





## AFFORDABLE HEALTHCARE

In the white paper "<u>6 Reasons to Market Affordable</u> <u>Healthcare</u>," we discussed an emerging group of healthcare consumers who are finding new ways to cut healthcare costs or are simply not paying for care at all.

These underinsured or uninsured consumers are determined to get the healthcare they need at a price they can afford, even if that means taking an Uber to the hospital or negotiating cost with their doctors or traveling across the pond for care.

The truth is, the more energy these consumers use to search for alternative care options, the less loyal they will remain to your brand.

## While researching this topic, we uncovered

# FIVE

realistic and attainable tactics that hospitals and healthcare systems can use to provide affordable care.

These tactics not only help create greater healthcare access, but also move the needle on broader business goals such as "improve our reputation" or "deliver a better patient experience."

Many consumers are on thin ice, desperately looking to ease their financial burden and eliminate healthcare inequality. Although you cannot solve these problems overnight, you can start today by offering affordable solutions to healthcare.

#### Here's how:

### PROMOTE FINANCING OPTIONS

Chances are your hospital already has a financing program in place. Does it include low or no-interest rates and flexible spending?

These types of features can help patients who struggle to make monthly payments, especially those with high-deductible insurance plans.

#### THERE'S A WAY TO CREATE A MORE PATIENT-FRIENDLY BILLING OPTION.

According to an article in Modern Healthcare, no-interest loan programs are in demand. Patients like these programs because they don't affect their credit scores, unless hospitals turn unpaid bills over to a collection agency. Organizations could also start offering discounts to patients who sign up for auto payments with a credit card or checking account. Novena Health, a health system out of Winston-Salem, N.C., offers a payment plan with no interest and a flexible repayment timeframe. The program even includes an online cost estimator that helps patients estimate the cost of their healthcare services. After initiating financing, their default rate fell

FROM 30% TO LESS THAN 17% IN 2014

THE SYSTEM ALSO EXPERIENCED A

15%

increase in cash collection payments from patients.

Apple recently instated a financing program to help customers afford the latest iPhone technology without emptying out their wallets.

## BEFORE THE PROGRAM

consumers were beginning to shop elsewhere for smartphones with similar attributes at a better price.

Apple's new financing program changed the game, once again, allowing customers to

STAY LOYAL TO THE TECHNOLOGY THEY ENJOY USING

#### MANAGE EXPECTATIONS WITH A COMMUNICATIONS PLAN

Your hospital or health system could establish a communications plan to help patients understand ahead of time how much they will owe or how eligible they are for financial assistance. Hospitals should clearly communicate the interest rate, fees and penalties associated with the payment plans they offer.

Providers should also notify consumers at what point their account might be turned over to a collection agency.

The more upfront your organization is about payment, the less surprised patients will act when they receive a bill.

## EMPHASIZE PREVENTION AND WELLNESS

Healthcare organizations are tasked with focusing their attention on wellness and less on illness. Since the Affordable Care Act (ACA) went into effect in 2010, approximately



have received no-cost coverage for preventative care services, despite the fact that awareness of the incentive is low. As of 2015, only

43%

of the population were aware that the ACA eliminated out of pocket expenses for preventative care.

Your hospital could help by advocating for preventative care. Preventative services might include: Evidence based screening and counseling, routine immunizations, preventative services for children and youth such as vaccines, and preventative services for women such as mammograms.

## BASE FEESON SLIDING SCALES

While a sliding scale model might not work for all healthcare providers, it is a viable option for large or non-profit hospitals or health systems. Many of these organizations are supplemented through grants, subsidies or private donations, making a sliding scale more attainable.

A sliding fee scale is intended for those who are uninsured or underinsured, providing them with lower costs on most services if they qualify.

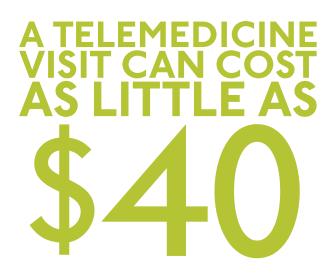
This means the less money a patient has, the less they're required to pay as long as they can meet the minimum fee. Typically, qualification is based on annual household income and proof of gross annual income.

By introducing this type of payment model to your hospital or health system, you are in a sense giving back to your community. You're offering care to those who otherwise might not have access at all.

## LEVERAGE TELEMEDICINE TO LOWER COSTS

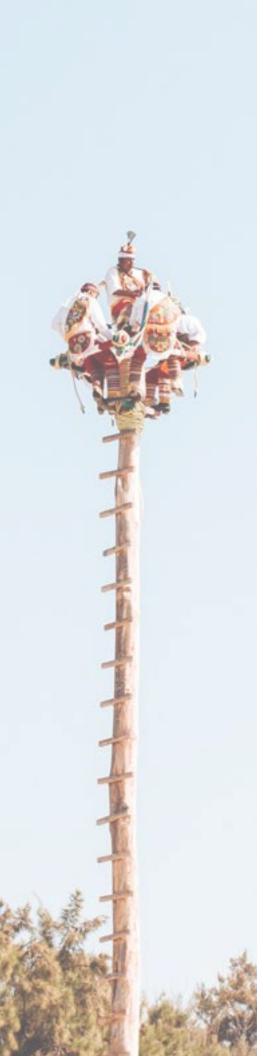
Telemedicine is cost effective and convenient for many Americans with expensive health insurance plans and trouble accessing a primary care physician.

A recent article in Forbes argues that telemedicine is empowering healthcare consumers to seek treatment outside of the emergency room (where many patients without a PCP seek regular treatment).



whereas a visit to the emergency room (for non-emergency care) can cost

#### THOUSANDS OF DOLLARS



#### **WHAT CAN** MARKETERS DO TO HELP?

#### A: RAISE AWARENESS

Your hospital or health system might already have one or two of these programs in place, but have fallen short promoting them. Raising awareness for these programs could help create greater access to healthcare for those underinsured or uninsured consumers.

If not, bring these concerns up the ladder. Talk to members of the C-Suite about the reality of healthcare costs and how getting out front can help your brand's reputation.

Help establish your hospital or health system as an organization that is willing and able to help consumers without great coverage.

If you're not sure how to get started or need a bit more convincing, please feel free to give us a call. It's part of our mission to help make healthcare brands better.

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#### KEEP CALM AND LEARN MORE ABOUT THIS TOPIC

#### DOWNLOAD

Download the white paper "<u>6 Reasons to</u> <u>Market Affordable Healthcare</u>" to receive more information about why it's important to provide affordable care.



# SOURCES

Kutscher, Beth. <u>"To Help Patients Cope</u> with Medical Debt, Some Hospitals Are Offering No-Interest Payment Plans." Modern Healthcare Modern Healthcare Business News, Research, Data and Events, 31 May 2014

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<u>"Preventive Services Covered by Private Health Plans</u> <u>under the Affordable Care</u> <u>Act."</u> Kaiser Family Foundation, The Henry J. Kaiser Family Foundation, 4 Aug. 2015