A BILL YOU CAN UNDERSTAND
RESEARCH REPORT

RESEARCH FINDINGS
May 6, 2016

PREPARED BY
The Mad*Pow Team
Introduction

This report is for the people who take up the “A Bill You Can Understand” challenge. The Mad*Pow team wants to help you redesign the medical bill itself so that it is easier for patients to understand and to innovate the experience of care estimation and medical billing. We all want the financial aspect of health to become easier to manage.

In collaboration with our pilot partner health care systems and insurers, as well as other stakeholders, we have compiled this research to provide challenge participants with an understanding of the state of medical billing today.

We hope you will use this report and the other resources linked to abillyoucanunderstand.com website, as the start of your own design process.
Methodology & Goals

Research Goals

- Inform the Design Challenge participants
- Identify major issues in the current medical billing system facing patients today from the point of view of
  - Healthcare systems
  - Insurance companies
  - Patients
Methodology

The insights and quotes in this report are taken from Mad*Pow’s original qualitative and quantitative research performed in April 2016.

- 6 interviews with the Design Challenge Pilot Partners representing healthcare systems and insurance companies
- 6 interviews with other stakeholders about medical billing and health literacy
- 12 interviews with patients who have dealt with medical bills in the near past
- Responses from 355 patients to an online survey
### Pilot Partner Interviews

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<tr>
<th>Company</th>
<th>Person</th>
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<tbody>
<tr>
<td>METROHEALTH SYSTEM</td>
<td>Dr. Sara Laskey</td>
<td>Vice President, Chief Patient Experience Officer</td>
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<tr>
<td></td>
<td>Donna Graham</td>
<td>Senior Director, Revenue Cycle</td>
</tr>
<tr>
<td>INTEGRIS</td>
<td>Greg Meyers</td>
<td>System Vice President, Revenue Integrity</td>
</tr>
<tr>
<td>PROVIDENCE HEALTH</td>
<td>Teresa Spalding</td>
<td>Vice President, Providence Health and Services</td>
</tr>
<tr>
<td>GEISINGER HEALTH SYSTEM</td>
<td>Barbara M. Tapscott</td>
<td>Vice President, Revenue Management</td>
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<tr>
<td></td>
<td>Chris Fanning</td>
<td>Chief Marketing Officer at Geisinger Health Plan</td>
</tr>
<tr>
<td></td>
<td>Angela Long</td>
<td>Associate Vice President, Revenue Management Administrative Services</td>
</tr>
<tr>
<td>UNIVERSITY OF UTAH HEALTH</td>
<td>Lori Aguilar</td>
<td>Director of Quality Assurance, University of Utah Hospitals and Clinics</td>
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<tr>
<td>CAMBIA HEALTH SOLUTIONS</td>
<td>Diana Cruz</td>
<td>Vice President, Operations Tech Services and Claims Administration</td>
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## Methodology & Goals

### Other Stakeholder Interviews

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<tr>
<td>HUMANA</td>
<td>David Walizer</td>
<td>Director Business Transformation</td>
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<tr>
<td></td>
<td>Kim Parson</td>
<td>Proactive Care Strategies – Consumer Experience &amp; Health Literacy</td>
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<tr>
<td>SIMPLEE</td>
<td>John Adractas</td>
<td>Chief Growth &amp; Marketing Officer</td>
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<tr>
<td>COMMUNITY CATALYST</td>
<td>Ann Hwang</td>
<td>Director of the Center for Consumer Engagement in Health Innovation</td>
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<td></td>
<td>Hannah Semigran</td>
<td>Research Assistant at Harvard Medical School</td>
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<tr>
<td>EMORY UNIVERSITY</td>
<td>Ruth Parker</td>
<td>Professor of Medicine</td>
</tr>
<tr>
<td></td>
<td>Kara Jacobson</td>
<td>Senior Associate, Department of Health Policy &amp; Management, Rollins School of Public Health</td>
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PAYER/PROVIDER/PATIENTS
TOP CONCERNS

Findings from Interviews and Survey
Top Concerns

These Concerns Are Shared by Everyone

Our research findings are organized by seven concerns:

• Patients Don’t Know What They Don’t Know
• Volume of Communication
• Understandability
• Terminology
• Timing
• Financial Planning
• Trust
The medical billing problems facing providers, payers and patients today are closely interrelated. The volume of paperwork directed at a patient and the terminology found on the benefit statements and bills undermine understandability. The timing of these statements makes financial planning difficult. All these factors undermine patient trust in the current process.

The examples under each concern are taken from the interviews and the survey responses. Examples and quotations from providers and payers are followed by examples and quotations from patients for each concern.
Patients Don’t Know What They Don’t Know

- Most patients said that they do not do research prior to an office visit.
- Patients attempt to estimate costs via their insurance websites, but typically cannot do so.
- Patients may need to find a specialist that accepts their insurance.
- Patients look up medical information about a procedure, but not the associated costs.
- Some only do research for elective procedures or dental work.
Patients Don’t Know What They Don’t Know

- The most common response to “Prior to your medical visit, what research did you do about the associated cost?” is “I do no research” 37.3%
- Many patients thought all costs would be covered by insurance 21.8%
- Some patients assumed it would cost what it usually costs 15.5%
- Some of the respondents noted that they don’t always know what treatments/procedures they will have prior to the appointment 6.5%
- For other patients it was an emergency and there was no time to research 5.2%

"No, I did not really [research the costs prior to the visit]. I was pretty concerned about the actual diagnosis of melanoma vs. looking into my insurance."
Patients Don’t Know What They Don’t Know

Among those who did some research prior to the visit, the most common actions were

- Verifying insurance coverage and getting an estimate of out-of-pocket costs **19.4%**
- Asking the provider **10.3%**
- Asking insurance company for clarification **5.2%**
- Doing online research **5.2%**
Patients Don’t Know What They Don’t Know

I asked the hospital how much the procedure would cost. They said they don't know it until after it's done.

No one could tell me what the procedure would cost exactly. Zero transparency.

I was charged for the use of a recovery room, which was a seat I used for 15 minutes, and for laboratory use which was using a toilet room to give a urine sample.
Volume of Communication: Information Received

- The frequency and cadence of Provider Bills and Health Plan Benefit Statements can overwhelm our patients & members.
- The Explanation Of Benefits (EOB) is generally sent separately from the patient bill, resulting in communication issues.

"Patients don’t want separate bills from hospital, nursing, doctor. We want one statement that shows everything, what we owe for that service."
Volume of Communication: Information Received

- Many states require an EOB to be sent within 30 days of a claim
- **Some insurers send EOBs more than once a month** to avoid legal issues with late delivery

> Someone can receive practically a file cabinet of paperwork for a simple episode of care.
Volume of Communication: Dollar Amounts

• “Inconsistencies and variations” between bills from different providers further muddies the patient experience

• Bills coming from a **variety of sources** may confuse patients

Patients don’t know who they will get bills from. From our computers, we can’t tell who has seen the patient. A hospital is like a shopping mall, with all kinds of independent stores in the mall and we don’t know which store they visited.

• Extensive **business-to-business (B2B) financial detail** such as “chargemaster” prices and adjustments or discounts add to the confusion
Volume of Communication: Patient Frustrations

• A mixture of too little or too much information on EOBs and bills
• Getting different statements from the doctor, the lab and the hospital for the same visit
• When each line-item is a component of an appointment
• Insurance adjustment information is back-end information

"I'm not in the medical field so I think they're trying to give you detailed information but I wouldn't know the name of the drug so I don't need that information."
Volume of Communication: Patient Frustrations

- Receiving the same bill twice, but with different figures
- Discovering that you’ve paid duplicate bills
- Statements that indicate that bills are past due, but don’t indicate which bills or the amount past due

“**I don't need a statement that's 15 pages long.**”

“**[I] had a lot of stuff going on at this time, so [don't] know what each [item] is.**”
Top Concerns: Payer / Provider Interviews

Understandability: What do I do from here?

Lack of communication between providers, insurers, and patients leads to unknowns in patient bill inquiries

“For us [the insurer], we don’t see those bills. We don’t know what the providers are billing to the member. If someone calls us and it’s not clear from the EOB where the gap is, then we have to call the provider. There is a lack of visibility.”
Patients **don’t know who to call when there is confusion** about a bill, as they likely don’t differentiate between each role in the healthcare system.

*Patients have a paper from a provider or insurer and don’t know what to do with it.*

Their next action is to call an 800 number, navigate voice options, and eventually talk to Customer Service. They try to describe the reason for the call, referencing the code or language on the paper, and hope the person they speak with can make sense of it.
Payers and providers expressed that patients have a desire for simplicity in understanding medical bills.

“We did look at what’s happening in pharmacies. At CVS you know what it costs in real time, it happens quickly. There are only a few pharmacy benefit managers (PBMs) in the US to coordinate. Prescription drugs is a smaller list than all medical procedures.”

“I think patients want their medical bill to look like a credit card statement. Without line after line of detailed information. They don’t need all the detail.”
Understandability: Reading Bills

- Patients are billed for providers and services they never meet and don’t expect
- The medical billing process is part of a complex ecosystem. **Changing the presentation of the bill is not enough** to reach successful patient experience

"Going to a paper statement vendor and popping a new design in, that’s an oversimplification."
Top Concerns: Payer / Provider Interviews

Understandability: Inconsistency Between Bills

Two bills for two parts of the same lab test. Neither bill describes the lab test.

Bill 1 Referring Physician does not match Bill 2 Provider Name. Neither is the patient’s physician.

Bill 1 Date of Service does not match Bill 2 Date.

Are Adjustments and Credits the same thing?
Understandability: Patient Frustrations

- Can’t tell what procedure a line-item is for on a bill
- A lot of numbers and details but no itemized version of what exactly the patient has to pay for
- Blank patient balances and no due dates when there is a balance
- No single place on a bill that summarizes what needs to be done
- Mistaking Benefit Statements for bills

"The point of a bill is to easily understand what I'm being charged for. If it's correct, I give you money and get on with my life."
Top Concerns: Patient Interviews

Understandability: Patient Frustrations

- Having different account numbers for different providers on the same bill
- Having different reference numbers on the EOB and bill for the same thing
- No visual separation between line-items
- Overpaying and getting a check back

“Who the hell has the time and energy to [figure out the bill]?”
Confusion in terminology means that patients may not be able to map their charges back to their visit/service.

“Bills are too hard to understand. Amounts that show up on the bill are not the same as amounts on the EOB from insurance.

The most difficult bills end up on the bottom of a stack because they are too difficult to address now. Then, a lot of bills are not paid because people don’t understand what they owe.”
Terminology: Mapping to Service

Descriptions on medical bills often come from clinical data and do not match patient’s mental model of their visit experience.

Descriptors for disease and diagnosis in ICD10 have become specific, isolated, and complicated. They show up on discharge summaries.

We are giving people very complex information. It is unfair, confusing and anxiety producing. They may think ‘I’m not sure what I paid for. Did I pay for the right thing?’
The terminology for services and for financial information are largely industry jargon.

*I don’t think most of the descriptors are patient friendly. I know what a “level 4 visit” is, but patients don’t know.*

*Contracted Rate or Allowed Amount, negotiated rate, ‘your plan will pay’, ‘plan discount’ – the terms aren’t clear!*
The remaining problems we face are 1) a fair amount of jargon that is part of the summary; 2) benefit timing is a function of when the service is performed and claim is realized; 3) and our business is emotional, anything that adds to confusion and anxiety gets exacerbated.
Top Concerns: Patient Interviews

Terminology: Patient Frustrations

• “Charges/payment adjustment” is unclear and typically not explained

• Generic, ambiguous, and jargon-based line-item explanations
  - *Routine services, office procedure*

• Many different codes for a single visit - wasting personal time deciphering codes & abbreviations

• No definitions or glossary on the bill for terminology used

“No correlation between what’s shown on the bill and the way the insurance company talks about billing.”
Timing: Variability in Billing Timeframe

- Timing of medical bills is out of the patient’s hands. Payers are dependent on when claims are received. Provider is dependent on when claims are processed.

- Lack of coordination means a patient may receive and pay a bill before receiving a benefit statement.

“We [the insurer] have no influence over when the provider bills the patient. They could bill after or at the same time we resolve the claim. Then the member has to reconcile that, they have to look at the EOB and bill.”
Top Concerns: Payer / Provider Interviews

Timing: Gap Between Service and Payment

- The timing gap between service rendered and bill received adds to uncertainty and discourages timely payment
- Delay in payment by patients affects Providers’ cash flow

“If we can figure out how to sync timing + capture cash we would have a happy patient and happy revenue.”
The timing is different between health care providers and health plans. Health care billing is done monthly, insurance EOB is done weekly. You have a disconnect. We [the insurer] receives a claim, you get EOB from us that you owe $100. Then you don’t receive an bill from the provider for 3 to 4 weeks. Meanwhile more things come through. Patients look at this ugly transactional document we use today and think, ‘What is this thing you sent to me, it says THIS IS NOT A BILL’?
Top Concerns: Patient Interviews

Timing: Patient Frustrations

- Dates that don’t match up – dates typically indicate when the claim was filed, not the date of the visit
- Dates on the bill are often not in chronological order
- Not knowing if action on any particular bill is needed and if so, by when
- Providers asking patients to forward insurance reimbursements to them
Top Concerns: Payer / Provider Interviews

Financial Planning: Understanding Cost

- Patients can be shocked when they receive a large bill many months after a visit
- Patients don’t understand the relationship between total costs of services and what is covered by insurance
- Some patients may be surprised by the amount owed as they learn about the impact of their deductible

"As more employers offer high deductible health plans, people just don’t have money to pay for what they owe."
Financial Planning: Patient Frustrations

- Hard to determine the cost of a procedure beforehand
- Hospital bills have charges patients don’t think about
- Having no choice between in- or out-of-network physicians in a hospital setting
- Learning what the doctor charges at the appointment but not what the patient owes
- Separate “room fees” or other surprise charges which copay won’t always cover
- Unexpected interest charges
Payers and Providers are aware of a lack of trust, likely as a result of confusion with reading bills.

“It comes down to: Can you engage someone? Can you build trust, something they can use and digest? Can the communication be useful details rather than billing statement that is weird looking codes?”
Trust: Patient Frustrations

- Why does insurance need additional information before processing a claim/bill? What is the doctor hiding?
- Experiencing incomplete or misinformation when calling customer service to learn about costs
- Coding mistakes leading to insurance not covering something
- Different billing/claim behaviors for the same procedure
- Having to call Customer Service to fix mistakes often
- Having to following up with both the provider and insurance
- Having to ask for a Customer Service supervisor to reconcile billing mistakes
Top Concerns: Patient Interviews

Trust: Patient Frustrations

“It’s clear what they want me to pay, but it's not clear if it's right.”

“I have to assume it's right because it's not in layman's terms... I'm not a doctor so I'm not going to understand it... they think they're helping but they're really not.”

“Insurance is just cutting a check so usually the problem is with the billing rather than insurance.”

“I'm looking at where you're going to screw me, not where you're trying to help me.”
Trust: Patient Frustrations

- It’s not clear which provider the bill is from
- There are no standards as to what medical bills have to convey to patients
- Not getting responses from portal/email/online inquiries
- Not receiving a receipt for copayment and having to pay by check
- Customer service representatives who don’t help patients who want to be active in their own healthcare decisions
- Having to investigate why a procedure is not paid for – no explanation
- Finding the wrong doctor or procedure on a bill
Top Concerns: Patient Survey

Consequences following unresolved frustrations:

- **39.1%** have been contacted by a collection agency or received notices threatening to turn the bill over to a collection agency.
- **24.7%** Continue to receive multiple copies of the bill from the health provider.
- **12.6%** Pay the bill anyway, though they think it is incorrect.

> I finally gave up and paid the bills, still not knowing what they were for.

> Unable to get clarification regarding charges, frustrated and scared of collection company I paid the bill, and still was not sure if in fact I really owed it. Was I taken advantage of or was it a real bill, I really never knew.
After the experience with medical bill,

62.3% of respondents still don’t do anything differently now.

"The system is too complicated for me to change."

I won’t bother trying to make sense of something that is designed never to make sense. I have resigned myself I will have to make minimum payments for the next one hundred years or so.
However, some of the respondents started to do things differently.

- **27.0%** Double check everything on their own (date of appointments, compare the bill with EOB from insurance, keep track of all the papers, build their own spreadsheets)

- **26.2%** Think about the costs first, prior to receiving any medical services

- **15.6%** Have started to ask provider and insurance company more questions

- **13.1%** Address issues proactively and advocate for themselves
Experience with medical bills discourages people seeking care

- **56.0%** Are hesitant about seeking additional medical care
- **23.1%** Choose not to seek additional care
- **14.8%** Change their health provider
- **11.1%** Change their insurance plan

"It is what it is [experience with medical bills]. I wouldn’t know where to start to take actions."
HOW WOULD YOU KNOW A GOOD MEDICAL BILLING SOLUTION WHEN YOU SAW IT?
A good medical billing solution

“
We are looking for something that is simple with multiple options to receive a bill – electronic or mail. If I need information on a charge, I can get it online. I get an annual summary of healthcare spending – you have no idea how many patients call us about this. It needs to be what the consumer wants. It needs to have strong correlation to services – what did I purchase and what do I owe.

“
We want to provide a patient with a cost estimate at the time they make the appointment or at check-in.
A good medical billing solution

It will be designed from consumer’s perspective. It needs to find the balance between people and technology, freeing up provider’s time to interact with patients along the way. We need to make it more similar to Amazon and Netflix, give customers price options and ways to pay for it. If patients owe money we need to make it easy to pay, more akin to a retail experience.
Here is an end-to-end scenario. As a consumer I have gone to the doctor, I am greeted at reception. I fill out my reason for visit on a kiosk. My insurance card is scanned at check in. I am seen by the doctor. My info has been stored and captured on the EMR, it is submitted electronically to payer, insurer or intermediary. The receipt comes in to the payer without manual intervention. The claim is adjudicated automatically. The payment due to providers are distributed without manual intervention. The consumer’s receipt EOB is generated in real time or the next day – it is not sitting in some queue for an indefinite length of time. The information is communicated in such as way that it educates/satisfies the member’s need to understand what is their responsibility and/or evidence that no future bill is coming from the same visit.
A good medical billing solution

“It should be something way outside the box of what billing looks like now. It could use infographics, be much more descriptive in terms of the language that is easier to understand, more chronologic, something that visually walks you through the process, something that had a glossary and patient journey built into the bill itself.

Remember a huge number of patients don’t have access to technical solutions, won’t spend their time on technical solutions, have low literacy and multilingual households. Show me something where I could have explanation of service benefits, a popup book with pullout tab. Something that can be translated from digital to paper platform, work on multiple platforms, is accessible for low literacy, with element of a patient journey to it.”
We want it to compare favorably with your credit card bill. The solution should have no surprises, you should understand it, and know what you need to do. It will have information available so you don’t have to track it down.

The best solution would increase payments and revenue, reduce cost (both labor and supply), reduce Accounts Receivable, and increase patient satisfaction.
OPPORTUNITY THEMES

Findings from Interviews and Survey
Desired Bill Components: Content

- Tell me who the bill is from – organization & provider
- Clearly list what is owed and what is covered
- Tell me where and how to pay, including a URL
- Clearly indicate which family member the bill is for
- Show me year-to-date spending
- Show me any change in costs between visits
- Show me the date of office visit, rather than claim date
- List the specific tests received and associated costs
- Show me in/out of network status
- Show me the average cost of tests

“Very clearly tell me what appointment this is for [and whether there] are outliers or action items.”
Opportunity Themes Introduction

Based on the top concerns discovered through research, we found five major opportunity themes to consider while designing the ideal patient billing experience:

- Desired Bill Components – Content, Format, Process
- An Improved Billing Process
- Billing Communication Options
- Reconciling Bills
- Things That Work Today
Opportunity Themes: Patient Interviews

Desired Bill Components: Content

- No superfluous information (e.g., accounts that haven’t been processed yet)
- Plain English writing – use layperson’s terms
- Show me obvious reason for payment denials
- Indicate the number of appointments the bill covers
- Show me how to save money next time
- Show me deductible information on each bill
- Tell me if a payment plan is available
- Tie insurance info back to coverage terms
- Indicate what medication was prescribed
- Indicate whether my insurance has been billed or not

“I never get information about when I satisfy my deductible... so if the health plan isn't going to send it to me then it should be on my bill... I'm paying my health plan and provider for a service so they need to inform me about what's going on.”
Opportunity Themes: Patient Interviews

Desired Bill Components: Format

• Use graphs/visualizations to help explain claims and deductible
• Make it easy to determine if a payment is needed now
• Standardize the bill format
• Use colors to clarify sections of bills & to denote importance
• Give me a single-page bill when possible
• Have all aspects of a visit on a single bill (e.g., doctor visit, labs, etc.)
• Group families together in online bills

"It should be visually appealing and easy to read!"
Desired Bill Components: Process

- Give me transparency into what to expect to pay
- Support patients when they are active in their healthcare, rather than being grumpy on the phone
- Inform the doctor about what insurance does and does not cover so s/he can provide options based on that information
- Clarify whether it is a final or preliminary bill
- Convey what is needed for the next visit
- Inform patients as to why insurance did not cover something
- Provide clear next steps
Opportunity Themes: Patient Survey

Desired Bill Components: Patient Quotes from Survey

"The bill should be sent one day with all information together for that particular date and service. The medical code used should be printed, therefore any discrepancy would be easy to discuss with insurance or provider (people do make mistakes). Medical jargon should only be used if it is just a few words. In the event they know another bill is to be sent for the service provided, the first and/or any bill I should receive should notify me of this. All bills should be itemized. Even when asking for itemized bills often the same bill is sent without the itemization."

"It wouldn't be a bill. It would be a personalized menu. It would list the sticker prices of the things your doctor recommends, minus the amount that your insurance will pay, with the total price listed clearly. So you can make an informed decision about your health care rather than having no idea how much anything costs."

"Clear, concise, basic information that a client needs to know."
Opportunity Themes: Patient Interviews

Billing Communication Options

- Most participants said that they prefer to receive a paper bill because it’s “more real”
  - Some said that they do not like paper bills because they get lost amongst junk mail
  - Others said that paper mail always gets opened and that digital bills would get lost amongst spam
  - One participant said that he likes to make written notes on a paper bill

“Junk mail comes in the mail and the real stuff comes through email.”
Opportunity Themes: Patient Interviews

Billing Communication Options

• A few participants said that they won’t open mailings until it is labeled “final bill”

• Some said that digital files are easier to file

• Paper bills can be a physical reminder to pay the bill

• Digital bills may require logging into multiple portals, which may be time-consuming and confusing
Billing Communication Options

- **80.5%** of respondents prefer to receive a paper copy in the mail
- **36.4%** want to access the digital bill through the health provider’s patient portal
- **35.4%** would prefer to receive it via email

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I requested paper bills. The provider claimed they had sent me e-mail bills, but I didn’t get any for a six-month period and they sent it to collection.

Keep every single piece of paper that arrives in the mail and match it to a bill.
Opportunity Themes: Patient Interviews

Reconciling Bills

• A few participants said that they ignore bills and EOBs until they get a collections notice, then they pay it electronically

• Some mail a check or bring it to the next appointment

• Some go to the insurance website before paying to get more detailed information; shows exactly what is being charged for

• Some are paying digitally through provider’s website

• Many participants said that paying online was much easier than paying by mail
Opportunity Themes: Patient Interviews

Reconciling Bills

- Some said that they wait until the next appointment to ask about what they have to pay at the provider office
- Some match up EOBs/Bills/ Collections and pay them a few times a year
- Some tend to overpay and get a refund check
- One participant said that she always pays her bills from her online banking system so that there’s a single point of reference
- Some make sure not to pay until they know that the insurance has paid their part of the bill
Reconciling Bills

“I wait until I get something from a collection agency; that way, I know it has gone all the way through the insurance.”

“If I don't do it, there's no consequences... the system figures itself out.”

“Never called... to get past confusion. This process/experience would be terrible, so I avoid it.”
Opportunity Themes: Patient Interviews

Things that Work Today

• When multiple items owed show up in a list view, rather than having to open each claim

• Color coding things in red or other highlighted colors

• When the insurance company tells the patient who to call with questions

• Bills that look like bills

“[It's] very clear what they want me to pay, but I don't trust them because they've been wrong so many times in the past.”
PATIENT SURVEY RESULTS
Methodology & Goals

• A survey was conducted with 355 patients to understand their perspective on medical billing and medical cost estimation and the issues they experience

• The goal of the survey was to provide the data and insights to inform the Design Challenge
Overview

• Overall, patients find the bills really confusing and most of the time they either try to figure it on their own or just ignore it at first to see if it will clear up.

• Most of the patients identified provider or their billing department as root cause of frustration and errors.
  
  • In some instances the situation was resolved when the adjusted or final bill arrived, however majority of respondents said that although it took them a lot of time and effort to figure out this one situation, they are still not sure how everything works and why they paid what they paid.

• Experience with medical bills caused many patients to be hesitant or choose not to seek additional medical care.
Another frequently mentioned negative consequence was that patients would think about costs before getting any medical treatment.

Patients identified a need for a streamlined cost and benefit communication, because receiving multiple bills for the same service was confusing.
Overall – Experience with medical bills

- **95.5%** of respondents have received a medical bill from a doctor, hospital, or health care provider in the past 12 months

- Among those who received the medical bills **60.5%** of respondents rated their medical bills as confusing or very confusing

- The medical bills were most often received in the paper format by mail **43.8%** or in the paper format at the point of service **30.0%**. Less frequently patients received the bills through email **17.4%** or accessed them through patient portal **6.6%**
On a scale of one through ten, where 1 is “very confusing” and 10 is “easy to understand,” what do you rate the medical bills that you have received?
What were the medical bills the result of?

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<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
<th>RESPONSE COUNT</th>
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<tbody>
<tr>
<td>Preventative Visit/Checkup/Wellness</td>
<td>56.2%</td>
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<tr>
<td>Ongoing Treatment for a Condition</td>
<td>43.1%</td>
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<tr>
<td>An Unexpected Health Situation</td>
<td>28.3%</td>
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<tr>
<td>A Surgery or Procedure</td>
<td>25.7%</td>
<td>88</td>
</tr>
<tr>
<td>Other (Please Specify)</td>
<td>5.2%</td>
<td>18</td>
</tr>
<tr>
<td>Lab &amp; Diagnostic Tests</td>
<td>3.79%</td>
<td>18</td>
</tr>
</tbody>
</table>
Frustrations

- The relationship between bills from provider and the statements from insurance company 50.6%
- Not sure if the total owed was correct 49.4%
- The amount owed was a surprise 48.8%
- Unexpected expenses that were thought to be covered by insurance 46.1%
- Not sure if the insurance company had paid yet 43.2%
- The bill arrived a long time after the date of service 42.3%
- The relationship between the bill and insurance deductible 35.1%
Frustrations

• Didn't want to have to call with questions **28%**

• Didn't understand the language on the bill **23.5%**

• Receiving individual bills from each doctor/service that I saw/used during a single visit **23.2%**

• Wasn't sure if everything listed on the bill really happened **22.0%**

• Wasn't sure if I had already paid **19.9%**

• Duplicate bills for the same services **17.9%**

“I got a statement from my insurance company saying I’d receive another bill, for what I don’t know!”
Frustrations

- Unfamiliar names of the doctors listed on the bills **16.6%**
- Wasn’t sure who to call with questions **14.9%**

"Billing code was wrong. No one had any idea what the correct billing code was or how to fix it.

"The bill said "miscellaneous" with a large sum of money charged for those services. I do not think this should be allowed or they should explain what this includes.

"I was charged for a test that I did not have."
Actions patients took to remedy frustration with medical bills

Figure it out on their own 44.5%

Not pay at first to see if it would clear up with time 39.4%

Call the insurance company for advice 34.3%

Call the health provider for advice 29.3%

Look for advice on the insurance company’s website 10.2%

Ask a friend/relative for advice 7.2%

“I contacted both the provider and insurer to tell them about an error, and it took two months to resolve. I should charge for my time.”
What did you do as a result of the confusion or frustration with the medical bill?

<table>
<thead>
<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
<th>RESPONSE COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>I tried to figure it out on my own</td>
<td>44.5%</td>
<td>149</td>
</tr>
<tr>
<td>I didn’t pay it at first to see if it would clear up with time</td>
<td>39.4%</td>
<td>132</td>
</tr>
<tr>
<td>I called my health insurance company to ask for advice</td>
<td>34.3%</td>
<td>115</td>
</tr>
<tr>
<td>I called my health provider to ask for advice</td>
<td>29.3%</td>
<td>98</td>
</tr>
<tr>
<td>I looked for advice on my health insurance company’s website</td>
<td>10.2%</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>9.9%</td>
<td>3</td>
</tr>
<tr>
<td>I asked a friend/relative for advice</td>
<td>7.2%</td>
<td>2</td>
</tr>
<tr>
<td>I looked for advice on the health provider’s website</td>
<td>6.3%</td>
<td>2</td>
</tr>
<tr>
<td>I emailed the health provider to ask for advice</td>
<td>5.7%</td>
<td>1</td>
</tr>
<tr>
<td>I followed the advice/information that my insurance company proactively gave me</td>
<td>5.7%</td>
<td>1</td>
</tr>
<tr>
<td>I paid it</td>
<td>4.47%</td>
<td>1</td>
</tr>
<tr>
<td>I followed the advice/information that my health provider proactively gave me</td>
<td>4.2%</td>
<td>1</td>
</tr>
</tbody>
</table>
I now have a binder with dental and medical bills and EOB's. I spend time cross checking bills and statements by date to see if they match.

I feel pretty powerless over the whole situation.

Give me an account like I have with a credit card company. List my total charges on my statement by date, the date each is due, and who to call with questions.
Other actions patients took to remedy frustration with medical bills

• Call the billing department **29.5%**

• Ignore the situation and not take any actions **17.2%**

• Try to figure it out on their own (building spreadsheets, keeping track of the appointments, comparing the provider bills to EOB from insurance company) **12.3%**

• Try to contact both provider and health insurance company **7.4%**

• Contact the health insurance company for clarification **6.6%**

*Timing of billing and insurance reimbursement can be an issue. People have to learn to audit bills to EOBs.*

*I sent a letter to the hospital informing them that they would receive more money if they changed the billing code to the correct one.*
Frustrations

For 46.1% respondents frustrations continued even after they took actions to clear up the confusion.

Among the most commonly cited reasons for frustrations that continued even after the actions were taken

- Questions remained unanswered/Situation remained unresolved 44.3%
- Frustration remained because of provider’s actions 14.7%
- Having to pay the bill that they didn’t understand 10.6%
Did your actions clean up the confusion?

<table>
<thead>
<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frustrations continued after actions were taken to clear up confusion</td>
<td>46.1%</td>
</tr>
<tr>
<td>Questions remained unanswered / Situation remained unresolved</td>
<td>44.3%</td>
</tr>
<tr>
<td>Frustration remained because of provider's actions</td>
<td>14.7%</td>
</tr>
<tr>
<td>Having to pay the bill that they didn't understand</td>
<td>10.6%</td>
</tr>
</tbody>
</table>
Frustrations

“When I call my insurance, they always say it was something the provider did wrong and when I call the provider, they say my doctor billed me wrong. It’s like they all use each other as the excuse for mistakes.”

“Eventually you can figure out what happened, and most of the time why (but not always).”

“Trying to call someone just ends up with being on hold and then it doesn't get resolved anyway.”
Frustrations

Often the bills were erroneous or due to some issue that had nothing to do with me, or had to do with insurance not having paid for some reason and when they said they would try again to contact insurance it would "miraculously" work itself out. Almost felt "scam-like" sometimes.

When I see miscoding of medical services on my bill I leave it, because the cost to remedy via legal action is more than the amount of the bill.

There is language on the actual bill that says something like "do not pay this amount." That's great, but can I just have a bill that tells me what I SHOULD pay?
Patient Survey | Highlights

Frustrations

“Not sure if calling them did or not (clean up the confusion)...have to wait to see if the same bill reappears.

“I just paid the bill because I figured I would be sent to a collection agency.”
Consequences following unresolved frustrations:

- Being contacted by collection agency or receiving notices threatening to turn the bill over to a collection agency **39.1%**
- Continue to receive multiple copies of the bill from health provider **24.7%**
- Pay the bill anyway **12.6%**

“I finally gave up and paid the bills, still not knowing what they were for.”

“Unable to get clarification regarding charges, frustrated and scared of collection company, I paid the bill, and still was not sure if in fact I really owed it. Was I taken advantage of or was it a real bill, I really never knew.”
If you were not able to clear up the confusion, what were the consequences?

<table>
<thead>
<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
<th>RESPONSE COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>16.1%</td>
<td>28</td>
</tr>
<tr>
<td>I continued to receive multiple copies of the bill from my health provider</td>
<td>24.7%</td>
<td>46</td>
</tr>
<tr>
<td>I was contacted by a collection agency</td>
<td>20.1%</td>
<td>36</td>
</tr>
<tr>
<td>I received notices threatening to turn my bill over to a collection agency</td>
<td>19.0%</td>
<td>33</td>
</tr>
<tr>
<td>I paid the bill</td>
<td>10.2%</td>
<td>22</td>
</tr>
<tr>
<td>I no longer use that health provider</td>
<td>9.9%</td>
<td>9</td>
</tr>
</tbody>
</table>
Prior Research Performed Before Visit

- The majority of respondents did no research about the costs prior to the medical visit **37.3%**
- A significant amount assumed that it would be covered by insurance **21.8%**
- Some patients assumed it would cost what it usually costs **15.5%**
- Some of the respondents noted that they don’t always know what treatments/procedures they will have prior to the appointment **6.5%**
- For other patients it was emergency and there was no time to search **5.2%**

"I asked the hospital how much the procedure would cost. They said they don't know it until after it's done."

"No, I did not really [research the costs prior to the visit]. I was pretty concerned about the actual diagnosis of melanoma vs. looking into my insurance."
Prior Research Performed Before Visit

Among those who did some research prior to the visit, the most common actions were

- to verify insurance coverage and get an estimate of out-of-pocket costs **19.4%**
- to ask the provider **10.3%**
- to ask insurance company for clarification **5.2%**
- do online research **5.2%**

---

"I was charged for the use of a recovery room, which was a seat I used for 15 minutes, and for laboratory use which was a toilet room that I had to give a urine sample."

"No one could tell me what the procedure would cost exactly. Zero transparency."
Prior to your medical visit, what research did you do about the associated cost?

<table>
<thead>
<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
<th>RESPONSE COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>I did no research</td>
<td>37.3%</td>
<td>123</td>
</tr>
<tr>
<td>I assumed my insurance would cover the cost</td>
<td>21.8%</td>
<td>72</td>
</tr>
<tr>
<td>I expected it to cost what it always does</td>
<td>15.5%</td>
<td>51</td>
</tr>
<tr>
<td>Other</td>
<td>8.8%</td>
<td>29</td>
</tr>
<tr>
<td>Before the appointment I called my insurance company to ask them how much it would cost</td>
<td>4.6%</td>
<td>15</td>
</tr>
<tr>
<td>Before the appointment I used my insurance company’s website to figure out how much it would cost</td>
<td>3.9%</td>
<td>13</td>
</tr>
<tr>
<td>Before the appointment I asked my health provider how much it would cost</td>
<td>3.0%</td>
<td>10</td>
</tr>
<tr>
<td>Before the appointment I called my insurance company to ask them how much it would cost</td>
<td>4.6%</td>
<td>15</td>
</tr>
<tr>
<td>When I made the appointment my health provider told me how much the visit/service would cost</td>
<td>2.4%</td>
<td>8</td>
</tr>
<tr>
<td>Before the appointment I used the health provider’s website to figure out how much it would cost</td>
<td>1.5%</td>
<td>5</td>
</tr>
<tr>
<td>When I made the appointment my insurance company told me how much the visit/service would cost</td>
<td>0.9%</td>
<td>3</td>
</tr>
</tbody>
</table>
After the experience with medical bill

62.3% of respondents still don’t do anything differently now.

"System is too complicated for me to change."

"I won't bother trying to make sense of something that is designed never to make sense. I have resigned myself I will have to make minimum payments for the next one hundred years or so."
However, some of the respondents started to do things differently

- Double check everything on their own (date of appointments, compare the bill with EOB from insurance, keep track of all the papers, build their own spreadsheets) 27.0%
- Think about the costs first, prior to receiving any medical services 26.2%
- Start to ask provider and insurance company more questions 15.6%
- Address issues proactively and advocate for themselves 13.1%
What would you do differently?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Response %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double check everything on their own</td>
<td>27.0%</td>
</tr>
<tr>
<td>Think about costs first, prior to receiving medical services</td>
<td>26.2%</td>
</tr>
<tr>
<td>Start to ask provider and insurance company more questions</td>
<td>15.6%</td>
</tr>
<tr>
<td>Address issues proactively and advocate for themselves</td>
<td>13.1%</td>
</tr>
</tbody>
</table>
Experience with medical bills caused respondents to:

• be hesitant about seeking additional medical care 56.0%
• choose not to seek additional care 23.1%
• change health provider 14.8%
• change insurance plan 11.1%

"It is what it is [experience with medical bills]. I wouldn’t know where to start to take actions."
Did your experience with medical bills cause you to take any of the following actions?

<table>
<thead>
<tr>
<th>ANSWER</th>
<th>RESPONSE %</th>
<th>RESPONSE COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>I became hesitant about seeking additional medical care</td>
<td>56.0%</td>
<td>121</td>
</tr>
<tr>
<td>I chose not to seek additional medical care</td>
<td>23.1%</td>
<td>50</td>
</tr>
<tr>
<td>No actions, kept everything the same</td>
<td>15.3%</td>
<td>33</td>
</tr>
<tr>
<td>I changed my health provider</td>
<td>14.8%</td>
<td>32</td>
</tr>
<tr>
<td>I changed my insurance plan</td>
<td>11.1%</td>
<td>24</td>
</tr>
<tr>
<td>I changed my insurance provider</td>
<td>9.7%</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>6.0%</td>
<td>13</td>
</tr>
<tr>
<td>Do proactive research before appointment</td>
<td>3.2%</td>
<td>7</td>
</tr>
</tbody>
</table>
Experience with medical bills

I avoid visiting medical facilities as much as possible. I self-diagnose to my level of competence and accept the fact that the "new" medical service model is not structured to the needs of the patient.

I now have added my medical bills to my normal financial monitoring routine.

I call and ask a billion questions about what I am actually getting charged for.
Perfect medical bill and its components

Overall, patients divided into two major groups: reductionist and detailed

- One of the most frequent asks was to include an explanation of service/charges in the bill and justify the costs **31.6%**
- Respondents identified the need to use simple language and avoid medical terminology **21.1%**
- Patients stated that they want to see the amount covered/paid clearly labeled **18.0%**
- Many patients reported that they want to receive one integrated bill, especially per visit **15.0%**

*It should work more like a regular consumer transaction.*
Perfect medical bill and its components

• Patients identified that they want to add the doctor’s name and facility to the bill 12.8%

• Another component that patients want to see on the bill is final adjusted costs (excluding what was covered and paid) 7.5%
  • Some respondents specified what they would expect it to look like (in a column/table or equation format with amount owed by patient as the bottom line) 6.8%

• Some of the respondents said that they want to see the claim and charges status 6.0%
Perfect medical bill and its components, cont.

• Patients identified the need for a clear estimated cost at time of scheduling procedure, including the insurance coverage **5.3%**

• Another important item to put on the bill was the contact phone number for questions with short wait time and no call menu **4.5%**
If there were a perfectly designed medical bill, what would it look like and what would it have?

- Include explanation of service/charges in bill and justify costs: 31.6%
- Use simple language and avoid medical terminology: 21.1%
- See amount covered/paid clearly labeled: 18.0%
- One integrated bill, especially per visit: 15.0%
- Add doctor's name and facility to the bill: 12.8%
- See final adjusted costs: 7.5%
- Look like a column/table or equation format with amount owed by patient as bottom line: 6.8%
- See the claim and charges status: 6.0%
- Clear estimate cost at time of scheduling procedure including the insurance coverage: 5.3%
- Contact phone number for questions with short wait time and no call menu: 4.5%
Patient Survey | Highlights

Desired Bill Components

The bill should be sent one day with all information together for that particular date and service. The medical code used should be printed, therefore any discrepancy would be easy to discuss with insurance or provider (people do make mistakes). Medical jargon should only be used if it is just a few words. In the event they know another bill is to be sent for the service provided the first and/or any bill I should receive should notify me of this. All bills should be itemized, even when asking for itemized bills often the same bill is sent without the itemization.

It wouldn't be a bill. It would be a personalized menu. It would list the sticker prices of the things your doctor recommends, minus the amount that your insurance will pay, with the total price listed clearly. So you can make an informed decision about your health care rather than having no idea how much anything costs.

Clear, concise, basic information that a client needs to know.
Preferences for Receiving a Bill

- In paper mail **80.5%**
- Access the digital bill through the health provider’s patient portal **36.4%**
- In email **35.4%**

“I requested paper bills. The provider claimed they had sent me e-mail bills, but I didn't get any for a six-month period and they sent it to collection.”

“Keep every single piece of paper that arrives in the mail and match it to a bill.”
**What was the format of the medical bill you received?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Response %</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper and received by mail</td>
<td>43.8%</td>
<td>146</td>
</tr>
<tr>
<td>Paper and received point of service</td>
<td>30%</td>
<td>99</td>
</tr>
<tr>
<td>Paper and received by email</td>
<td>17.4%</td>
<td>58</td>
</tr>
<tr>
<td>Digital and received/accessed through online patient portal</td>
<td>6.6%</td>
<td>22</td>
</tr>
<tr>
<td>Digital and received by email</td>
<td>2.4%</td>
<td>8</td>
</tr>
</tbody>
</table>