

The Patient Financial Experience: A Link to Satisfaction, Payment, and More

Tuesday, November 8th

11:00 AM - 11:40 AM

Dennis Laraway

Chief Financial Officer

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The Speaker



Dennis L. Laraway, MBA *Chief Financial Officer and Adj. Professor*

Dennis Laraway is Executive Vice-President & Chief Financial Officer for Memorial Hermann Health System, Houston Texas. Memorial Hermann owns and operates sixteen (16) hospitals across the greater-Houston area. Memorial Hermann, one of the largest comprehensive health systems in the nation, operates an annual budget of over \$5 Billion, and is widely acclaimed for operating one of the nation's largest clinically-integrated physician networks (CIN) and industry-leading Accountable Care Organization (ACO).

Previously, Dennis served as Chief Financial Officer for Scott & White Healthcare, that owned, operated, or partnered in a network of twelve (12) hospitals. Prior to Scott & White, he served as Chief Financial Officer for St. Joseph's Hospital and Medical Center (of Catholic Healthcare West, now Dignity Health) in Phoenix, AZ, and as Chief Financial Officer for Seton Health, a multi-hospital health system located in Troy, New York (then part of Ascension Health based in St. Louis, Missouri).

Dennis holds a MBA from the Lally School of Management & Technology at Rensselaer Polytechnic Institute (RPI) and a BS in Accounting from King's College. He also served as adjunct faculty for RPI in its health administration program, and as an affiliate faculty lecturer with Arizona State University – W.P. Carey School of Business. Dennis presently holds an adjunct faculty appointment at Rice University – Jones Graduate School of Business, Houston Texas.

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Gameplan

About Memorial Hermann

Patient Financial Care Opportunity

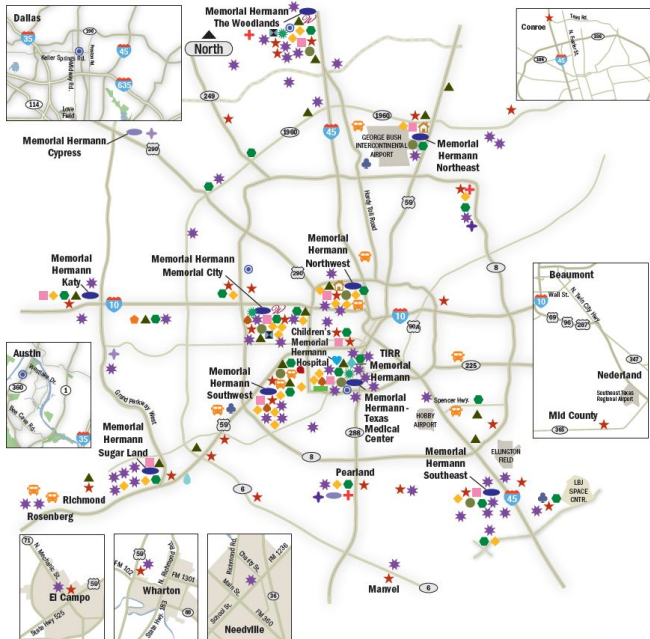
Applied Learnings from the Field

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\$6.5B Total Assets
\$5B Net Operating Revenue
25,000 Employees; 5,500 Physicians

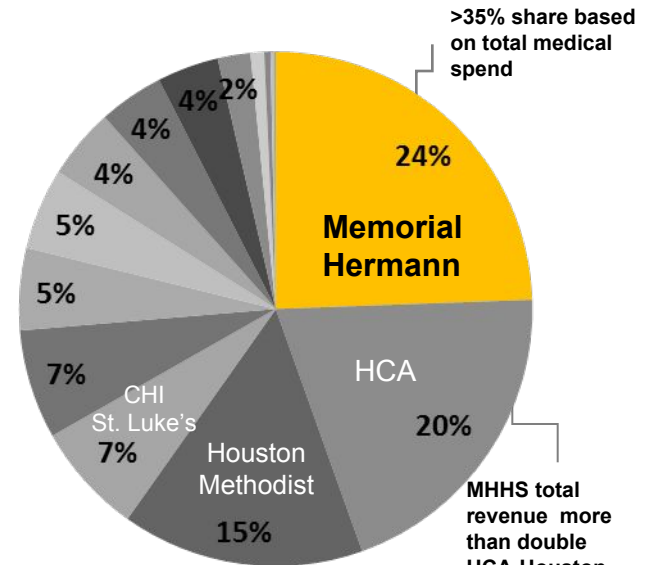
227 Locations



Market Share Ranking

- 1st: Aggregate Market Share
- 1st: Burns
- 1st: Cardiology
- 1st: ENT
- 1st: General Medicine
- 1st: General Surgery
- 1st: Neurology
- 1st: Neurosurgery
- 1st: Ophthalmology
- 1st: Orthopedics
- 1st: Rehab
- 1st: Spine
- 1st: Thoracic Surgery
- 1st: Urology
- 1st: Vascular
- 2nd: Gynecology
- 2nd: Neonatology
- 2nd: Obstetrics

Inpatient Market Share



Greater Houston MSA 6.5 million population (projected to 7.1 million 2020)

Integrated Delivery System (IDS)



MEMORIAL HERMANN | Health Plan
Health Solutions
Health Insurance Co

Estimated 35% of
healthcare spend in
Houston MSA

MEMORIAL HERMANN
Accountable Care
Organization



Health System



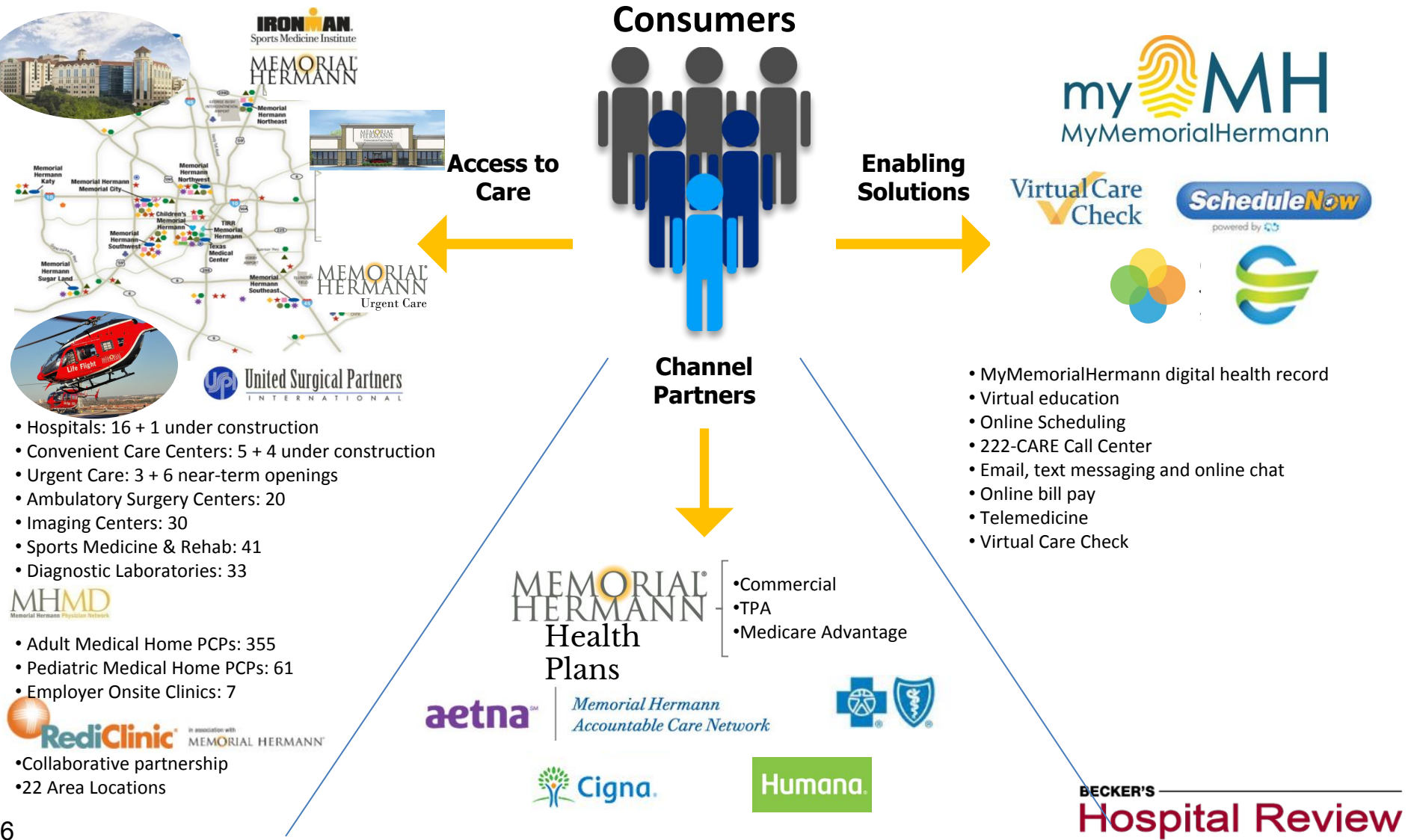
MHMD
Memorial Hermann Physician Network

MEMORIAL HERMANN
Medical Group

UTHealth
The University of Texas
Health Science Center at Houston

BECKER'S
Hospital Review

Consumer Driven Approach



- Hospitals: 16 + 1 under construction
- Convenient Care Centers: 5 + 4 under construction
- Urgent Care: 3 + 6 near-term openings
- Ambulatory Surgery Centers: 20
- Imaging Centers: 30
- Sports Medicine & Rehab: 41
- Diagnostic Laboratories: 33

- MHMD**
Memorial Hermann Physician Network
- Adult Medical Home PCPs: 355
 - Pediatric Medical Home PCPs: 61
 - Employer Onsite Clinics: 7

- RediClinic** in association with MEMORIAL HERMANN
- Collaborative partnership
 - 22 Area Locations

aetna | Memorial Hermann Accountable Care Network

Cigna

Humana

Gameplan

About Memorial Hermann

Patient Financial Care Opportunity

Applied Learnings from the Field



"My doctor told me to avoid any unnecessary stress, so I didn't open his bill."

Context

Patients struggle to pay

36%

Patients pursue less/no care due to price ¹

1 in 2

Privately insured patients face \$1k+ deductibles (and growing!) ³

2 in 3

Americans have less than \$1,000 in savings ²

Providers struggle to adapt

40%

Americans have medical debt, most owe \$2,000 or more ⁴

11%

avg. collected on balances above \$500 ⁵

"Increase in bad debt and even in charity care for people with high-deductible health plans"



Caroline Steinberg (VP Trends Analysis)

Sources:

¹ The Commonwealth Fund Biennial Health Insurance Surveys ([link](#), 2014) and McKinsey Retail Healthcare Consumer Survey 2009

² USA Today "Nearly 7 in 10 Americans have less than \$1,000 in savings" (9 Oct 2016, [article link](#))

³ Modern Healthcare, May 2016

⁴ US Census 2011 County Business Patterns

⁵ Trends in Healthcare Payments Annual Report, 2012

NIH study on chronic and deductibles where 48% in financial distress <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4423400/>

Kaiser study on patients with medical bill problems <http://kff.org/health-costs/press-release/new-kaisernew-york-times-survey-finds-one-in-five-working-age-americans-with-health-insurance-report-problems-paying-medical-bills/>

Patients face many *hurdles*



Patient Needs Care

Hard to decide

(limited transparency plus technical jargon)

Confusing

(Multiple systems, disjointed flow)

Inconvenient and Slow

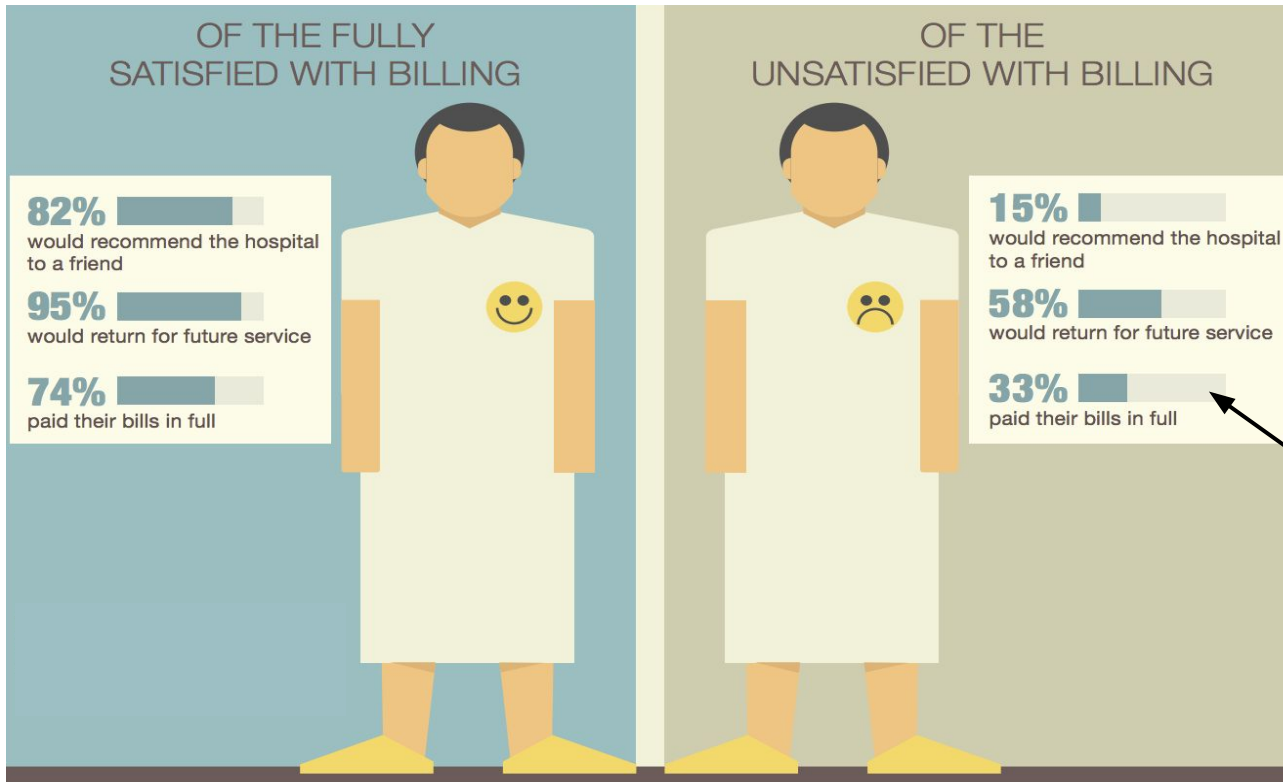
(paper and people intensive, not digital or mobile friendly)

Too Little, Too Late

(limited flexibility, reactive help)

Patient Delays or Avoids

Financial care goes *beyond payment...* loyalty too!



5X

Difference in loyalty

2X

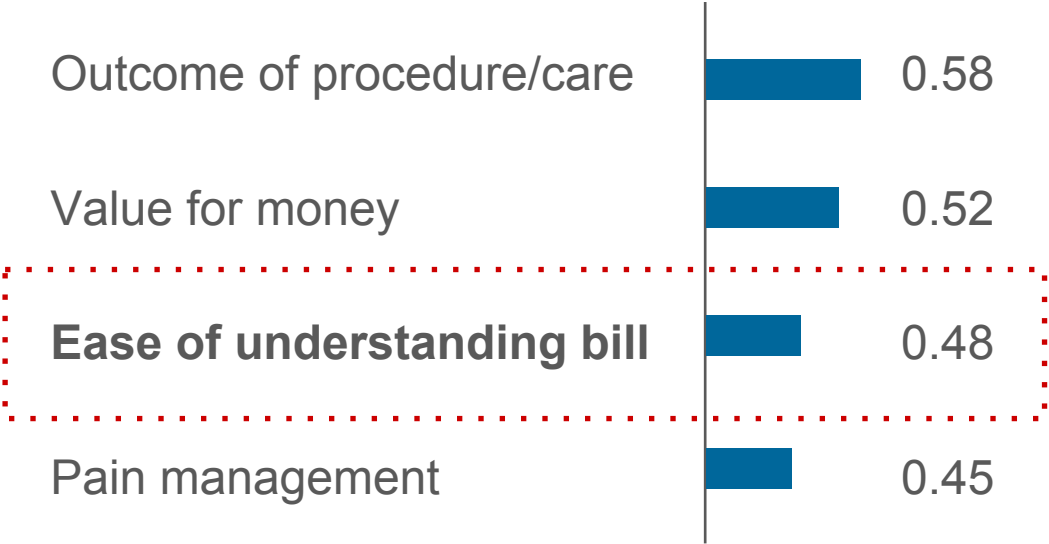
Difference in payment behavior

***Patient financial care can impact:
acquisition, payments, reimbursement, and loyalty***

Source:
Longitudinal study of patient satisfaction with billing and payment experience by Connance
(Consumer Impact Study, 5th annual, results published Aug 2014, sample size n=500)

INSIGHT: Billing pain now compares with physical pain!

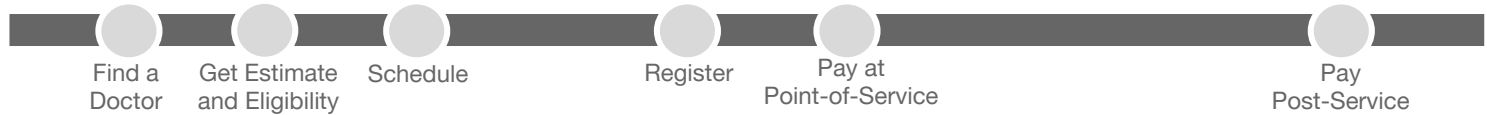
Patient Satisfaction Drivers and Correlation to Inpatient Care



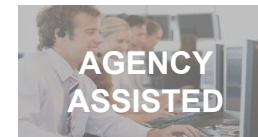
Source:
McKinsey, 2015

New KPIs: *Better align* success of patient and provider

1. *Engage* early and adapt



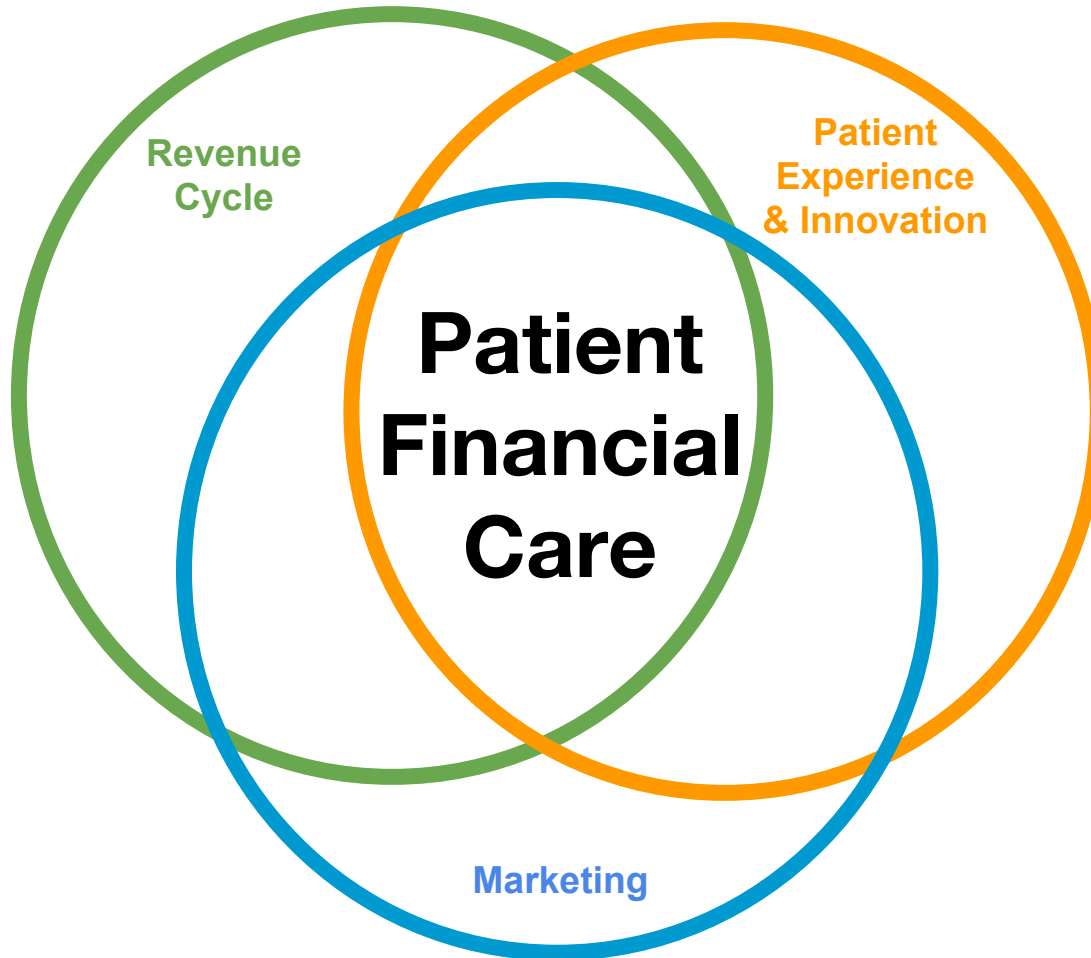
2. Optimize for *self service*, and lower cost per payment!



3. Build in *feedback*, collect net promoter score (NPS)



Working together: motivated and *multidisciplinary*



“Dunning cycles”

Staff driven

Transactional

Painpoint



Engagement
that adapts

Flow optimized
for self-service

Transparency
and realtime
feedback

Patient financial care is...

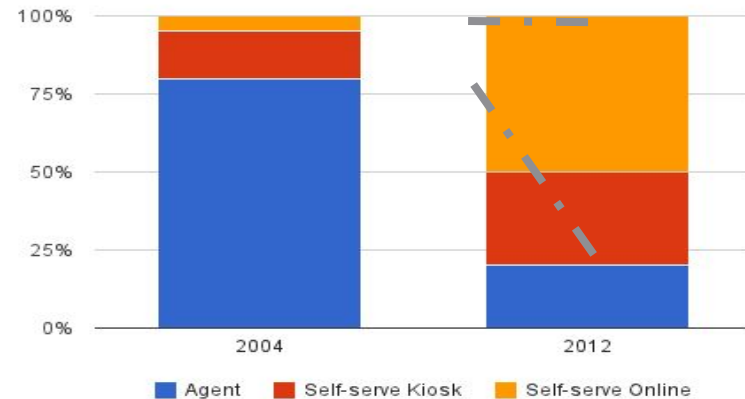
- ✓ Last impression
- ✓ First impression
- ✓ Common to ALL patients
- ✓ Affects “significant” dollars



Strategic complement
to clinical care

OPPORTUNITY!

Perspective: Airlines and the move to “exception handling”



- Transformed boarding experience and the role of agents
- 20% → **80%** self service in only 8 years¹



Source:
Drennen, Hannah. "Self Service Technology in Airports and the Customer Experience." (2011). UNLV Theses/Dissertations/ Professional Papers/Capstones. Paper 1053. Accessed October 8, 2014. digitalscholarship.unlv.edu/cgi/viewcontent.cgi?article=2054&context=thesedissertations.

Gameplan

About Memorial Hermann

Patient Financial Care Opportunity

Applied Learnings from the Field

MyMemorialHermann today

Strip Mall of Apps



- Too many logins
- Desktop only
- Up to 7 steps to access features






Medical Record



Physician
Communication



CARE4
Appts



Health Trackers





Claims Data



Bill Pay



Patient Registration



Referrals



Appointments



Classes

MyMemorialHermann 2.0

Amazon-like Department Store

Identity Managed by MHHS



Physician Communication



Medical Records



Claims Data



Health Trackers



Virtual Visits



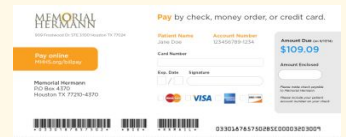
Classes



Appointments & Referrals



Patient Registration



Patient Billing and Payment

Complement the clinical with **financial care**

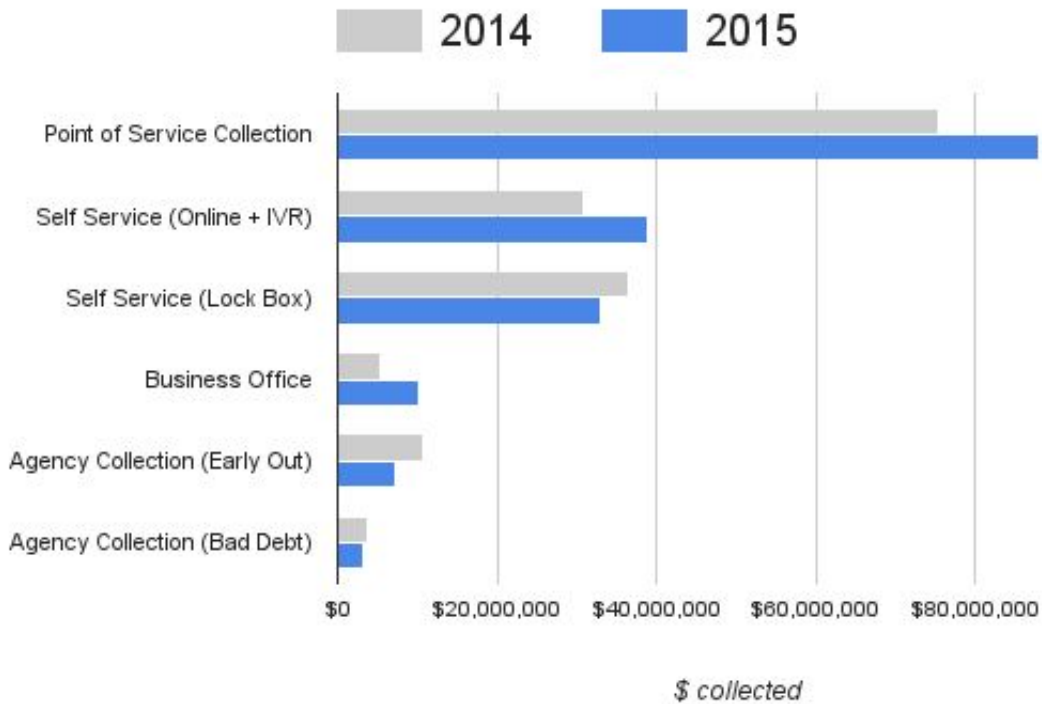


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Powered by



New KPIs like self-service, driving impact



27%
Cost per Payment
(post service)

17%
Total Collected
(pre+post service)

Source:

Results reflect changes in technology and process (insourcing early out, outsourcing self-pay). Savings compares post launch to year over year results, and includes vendor platform licensing, payment contingency fee, and paper statement costs.

Make it easy, capture more inbound

Services & Specialties | Patients & Caregivers | Healthcare Professionals | Research & Clinical Trials | Employer Solutions

\$0 Premium Medicare Advantage Plans

Learn More >

MEMORIAL HERMANN Health Solutions
MEMORIAL HERMANN ADVANTAGE HMO & PPO

Find a Doctor **ScheduleNow**

To schedule an appointment online, select provider type, service and submit your ZIP code below.

Provider type

Select a service

ZIP code

Appointment available in next 7 days

[Advanced Search](#)

Log in to the patient portal
[Sign in >](#)

PAY MY BILL

Find a Location Select a location type ZIP Code: Distance: 10 mi [View all locations >](#)

Top News

- Quality Healthcare Has a New Name: Memorial Hermann Greater Heights Hospital
October 14, 2015
- Memorial Hermann Health System President & CEO Dan Wolterman Announces Intent to Retire in 2016
October 08, 2015
- October 7th is International Trigeminal Neuralgia Awareness Day
October 07, 2015

[View more news >](#)

Events & Classes

- Newborn Care - Southwest
10:00 AM, Saturday, October 17, 2015
- A Walk to Remember - Southeast
10:00 AM, Saturday, October 17, 2015
- Prepared Childbirth - Woodlands (Week-end)
9:00 AM, Saturday, October 17, 2015

[View more events & classes >](#)

Connect With Us

713-222-CARE (2273)
Available 8 a.m. to 5 p.m.

- Billing
- Phone Directory
- Specialists
- Contact Us
- Careers
- Media Center
- MyMemorialHermann Portal

Body of Experts >

- [View All Videos](#)

Give & Volunteer

- Memorial Hermann Foundation
- Medical Missions
- Give Blood
- Volunteer
- Programs & Events
- Donate

“I called and I was on hold, so I decided to log on and it was faster and convenient for me. Thanks”

Patient
Memorial Hermann

“I was surprised that it was as easy as it was”

Patient
Memorial Hermann

Design paper (and staff flow) for *exception handling*

MEMORIAL HERMANN
909 Frostwood Dr. STE 3:100 Houston TX 77024

Pay by check, money order or credit card.

Pay Online
MHHS.org/paymybill

Memorial Hermann
Patient Business Services
P.O. Box 4370
Houston, TX 77210-4370

Exp. Date Signature

Amount Due (on 01/22/2015)
\$735.16

Please make check payable to Memorial Hermann
Please include your patient account number on your check

00CMC00000735161

TEAR HERE

MEMORIAL HERMANN
909 Frostwood Dr. STE 3:100 Houston TX 77024

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 a day, 7 days a week.
MHHS.Org/PayMyBill

Scan code for quick access

Contact Us

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

Hours of operation:
Monday thru Friday, 8:00am to 8:00pm
Saturday 8:00am to Noon

You may also email your inquiry to:
patient.billing@memorialhermann.org

Memorial Hermann Memorial City Medical Center

Account number: 00

| Account Summary | |
|-----------------------|-------------|
| Statement Date | 01/01/2015 |
| Service Date | 07/09/2014 |
| Service Type | OUTPATIENT |
| Billed Charges | \$27,775.32 |
| Adjustments | \$16,065.94 |
| Insurance Payments | \$9,827.22 |
| Patient Payments | \$1,147.00 |
| Total Account Balance | \$735.16 |
| Amount You Owe | \$735.16 |
| Payment Due Date | 01/22/2015 |

Please see reverse for summary detail.

Financiera están disponibles en inglés y en español llamando al número anterior o accediendo a nuestro sitio Web.

Design principles


- Visual layout, focus on key messages
- Emphasize benefits of paying online
- Multiple paths to online (mobile too)

“For a 68-year-old woman, this is convenient.”

Patient
Memorial Hermann

Offer a “carrot”... *friendly details* available online

John's Visit to Memorial Hermann
Texas Medical Center
AUGUST 2014

Account Number Print 

| | |
|------------------------------------|------------------------------|
| Total Charge | \$2,976³⁰ |
| ▼ Laboratory | \$415.25 |
| Prothrombin Time | \$51.00 |
| Basic Metabolic Panel | \$108.75 |
| Cbc & Diff Automated | \$114.00 |
| Urinalysis W/O Micro Automated | \$102.00 |
| Partial Thromboplastin - Ptt | \$39.50 |
| > Emergency Services | \$2,306.25 |
| > Supplies | \$254.80 |
| Insurance & Adjustments | -\$2,576³⁰ |
| Insurance and Provider Adjustments | \$398.30 |
| Amount Insurance Paid | \$2,178.00 |
| Your Portion | \$400⁰⁰ |
| > Your Payment History | -\$102.00 |
| Balance You Owe | \$298⁰⁰ |

Design principles

- Self-service experience offers benefits like detailed statements
- Patient bill integrated into checkout
- Interactive and mobile responsive

“Love that I can see what amount is owed”

Patient

Memorial Hermann

Reduce barriers with **online payment plans**

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Payment Amount
\$248.40

Select amount

Choose payment type

Continue

Pay amount due now

Pay another amount

Set up a payment plan

Choose payment terms and date to start/repeat

No. payments

per payment

Start/Repeat:

2

OR

\$ 124.2

Start/Repeat:

2 payments of: \$124.20

Select Payment Method

“**Really fast and easy** to set up payment plan . Best website ever for billing!”

Patient

Memorial Hermann

“I like they have let me establish a payment plan option since it is difficult for me to have enough money to pay for everything. The payment plan has **really helped me out.**”

Patient

Memorial Hermann

“I appreciate the option to set up a repayment plan so that I may utilize my **health savings account** for this bill.”

Patient

Memorial Hermann

Empower people, reduce common requests

Your Payment History

Quarter Number Period

| PAYMENT DATE | METHOD | TYPE | AMOUNT PAID |
|--------------|-------------------|-----------------|-------------|
| 02/04/2015 | Master Card -0008 | PATIENT PAYMENT | \$34.00 |
| 03/03/2015 | Master Card -0008 | PATIENT PAYMENT | \$34.00 |
| 04/12/2015 | Master Card -1038 | PATIENT PAYMENT | \$34.00 |

“This was so easy and quick that **I almost fell off my chair.**”

Patient
Memorial Hermann

Account Number

Patient Name

| | |
|------------------------------------|----------------------------|
| Total Charge | \$2,976 ⁰⁰ |
| Laboratory | \$415.25 |
| Prothrombin Time | \$51.00 |
| Basic Metabolic Panel | \$108.75 |
| Cbc & Diff Automated | \$114.00 |
| Urinalysis W/O Micro Automated | \$102.00 |
| Partial Thromboplastin - Ptt | \$39.50 |
| Emergency Services | \$2,306.25 |
| Ec Level 4 | \$2,174.25 |
| Intrud Needle/Intracath Vein | \$132.00 |
| Supplies | \$254.80 |
| Sensor Spo2 Adult/Pedi | \$28.30 |
| Iv Start Basic Macro Tubing | \$226.50 |
| Insurance & Adjustments | -2,576⁰⁰ |
| Insurance and Provider Adjustments | \$398.30 |
| Amount Insurance Paid | \$2,178.00 |

“**Allows me to track everything** and it is very accurate and easy to use!! KUDOS!!!!!!!!!!!!!!!!!!!!!!”

Patient
Memorial Hermann

Visibility Driving Productivity

Payments Summary Report

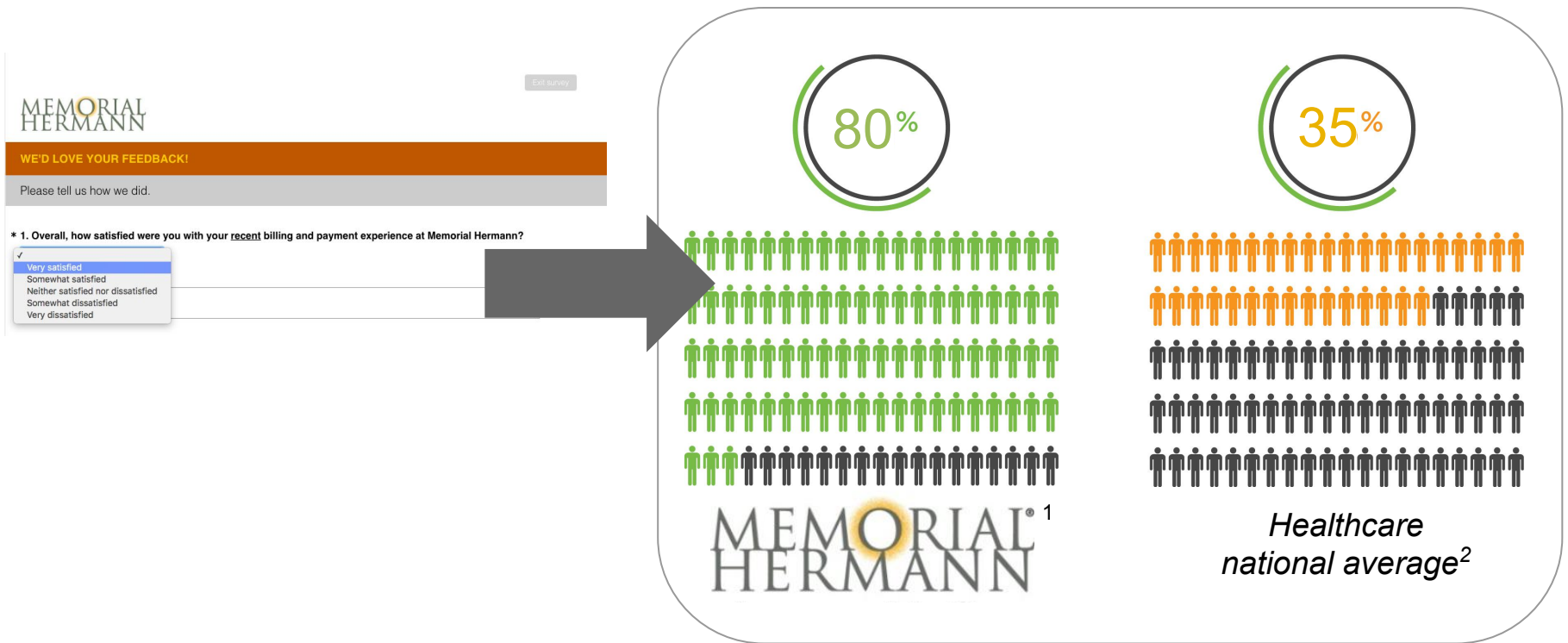
[Export to PDF](#) [Export to CSV](#)

| Department | Sub Department | Credit Card Present | | Credit Card Not Present | | Cash | | Echeck | | Debit | | Total | |
|---------------------|---------------------|---------------------|---------------------|-------------------------|--------------------|----------|---------------|-----------|--------------------|-----------|-------------------|-------------|---------------------|
| | | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | | |
| Hospital Staff | POS | 1184 | \$228,883.34 | 180 | \$40,718.00 | 0 | \$0.00 | 34 | \$24,875.89 | 15 | \$1,888.01 | 1477 | \$296,365.24 |
| Online Self Service | Online Self Service | 0 | \$0.00 | 378 | \$14,264.40 | 0 | \$0.00 | 44 | \$7,098.80 | 0 | \$0.00 | 422 | \$21,363.20 |
| Hospital Staff | | 76 | \$4,727.77 | 12 | \$28,540.00 | 0 | \$0.00 | 0 | \$1,888.00 | 0 | \$0.00 | 88 | \$35,155.77 |
| Agencies | S&J | 0 | \$0.00 | 86 | \$4,860.00 | 0 | \$0.00 | 20 | \$1,440.00 | 0 | \$0.00 | 86 | \$7,200.00 |
| IVR | IVR | 0 | \$0.00 | 42 | \$4,708.00 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 42 | \$4,708.00 |
| Agencies | PFS | 0 | \$0.00 | 190 | \$23,000.00 | 0 | \$0.00 | 14 | \$4,387.74 | 0 | \$0.00 | 204 | \$27,387.74 |
| System Services | BAI | 0 | \$0.00 | 24 | \$18,184.00 | 0 | \$0.00 | 0 | \$1,788.75 | 0 | \$0.00 | 24 | \$19,972.75 |
| Staff | | | | | | | | | | | | | |
| System Services | Customer Service | 0 | \$0.00 | 85 | \$42,000.00 | 0 | \$0.00 | 4 | \$244.00 | 0 | \$0.00 | 89 | \$42,244.00 |
| Staff | Service | | | | | | | | | | | | |
| Agencies | FMA | 0 | \$0.00 | 26 | \$11,001.76 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 26 | \$11,001.76 |
| Payment Plan | Payment Plan | 0 | \$0.00 | 74 | \$12,000.00 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 74 | \$12,000.00 |
| CBO | CBO | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 |
| Total | | 1260 | \$527,251.11 | 582 | \$84,212.40 | 0 | \$0.00 | 78 | \$34,812.69 | 15 | \$1,888.01 | 1735 | \$648,164.21 |

- Consolidated reporting across channels (eg, Point of Service, BAI, Online, Agency)
- Collection performance at individual staff level (hospital and collections agency)
- History of patient's payments and engagement (eg, paper statements, emails, payment dates and methods)

Beyond HCAHPS, add *real time surveying*

Patients Reporting **“Very satisfied”** with Billing and Payment Experience



Source:

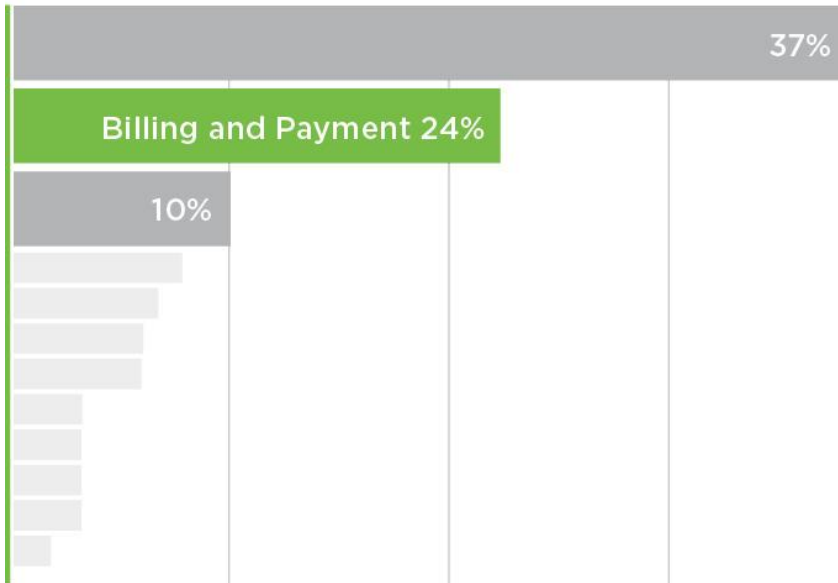
- 1, Results of billing and payment satisfaction survey across Memorial Hermann patients (2015 survey, n=9,817)
- 2. Longitudinal study of patient satisfaction with billing and payment experience by Connance ([Consumer Impact Study, 5th annual results published Aug 2014](#))

Revenue cycle can *support marketing too*

Driving 1 in 4 marketing opt-ins

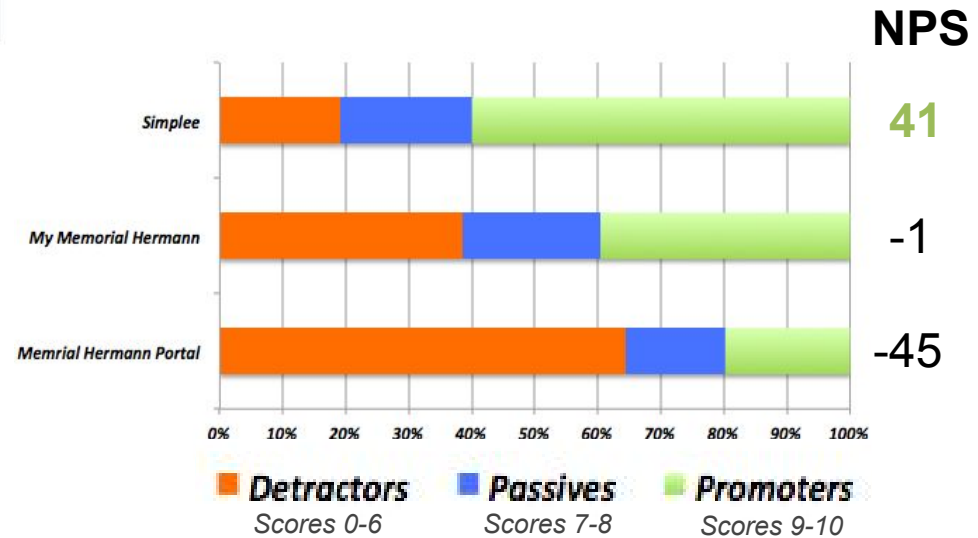
FY 2016 Contributions

FY 2016 % Contribution by Channel



Highest Contributor to Loyalty

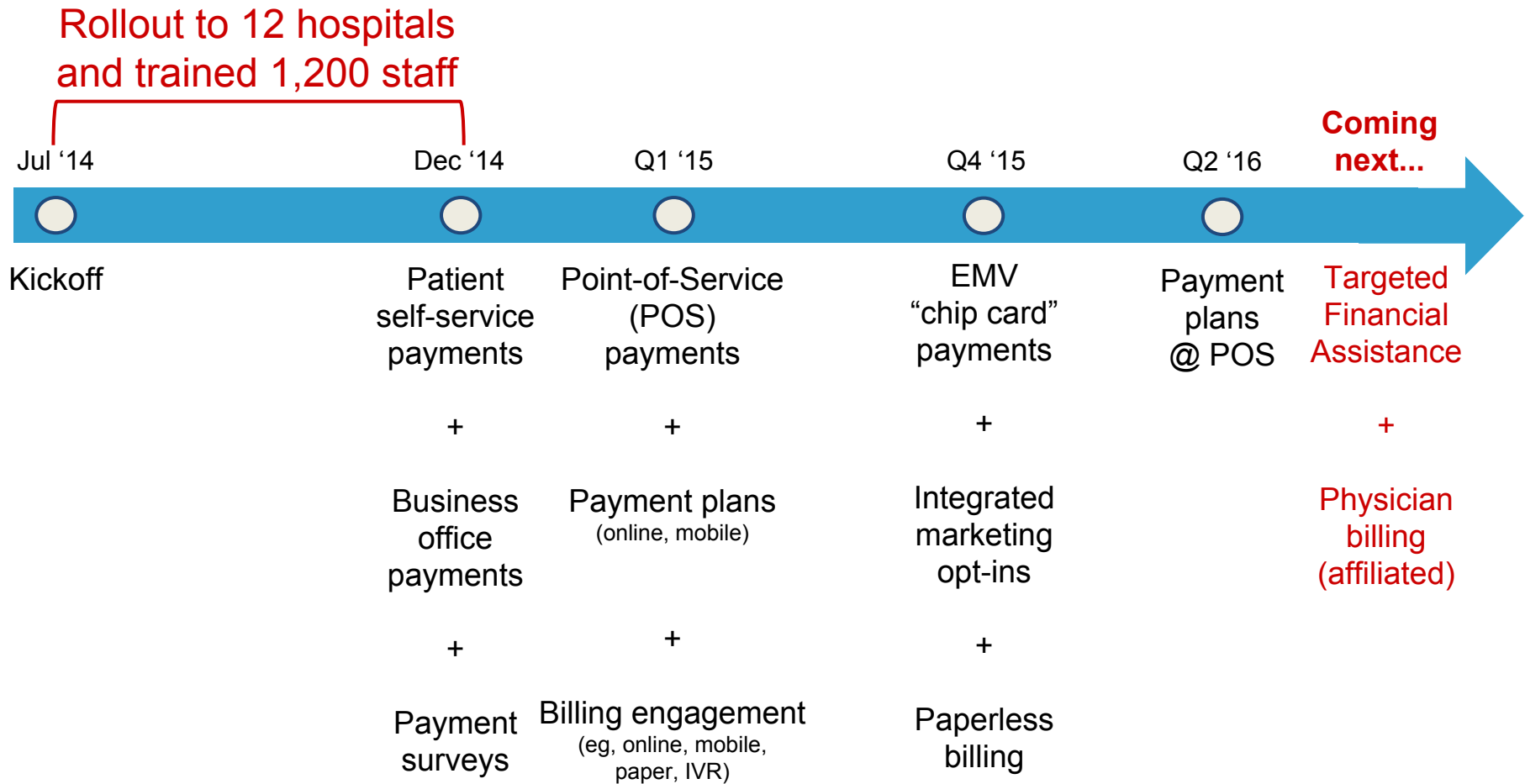
Benchmarking Net Promoter Scores (NPS)



Source:

Memorial Hermann marketing department and patient satisfaction surveys across key initiatives (eg, billing and payment, portal) asking on 0-10 point scale "How likely are you to recommend Memorial Hermann to a friend/colleague due to your recent XX experience?"

Faster than you think, live system wide **in FIVE months**



Open Q&A



Dennis L. Laraway

Chief Financial Officer

Dennis.Laraway@memorialhermann.org

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