ACI UNIVERSAL PAYMENTS

Aite

FUTURE OF PATIENT FINANCIAL ENGAGEMENT

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Today's Speakers

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Agenda

1. New threat to your financial security
2. Examples of analytics increasing collections
3. Patient demands
4. How to get started
5. ROI

New Threat to Your Financial Security

Aite Group

New High Deductible Plan Market Dynamics

Increase in number of consumers enrolled in high deductible plans

Consumer impact	*Provider impact*
Change to personal financial models	Change to business revenue models

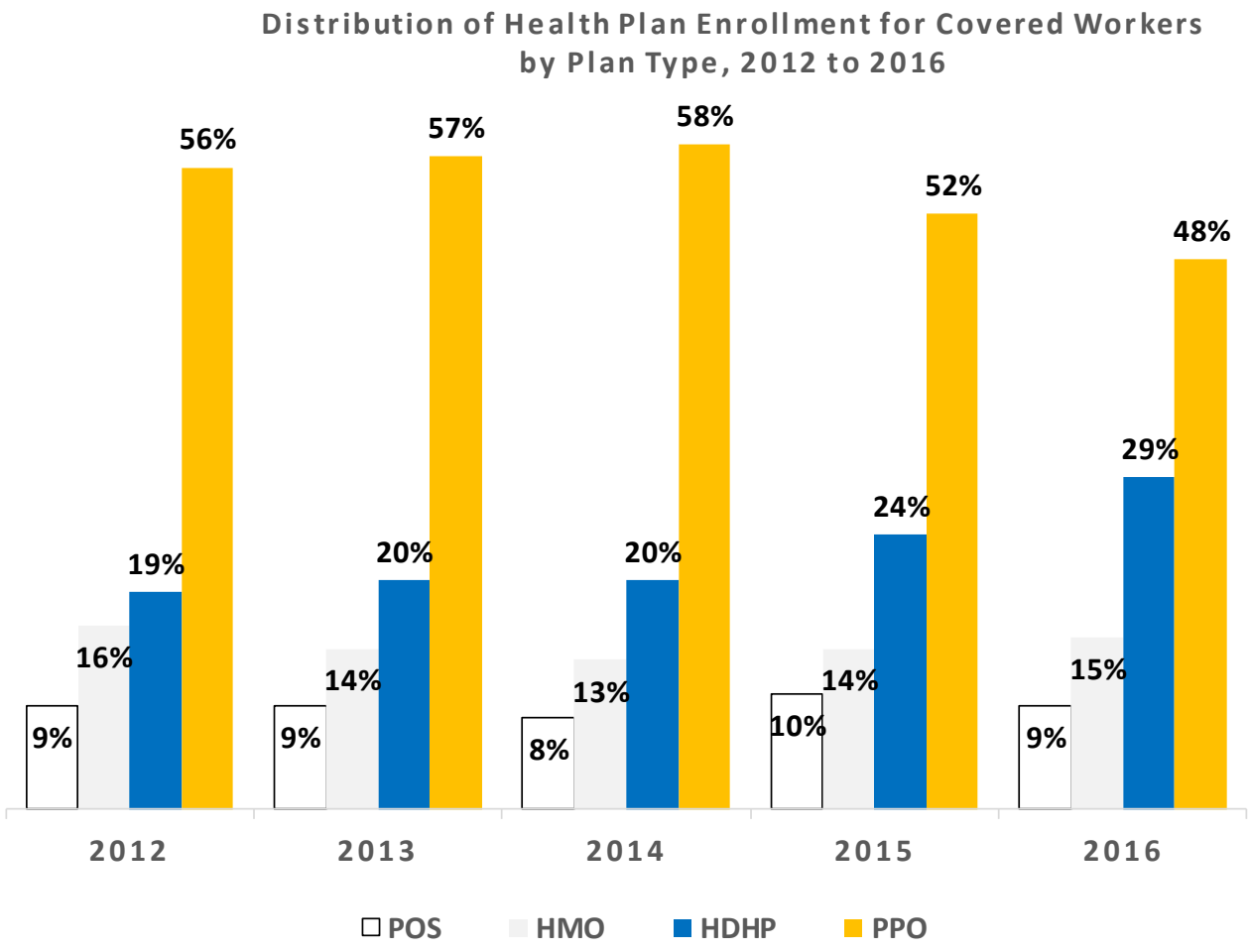
Increase in the total number of consumers paying bills to providers

Consumer impact	*Provider impact*
Expect a familiar and easy payment experience	Competing for share of consumer bill payment wallet

Increase in the total number of bills consumers pay to providers

Consumer impact	*Provider impact*
Need help to pay larger bills	Design pre, point, and post service payment experience with financial engagement in mind

Changes to Providers' Patient Populations



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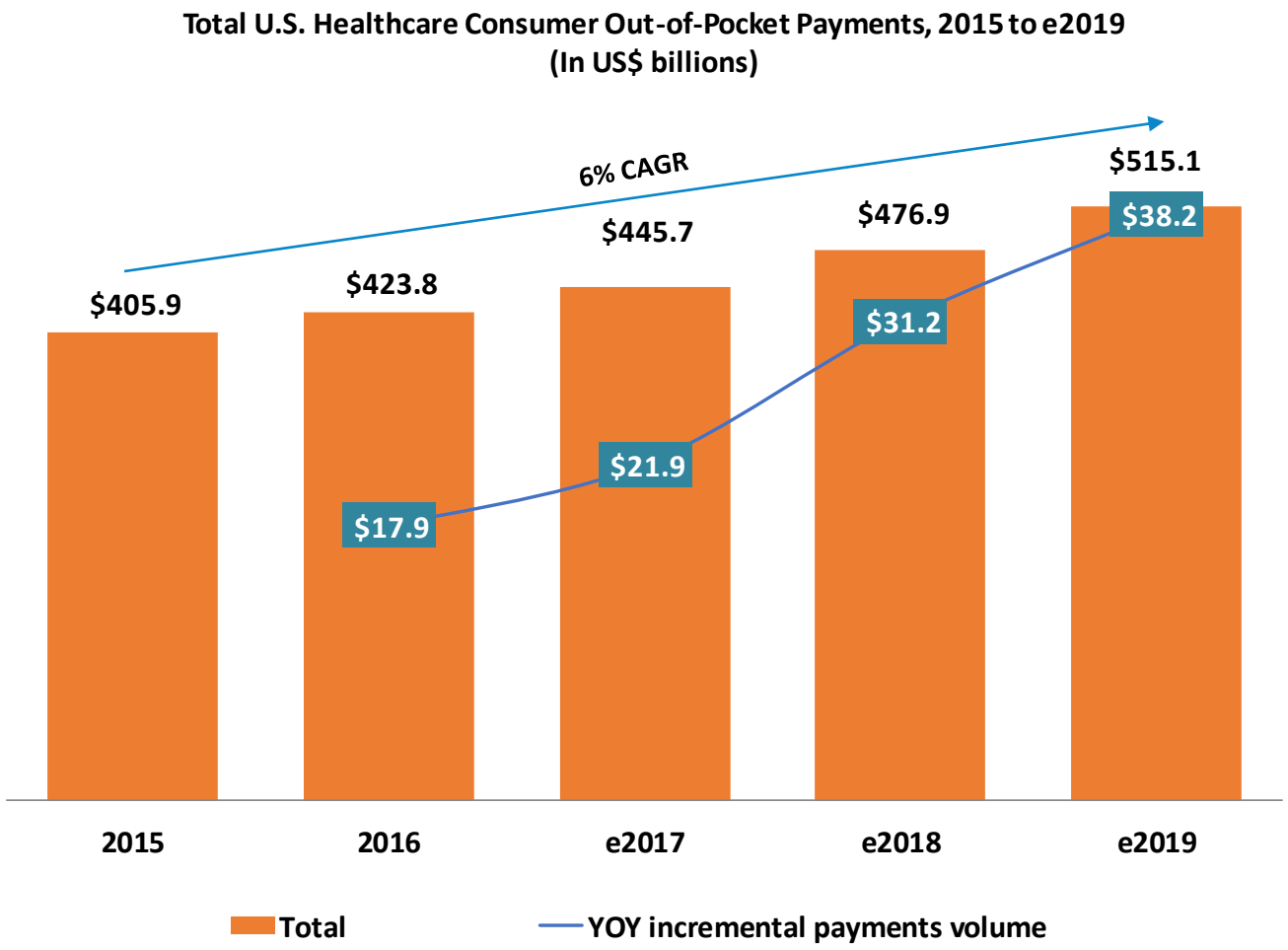
Source: Kaiser

Consumers are Emerging as a Healthcare Payer



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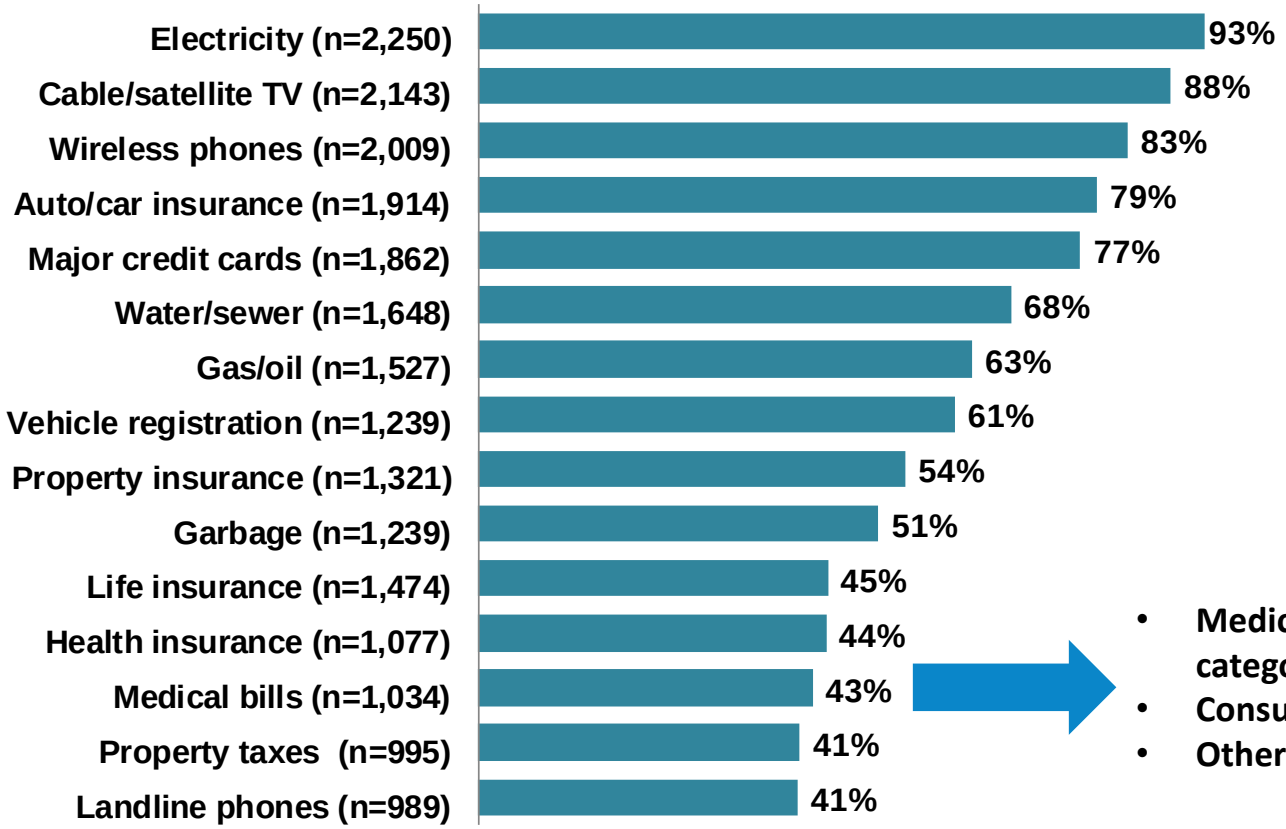
Source: Aite Group

Consumer's Bill Payment Wallet

Q. Which of the following bills do you pay or have you paid in the last 12 months? (N=2,429)



- **Medical bills are the 13th most frequent bill a consumer pays out of 29 categories**
- **Consumers bring these other bill payment experiences into healthcare**
- **Other bill payment experiences are easier than medical**

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Source: Aite Group

Current Pay & Chase Practices Unsustainable

- **30% of patients walk out of providers' doors without paying anything**
- **Patients average 3.3 billing statements before paying an outstanding balance**
- **Collection agencies recover $16 for every $100 owed**

Source: MGMA

The New Patient Engagement Model – Personal and Digital

	Pre-service	Point of service	Post-service
Provider	• Calculate propensity-to-pay score based on the estimated costs and eligibility of services to be rendered	• Estimate cost of billed services billed • Calculate propensity-to-pay score • Deliver personalized financial conversation using auto generated scripts • Enroll patient in a recurring or one-time payment option • Offer electronic billing enrollment • Kick-off patient-portal login process and digital experience	• Present a single, consolidated digital bill • Offer online bill payment • Deliver personalized communications based on patient preferences
Patient	• Receive estimate cost and payment options • May enroll in payment options or wait until appointment	• Engages in financial conversation based off estimated amount owed • Enrolls in a payment option • Makes bill receipt and payment preferences known in portal	• Look up bill contents or pays bill per a recurring payment plan, with a health savings or flexible spending account, or with other personal accounts

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Source: Aite Group

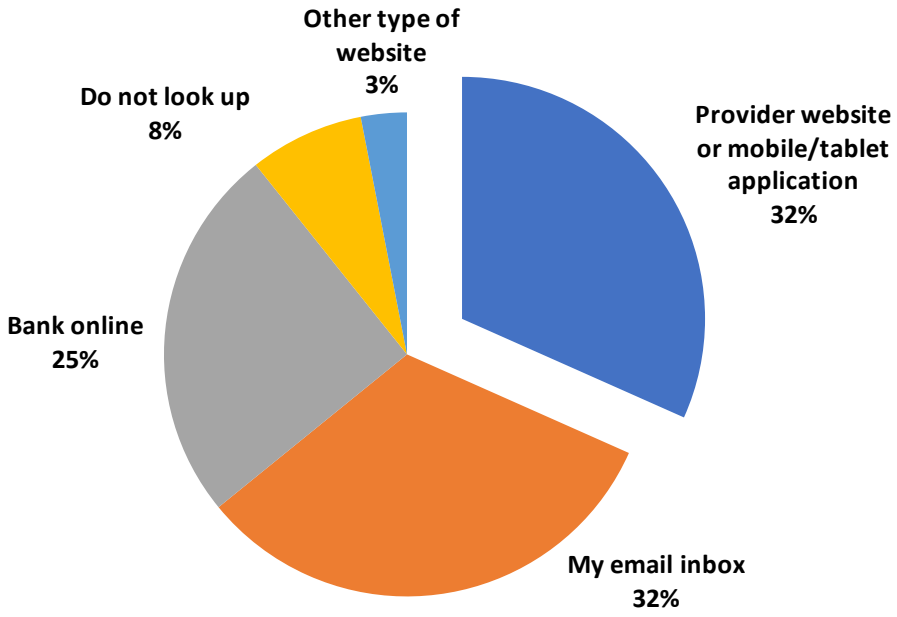
Poll

How do you determine how much a patient can pay?

Bills and Payments are Digital Engagement Levers

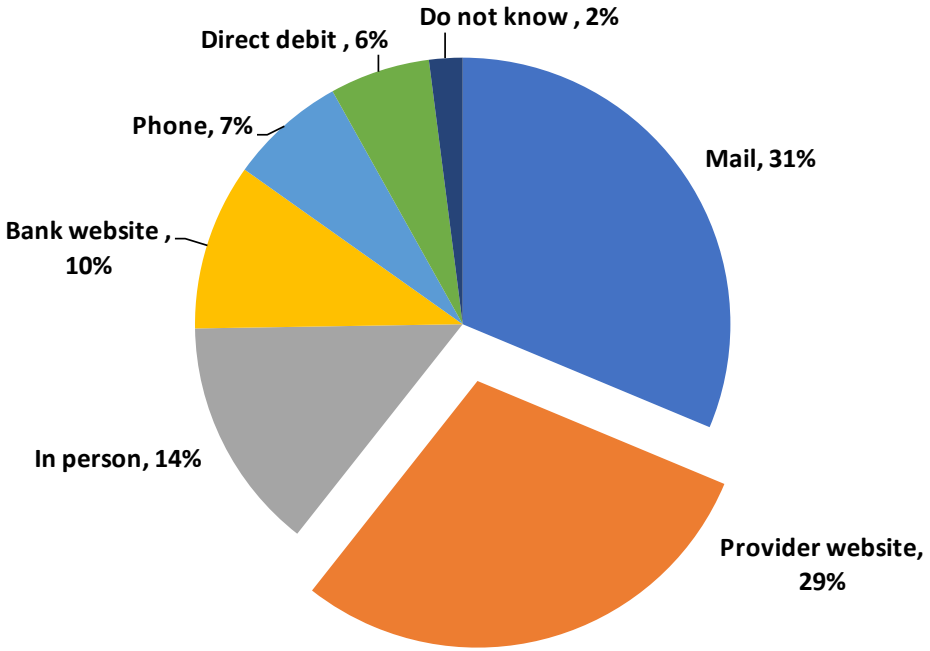
Bill

Q. Where do you typically go to look up your electronic medical bill? (n=1,909 bills)



Payments

Percentage of Consumer Out of Pocket Medical Bill Payment Spend by Channel



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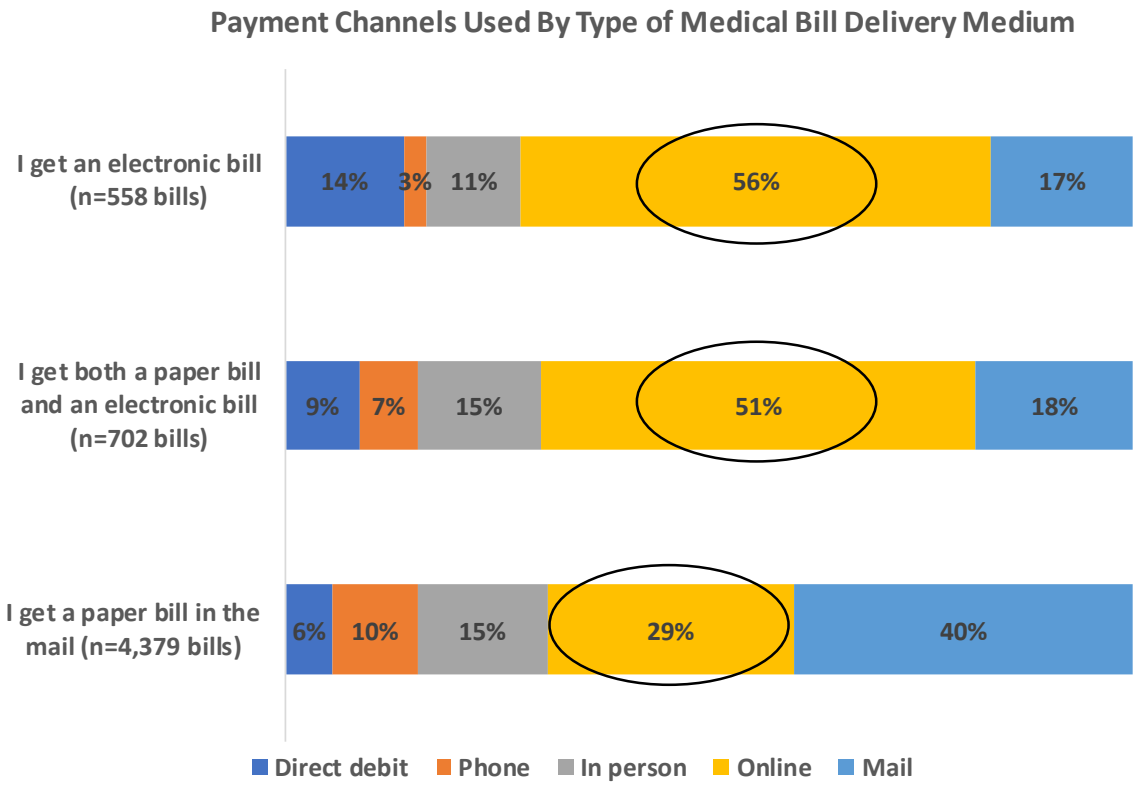
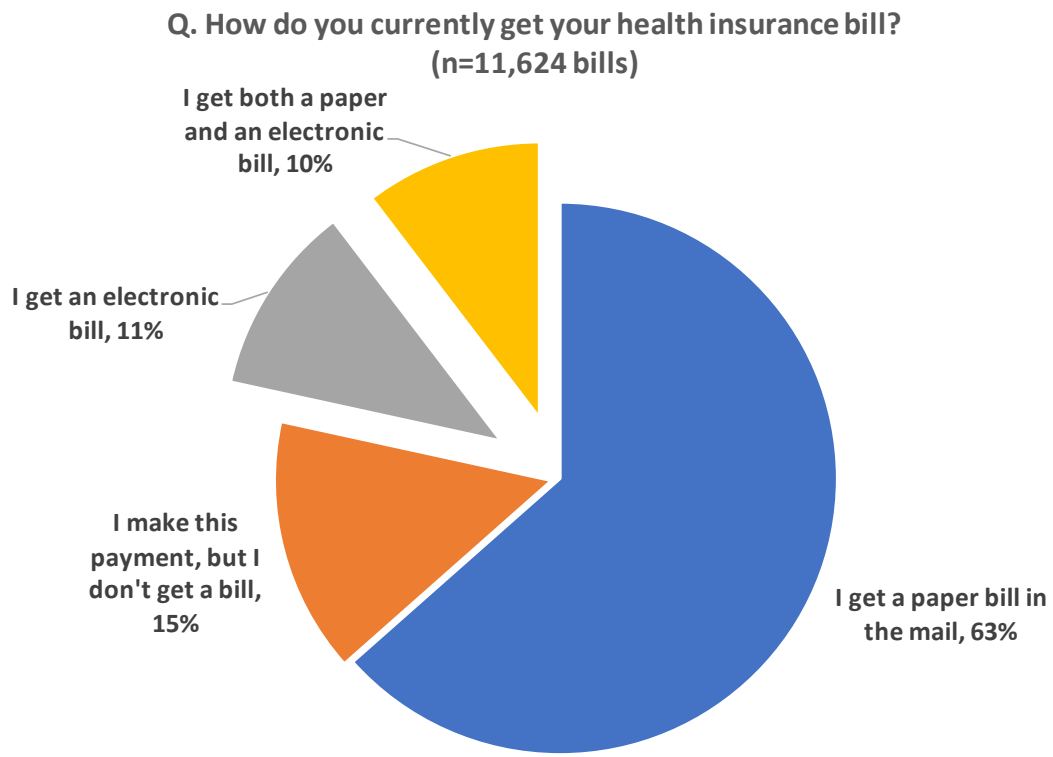
Source: Aite Group

Digital Bills lead to Digital Payments

Digital bills lead to digital payments



Digital bills lack penetration



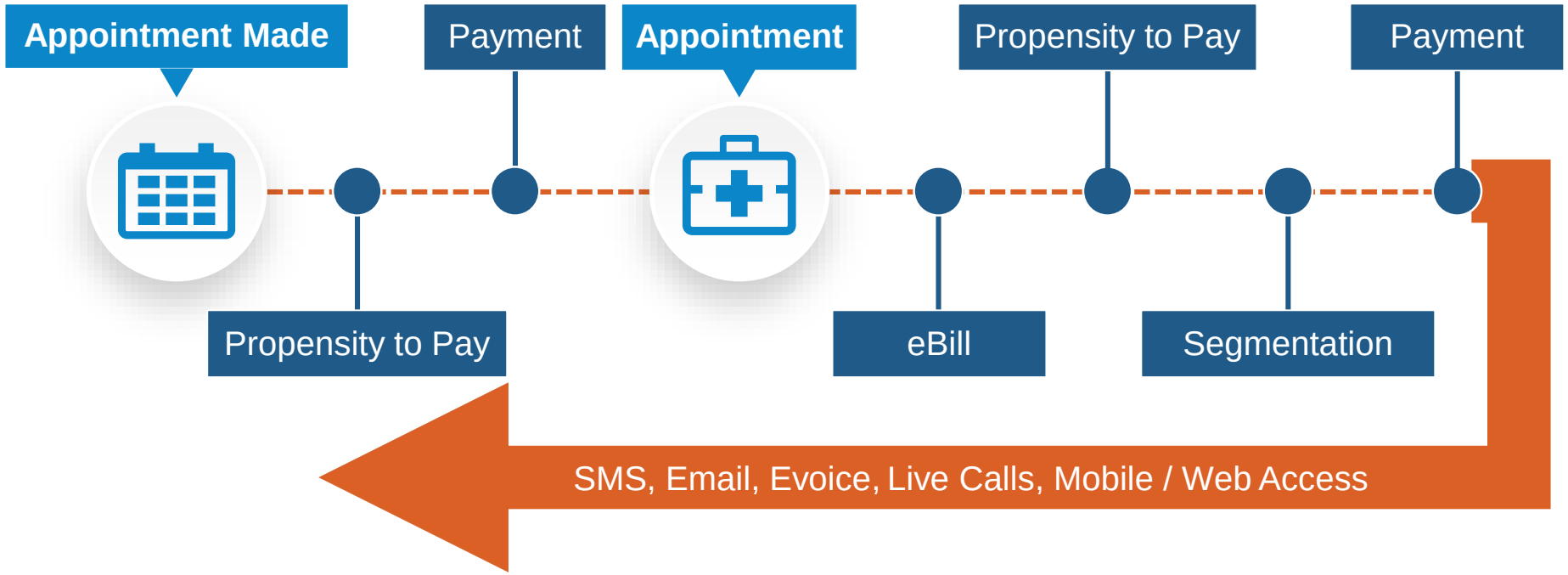
Source: Aite Group

Section 1 Questions

Examples of Analytics Increasing Collections

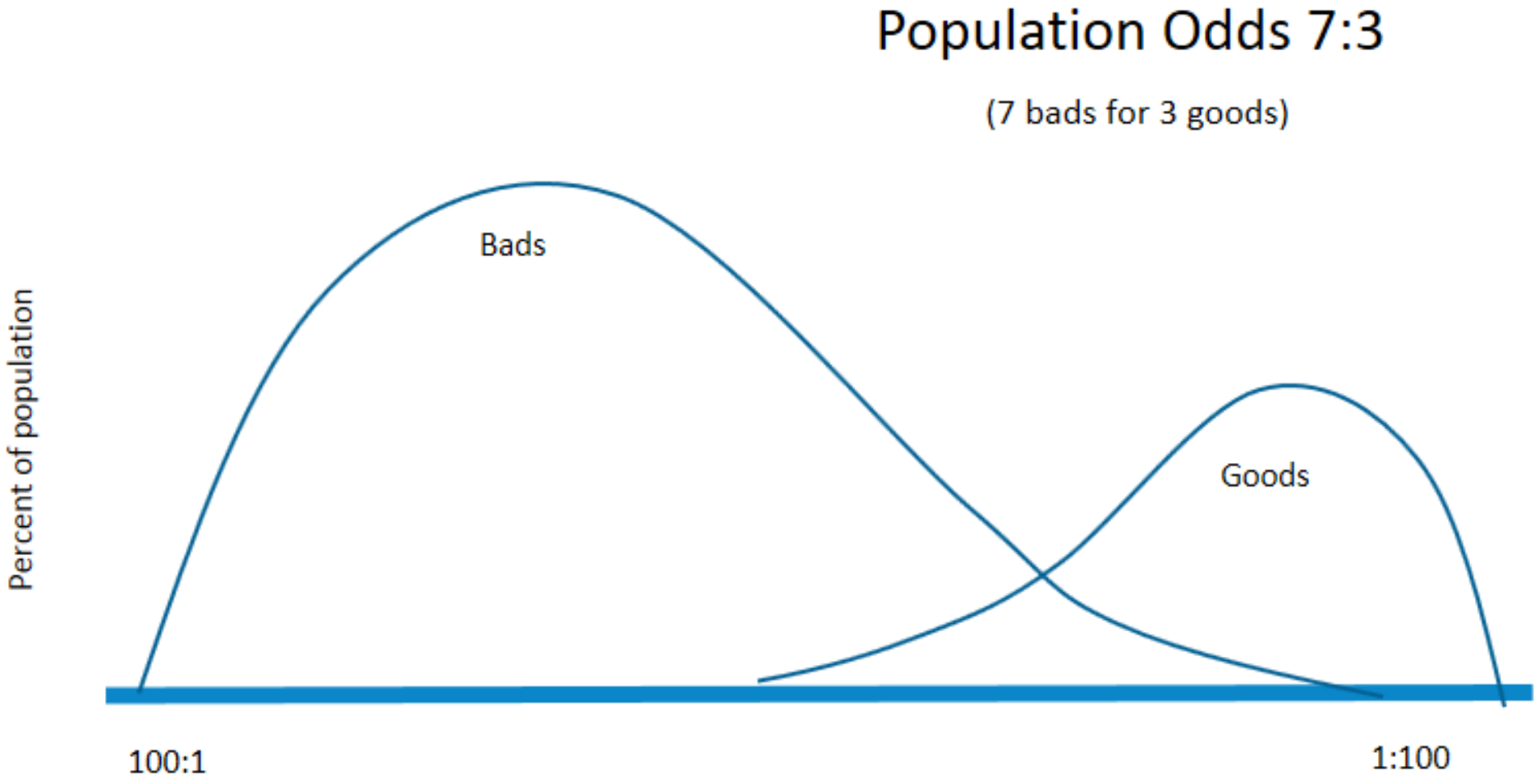
Noggintechs

Improving The Entire Patient Revenue Cycle



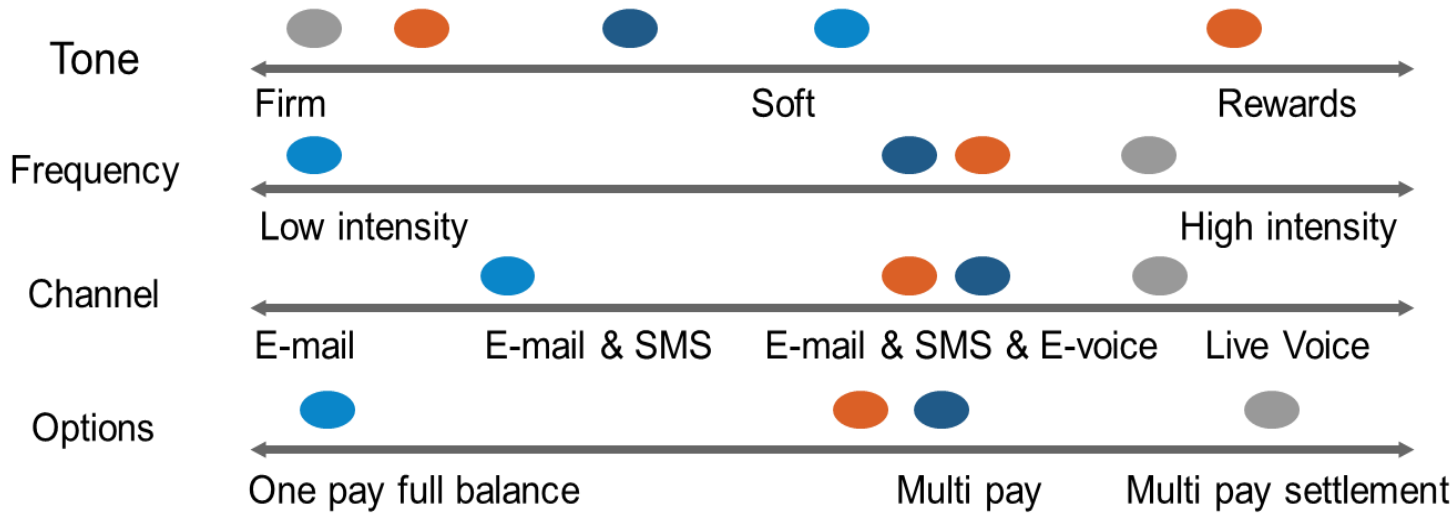
Bringing Intelligence to Medical Debt Collection

Propensity to Pay – Patient Strategy Foundation



How to Think About Segmentation and Actions

Segmentation		Ability to Pay: Yes	Ability to Pay: No
Willing to Pay	Yes	Forgetful	Struggling
	No	Entitled	Problem



Drive patients to set up payment plans and settlements, and capture ongoing payments

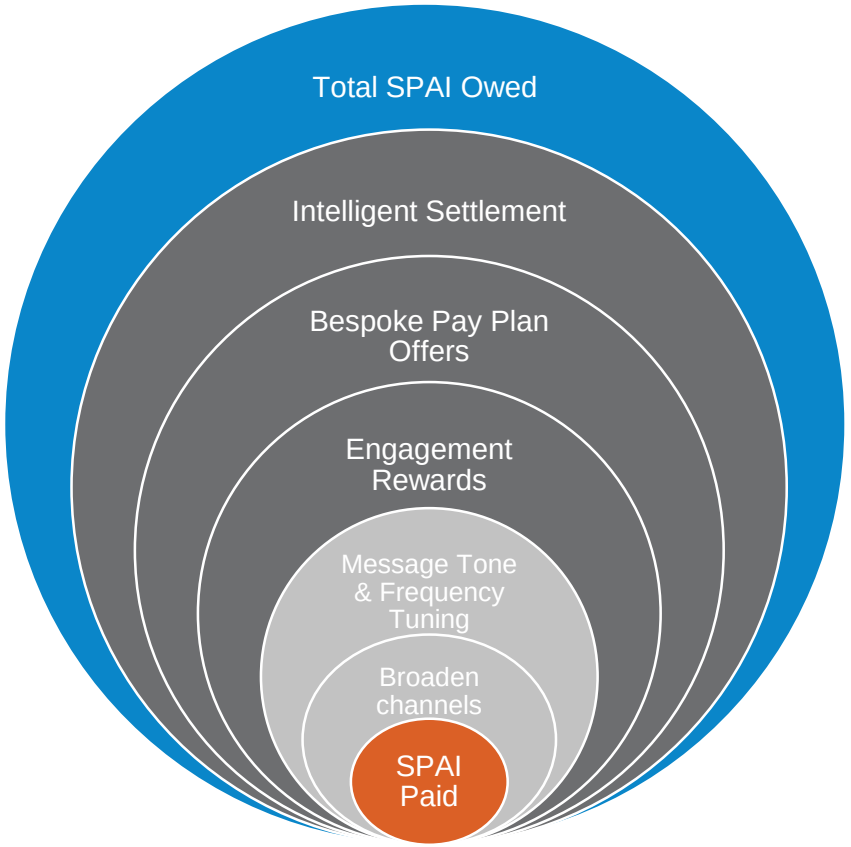
Poll

When your staff talks to a patient, which of these do they change based on patient's ability to pay?

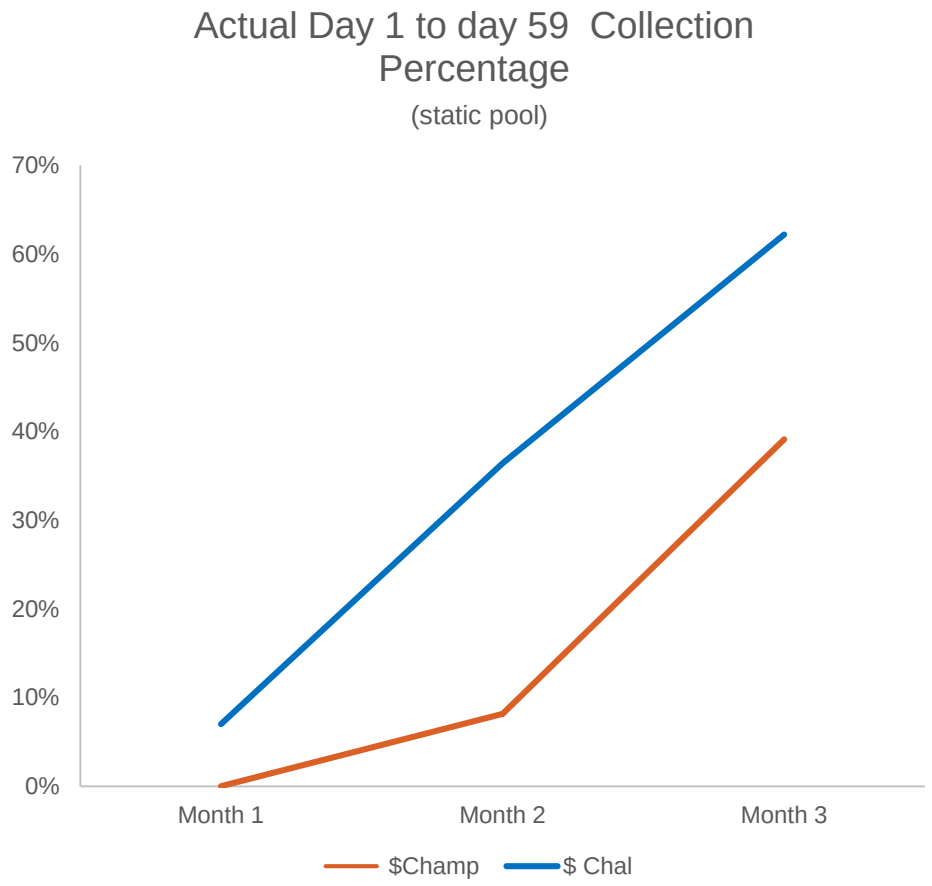
Poll

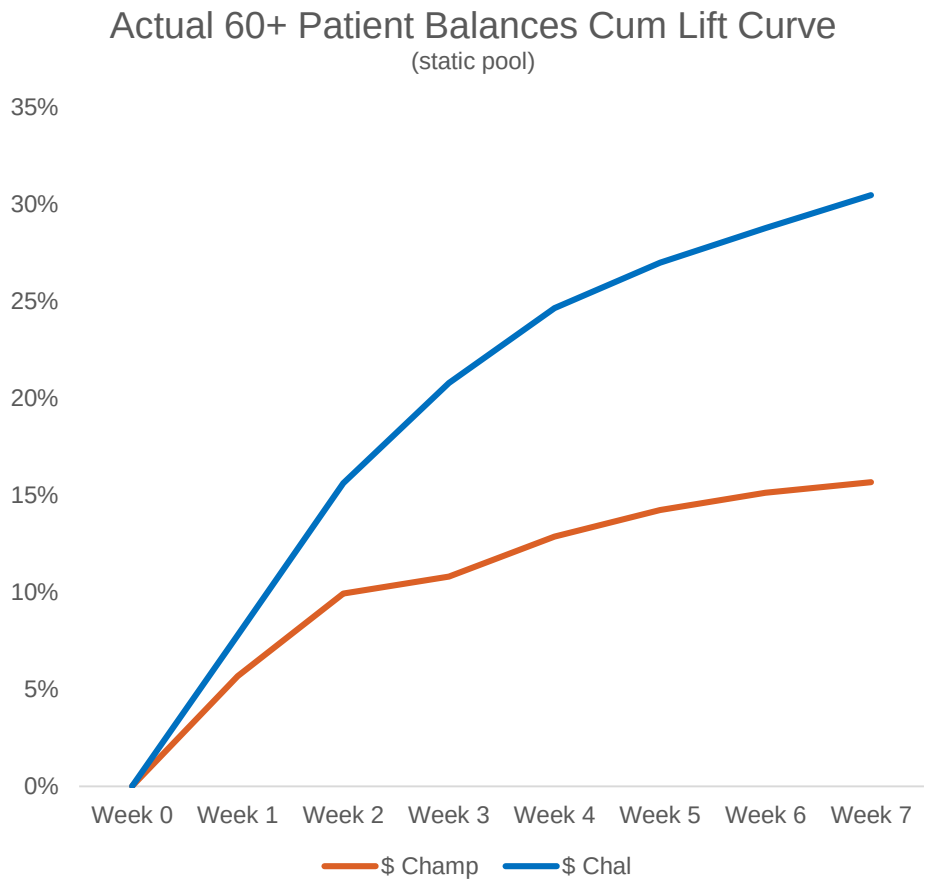
When a patient comes to your website, which of these does your website change based on patient's ability to pay?

Increasing Self-Pay After Insurance (SPAI)

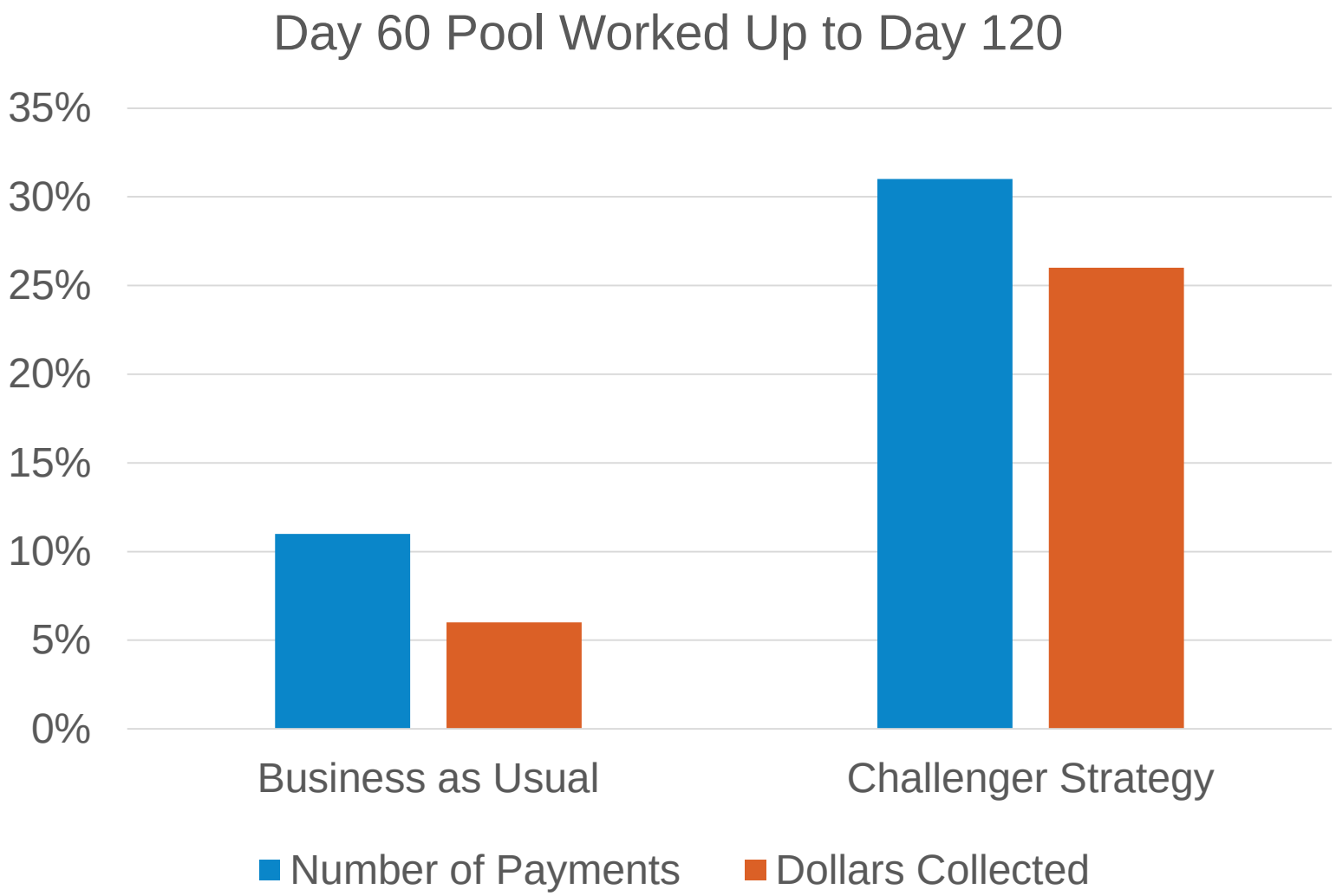


Results

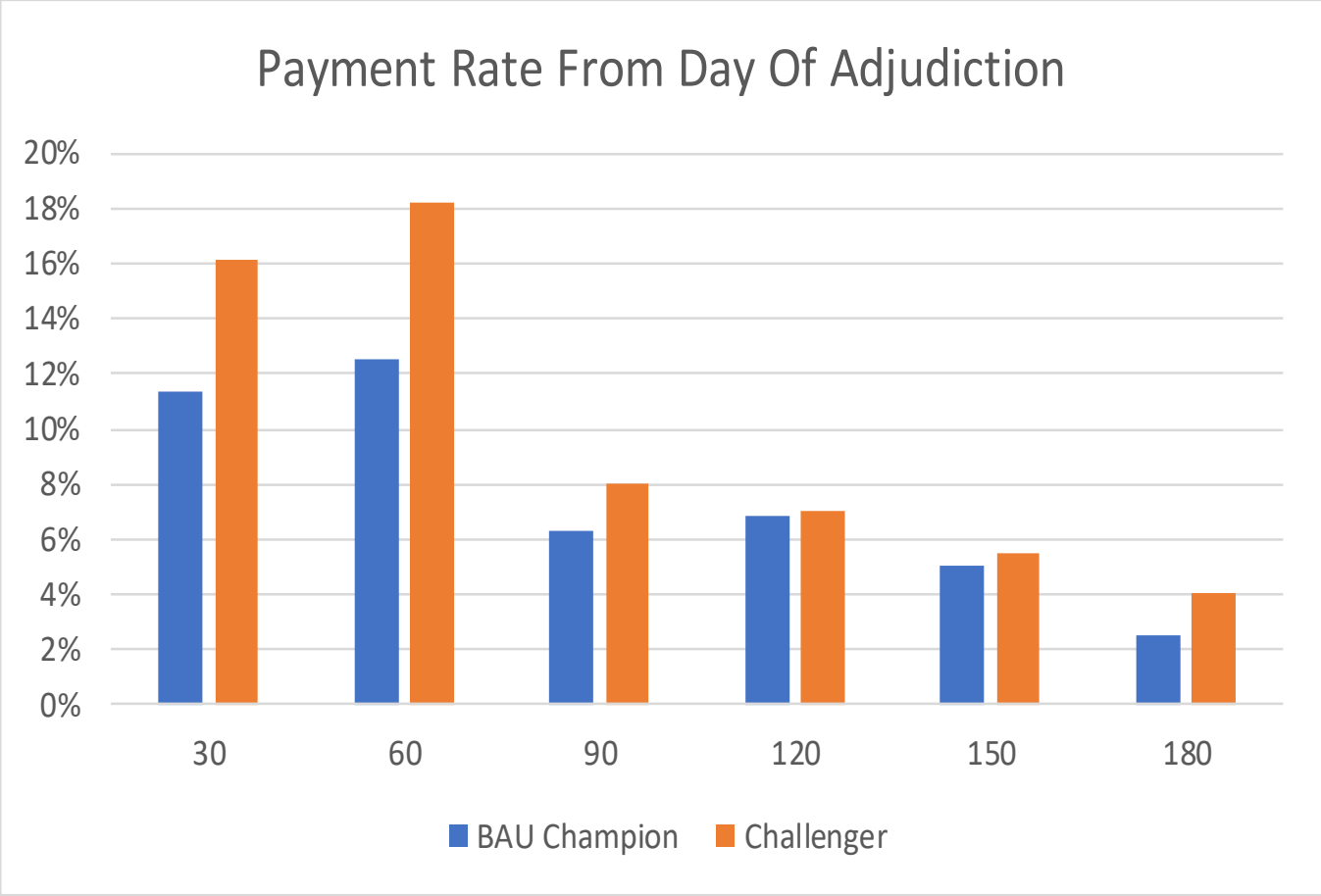

Actual Day 1 to day 59 Collection Percentage
(static pool)
70%
60%
50%
40%
30%
20%
10%
0%
Month 1
Month 2
Month 3
$Champ
$ Chal

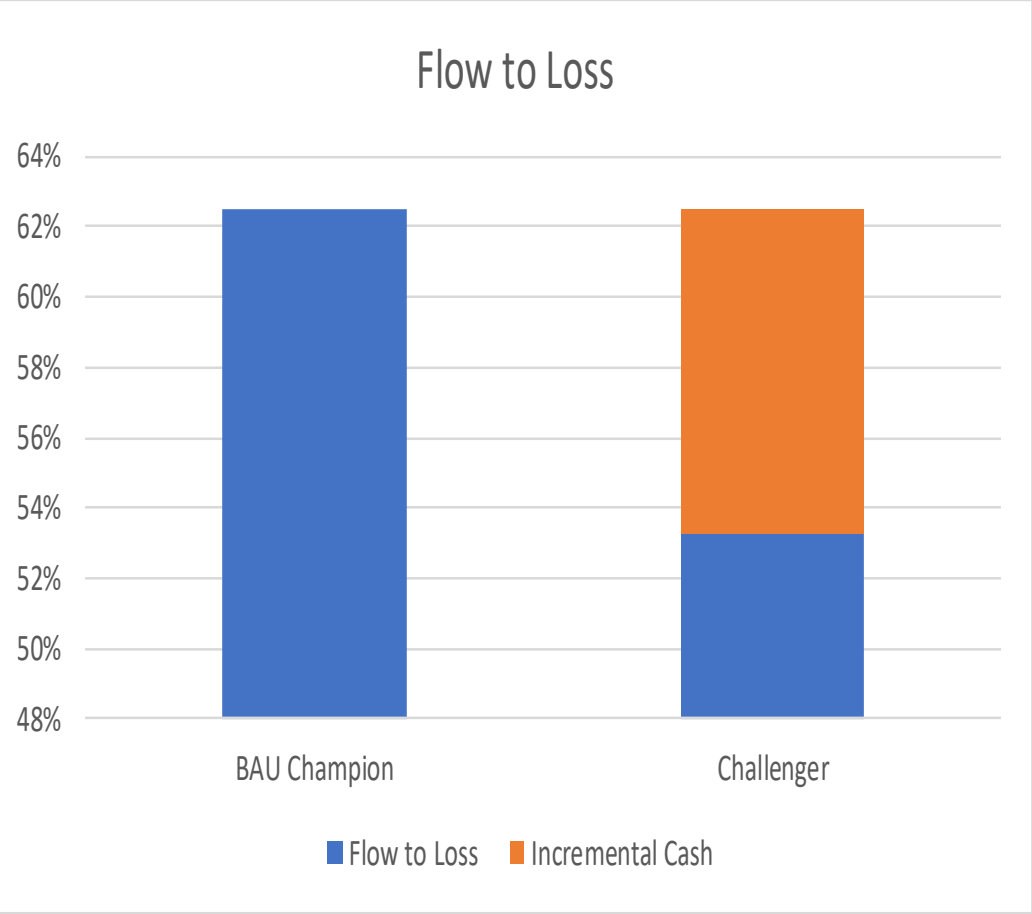

Actual 60+ Patient Balances Cum Lift Curve
(static pool)
35%
30%
25%
20%
15%
10%
5%
0%
Week 0
Week 1
Week 2
Week 3
Week 4
Week 5
Week 6
Week 7
$ Champ
$ Chal

Results


Day 60 Pool Worked Up to Day 120
35%
30%
25%
20%
15%
10%
5%
0%
Business as Usual
Challenger Strategy
Number of Payments
Dollars Collected

Impact


Payment Rate From Day Of Adjudiction
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
30
60
90
120
150
180
BAU Champion
Challenger


Flow to Loss
64%
62%
60%
58%
56%
54%
52%
50%
48%
BAU Champion
Challenger
Flow to Loss
Incremental Cash

Section 2 Questions

Patient Demands

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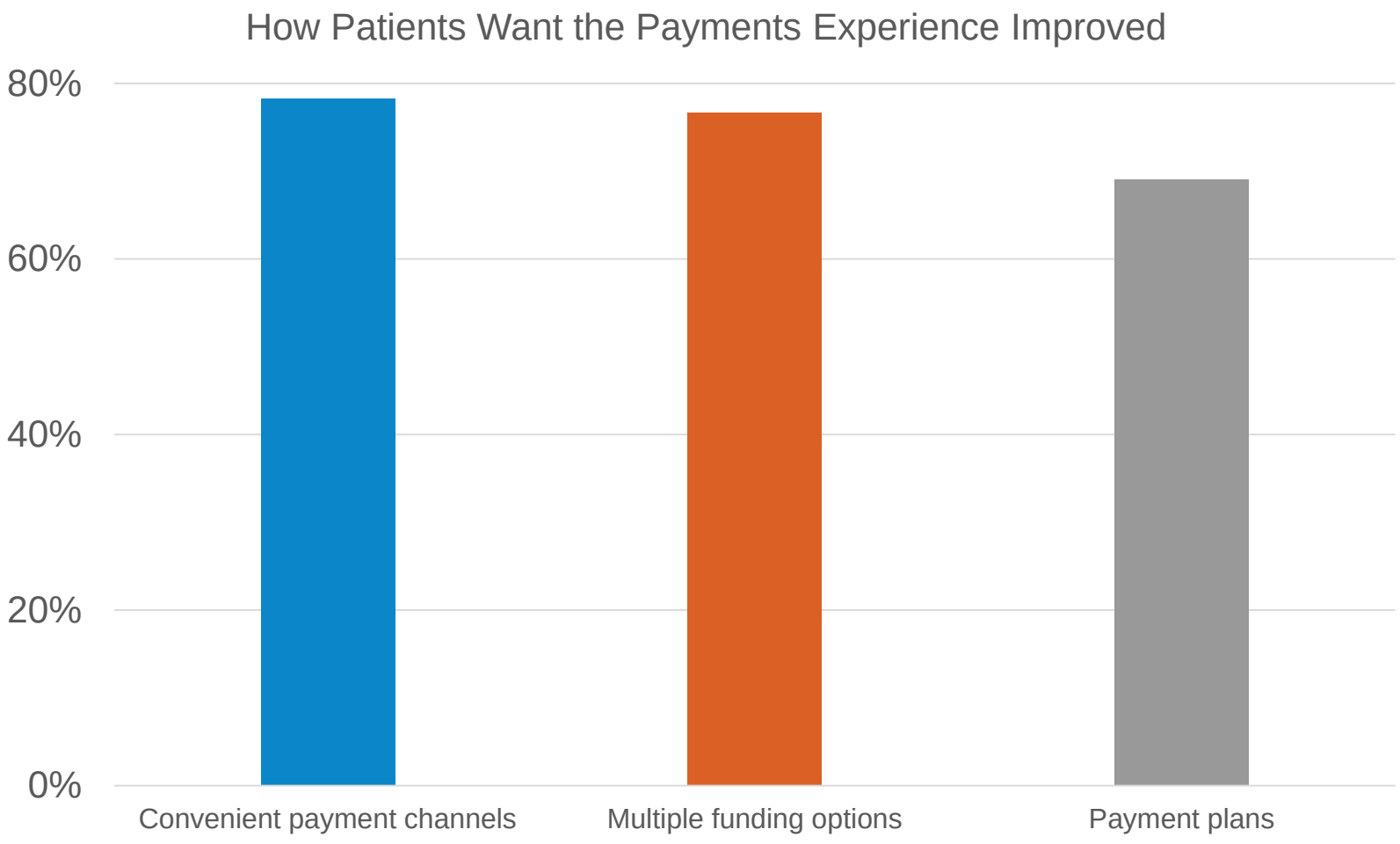
Patients Want Easier-to-Read Bills

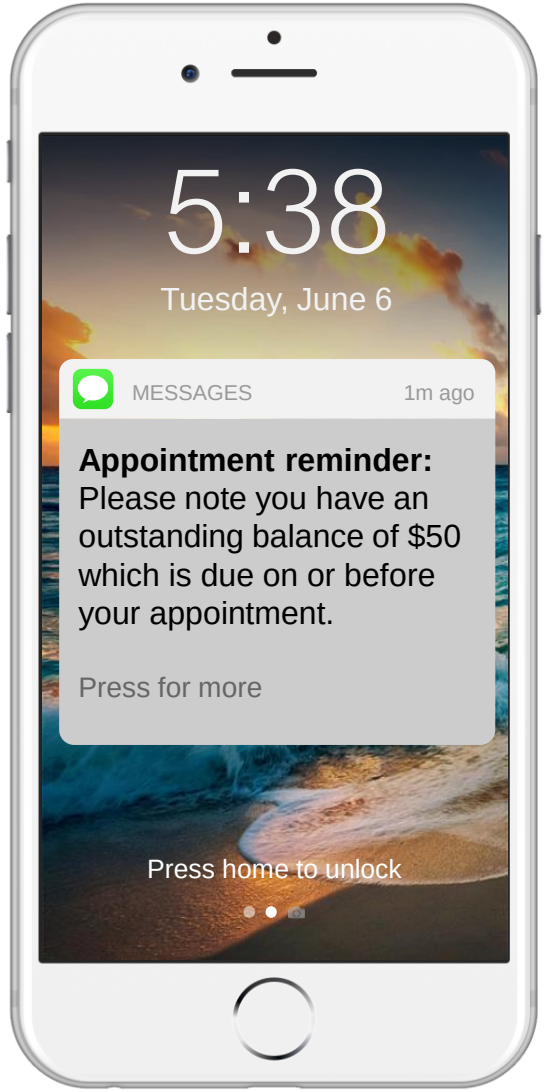
88%

of patients want an easier to read healthcare bill.

Source: Aite Group's How Americans Pay Bills sponsored by ACI Worldwide

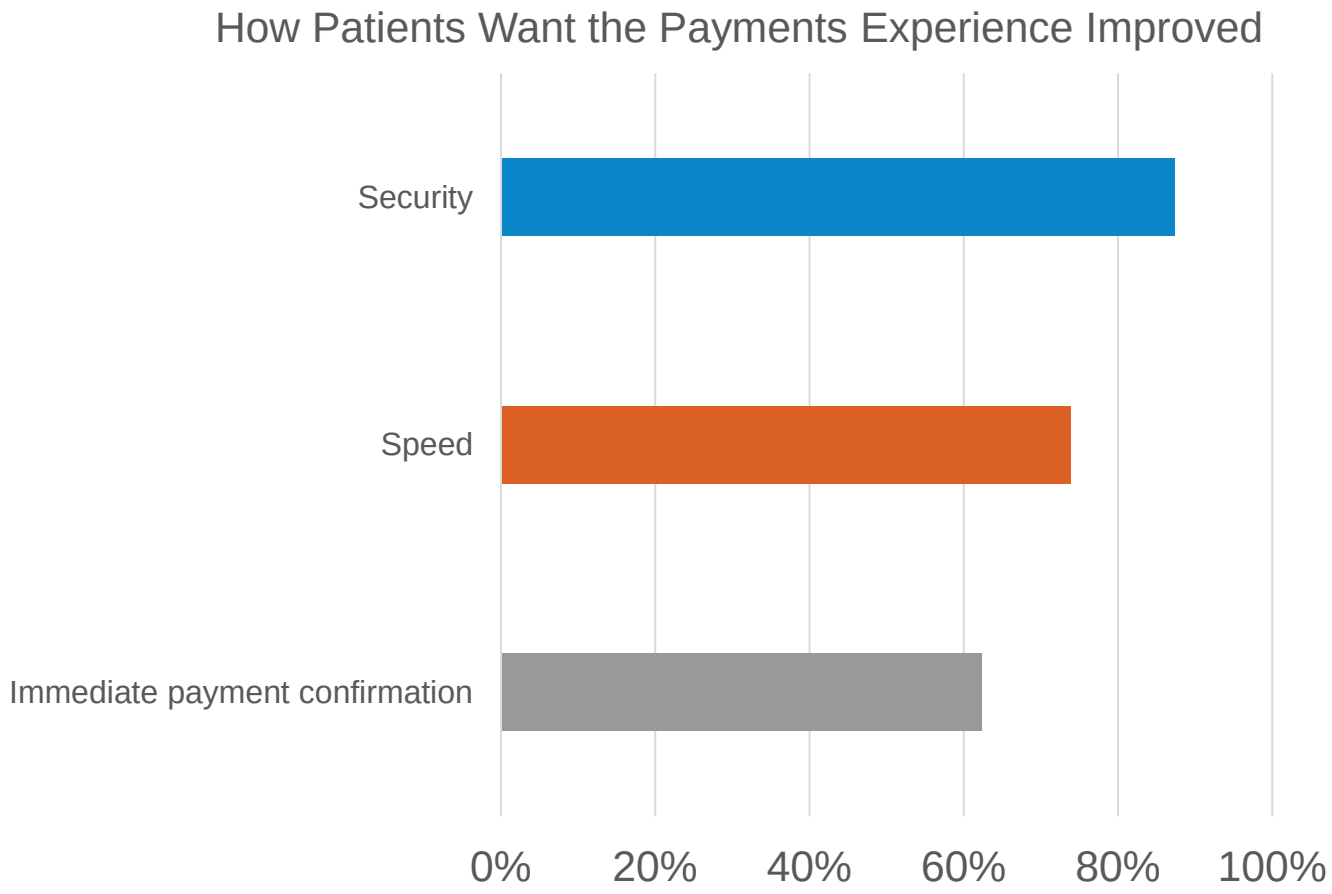
Options, Options, Options





Source: Aite Group's How Americans Pay Bills sponsored by ACI Worldwide

Beyond Options, Patients Want Faster and Safer Payments



Source: Aite Group's How Americans Pay Bills sponsored by ACI Worldwide

How to Get Started

One Year	
Total revenue	$500,000,000
Self pay after insurance (SPAI)	20%
Industry average net flow to loss	59.30%
New net flow to loss	44.90%
Incremental SPAI dollars collected	$14,400,000

1. Provide ROI to CFO
2. Easy technology integration
3. Start collecting more

Answer the Poll

Actual results may vary to projection, driven by local market conditions and the level of operating sophistication and efficiency of the client.
The projections above assume a baseline of immature operating sophistication and efficiency. Incremental SPAI collected is net of paid POS co-pays.

Status quo is not an option

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Questions?

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