
The Author of "The Healthcare Revolution: The Patient is the New Payer" explores the unprecedented financial challenges faced by patients and their effects on patient behavior and provider financial performance, with some encouraging news for the providers that step up to the challenge.

LAFAYETTE, Calif. (PRWEB) January 08, 2019 -- The relationship between patients and their caregivers can be described as a kind of partnership. The implicit terms of this partnership hold that physicians will exercise their and their partners’ expertise to correctly diagnose a condition and administer the most effective treatment to restore the patient to improved health.

For their role in the partnership, the patient will engage fully with their caregiver, disclosing all information pertinent to their condition and actively participating in the treatment even when difficult or inconvenient. In this partnership, patient engagement is essential to ensure that patients understand what is expected of them and why. The successful outcome of a course of treatment, therefore, depends on the success of the partnership. The partnership depends on a high level of patient engagement.

Patient Engagement has become a high priority for many healthcare providers. The concept has received a more intense attention in recent years and for good reason. Engaged patients are more likely to pursue care when they need it. They’re more likely to follow treatment guidance. They’ll have better experiences. They’re happier, healthier and much more likely to refer their friends and family. They also are a lot more likely to pay their bills.

Holistic patient engagement is easily disrupted in today’s healthcare environment. Why? Because one of the most influential components in any patient’s experience is not included in patient engagement initiatives. The financial element. Until that deficiency is cured, meaningful patient engagement is destined for failure. A provider can do the best job at making a patient well, and an unexplained bill can disrupt the patient experience – the first and last impression a patient has with any provider surrounds billing.

The cost of care impacts every stakeholder in the cycle of care. Until it is dealt with, comprehensive patient engagement can’t be achieved. The strategic partnership between healthcare provider and patient can never be fully realized. There are many reasons for the deficiency, but we believe they can be overcome, and that true, holistic patient engagement is not only possible, it’s imperative.

Recently, Loyale Healthcare leaders got together with Jonathan Wiik, Principal of Healthcare Strategy for TransUnion Healthcare Services. Jonathan authored the book; Healthcare Revolution: The Patient is the New Payer. It is the definitive guide to the industry’s increasing dependence on patients as a principle source of revenue. Mr. Wiik is a sought-after authority on the growing importance of patients in healthcare revenue cycle management and has a uniquely well-informed perspective on the obstacles to patient financial engagement and the opportunities that exist for those who overcome them.

Loyale: Jonathan, your book offers a wonderfully well researched explanation for how we got where we are
today. Patient responsibility represents about 30% of the bill right now, and that larger financial burden is having a big impact on patient behavior and provider financial performance. We believe that the time has come for providers to develop a strategic relationship with their patients. One that engages patients in more than their clinical care. Does that resonate with you?

JW: Yes it does, though many don’t consider their patients as payers or strategic partners. 10-15 years ago, patients were passive consumers, in large part because they weren’t responsible for such a large portion of the bill. Now, they’re spending close to $20,000 a year if they are insured. That includes premiums, deductibles, co-pays and their portion of actual medical bills. And deductibles have quadrupled in the last year. If a hospital were to look at their accounts receivable – especially in January when calendar-year deductibles are reset – it would be clear that their top three payer-reimbursement sources are Medicare, Medicaid and patients.

I think patients are clinically engaged to the extent that they’re listening to the physician and caregivers as they should, but getting patients financially engaged in their healthcare is extremely important. It can be difficult to introduce financial conversations into clinical scenarios, but the stakes are too high for both providers and patients for it to remain an afterthought.

Loyale: Now that patients are footing so much more of the bill, would you say they’re becoming more active consumers of healthcare?

JW: I think you’re starting to see more momentum now than you have in the last 50-years. I just read a study yesterday that talked about how patients are starting to shop. The number of shoppers is still low. It’s in the 20 to 30% range now, but about three years ago it was 10%. That tells me that patients want to know their costs, as it’s their money. You’re also starting to see it legislatively with pushes for price transparency. CMS has rule 1694, which clarifies transparency rules for hospitals, outlining that they must “make public a list of their standard charges via the Internet, in a machine-readable format, updated at least annually, or more often as appropriate”. These rules at the federal and state level will drive transparency, but still have a long road to get to articulate true out of pocket costs for patients.

Loyale: How are patients incorporating financial considerations when they choose a provider?

JW: From a patient experience standpoint, it’s possible to separate the good organizations from the bad very quickly. Those providers that have a positive billing experience; that are engaging the patient, sharing costs, understanding what the funding mechanism is going to be; being flexible with their payment options and tailoring to the patient are going to do better by the patient. The patient will actually have better outcomes because they’re not worried about paying, they’re only worried about getting better.

Patients have a choice and a lot of their wallet is funding it. Providers need to provide this information proactively to their patients, engaging them early, so they can enhance the patient experience and also protect their earned revenue. If their experience doesn’t go well, it’s just like you went to a bad restaurant or bought a bad car or the wrong TV. You’ll start going somewhere else – voting with your legs, right? And you’ll tell your friends and family. That’s the number one way healthcare providers are chosen. It’s not the Internet. A lot of people think it is, but it’s “Hey man, my back’s been bothering me. Where’d you go for yours?”

Loyale: A lot of the conversation around patient financial engagement has to do with price transparency, upfront before care is delivered. But that’s a lot more complicated in healthcare than it is at the auto dealership or home electronics store. How do you get around that?
JW: I think there’s an assumption among patients that everything costs the same regardless of where you get it, and that’s not true. Emergency room costs are 10X that of a physician clinic, if not 100X depending on what you’re getting and get admitted. There are challenges and barriers, but I’ve seen some very innovative health systems start to educate their consumers and being more transparent.

It’s like restaurants or hotels, where we can turn to Yelp or TripAdvisor where we’re familiar with those dollar signs. You see a four, and you know they’re going to have a table crumber, and silverware you don’t know how to use. One to two dollar signs might be a place that is more affordable, where you can see the prices on the menu, and not have to worry about how or when you’re going to pay.

You could take that analogy and apply it, right? In an emergency room or in-patient, you’d probably see 4- to 5-dollar signs. At a doctor’s office you might see 1. This is information people could actually use to inform better decisions. How do we position this best for the consumer, operationally and legislatively? Most legislation proposes or mandates rules surrounding transparency but they all hinge on posting prices. Anybody that has worked in the industry knows that that’s making things worse, not better.

Loyale: Those are all great points. If the objective is to deliver meaningful price and payment information upfront so patients can shop, compare and plan. The model you’re suggesting offers some flexibility for a complex system that’s difficult to explain with something as simple as a price list. How are the most advanced healthcare systems approaching this challenge?

JW: TransUnion Healthcare is exploring what we call a “Digital Front Door” concept. We have looked at companies like Amazon, the airlines and even grocery stores. Hospitals and other providers need to start developing a way to respond to patients’ tailored preferences like other merchants. The millennials, boomers, Gen-Xers and Gen-Yers all have different preferences. The digital front door needs to meet the patient as consumer with accurate, streamlined and timely answers to questions like, “What am I getting?” “Can I pick the procedure?” “What are my out-of-pocket costs based on my benefits or charity eligibility?” “Do I need to get a loan?” and more.

Loyale: That sounds like a daunting challenge for the healthcare industry

JW: Unfortunately, that’s why a lot of this waits until the back end of revenue cycle, when treatment has already been delivered and a price determined. It’s a reactive market. I think the providers that will do well with this transition are going to move it to the front and be much more proactive.

About half a hospital’s volume are things they know about. It’s things that are scheduled on an ambulatory, outpatient basis for testing or surgeries and things like that. I call these no-excuse patients. What are you going to do to engage them and how are you insulating yourself from the shortfall that can result from a poor financial experience? And what tools or technology are you leveraging to optimize patients’ experiences and engage them early?

Loyale: Thanks for bringing up technology. That seems especially important today, with companies like Amazon and Apple getting into the industry.

JW: That’s why I think the “Digital Front Door” is the future for healthcare. I think hospitals are behind the curve and they need to catch up or they’re going to see a lot of their business go other places. Companies like
Amazon and Apple are great at distribution and consumer preferences. All they have to figure out is where all the medical services are going to happen.

Fortunately, the technology exists. My company, TransUnion Healthcare has tools to help patients understand what costs are in advance. And I know Loyale, your company, has leveraged the digital front door that makes it possible for patients to create financial plans, apply for financing and receive communications tailored to their preferences.

It’s important to engage patients early so they can get that financial clearance and that positive patient experience established before – or at the very latest – when they arrive. Because once they leave, redeeming the experience and collecting the payment can be a very hard thing to do. Patients that are engaged early on funding mechanisms for their care can focus on getting better versus paying their bills, which is a win-win for provider, payer, and patient.
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