

# Patient Financial Experience from COVID-19: Board Lessons

By Joseph J. Fifer, FHFMA, CPA, Healthcare Financial Management Association

**E**arlier this year, a 70-year-old man who was critically ill with COVID-19 in a Seattle hospital woke briefly from his medically induced coma and told his wife, “You gotta get me out of here. We can’t afford this.”<sup>1</sup> When the patient left the hospital two months later, the bill came to \$1.1 million. It was 181 pages long with nearly 3,000 itemized charges.

As it turned out, the patient portion of the bill was minimal, likely zero.

Few media stories about patients’ financial experiences with COVID-19 are so dramatic. But over the past few months, smaller-scale variations on this theme are playing out all over the country: a lack of timely, reliable information about out-of-pocket expenses are causing additional stress and frustration for patients while they are dealing with a life-threatening infectious disease. But the takeaways on financial experience are not all negative. Patients also learned that they could check in for care from the relative safety of their cars. Although patients may not realize it, clinical and financial leaders have collaborated behind the scenes to make the logistics of care access safer and easier during this time.

This article explores what board members should know about how the pandemic will shape patient financial experience going forward.



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## Price Transparency Has Been Hard to Come by

Confronted with an unprecedented public health emergency in early spring 2020, Congress acted quickly to pass legislation requiring patient cost sharing to be waived for COVID-19 testing. Health plans fast-tracked implementation efforts. Despite these efforts,

exceptions, ambiguities, and unresolved issues left many patients with uncertainty about their financial responsibility. Some were confronted with unexpected bills. In other words, patients often came up against the same financial uncertainties they have experienced during previous healthcare encounters, adding fuel to the flame of frustration with opaque healthcare pricing. To address longstanding consumer dissatisfaction in this area, board members should champion price transparency initiatives that go beyond compliance with the Centers for Medicare & Medicaid Services transparency regulations<sup>2</sup> that require disclosure of payer-specific negotiated rates, effective January 1.

**N**ormal, or business as usual, translates to business-to-business-centered billing and payment processes, limited price transparency and lots of hassles for consumers.

## The On-Site Financial Experience Has Become Easier for Patients

Many aspects of the patient financial experience were quickly redesigned to minimize risk of disease transmission. Some health systems enabled online check-in and registration by smartphone—in some cases for patients who remained in their cars in the

## Key Board Takeaways

- Aspects of the patient financial experience that at first glance seem unique to COVID-19 are actually just new manifestations of longstanding issues that legacy healthcare stakeholders have yet to address.
- The board can champion price transparency initiatives that go beyond compliance with the Centers for Medicare & Medicaid Services transparency regulations that require disclosure of payer-specific negotiated rates.
- Encourage hospital finance leaders to routinize measures that were adopted on an emergency basis and prioritize patient convenience, going forward.
- Finance and other administrative teams have redesigned business processes during the pandemic even as they dealt with threats to their hospital’s financial health. Although their work won’t and shouldn’t be as high profile as the work of physicians and other clinicians, boards should know that many finance leaders stepped up to the challenge. These actions should also be viewed as setting a precedent for the future.

hospital parking lot. Patients discovered that it was no longer necessary to sit in a waiting room to fill out paperwork or to download and print forms in advance. Leveraging smartphones for this purpose was done as an infection prevention measure. Convenience has been a welcome, if unintended, consequence for consumers, who are accustomed to making purchases and other transactions on their phones. Board members should encourage hospital finance leaders to routinize measures that were adopted on an emergency basis and prioritize patient convenience, going forward. This is the actionable moment.

## Finance Leaders and Other Administrators Have Stepped Up to the Challenges of the Pandemic

The media and the public have hailed our healthcare heroes on the front lines. Physicians, nurses, other clinicians, and support staff deserve all the credit they have been given, and more. Their commitment and dedication have been extraordinary. But board members should be informed about the patient financial experience in their organization



1 Danny Westneat, “Coronavirus survival comes with a \$1.1 million, 181-page price tag,” *The Seattle Times*, June 12, 2020.

2 See <https://www.cms.gov/hospital-price-transparency/hospitals>.

and recognize the contributions made by hospital finance leaders and other administrative staff working behind the scenes. When the pandemic hit, finance professionals realized that it would take time to sort out payer-specific benefits and coverage for this new disease. A few chose to pause patient billing for COVID-19 until they could ensure that bills would accurately reflect the patient portion. Many, joined by health plans, quickly developed relevant billing and payment information and posted it online. Finance leaders also developed streamlined business processes for virtual care. Responses like these helped mitigate patients' financial concerns. Beyond adapting revenue

cycle processes, finance leaders put in long hours on planning, financial modeling, and expense management to guide their hospitals through a period of sharply reduced patient volumes and revenues as scheduled procedures were canceled to free up capacity for COVID-19 patients. These efforts should not only be acknowledged but should also be viewed as setting a precedent for the future.

### **Summary**

The longstanding challenges facing legacy healthcare stakeholders still exist. And when it comes to patients' dissatisfaction with their financial experience, COVID-19 has acted as an accelerant. The goal should not be just

“getting back to normal,” as tempting as that may seem. Normal, or business as usual, translates to business-to-business-centered billing and payment processes, limited price transparency, and lots of hassles for consumers. Learn from the experiences of the pandemic and prioritize developing a consumer-centric patient financial experience. During the pandemic, finance leaders demonstrated that they are up to the challenge.

*The Governance Institute thanks Joseph J. Fifer, FHFMA, CPA, President and CEO, Healthcare Financial Management Association, for contributing this article. He can be reached at [jfifer@hfma.org](mailto:jfifer@hfma.org).*