St Luke's addresses affordability with the Amazon experience

April 2, 2019, 11:15-11:55AM

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Speaker intro

Richard Madison
Network Vice President, Revenue Cycle

Rich Madison, Network Vice President, Revenue Cycle has been with St. Luke's University Health Network since April, 2014 and has been working in the area of Revenue Cycle management for the past 35 years. Prior to St. Luke's Rich served in executive level roles for several Hospital organizations, including Academic Medical Centers and multi-hospital systems. In addition Rich worked in Revenue Cycle consulting at Ernst & Young, Cap Gemini Ernst & Young, Accenture and KPMG. He left consulting as Partner and Managing Director for Accenture and KPMG respectively.

Rich has a B.A. in English from the University of Missouri and an MHA from St. Joseph's University in Philadelphia. He has been married to his wife Mary for 36 years and has three sons and a grandson. He lives in Doylestown, Pa.

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St Luke's University Health Network overview

We are a non-profit, regional, fully integrated, nationally recognized network providing services at 10 hospitals and more than 250 outpatient sites

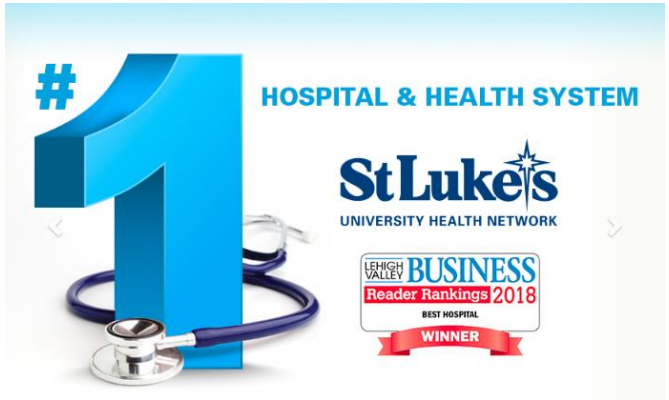
13,000+ employees

1,300+ physicians

86,000 annual admissions

270,000 annual ED visits

The oldest nursing school in the nation and a school of medicine



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Agenda

New reality: patients as consumers

Price transparency: a solution beyond the CMS mandate

Affordability: personalizing financial care

Outcomes: win-win for patients and health system

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Consumerism - the unstoppable wave in healthcare

The New York Times

TheUpshot

1,495 Americans Describe the Financial Reality of Being Really Sick

"Do you pay the hospital bill or do you pay the utility bill?" Don't count on your health insurance for serious illnesses, a new survey warns.

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CEO Power Panel: Health systems focus on patient-centered care as consumerism takes hold

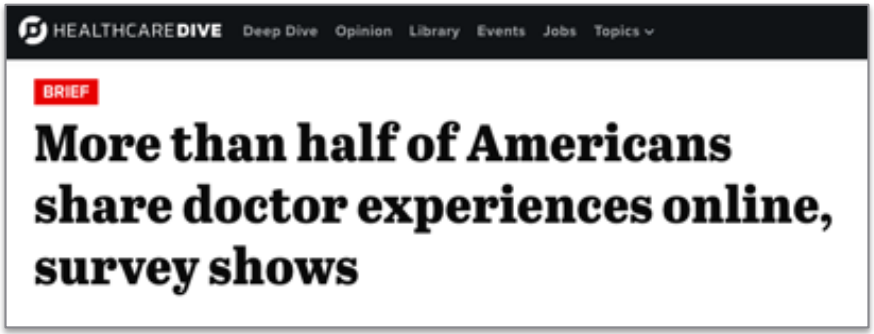
Healthcare IT News GLOBAL EDITION TOP

cybersecurity

Consumerism driving hospitals to break down cybersecurity boundaries

By Tom Sullivan | October 19, 2018 | 11:31 AM

It starts with hiring "hardcore cloud animals," to change the culture and rethink infosec's role in patient experience.


HEALTHCAREDIVE Deep Dive Opinion Library Events Jobs Topics

BRIEF

More than half of Americans share doctor experiences online, survey shows

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Patient experience being set by retail

"Convenience, personalization, self service… whenever I want it"

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Financial experience book ends the patient journey

You want patients to recommend you for their clinical care journey...

What will this cost me?

How will I pay for this?

...but how their journey starts and ends makes a big difference

Pre-service

Post-service

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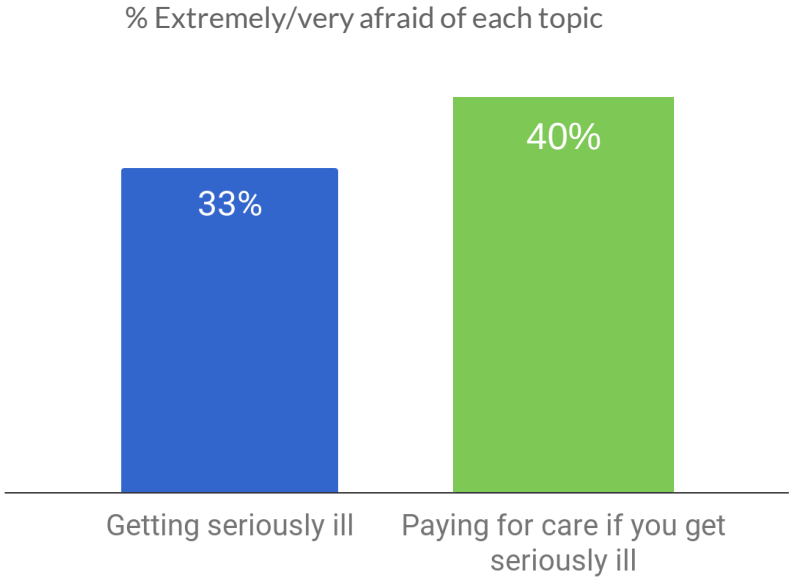
Confusion over the price of healthcare

Greater concern about financial impact of care than illness



Clinical care can be impacted by financial care

2 in 5 patients skip recommended tests or treatment due to affordability

Sources: West Health Institute/NORC poll of 1,302 adults nationwide conducted Feb 15-19, 2018

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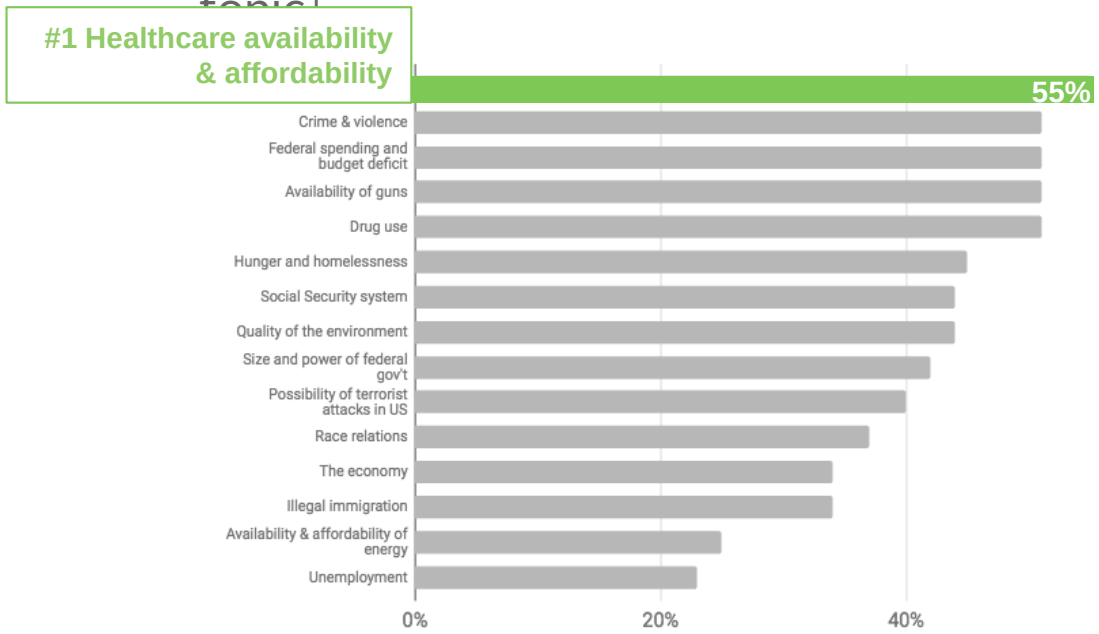
Affordability continues to be a major patient pain point

% that worry "a great deal" about each topic[1]



3 in 5

Americans say healthcare costs are a significant source of stress[2]

Sources:
1 Gallup poll of 1,041 adults nationwide conducted Mar 1-8, 2018
2 Transamerica Center for Health Studies 6th annual Survey, "Stressed Out" Americans and Helathcare", Oct 2018

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CMS mandate - a fine motivation, but not the final answer

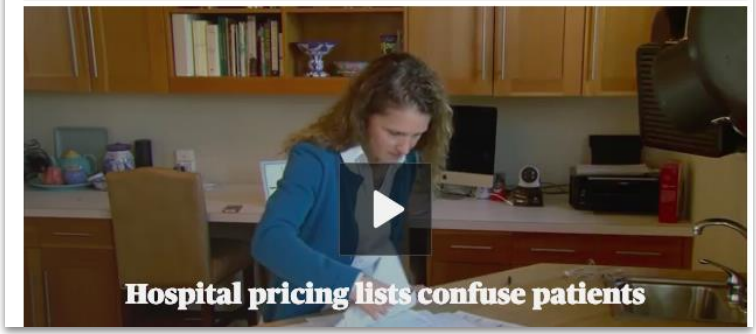
AS HOSPITALS POST STICKER PRICES ONLINE, MOST PATIENTS WILL REMAIN BEFUDDLED

BY KAISER HEALTH NEWS | JANUARY 04, 2019

By ANNA WERNER / CBS NEWS / January 21, 2019, 6:35 PM

Hospitals' confusing online price lists give patients a headache

Share / Tweet / Reddit / Flipboard / Email



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TUESDAY MAR. 5, 2019 FOODIE WINNERS SPORTS OPINION OBITS TRAVEL ENTERTAINMENT LEGAL NOTICES BEST REVIEWS

New law requires hospitals to list prices for procedures. Critics say it's no help

CARDIOVRTR/DEFIB SINGLE LEAD EVAL W/ADJ	$169.00
CARDIOVRTR/DEFRIB DUAL LEAD EVAL W/ADJ	$169.00
ECHO COMPLETE 2DM	$2,658.00
ECHO COMPLETE PW/CW	$1,379.00
ECHO COLOR FLOW	$982.00
ECHO LIMITED 2DM	$1,499.00
ECHO LIMITED PW/CW	$855.00
ECHO FETAL CARDIO	$1,574.00
DOPPLER ECHO FETAL	$1,154.00
ECHO FETAL FOLLOW UP	$1,364.00
DOPPLER ECHO FOLLOW UP	$1,049.00
ECHO TEE 2DM	$3,726.00
CARDIOVASCULAR STRESS TEST MAX/SUBAM TREADMILL/BIKE TRACING ONLY	$2,570.00
BRONCHOSPASM EVALUATION SPIROMETRY	$1,211.00
METABOLIC STUDY	$1,242.00
TILT TABLE STUDY	$1,987.00
Peak Flow Meter	$734.00
Peak Flow Meter Pre/Post	$1,211.00
STENT NON COATED/COVERED	$6,141.00
ASD Implant	$20,093.00

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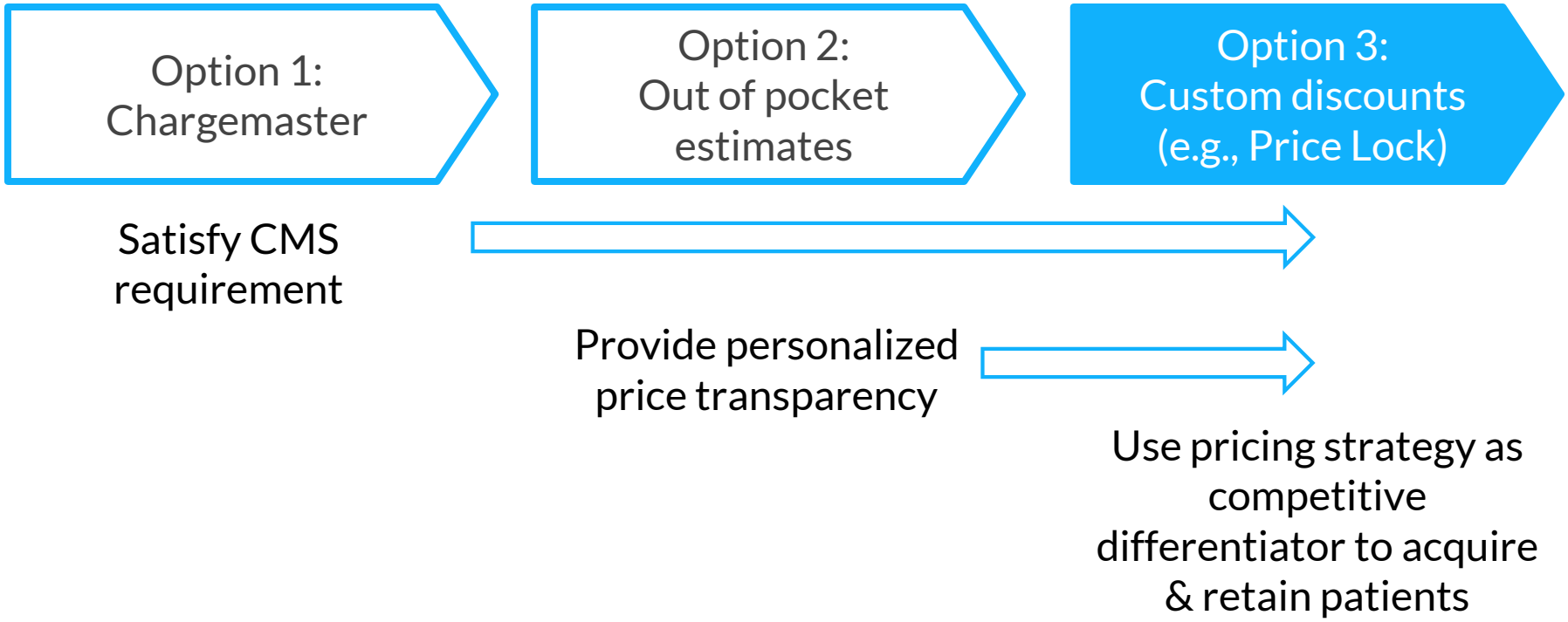
St Luke's is pursuing a unique patient pricing transparency strategy

What price information do you show to patients?



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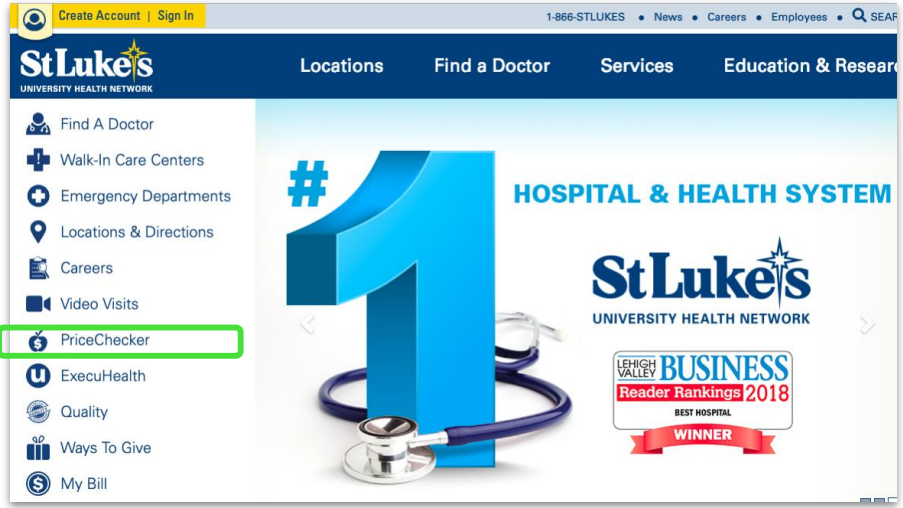
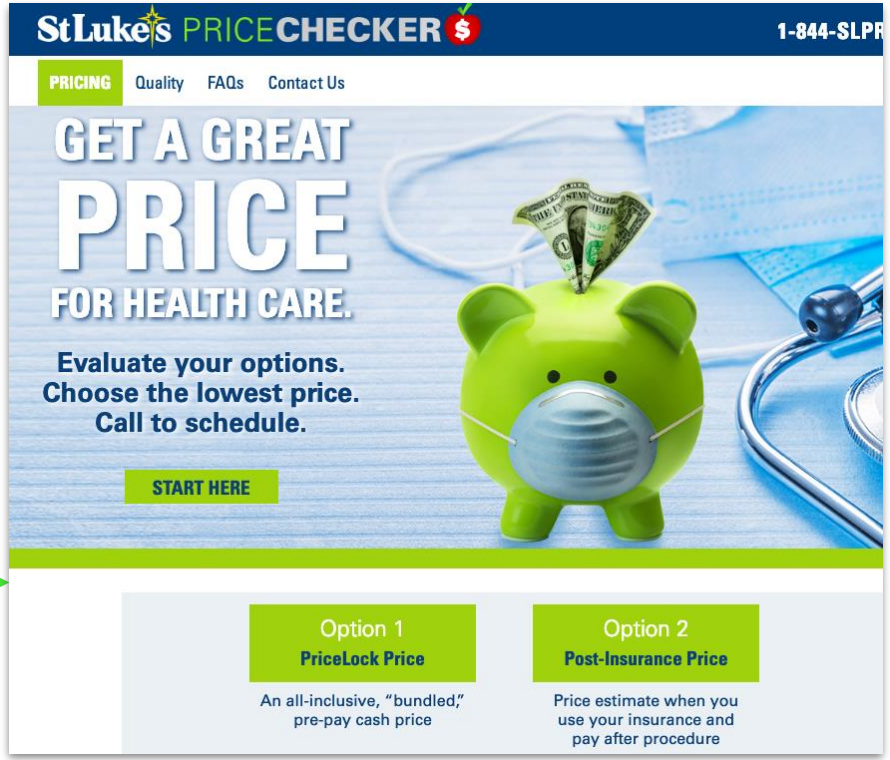
PriceChecker experience: easy to find and access



Convenient homepage link to price transparency experience



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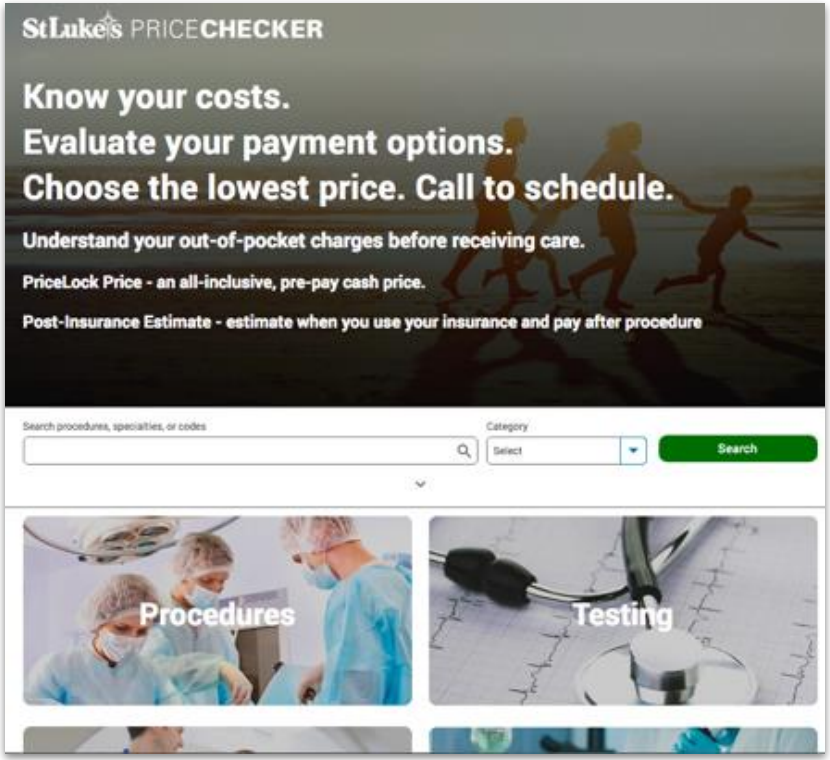
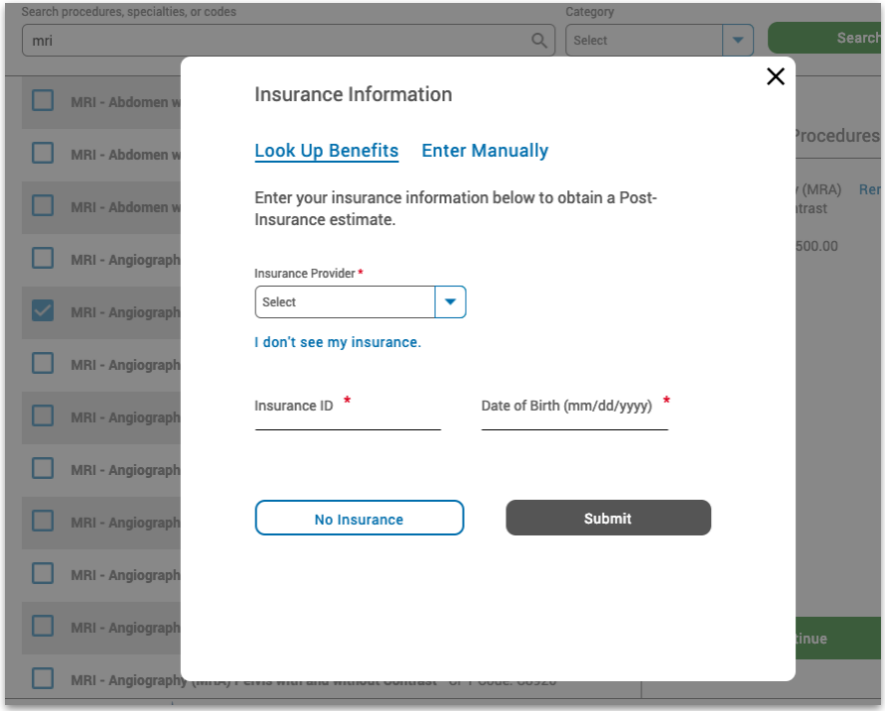
Intuitive self service experience for patients

Search for procedures



Enter insurance plan information



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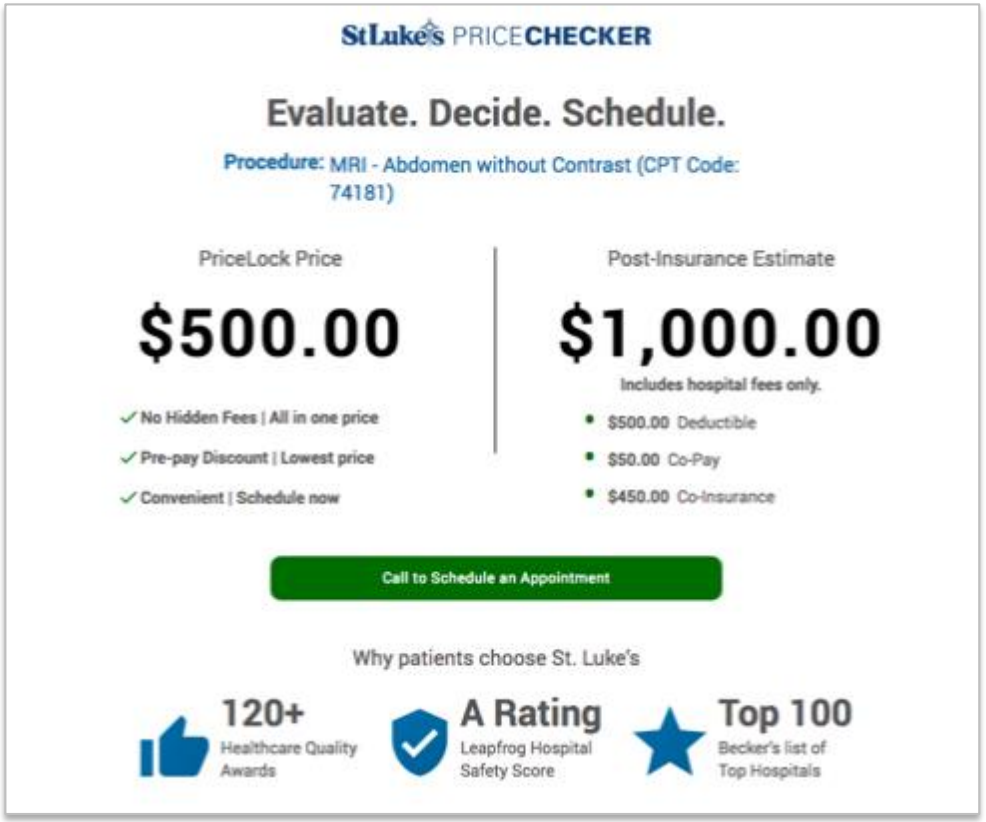
Providing personalized pricing options



"While we believe that the CMS requirement is a move in the right direction, it does not provide patients with an easy answer to what health services actually cost. While our price checker tool continues to evolve, our hope is that more hospitals will follow our lead and create true transparency pricing to make it easier for patients to make health care decisions."

Francine Botek, SVP Finance
St Luke's University Health Network
Interview with "The Morning Call"

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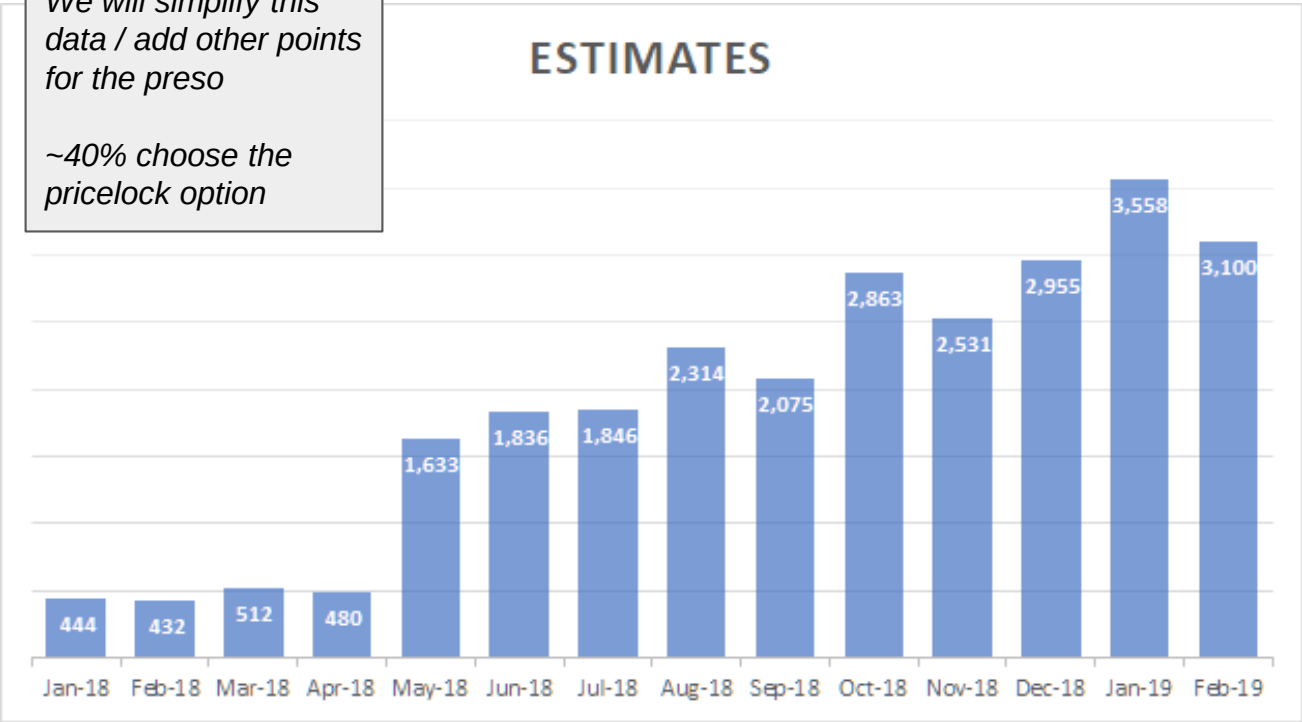
PriceChecker traction

We will simplify this data / add other points for the preso

~40% choose the pricelock option



30%

Increase in Visitors
in Jan-19 compared to Q4 18 avg.

110+

Average Visitors per day

38

NPS
(+6% over Q4)

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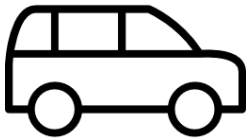
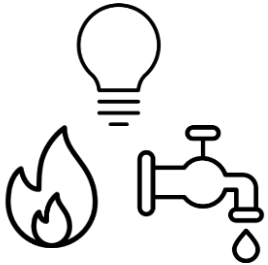
Monthly payments the norm outside of healthcare

Home	Car	Utilities	Healthcare
			
$900 per month	**$300** per month	**$170** per month	**$1,000+** bills…
30 years	**5** years	ongoing	… pay now please!

Sources: Bureau of Labor Statistics, 2016 Consumer Expenditures (link)

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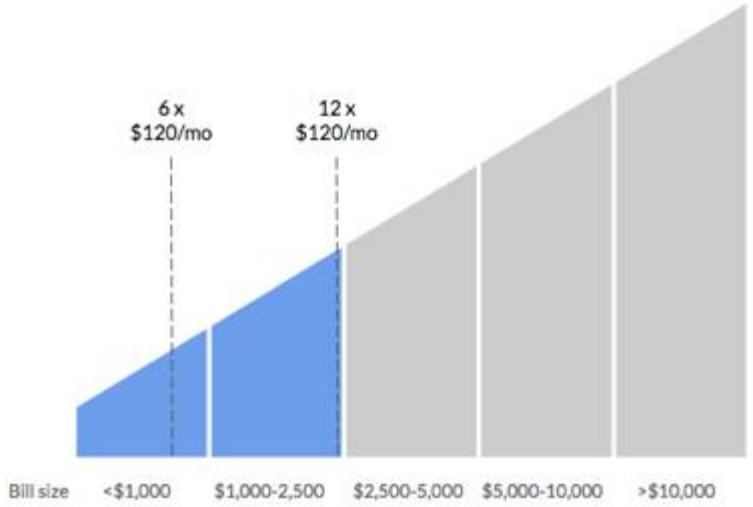
Even when offered, traditional payment plans fall short

- $120 average patient monthly affordability
- Short term plans don't address high balances that make up 50%+ of bills



9 in 10 patients say healthcare is an expense that requires financing more than 12 months in duration

"The payment plan won't allow me to set up a plan that is reasonable for me."

-Patient

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A new approach: understand patient level of need

Relevant, predictive patient data

Healthcare tuned scoring algorithm

Patient capacity to pay healthcare bill

Insurance

Past payment behavior

Total balance

Demographics

Consolidated medical bills

+ other attributes

LOW HIGH

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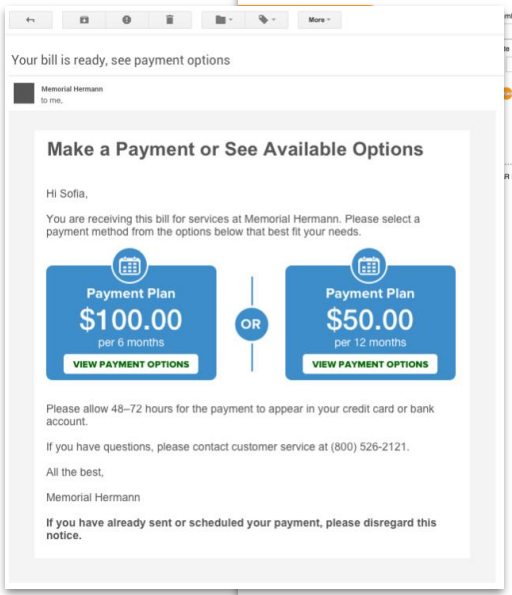
Proactive communication of payment option

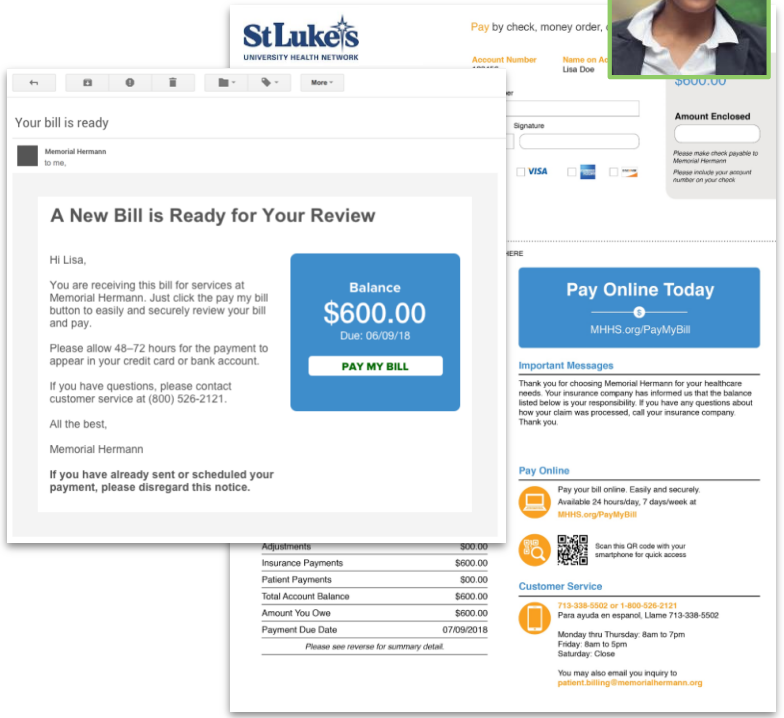
LOW

Jennifer



HIGH

Yvette



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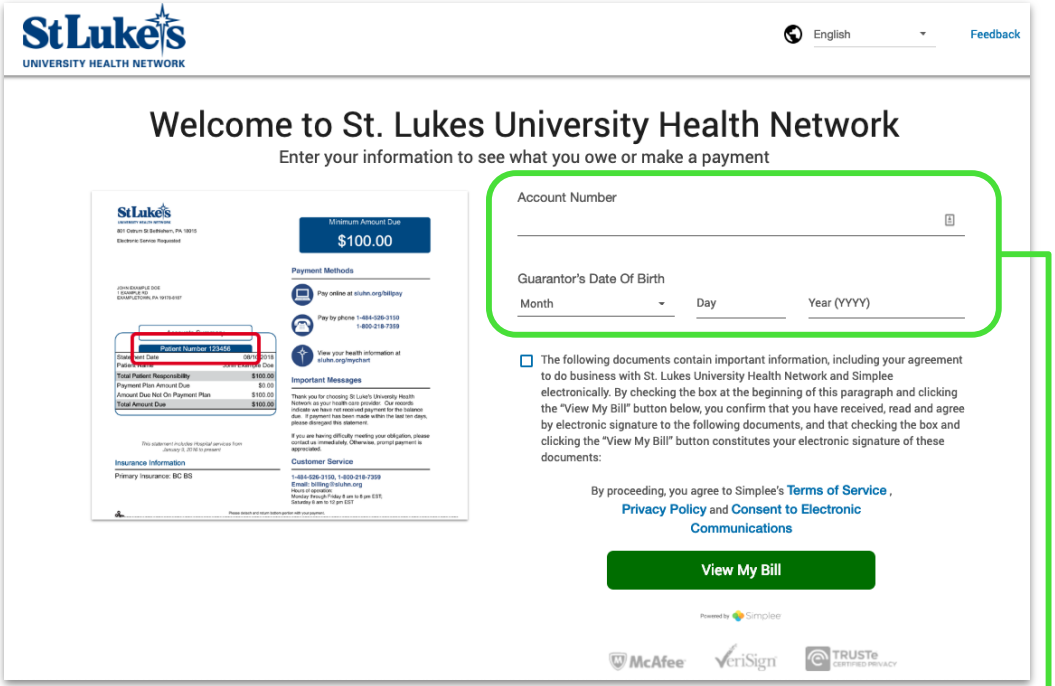
Easy to access digital experience

Convenient homepage link

"I didn't have to create another username and password!!



No separate online account required

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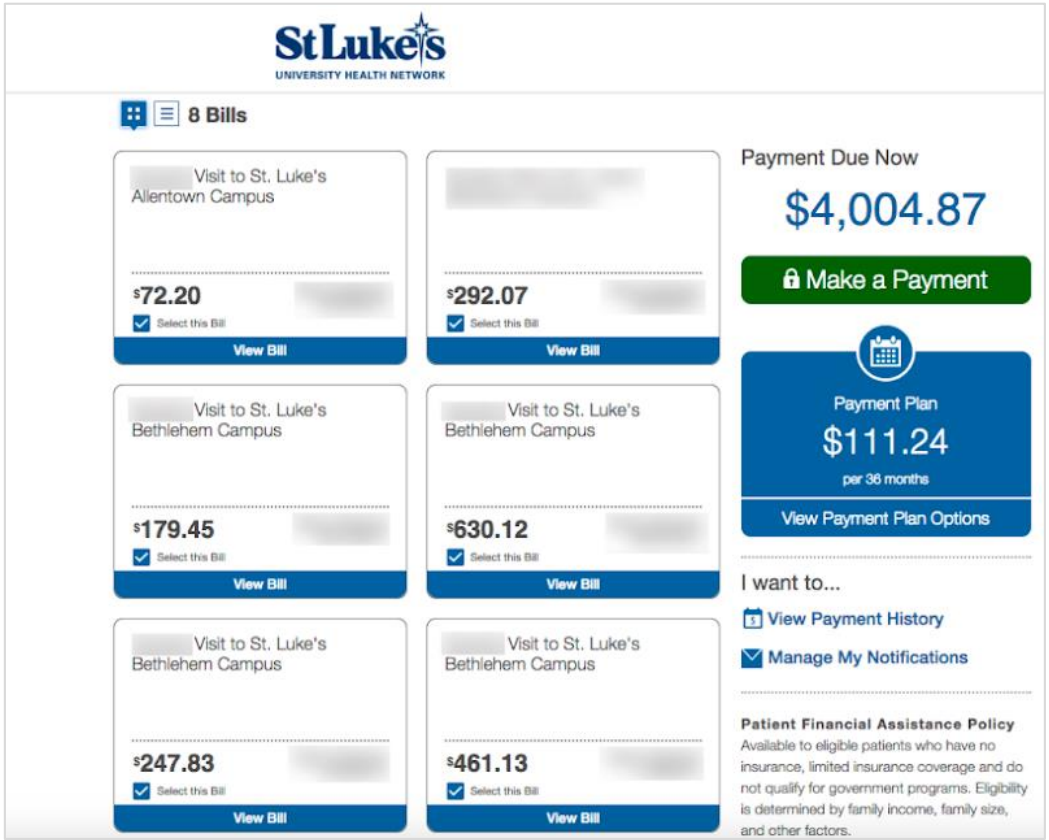
Consolidated billing



"I love that it was only on one bill instead of having several bills to pay. I love the break down of charges and payments."

"You made it easy to pay the bill! You included pictures of bills, which made it to navigate."

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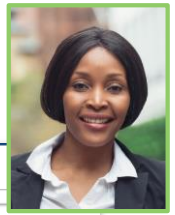
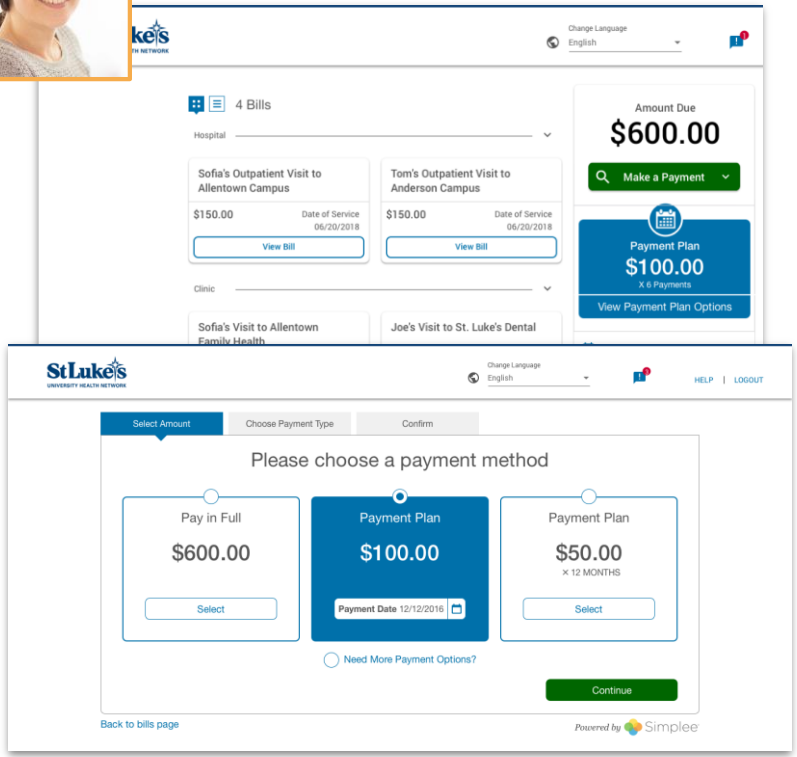
Personalized view of payment options

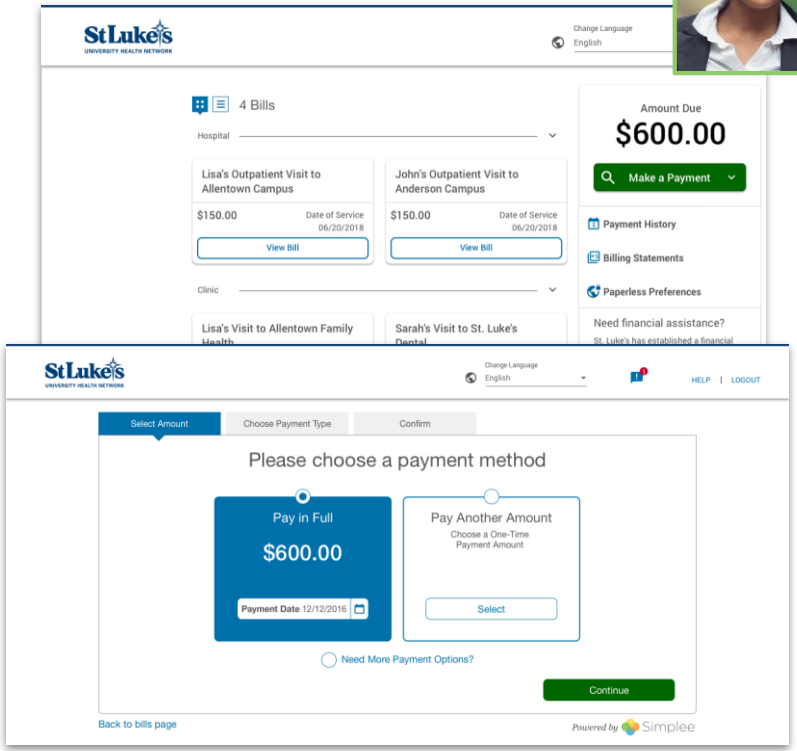
LOW — HIGH

Jennifer

Yvette







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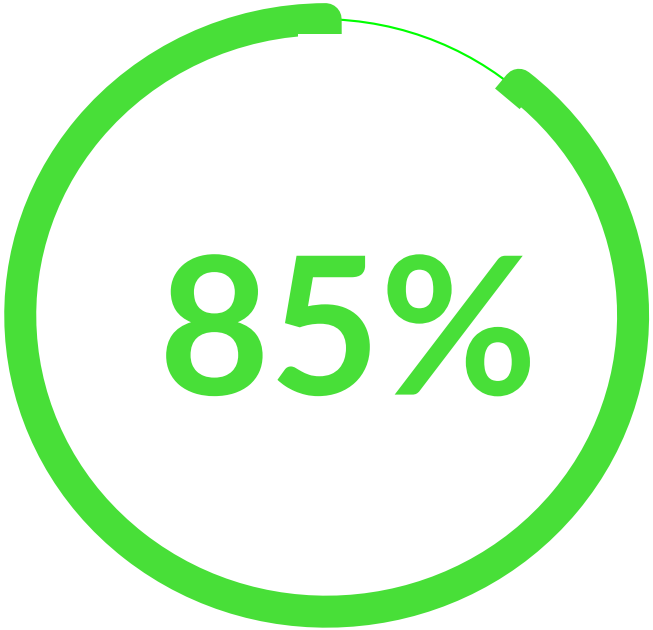
Patients moving to self service financial experience

Patient payments through self service experience



2x growth in self service payments

"I love that I can pay on-line. It was easy to figure out because of the pictures you provided."

"I like that I can pay it online. I don't use checks."

"I could set up my own payment plan quickly and easily and without having to call."

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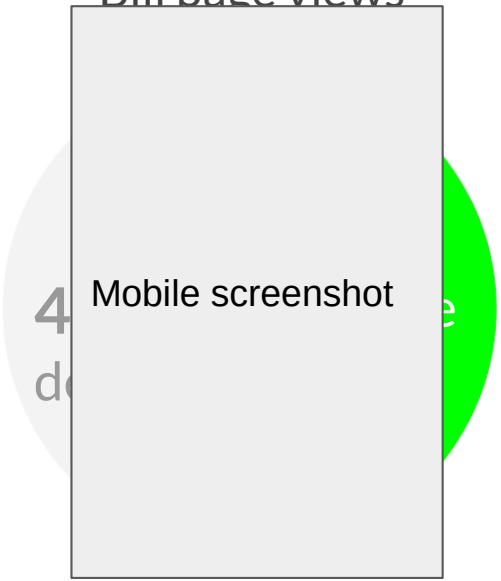
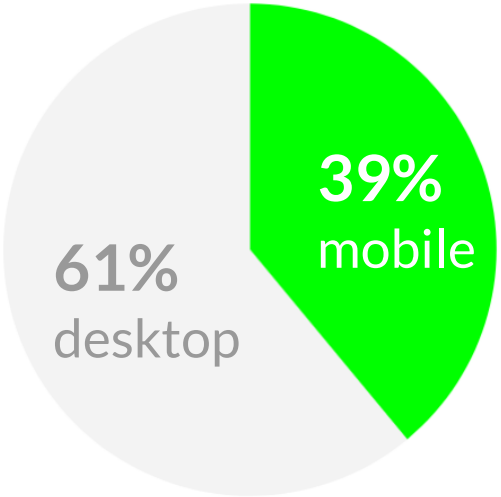
Mobile a big driver of patient engagement

Bill page views



Payments completed



39% online payments from mobile - higher than ecommerce

(24% of retail ecommerce occurs via mobile device[1])

Source: [1] ComScore State of the US Online Retail Economy, 1Q18

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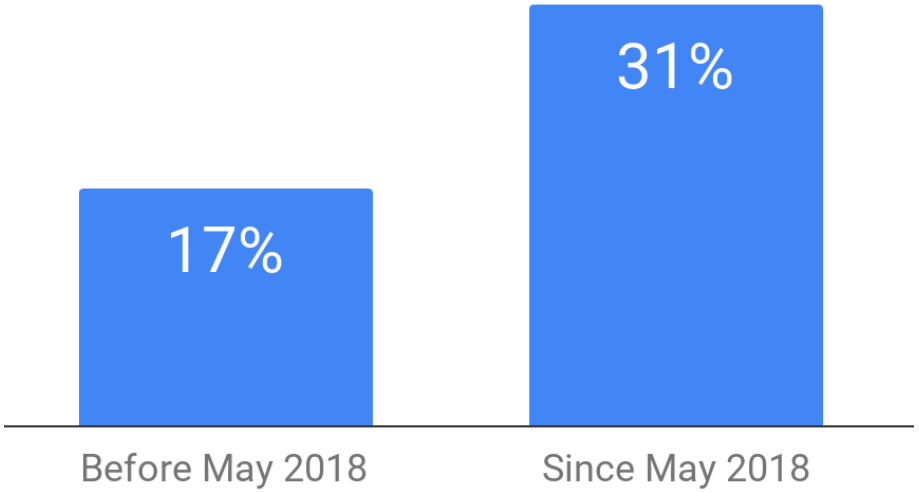
Payment plan adoption on the rise

Payment plans originated through self service experience



2x increase in self service payment plans

27% increase in total payment plans

"Thank you for making a **payment plan so easy to set up!** This was my first time doing it and it really took the stress out of having to pay it all at once."

"The website was extremely easy to use and understand. I love the fact that I could **set up the due date and payment options without having to wait on the phone."**

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Self service engagement driving cost down

Pay by phone reduces call volume

50% customer service payments converted to IVR

120 fewer calls per day

$0.3M cost savings

Email reduces paper statements

Data points TBD

"The link in the email took me directly to the page I needed to make the payment"

"I LOVE this format... getting the email; not needing to login, the statement is just as clear as the paper one that hasn't come yet. This is

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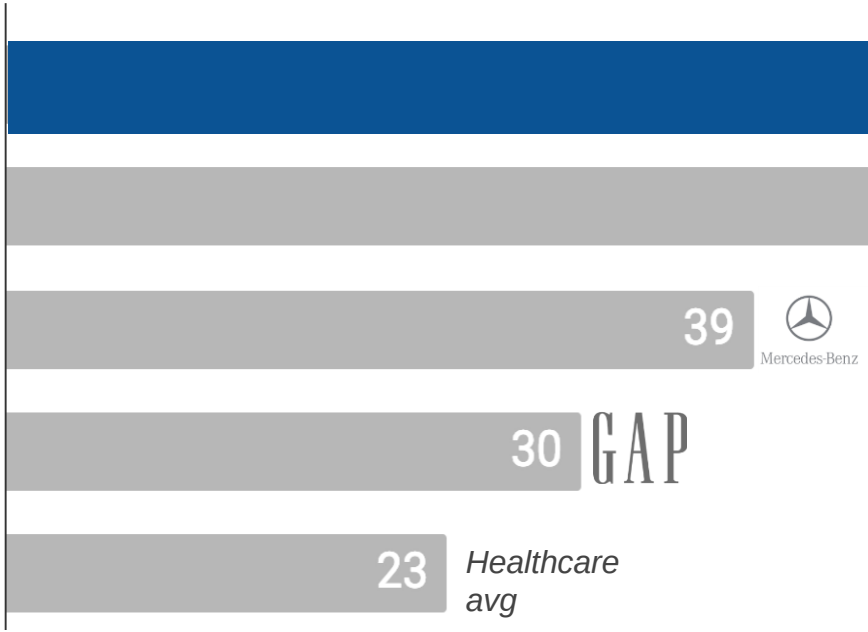
Patient satisfaction on par with major consumer brands



"The **bill is easy to read** and arrived quickly. The **online process worked extremely well** and without any glitches. A **payment plan was offered without having to call** or incur any inconvenience (I work 12-hr night shifts and calling people during my daytime sleep hours is difficult). **Thank you!"**

Source: St Luke's NPS based on 5,089 patient responses in past quarter. Healthcare average from Connance whitepaper "The Impact of Consumerism on Healthcare", Oct 2018. Other companies from Gap, Mercedes Benz, Google NPS from npsbenchmarks.com.

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Takeaways

Leading the market with a retail-like price checker experience

Patient visits continue to grow in double digits

Improve patient satisfaction

Online self service

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Q&A

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