

# The Role of Financial Communication in Building Community Trust: What Board Members Need to Know

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Increased consumer cost-sharing and the trend toward consumerism that is sweeping through healthcare are raising consumers' awareness and changing their expectations about the way they are treated with regard to billing and payment as well as their clinical care.

Although price transparency often garners the lion's share of media attention when it comes to financial matters, transparency is only one piece of the financial cycle. That cycle, which starts when consumers first contemplate a healthcare encounter and ends when their financial responsibility for that encounter is fully resolved, has many touch points.

An individual's experiences throughout the financial cycle can influence not only the payment received by the hospital or health system but also the person's attitude toward the organization and even toward healthcare in general. Through word of mouth and social media, negative financial experiences can become dissatisfiers that erode the community trust hospitals have worked so hard to build.

It's time to consider the patient's financial experience as part of the overall patient experience package. The following five guidelines, which have been distilled from industry consensus-based best practices, are designed to help board members guide their organizations toward better financial experiences for patients and better outcomes for both the patient and the hospital.<sup>1</sup>

## Guidelines for Improving the Customer's Financial Experience

**Build the financial experience around respect for patients.** In Eric Topol's book, *The Patient Will See You Now*, he points out that patients are the Rodney Dangerfields of medicine.<sup>2</sup> In other words, patients "don't get no respect." The good news is that the balance of power is changing. Driven by a generational shift and changing physician/patient dynamics, providers are increasingly looking for ways to treat patients as

true partners in their healthcare. Providers who realize that patient engagement is crucial to success in the new era of consumerism care will embrace this culture change. In the financial cycle, there are many small but significant opportunities to demonstrate respect for patients. These include coordinating efforts to avoid asking patients for basic demographic and insurance information multiple times, ensuring privacy when financial matters are discussed, and offering patients the option to have family members, a patient advocate, or a translator present during a financial conversation.

**Prevent financial toxicity.** Two years ago, Peter Ubel, M.D., and two other physicians coined the term "financial toxicity" to describe the impact of unaffordable bills on a patient's health.<sup>3</sup> Although discussions of financial toxicity are usually related to cancer treatment, the concept has broader applications, especially as it pertains to surprise bills, which have become a frequent media target. Surprise bills run the gamut from unexpected fees (such as facility fees) to bills from physicians who were only tangentially involved in a patient's care to out-of-network charges that are incurred even when the patient is using an in-network hospital. Although surprise bills are a multifaceted problem with no silver-bullet solution, upfront communication can go a long way toward preventing them. For example, hospitals, physicians, and health plans should each alert consumers about the risk of out-of-network bills and provide them with the information they need to reduce their risk of being billed for inadvertent out-of-network usage.

**Elevate the role of the frontline staff who create financial experiences for patients.** The role of patient access staff has gone far beyond the clerical functions of conducting transactions and processing paperwork. Patient access staff are now routinely expected to educate patients who don't understand basic insurance terminology, let alone their individual cost-sharing

## Key Board Takeaways

A healthcare customer's experience throughout the financial cycle can largely affect their overall satisfaction with the hospital or health system. Below are five strategies for boards to guide their healthcare organizations toward better financial experiences and outcomes for patients:

- Build the financial experience around respect for patients.
- Prevent financial toxicity.
- Elevate the role of frontline patient access staff.
- Recognize that the financial experience continues after discharge.
- Convey your commitment to the community.

responsibilities, and to deal with patients who are anxious about their ability to pay for services and frustrated with the healthcare system in general. Often, the only formal preparation that patient access staff receive is on-the-job training. That training should include communication and customer service skills in addition to hospital policies and procedures. In many ways, patient access staff serve as the hospital gatekeepers. Appropriate training will equip them for their growing responsibilities and help ensure positive experiences and outcomes for patients.

**Recognize that the financial experience continues after patients leave the hospital.** As cost-sharing has increased, patients are responsible for a greater portion of their healthcare costs, which sometimes results in medical bills going unpaid. The burden of medical debt has captured the attention of consumer advocates, the media, regulators, and the Consumer Financial Protection Bureau. Respect and concern for patients must extend to the last stage of the financial cycle: resolution of the bill. This has many implications, in practice. For example, if your hospital or health system delegates responsibility for collections to a third-party agency, as many do, the agency's activities should be governed by written policies adopted by the healthcare organization and agreed to by the agency. This will help ensure that collection

1 "Best Practices for Patient Financial Communications," HFMA (see [www.hfma.org/communications](http://www.hfma.org/communications)).

2 Eric Topol, *The Patient Will See You Now: The Future of Medicine Is in Your Hands*, Basic Books, 2015.

3 Peter A. Ubel, M.D., Amy P. Abernethy, M.D., Ph.D., and S. Yousuf Zafar, M.D., M.H.S., "Full Disclosure: Out-of-Pocket Costs as Side Effects," *The New England Journal of Medicine*, October 17, 2013 (available at <http://bit.ly/1iXK3Yt>).

practices are aligned with a healthcare organization's values.<sup>4</sup>

**Convey your commitment to the community.** Good news rarely commands extensive media attention. Hospitals and health systems that are committed to delivering positive financial experiences need to find other ways to let the community

know about it (e.g., through marketing, outreach events, newsletters, and online information).<sup>5</sup>

Going forward, success for healthcare providers will increasingly hinge on treating patients as full partners in their healthcare. In the clinical arena, this shift is well under way. It's time to bring our approach to the patient's financial experience into

alignment with contemporary values and expectations as well. ●

*The Governance Institute thanks Joseph J. Fifer, FHFMA, CPA, President and CEO of the Healthcare Financial Management Association, for contributing this article. He can be reached at [jfifer@hfma.org](mailto:jfifer@hfma.org). More information about the best practices and recommendations described in this article is available at [www.hfma.org/dollars](http://www.hfma.org/dollars).*

4 For other recommendations, see *Best Practices for Resolution of Medical Accounts: A Report from the Medical Debt Collection Task Force*, HFMA, January 2014 (available at <http://bit.ly/1SxWbeW>).

5 HFMA has a Patient Financial Communications Adopter Recognition Program for hospitals that have adopted its best practices. For more information, see <http://bit.ly/1lrRGYP>.