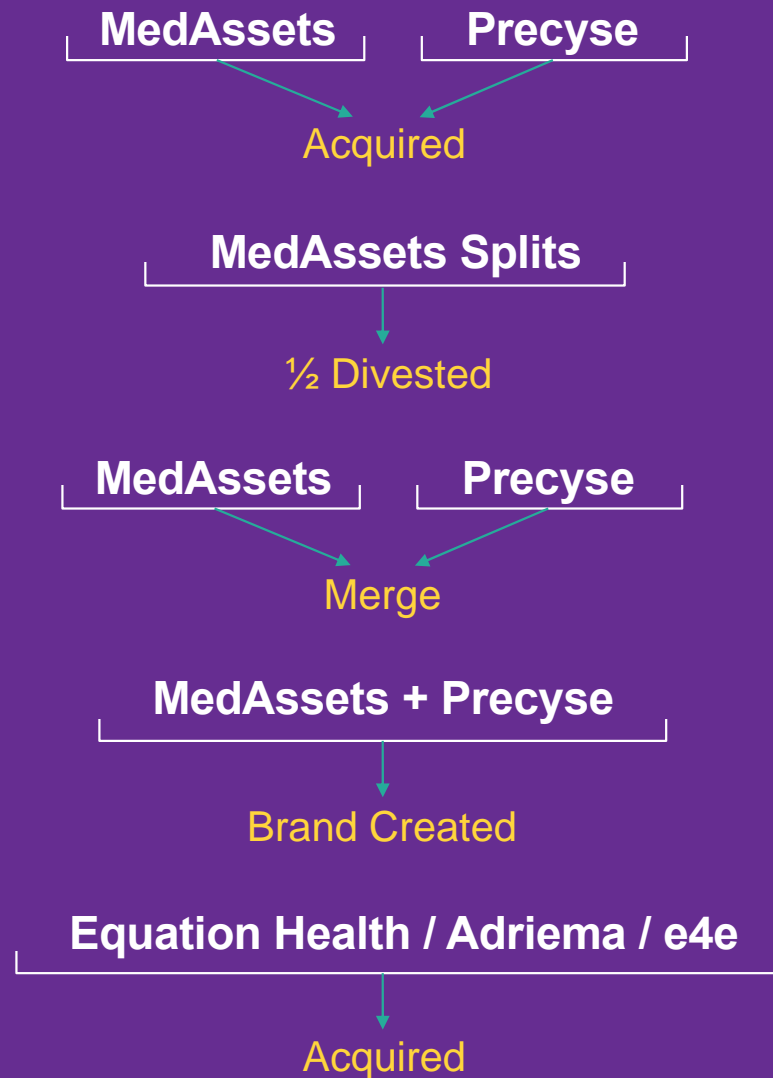
# Leveraging Patient Segmentation to Meet Patients Where They Are

Chad Peters, Vice President, Advisory Services, nThrive



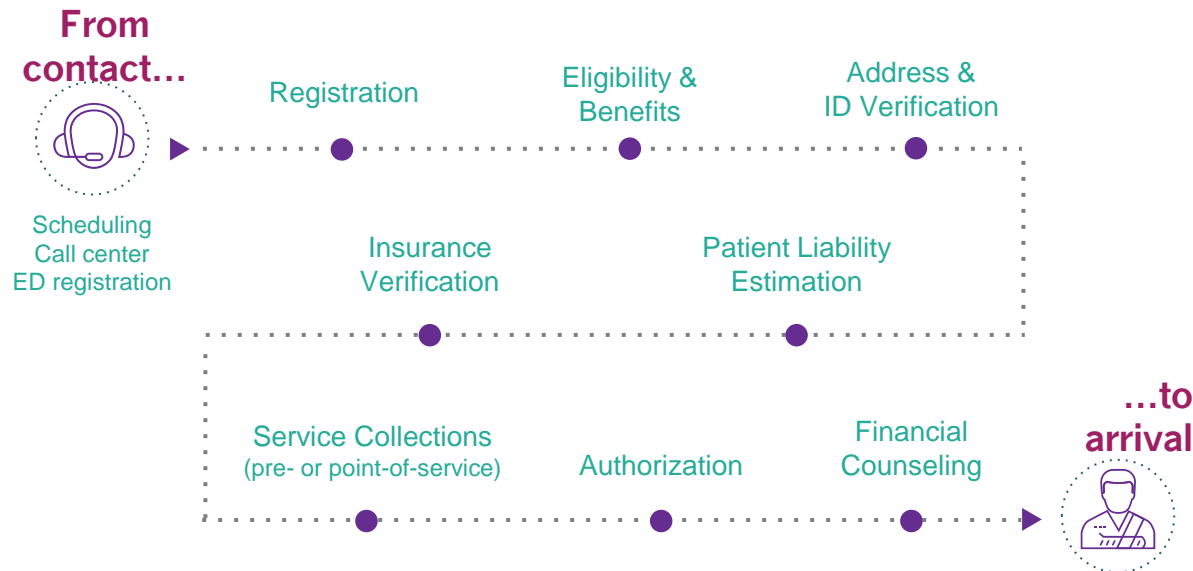


## The Situation



# What is Patient Access?

## Patient Access is the start of the Revenue Cycle value chain



What are the aims of a **successful patient access** program?

Patients are scheduled with the right provider at the right time

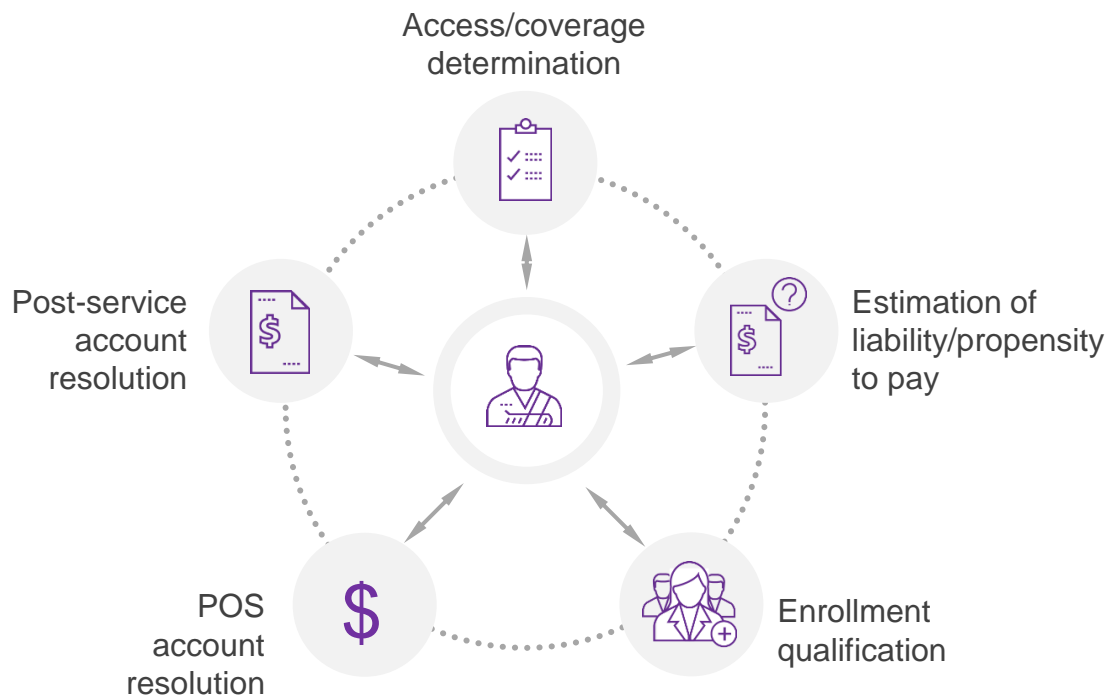
Patients are financially cleared prior to arrival

Patients understand their liability and have an opportunity to pay

Patients receive the support that they want and need on their journey

# Patient Perspective of Patient Access

Each area of  
interaction impacts  
what the patient will  
or will not receive  
as a liability



# Which trends align with Patient Liability?



## Complex Reimbursement landscape

Fate of health reform and alternative payment methods



## Increase in Patient Responsibility

Shift of the cost burden from payors and employers to patients



## Rise in Health Consumerism

Rising patient expectations for customer services in healthcare



## Rise in cost and utilization

Innovations, technology, pharma and increased utilization (aging population) drive the cost to deliver and cost to collect

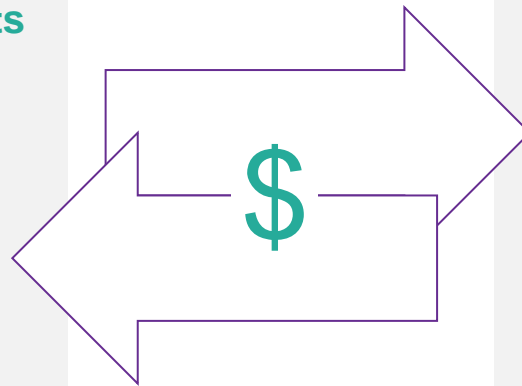
If common goods increased at the same inflationary rates as healthcare costs, one dozen eggs would cost about \$55

# What is Patient Liability?

**Patient Liability is the amount owed by the patient for services rendered due to a shift in the cost burden from payor to patient or to a lack of insurance**

Patient Liability **impacts both the insured, underinsured, and uninsured** and can take a variety of forms

- “True Self-Pay”
- Coinsurance
- Deductible
- Co-Pay

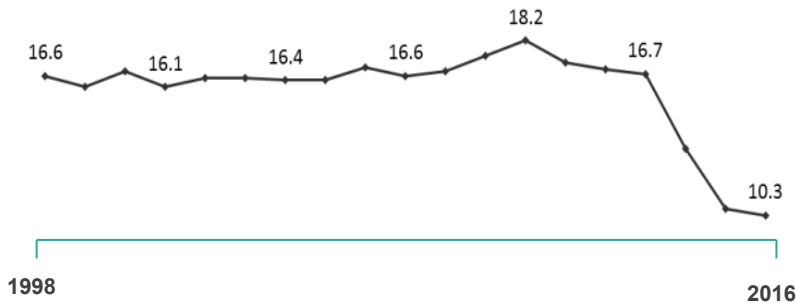


**Other Words for Patient Liability**

- Self-Pay
- Self-Pay After Insurance
- Patient Responsibility
- Patient Portion
- Cost Sharing
- Point-of-Service Collections
- “What I Owe”

# What is Patient Liability?

A conversational history



The Affordable Care Act (ACA) expanded coverage to millions of previously uninsured people through the expansion of Medicaid and the establishment of Health Insurance Marketplaces.

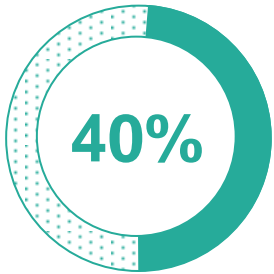
**People are insured—that's a good thing right?**

Of course, but with some complexity. Let's think about the old approach—patients or consumers shared the burden of insurance premiums with their employers, with the employer bearing most of the cost.

# What is Patient Liability?

A conversational history

## Which brings us to today...



of American adults have a High Deductible Health Plan<sup>1</sup>

## What is a high-deductible health plan?

To put it in perspective, a high-deductible health plan is any plan where the patient is **responsible for at least \$1,350 as an individual or \$2,700 as a family**

And it's not just for the newly insured, the market saw a **3.2% increase in the number of high-deductible health plans offered by an employer**



# How does Patient Liability impact our the market?



## Changing Payor Mix

**“Self Pay”** is now the 3<sup>rd</sup> largest payer behind Medicare & Medicaid<sup>1</sup>

**30% of hospital revenue** now comes from patients<sup>2</sup>

**Patient liabilities are more complicated**—no longer just co-pays—and include cost sharing arrangements like coinsurance and deductibles



## Increased Bad Debt

**>80% of self-pay bills and 50% of patient responsibilities** after insurance end up as bad debt<sup>3</sup>

A recent AHA survey indicates **uncompensated care is a \$35.7B industry problem**<sup>4</sup>

**25% of insured adults** (31 million people) are considered under-insured and lack the ability to fund their care <sup>5</sup>



## Increased Cost-to-Collect

**Patient payments require more** resources to collect downstream

Providers can only **expect to collect 50-70%** of a balance after a patient visit<sup>6</sup>

From patients with high-deductible plans, **providers are collecting about \$0.18 to \$0.34 on the dollar**<sup>7</sup>

# Who pays the bill?

## Won't insurance pay the bill?

**Medicare** pays an average of 20-40¢ on the dollar

- That means for an office visit of \$100, a doctor/hospital will be reimbursed \$20-40.
- With all the costs incurred (supplies, salaries, etc.) do you think a hospital makes money treating Medicare patients?

**Managed Care** pays an average of 50-80¢ on the dollar

- That means for an office visit of \$100, a doctor/hospital will be reimbursed \$50-80.
- With all the costs incurred (supplies, salaries, etc.) do you think a hospital makes money treating Medicaid patients?

**Medicaid** pays an average of 10-30¢ on the dollar

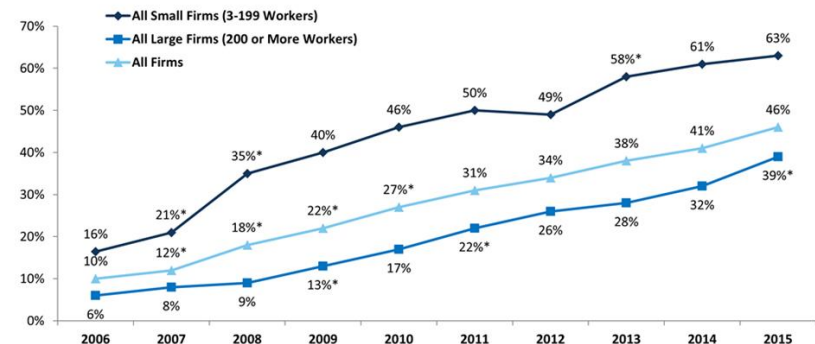
- That means for an office visit of \$100, a doctor/hospital will be reimbursed \$10-30.
- With all the costs incurred (supplies, salaries, etc.) do you think a hospital makes money treating Medicaid patients?

**Patient Cash** varies from 0-30% of charges

- Contractually, insurance companies shift reimbursement (to hospitals) from themselves to the patients.
- Hospital rely on these "Patient Liabilities" to maintain their mission statements (Providing care to the communities, etc.) and in some cases, to keep their doors open.
- This amount is rising as high deductible plans become more prevalent

**Exhibit G:**

**Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$1,000 or More for Single Coverage, By Firm Size, 2006-2015**



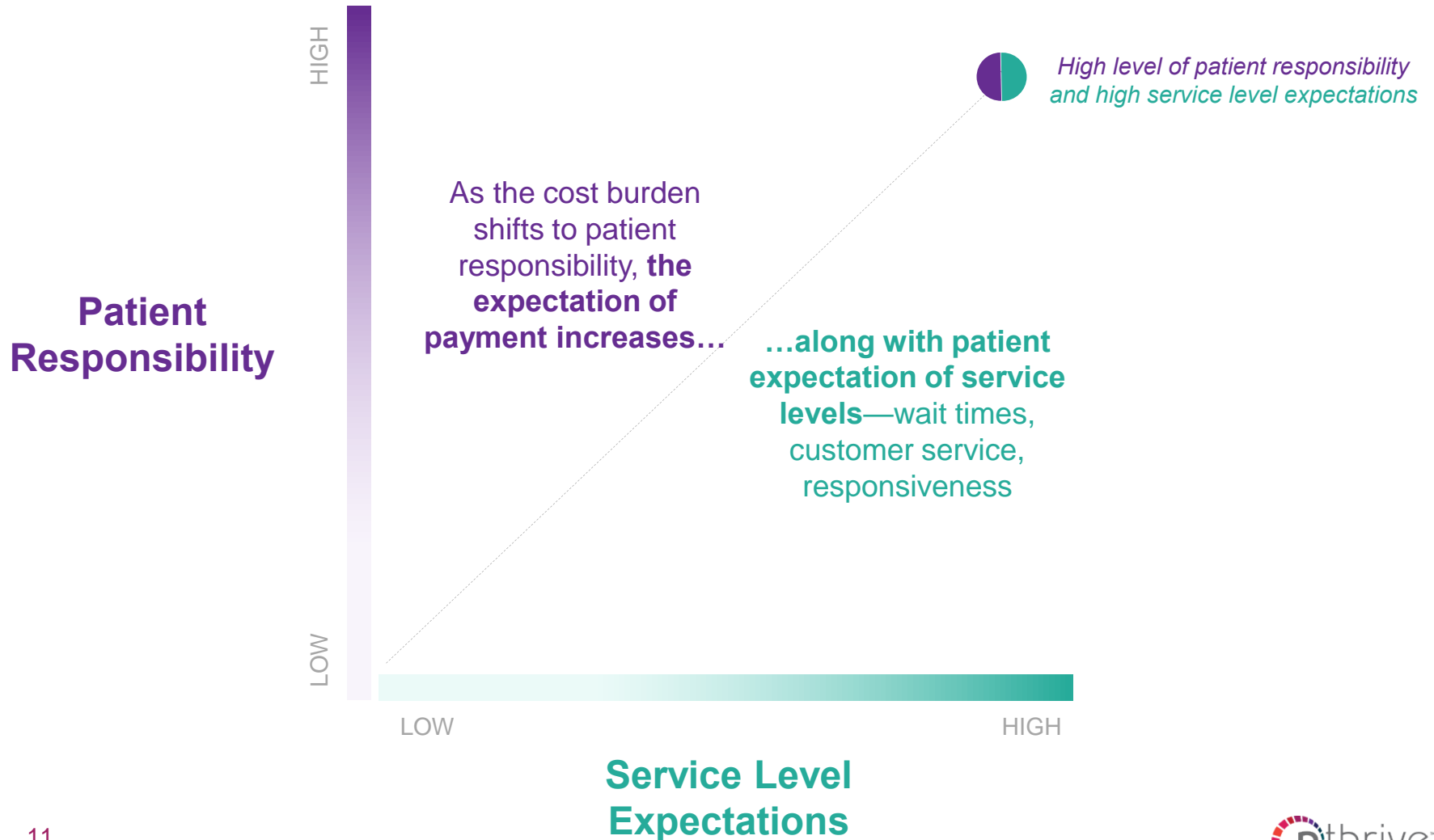
\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2015.

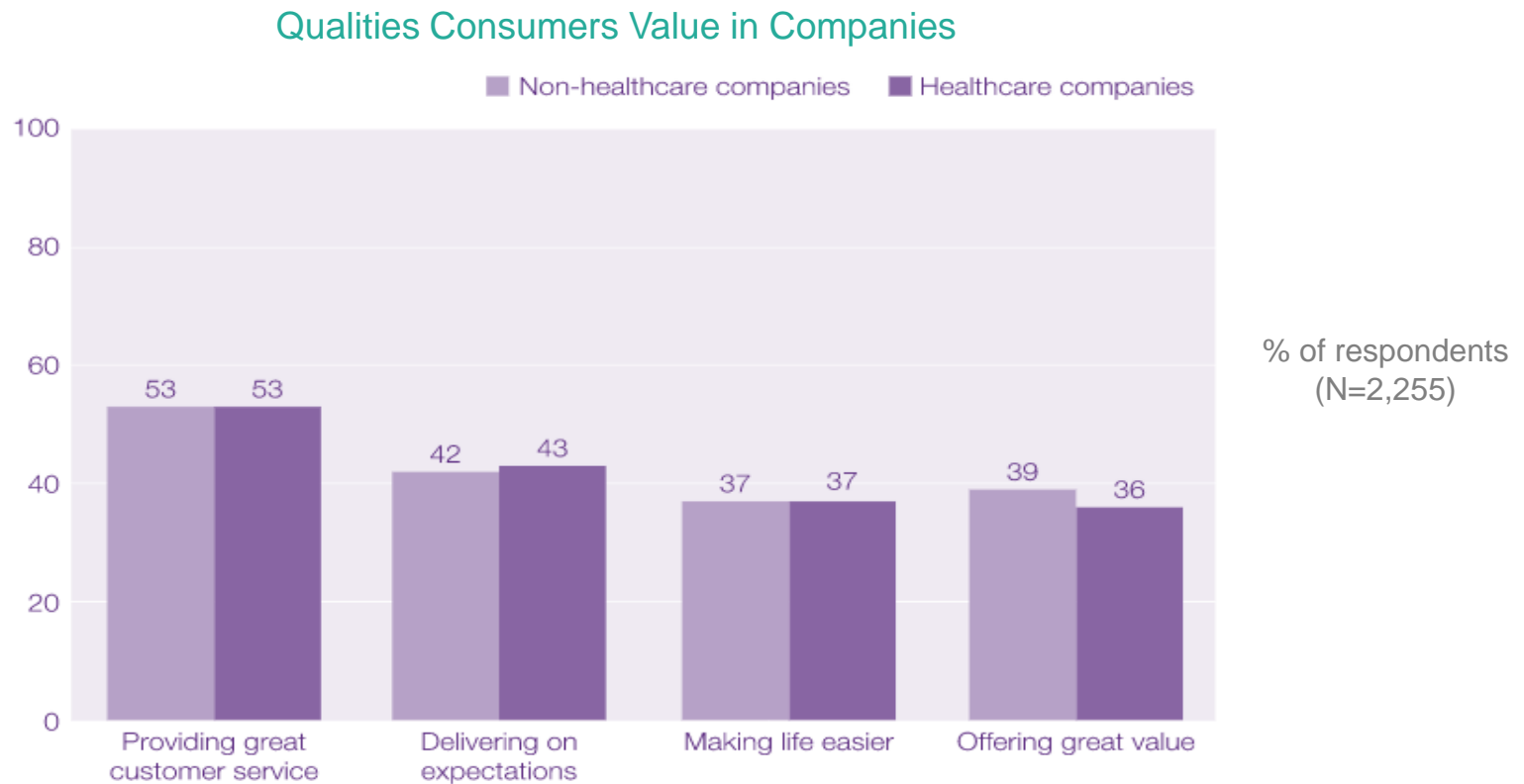


# Symbiotic relationship between patient liability and service level expectations



# Qualities Consumers Value in Companies

**A McKinsey study found that health care consumers and non-health care consumers are aligned on performance expectations**



# Patient Segmentation Today

Patient schedules  
appointment



## FINANCIAL CLEARANCE

Verifies insurance coverage, checks eligibility/benefits for scheduled service, obtains authorization and estimates patient liability

## Opportunity to optimize workflow and patient experience

### No Insurance

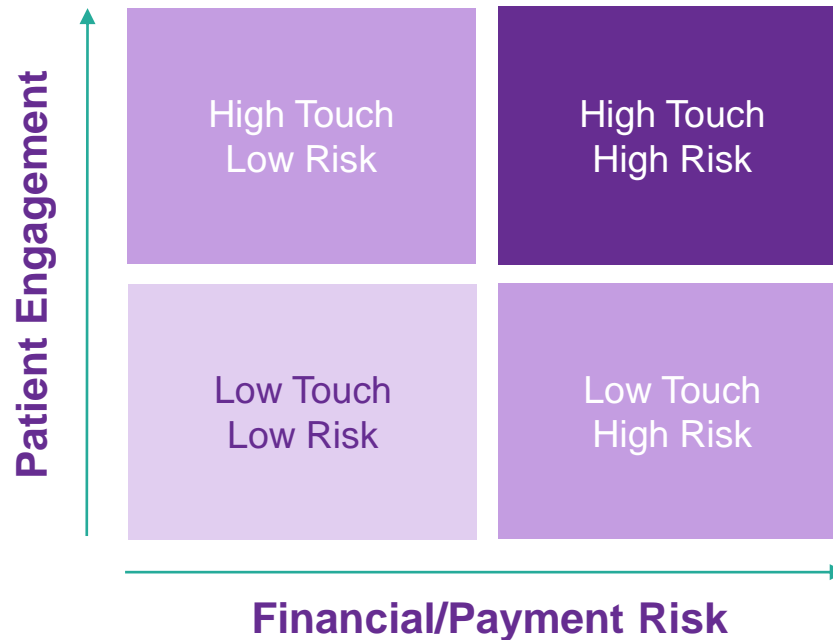
Financial counseling if coverage is not provided by patient OR if insurance cannot be verified

### Insurance

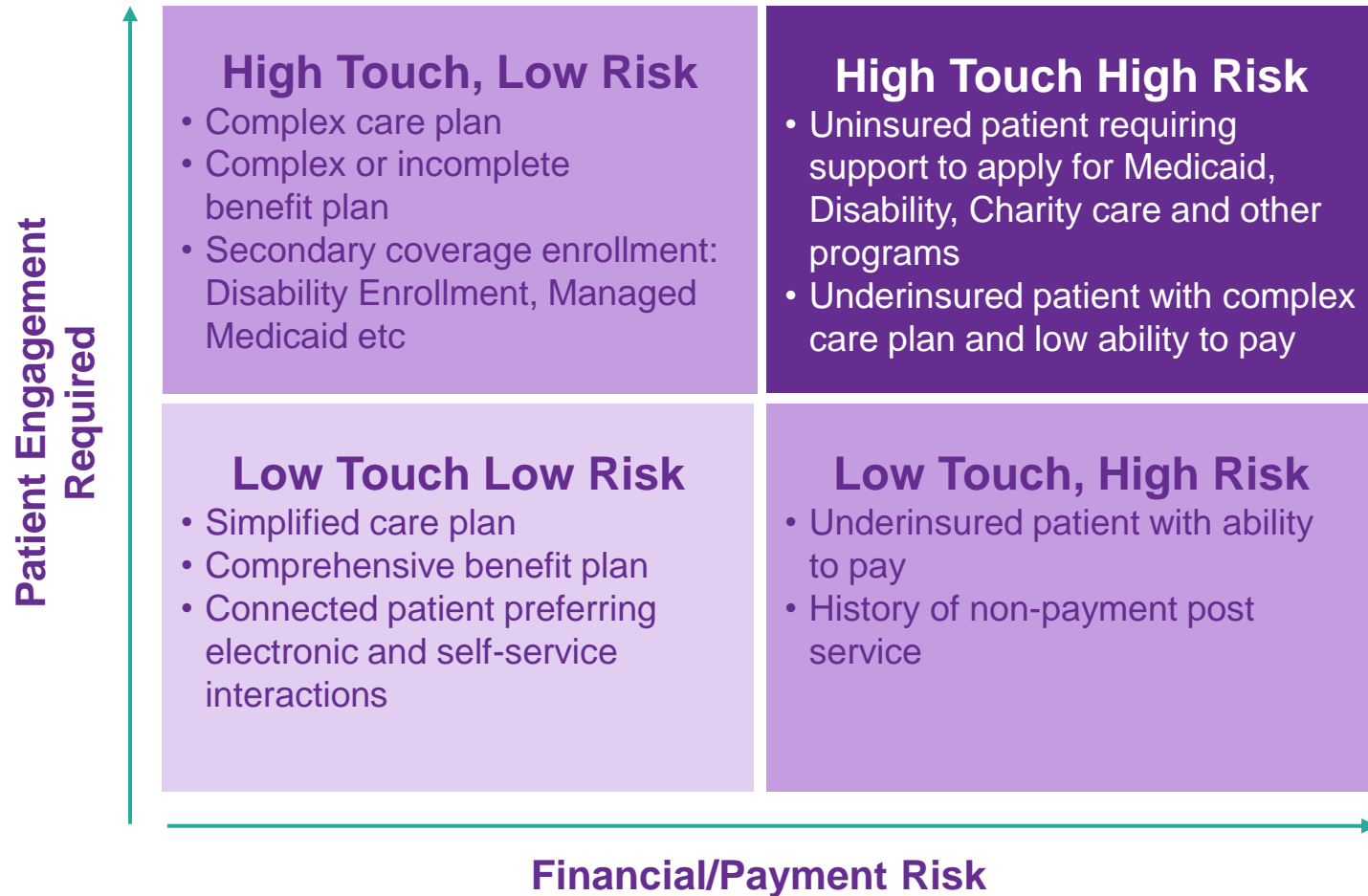
Patient pays co-pay at POS or payment plan, charity care, or other plans are created

# Consumer-Driven Patient Segmentation

The new age of patient access requires strategies that **address the patient as an individual consumer**



# Patient Engagement in the Revenue Cycle

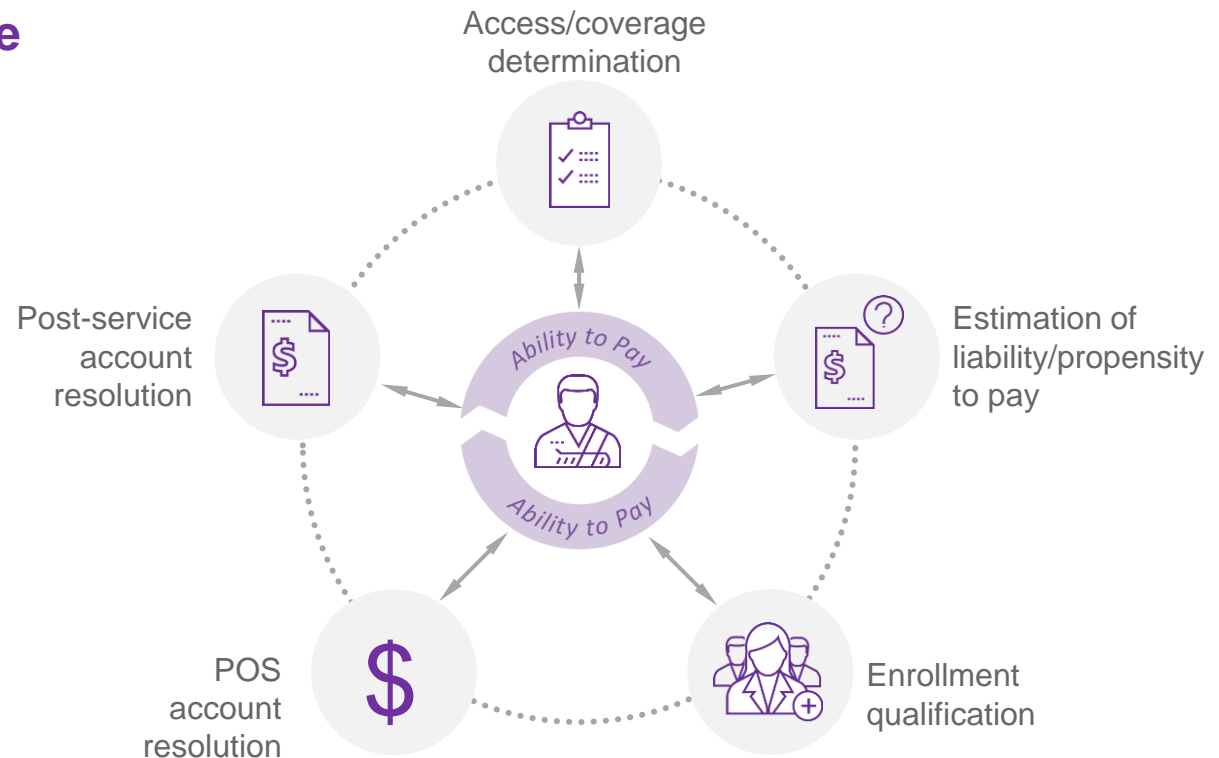


# Connecting the Patient Revenue Cycle

 **Patient Experience**

 **Cash Collections**

 **Productivity**





# Reduce Cost by Investing in Advanced Segmentation



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**Reduce employee turnover** through alignment and training of colleagues



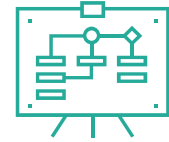
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**Reduce financial risk** by addressing liabilities before they become resource-intensive to collect



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**Defer low-touch patients** to automatic/digital channels



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**Utilize high-cost resources** effectively through deployment of scheduling algorithms

# Contributors to Success

Service Attribute	Impact
 <b>Singular focus on helping with bills and insurance</b>	Extends capabilities of your staff – does not duplicate efforts
 <b>Proactive service to review all bills and insurance statements</b>	Improves the patient experience, increases and accelerates collections
 <b>Service covers ALL bills, including outside physicians, labs, and pharmacies</b>	Patients appreciate the comprehensive service Improves physician relationships, as benefits extend to their practices
 <b>Utilizes technology and patient portal</b>	Create transparency and ease of communication with patients
 <b>Independence</b>	Patients trust their advocates, which increases satisfaction and enables collection

## Measuring Success

#	DOMAIN	AccessKey (KPI)	EQUATION	GOOD Benchmark	BETTER Benchmark	BEST Benchmark
				Early Implementation Phase or Manual Process	Middle Implementation Phase or Semi-Auto Process	Mature Implementation Phase or Auto Process
				Implementation Phases reflect the resources a hospital has dedicated to Patient Access, including staff, technology, commitment from senior leadership, effective policies, training programs, and community adoption.		
1	Collections	POS Collections to Revenue	$\frac{\text{POS Collections}}{\text{Net Patient Service Revenue}}$	1.0%	1.5%	2.0%
2	Collections	POS Collections to Total Patient Collections (MapKey modified)	$\frac{\text{POS Collections}}{\text{Total Patient Collections}}$	30%	40%	50%
3	Collections	POS Collection Opportunity Rate	$\frac{\text{POS Collections}}{\text{POS Estimations}}$	30%	45%	60%
4	Collections	Total POS Dollars Collected	$\frac{\text{Total Dollars Collected}}{(\leq \text{Discharge Date})}$	N/A	N/A	N/A
5	Collections	POS Collected Accounts Rate	$\frac{\text{Accounts Collected}}{\text{Total Registrations}^*}$	20%	40%	60%
6	Conversions	Conversion Rate of Uninsured Patients (MapKey modified)	$\frac{\text{Uninsured Patients Converted}}{\text{Total Uninsured Patients}}$	30%	60%	90%
7	Patient Experience	Average Wait Time	$\frac{\text{Total Minutes Spent Waiting}}{\text{Total Registrations}}$	15 mins	10 mins	5 mins
8	Patient Experience	Patient Access Satisfaction Rate	$\frac{\text{Total Survey Scores}}{\text{Surveys Completed}}$	3.5 to 3.9	4 to 4.5	>4.5
9	Critical Process	Service Authorization Rate (MapKey modified)	$\frac{\text{Authorizations Obtained}}{\text{Authorizations Required}}$	50%	70%	90%
10	Critical Process	Insurance Resolution Rate	$\frac{\text{Insurance Failures Resolved}}{\text{Insurance Failures Identified}}$	50%	70%	90%
11	Critical Process	Necessity Resolution Rate	$\frac{\text{Necessity Failures Resolved}}{\text{Necessity Failures Identified}}$	50%	70%	90%
12	Critical Process	Quality Resolution Rate	$\frac{\text{Quality Failures Resolved}}{\text{Quality Failures Identified}}$	50%	70%	90%
13	Critical Process	Address Resolution Rate	$\frac{\text{Address Failures Resolved}}{\text{Address Failures Identified}}$	N/A	N/A	98%
13a	Critical Process	Return Mail Rate	$\frac{\text{Returned Mail Count}}{\text{Mailings (final bill only)}}$	2%	1.5%	N/A
14	Productivity	Insurance Verification Rate (MapKey adopted)	$\frac{\text{Verified Registrations}}{\text{Total Registrations}}$	80%	90%	98%
15	Productivity	Scheduled Patient Rate	$\frac{\text{Scheduled Patients}}{\text{Expected Registrations}}$	40%	60%	80%
16	Productivity	Pre-Registration Rate (MapKey modified)	$\frac{\text{Pre-Registrations Initiated}}{\text{Scheduled Patients}}$	80%	90%	95%
17	Productivity	Pre-Registration Completion Rate	$\frac{\text{Pre-Registrations Completed}}{\text{Pre-Registrations Initiated}}$	80%	90%	95%
18	Productivity	Average Registration Time	$\frac{\text{Total Minutes in Registration}}{\text{Total Registrations}}$	10 Mins	7 Mins	5 Mins
19	Productivity	Average Registrations Per Person Per Day (PPPD)	$\frac{\text{Total Registrations}}{\text{FTE's Registering}}$	40	60	80
20	Productivity	Cost Per Registration	$\frac{\text{Labor Cost of PA\$}}{\text{Total Registrations}}$	See NAHAM Time and FTE Calculator		
21	Quality	Registration Accuracy Rate	$\frac{\text{Error-Free Registrations at POS}}{\text{Total Registrations}}$	80%	85%	90%
22	Quality	Final Accuracy Rate	$\frac{\text{Error-Free Registrations at Billing}}{\text{Total Registrations}}$	90%	95%	98%
* Total Registrations figure excludes LWBS (left without being seen), reference labs and newborns				Benchmarks updated for AccessKeys 2.0 are in Red		
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# QUESTIONS

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