Creating an Educational Point of Service Price Estimation System to Improve Patient Satisfaction

Due to increasing calls for price transparency in the healthcare industry, more hospitals and health systems have decided to implement out-of-pocket cost estimation solutions. Typically, staff members utilize these tools to provide patients with an estimate before services are rendered. Providers are then positioned to educate patients about their financial responsibilities. Jeri Pack, System Director of Revenue Solutions at Baptist Health, discussed her organization’s approach to implementing a point of service (POS) price estimation solution.

The Challenge

Baptist Health decided to implement an estimation system to provide greater price transparency. The goal was to proactively communicate the patient’s anticipated financial responsibility so they would better understand their cost prior to the service.

“We believe caring for patients and then sending a large bill 10 to 15 days later is not an optimal customer service practice. We want to provide our patients the opportunity to understand their financial responsibility,” explains Pack. “We also felt it necessary to offer financial assistance to our self-pay population, who may have used an emergency service and did not understand the costs prior to being treated.”

In addition to offering transparency, the health system realized the omission of pertinent financial information was contributing to denials, underpayments, and bad debt. By implementing an estimation tool, Baptist Health strived to further support its patients and encourage financial responsibility.

The Solution

During the vendor evaluation process, Baptist identified several key requirements. The selected vendor would need to integrate with the current eligibility vendors and the estimates needed to be accurate based on the actual payer contracts.

PMMC identified an approach that integrated with Baptist Health’s existing kiosk vendor to create a comprehensive system and they leveraged PMMC’s contract management system for an accurate allowable calculation. This set in motion additional process improvements for educating its payers on how they should be paying the claims per the negotiated contractual terms.

At the start of the project, Baptist Health’s revenue cycle team collaborated with PMMC’s project managers to load PMMC’s contract management system, PMMC CONTRACT PRO. PMMC’s team quickly loaded and validated the calculation results with Baptist Health. This process elevated the revenue cycle team’s confidence in the calculated results and the accuracy of the estimates for their patients.

With the increased confidence in the expected reimbursement calculations, Baptist Health began using CONTRACT PRO to communicate identified contractual variances to its payers.

Highlights

Profile
Baptist Health
- Montgomery, Alabama
- Beds: 731
- NPR: $479,691,436

Challenges
- Baptist Health wanted an estimation system to provide greater price transparency
- The health system strived to communicate the patient’s anticipated financial responsibility so they would better understand their cost prior to the service
- The health system was experiencing denials, underpayments, and bad debt by omitting patient financial information

Solution
- PMMC was able to deploy its contract management and price estimation tools that integrate with Baptist Health’s existing kiosk vendor to create a comprehensive system
- Using this system, Baptist Health’s patients can effortlessly obtain a price estimate and understand their financial responsibilities prior to service
- Furthermore, the estimation tool automatically applies a 40% discount for patients who identify as self-pay

Results
- The immediate financial impact from CONTRACT PRO has been significant. Within the first three months of using the software, Baptist Health has collected approximately $1.2 million in contractual underpayment recovery
- Baptist Health has especially noticed an increase in patient portion collections within the pre-registration department
- PMMC has helped address other systemic issues including finding DRGs for inpatients

"The calculation engine within the CONTRACT PRO and ESTIMATOR PRO tools converts a complex calculation process into precise results. PMMC did a terrific job in managing the implementation and has done a great job of making the system easy to understand for our staff members through training and support."

– Jeri Pack
System Director of Revenue Solutions
Baptist Health
Its staff quickly identified reimbursement variances that were previously unknown. Through the application’s clearly stated and easily understood ‘Explanation of Reimbursement,’ the collection team was empowered to educate payers on the correct reimbursement amount, according to the pre-negotiated contract terms.

The calculated expected reimbursement or patient allowable from PMMC CONTRACT PRO integrates with PMMC ESTIMATOR PRO, to enable healthcare providers to educate patients of their financial responsibility. This level of integration improves the accuracy of the estimate and in turn the confidence of the process.

Both parties recognized the success of the deployment would be strongly tied to the overall project management during the implementation. An onsite project kick-off meeting helped establish expectations for everyone involved in the project. A written project plan was developed and routine project communications occurred including weekly project calls, action plans, and documented follow up items. Before Baptist Health went live, PMMC sent four trainers to complete onsite education for both ESTIMATOR PRO and CONTRACT PRO. Multiple webinar sessions were conducted and recorded to further educate the patient access staff.

“The calculation engine within the CONTRACT PRO and ESTIMATOR PRO tools converts a complex calculation process into precise results. PMMC did a terrific job in managing the implementation and has done a great job of making the system easy to understand for our staff members through training and support,” Pack says.

With the help of these tools and the integration with the kiosk system, obtaining a price estimate at Baptist Health is an effortless process.

“At 95% of our patients use the kiosk system, which indicates they are starting to become familiar and comfortable with receiving price estimates at the registration desk,” says Pack.

Additionally, the estimation tool enhances customer service by automatically applying a 40% discount for patients who identify as self-pay. Baptist Health understands that healthcare services may not be affordable for patients, even at a discounted rate and they want to support their patients as much as possible by considering each financial situation.

The Results

Baptist Health noticed vast improvements within the first several months of implementing PMMC’s solutions. The immediate financial impact from CONTRACT PRO has been especially significant. Within just the first three months of using the software, Baptist Health has collected approximately $1.2 million in contractual underpayments. Prior to this, Baptist had no visibility into the amount of their underpaid reimbursements.

Also, the pre-registration department, which piloted Estimator PRO, has become very familiar with the tool. Baptist Health achieved a record milestone in monthly POS collections just one month after implementation.

PMMC has been helpful in resolving the health system’s other systemic issues. “We do not have a working DRG for our inpatient self-pay population and it can be challenging to aggregate a price estimate. PMMC’s support staff helps us locate the actual DRG code and we are working together to refine this process,” explains Pack.

Overall, the partnership between PMMC and Baptist Health has been positive. PMMC continues to communicate with and support Baptist Health by utilizing weekly status calls.

“Although we have recently moved from project mode to support mode, I am very pleased with the way we have communicated during our partnership,” Pack says. “Now that PMMC has helped to build the system, it is my responsibility to ensure we maximize the use of our price estimate tools.”

By utilizing a POS price estimation solution, providers can more comprehensively help patients who are in need of financial assistance as well as improve communication with patients who want to understand their medical costs prior to service. Not only are these types of solutions useful for POS staff members, but they may also decrease bad debt and support collection efforts for back-end revenue cycle staff members.

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**About PMMC**

- PMMC has been consistently recognized as one of the leading revenue cycle management firms in the U.S. with over 400 hospital clients.
- The tool offered by PMMC estimates patient responsibility prior to service, PMMC’s precise reimbursement monitoring system empowers providers to reduce denials, negotiate for better contracts, collect contractual underpayments, and monitor payer contract performance.
- PMMC also helps providers restructure their Chargemaster pricing to efficiently model the real impact on net revenue.
- For more information, please visit: pmmconline.com