

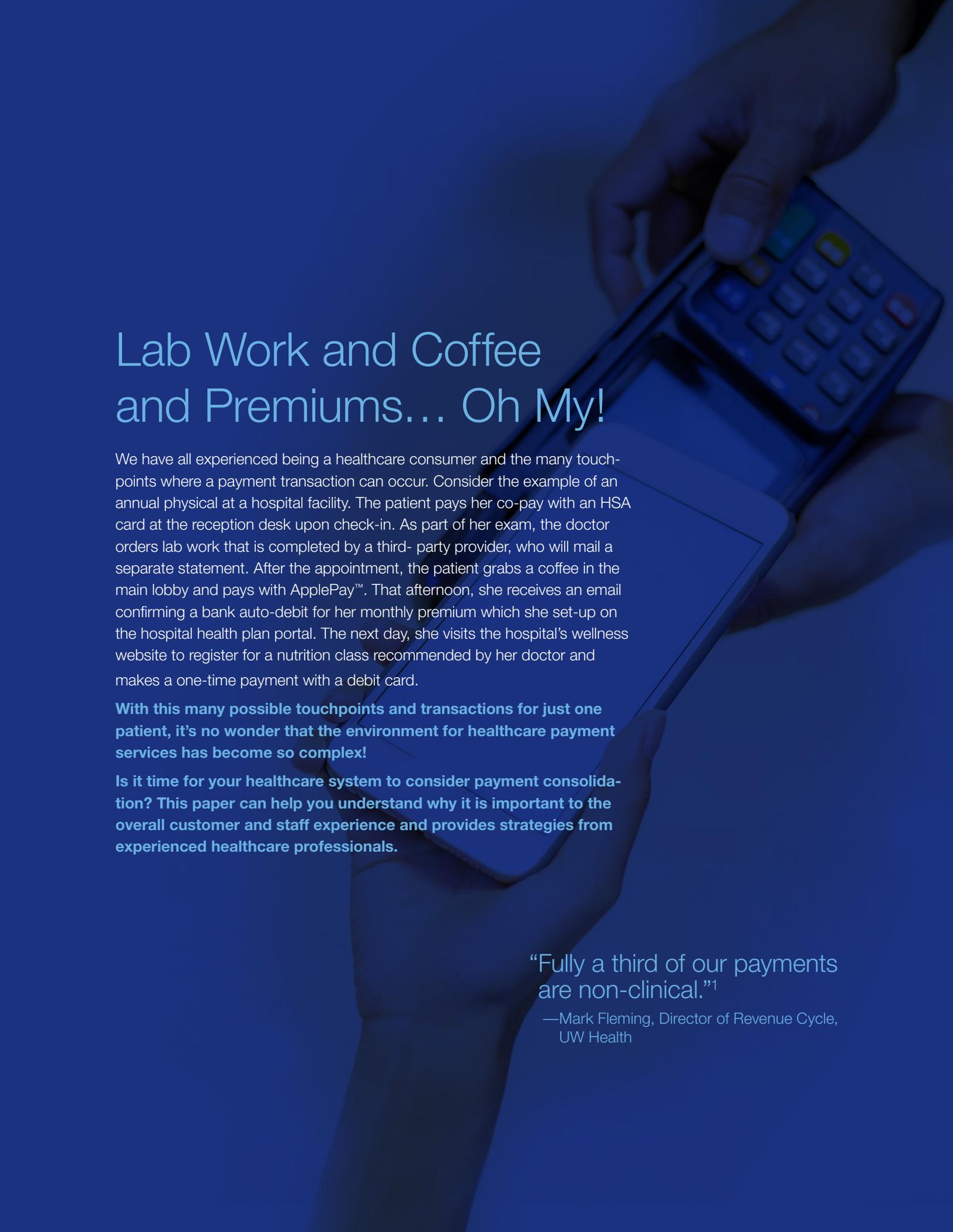
White Paper

Top Strategies for Consolidating Clinical and Non-Clinical Payments

Insights from
healthcare
professionals on
the front lines


Elavon





Lab Work and Coffee and Premiums... Oh My!

We have all experienced being a healthcare consumer and the many touchpoints where a payment transaction can occur. Consider the example of an annual physical at a hospital facility. The patient pays her co-pay with an HSA card at the reception desk upon check-in. As part of her exam, the doctor orders lab work that is completed by a third-party provider, who will mail a separate statement. After the appointment, the patient grabs a coffee in the main lobby and pays with ApplePay™. That afternoon, she receives an email confirming a bank auto-debit for her monthly premium which she set-up on the hospital health plan portal. The next day, she visits the hospital's wellness website to register for a nutrition class recommended by her doctor and makes a one-time payment with a debit card.

With this many possible touchpoints and transactions for just one patient, it's no wonder that the environment for healthcare payment services has become so complex!

Is it time for your healthcare system to consider payment consolidation? This paper can help you understand why it is important to the overall customer and staff experience and provides strategies from experienced healthcare professionals.

“Fully a third of our payments are non-clinical.”¹

—Mark Fleming, Director of Revenue Cycle,
UW Health

RISE OF NON-CLINICAL PAYMENTS

It used to be easier. There was a time when non-clinical payments were limited to cafeteria, gift shops and pharmacies. Now that list has expanded to include fitness centers, bike rentals, in-room family dining, wellness centers, spa services, upgrades on hospital rooms, integrative medicine, donations, and other amenities that can complement more conventional health services.

With an increased focus on risk-based care coordination, many healthcare systems now also offer their own health plans to improve care quality and control costs. This adds consumer premium payments to the jumble of payment possibilities.

IMPACT OF DISJOINTED PAYMENTS

With all the various payments and touchpoints, the entire experience has become disjointed for patients and staff alike. And not surprisingly, it is not the type of experience they want.

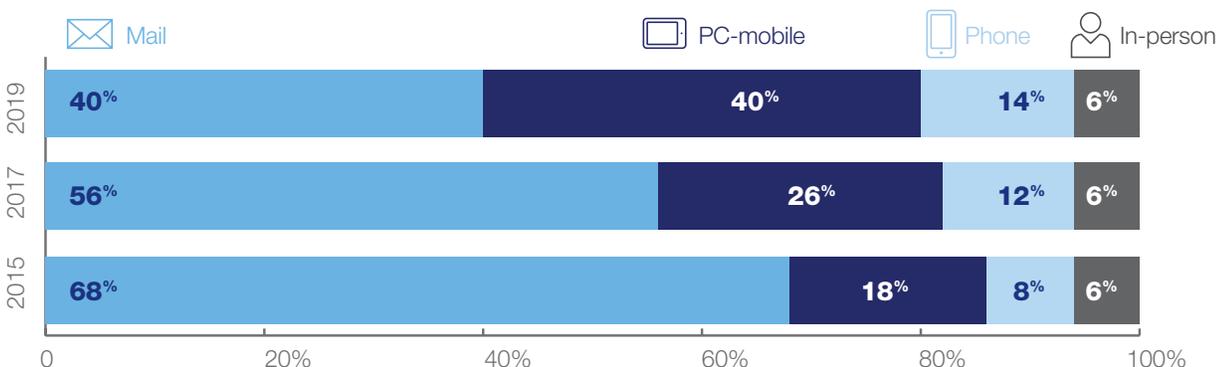
According to Fiserv's Eighth Annual Patient Billing Survey, consumers want flexible, convenient, secure, and consistent ways to pay for every purchase they make including health care services.

They also want flexible channels and choices when it comes to how and when to pay. For example, Aite Group (2016-2019) research shows patients are migrating away from mail to phone and computers. In addition, emerging payments (e.g. ApplePay) are picking up as cash declines in usage from 4% to 2%.²

According to Mark Fleming, Director of Revenue Cycle at the UW Health, of the entire revenue cycle, payment acceptance was evenly mixed across the point of service, lockbox, and online and mobile phones. Nearly 20% of point of service payments are through check-in kiosks. Card payments are the dominant payment method followed by checks then cash. Cash makes up less than 5% of payments. One-third of payments are for non-clinical products and services.¹

Without standards in place, UW Health experienced inefficiencies. For example, IT staff was required to support multiple systems and the finance team spent too much time on administrative tasks associated with payments. After undergoing payment standardization and consolidation, UW Health could provide patients a more consistent experience, increased collections on outstanding balances, and reduced administrative and IT time while better meeting compliance requirements.

Hospital Payments Going Electronic²



“Before process standardization, we spent a lot of effort on financial reconciliation and compliance.”¹

—Debra T. Donnelly, Director of Financial Risk Assessment and Analysis Memorial Sloan-Kettering Cancer Center

Five Strategies for Consolidating Payments

It's clear that the growth of non-clinical payments combined with meeting the needs of consumers and healthcare systems can result in a disjointed payment system. The following five strategies for consolidating payments are best practices that will result in a better payment experience for both patients and healthcare professionals.

STRATEGY #1

Create Consistency

Each time patients have a payment interaction, they are often faced with differing interface designs or processes, making it confusing for them to complete the transaction, not to mention training staff members on different systems and processes.

A successful payment model offers consumers and staff a consistent experience in terms of design and flow. Consumers respond positively to standardized platforms for a few reasons.

- Familiarity – sets expectations for future interactions regardless of channel
- Learnability – ease of use improves the likelihood patients will follow through with payment
- Efficiency – patients can complete tasks more efficiently without customer service
- Trust – builds customer satisfaction and loyalty

So, if you are seeking to expand your payment channels and drive adoption, make consistency a requirement. While it may not be possible for every payment channel to look and act exactly the same, there should be some familiar information flows, and similar brand and design elements that make the payment process understandable (POS, portal, phone, mobile or kiosk.)

STRATEGY #2

Define the End-Result First

It's always good to start with the end in mind advises Debra T. Donnelly, CPA, Director, Financial Risk Assessment and Analysis at Memorial Sloan-Kettering (MSK) Cancer Center.

She says that a lack of consistent processes across the organization led MSK stakeholders to begin their journey to standardization and consolidation. Payments were being collected and reported in different ways making it time consuming to manage and track. “We spent a lot of effort on financial reconciliation and compliance – making sure that everything that came in made it back to MSK and not being lost in transition,” says Donnelly¹

With that understanding, MSK identified the primary goals for their consolidation efforts before beginning the process of making the necessary changes. These goals were:

- Improve the patient payment experience
- Increase staff proficiency at collecting payments
- Improve tracking and control of money flow
- Streamline and adhere to PCI DSS compliance

Once the goals were identified, responsibility for developing a plan to meet the goals was shared among in-house resources. The operations group was assigned processes, finance, risk controls and reporting. The technology group handled the customer interfaces, capabilities, integration and data security.

STRATEGY #3

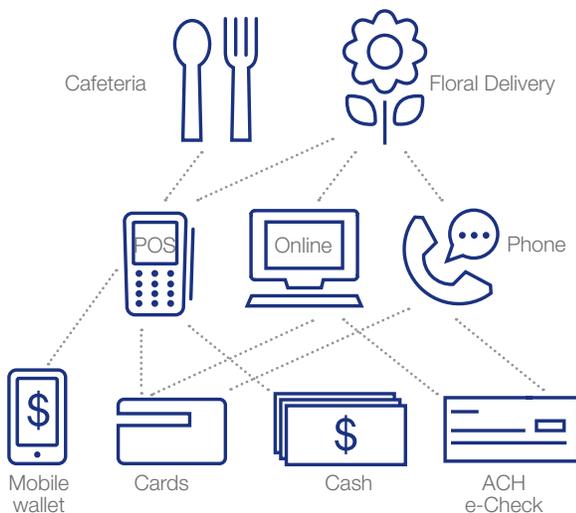
Cut Through the Clutter

Mapping payment methods and options for each payment type and location helped both MSK and UW Health gain an understanding of where there were overlapping payment processes that could be managed by a single system. Inventory maps were also created to identify not only the number of payment systems and streams, but also the age and distribution of systems and staff access.

New merchants should undergo an extensive vetting process before being folded into the system. “As a first step, we created merchant application forms,” explains Donnelly. “Vendors have to identify their payment options, transaction devices, posting practices and more.”¹

“After we received their completed forms and a payment inventory, we probe deeper and ask additional questions. Finally, we send standardized policy and procedures they have to formally acknowledge and adhere to,” she says.¹

Create a Payments Inventory



STRATEGY #4

Secure All Payments

When it comes to divergent payment channels, more systems equal more risk. Because card processing, billing and electronic health record (EHR) systems are frequently linked for convenience, an attack on one puts all at risk.

Nobody wants to experience the negative reactions to a major data breach. Not only is there a huge financial loss – the estimated average cost per breach is \$4 million according to the Ponemon Institute³ – but there is the potentially more devastating outcome of loss of reputation and credibility with the public.

Donnelly noted how PCI compliance has become very complex, especially after some recent high-profile data breaches in the retail world. Her recommendations include involving IT in decision making and strategy development right from the beginning such as:

- IT should own all technology platforms and data security
- Assign dedicated staff to manage and support compliance
- Implement internal PCI compliance certification processes
- Document procedures for handling payment data



“With the introduction of a new platform, we started asking for copays and payments at time of payment. That was very new to our staff.”¹

—Mark Fleming, Director of Revenue Cycle, UW Health

STRATEGY #5

Create a Culture of Asking for Payment

In a retail environment, payment at the time of purchase is expected. But healthcare is different, and patients and staff may have a mindset that payment is secondary to the services provided. Fleming says that UW Health used the investment in consolidation to also improve payment collection.

“It required us to undertake a culture shift when talking with patients about payments,” he notes. “Many of our staff had been doing things one way for many years. Getting them to become more comfortable with requesting payments was challenging.”¹

On-site training and extensive role playing helped his group understand what was expected from them with customer interactions. This included practicing verbal scripts and non-verbal body language techniques and mirroring how retailers train sales clerks. Trainers would often visit different clinical and non-clinical locations at to help the staff become comfortable with these practices.

Summary

Unifying payments is one of the great challenges hampering administrative efficiency and optimization of the patient financial experience. Lack of unity also exposes healthcare organizations to wider payment security risk. All in all, full consolidation and standardization can appear daunting when you consider all the technical, process and culture change required. Change like this doesn’t happen overnight. But even partial consolidation and standardization can deliver positive results, as you move toward greater integration and adoption.

Elavon’s dedicated healthcare team is committed to helping improve the payment and billing experience for healthcare providers and their patients. We offer solutions and services to our clients that are designed to expand consumer payment choices and channels as well as consolidate and streamline administration. Learn how we can help you collect more payments with less effort by visiting elavon.com/paymentnavigator or email us at elavon@healthcare.com.

Mark Fleming, *Director of Revenue Cycle at UW Health*, leads the claims, payment posting, enrollment, insurance follow-up, and denial areas for the professional and hospital revenue cycle. Previously, Mark was responsible for registration across UW Health. Prior to joining UW Health, he worked at other healthcare systems in the state. During his career, he has worked at Epic and with hospitals and medical groups across the country improving processes for revenue capture and billing. Mark completed his undergraduate and master’s work in Engineering at the University of Wisconsin-Madison and received his MBA from Ohio State University.

Debra T. Donnelly, *Director of Financial Risk Assessment and Analysis Memorial Sloan-Kettering Cancer Center*, is responsible for directing, supervising, and coordinating efforts to ensure the internal control framework is robust and meets the needs of the organization. In addition, she is responsible for implementing the program to ensure MSKCC is PCI compliant. Prior to joining MSK, she managed Sarbanes-Oxley audit and consulting engagements for clients in various industries including healthcare and manufacturing. In addition she held management positions directing and coordinating overall efforts of finance, accounting, and revenue cycles. Debra received her B.S. degree in Business from the College of Charleston and is a Certified Public Accountant.

¹ HFMA Webinar, “Strategies for Unifying Your Clinical and Non-Clinical Payments to Enhance the Patient Financial Experience”, May 24, 2017

² AITE Group, “U.S. Medical Bill Payments: A Digital Revolution”, February 2016. ³ 2016 Ponemon Institute Cost of a Data Breach Study, June 15, 2016