HOW PATIENT INPUT CAN BOOST YOUR BOTTOM LINE

As seen in HealthCare Business Today.

Despite more than 20 million Americans gaining health care coverage under the Affordable Care Act, patient volume is down among many hospitals and providers, potentially imperiling revenue. A recent survey of health care executives cited flat or declining patient volumes as their top revenue concern.

While health care has historically been a supply-driven industry structured around fee-for-service (FFS), in recent years, there's been a major shift toward a more patient-centric system. This shift toward ***patients as consumers*** comes from a combination of trending factors: the rise in popularity of high deductible health plans, the shift from FFS to value-based care, and convenience as an increasingly critical component of patient decision-making.

Going forward, providers and health plans should adapt to the rise of consumerism or potentially face negative financial consequences**.** Here are four consumer-centric strategies to consider:

1. Use consumer insights to drive decision-making and improve the patient experience
2. Add value and increase the convenience factor for patients through technology & partnerships
3. Invest in technology that enables accurate price transparency
4. Align patient out-of-pocket costs with clinical value of service

Using Consumer Insights

Other major consumer industries, like retail and entertainment, rely on individualized consumer insights to drive their decision-making. Providers and health plans should similarly start acting on consumer input. They can achieve this by developing their analytical capabilities, enhancing patient satisfaction surveys, and integrating gathering and tracking informal patient feedback.

Most providers and health plans have been slow to adapt their patient analytics. In a 2018 survey of 200+ hospitals, only 46% have highly prioritized using consumer learning to guide decision-making, and just 15% have a high capability to do so.

Health care organizations can integrate their claims data with non-health care data to reveal key insights on issues ranging from patient access preferences to engaging chronic patients. More simply, providers and plans can incorporate informal feedback from patients into their daily practices and employee discussions.

Delivering Greater Convenience

It is no secret that consumers make decisions based on convenience. Health care is not immune to this trend.

An immediate and relatively inexpensive way for providers to improve their convenience is by increasing their care access points, such as by partnering with pharmacies and low-cost walk-in clinics. This can satisfy consumers' interest in convenience and help improve a provider's finances.

Other convenience-related improvements include setting up on-site employer-based clinics and offering home visits to patients. Additionally, consider investing in and utilizing technology to increase patient access and engagement. For example, a real-time scheduling system allows self-serve patients to jump into cancelled or no-show appointments at the last minute. Real-time technologies can direct patients to emergency departments with the lowest wait times.

Improving patient portal technology is another way providers can engage with patients and potentially decrease unnecessary and costly utilization. Sutter Health, for example, implemented an advanced patient portal that, as of 2017, that had been adopted by 79% of its patients. Patients used the portal to exchange 16 million messages, of which 90% were answered within one business day.

Increasing Price Transparency

Consumerism presents a greater opportunity for providers, health plans, and patients to align themselves financially to achieve better health outcomes. How so? First, by receiving accurate price estimates, patients can make more informed financial decisions about their care, thereby lowering costs for themselves and their health plans.

Additionally, by increasing price transparency, health plans and providers can obtain better insights into patient price sensitivity and adapt accordingly. For example, providers can use consumer insights to understand which prescriptions patients are more likely to leave unfilled. If this is due to a drug's high price, providers can work to find a generic, less expensive brand equivalent.

For more "shoppable" outpatient services and procedures, such as x-rays and CAT scans, providers can offer cash services and procedures. An increase in patient volume is the typical result. For example, a hospital system in Oklahoma saw a 23% increase in radiology volumes by offering transparent, self-pay discounted prices for services.

An additional benefit of price transparency is the opportunity for patients to seek out financial counseling ahead of or at the point-of-service. Patients may learn they are eligible for financial aid or a payment plan and be more likely to obtain the recommended care. By minimizing the potential of a surprise bill, providers improve patient satisfaction and are more likely to obtain patient out-of-pocket costs.

Aligning Out-of-Pocket Costs

In early 2018, Consumer Reports surveyed 3,000 members of the American College of Physicians and found that 84% of providers knew patients that went without care due to cost. If patients' out-of-pocket costs are better-aligned with quality care, the health system can better ensure that patients are obtaining the most valuable and necessary care.

An innovative way to decrease the potentially adverse financial effects of health care is by aligning patients' out-of-pocket costs with the clinical value of the services they receive. That's the basis for payers' value-based insurance design (V-BID) which encourages enrollees to consume high-value services, like tobacco counseling and heart disease drug therapy, with the greatest potential to positively impact enrollee health. V-BID also discourages patients using low-value services, like inappropriate emergency department use, when benefits do not justify the cost.

By reducing the cost-sharing burden for patients using services with a high clinical value, the overall cost for patients, providers, and health plans will likely decrease. Patients using such services are more likely to improve their health and less likely to unnecessarily use their health plans, potentially netting providers additional payer reimbursements.

Conclusion

It is undeniable that there are associated business challenges resulting from an increasingly consumer-focused health care model. However, by using some of the strategies outlined here, providers and health plans can potentially mitigate these challenges and help shape a more cost-effective, value-based health system that benefits all stakeholders involved.