



Five strategies for consolidating clinical and non-clinical payments



Co-pays and lab work and coffee... oh my!

As consumers of healthcare, we have all experienced the variety of channels and touchpoints available to us when paying for services. For any given visit, these could include paying at the time of service, via a kiosk, tablet, or online portal, through the mail, over the phone, and more. And that doesn't even include purchases made in locations like the onsite pharmacy, parking garage, cafeteria, coffee shop and gift shop.

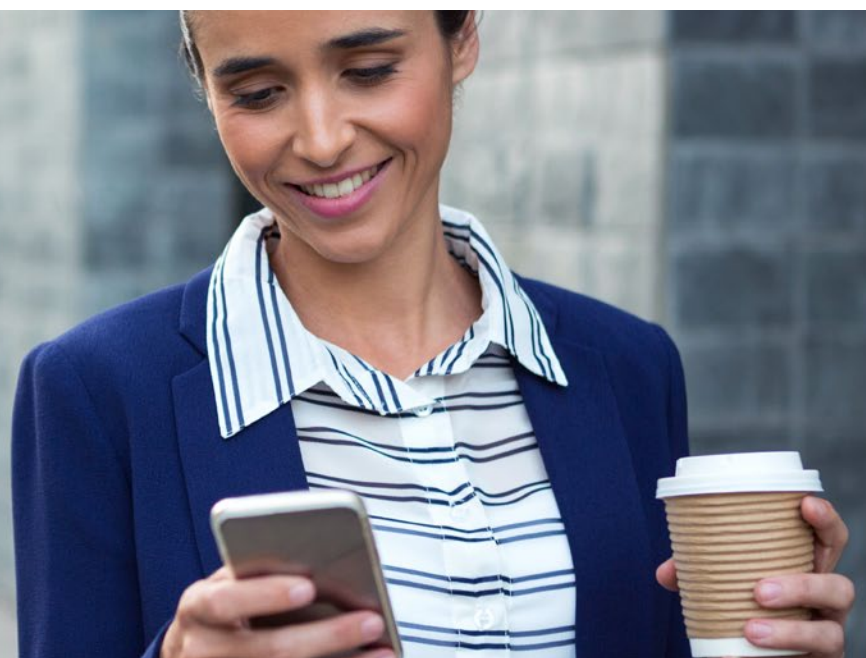
Consider this example of an annual physical at a hospital facility. A patient – let's call her Sally – checks-in and pays her co-pay with an HSA card before seeing the doctor. Any lab work prescribed by the doctor is completed by a third-party provider, who mails a separate invoice. After the appointment, Sally grabs a coffee in the lobby and pays with the tap of her phone using ApplePay™ then pays for parking with the tap of her credit card at a kiosk. The next day, she visits the hospital's wellness website to register for a nutritional seminar her doctor recommended and makes a one-time payment with her debit card, which she also uses to set up a monthly subscription for supplemental meal kits. Once her



insurance provider pays their share of the original exam cost, she receives an email notification from the hospital's online portal prompting her to login and pay the remaining balance for her visit.

With this many possible touchpoints and transactions for just one patient, it's no wonder that paying for healthcare has become so complex! It's time for your healthcare system to consider payment consolidation. This paper will help you understand why it is important to the overall customer and staff experience while outlining useful strategies that you can put into practice.

It's time for your healthcare system to consider payment consolidation



The impact of shifting payment preferences on healthcare systems

It wasn't long ago that non-clinical payments were primarily limited to the cafeteria, gift shop and pharmacy. Now that list has expanded to include amenities that complement conventional health services such as:

- Physical/occupational therapy facilities
- Fitness centers /Bike rentals
- In-room family dining
- Flower delivery
- Wellness centers/integrative medicine
- Hospital room upgrades
- Charity drives

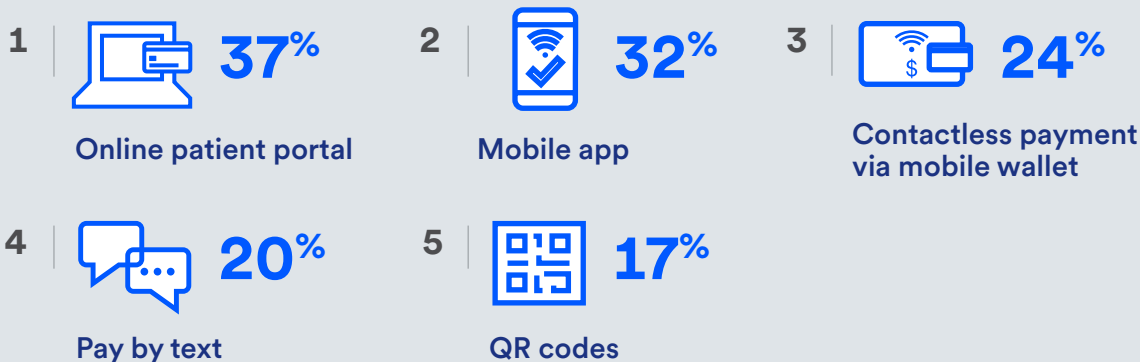
The result is that the entire payment experience has become disjointed for patients and staff alike. And not surprisingly, it is not the type of experience they want. Consumer payment preferences have changed dramatically over the past few years, influenced by the rapid adoption of digital and contactless payment methods in segments from retail to grocery to hospitality. As a result, patients now expect similar innovations in how they pay for

healthcare and are increasingly demanding better experiences tailored to their unique needs. Patients want flexible, convenient, secure, and consistent ways to pay for every purchase.

Healthcare providers in tune with this shift are placing a renewed focus on patient engagement, adopting practices centered on improving the connection between a patient's physical and financial health. Success extends beyond implementing the latest technology. It requires a deeper understanding of the people behind the payments: patients, families, and healthcare staff.

As illustrated in the results of our [2021 Healthcare Payments Insight Report](#), when chosen wisely, technology helps everyone work better together to provide the most convenient and suitable payment options that meet patient needs and expectations, no matter where interactions take place. Simply put, people-centered payments enhance the patient experience, simplify billing practices, and improve revenue cycles.

Top 5 options patients want modernized



The challenges of managing different payment systems

Disjointed payments make the financial experience unsatisfactory for patients and staff alike, further fueled by the growth of non-clinical payments. Here's a quick summary of pain points caused by managing separate systems across the customer payment journey.

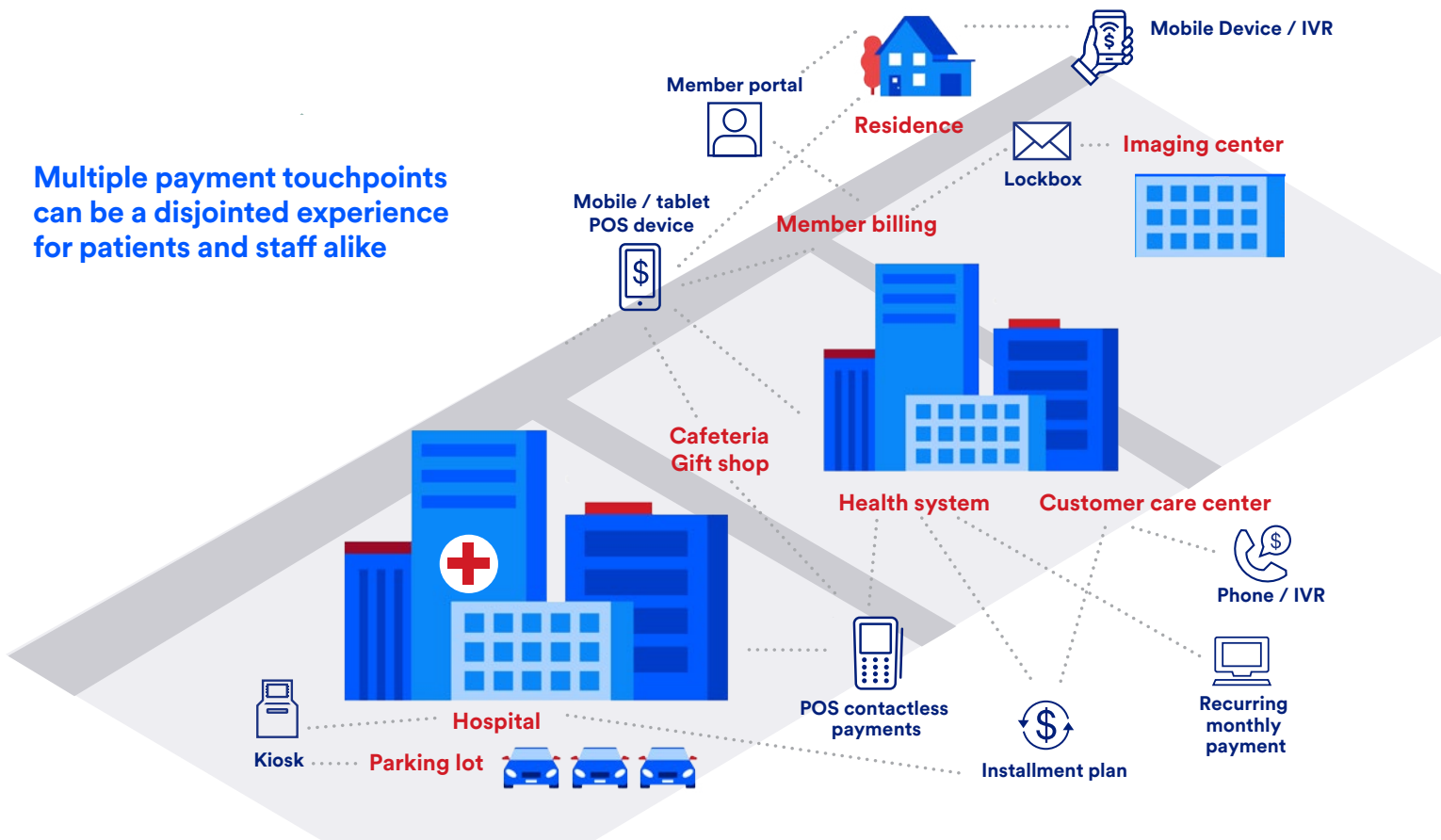
FOR STAFF AND ADMINISTRATORS

- Lack of integration between different payment systems
- Manual processes for reconciliation and reporting
- Added time, cost, paper
- No single view of all payment activity
- More opportunity for errors
- Increased payment data security risk

FOR PATIENTS

- Inconsistent experience
- Repetitious payment entry across channels and systems
- No single view of all payment activity
- Confusion about what's owed
- Missed notifications and payments

Multiple payment touchpoints can be a disjointed experience for patients and staff alike



Five strategies for consolidating payments

Let's shift gears and take a closer look at what consumers want. In short, they are seeking flexible, convenient, and secure ways to pay for every purchase they make, whether clinical or not. The following five strategies for consolidating payments help deliver a better payment experience for patients, while creating efficient processes and improving cash flow.



STRATEGY #1

Create consistency

Whenever it's time to pay for goods or services related to a healthcare visit, patients typically face multiple interface designs or processes, which can result in confusion. Additionally, training staff members about how to use a variety of solutions to process, report and reconcile payments is time consuming and prone to errors. A successful payment model offers consumers and staff a consistent experience in terms of design and flow.

Consumers respond positively to standardized platforms for a few reasons.

- **Familiarity.** Sets expectations for future interactions regardless of acceptance channel
- **Learnability.** Ease of use improves the likelihood patients will follow through with payment in a timely manner
- **Efficiency.** Patients can complete tasks more efficiently without contacting customer service
- **Trust.** Builds customer satisfaction and loyalty

So, if you are seeking to expand the ways patients can pay, make consistency a top priority. While it may not be possible for payments across every channel – POS, online portal, phone, mobile, kiosk – to be exactly alike, branding should be familiar and transaction flows should be intuitive.

STRATEGY #2

Define the end-result first

One important best practice is to start with the ideal end state in mind. Set realistic and achievable goals that is easily understood across your organization, from front-line employees to back-office accounting and IT teams and customer service.

Follow this with a cross-functional analysis of what's working and where gaps exist across your current acceptance channels and practices. This will provide insights into opportunities for consolidation and give your teams visibility into the priorities and tasks that boost productivity.

Realistic goals include:

- Improve the patient payment experience
- Increase staff proficiency at collecting payments
- Improve tracking and control of money flow
- Streamline and adhere to PCI DSS compliance
- Integrate with an EMR system, such as Epic or Cerner

Once goals are identified, assign in-house resources the responsibility for developing a plan. Good processes and policies matter. One recommended approach is to ask each department to develop an inventory map outlining the payment types and locations where payment interactions currently occur and their ideal workflows. This gives each group the opportunity to ensure that the payment

64% of business leaders say tech investments have led to productivity gains.¹

system is appropriately configured around patients, customers and staff. Involve stakeholders early and ensure the right teams are assigned ownership for managing and maintaining their respective processes and systems. Leverage the operations department across locations and departments to focus on processes, finance, risk controls, and reporting.



\$9M average cost of a healthcare organization data breach in 2021²

STRATEGY #3

Cut through the clutter

Once payment methods and options for each payment type and location are mapped by department, you should be armed with the information necessary to gain an understanding of where payment processes overlap to determine if they could be optimized into a single stream.

Payment acceptance solutions should securely connect to your central payment network so that all transactions and funding flow to one place for streamlined reconciliation and reporting. This helps eliminate cumbersome manual processes and gives administrators visibility into metrics and cash flow across the healthcare system.

Plan for the future of healthcare and payments by investing in partners with systems that scale and flex to meet a wide variety of workflows. While card rates are important when considering vendors, it's important to look further and consider the total cost of accepting payments, inclusive of time, labor, fraud, compliance, cash flow and write-offs.



STRATEGY #4

Secure all payments

When it comes to divergent payment channels, more systems equal more risk. Because card processing, billing, and electronic health record (EHR) systems are frequently linked for convenience, an attack on one puts them all at risk. Consolidating payments reduces the number of vendors and systems to manage, resulting in fewer points of risk.

Nobody wants to experience the negative reactions resulting from a major data breach. Healthcare organizations have witnessed the highest average cost of a data breach for eleven consecutive years, reaching over \$9 million in 2021.² Not only is there a huge financial loss, but there is the potentially more devastating outcome of reputational loss within the communities you serve. In 2021, 712 healthcare data breaches were reported, an increase of nearly 11% from 2020³.

Engage your IT department in strategy development right from the start. Work hand in hand with them, as their support is critical to successful implementations as well as maintenance support and future enhancements. Have the technology team handle customer interfaces, capabilities, integration, testing, QA, and data security.

- IT should own all technology platforms and data security
- Assign dedicated staff to manage and support compliance
- Implement internal PCI compliance certification processes
- Document procedures for handling payment data



STRATEGY #5

Ensure staff efficiencies

When it comes to implementing new systems, do not leave it to chance. When staff are left to self-teach, they tend to not to use all the systems capabilities correctly, which can result in inefficient and costly outcomes.

For example, if a hospital receptionist doesn't understand how to set-up a lump sum discount, patients could miss out on this valuable option and days to receivables is extended.

It's important to communicate the downstream impacts to the patient experience when standardized practices aren't implemented and followed.

The best strategy for success is to establish standardized training practices that help staff become comfortable with the technology and associated processes. Explain to staff how proper payment acceptance practices fit into their overall workflow and demonstrate the benefits of following best practices as they master the new systems.

SUMMARY

Unifying payments is one of the great challenges hampering administrative efficiency and optimization of the patient financial experience. Lack of unity also exposes healthcare organizations to wider payment security risk.

All in all, full consolidation and standardization can appear daunting when you consider the scope of technical, process and culture changes required. Change takes time, but even partial consolidation and standardization will deliver positive results and position your organization to respond to technology standards and trends more quickly and efficiently.

Our dedicated healthcare team can help you identify strategies for consolidating payments to improve the payment and billing experience. We offer solutions and services to our clients that are designed to expand consumer payment choices and channels as well as consolidate and streamline administration. Learn how we can help you collect more payments with less effort.



ABOUT U.S. BANK

Our healthcare industry team understands the nuances of your industry and provide personalized guidance to help keep your revenue cycle and financial operations running smoothly. We offer banking, payment and investment solutions to enable your organization to deliver a better patient financial experience and sustain healthy revenue.

For more information, please visit [Healthcare Finance Services | U.S Bank.](#)

Sources:

1. IBM Security and Ponemon Institute. Cost of a Data Breach Report 2021.
2. HIPAA Journal, January 18, 2022. Healthcare Data Breach Report
3. HIPAA Journal, January 18, 2022. Healthcare Data Breach Report

*The Privacy Policies for U.S. Bank do not apply to information gathered through external third party websites. We encourage you to familiarize yourself with the privacy policies provided by third parties. View the U.S. Bank Privacy Policy. This is not intended to serve as a recommendation or solicitation for the purchase or sale of any particular product or service. It does not constitute advice and is issued without regard to any particular objective or financial situation.

©2022 U.S. Bank. This document is prepared by U.S. Bank Payment Services as a service for its customers. The information discussed is general in nature and may not apply to your specific situation. 0622 CR-21298816