Weathering the Storm

Thank you for joining us today. We’ll begin shortly.
Nick Davis
VP - Patient Access Product Management
How to Participate Today

• Submit questions via Q&A at bottom of panel

• Questions answered at end of today’s session

• Email within 24 hours with link to view a recording of today’s session

• Polling questions
SSI: At A Glance

- Founded in 1988
- 400 employees and growing
- Serving leading healthcare providers
- Providing a complete revenue cycle solution
Health Providers rely on SSI to manage their revenue cycle

Institutional and Professional claims processed

Direct payer connections

Average tenure for our Top 20 Clients
Key SSI Partnerships

Adventist Health

CHS Community Health Systems

Dignity Health

Duke University

Unity Health System

North Mississippi Medical Center

HealthSouth

Kindred Healthcare

Mercy

Novant Health Prince William Medical Center

Providence Health & Services

Renown Health

Robert Wood Johnson University Hospital

Seton Healthcare Family

SSM Health

UF Health University of Florida Health

Carilion Clinic

Valley Health System

Vanderbilt University Medical Center
Nick Davis
VP - Patient Access Product Management

Responsible for SSI’s Access Management product line, Nick has worked in the Hospital Revenue Cycle Software Industry for nearly 15 years. Prior to that, he worked in the health insurance sector.

Nick laid the ground work to enable SSI’s Access Management solutions to interface with every major HIS, enabling our solutions to help hospitals get paid faster, which brings us to our topic today.
Agenda

1. The Revenue Cycle Market Storm
2. Consumer Trends impacting RCM
3. Implications for Patient Access
4. Maximizing Patient Collections
5. Summary
The Revenue Cycle Market Storm
The ACA & AHCA

• The House votes 217 to 213 to repeal the Affordable Care Act, sending the American Health Care Act to the Senate

• The Senate’s debate on the bill will begin in June.
What would change with the AHCA?

- Repeals most ACA taxes and fees
- Phases out Medicaid expansion & caps Medicaid funding
- Removes requirement mandating individual health insurance coverage
- Removes employer penalties for not providing insurance
- Increases utilization of Health Saving Accounts (HSAs)
What would change with the AHCA?

• Allows increased premiums based on patient age and health status
• Allows states to waive pre-existing condition and out of pocket max requirements
• Creates state stability funds
• Restores Disproportionate Share Hospital (DSH) funding
• Potential for millions to lose existing coverage
How are Providers & Consumers Reacting?

• Just about every medical and consumer group urged rejecting the American Health Care Act

• Trade groups for hospitals and health insurers in the U.S. are pinning their hopes on the Senate to revise the replacement plan for the Affordable Care Act
Other Current RCM Market Changes

- Cybersecurity / Ransomware (WannaCry)
- Insurance Mergers & Payer Consolidation
- Hospital Acquisitions & Mergers
- MACRA / MIPS
- Increasing Premiums & Patient Responsibility
Consumer Trends Impacting Hospital Revenue Cycle Management
Patient’s Annual Liability Continues Rising

Between 2010 and 2015:
The total employee cost increased by approximately 43%
Employer costs increased by 32%

http://www.milliman.com/mmi/
Even Insured Needing Assistance

Number of Insured: 318,868 Per U.S. Census Bureau

Federal Poverty Level

200 – 300: 51,451 or 16.3%
At or greater than 300: 159,009 or 50.4%

Federal Poverty Level

Below 100: 46,657 or 14.8%
101 - 199: 58,686 or 18.9%

Over 33% below 200% FPL!

https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-257.pdf
Discrepancies due to Rounding
And HDHP’s continue to pose a challenge

Recent Crowe Horwath report:

Self Pay Payments as percent of AR Balance

Lost Revenue

300 HFMA Respondents

240 Not Collecting At POS

60

Recovery of less than 30% of payments

Bad Debt from the Patient’s Perspective

- Phone calls
- Letters
- Credit consequences
- Difficulty securing loans (i.e. school, home etc…)
- Legal proceedings
- Liens on properties
- Liens of estates
- Bankruptcy

Bankruptcies resulting from unpaid medical bills
- will affect nearly 2 million people this year
- making health care the No. 1 cause
- outpacing bankruptcies due to credit card bills or unpaid mortgages*

*CNBC Medical Bills Are the Biggest Cause of US Bankruptcies: Study, Dan Mangan June 2013
Debunking Patients’ Expectations

We have all heard this before…

Healthcare is different from other industries…Consumers don’t bring same expectations about customer experience to healthcare that they bring to other industries…

Wrong

Participants were offered 10 qualities and asked to select the 3 they thought mattered most.
Source: McKinsey 2015 Consumer Health Insights survey
The Importance of Financial Education...

Research has shown

• 68% prefer to know financial obligations at, or before, discharge

• Over one-third want to know financial obligations prior to admission or registration

Source: IMA Consulting
Financial Education Benefits Providers

52% of consumers
would pay from $200 to $500
if an estimate was provided at the point of care

74% of insured consumers
indicated that they are both able and willing to pay their out-of-pocket medical expenses up to $1,000 per year (90% up to $500/yr.)

SOURCE: JPM Key trends in healthcare patient payments, 2013
Implications for Patient Access
Revenue Cycle Objectives

1. Get paid for the services you provide
   - Quickly
   - Correctly

2. Proactively manage exceptions

3. Keep what you get paid
First Step in the Revenue Cycle

Face of the Organization

- **Identify**
  - Benefit Verification
  - OOP Costs
  - Financial Assistance

- **Communicate**
  - Coverage for Service
  - Sets Payment Expectations

- **Collect**
  - Copays
  - Remaining Deductible
  - Coinsurance

Collection of accurate and complete Patient information… *FAST, CURTEOUS, SMILE 😊*
Common Business Issues

Typical issues causing problems in patient collections

- Unidentified patient responsibility
- Incomplete patient collections
- Unclear/misclassified ability to pay
- Unknown qualification of financial aid

The cause of so many write-offs and bad debt collections
Maximizing Patient Collections
Resolve Issues Early in Order to Collect

Resolve Patient Access issues delaying payment by implementing:

- Technology
- Best Practices
- Training
The Essential Technology

1. Automated Insurance Verification
2. Accurate Pre-Service Estimation
3. Targeted Propensity to Pay
4. Seamless Payment Processing

Now What?
Patient Collections Best Practices

1. Publish collection and refund policy, and educate staff
2. Prepare the patient for the financial responsibility
3. Empower patient with information necessary to be engaged as a consumer of healthcare
4. Identify mutually agreeable payment terms
5. Prevent the patient’s account from ending up in a bad debt status

Become the Patient Advocate!
Insurance Verification Best Practices

- Verify coverage early (and often)
- Collect copays based on data in eligibility response
- Check self-pay patients for insurance coverage
Medical Necessity Best Practices

- Integrate & automate medical necessity verification & ABN generation process
- Ensure ABN’s provide patient financial responsibility
- Publish ABN acceptance & collection policy
Estimation Best Practices

- Calculate patient financial responsibility using a solution that combines payer contract terms, historic charges & patient benefits
- Provide estimates for **ALL** scheduled services
- Provide easily understood estimate letters
- Publish average charges on your website to provide transparency
- Upload estimates to patient portal
Propensity to Pay Best Practices

- Define financial thresholds for checking propensity to pay
- Implement configurable technology, guiding staff communication
- Create workflows for segmenting results for staff follow-up
- Leverage Multiple Scoring Models
Segment Accounts into Appropriate Workflows

FPL < 100% with no insurance
Potential charity care or Medicaid

Strong ability to pay with nominal copay
Collect payment at time of service

Identity warnings
Potential fraud investigate further

Borderline ability to pay with large deductible
Consider for financing solutions
Leverage multiple scoring models

Determine whether a Credit based, Community Based or Hybrid Score is the appropriate solution for your hospital

- **Credit-Based Model**
  - Uses credit report data
  - More reliable for credit-active adults, but higher no hits

- **Community-Based Model**
  - Uses public records data
  - Can score patients with thin or no credit history
  - Not as precise as credit

- **Hybrid Model**
  - Uses both credit and public record data sources
  - Scores 100% of patients
  - Higher reliability rates
Payment Processing Best Practices

• Enable all front end staff to collect payments
• Provide flexible payment options
• Store patient payment information
• Integrate with your Hospitals Accounting & Billing systems
• Integrate patient payments with the hospitals patient portal
• Create a reward system for access staff collections

“Typically, I don’t accept magic beans for payment.”
Know Where Your Revenue Cycle Stands

• Use Key Performance Indicators (KPIs)
• Track your KPIs and compare with industry metrics
• Track regulatory and industry trends

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<thead>
<tr>
<th>ID#</th>
<th>DOMAIN</th>
<th>AccessKey (KPI)</th>
<th>EQUATION</th>
<th>GOOD Benchmark</th>
<th>BETTER Benchmark</th>
<th>BEST Benchmark</th>
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<td>Collections</td>
<td>POS Collections to Revenue</td>
<td>POS Collections / Net Patient Service Revenue</td>
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<td>Collections</td>
<td>POS Collections to Total Patient Collections</td>
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<td>50%</td>
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<td>POS-3</td>
<td>Collections</td>
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<td>POS Collections / POS Estimations</td>
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<td>Collections</td>
<td>Total POS Dollars Collected</td>
<td>Total Dollars Collected (&lt;= Discharge Date)</td>
<td>Total POS Cash Collected compared to prior periods (no ratio or benchmark for peer comparison)</td>
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<td>Collections</td>
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<td>Accounts Collected / Total Registrations</td>
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<td>Collections</td>
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<td>Estimated Generated / Total Registrations</td>
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<td>Collections</td>
<td>Estimation Accuracy Rate</td>
<td>Accurate Estimates / Qualified Estimates</td>
<td>85%</td>
<td>90%</td>
<td>95%</td>
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Summary
Summary

- Monitor Market Trends & Forces
- Utilize RCM Technology
- Become the Patient Advocate
- Implement Collection Best Practices
- Track Results against KPI’s
SSI Access Management Benefits

Seamless Integration
- Automates manual processes
- Improves efficiency

Get it Right the 1st Time with Streamlined Workflow
- Ensure claim goes out clean
- Error reduction = lower claim rejection / denial rates
- Increase collections from payer and patient

Complete Revenue Cycle
- One vendor for Patient Access, Claims Management and Collection Management

Intelligent Guidance helps Your patient access staff focus on patients… instead of policies!
How SSI Can Help

Complete Revenue Cycle Management Support

• SSI is ready to help your organization:
  - Gain Visibility into your revenue cycle processes
  - Maximize resources for more simple and effective collections efforts
  - Identify and minimize revenue leakage
  - Access actionable performance data via integrated analytics

• Request a detailed demo today at thessigroup.com
• Call us at 1.800.880.3032
Visit us at HFMA ANI

Join Us

Cocktails & Conversation

Monday, June 26, 2017

Mix in some fun at ANI!