PROCESS, PROPENSITY AND PAYMENT
HOW TO EFFECTIVELY MANAGE YOUR HDHP’S

Joe McMurray
Vice President of Patient Experience
• Market changes: the transformation to consumer health
• Impact and percentages of High Deductible Plans
• The new model of healthcare
• Collection strategies for the new patient consumer
• Patient propensities and responsibilities
• Effective follow-up campaigns and the movement to mobile
TRANSFORMATION TO CONSUMER HEALTH

HOW THE MARKET IS CHANGING
TRANSFORMATION TO CONSUMER HEALTH

PHYSICIAN

CARRIER
TRANSFORMATION TO CONSUMER HEALTH

PHYSICIAN  →  PATIENT
HIGH-DEDUCTIBLE PLANS

Percentage of covered workers with deductibles of $1000 or more

Source: Kaiser Family Foundation

360% INCREASE
HIGH-DEDUCTIBLE PLANS

AVERAGE COSTS

Source: Kaiser Family Foundation
NEW MODEL OF HEALTHCARE - BUSINESS TO CONSUMER

- E-STATEMENTS
- SNAILMAIL
- IVR
- PATIENT PORTAL
- WEBSITE
- CONSUMERS
- E-CHECK
- OUTBOUND CALLS
- MOBILE
- INSTANT MESSAGING
- TEXTING
- Amazon
- UBER
- Google
Patient Personas

**Maria**

**NAME:** Maria  
**AGE:** 64  
**ETHNICITY:** Hispanic

**CONCERNS**
- Increasing medical expenses / health issues

**FACTS**
- Smart phone User (uses apps and app store)

**CHARACTERISTICS**
- Organized - keeps detailed records
- Financially solvent
- Does not think of herself as technologically savvy
- Pays bills by app with check
- No online banking
- Online shopping
- Wants a user interface that matches her paper bill

**GOALS AND WANTS (WITH MEDICAL BILL)**
- Wants to maintain credit/repayment
- Wants to be a “good” patient
- Wants to pay what she owes
- Wants it to go away - deal with it and be done
- Wants to be in control

**James**

**NAME:** James  
**AGE:** 32  
**ETHNICITY:** African American

**CONCERNS**
- Just had a baby
- Married
- Dual income/spouse on leave
- Little to no savings
- Sports injury - putting off surgery

**FACTS**
- Physically Active - good health
- Wants in IT - stable job
- Blog Contributor to Tech Crunch
- Wife has own insurance plan
- Baby in covered under Tom’s plan

**CHARACTERISTICS**
- Early Adopter
- Prioritized bills – structured payments.
- Collecting debt – relatively small (5-10X)
- Pays bills with cash or debit
- Judgmental
- Does online banking – uses Turbo Tax
- Values efficiency
- Wants the ability to pay specific bills in his budget

**Eun Kyoung**

**NAME:** Eun Kyoung  
**AGE:** 38  
**ETHNICITY:** Asian

**FACTS**
- Owns a restaurant
- CFO of family
- Married
- Children in grade / high school
- No smart phone
- Kids have smart phone + well connected
- She has a desktop at home
- Mobile # belongs to her kids
- Has an accountant in family/friend
- Pays paper bills
- Immigrated 20 yrs ago, married overseas, brought family back with her

**CHARACTERISTICS**
- Cares for nuclear and extended family
- Caregiver is not her occupation, but is responsible (family role)
- Organizes, manages and provides direct home care (facilitate card)
- Watches infant grandmother at home.
- Semi-deorganized, tons of records, keeps organization in her brain
- All money is allocated, no frivolous spending
- Pays bills – will never be late, pays just in time.
PROPENSITY FOR FRICTION

- Inbound/Outbound Phone Calls
- Contracted Variance
- Re-filed Claims
- Bad Address
- RFI
- Denials
**Propensity for Friction**

**Patient Persona**
- Friction %
- Propensity to Pay
- History to Complain

**Carrier Persona**
- Friction %
  - Electronic
  - Denial %
  - % of Allowed

**Physician Persona**
- Friction %
  - History / Patterns
  - Denials % Documentation
  - Specialty
  - CPT Codes Used
  - ICD – 10 History / Patterns

**Probability of Friction**

**Path to Eliminate Friction**
PATIENT RESPONSIBILITY

Up Front Estimation

PAYER

Payment as Percentage of Allowed (Remainder is Patient Responsibility)

PATIENT

Trended Responsibility as Percentage of Allowed
PROPENSITY TO PAY

- WILLINGNESS TO PAY (MEDICAL BILLS)
- ABILITY TO PAY
- PRIOR MEDICAL BILL PAYMENT HISTORY
- PRIOR CHARGES IN COLLECTION
- DIAGNOSED FOR RECENT PROCEDURES
- HIGH DEDUCTIBLE PLAN
PROPENSITY TO PAY
## PROPENSITY TO PAY

<table>
<thead>
<tr>
<th>Procedure Code</th>
<th>Diagnosis Code</th>
<th>Diagnosis Description</th>
<th>Gender</th>
<th>Age</th>
<th>Race</th>
<th>Hospital</th>
<th>ZIP Code</th>
<th>Propensity</th>
<th>Prediction</th>
<th>Confidence</th>
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<tbody>
<tr>
<td>2</td>
<td>50801</td>
<td>BREAST CANCER</td>
<td>F</td>
<td>56</td>
<td>1</td>
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<td>0.74</td>
<td>0.93</td>
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</table>

*Note: This table contains example data for demonstration purposes.*
## PROPENSITY TO PAY

<table>
<thead>
<tr>
<th>Test Description</th>
<th>Probability</th>
<th>Actual Outcome</th>
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<tbody>
<tr>
<td>#2 Anesthesia</td>
<td>59.00%</td>
<td>1.05%</td>
</tr>
<tr>
<td>#28 Anesthesia</td>
<td>13.61%</td>
<td>13.61%</td>
</tr>
<tr>
<td>#29 Anesthesia</td>
<td>59.00%</td>
<td>1.05%</td>
</tr>
<tr>
<td>#30 Pathology</td>
<td>54.03%</td>
<td>90.03%</td>
</tr>
<tr>
<td>#31 Pathology</td>
<td>13.61%</td>
<td>13.61%</td>
</tr>
</tbody>
</table>

**Note:** The probabilities and outcomes are illustrative and do not reflect actual data.
Summary

Over the last 13 months 17% of all payments were collected after a friction event. Your top 5 friction reasons by sum of payments were Elig 271 Check, Inbound Phone Call, Charges On Hold, Contracted Variance, and Denials. Friction percent of total payments for the most recent month was 21%. This is higher than the trailing 12 month average of 16%.

Top Friction Reasons

Your largest friction item was Elig 271 Check. 5% of your total payments for this time period occurred after Elig 271 Check friction. The top 5 carriers with this friction were:

1. ANTHEM BCBS OF VA
2. VETERAN SYSTEMS
3. MEDICARE OF VIRGINIA
4. True SelfPay
5. UNITED HEALTHCARE

Your 2nd largest friction reason was Inbound Phone Call. 3% of your total payments for this time period occurred after Inbound Phone Call friction. The top five solvers taken after inbound phone calls were:

1. Refiled with Corrector
2. Sent to WorkLife
3. Guarantor Payment
4. Inquiry Call with Positive Balance
5. Inquiry Call with 50 Balance

Your 3rd largest friction reason was Charges On Hold. 3% of your total payments for this time period occurred after Charges On Hold friction. The top five reasons for Charges On Hold were:

1. NoDiagnosisPrimaryProcedure
2. No BillingProviderPayee for claim
3. No Procedure code for claim
4. READING LOCATION CROSS REFERENCE NOT ESTABLISHED
5. Missing/Invalid FormType
THE MOVEMENT TO MOBILE

TEXT MESSAGING
TEXTING CAMPAIGN

PRACTICE NAME

LINK TO PATIENT ACCOUNT AND STATEMENT

SECURITY QUESTION FOR VALIDATION

CLICK FOR EZ PAY

CALL FOR EZ PAY

GO GREEN INITIATIVE

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DEMOLICH CLIENT is offering you the convenience to view and pay your medical bill online. Click here to begin http://patient.ezmadinfo.com/?id=123456.

We appreciate you going green! Reply STOP to this message to stop receiving text communications to this number.
QUESTIONS?

THANK YOU!