TransUnion Healthcare and VisitPay: A Patient Financial Engagement Solution

This Impact Brief is designed to highlight the capabilities of a unique healthcare revenue cycle partnership. It focuses on TransUnion Healthcare, offering its suite of revenue protection solutions, and VisitPay, offering its financial engagement platform. The companies’ combined capabilities offer health systems an end-to-end solution to collect on patient bills with an emphasis on starting the process before the service is provided. The underpinning of the system is data and analytics, in effect, operating as a “smart” system that directly addresses three consumer requirements to increase engagement and collections: transparency, personalization, and convenience. This Impact Brief provides background information on the partnership and the market, highlights key functionalities, and outlines roadmap areas. Finally, it offers Aite Group’s take on the overall utility of the technology for the target market.

Aite Group interviewed TransUnion Healthcare and VisitPay executives and witnessed a live demonstration of the technology and how it can be applied.
PARTNERSHIP OVERVIEW

The two companies forming this partnership are at different stages of their company life cycles. Chicago-based TransUnion Healthcare has established itself since the early 2000s as an operating unit of TransUnion (NYSE: TRU). The company delivers an array of revenue cycle management solutions for commercial and government claims processing and has inserted itself into patient receivables with its ClearIQ suite. TransUnion Healthcare’s transaction network is vast, as it counts 1,850 health systems and 550 physician practices as clients, and includes 880 payers, or roughly 98% of the insured lives in the United States. Its suite of services has recovered US$6.4 billion in cash for its clients.

VisitPay is a privately held fintech firm based in Boise, Idaho, steeped in consumer finance and payment processing expertise. The company was founded in 2010, and leading investors include Norwest Venture Partners, Flare Capital Partners, and Ascension Ventures. VisitPay partnered with leading health systems, such as Intermountain Healthcare, to design its platform. As a result, it is designed to deliver in four key areas. First, the platform is built to simplify the billing experience, removing a leading friction point that prevents consumers from paying their bills—that it is too hard to understand. Second, the platform’s configurability enables consumers to customize a financing vehicle per their unique situation. Third, the underlying analytics engine presents payment options based on each consumer’s unique scenario. Finally, the platform is built with electronic medical record (EMR) systems in mind and delivers a high degree of integration with those billing systems.

Together, the combined companies offer providers an automated and integrated front (pre-service) to back (post-service) solution for payer and patient receivables. However, the partnership is unique in the patient financial engagement marketplace because it is pushing a suite of payments services before a service is rendered, or pre-service. These capabilities are wrapped around an online estimate in order to bring the financial conversation when it should be—at the time the appointment is scheduled. In addition, the uniqueness of the integrated solution is that it creates a data-driven feedback loop linking estimation with back-end billing as a means to continually improve estimate accuracy, financial performance, and patient satisfaction.

MARKET POSITIONING

The TransUnion and VisitPay partnership comes amid a flurry of merger and acquisition (M&A) activity in the patient financial engagement space. Much of the activity closed prior to the current COVID-19 pandemic and can be characterized, for the most part, as similar in intent to the TransUnion and VisitPay partnership—moving digital payment services to pre-service. However, the acquisitions, at the onset at least, differ from this partnership across a few dimensions—most notably, the absence of estimation as a key piece into the pre-service engagement solution. Secondly, the depth of analytics, and therefore personalization, differ as initially applied across the pre-service process. Finally, the expertise of core billing systems, and namely Epic’s system, across the companies involved in M&A activity does not match the domain expertise brought with the TransUnion and VisitPay partnership.

Notable M&A activity over the last two years is summarized in Table A.
Table A: Patient Financial Engagement M&A Activity

<table>
<thead>
<tr>
<th>Acquiring company</th>
<th>Acquired company</th>
<th>Deal date</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flywire</td>
<td>Simplee</td>
<td>February 2020</td>
<td>Bolster Flywire’s post-service capabilities, including its consolidated bill into pre-service, with Simplee, bringing with it consumer, analytics, and finance expertise</td>
</tr>
<tr>
<td>JPMorgan Chase</td>
<td>InstaMed</td>
<td>July 2019</td>
<td>Expand the bank’s wholesale and consumer healthcare payment capabilities, bringing InstaMed’s expansive network of consumers, providers, and payers transacting across the platform; clearinghouse capabilities; patient estimation; and deep payments expertise</td>
</tr>
<tr>
<td>RevSpring</td>
<td>Loyale Healthcare</td>
<td>March 2020</td>
<td>Bring RevSpring, a digital suite of services and a pre-service offering, including estimation and digital payment capabilities</td>
</tr>
<tr>
<td>Waystar</td>
<td>Recondo</td>
<td>December 2019</td>
<td>Expand Waystar’s clearinghouse capabilities at pre-service via advanced analytics solutions, EMR integration expertise, and a well-regarded estimation product</td>
</tr>
</tbody>
</table>

Source: Aite Group

MARKET MATURITY

The maturity for patient financial engagement solutions is moderate yet for the push to pre-service, such as that of the TransUnion and VisitPay partnership and the previously discussed deals, is low to moderate.

One could argue the market for estimation as a point solution is high, but there seems to be a bifurcation of sorts among approaches in the use and value of estimation, and this is where market maturity changes. For example, this partnership is focused on taking estimation to the next level by wrapping products and services around the estimate at the earliest point in the patient life cycle. Other approaches view estimation as a silver bullet to collections, do not use estimation at all, or deemphasize its role and focus more on different payment products.

Since payment estimators’ launch 14 years ago, product development companies streamlined their formulas to produce estimates, worked with patient billing companies to pass data between their software applications and embed information directly into screens rather than requiring staff to toggle between screens, and trained staff on how to use the product and communicate the results. As a result, payment estimation experienced solid growth in the hospital market, as these organizations were investing in new point-of-service practices—a departure from their reliance on back-end pay-and-chase models. In short, payment estimators were widely available, yet the industry lacked a broader vision to use an estimate as a direct input into a payment collections workflow. The chief barriers to the early workflow were a lack of flexibility to enable any consumer to pay a bill over a period of time and the analytical intelligence to present a set of payment options, taking into consideration the hospital’s
payment policies, the amount estimated, and the consumer’s financial wherewithal to pay. The latter was a big barrier for consumers with large bill amounts due to their high-deductible plans.

This is not the case today, and a new consumer collection blueprint is emerging. This model uses estimates in conjunction with propensity to pay—another predictive analytics capability—and behavioral scoring. Propensity-to-pay solutions calculate the financial risk a consumer poses and consider this risk with the estimated cost of the service to develop a list of appropriate payment options, including financing vehicles and payment terms, that are presented to the consumer. For example, low-risk consumers with high liquidity may be provided less favorable financing terms than a high-risk consumer with low liquidity. Together, these three capabilities enable the solution to create the right payment offer for each consumer and communicate through the preferred consumer channel with the proper messaging.

While the partnership does deliver additional capabilities, in spirit, it follows the consumer financial engagement experience across three areas (pre-service, point of service, and post-service) and, as a result, impacts a burgeoning patient refund disbursements market as well as the opposite—underestimates. The VisitPay platform is built to autocorrect the balance and any associated payments to mitigate refunds and underpayments (Figure 1).¹

Figure 1: Consumer Financial Engagement Model

<table>
<thead>
<tr>
<th>Provider</th>
<th>Patient</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sends eligibility transaction</td>
<td>• Receives estimate cost and payment options</td>
</tr>
<tr>
<td>• Calculates propensity-to-pay score based on the estimated costs and eligibility of services to be rendered</td>
<td>• May enroll in payment options or wait until appointment</td>
</tr>
<tr>
<td>• Estimates cost of billed services</td>
<td>• Engages in financial conversation based on estimated amount owed</td>
</tr>
<tr>
<td>• Calculates propensity-to-pay score</td>
<td>• Enrolls in a payment option</td>
</tr>
<tr>
<td>• Delivers personalized financial conversation using autogenerated scripts</td>
<td>• Makes bill receipt, payment preferences, and refund preferences known in portal</td>
</tr>
<tr>
<td>• Enrolls patient in a recurring or one-time payment option</td>
<td>• Presents a single consolidated digital bill</td>
</tr>
<tr>
<td>• Offers electronic billing enrollment</td>
<td>• Offers online bill payment</td>
</tr>
<tr>
<td>• Kicks off patient-portal login process and digital experience</td>
<td>• Delivers personalized communications based on patient preferences</td>
</tr>
<tr>
<td></td>
<td>• Offers other channels to pay</td>
</tr>
<tr>
<td></td>
<td>• Offers multiple payment-acceptance vehicles</td>
</tr>
<tr>
<td></td>
<td>• Researches overpayment and determines whether refund is required</td>
</tr>
<tr>
<td></td>
<td>• Delivers personalized communications based on patient preferences</td>
</tr>
<tr>
<td></td>
<td>• Kicks off patient-portal login process and digital experience including setting up/verifying refund preferences</td>
</tr>
<tr>
<td></td>
<td>• Offers multiple disbursement vehicles</td>
</tr>
</tbody>
</table>

Source: Aite Group

M A R K E T  N E E D

The market need to deliver a better patient financial experience was high prior to the COVID-19 pandemic, and the need to deliver a frictionless digital payment experience, given social distancing requirements and high levels of contagion, stands to grow because of it. The initial and ongoing need, however, continues to be rooted in a growing number of consumers enrolled in high-deductible health plans (HDHPs). As a result, consumers’ standing as a third-party payer to hospitals and health systems is also rising. This is creating a revenue shift for health systems, requiring a change in patient receivables practices to a more holistic approach across pre-service, point of service, and post-service billing. The current crisis will likely push more consumers into HDHPs, particularly the large number of those laid off who will seek subsidies and lower-cost higher-deductible designs, enrolling through public and private marketplaces.

The shift toward a consumer marketplace also has a regulatory push. This push is around a series of bills designed to provide price transparency and mitigate surprise billing in the hospital market. These two factors place healthcare providers on the hook to deliver a better experience and reduce their financial exposure risk. On one hand, they need to collect more of the receivables directly from the consumer than they do today, and the current pandemic is placing a premium on their cash flow. Secondly, transparency is going to force consumers to shop for services, and a good billing and payment experience will increasingly act as a differentiator.

Clearly, these factors highlight a demonstrated need, not a want, for a digital experience that starts at pre-service, which is at the time an appointment is scheduled to the time of the appointment. This starts the engagement process through communication, estimation, and payment options. At that point, consumers have two options: either to make a payment or to not make a payment. This process works its way through the financial life cycle from the point of care to once a bill is presented and paid. In effect, the process of increasing engagement and collections is managed through a series of touch points that intelligently presents consumers with options and data that map to their situation.

T A R G E T  C L I E N T  B A S E

This partnership can benefit the largest health systems, but the value is growing to middle-market systems. The benefit of increasing consumer collection yields is a key value proposition, as are increased patient satisfaction and laying the groundwork to build consumer loyalty toward a system. Facilities of this size operate multiple billing platforms, yet those with Epic stand to benefit from this end-to-end system, given the combined companies’ depth and expertise. However, facilities that have invested in other systems, such as Allscripts, athenahealth, Cerner, Evident (a CPSI company), MEDHOST, and MEDITECH could leverage these capabilities. In addition to Intermountain, VisitPay partners with leading health systems to design its platform. Examples of partners include Carilion Clinic, Henry Ford Health System, Inova, INTEGRIS, St. Luke’s, and Texas Health Resources, along with several undisclosed major regional and national healthcare providers.
GROWTH POTENTIAL

The growth potential for the solution is high. As the pandemic runs its course in the near term and nonessential procedures are allowed again at state levels, health systems will experience a slow ramp-up of patients, many in HDHPs and many with their deductibles not met. This growth, the market demand factors noted earlier, and the realization that many consumers finances were/will be adversely impacted by the pandemic heighten the need.

VENDOR ASPIRATIONS

While TransUnion Healthcare is, at its core, a clearinghouse and consumer data and analytics company, it takes great pains to emphasize the impact its ClearIQ solution has on increasing patient collections, leading to greater yield. Its partnership with VisitPay brings to bear a new financial experience, but it does so in a way that renews its standing as a leading revenue cycle management company. The challenge for TransUnion is that its roots in patient collections are tied to its patient estimator and payment plan products, in effect creating lanes to payment, but the company did not control the payment lanes. This partnership connects those dots, and for that reason, TransUnion Health is distinguishing itself from providers with similar aspirations via this partnership with VisitPay.

PRODUCT INFORMATION

The partnership’s combined products fall into two distinct offerings: ClearIQ’s suite of revenue cycle solutions and VisitPay’s billing platform for delivering a new pre-service workflow.

PRE-SERVICE WORKFLOW

The combined technologies of the two companies creates a turnkey patient financial engagement solution. This end-to-end solution covers pre-service, point of service, and post-service, yet the key is the pre-service experience and the data powering the experience behind the scenes.

This experience is predicated on establishing a digital footprint and engagement model with the consumer through a web-enabled device, such as a smartphone. In doing so, it refocuses staff resources to concentrate only on those consumers who are not digitally enabled, which creates immediate transparency with the consumer:

- Five to seven days before the appointment, the process is initiated by establishing a digital connection with the consumer, whereby an initial estimate is provided, payment offers tailored to that consumer are presented, and the opportunity to customize terms of a finance vehicle or terms of a payment plan is offered.

- If no payment decision is made, one to three days prior to the appointment, another outreach is performed digitally and through staff outreach to make a payment decision.
If no payment decision is made prior to the appointment, then payment arrangements are made at the point of service (Figure 2).

**Figure 2: TransUnion Healthcare and VisitPay Pre-Service Workflow**

- **ESTIMATE ENGINE**
  - 5-7 DAYS PRE-SERVICE
  - DIGITALLY CONNECT WITH PATIENT

- **CUSTOMIZED PAYMENT OFFER**
  - 1-3 DAYS PRE-SERVICE
  - DIGITALLY CONNECT WITH PATIENT + STAFF OUTREACH

- **PERSONALIZED COMMUNICATION**
  - 0 DAYS PRE-SERVICE
  - RESCHEDULE PATIENT OR COLLECT AT POINT OF SERVICE

Upon claim adjudication, the patient will be able to view their EOB, updated payment plan information, and any refund or balance due in their VisitPay account.

**Source: TransUnion Healthcare and VisitPay**

**KEY FEATURES AND FUNCTIONALITIES**

The key features can be broken out into two buckets: the suite of services from ClearIQ that results in an estimate, and the online presentation of that estimate with payment options via the VisitPay platform.

The key features of the solution include the following:

- Verification of identity and address, and verification of insurance eligibility, benefits, and medical necessity

- Estimation of out-of-pocket costs, including automatically adding procedure codes to its contract-based approach that analyzes payer data, 12-month history-of-encounters data, chargemaster data, and patient-specific benefit level, such as deductible status

- Determine consumers’ propensity to pay, ability to pay, and behavioral score using information such as household income, credit reports, and consumer surveys, to manage financial risk and the patient experience
• Real-time connectivity that enables the creation of a personalized payment plan based on financial factors of the patient (Figure 3)

• Bots that detect any differences in the estimated and adjudicated amounts and provide automated balance adjustments as required (Figure 3)

Figure 3: TransUnion Healthcare ClearIQ With VisitPay

ClearIQ® with VisitPay enables a positive and transparent patient experience while improving point-of-service collections

Offer personalized payment plans based on patient’s unique financial situation

Provide a frictionless payment experience

Verify patient identity & address information

Verify insurance eligibility & benefits

Validate medical necessity

Estimate patient out-of-pocket costs

Screen patients for charity programs with a standardized patient interview process

Determine a patient’s propensity to pay and likelihood to qualify for financial assistance

Source: TransUnion Healthcare

As discussed previously, VisitPay developed its platform with health system partners. In addition, the company took cues from consumers about what they needed for a better experience. The combination of these efforts yielded a system that is interoperable with systems’ technical needs (e.g., Epic integration) and is satisfying consumers’ digital billing and payments needs. Some examples of the consumer needs met by the platform include providing an explanation of benefits at the time of the visit, providing information on the charges, providing an estimate of costs, providing a family view of bills owed, and providing easy mechanics of payments (e.g., pay by text or online). These are all resident in the mobile experience, as are these other key features:

• Offering a prompt pay discount to consumers who qualify

• Providing payment options based on hospital polices that can be driven off financial scores, service lines, or other factors

• Creating billing transparency through a single solution for front and back billing

• Developing a single consolidated billing experience with the explanation of benefits at the visit level

• Providing real-time chat for support during the process (Figure 4)
ROADMAP OVER THE NEXT 12 TO 24 MONTHS

TransUnion will be releasing an additional patient-facing offering later this year that focuses on patients in need of charity or other financial assistance. Through scoring and the same digital channels available for pre-service collections, TransUnion will deliver a solution that allows patients to provide financial counselors with data necessary to process a charity application. This new product will further differentiate the partnership, as the two entities will collectively be able to estimate, screen, and ultimately enable patients to act on their upcoming visit’s financial clearance needs.

VisitPay will continue to extend its market lead in the pre-service space, offering an expanded set of flexible payment options to patients while giving providers the ability to clear larger balances and leverage auto-adjustment bots to reduce staff workload. An important dynamic the company is addressing is consumers’ increased comfort level with using text messaging to pay bills. VisitPay has seen an increase in mobile phone payments from under 20% to over 50% in five years. VisitPay’s text-to-pay service allows consumers to pay bills via text message, without ever opening a web browser—the service allows the consumer to obtain billing information through smart text bots. The company will be enhancing this service with unique features for pre-service engagements.
AITE GROUP’S TAKE

This partnership recognizes that the shifting healthcare consumer landscape requires a new approach to collections. This approach must embed automation and analytics to engage the consumer at the earliest point in the process—before the service is provided. Hospitals are increasingly recognizing this shift as well and are turning to vendors such as TransUnion Healthcare and VisitPay to help them navigate this landscape. This is no small chore, given these enterprises have invested heavily to rethink their point-of-service practices. By synthesizing and analyzing data, this partnership offers hospitals and health systems tangible solutions to some of the bigger challenges they face—namely, a “smart” system designed to present a bill amount, stimulate engagement to pay the bill, and enable dynamic management of the outstanding bill amount until the bill is paid in full.

The product demonstration shows that the companies have been thoughtful about the outputs of the combined capabilities—in terms of workflow integration for the client and its presentation of information to the consumer via the mobile device. The companies have managed to distill a lot of data, including payment estimates, into a useful, informative, and digestible format to help inform consumers’ financial decisions.

The challenge for this partnership is that many companies are acquiring capabilities to move into the pre-service space. So, while the race is on to pre-service, M&A activity is also pushing the competitive landscape in terms of payment capabilities from front to back. Still, this partnership has gained a strong foothold with some major systems, and the companies are working to expand their reach and influence as it provides a strong argument that not only offers an estimation but also provides a direct pathway to collect the bill.
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