

**2023 Mid America Summer Institute** Aug. 7-9 • Minneapolis

# Igniting the Spark

**FOR HEALTHCARE TRANSFORMATION**

**HFMA Region 8**

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# **The Patient Payment Conundrum:** *The Impact on Providers and their Patients*

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# Learning Objectives:

- Understand the affordability gap in healthcare.
- Understand how the lack of knowledge and transparency impacts patient payments.
- Learn from a case study that illustrates how a provider positively changed patient payment behavior





**2023**

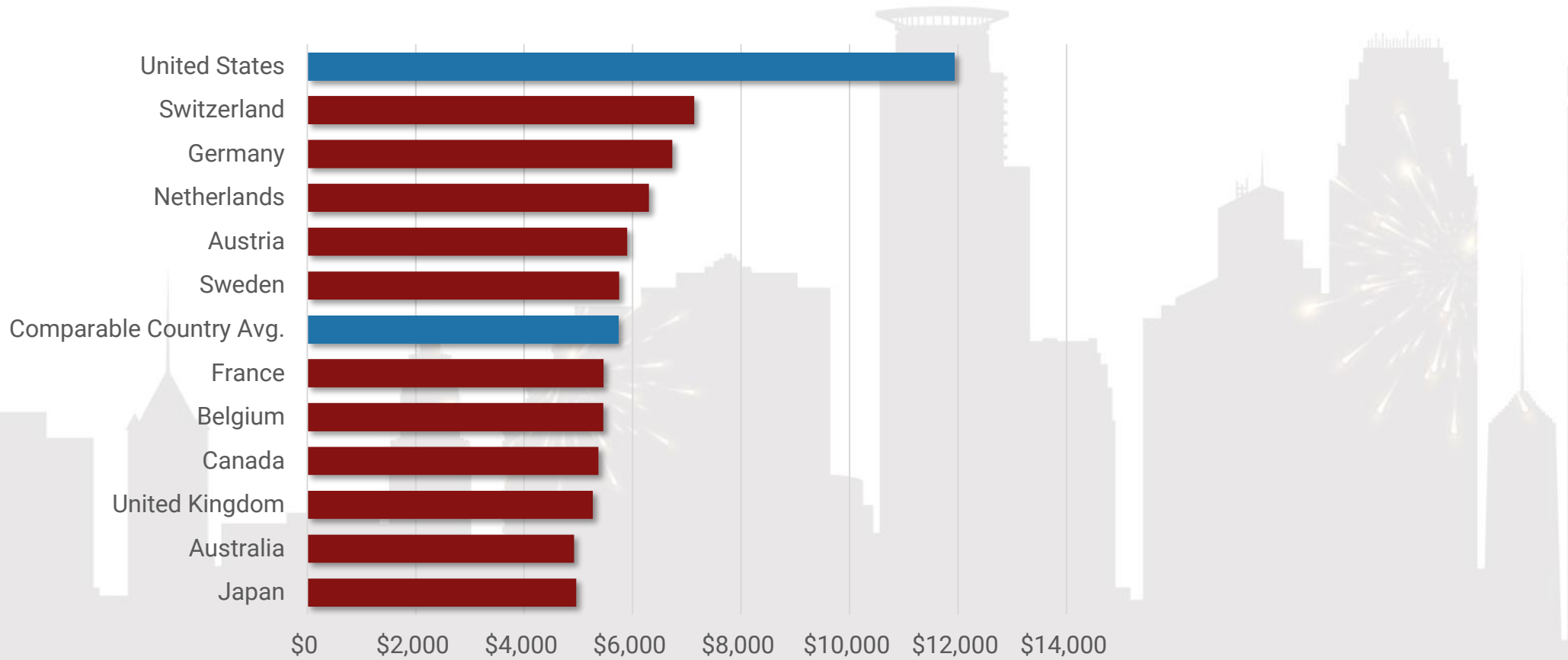
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**Americans check their  
phone once every ten  
minutes**



**AFFORDABILITY** is the  
“Root Cause” of poor patient  
collections

# Healthcare in the US is expensive



Since 2000, hospitals have  
provided \$745 billion in  
uncompensated care

**\$43 Billion**  
in uncompensated care 2020

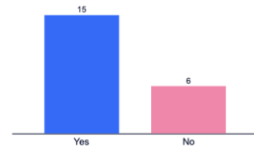
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# Menti Question #1

## Placeholder (SHELLY)

Have you ever  
avoided care  
because of cost?



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# Healthcare affordability affects all household incomes

**1 in 3**

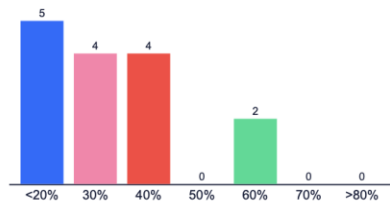
Americans did not seek care due to cost

**1 in 5**

Among higher-income households, earning more than \$120,000 annually

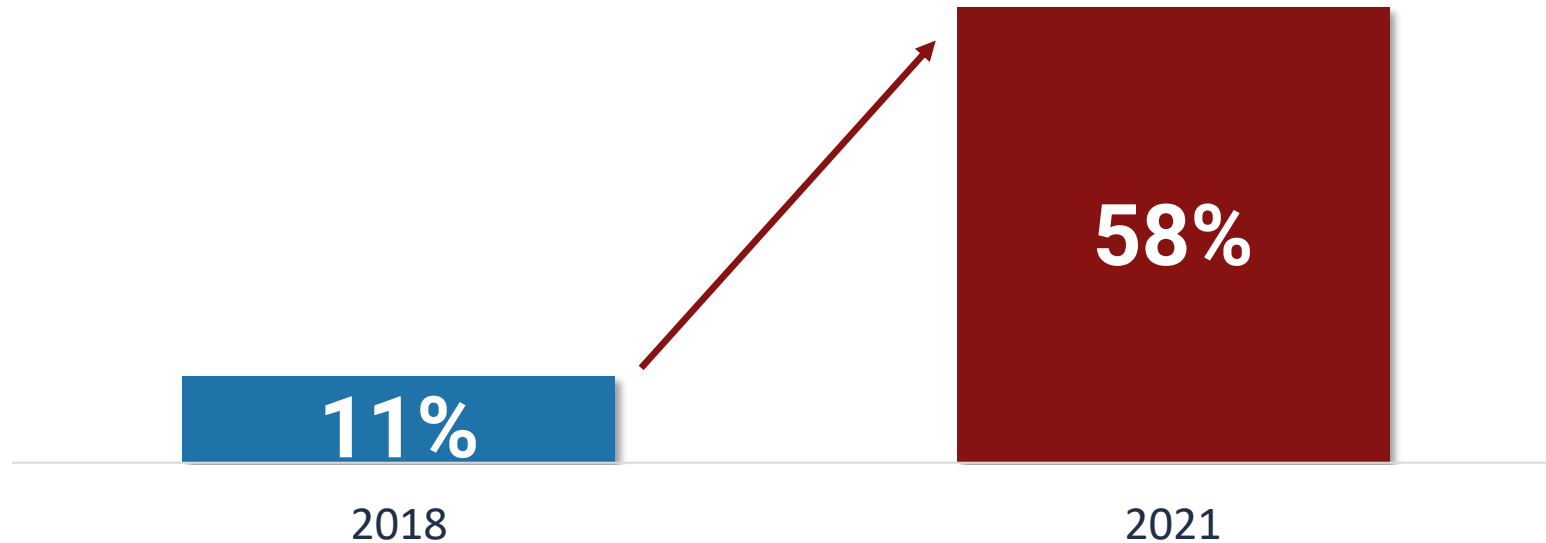
## Menti Question #2 Placeholder (SHELLY)

What % of your bad debt comes from  
**INSURED** patients?



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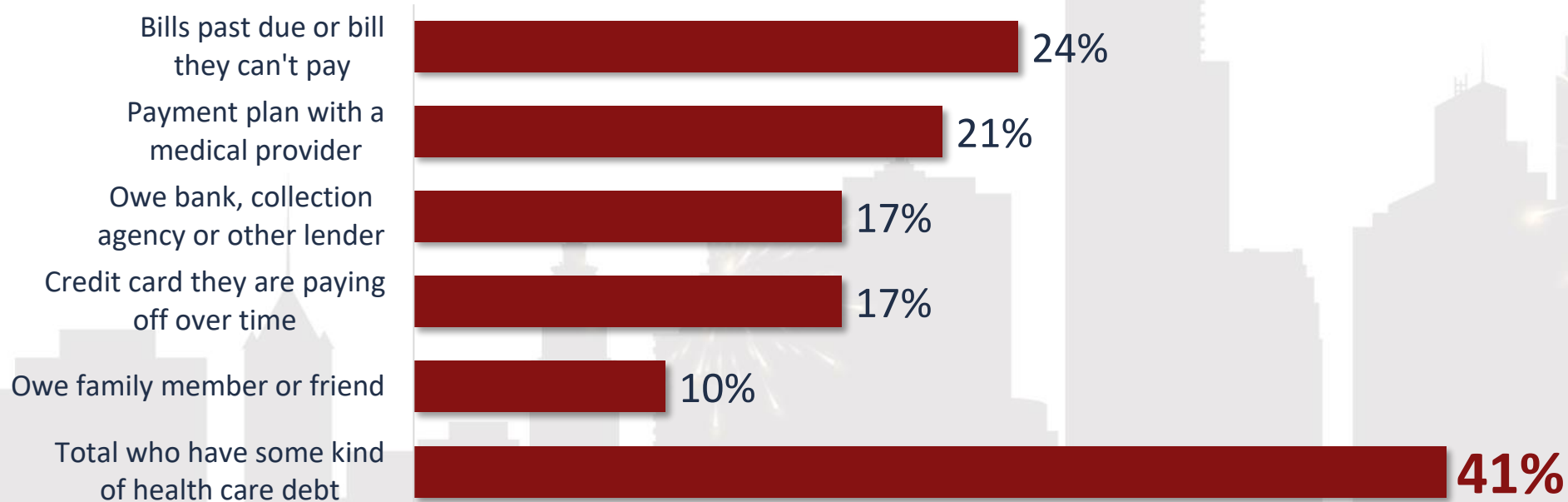
## Most Uncompensated Care comes from Insured Patients



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## 41% of Americans currently have medical debt



# THE DAILY NEWS

www.patientpaymentnews.com

THE WORLD'S FAVORITE NEWSPAPER

- Since 1879

## Should Health Systems Become Banks?

What grade would you give the U.S. health care system overall?  
share of respondents (2,519 people surveyed)

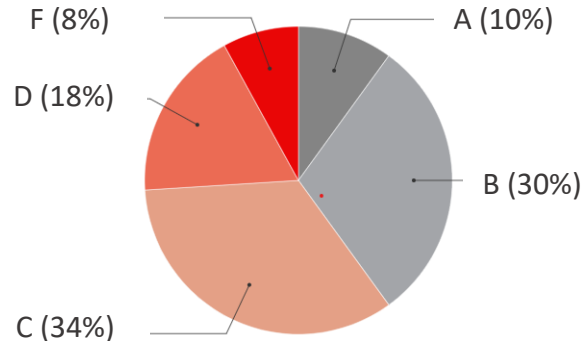


Chart: Elijah Wolfson for TIME • Source: Harris Poll

TIME

### Biden administration cautions consumers about medical credit cards

May 4, 2023

Source: Becker's Hospital Review

Many patients would be better off without medical credit cards, the Consumer Financial Protection Bureau says.

In a report published May 4, the federal agency said patients often do not understand the terms of medical credit cards and end up with more credit than they can afford.

### CFPB report shows medical card debt is 'a symptom' of U.S. health care, expert says

May 13, 2023

Source: Yahoo Finance

An estimated 41% of Americans are grappling with medical debt of some kind. Medical credit cards typically offer deferred interest payment period for many of these charges. Between 2018 and 2020, however, people paid \$1 billion in these payments for charges, according to the CFPB findings, on top of \$23 billion in overall expenses.

### Exclusive: More Than 70% of Americans Feel Failed by the Health Care System

May 16, 2023

Source: Time Magazine

The new Harris Poll survey, which was conducted from February to March 2023 and commissioned by the American Academy of Physician Associates, shows that patient satisfaction is also suffering due to the **high costs**, inaccessibility, and **confusing** logistics of U.S. medical care.



**May 4, 2023**

**The Consumer Financial Protection Bureau (CFPB) published a report on high-cost specialty financial products, such as medical credit cards.**

**CFPB found the following:**

- Medical financing companies market their products directly to healthcare providers
- Patients need guidance on terms and risk
- Patients can get stuck with ballooned deferred interest and lawsuits

**July 7, 2023**

**The Consumer Financial Protection Bureau (CFPB), U.S. Department of Health and Human Services (HHS), and U.S. Department of Treasury (Treasury) launched an inquiry into high-cost specialty financial products, such as medical credit cards and installment loans.**



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## PRACTICE MANAGEMENT NEWS

### HHS Investigates Medical Credit Cards, Installment Loans

HHS is joining other federal departments to investigate if medical credit cards and installment loans drive up healthcare costs and medical debt.

## NATIONAL NEWS

# Federal agencies investigate medical credit cards

## CFPB-Backed Joint Inquiry Eyes Medical Credit Cards, Loans

By Jon Hill (July 7, 2023, 2:27 PM EDT) -- Federal regulators took a first step Friday toward a potential crackdown on the medical finance market, launching an inquiry into higher-cost medical credit cards and installment loans that consumers are increasingly being offered to help pay for medical expenses. . . .

**2023**

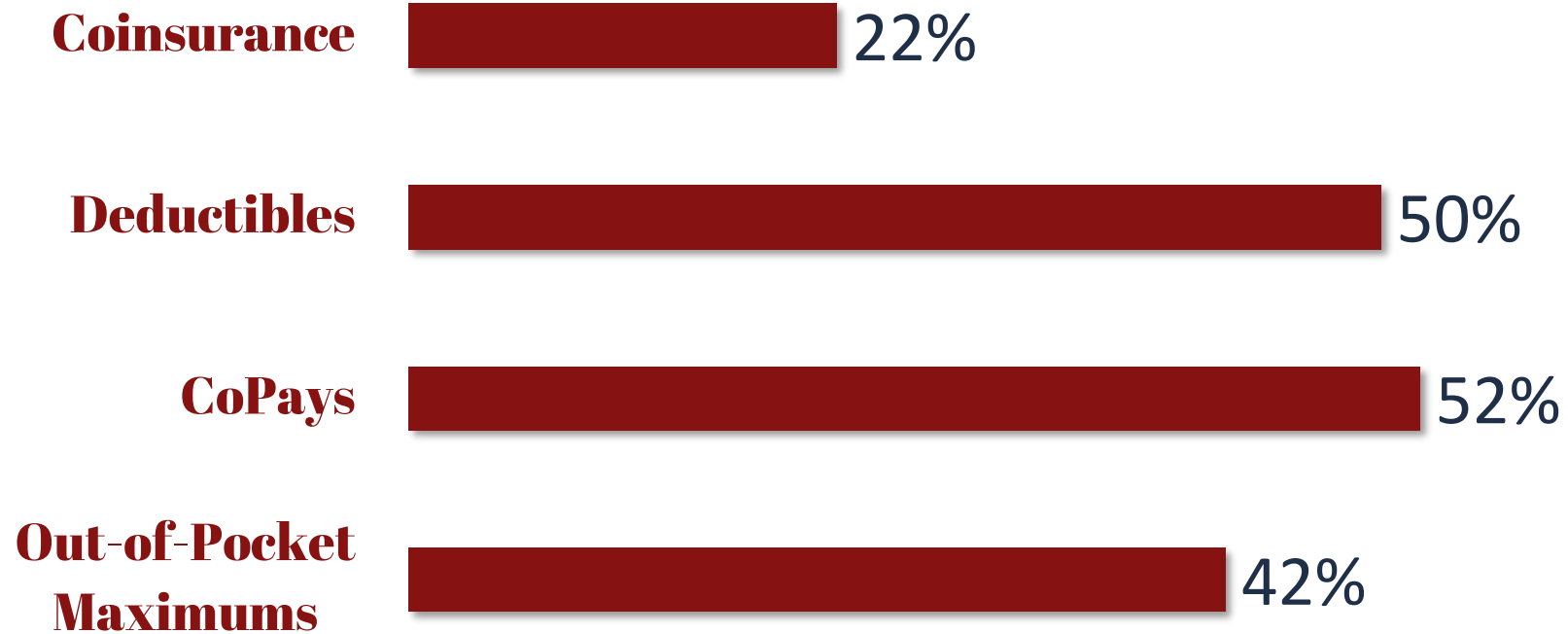
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# Health Insurance Literacy is compounding the problem

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# Menti Question #3

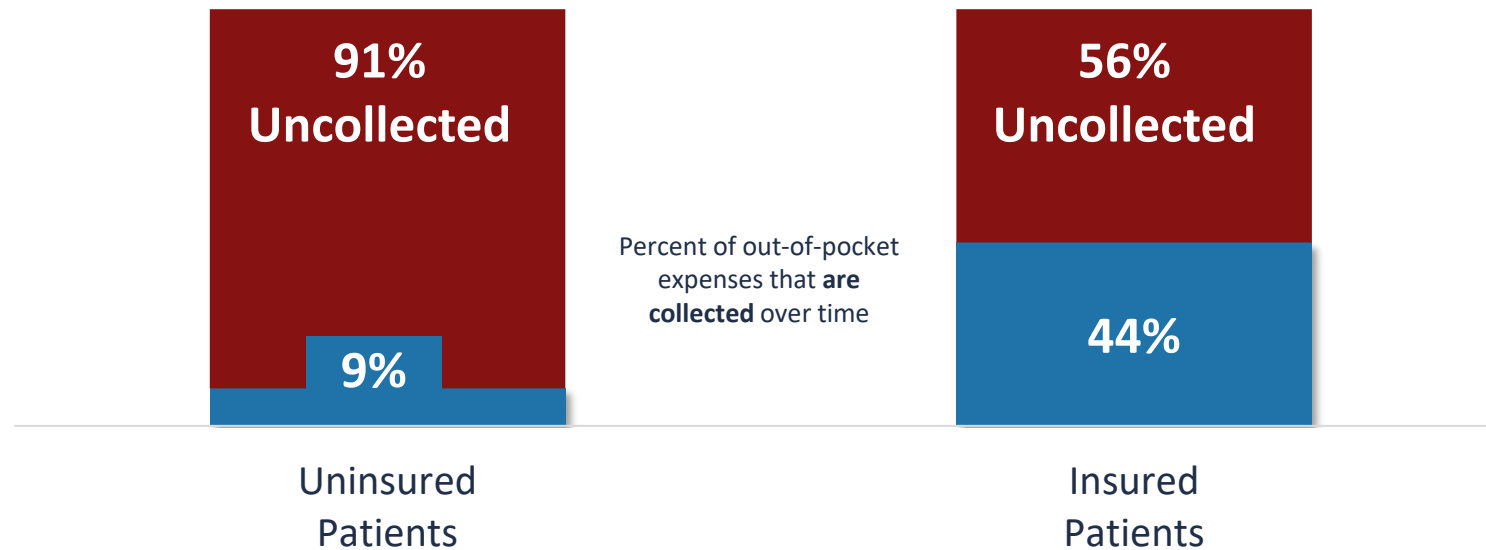
## Placeholder (SHELLY)

What is your  
collection rate on  
total patient out-of-  
pocket  
responsibility?

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# So how much of the patient out-of-pocket responsibility do Providers collect?



**Collection rates decrease over time and with larger balances**

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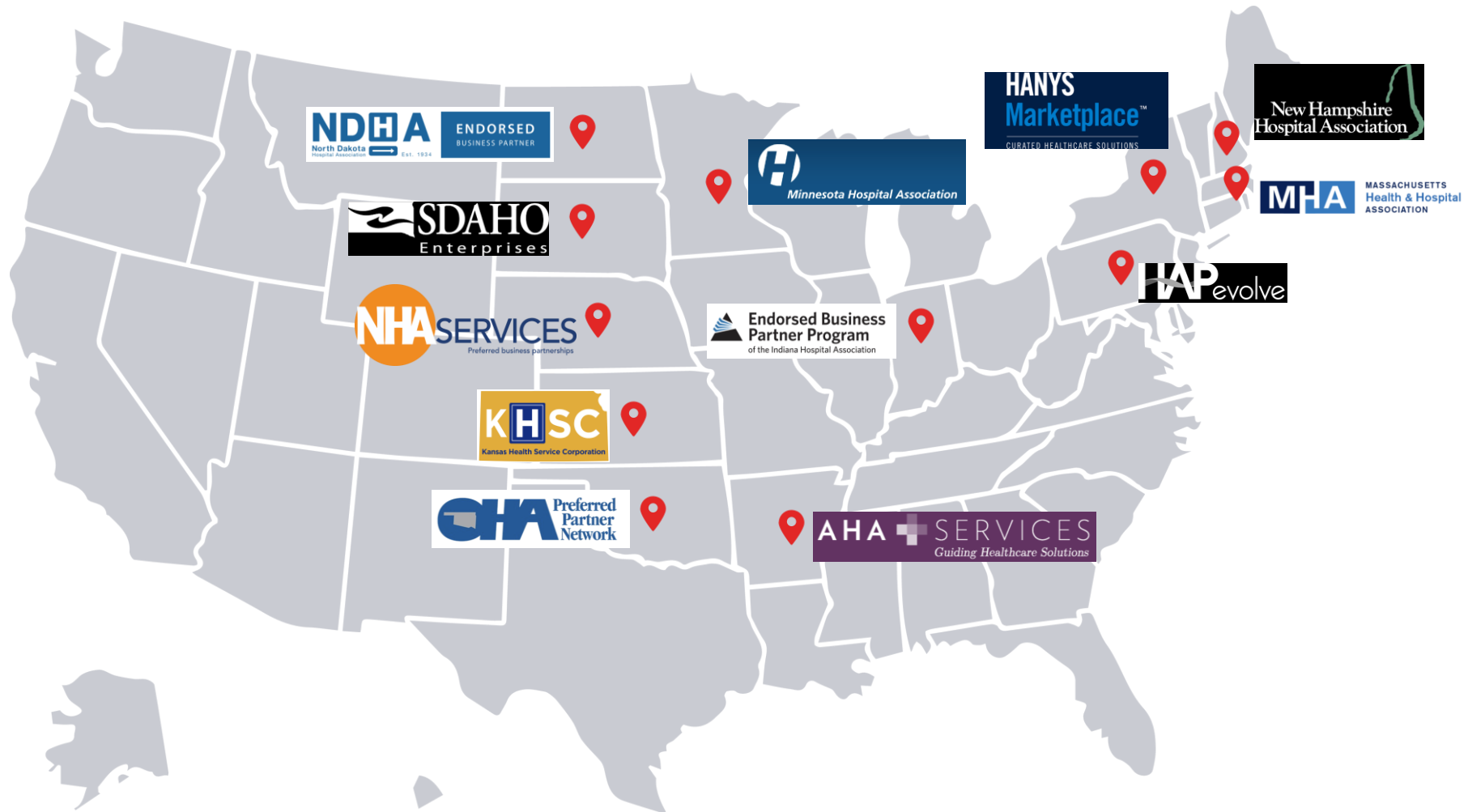
# Menti Question #4 Placeholder (SHELLY)

Which patient  
payment solutions  
do you find most  
valuable?

100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%

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# AblePay is an endorsed Partner of...



# AblePay is disrupting the patient payment experience

01

Make care more **affordable** by offering savings to every patient

02

Give patients **flexibility** in choosing the payment terms best for them

03

Provide a **convenient** & easy payment platform

04

Offer free **advocacy** support services to everyone

**2022**



**#10**

In Pennsylvania

**#22**

In Health Services

**#381**

Overall Ranking

**2023**



**2023 Ranking  
Coming Soon**



# AblePay Sample Partners



# How It Works

1. AblePay contracts with Provider
2. Provider offers AblePay directly to their patients
3. Patients become AblePay Members
4. Provider bills AblePay, AblePay pays Provider, Members pays AblePay

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# Patient Benefits

- Provide savings – up to 13%
- No interest – EVER!
- No cost to patient
- Access to more affordable care
- Flexible payment terms
- Team of advocates
- Accept everyone
- No credit check or propensity to pay

# Provider Benefits

- Dramatically increase revenue
- Collection costs removed
- Non-recourse
- Reduction in Patients avoiding care due to cost
- Reduction in days to collect
- Easy implementation/No Tech
- No change to current workflows/vendors
- Improve patient experience

# Case Study Methodology

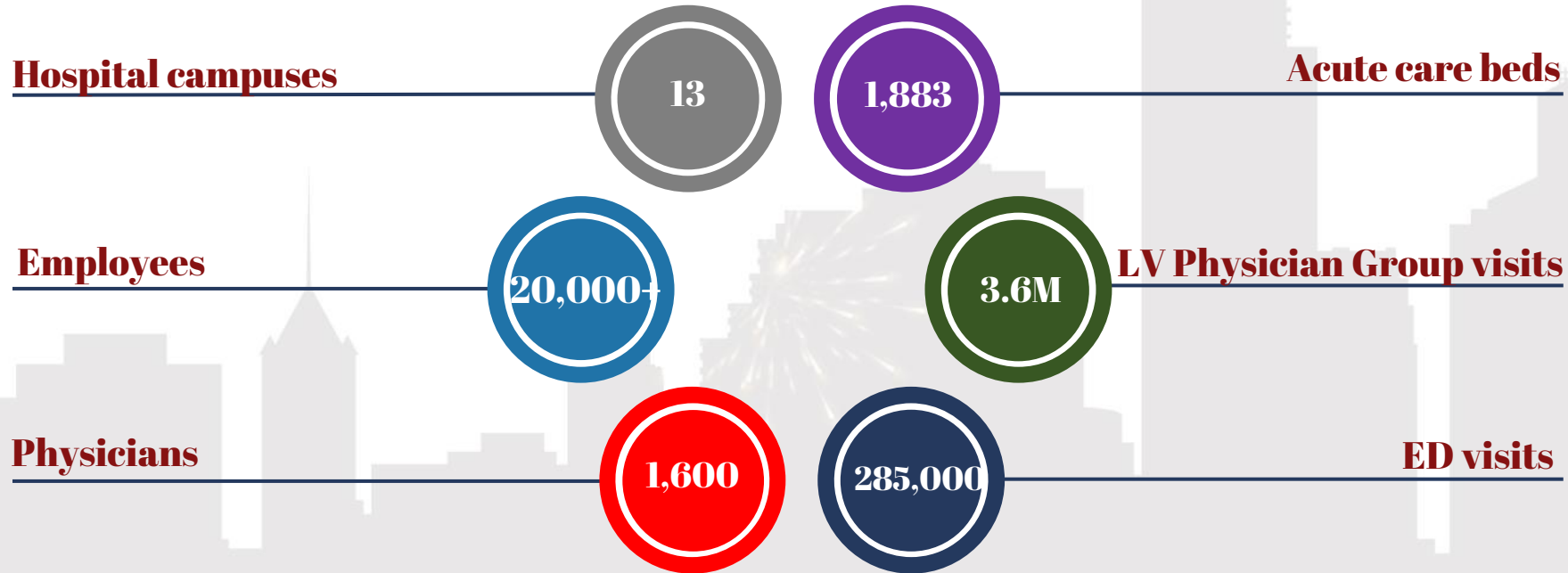


## **Two primary components to the case study:**

- **Length of Study – data was tracked over a 4-year period from 2018-2022**
- **Study Scope – Payment collections and service utilization was recorded before and after enrollment in AblePay**



# Lehigh Valley Health Network



# AblePay Member Survey

*Performed on entire membership*

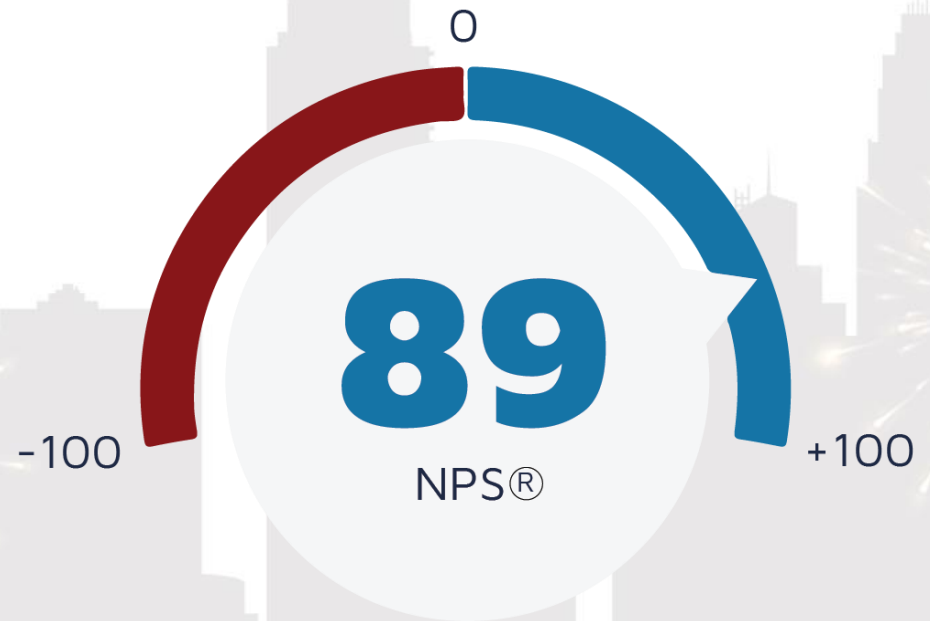
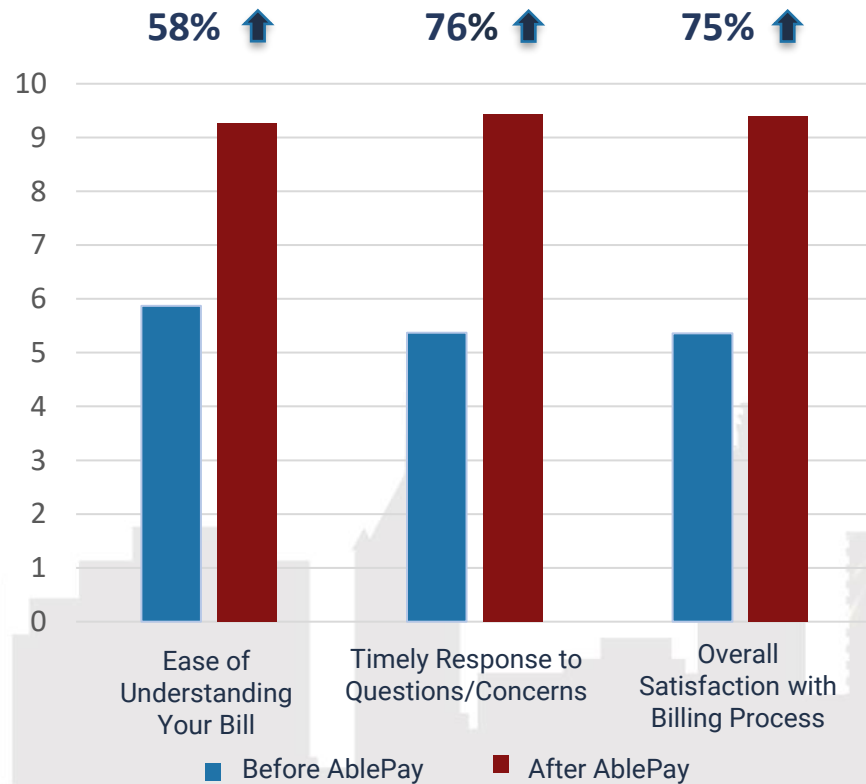
Prior to having AblePay, did you ever forgo or postpone receiving care due to the cost?

31%

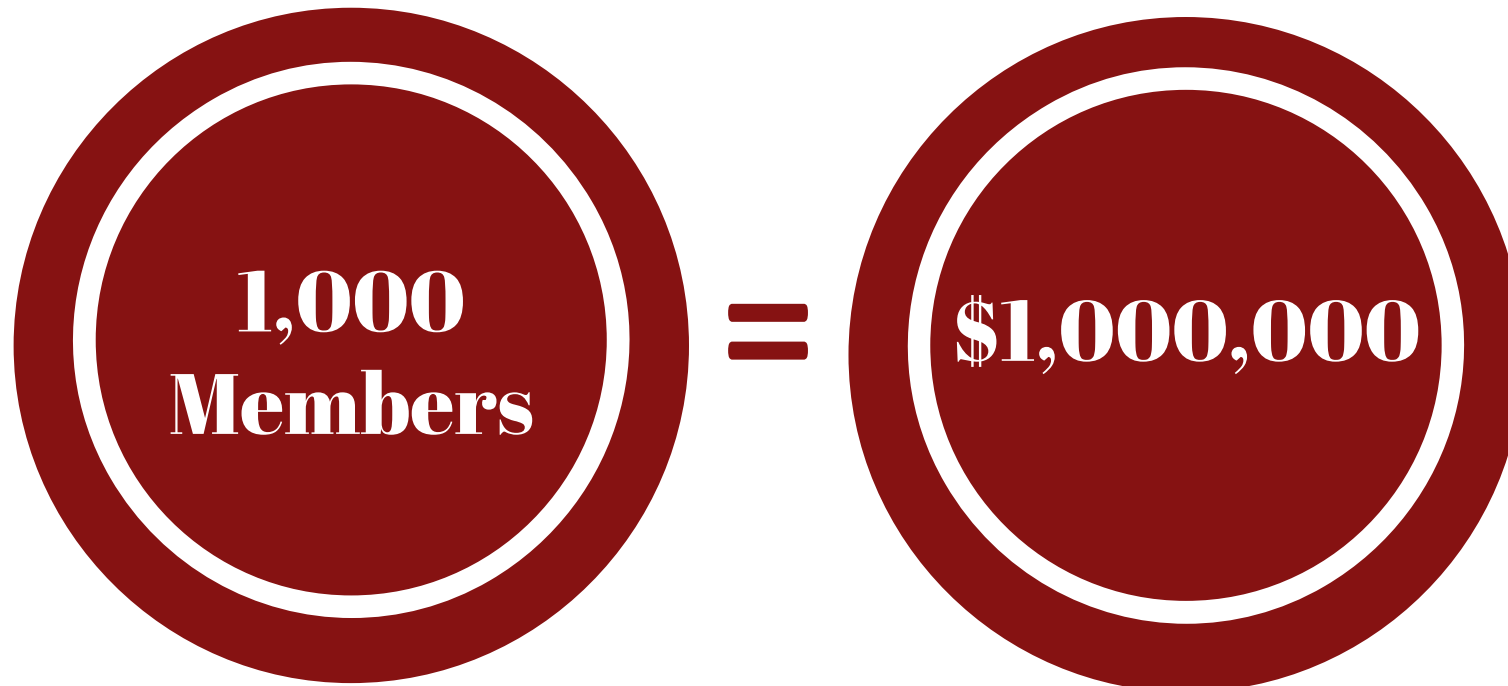
Now that you have the financial security and protection of AblePay, have you received care that you otherwise would have forgone or postponed due to the expense?

20%

# Improving The Patient Experience



# Revenue Impact



# Q/A

# Contact Information

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**[Shelly.Soupir@ablepayhealth.com](mailto:Shelly.Soupir@ablepayhealth.com)**  
**402.651.2103**

**Becker's Presentation**  
**“How Lehigh Valley Health Network and others are increasing  
revenue while addressing patient affordability”**





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# Back-up

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## HHS Investigates Medical Credit Cards, Installment Loans

HHS is joining other federal departments to investigate if medical credit cards and installment loans drive up healthcare costs and medical debt.

## CFPB, HHS, and Treasury Department Launch Inquiry into Medical Credit Cards

## CFPB-Backed Joint Inquiry Eyes Medical Credit Cards, Loans

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## CFPB Report Highlights Costly Credit Cards and Loans Pushed on Patients

July 12, 2023 06:00 AM

## Why medical credit cards, installment loans are under fire

CAROLINE HUDSON [🐦](#) [in](#) [✉](#)

MONEYWATCH >

**High-cost medical credit cards a growing problem for patients. Here's what you should know.**

NATIONAL NEWS

**Federal agencies investigate medical credit cards**

## Medical Credit Cards Targeted by US for Piling Debt on Patients

- CFPB, Treasury, HHS are seeking information on the industry
- Patients can be driven 'deep into debt,' CFPB's Chopra says

## Medical credit cards may lead patients to overpay for their health care, Democrats warn

A group of Democratic senators is asking the Consumer Financial Protection Bureau to take action against medical credit cards such as CareCredit, saying the cards' deferred interest features are confusing and often lead to consumers paying high interest...

## CFPB warns about side effects of using medical credit cards, loans

July 7, 2023, 1:39 PM

### Medical Credit Cards Targeted for Piling Debt on Patients (2)



Paige Smith  
Bloomberg News

DIAGNOSIS: DEBT

Biden administration warns consumers to avoid medical credit cards

## CFPB Report Identifies Pitfalls of Medical Credit Cards, Loans

Medical credit cards and loans from financial institutions and fintech companies come with high interest rates and confusing terms, leading to more patient financial stress.

## CFPB launches probe into costly credit cards pushed on patients for health care costs