



Compassionate financing. Accessible care.

# The Psychology of Choice in Patient Payment: Behavior Change in Consumers and Providers is Key

---

OCTOBER 23, 2019



# Introduction



**Mark Spinner**  
*President & CEO*  
AccessOne



[AccessOneMedcard.com](https://AccessOneMedcard.com)



[AccessOne](https://www.linkedin.com/company/AccessOne)



[mspinner@myaccessone.com](mailto:mspinner@myaccessone.com)

- Entrepreneurial executive at the intersection of technology, finance and healthcare
- Career in growth companies, corporate finance, mergers and acquisitions with transactions representing over \$13 billion spanning two decades

# Learning objectives



Learn how cost shifts to the patient are affecting their ability to pay and mindset towards healthcare decisions as a consumer



Gain patient engagement strategies that increases collections, reduces bad debt and leaves patients feeling empowered



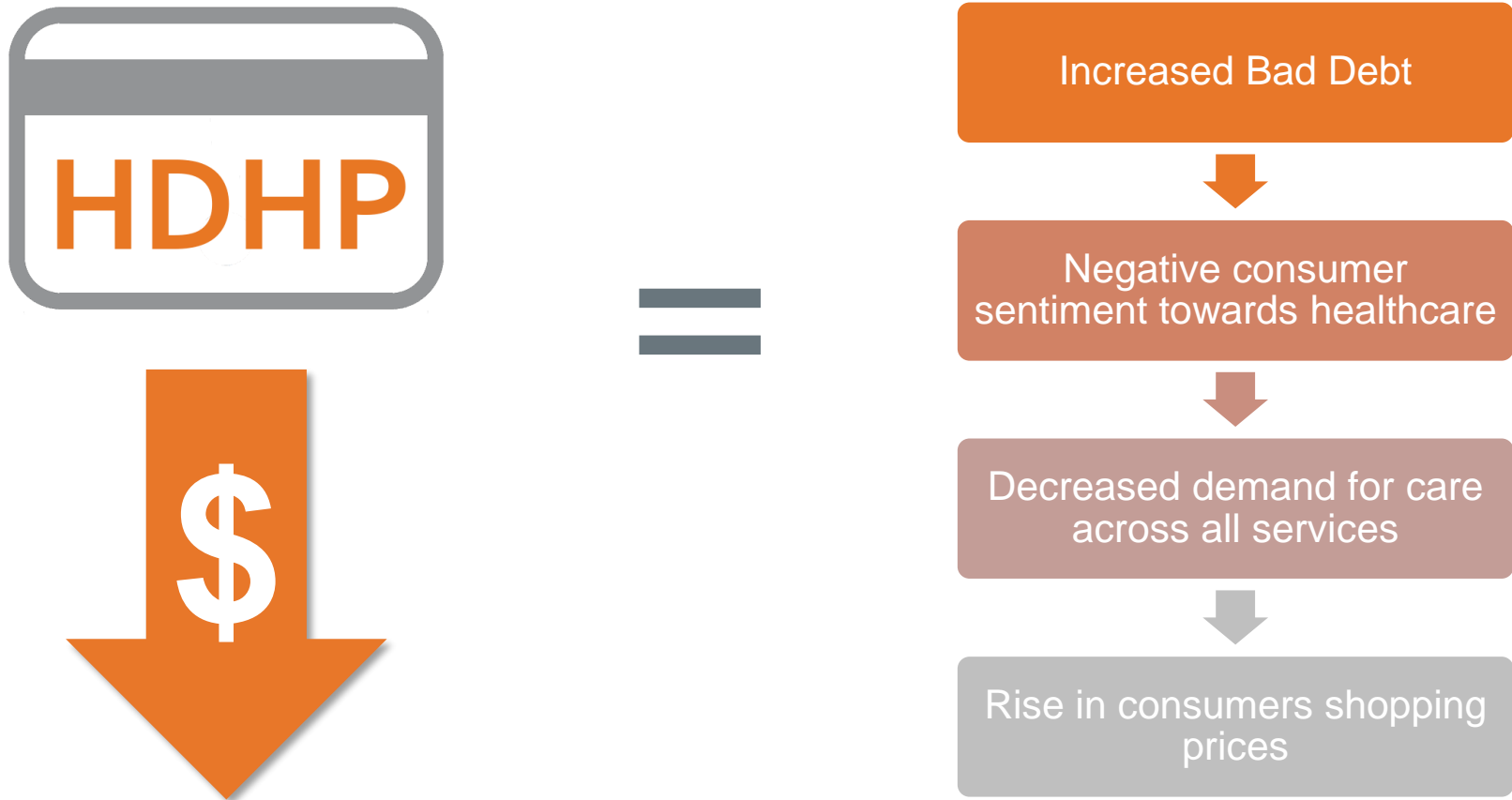
Understand how increased flexibility changes payment behavior as part of a patient-friendly billing strategy



# The Affordability Crisis

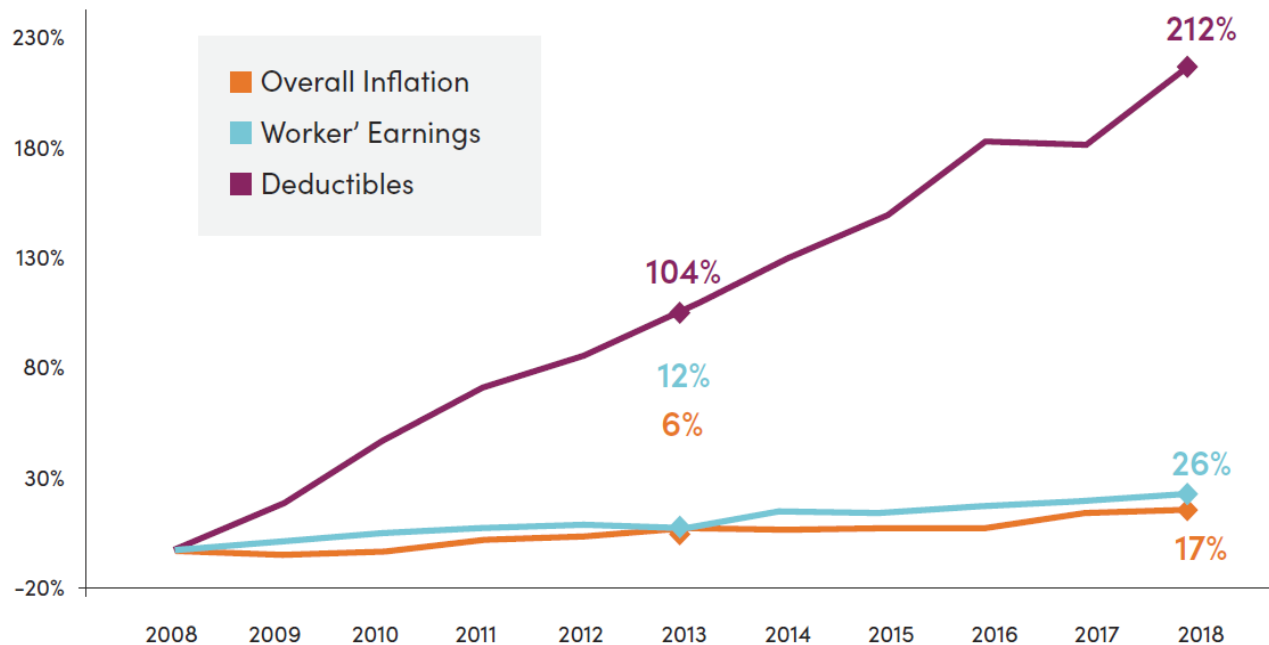
# High deductible health plans

The growth in high deductible health plans (HDHPs) have adverse impact on collections.



# Today's landscape

The steady shift of healthcare costs to patients intensifies the pressure on their ability to pay.



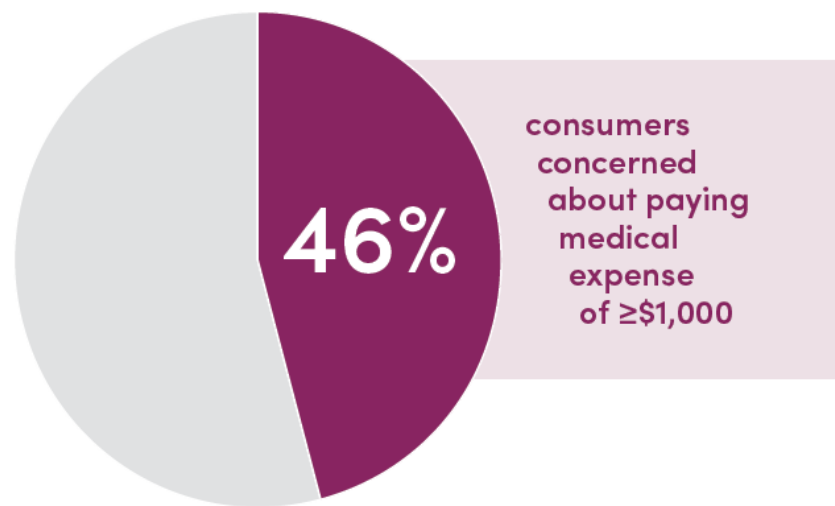
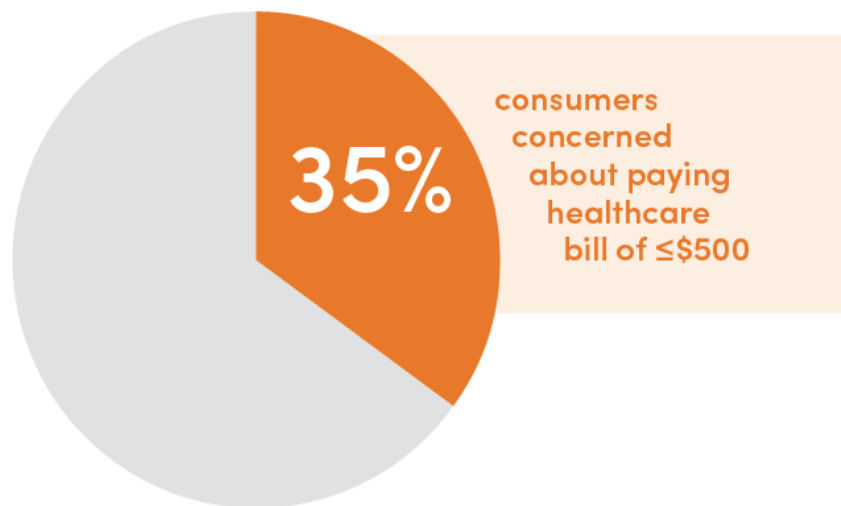
# 56%

56 percent of patients delay paying their medical bills at least some of the time because they can't afford them

Source: KFF, 2017  
TransUnion Healthcare 2018

# Financial impact

**Patients are struggling with the cost of healthcare, making the job of self-pay collections more difficult for providers.**



Source: AccessOne Consumer Survey, 2018

# Behavioral impact

**Patients' attitude toward insurance coverage and payment change as more responsibility for healthcare costs shifts to them.**

Opt-out of insurance altogether



Less likely to return for care



Patient obligations/bills drop in priority



Sources: [KFF](#), Dec. 7, 2018; [athenahealth](#), May 3, 2019; [TeleVox](#), Aug. 28, 2017



# Impact of the affordability crisis on collections

**Uncompensated care continues to be a significant challenge for healthcare providers with little or no relief in sight.**

**\$38.4 billion**

uncompensated care

**Bankruptcy**

66.5% are tied to medical issues

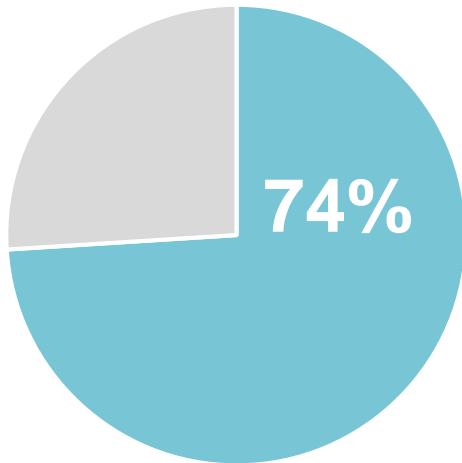
**2 of 3 patients**

medical bills not paid in full

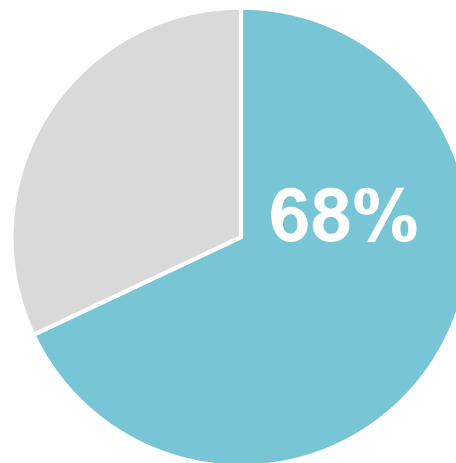
Sources: [American Hospital Association](#), Jan. 2019, [CNBC](#), Feb. 11, 2019; [TransUnion](#), Jun. 27, 2017

# Consumer driven expectations

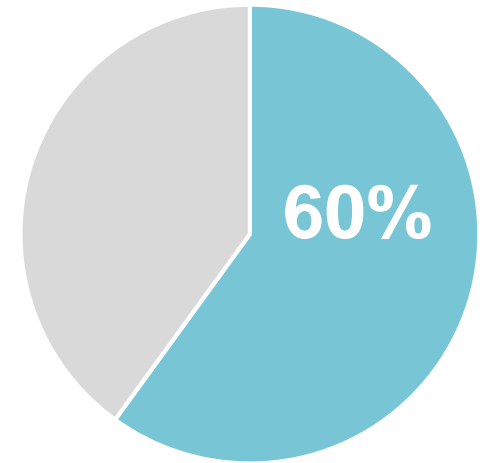
**Outside of healthcare, consumers are conditioned to engage with financing options offered to them. Within healthcare, a lack of options affects payments across generations.**



**of millennials don't pay their medical bills in full**



**of generation X don't pay their medical bills in full**

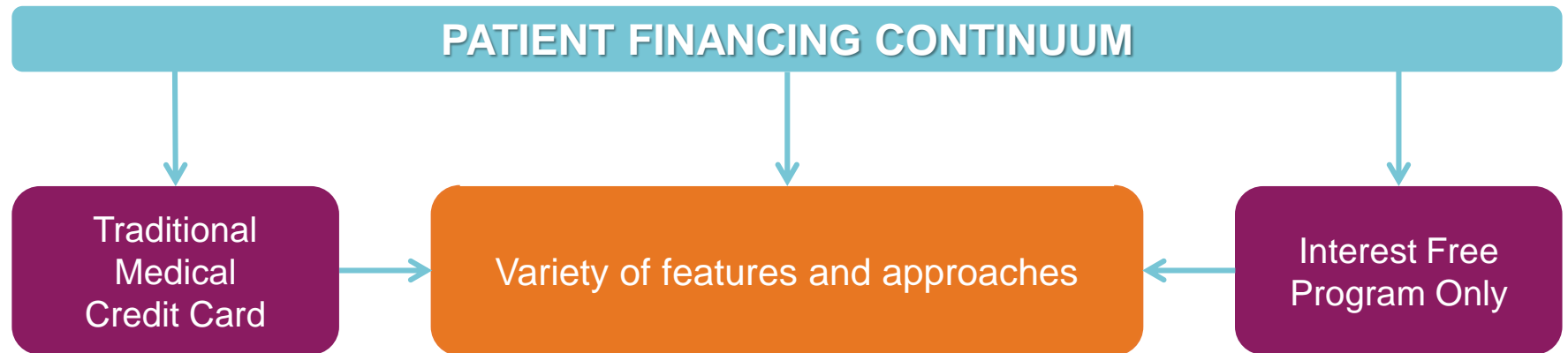


**of baby boomers don't pay their medical bills in full**

Source: HIT Consultant, Dec. 26, 2017

# A New Approach to Patient Payments and Financing

# What is patient financing?



## Features or approaches may or may not involve:

- Accelerated cash (fully funded program) with associated recourse\*
- Interest charges
- Flexible patient choices
- Patient qualification and associated credit reporting
- Automated processes for the provider or the patient

\* *Recourse is the money paid back if patient defaults*

**Ideal Patient Financing Program = Good for Patient + Good for Provider**

## Patient financing can easily fit into any comprehensive collection strategy:

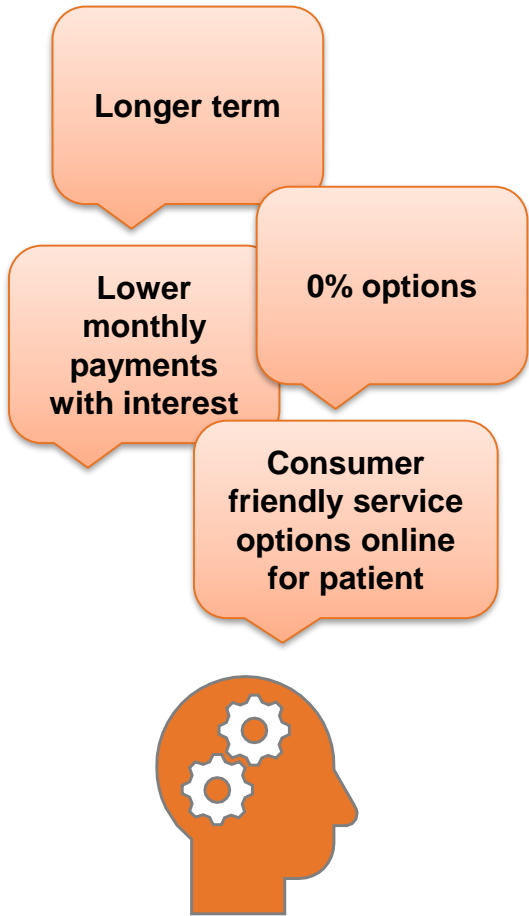
1. Patient can pay in full by cash, check, or credit card (quick pay discount)
2. Patient can pay [4] month 0% interest (same as cash, term determined by provider)
3. Patient needs extended terms to pay (internal promise-to-pay/payment plans)
4. Patient unable to pay (FAA or bad debt)

If patient indicates they need extended terms, an easy introduction is made by staff.



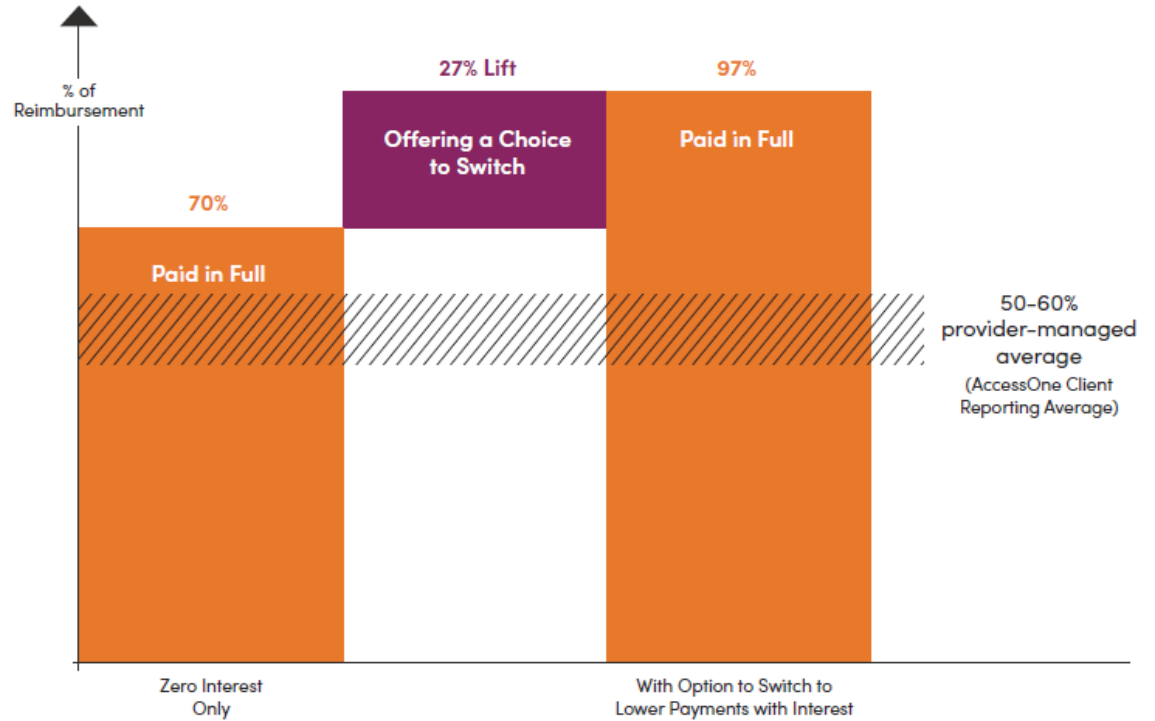
“We offer extended payment options through our partner. They offer flexible monthly payment choices with patient-friendly benefits and features. Would you like me to have them contact you?”

# New psychology of patient payments

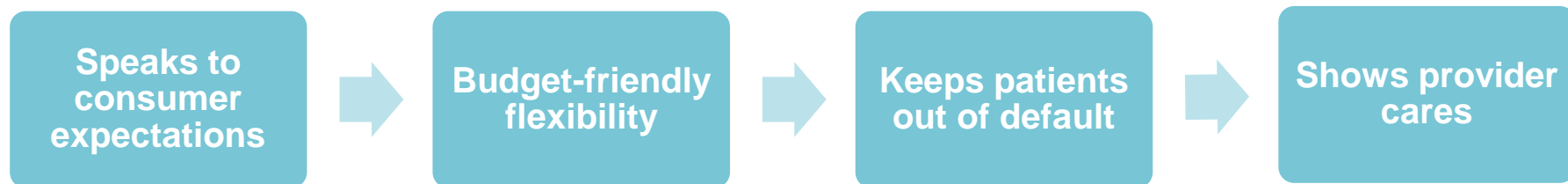



## How Likely Are You to be Paid in Full?

Average of \$2,000 Balance



# The power of payment plan choices



**43%** of households with children 

**33%** of individuals 

would switch providers for low or no-interest financing

Source: AccessOne Patient Financing Survey, August 2018

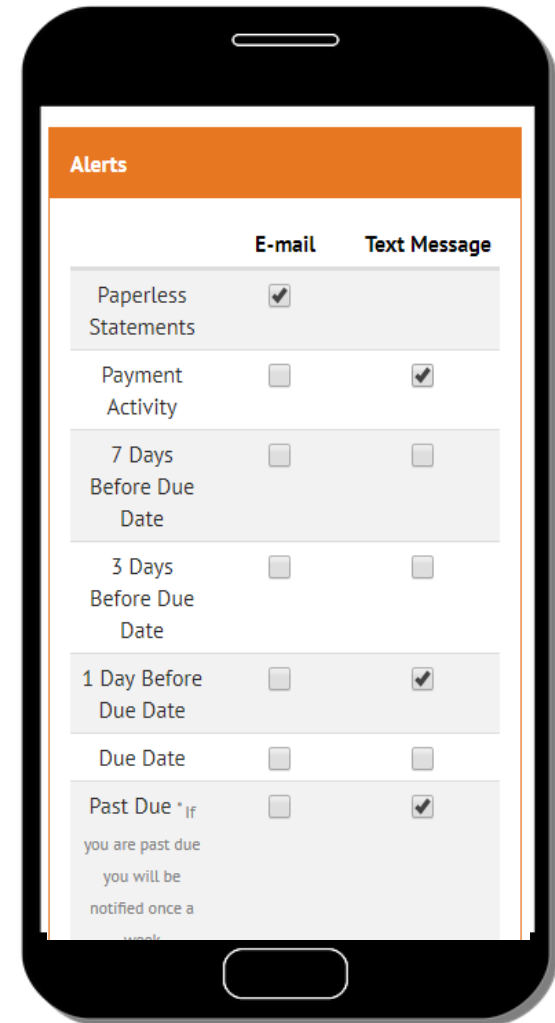
# Consumers expect to self-service accounts



Having a secure, mobile optimized portal that allows patients to maintain all of their accounts under one login is a driver of satisfaction.

## Patient portal features

- All payment types, recurring and quick pay
- Text and email notifications
- Secure messaging or live chat
- Payment history, tax reports
- Add charges
- View, print statements
- Save and manage pay methods
- Add additional authorized users



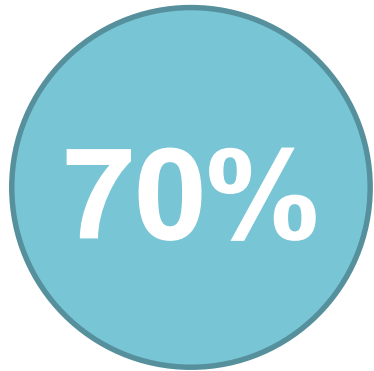


The background features a repeating pattern of various medical and healthcare-related icons, such as a microscope, a person, a DNA helix, a stethoscope, a wheelchair, and a pill, all rendered in a light, semi-transparent style.

# 5 Strategies to Increase Patient Payments

# Strategy #1

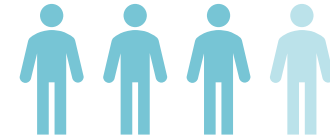
## Price Transparency



**70% of patients** want providers to publish pricing lists for common procedures



**59% of patients** believe providers should share price information before care is delivered



**3 out of 4** are willing to shop around for care based on price



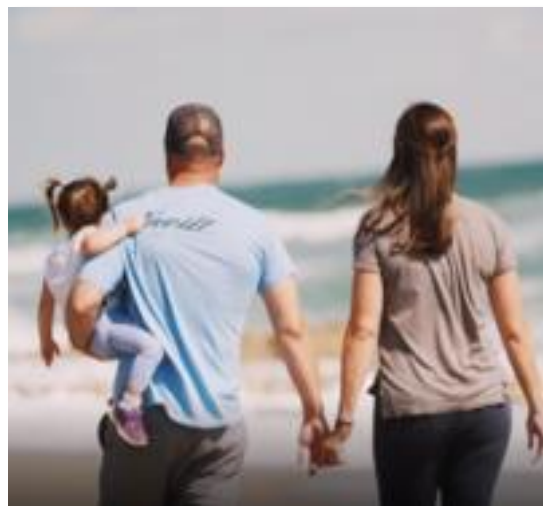
**2 out of 5** say they would switch providers to access affordable payment arrangements

Source: AccessOne Consumer Survey, 2018

## Increase payment flexibility



Melissa of Palm Beach Gardens, Florida was required to “reserve” her spot in Labor and Delivery unit at a cost of \$1,000. She asked for a payment plan over 12 months.



“The process was easy—I could even choose the date of the payments. The payment plan also didn’t impact my credit.”

*Melissa – Patient Payment Plan User*

**With a flexible payment plan option, both Melissa and her provider benefit:**

- Low monthly payments
- Higher net collection rates
- Long-term patient engagement
- Patient loyalty

# Strategy #3

Offer a payment plan that covers all patients



Creates greater satisfaction and goodwill



Increases collection rates



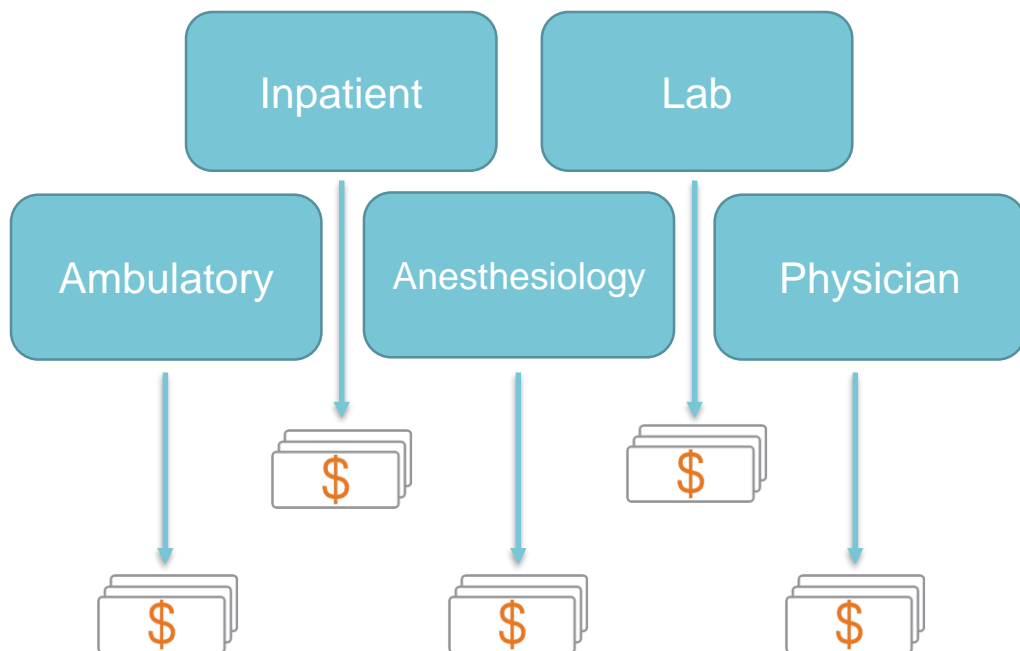
Strengthens provider's brand

# Strategy #4

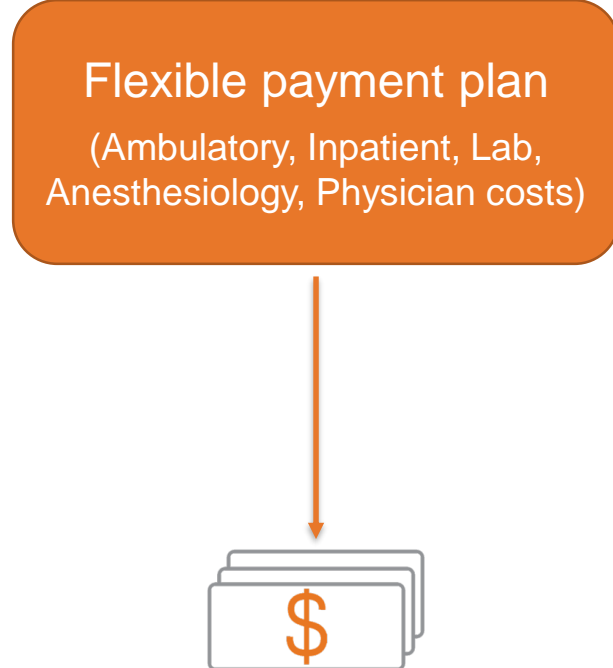
## Establish revolving accounts



### Multiple Accounts



### One Convenient Account



## Empower self-servicing of accounts – Atrium Health example

Providers are realizing gains from fully exiting pay plan admin business:

- Make CSR job easy
- Focus on pay in full
- Focus on real customer service

**52% growth rate of patients opting into payment plans**



**30,000 payment plans established**



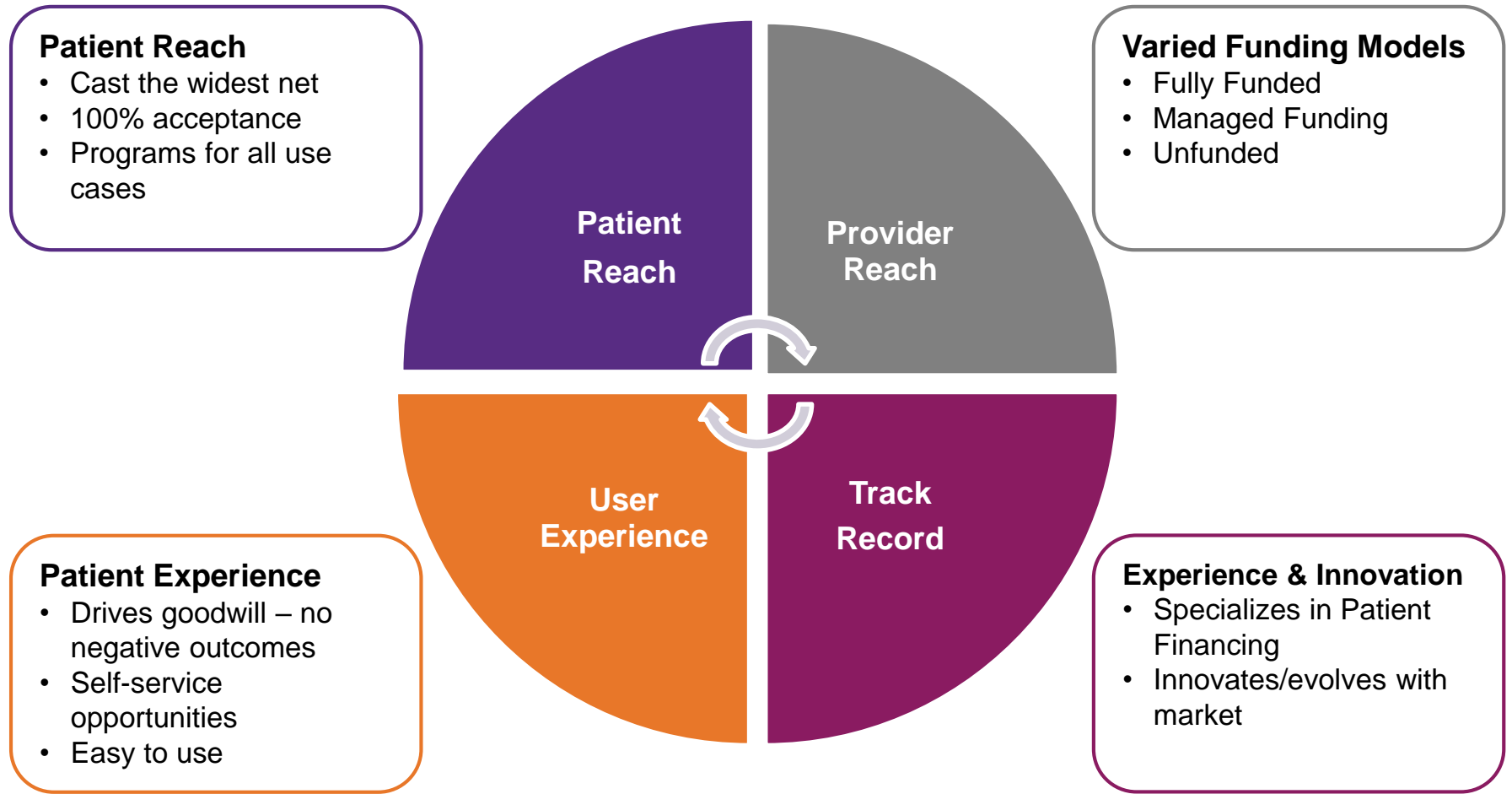
**Customer service speed to answer improved 67%**



**16,000 new electronic statement opt-ins**



# Summary/What to look for



# Thank You!

**Mark Spinner**

[mspinner@myaccessone.com](mailto:mspinner@myaccessone.com)

[linkedin.com/in/markspinner1](https://www.linkedin.com/in/markspinner1)

Follow us on **LinkedIn**  AccessOne