

A WHITE PAPER

# How to Insulate Patients & Staff from Healthcare's Financial Complexities





## Healthcare in the United States is among the most complex industries in the entire world.

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Healthcare in the United States.....	03
Dissecting the Layers of Healthcare Finance Complexity .....	04
Multiple Layers of Complexity for Billing Agents .....	04
How These Complexities Affect Patients and Payments .....	05
What It Means for Patient Payments & the Revenue Cycle .....	06

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## Implementing a System that Insulates Patients from Financial Complexity

08

Leverage Integrated Cloud-Based Customer Service Technology .....	08
A Patient Portal Designed to Simplify Healthcare Finances .....	09
Make Financial Simplicity an Organizational Priority .....	10



# Healthcare in the United States is among the most complex industries in the entire world.

The major stakeholders—patients, providers and payers—often have opposing goals and expectations. Combined with changing regulations, increasing consumer demands, and slow adoption of data standards, managing financial complexities has become one of the greatest challenges in healthcare administration today.

Although CFOs and other financial leaders of healthcare make valiant efforts to deal with these proliferating challenges, they're not always successful. Patients have an even bigger challenge trying to navigate the complexities of the healthcare revenue cycle. After receiving care, patients are confronted with multiple bills, codes and copays that they do not understand. Their primary means of clarification are customer service agents who are at the mercy of outdated, inefficient health information systems (HIS).

Everyone loses in this paradigm—but healthcare providers lose most of all. With the rising prevalence of high deductible health plans (HDHPs), the corresponding revenue from patient balances has become increasingly important and difficult to collect. In 2018, 93 percent of patients received a healthcare bill that was higher than expected, and 70 percent found their medical bills to be confusing.<sup>1</sup> As only 50 percent of patients pay their bills after an overly negative billing experience,<sup>2</sup> customer service agents play a more critical role than ever. However, customer service agents have one of the highest turnover rates—up to 20 percent—making it even more challenging for a healthcare provider to deliver a high level of service.<sup>3</sup> In the end, the provider is forced to absorb mounting uncompensated care while investing in recruitment and training for new customer service agents.

1. <https://www.healthleadersmedia.com/finance/77-providers-say-collecting-any-payment-takes-more-month> 2. <https://patientengagementthit.com/news/how-patient-experience-in-billing-offices-impacts-patient-payments> 3. <https://business.dailypay.com/blog/employee-turnover-rates-in-the-healthcare-industry>

# Dissecting the Layers of Healthcare Finance Complexity

Every health system and hospital is different, but complexity in healthcare finance is nearly universal. Here is a profile of an actual customer whose financial system inevitably creates financial complexities for patients and customer service agents.

## Medium-Sized Regional Healthcare Provider

Hospital, clinics and laboratories

- *Each entity uses different accounting systems*
- *Parts of the organization operate as separate legal entities, including for-profit and non-profit groups*
- *Monies must be routed to separate bank accounts*

The fiscal structure of this provider is somewhat unique, but the resulting complications are highly relatable; a single episode of care can result in a series of complex financial transactions. For a guarantor, that complexity is multiplied by the number of dependents who receive care.

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## Multiple Layers of Complexity for Billing Agents

From the patient's perspective, he or she has received care from a single healthcare provider. Receiving separate bills for facilities, doctors, and labs—instead of one bill from the provider—is inherently confusing. For the customer service agent who is tasked with clarifying the guarantor's financial obligations and processing payments, the situation is even more complex, involving multifaceted layers of variables:

### Facility Types and Accounting Systems

- *Hospital, physician and lab, each with their own PAS and EHR*

### Finance Operational Restrictions

- *Keeping monies separate for separate legal entities*

### Dependents

- *Multiple family members receiving multiple bills*

The agent may need to log into, navigate, and make sense of multiple systems for each episode of care. If they can find enough information to motivate the patient to make payments, the agent may then need to use a host of applications to ensure that the monies are routed through the correct merchant account for each legal entity and that payments are routed to the correct accounting system. The agent may then need to repeat the process for every dependent covered by the guarantor.

In addition to multiple HIS/PMS, agents must also be trained on various:

- *Merchant processors*
- *Payment plan policies*
- *Propensity to pay / charity protocols*
- *Patient portals*
- *Estimator tools*
- *Statement types*

Training to master all of these different systems and protocols is difficult and time consuming, especially when the software is outdated and user unfriendly. Considering the high turnover for customer service agents in healthcare and the resulting lack of experience, human error is a prevalent issue. With the amount of time and effort it takes for an agent to field a single billing inquiry, exceptional customer service is nearly impossible to provide in any volume without significantly increasing personnel costs. With the growing prevalence of high-deductible plans and copayments, providing a personal, informative financial experience is critical for sustaining revenue.

## How These Complexities Affect Patients and Payments

The financial aspects of healthcare are opaque to patients. In no other industry is it common for a consumer to have only a rough estimate of the potential cost of a service, little if any explanation of price adjustments after service, and no understanding of how the total costs are divided and tallied for payment. The confusion is compounded by the complexities of insurance and the opposing goals of providers and payers.

Visiting a hospital's website for information may not be very helpful to a patient either. Often the patient is faced with the challenge of selecting the correct payment link depending on what type of bill it is—"If your bill look like this, click here"—which is an ambiguous and frustrating experience. Obtaining clarity about financial obligations for a single episode of care can require multiple calls to different departments of the same hospital—which means multiple rounds of waiting on hold and chances to be disconnected. Different bills may require different payment methods and each entity may have starkly contrasting terms and conditions for payment plans. If the patient wishes to pay online, he or she will have to navigate multiple payment portals, most of which are slow, error prone and confusing. If the patient is a guarantor, the difficulties and complexities will multiply by every dependent.



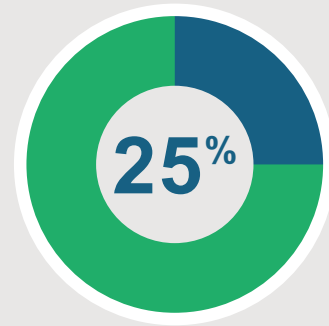
4. <https://healthcareinamerica.us/medical-billing-errors-are-seriously-hurting-healthcare-67d134441adc>

## What It Means for Patient Payments & the Revenue Cycle

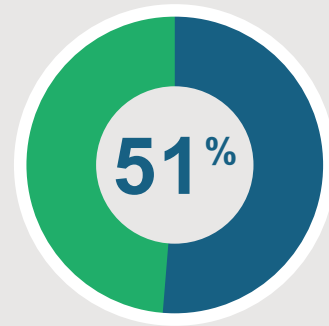
This leads many patients to avoid treatment in the first place or to refuse to pay for services rendered. Considering that 25 percent of patients are confused by billing details as fundamental as their Explanation of Benefits (EOB),<sup>5</sup> significant patient dissatisfaction with billing is essentially guaranteed. Those dissatisfied patients can do more financial harm to providers than simply adding to bad debt through uncompensated care.

An overly complicated financial experience cuts into patient retention. 51 percent of patients would leave a provider for better customer service regardless of the quality of care.<sup>6</sup> People are 52 percent more likely to share negative reviews online than positive reviews, and online reviews have a tremendous impact on patient acquisition. 77 percent of patients consult user review sites such as *Healthgrades.com* before selecting a physician.<sup>7</sup> As each patient represents more than \$200,000 in lifetime revenue, the costs of exposing patients to the complexities of healthcare finance are immense.<sup>8</sup>

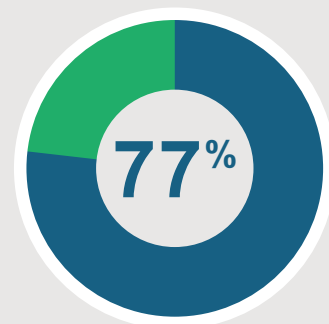
5. <https://www.waystar.com/news/waystar-releases-second-annual-patient-payment-check-up-survey/> 6. [https://www.accenture.com/t20160322To34105Z\\_w\\_/us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy\\_7/Accenture-Strategy-Patient-Engagement-Consumer-Loyalty.pdf#zoom=50](https://www.accenture.com/t20160322To34105Z_w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_7/Accenture-Strategy-Patient-Engagement-Consumer-Loyalty.pdf#zoom=50) 7. [http://www.connance.com/wp-content/uploads/6-Connance\\_Consumer\\_Impact\\_Study\\_on\\_12-1-14\\_FINAL.pdf](http://www.connance.com/wp-content/uploads/6-Connance_Consumer_Impact_Study_on_12-1-14_FINAL.pdf) 8. <https://www.patientco.com/resources/rewarding-patient-loyalty/>



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*“If patients don’t have a great experience and they won’t recommend us to family and friends, we won’t see the volumes that we need in both our inpatient & outpatient settings.”*

**Jerry Mansfield, PhD, RN,**

Executive chief nursing officer and chief patient experience officer, MUSC Health



# Implementing a System that Insulates Patients from Financial Complexity

## Leverage Integrated Cloud-Based Customer Service Technology

Hospitals report that the top three opportunities to improve patient billing satisfaction are simplified bills that present the total balance, a greater variety of choices for payment plans, and accessible online portals.<sup>9</sup> But due to the structural, regulatory and technological intricacies in our healthcare system, these goals for a streamlined financial experience have been difficult to accomplish.

A provider's HIS is one of the primary causes of billing complexity. They are often built on outdated, inefficient legacy platforms that are too expensive to fully replace or meaningfully upgrade with backend integrations.

The Sirono Patient Receivables Suite eliminates layers of complexity to provide a simplified

patient billing experience. Guarantors are sent one statement, aggregating services and transactions across departments and dependents. Customer service agents are also provided with this same aggregated view of the Guarantor's obligations. After logging into one system, all patient financial information is instantly retrieved and aggregated onto a single pane of glass. With just a few clicks, an agent can see a guarantor's and dependents' total balances across hospitals, clinics, physicians, labs, episodes of care, and time. The agent has total control over billing activities, and can select any individual bill and payment method for any specific guarantor. Agents are also able to create a variety of payment plans within organization-approved guidelines to cover a family's entire financial obligations. All payments are then automatically divided and routed to the correct merchant accounts. Finally, all accounting systems are updated automatically with the appropriate transaction postings.

9. <https://www.waystar.com/news/waystar-releases-second-annual-patient-payment-check-up-survey/>

With this cloud-based customer service solution, providers can seize their primary opportunities to improve patient billing satisfaction while reducing customer service agent workloads. Agents using the Sirono Patient Receivables Suite can offer timely, personal and informative service, which increases patient loyalty alongside patient payments. They can also take more calls, which enables a higher volume of payment collection per employee.

From a call center administration standpoint, the need to train customer service agents to master multiple systems is eliminated. As the complexity of the agent's job is greatly reduced, it becomes far easier and more cost-effective to find, train and retain employees.

## A Patient Portal Designed to Simplify Healthcare Finances

Streamlining the work of customer service agents is the core of a simplified financial process. When combined with a solution that lets patients help themselves, the complexities of healthcare finances and agent workloads are reduced to the greatest extent possible. The difficulty is that typical patient portals are siloed by facility and based on outdated, inefficient legacy health information systems. Supporting multiple outmoded portals means fielding more support calls from confused patients.

The cloud-based Sirono Patient Financial Portal uses the same seamless front-end integration as the Sirono Patient Receivables Suite, but packages it in an intuitive, consumer-centric interface that patients are accustomed to from online banking. Like the Sirono Patient Receivables Suite, the Sirono Patient Financial Portal aggregates all guarantor and dependent information onto a single screen across hospitals, clinics, physicians, services

and time. The Sirono Patient Financial Portal offers a unified experience inside one portal with only one button to click in order to pay multiple bills. Payments and payment plans are made in seconds, and all payments are automatically divided and routed to the appropriate merchant accounts behind the scenes.

Compare the act of logging into a single easy-to-use portal and making one lump payment in a matter of moments to opening multiple paper bills, making numerous phone inquiries and completing multiple payments by mail, telephone or portals. That difference in customer service is what makes a simplified financial experience a tremendous competitive advantage.

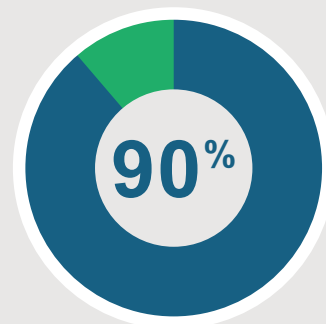




## Make Financial Simplicity an Organizational Priority

The easier it is for patients to understand their obligations and to take action, the more likely they will be to pay their bills on time and in full. If healthcare organizations prioritize financial simplicity, not only will patient payments increase, but patient retention and acquisition will grow as well. When satisfied with the financial experience, more than 90 percent of patients would choose the same hospital for non-urgent care in the future.<sup>10</sup> If the Guarantor has other dependents, they would naturally be inclined to choose the same provider for their dependents.

Further, healthcare organizations can reduce operational costs while improving customer satisfaction, which are key advantages in an ever increasingly competitive landscape. Sirono's cloud-based customer service solutions offer a simplified path to a streamlined patient financial experience.



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<sup>10</sup>. <https://www.waystar.com/news/waystar-releases-second-annual-patient-payment-check-up-survey/>