
April 19, 2016
9:20 am - 10:10 am
Priscilla Holland is the Senior Director of Healthcare Payments at NACHA where she leads the healthcare payments initiative. Previously, Priscilla led NACHA’s international payments program and facilitated the Global Payments Forum which developed the International Payments Forum (IPF) and WATCH projects. Ms. Holland is an Accredited ACH Professional (AAP) and a permanent Certified Cash Manager (CCM).

John Adractas is the Chief Growth and Marketing Officer at Simplee, the fintech leader for healthcare. Previously John held general manager roles at three enterprise software companies and Google, where he led global online sales and operations for Google Maps and Earth.

John holds an MBA from Harvard Business School and a BA from the University of Pennsylvania.
1. The Healthcare Opportunity

2. Aligning Patient Expectations & Billing

3. Case Study in Payment Success
$600 Billion in Patient Responsibility and Growing

Exhibit 1
Financial flows in U.S. healthcare*

$515 billion

$265 billion†

$250 billion

Employers

$520 billion

Payors

$1,415 billion

Providers
Physicians
Hospitals
Pharmacies

$1,780 billion§

$175 billion in admin costs and profits

Government

$820 billion

$960 billion‡

$520 billion

* All figures are estimates for 2007 and are approximate
† Not including an additional $45-$65 billion in consumer bad debt
‡ Approximately $140 billion of this is spent on government public health and research
§ Includes an additional $100 billion from foundations

Source: Centers for Medicare & Medicaid Services; Office of the Actuary; McKinsey analysis

Patients Pinched, Fueling Consumerism

5x high deductible growth in 8 years

SOURCE: 2015 Kaiser Employer Health Benefits Survey

© 2015 Simplee - Confidential
Providers Unprepared for Self-Pay

- 25% revenue from patient self-pay (vs. insurance companies)
- $15.77 net on $100 patient bill after 3rd party collections
- 96% physicians view as top 10 issue

Holistic view needed, potential to boost returns

Source: MGMA Perspective on Patient Payments
Many Patients Willing to Pay... or Are They?

74% of insured are willing to pay out of pocket expenses up to $1000

"...seeing an increase in bad debt and even in charity care for people with high-deductible health plans"

Caroline Steinberg (VP Trends Analysis)
American Hospital Association

SOURCE: 2009 McKinsey Quarterly consumer survey
Consumerism Brings New Expectations (and Needs)

Think...
“1 click”
“2 secs or less” before abandon

71% Consumers report valuing their time as most important thing a company can do to provide good service.

Photo credit: https://www.helpscout.net/blog/self-service/
Looking Outside, Self-service a Consumer Norm

Retail
- 100M visit Amazon monthly\(^1\)
- 66% supermarkets have self-service\(^2\)
- 25% transactions are self-service\(^2\)

Banking
- 58% prefer self-service banking\(^3\)
- 35% use mobile for banking\(^3\)

Energy
- 71% prefer bills online\(^2\)
- 69% prefer payment online\(^2\)

Source:
Impact Beyond Payment, Links to Loyalty

Notable Differences:
- 2x higher payment
- 5x higher net promotion

SOURCE: 2014 Conance, Consumer Impact Study
Patient financial experience... complements the clinical one.

A. Common to ALL patients
B. Last impression
C. First impression
D. Affects “significant” dollars

The Opportunity
Game Plan

1. Healthcare Opportunity

2. Aligning Patient Expectations & Billing

3. Case Study in Payment Success

"My doctor told me to avoid any unnecessary stress, so I didn't open his bill."
## Healthcare Can Adapt Best Practices

<table>
<thead>
<tr>
<th>Retail</th>
<th>vs.</th>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guest payment</td>
<td></td>
<td>Required account</td>
</tr>
<tr>
<td>Easy, flexible payment</td>
<td></td>
<td>Complex checkout</td>
</tr>
<tr>
<td>Transparent, friendly details</td>
<td></td>
<td>Technical invoice language</td>
</tr>
<tr>
<td>Real-time feedback</td>
<td></td>
<td>Clinical focus, delayed delivery</td>
</tr>
</tbody>
</table>

**SOURCE:** Crate & Barrel Checkout, UGG Checkout, Carter’s Shopping Cart, Sephora Survey
Industry best practices abound Especially For Mobile

MOBILEGEDDON!
Google deprecates sites that aren’t mobile friendly

When given the option, 21% of patients pay their medical bill via a mobile device.

Yet only 2% of patients use hospital mobile apps.

0% of the top 100 Hospitals offer a mobile responsive patient portal experience.

Mobile mismatch between provider experience and patient needs.

Drive Success of Patient As Customer

**Motivated**

- Multiple engagement paths working together
- Right message at right time
- Behavioral drivers leveraged (eg, visual design, flow)

**T outing**

- Build confidence with consumer friendly details
- Inline feedback, every payment

**Capable**

- Pay by any device, anytime
- Easy access to financing
- Shield from backend complexity (eg, across hospital and physicians, minimal steps)
Pay a Bill
Thank you for choosing to pay your bill online.

Your PeaceHealth bill includes charges for goods and services rendered by the medical centers as well as any of the professional services rendered at the medical center during your visit. Each visit to PeaceHealth is billed individually. An itemized bill is available upon request.

To pay a hospital, lab, or clinic bill online, click the individual location or service provided below:

<table>
<thead>
<tr>
<th>Hospital Bills</th>
<th>Lab Bills</th>
<th>Clinic Bills</th>
</tr>
</thead>
<tbody>
<tr>
<td>PeaceHealth Medical Centers</td>
<td>PeaceHealth Laboratories</td>
<td>PeaceHealth Medical Group</td>
</tr>
<tr>
<td>Alaska</td>
<td>• PeaceHealth Ketchikan Medical Center</td>
<td>For all PeaceHealth lab bills, pay online at: • PeaceHealth Laboratories</td>
</tr>
<tr>
<td>Washington</td>
<td>• PeaceHealth St. John Medical Center: • Discharged before 6/7/15</td>
<td>For any PeaceHealth Medical Group services* pay online at: • My PeaceHealth</td>
</tr>
<tr>
<td></td>
<td>• Discharged after 6/7/15</td>
<td>Or call: • 877-202-3597</td>
</tr>
<tr>
<td></td>
<td>• PeaceHealth St. Joseph Medical Center</td>
<td>*PeaceHealth Medical Group patients in the Sedro- Woolley, WA and Burlington, WA areas should call the local billing office at 360-855-1411.</td>
</tr>
<tr>
<td></td>
<td>• PeaceHealth Peace Island Medical Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PeaceHealth Southwest Medical Center: • Discharged before 6/7/15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Discharged after 6/7/15</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Peace Health and Mayo Clinic pay my bill
Go beyond access, support decisions

SOURCE: Peace Healthcare payment and Mercy quickpay
All Parties Stand To Win

**PATIENTS**
- Understand and trust financial responsibility
- Find easy path to payment

**PROVIDERS**
- Drive patient engagement, share, and loyalty
- Improve payment success, lower costs

**BANKS**
- Grow patient payments
- Expand offering (eg, financing)
1. Healthcare Opportunity

2. Aligning Patient Expectations & Billing

3. Case Study in Payment Success
3 hospitals, 689 total beds, 37K annual discharges

13 ambulatory locations

Network of 300 employed specialty & primary care physicians

1 million patient encounters across the system
CASE STUDY

Penn Medicine
Lancaster General Health

Go Beyond Enabling Transactions...

Patients & Visitors

Pricing Guide

Getting Here

Before You Arrive

While You're Here

After You Leave

Scheduling & Registration

Billing & Insurance

Participating Insurances

Patient Billing

Financial Assistance Program Summary

Resumen del programa de ayuda financiera

Source: Lancaster General Health's patient statement and online payment portal
Make Engagement and Building Trust a Priority

CASE STUDY
Lancaster General Health

“Very nice and quick and convenient. Kudos for using this method!”
- Lancaster patient

“Thank you! Probably would have paid it sooner had I known it was going to be this easy.”
- Lancaster patient

Source: Lancaster General Health’s patient statement and electronic version with friendly details via Simplee platform (images Nov 2015)
Help Patients to Pay On Their Own

CASE STUDY

Penn Medicine Lancaster General Health

“Love that it allows you a payment plan option, if necessary!”

- Lancaster patient
Self-service Focus Drives Satisfaction and More

CASE STUDY

Single Checkout for Hospital + Physician
Convenient guest flow, integrated into patient portal too

Source: 2014 baseline analysis from Lancaster General Health (LGH) Rev Cycle team + 2015 payments summary report from SimpleePAY backoffice for LGH
Net Collections Increase Too

CASE STUDY

Total collections grew $1.6M, self-service up $1.7M

14% growth year over year

Source: 2014 baseline analysis from Lancaster General Health (LGH) Rev Cycle team + 2015 payments summary report from SimpleePAY backoffice for LGH
CASE STUDY

“That was quick and easy!!! Love it!”

“I appreciated not having to use a username/password”

“First tried calling to make payment and was on hold at 10 minutes both times I called. Very frustrating. Paying on online was easy.”

“LOVE that it let me set up a payment plan without having to call in!”

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

“LOVE GETTING THE EMAIL”

“Very quick and far less complicated than most bill pay sites”

“And you don't have to be a rocket scientist to go through the whole process.”

“simple and fast- love it!”

Source: Patient survey after self-service payment on SimpleePAY
Comments for question: “How likely is it you would recommend [Leading regional hospital] to a friend or colleague due to your recent payment experience?”
(n=12,749, Response rate = 30.3%, Answers range 0 to 10, average 8.38)
Empowering Patients at Pre-service

CASE STUDY

Lancaster General Health Estimation Tool

Please choose one of our popular bundles or one of our medical services

GET STARTED

Popular Care Bundles

- Cesarean Section
- Total Hip Replacement
- Total Knee Replacement
- Vaginal Delivery without Complicating Diagnoses

Medical Services

- Ultrasound (9)
- Mammogram (2)
- Cardiac (5)
- X-Ray (12)
- CT Scan (21)

You have selected: Total Hip Replacement ($37,310)

Now tell us about your insurance so that we can check benefits and determine your eligibility to calculate out of pocket liability.

Tell us about your insurance so that we can check benefits and eligibility. If your health insurance is not on the list select “other” and you can continue on.

Continue
Integrating Estimate, Scheduling, and Payment

CASE STUDY

You have selected: Total Hip Replacement ($37,310.15)

Tell us about your insurance so we can check benefits and determine eligibility to calculate out of pocket liability.

Lancaster General Health
April 12, 2016 | Your reference number is: k58m

- **Total cost of procedure**: $37,310.15
- **What your insurance pays**: $36,310.15
- **Your estimated out of pocket**: $1,000.00

- Co-Payments: $20.00
- Your Deductible: $500.00
- Co-Insurance: $480.00

Enter your email to get a copy of your estimate.

Enter email address

SUBMIT

MAKE AN APPOINTMENT
Contact your provider or

FIND A DOCTOR
Digitally engaged the *new norm*, paper and people become exception handling

Providers seeing success in patient financial experience gaining *competitive advantage*
Q&A

One platform, one (delightful) experience.