





## **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.

# 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



## 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

# 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.

## Modern Healthcare

The leader in healthcare business news, research & data

Search

ent Finance Technology Transformation Best Practices Safet

## 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.

 HEALTHCARE DIVE Deep Dive Opinion Library Events Jobs Topics

BRIEF

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

# Patient experience being set by retail

“Convenience, personalization, self service... whenever I want it”





# Financial experience book ends the patient journey

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



What will this cost me?

Pre-service

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

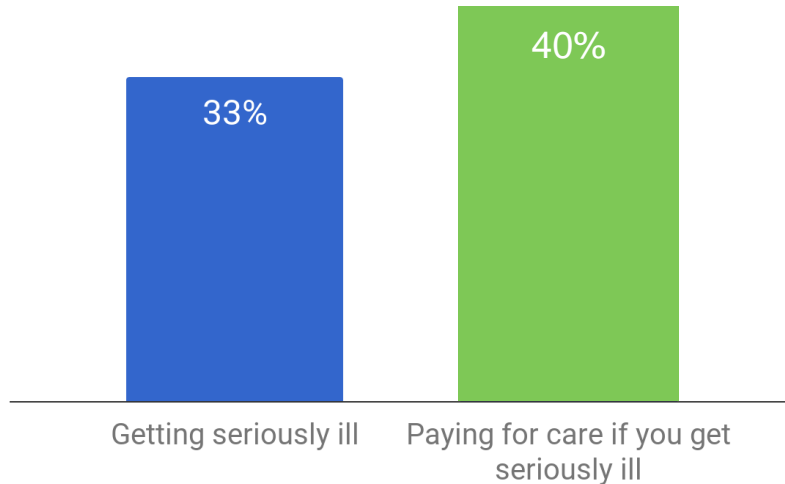
How will I pay for this?

Post-service

# Confusion over the price of healthcare

## Greater concern about financial impact of care than illness

% Extremely/very afraid of each topic



## Clinical care can be impacted by financial care



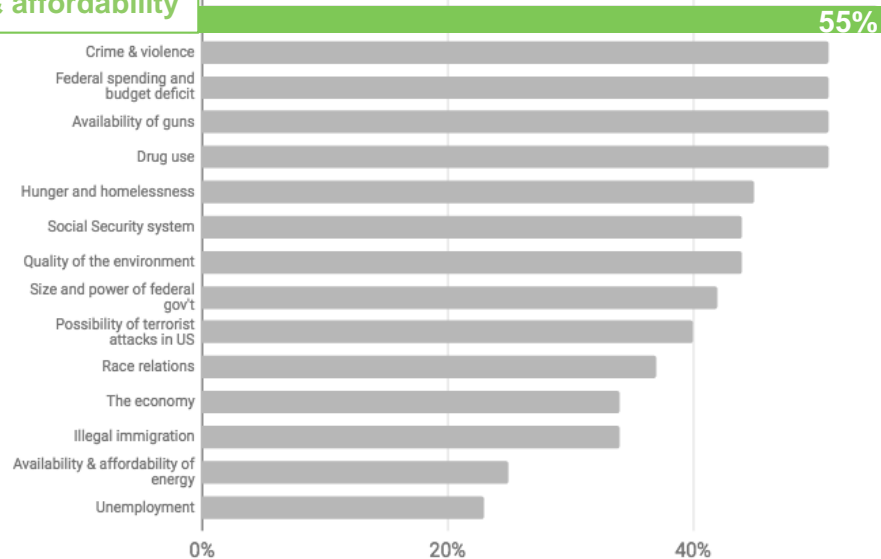
**2 in 5 patients skip recommended tests or treatment due to affordability**



# Affordability continues to be a major patient pain point

% that worry “a great deal” about each topic<sup>1</sup>

#1 Healthcare availability & affordability



3 in 5

Americans say healthcare costs are a significant source of stress<sup>2</sup>

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

# Agenda

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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

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

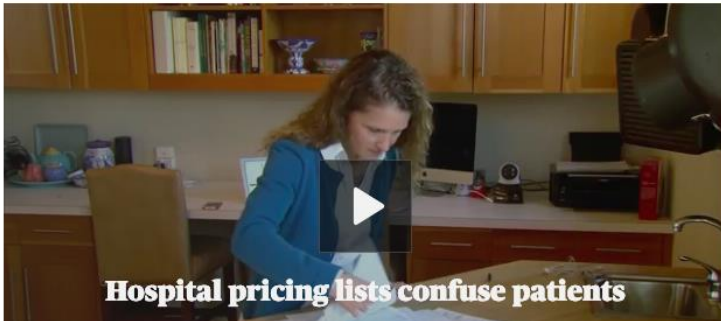
## AS HOSPITALS POST STICKER PRICES ONLINE, MOST PATIENTS WILL REMAIN BEFUDDLED

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



Orlando Sentinel

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

CARDIOVTR/DEFIB SINGLE LEAD EVAL W/ADJ	\$169.00
CARDIOVTR/DEFIB 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

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

What price information do you show to patients?

Option 1:  
Chargemaster

Satisfy CMS  
requirement

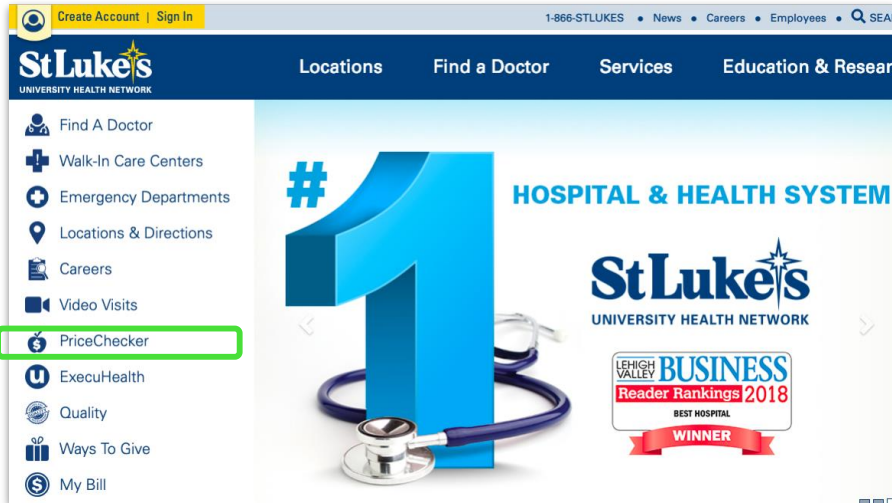
Option 2:  
Out of pocket  
estimates

Provide personalized  
price transparency

Option 3:  
Custom discounts  
(e.g., Price Lock)

Use pricing strategy as  
competitive  
differentiator to acquire  
& retain patients

# PriceChecker experience: easy to find and access



Convenient homepage link to price transparency experience

St Luke's PRICECHECKER \$ 1-844-SLPP

PRICING Quality FAQs Contact Us

GET A GREAT PRICE FOR HEALTH CARE.

Evaluate your options. Choose the lowest price. Call to schedule.

START HERE

Option 1 PriceLock Price An all-inclusive, "bundled," pre-pay cash price	Option 2 Post-Insurance Price Price estimate when you use your insurance and pay after procedure
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# Intuitive self service experience for patients

## Search for procedures

**St. Luke's PRICECHECKER**

**Know your costs.  
Evaluate your payment options.  
Choose the lowest price. Call to schedule.**

Understand your out-of-pocket charges before receiving care.  
PriceLock Price - an all-inclusive, pre-pay cash price.  
Post-Insurance Estimate - estimate when you use your insurance and pay after procedure

Search procedures, specialties, or codes  Category

**Procedures** **Testing**

## Enter insurance plan information

Search procedures, specialties, or codes  Category

MRI - Abdomen w  
 MRI - Abdomen w  
 MRI - Abdomen w  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph  
 MRI - Angiograph

**Insurance Information**

[Look Up Benefits](#) [Enter Manually](#)

Enter your insurance information below to obtain a Post-Insurance estimate.

Insurance Provider \*

[I don't see my insurance.](#)

Insurance ID \*  Date of Birth (mm/dd/yyyy) \*

# Providing personalized pricing options

**St. Luke's PRICE CHECKER**

**Evaluate. Decide. Schedule.**

Procedure: MRI - Abdomen without Contrast (CPT Code: 74181)

PriceLock Price	Post-Insurance Estimate
<b>\$500.00</b>	<b>\$1,000.00</b>
<ul style="list-style-type: none"><li>✓ No Hidden Fees   All in one price</li><li>✓ Pre-pay Discount   Lowest price</li><li>✓ Convenient   Schedule now</li></ul>	<p>Includes hospital fees only.</p> <ul style="list-style-type: none"><li>• \$500.00 Deductible</li><li>• \$50.00 Co-Pay</li><li>• \$450.00 Co-Insurance</li></ul>

[Call to Schedule an Appointment](#)

Why patients choose St. Luke's

- 120+** Healthcare Quality Awards
- A Rating** Leapfrog Hospital Safety Score
- Top 100** Becker's list of Top Hospitals

“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”

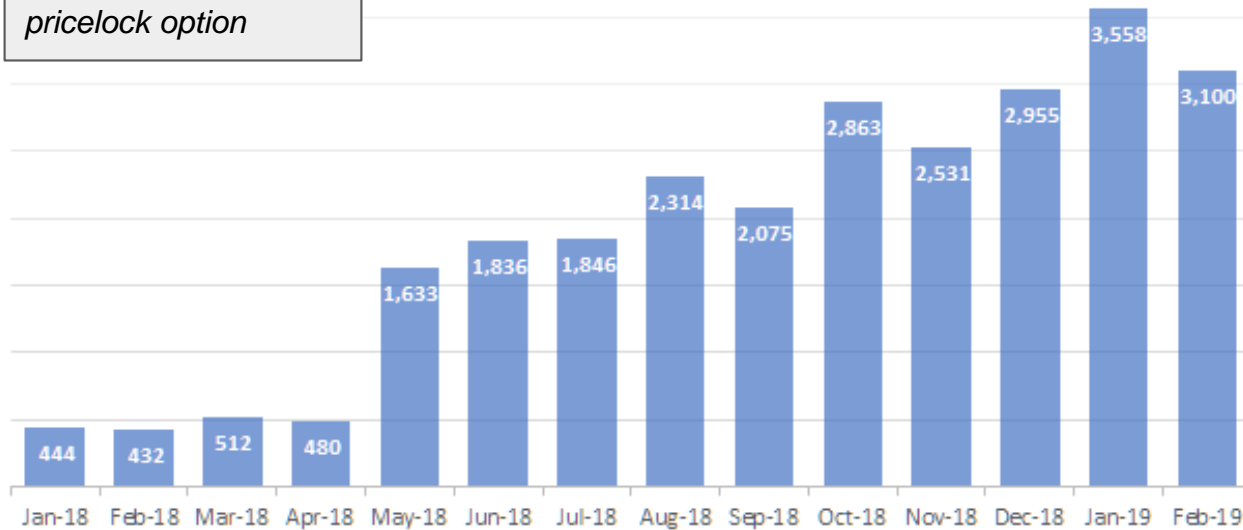


# PriceChecker traction

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

*~40% choose the pricelock option*

## ESTIMATES



# 30%

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

# 110+

Average Visitors per day

# 38

NPS  
(+6% over Q4)

# Agenda

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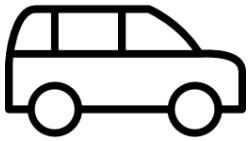


New reality: patients as consumers

Price transparency: a solution beyond the CMS mandate

**Affordability: personalizing financial care**

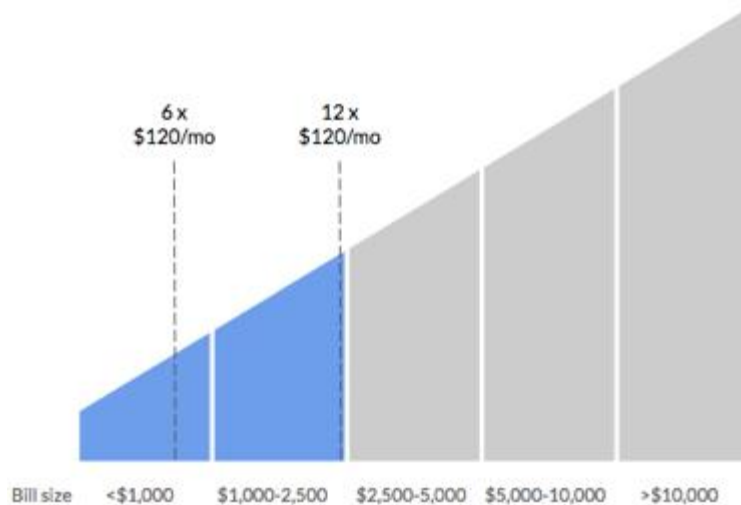
Outcomes: win-win for patients and health system

# Monthly payments the norm outside of healthcare

Home	Car	Utilities	Healthcare
			
<p><b>\$900</b> per month <b>30 years</b></p>	<p><b>\$300</b> per month <b>5 years</b></p>	<p><b>\$170</b> per month ongoing</p>	<p><b>\$1,000+</b> bills... ... pay now please!</p>

# 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

# 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



# Proactive communication of payment option



Jennifer

LOW

St. Luke's UNIVERSITY HEALTH NETWORK

Pay by check, money order, or credit card. Page 1 of 4

Account Number 123456 Name on Account Sofia Doe

Amount Due (1/12/21) \$600.00

Amount Enclosed

Memorial Hermann to me.

Your bill is ready, see payment options

### Make a Payment or See Available Options

Hi Sofia,

You are receiving this bill for services at Memorial Hermann. Please select a payment method from the options below that best fit your needs.

Payment Plan

**\$100.00**

per 6 months

[VIEW PAYMENT OPTIONS](#)

OR

Payment Plan

**\$50.00**

per 12 months

[VIEW PAYMENT OPTIONS](#)

Please allow 48-72 hours for the payment to appear in your credit card or bank account.

If you have questions, please contact customer service at (800) 526-2121.

All the best,

Memorial Hermann

If you have already sent or scheduled your payment, please disregard this notice.

**Pay Online**  
Pay your bill online. Easily and securely. Available 24 hours/day, 7 days/week at [MHHS.org/PayMyBill](#)

**Customer Service**  
713-338-5502 or 1-800-526-2121  
Para ayuda en español, llame 713-338-5502

Monday thru Thursday: 8am to 7pm  
Friday: 8am to 5pm  
Saturday: Close

You may also email your inquiry to [patient.billing@memorialhermann.org](mailto:patient.billing@memorialhermann.org)



Yvette

HIGH

St. Luke's UNIVERSITY HEALTH NETWORK

Pay by check, money order, or credit card. Page 1 of 4

Account Number 123456 Name on Account Lisa Doe

Amount Due (1/12/21) \$600.00

Amount Enclosed

Memorial Hermann to me.

Your bill is ready

### A New Bill is Ready for Your Review

Hi Lisa,

You are receiving this bill for services at Memorial Hermann. Just click the pay my bill button to easily and securely review your bill and pay.

Please allow 48-72 hours for the payment to appear in your credit card or bank account.

If you have questions, please contact customer service at (800) 526-2121.

All the best,

Memorial Hermann

If you have already sent or scheduled your payment, please disregard this notice.

Balance

**\$600.00**

Due: 06/09/18

**PAY MY BILL**

**Pay Online Today**

[MHHS.org/PayMyBill](#)

**Important Messages**  
Thank you for choosing Memorial Hermann for your healthcare needs. Your insurance company has informed us that the balance listed below is your responsibility. If you have any questions about how your claim was processed, call your insurance company. Thank you.

**Pay Online**  
Pay your bill online. Easily and securely. Available 24 hours/day, 7 days/week at [MHHS.org/PayMyBill](#)

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Adjustments	\$000.00
Insurance Payments	\$600.00
Patient Payments	\$000.00
Total Account Balance	\$600.00
Amount You Owe	\$600.00
Payment Due Date	07/09/2018

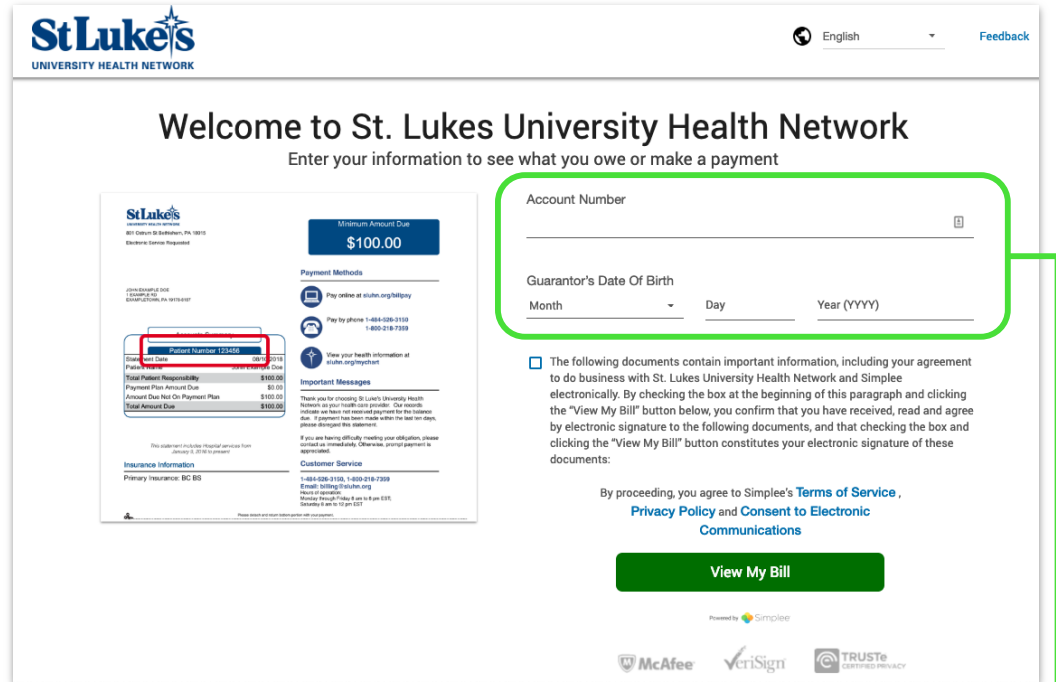
Please see reverse for summary detail.

# Easy to access digital experience



Convenient homepage link

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



No separate online account required



# Consolidated billing

The screenshot shows the St. Luke's University Health Network consolidated billing interface. At the top left is the St. Luke's logo. Below it, a notification icon and the text "8 Bills" are displayed. The main area contains six bill cards arranged in a 3x2 grid. Each card shows a description of the service, a total amount, a "Select this Bill" checkbox, and a "View Bill" button. To the right of the grid, there is a "Payment Due Now" section with a large amount of \$4,004.87 and a green "Make a Payment" button. Below that is a "Payment Plan" section with a monthly amount of \$111.24 and a "View Payment Plan Options" button. Further down, there is a section titled "I want to..." with two options: "View Payment History" and "Manage My Notifications". At the bottom right, there is a "Patient Financial Assistance Policy" section with a brief description of eligibility.

**St Luke's**  
UNIVERSITY HEALTH NETWORK

8 Bills

Visit to St. Luke's Allentown Campus  
\$72.20  
 Select this Bill  
View Bill

Visit to St. Luke's Bethlehem Campus  
\$292.07  
 Select this Bill  
View Bill

Visit to St. Luke's Bethlehem Campus  
\$179.45  
 Select this Bill  
View Bill

Visit to St. Luke's Bethlehem Campus  
\$630.12  
 Select this Bill  
View Bill

Visit to St. Luke's Bethlehem Campus  
\$247.83  
 Select this Bill  
View Bill

Visit to St. Luke's Bethlehem Campus  
\$461.13  
 Select this Bill  
View Bill

Payment Due Now  
**\$4,004.87**  
Make a Payment

Payment Plan  
**\$111.24**  
per 36 months  
View Payment Plan Options

I want to...  
 View Payment History  
 Manage My Notifications

**Patient Financial Assistance Policy**  
Available to eligible patients who have no insurance, limited insurance coverage and do not qualify for government programs. Eligibility is determined by family income, family size, and other factors.

“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.”

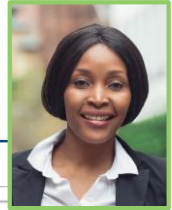
# Personalized view of payment options



**LOW**

Jennifer

The dashboard for Jennifer shows a total amount due of \$600.00. It lists four bills: Sofia's Outpatient Visit to Allentown Campus (\$150.00), Tom's Outpatient Visit to Anderson Campus (\$150.00), Sofia's Visit to Allentown Family Health (\$150.00), and Joe's Visit to St. Luke's Dental (\$150.00). A prominent blue box offers a Payment Plan for \$100.00 over 6 payments. A 'Make a Payment' button is also visible.



**HIGH**

Yvette

The dashboard for Yvette shows a total amount due of \$600.00. It lists four bills: Lisa's Outpatient Visit to Allentown Campus (\$150.00), John's Outpatient Visit to Anderson Campus (\$150.00), Lisa's Visit to Allentown Family Health (\$150.00), and Sarah's Visit to St. Luke's Dental (\$150.00). A 'Make a Payment' button is visible. The interface includes links for Payment History, Billing Statements, and Paperless Preferences.

St Luke's UNIVERSITY HEALTH NETWORK

Please choose a payment method

Pay in Full <b>\$600.00</b> Select	Payment Plan <b>\$100.00</b> Payment Date 12/12/2016 Select	Payment Plan <b>\$50.00</b> x 12 MONTHS Select
--	--	---

Need More Payment Options?

Continue

Back to bills page

Powered by Simplee

St Luke's UNIVERSITY HEALTH NETWORK

Please choose a payment method

Pay in Full <b>\$600.00</b> Payment Date 12/12/2016 Select	Pay Another Amount Choose a One-Time Payment Amount Select
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Need More Payment Options?

Continue

Back to bills page

Powered by Simplee

# Agenda

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New reality: patients as consumers

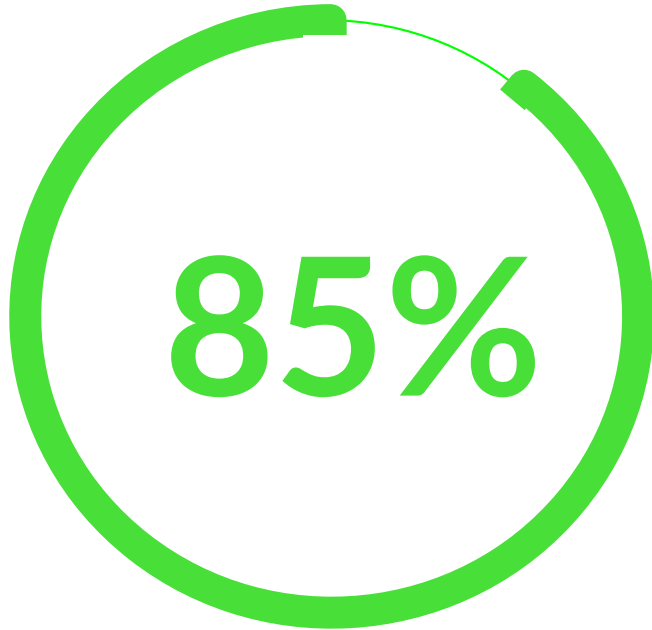
Price transparency: a solution beyond the CMS mandate

Affordability: personalizing financial care

**Outcomes: win-win for patients and health system**

# Patients moving to self service financial experience

Patient payments through self service experience



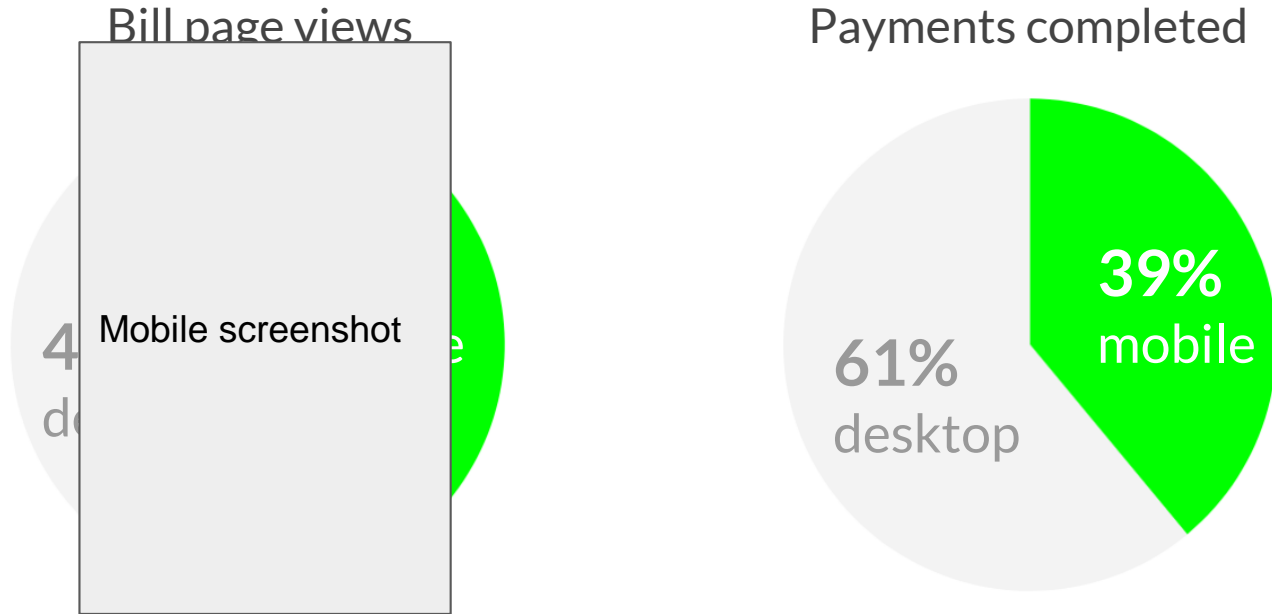
**2x** growth in self service payments

“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.”

# Mobile a big driver of patient engagement

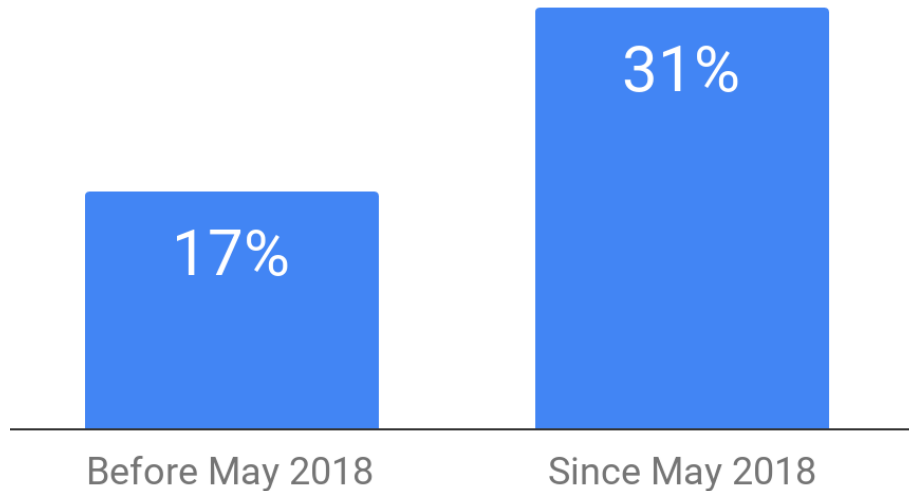


**39% online payments from mobile** - higher than ecommerce

(24% of retail ecommerce occurs via mobile device<sup>1</sup>)

# 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.**”

# Self service engagement driving cost down

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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

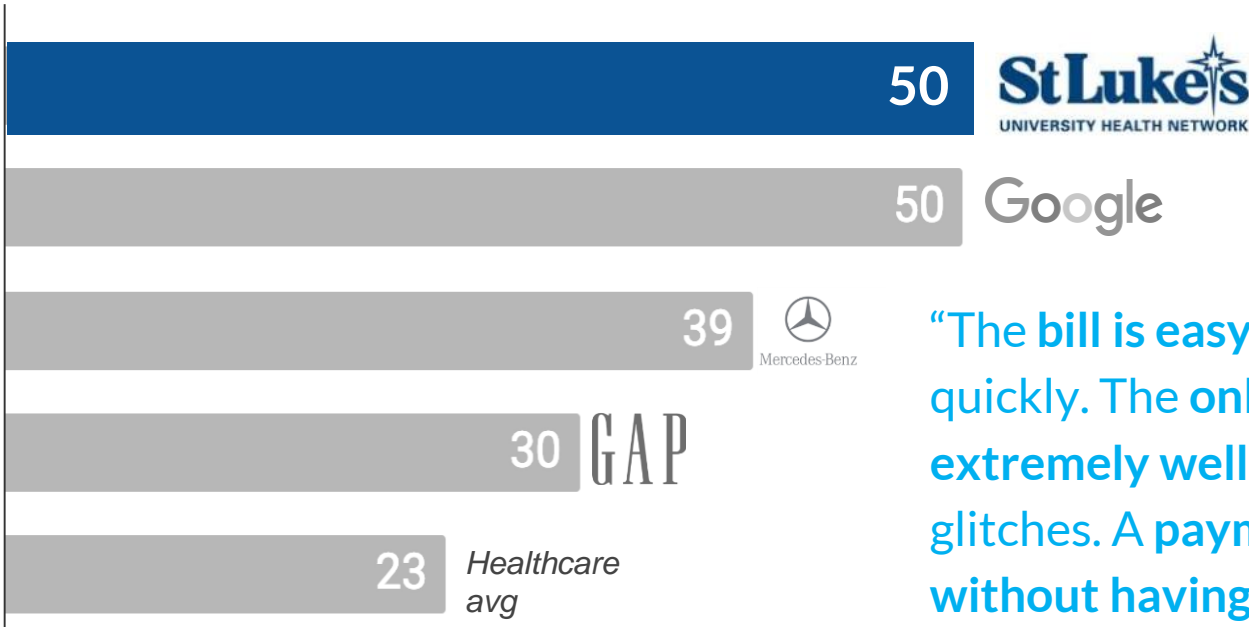
*Data points TBD*

“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



# 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!**”

# Takeaways

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Leading the market with a retail-like price checker experience

Patient visits continue to grow in double digits

Improve patient satisfaction

Online self service

# Q&A

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