Retailers used to view customer service provided after a sale as an overhead cost of doing business. Today’s post-sale customer engagement, however, is seen as another sales opportunity—a chance to gain direct consumer feedback and build loyalty.

Over time, retailers have discovered that managing the customer experience at arm’s length is simply no longer good enough to sustain a business in today’s market—and the same holds true in health care. Fundamental shifts occurring around payment and patient engagement now provide an imperative for healthcare finance teams to help their organizations embrace the lessons retailers learned about consumer engagement to create better patient relationships before, during, and after treatment.

In late 2012, Gwinnett Medical Center, a hospital system in Atlanta, initiated an innovative project around patient engagement. The idea was to see how revenue cycle operations might contribute to the growth of Gwinnett’s new open heart program by improving the billing experience while building lasting patient loyalty. The effort has paid off—and the lessons learned could help other healthcare organizations improve their relationships with patients.

Why Relationships Matter
The increase in the number of people who hold some balance for their care after insurance, as well as the trend toward larger patient account balances, is driving the need for a strong economic relationship between providers and their patients. This relationship typically begins prior to service, during financial clearance and scheduling, and extends to weeks and months after treatment. Even with major improvement in point-of-service collections throughout the industry, the majority of patient collections occur after discharge.

Further, growing exposure to revenue risk, through readmission penalties and other risk-bearing payment structures, is increasingly motivating providers to make sure patients adhere to health-management protocols when they leave campus. The level of revenue risk faced by healthcare organizations makes it imperative that providers have both the means to communicate with patients during all phases of care delivery and access to critical health information after discharge to help patients manage their health.
Finally, back-office expenses significantly increase when the relationship with patients and their household is primarily an on-campus relationship. For example, when revenue cycle staff have difficulty connecting with patients who are not on site, revenue cycle expenses are elevated. Extra letters must be sent to patients, outbound calls attempting to reach patients and inbound billing questions become more frequent, and, more subtly, costs associated with confirming appointments and maintaining proper previsit protocols rise.

Rethinking the Revenue Cycle

When describing the revenue cycle, most people would draw a process map that shows the process beginning with scheduling and preregistration; continuing through admission, treatment, and discharge; and ending with coding, billing, and collections.

This perception of the process underlies the true embedded view of a hospital’s relationship with its patients. The relationship starts when there is an event and ends when the hospital is paid. Everything in between is out of sight, out of mind.

The fact is that hospitals operate in a closed-loop cycle, because each of these processes—scheduling, treatment, coding, and collections—ideally helps the patient return to the starting point of healthy living.

Representing the process as a closed loop more accurately reflects the revenue model of tomorrow, where providers are accountable for the period between visits and where providers and patients have a shared objective of returning to healthy living.

Second, it reframes the revenue cycle. Revenue cycle operations involve one of the few standardized processes in health care to engage with patients when they are off campus. Revenue cycle processes are designed to manage technical, financial, insurance, and clinical billing data while its workflow systems route accounts to specialists, maintain work queues, and measure process efficiencies.

An annual survey performed by Connance Inc. of 500 hospital consumers about their billing experience and general satisfaction with the hospital and clinicians they had dealt with, as well as the likelihood that they would recommend the hospital or health system to a friend, produced striking results: Of the patients who were “fully satisfied with billing,” 71 percent who were surveyed in 2011, 77 percent of those surveyed in 2012, and 84 percent of those surveyed in 2013 indicated they would recommend the hospital or health system they visited to a friend. Meanwhile, of patients who were dissatisfied with billing, 57 percent of those surveyed in 2011, 56 percent of those surveyed in 2012, and 43 percent of those surveyed in 2013 indicated they would not recommend the hospital or health system to a friend.

Although healthcare professionals might separate billing from care delivery in their minds, consumers likely do not.
Comments received from a statewide focus group of patients shed further light on hospital billing processes. Patients used words like “red tape” and “frustration” liberally to describe the hospital’s billing process. They said they believed revenue cycle customer service teams do not understand patients’ insurance coverage and that often, the balance due that is quoted to them by a hospital’s customer service representatives is incorrect. Although some in the focus group did point to instances where a hospital’s business office staff had been helpful, the vast majority believed a hospital’s customer service agents most often existed to deliver bad news or pile on paperwork.

Results from the survey and the focus group prompted Gwinnett Medical Center leaders to consider the impact that revenue cycle customer service could be having on Gwinnett’s business proposition: Were revenue cycle staff helping to build a better business for the organization? Were customers pleased with the outreach of Gwinnett’s revenue cycle staff? Were these staff leaving a negative perception on patients after a great clinical experience?

Much of the revenue cycle staff’s day-to-day time and energy clearly was being spent working with uninsured patients or patients needing financial assistance. However, lost amid these efforts was the need to build loyalty among a critical constituency: insured patients, the group of patients whose business the hospital valued, whose “purchases” were good for them and for Gwinnett, and whose future needs required careful attention.

Gwinnett Medical Center’s New Patient Experience

In conjunction with the opening of a new open heart program in early 2012, the core of the hospital’s strategic growth agenda, Gwinnett Medical Center decided to pilot a new patient interaction process.

Staff were reallocated from the revenue cycle’s preauthorization and customer service teams and designated as “roaming” financial counselors who would meet with every in-house patient with nongovernment insurance. Their role was to give patients and families a clear view of the process, provide information regarding other Gwinnett Medical organizations and available resources, and express the system’s thanks for choosing to be treated there.

Historically, the financial counseling process had been reserved for uninsured patients, helping them either enroll in a plan or obtain charity care. The shift toward investing customer service resources in the insured population was an effort to enhance the experience of these valued patients.

Each financial counselor had a business card with his or her name and phone number as well as the name and number of a dedicated financial advocate in the business office. Once a counselor met with a patient, a direct line of communication between the two was

The chart shows net promoter scores among patients based on their billing experience satisfaction. In effect, the “net score” equals “promoters” less “detractors.” Each bar represents the net promoter score for a specific population of patients. For example, in 2013, of those patients who rated their billing experience a “5,” the net promoter score was 80+. Conversely, of the patients surveyed in 2013 who rated their billing experience a “1” or “2,” the net promoter score was -40+ (expressed as a negative number because the percentage of patients who were promoters was much smaller than the percentage who were detractors).

The calculation in each column is based on 100 percent of the responses in the category (e.g., the percentage of patients who would recommend a hospital when they rated their satisfaction with hospital billing as a “5,” or fully satisfied, in a particular year).
established, even after discharge. No longer would the patient need to go through customer service or a call center for billing or payment assistance. Similarly, the financial advocate would call the patient directly to discuss any insurance payment issues or to alert the patient that insurance had paid its portion of the bill. Collecting cash was not the objective; the objective was simply to make sure the patient understood the process and knew who to turn to for help.

Another twist to the initiative was a recognition process for those patients who did pay at the bedside. Gwinnett Medical tapped into the local Chamber of Commerce’s “Shop in Gwinnett” savings card. With the card, patients could access special discounts and services from local merchants. The goal was simply to say “thank you” to those who fulfilled their financial responsibility for their care prior to discharge.

Within four months of initiating the financial counseling-at-bedside recognition program, the group had met with and thanked more than 730 patients. Although collection was not an objective, 31 percent of those patients paid at the bedside, with an average collection of more than $610 per patient. About 9 percent asked for payment plan information, while a handful requested financial assistance.

In surveying the patients about their experience, the returns were striking:

> All 730 patients cited a positive bedside financial counselor experience.
> More than 86 percent believed the new process delivered a better billing experience than they had experienced with Gwinnett Medical previously or with another hospital.
> Ninety-two percent believed that having a direct contact in the business office was valuable, even though only 61 percent actually contacted that individual.

The qualitative comments from patients regarding the use of financial counselors also were positive, with phrases such as “less confusing,” “felt like the hospital cared about the patient,” and “it makes things easier.”

The team is continuing to adjust its processes and is seeking additional ways to thank customers beyond the shopping card. The program also is being expanded to another facility.

Lessons Learned
The Gwinnett Medical experience illustrates a number of critical lessons and insights.

First, there is an opportunity for revenue cycle departments to do more in the business of health care. Revenue cycle staff can be an agent for patient satisfaction and, ultimately, loyalty and relationship management. This is going to be ever more valuable in the days ahead.

Second, it reminds us to step back from the daily details of our business and remember the bigger picture: We need to invest in the majority of our customers and the ones critical to our future success.

Third, it illustrates a powerful test-and-learn approach to innovation. In many situations, we let perfection become the enemy of improvement. Not every approach worked at first at Gwinnett, but by starting small and with a handful of people, problems encountered were quickly solved.

Fourth, it shows that small steps can make big differences. We don’t always need to make huge system overhauls or process changes to enhance patient satisfaction. It could be a simple thank-you letter or parking pass that puts a smile on a customer’s face.

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