



# **Point-of-Service Collections in a Consumer-Directed Health Care Environment**

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**Friday Keynote Address  
November 16, 2007  
8:00 am – 9:00 am EST**

# Agenda

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- Consumer-Directed Health Care
  - Why Don't Employees Care?
  - Why Do Employers Care?
  - The President's Plan
  - Backlash
  - Financial Ramifications
  - Keys to Success Under CDHC

## Agenda (cont'd)

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- What is Technology's Role?
  - Financial Clearance and Financial Settlement
  - Transparency
  - Out-of-Pocket Estimate
- KPIs for CDHC P-O-S Collections
  - Scheduling
  - Pre-Registration / Pre-Authorization
  - Insurance Verification
  - Patient Access / Registration
  - Financial Counseling



# Consumer-Directed Health Care

**A Whole New Ballgame!**

## Medical Consumerism Coming

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“Managed care was designed to put control where there was none.

Today’s trend towards consumerism attempts to inject something that’s been missing from health benefits – a consumer who cares more about cost and quality.”

**SOURCE:** Take Care of Yourself – Employers Embrace Consumerism to Control Healthcare Costs, PricewaterhouseCoopers’ Health Research Institute, 2005

# Why Don't Employees Care?

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- Many have chosen unhealthy lifestyles, which drive up spending
- Can rarely shop for health plans, because 90% of plans lack a choice of benefits
- Few shop for providers
- Fewer still are aware of rating services for MDs, hospitals, or health plans

**SOURCE: Take Care of Yourself, PwC, 2005**

# Why Don't Employees Care?

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- Almost all are at least four steps away from cost of, and payment for, medical care
- Have little access to information
- Thus, most know little or nothing about quality or true cost of what they're buying

**SOURCE: Take Care of Yourself, PwC, 2005**

## Why Do Employers Care?

- More than 75% believe they can reduce benefit costs by making employees pay a greater share
- Nearly 67% fear that increasing deductibles could cause employees to defer needed care or risk long-term health problems, leading to lower productivity and higher catastrophic costs later
- 80% believe most-promising option is to provide financial incentives for employees to adopt healthier lifestyles (“carrot vs. stick”)

SOURCE: Take Care of Yourself, PwC, 2005

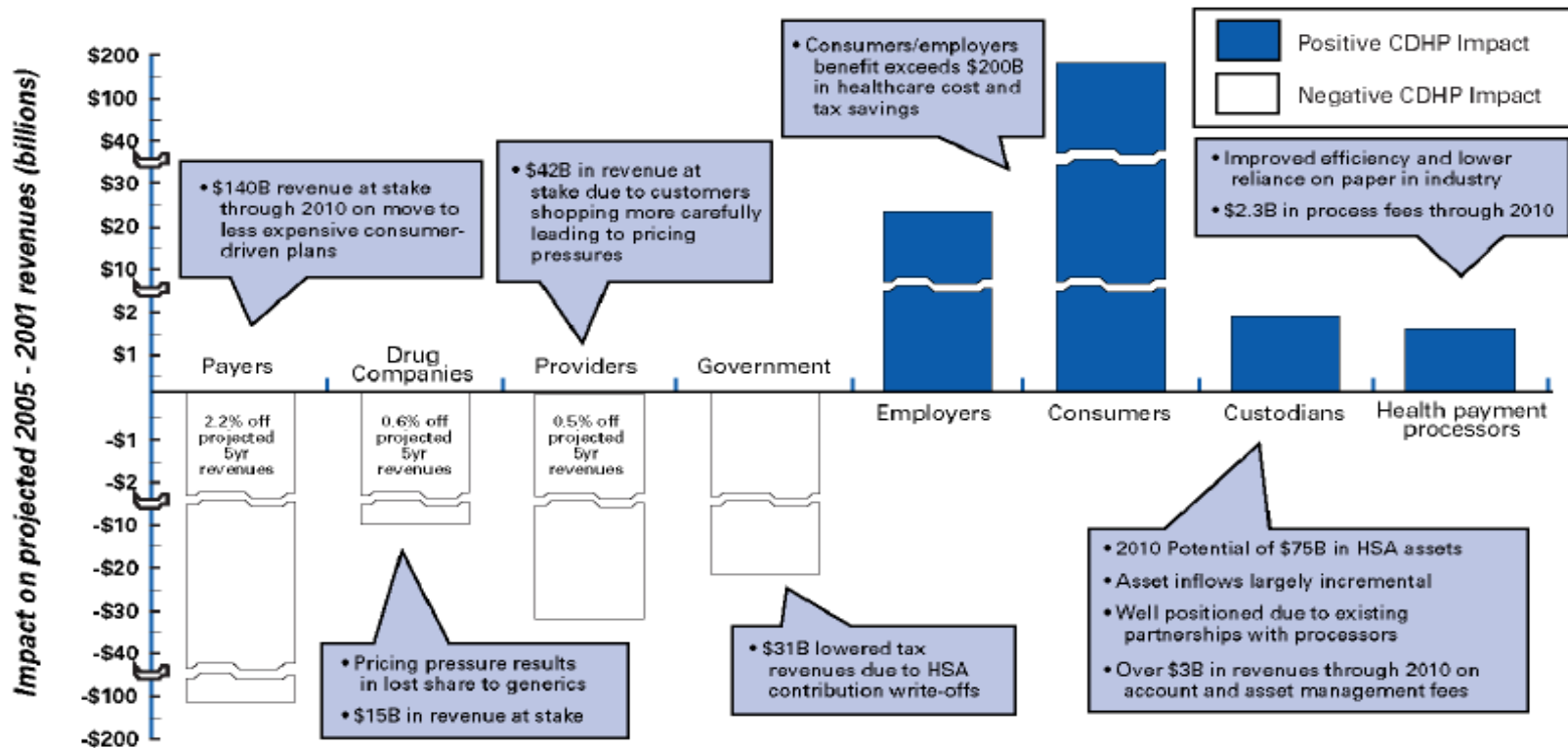
## Why Do Employers Care?

- 72% state that CEOs are encouraging employees and dependents to adopt healthy lifestyles
  - Financial incentives
  - Education
  - Innovative healthcare programs
- Divided on whether to require employees with unhealthy lifestyles to pay a greater share of their healthcare costs (“self-inflicted wounds”)
- Think price + quality info could change behavior and reduce costs, but hard to obtain / distribute

**SOURCE: Take Care of Yourself, PwC, 2005**

# Why Do Employers Care?

\$200B of Cumulative Revenue Will Be in Play Over The Next Five Years



This chart compares projected 5 year revenues for future state with and without CDHP

SOURCE: Kauffman, V. and L. Smith, *Centering on the Consumer: The Health Insurer's Key to Unlocking the Healthcare Cost Crisis*, [DiamondCluster International](http://www.diamondcluster.com), 2005

# Why Do Employers Care?

## What If They Didn't Offer Health Benefits?

- Per a recent Kaiser Family Foundation annual Employer Benefits Survey
  - Survey tracked five-year trend
  - Employers offering health coverage fell from 69% to 60%
  - 13% decline in five years
- Healthcare premium costs grew precipitously between 1999 and 2004
  - 5.5 times the rate of inflation
  - 2.3 times the rate of business income growth

**SOURCE:** Klepper, B. and P. Salber, *The Business Case for Reform*, Modern Healthcare, Oct 10, 2005

# Why Do Employers Care?

## Glossary of Consumer-Directed Products

| Plans  | Descriptions  | Tax Benefits   |
|--|---|--|
| <p>FSAs: Flexible Spending Accounts</p>        | <ul style="list-style-type: none"> <li>• Employer bookkeeping accts for medical expenses, funded by employee pre-tax dollars</li> <li>• Often offered as separate components of cafeteria plans</li> </ul>                            | <ul style="list-style-type: none"> <li>• Unspent balances may not be rolled over from year to year or cashed out</li> <li>• "Use it or lose it"</li> </ul>   |
| <p>HDHPs: High-Deductible Health Plans</p>     | <ul style="list-style-type: none"> <li>• Health insurance plans with a deductible of at least \$1,000</li> <li>• Must meet certain legislative and regulatory requirements for participants to contribute to HSAs and MSAs</li> </ul> | <ul style="list-style-type: none"> <li>• Tax benefits same as other employer plans</li> <li>• Premiums are tax deductions for employers and are not considered taxable income for employees</li> </ul> |
| <p>HRAs: Health Reimbursement Arrangements</p> | <ul style="list-style-type: none"> <li>• Medical plans funded entirely by employers, that reimburse employees for qualified medical expenses</li> <li>• Cannot be offered through cafeteria plans</li> </ul>                          | <ul style="list-style-type: none"> <li>• Unspent balances may be rolled over from year to year but there is only limited portability</li> <li>• Unused amounts cannot be cashed out</li> </ul>         |

# Why Do Employers Care?

## Glossary of Consumer-Directed Products

| Plans                                 | Descriptions  | Tax Benefits   |
|---------------------------------------|---|--|
| <p>HSAs: Health Savings Accounts</p>  | <ul style="list-style-type: none"> <li>• Portable, personal accounts for payment of medical expenses</li> <li>• Individuals must be covered by HDHPs (\$1,000 indiv / \$2,000 family) to contribute to HSAs</li> <li>• Unavailable to Medicare-eligibles, tax dependents, or anyone covered by non-HDHP plans</li> <li>• Can be funded by employers, employees, or other individuals</li> </ul> | <ul style="list-style-type: none"> <li>• Requires a trust or custodian account</li> <li>• Contributions are excludable or deductible and may be rolled over from year to year if unused for payment of qualified medical expenses</li> <li>• Accounts' earnings are not taxable</li> </ul> |
| <p>MSAs: Medical Savings Accounts</p> | <ul style="list-style-type: none"> <li>• Available to small-business employees covered by High Deductible Health Plans</li> <li>• No new accounts may be opened after 2005</li> </ul>   | <ul style="list-style-type: none"> <li>• Requires a trust or custodian account</li> <li>• Contributions are excludable or deductible and may be rolled over from year to year if unused for payment of qualified medical expenses</li> </ul>   |



# The President Has a Plan

# The President's Plan

- Bush's statements at DHHS headquarters included
  - "When somebody else pays the bills, rarely do you ask price or ask the cost of something"
  - "The problem with that is that there's no kind of market force, there's no consumer advocacy for reasonable price when somebody else pays the bills"
  - "One of the reasons why we're having inflation in health care is because there is no sense of market"
- Bush also repeated his calls for tax-advantaged Health Savings Accounts

**SOURCE:** Reichman, Associated Press, Feb 16, 2006

# The President's Plan

## Comparison Shopping a Myth, or Dream?

- Government Accountability Office study released September 2005
- GAO found “no rhyme or reason” to
  - Prices charged by hospitals or physicians
  - Prices paid by health insurers for hospital or physician services

**SOURCE:** Evans, M., Modern Healthcare, Oct 3, 2005



# Consumer-Driven Health Care Backlash

## Consumer-Driven Health Care Backlash

“One of the greatest public-relations coups in the history of the health-care industry is the creation of the term ‘consumer-driven health care.’

Anyone that follows healthcare knows that consumers had nothing to do with this latest cost-saving invention from the minds of employers and health insurers.”

David Burda, Editor  
Modern Healthcare, Oct 10, 2005

## Consumer-Driven Health Care Backlash

Many employees “don’t like the HSA, to be quite frank. Had my position been an elected one, I would have been voted out of office this year.

It feels like they’re paying more up front. The perception is, ‘this is a very expensive type of plan.’ Even though there is money in employee accounts to cover these expenses, people end up feeling they’re paying more out of pocket.”

Larry Lutey  
VP, Human Resources  
Lutheran Social Services, Elgin, IL



# What Does This Mean for You?

# Possible CDHC Financial Ramifications

## Desirable

- Potentially-better results
  - More net revenue
  - Higher profits
  - Improved cash flow
- Patients w/ HDHPs will have to use cash or credit for care, at least initially
- Patients w/ HDHPs may be paying full charges, not discounted rates charged to HMOs and PPOs

## Questionable

- Potentially-worse results
  - More bad debt
  - Worsened aging
  - Higher cost-to-collect
- Growing pressure to publicly disclose prices and details of reimbursement
- Patients w/ HSAs may deplete funds by spending on health convenience items and/or non-traditional care

# Possible CDHC Financial Ramifications

- Rising pressure to increase financial transparency
- Summer 2005 McKinsey & Company study of 2,500 insured people (1,000 in CDHC plans) showed
  - CDHC-plan members felt they lacked sufficient info to make meaningful healthcare-choice decisions
  - Wondered about how much MDs and hospitals get paid
- Yet, McKinsey study also showed CDHC plan members were
  - 50% more likely to ask about cost
  - 33% more likely to independently find alternative care
  - 300% more likely to have chosen a less extensive, less-expensive treatment



# Keys to Success Under CDHC

## CDHC Thoughts to Ponder...

- CDHC initiatives will continue to accelerate, and proliferate, over time
- Initiatives will require an increased focus on
  - Pre-registration
  - Ins verification
  - Financial counseling
- The need to collect, retrieve, and report data about CDHC-related patients will increase



## CDHC Thoughts to Ponder...

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- Self-pay exposure will increase as more employers offer, and more employees take, CDHC plans
- Provider / payor negotiations may be needed to sort out whether patients will be responsible for gross or net charges
- Individual patient encounters may be subject to one-off price negotiations, requiring considerable management time
- Up-front payment policies and enforcement may have to become stricter, to forestall bad debt

# Characteristics of the Consumer Driven Revenue Cycle

## Consumer Directed Health Plans

Self Service Expectations

Quality & Price Transparency

More Payment Types

The Retail Mentality

Accelerated Reimbursement

Additional KPI Metrics

Shifting Payor & Financial Services Roles



# Consumer Driven Revenue Cycle Strategies



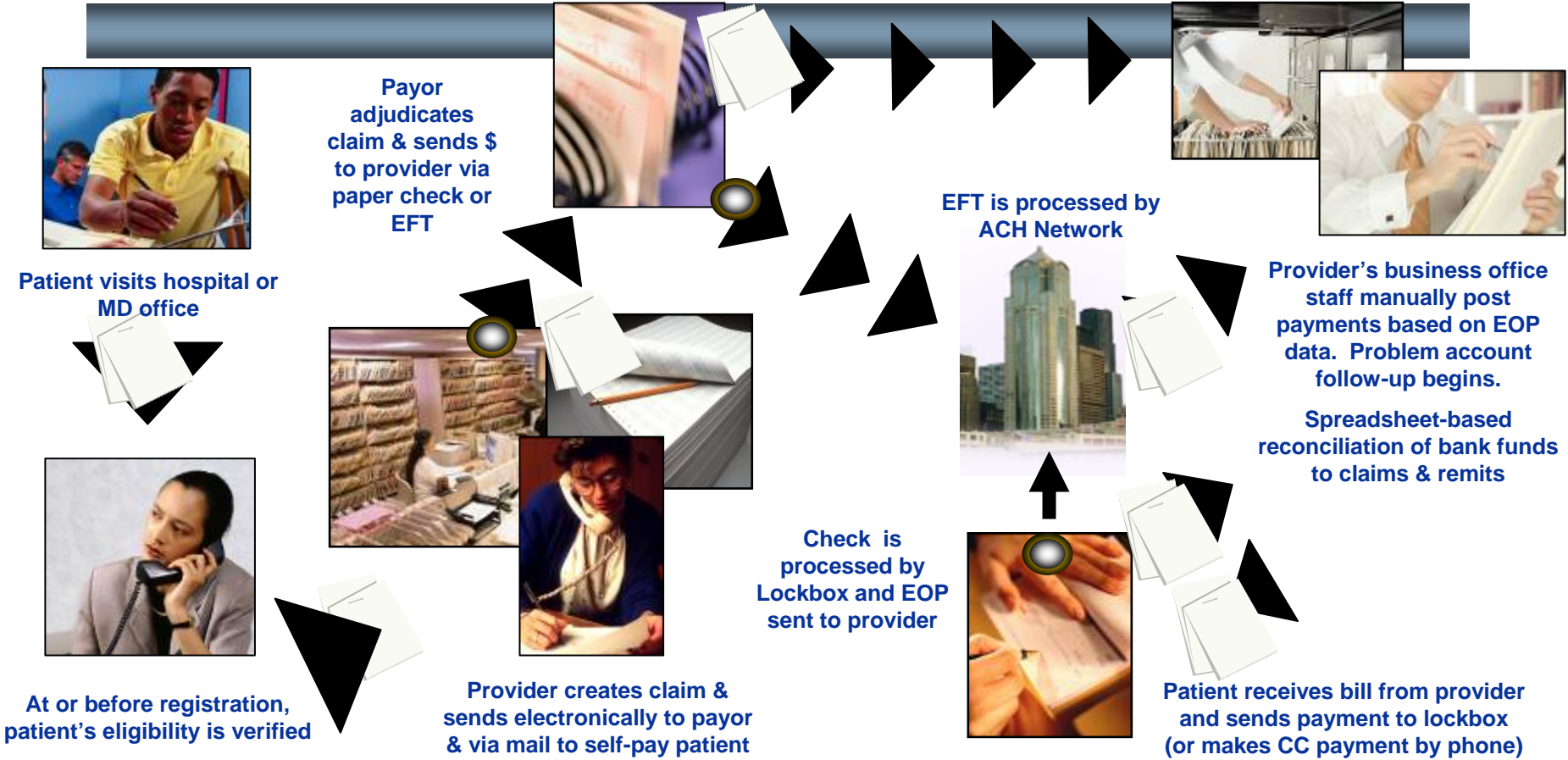
## Take Action

- ▶ Assess the impact of healthcare consumerism on your organization
- ▶ Develop “retail mentality” using financial clearance and financial settlement solutions
- ▶ Continue to build the roadmap to transform your revenue cycle



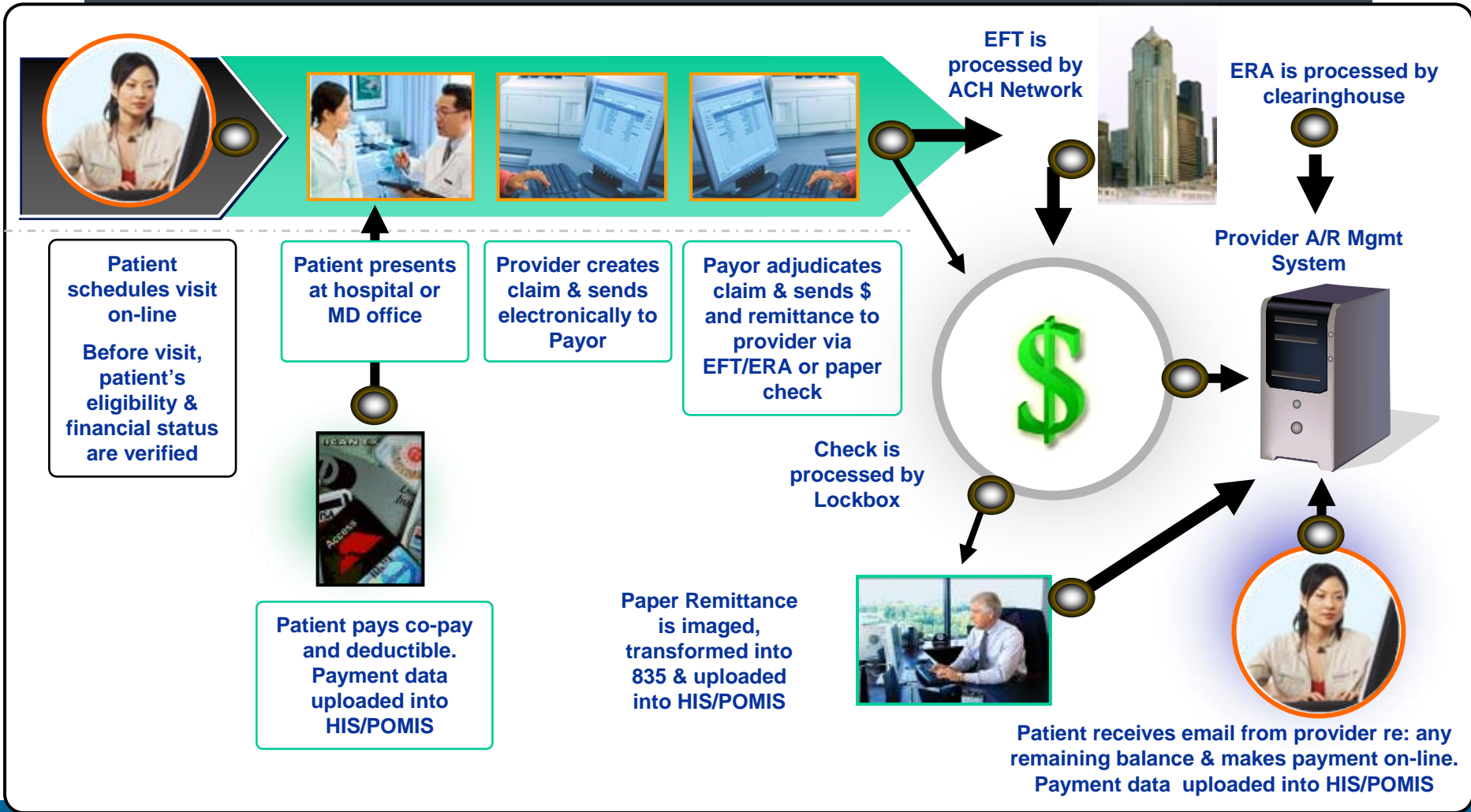
# What Is Technology's Role?

# Today's Rev Cycle Process Not Equipped to Manage CDHC



**TIME TO RECEIVE CASH, POST PAYMENT, AND RECONCILE TO CLAIM RANGES FROM 2 – 30 DAYS**

# Healthcare Banking Integrates Providers and Financial Institutions



# Solutions Needed To Transform CDHC Rev Cycle



***A Consumer Driven  
Revenue Cycle  
Addresses Two Key  
Processes:***

***Financial Clearance  
&  
Financial Settlement***

***The Result:  
Payment Transformation  
With Accelerated  
Reimbursement***

# Consumerism Requires Retail-Like Financial Clearance Solutions

## Pre-Service Financial Clearance Requirements

- Provide consumers with cost and quality information
- Determine correct patient demographics early in the revenue cycle
- Identify patient's ability to pay and financial liability prior to service
- Reduce collection costs of self-pay dollars
- Respond to consumer self service expectations

## Solutions Available

- ▶ Eligibility Checking
- ▶ Healthcare Credit Scoring
- ▶ Address & Credit Checking
- ▶ Healthcare Transparency
- ▶ Out of Pocket Estimator
- ▶ Charity Care & Medicaid Determination
- ▶ Self Service Patient Kiosk

# Consumerism Requires Electronic Financial Settlement Solutions

## Post Service Financial Settlement Requirements

- Deliver clear and concise billing communications so patients understand their financial obligation throughout the revenue cycle
- Add effective ways to collect self-pay dollars
- Increase electronic information from insurance payments to manage and prevent denials
- Automate posting and reconciliation of claims, remits, and bank funds

## Solutions Available

- ▶ Online Bill Presentment & Payment
- ▶ Claims & Remittance Management
- ▶ Payor & Consumer Payment Bank Deposit Reconciliation
- ▶ Lockbox Services: Paper Payment & EOB to 835
- ▶ Real-time Claim Submission & Adjudication
- ▶ Medicare Direct Entry & Secondary Billing
- ▶ Rev Cycle Imaging
- ▶ Medical Necessity Checking

# What is “Healthcare Transparency”?



**Pricing  
Information**

**Quality  
Information**

- Self pay pricing
- Insured view of pricing = out of pocket expenses

Standard measures:

- JCAHO accreditation
- Number of cases
- Surgical infection rates

Provider differentiators:

- Location
- Awards and accolades
- Modern equipment

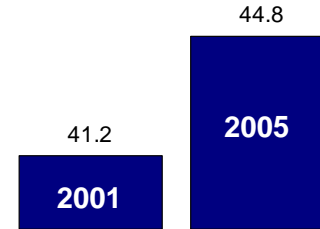
Patient satisfaction feedback:

- Press-Ganey scores
- Open forum for comments

# Why is Transparency Important? Consumers Need to Know the Price of Care

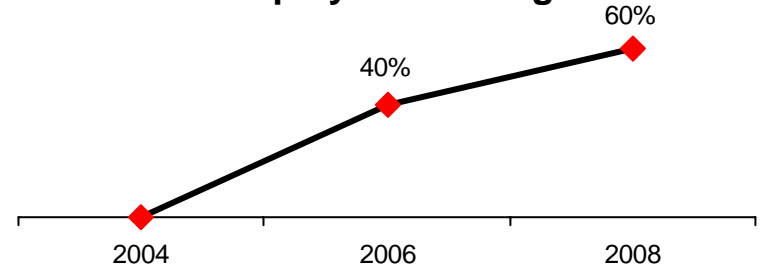
Number of Uninsured at an All-Time High

The Uninsured Population (millions)



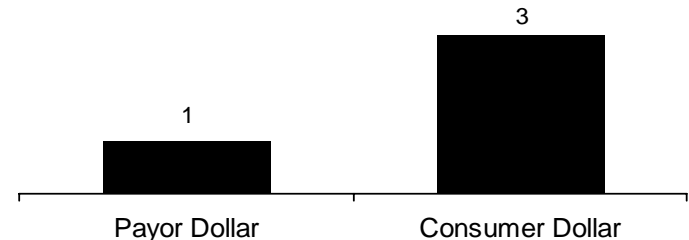
Higher Co-Pay & Deductible Plans Proliferating

Number of Employers offering CDH Plans

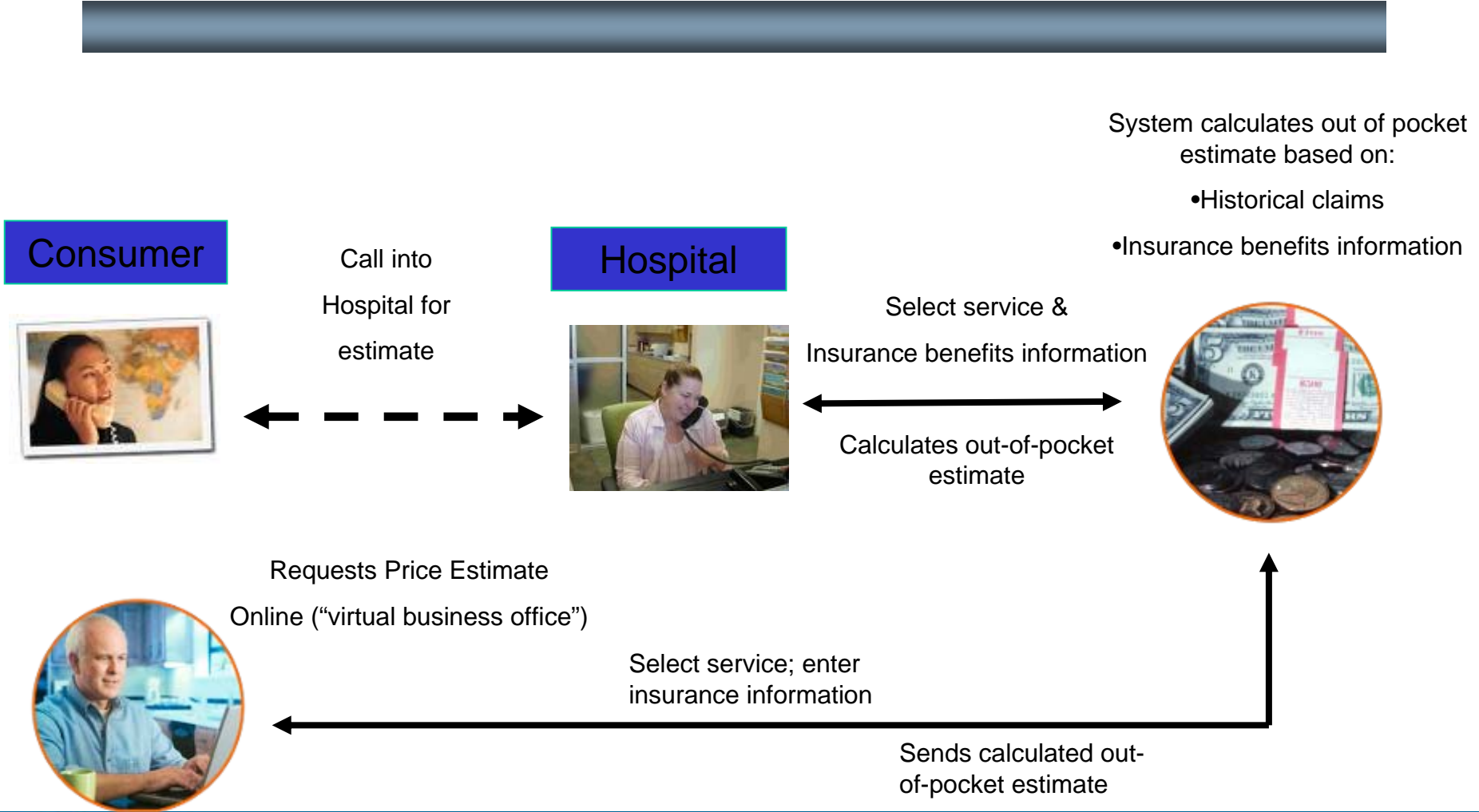


Cost to Collect from Consumers 300% Higher than from Payors

Cost to Collect A/R



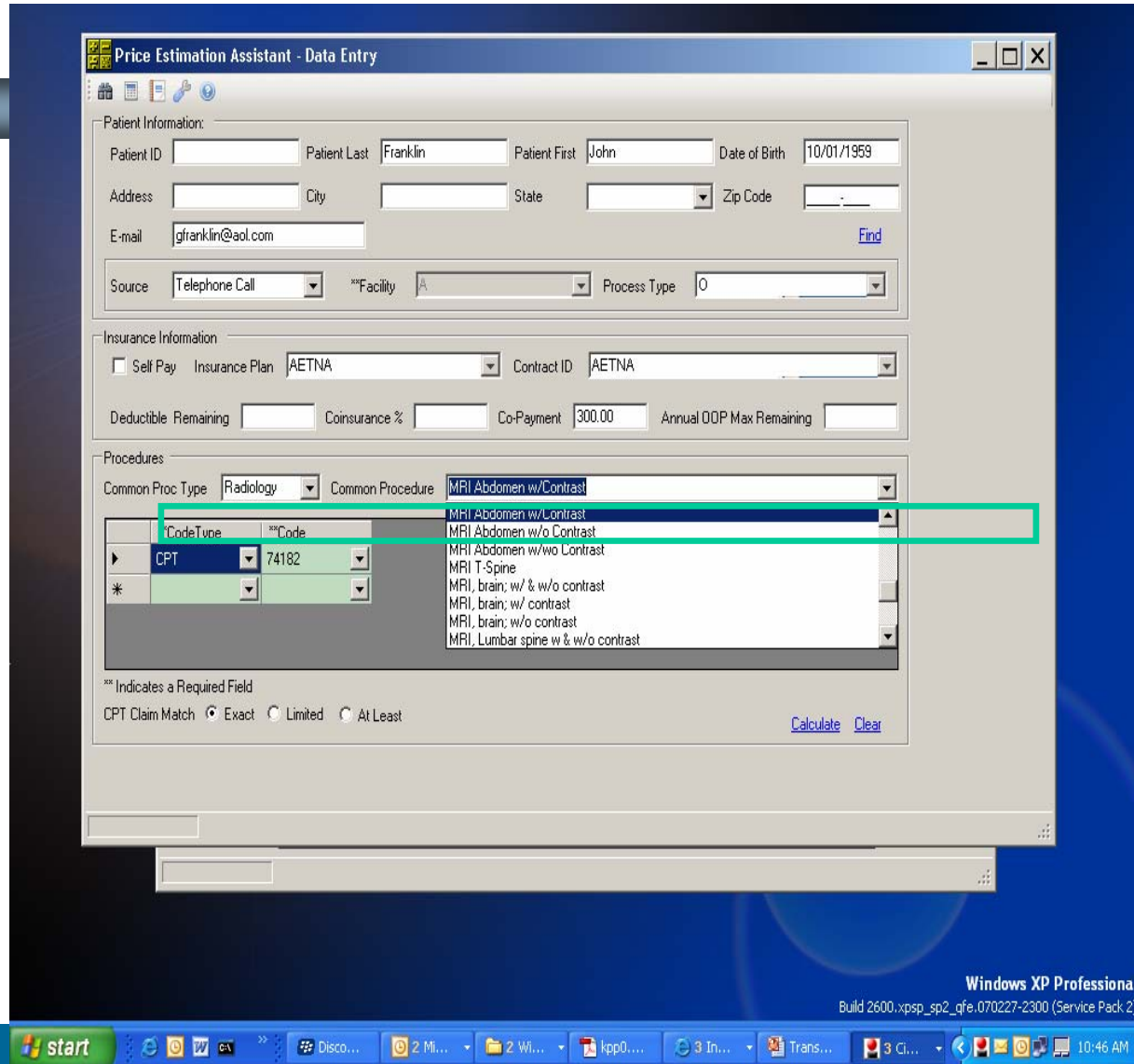
# Consumer Pricing Request: Upstream People / Process / Technology



# Transparency: Provider User Interface

## Benefits

- Quickly and easily provide financial-responsibility estimates to consumers
  - Total charges for self-pay population
  - Out-of-pocket estimates for insured population
- Simple look-up for common procedures



# Transparency: Sample Result

## Benefits

- Providing a price estimate to the consumer prior to the procedure improves likelihood of collection
- Consumers can review and confirm insurance information with their insurers
- Options for information contained in this form: include or exclude “negotiated rate” for provider confidentiality

The screenshot shows a software window titled "Explanation of Calculation". It contains a table of charges and a table of patient information. The charges table includes Total Estimated Charges (\$2,718.60), Deductible Remaining (\$0.00), Co-payment (\$300.00), Coinsurance Percent (0.00%), and Total Estimated Patient Responsibility (\$300.00). The patient information table includes Patient Name (John Franklin), Patient Date of Birth (10/1/1959), Insurance Plan (AETNA), Contract ID (AETNA), Facility (Model Hospital), and Process Type (0).

| Type  | Code - Description                |   |            |
|---|-----------------------------------|---|------------|
| CPT   | 70460 - CONTRAST CAT SCAN OF HEAD |   |            |
| Total Estimated Charges   |                                   |   | \$2,718.60 |
| Deductible Remaining  |                                   | - | \$0.00     |
| Co-payment  |                                   | - | \$300.00   |
| Coinsurance Percent   |                                   | x | 0.00%      |
| Coinsurance   |                                   | = | \$0.00     |
| Total Estimated Patient Responsibility<br>(Deductible Remaining plus Co-payment and<br>Coinsurance Amounts) |                                   |   | \$300.00   |

|                       |                |
|-----------------------|----------------|
| Patient ID            |                |
| Patient Name          | John Franklin  |
| Patient Date of Birth | 10/1/1959      |
| Insurance Plan        | AETNA          |
| Contract ID           | AETNA          |
| Facility              | Model Hospital |
| Process Type          | 0              |

# Transparency: Out-of-Pocket Estimate On-Line

## Benefits

- Minimize administrative burden for hospital staff
- Improve the patient experience
- Increase collections of financial obligations

# Transparency: Out-of-Pocket Estimate On-Line – Results Delivered

## Benefits

- An easy to understand, accurate estimate is generated, improving likelihood of collections
- Patient satisfaction improved, via increased information disclosure
- Soon patients will be able to pay in advance via “blind” payment capability, before charges are entered

The screenshot shows a web browser window titled "Template Webapp - PatientCompass - Microsoft Internet Explorer". The address bar shows the URL: <http://dbqhtaappq1.dev.tsh.mis.mckesson.com/hc/guarantor/hta/eoc.do>. The page content is as follows:

**Estimate Procedure Price**      Date of Estimate 10/26/2007 1:24:57 PM      [Printer friendly version](#)

**Frequently Asked Questions**      Estimate is for the services to be performed at Progressive - Main

**Definitions of Important Terms**      Email address: JameSmith@aol.com

Last Name: Smith

First Name: James

Zip code: 30506

**Disclaimer:**  
Please note that the estimated charges listed are for hospital services. They do not include physician charges such as those for a surgeon or an anesthesiologist fees. Actual amounts due may vary from this estimate. If you entered an annual deductible remaining amount or copay amount that is greater than the total estimated cost for this service, your final estimated total cost will be limited to the total estimated cost for this service. If you have entered an annual deductible remaining amount and copay amount that is less than the total estimated cost for this service and you have entered an annual out of pocket maximum remaining, your final estimated total cost will be the lower of your annual out of pocket maximum remaining or your estimated total cost.

You have requested an estimate for the following outpatient service:  
Type of Procedure: Other Procedures  
Procedure: Bone Scan Limited

The total estimated cost for this service is \$24.44

Your patient balance is based on the following information that you provided:

|   |             |
|---|-------------|
| Insurance Company:                      | Aetna       |
| Insurance Contract:                     | Choice Plus |
| Annual deductible remaining:            | \$500.00    |
| Copay amount:                           | \$          |
| Coinsurance percentage:                 | %           |
| Annual out-of-pocket maximum remaining: | \$          |

**Your estimated total cost will be \$500.00**

Contact Progressive - Main to schedule your procedure at 1-800-000-0000.  
Please use these numbers when referencing your inquiry:

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So, How Do You Measure Success?

Use Proven KPIs in a New Context,  
and Consider Some New Ones

# KPIs for CDHC and P4P

## Scheduling

| KPI Description  | Standard |
|--|----------|
| 1. Overall scheduling rate of potentially-eligible patients: | 100%     |
| ➤ Scheduling rate for elective and urgent inpatients         | 100%     |
| ➤ Scheduling rate for ambulatory surgery patients            | 100%     |
| ➤ Scheduling rate for hi-\$ outpatient diagnostic patients   | 100%     |
| 2. Scheduled patients' pre-registration rate                 | 95%      |

# KPIs for CDHC P-O-S Collections

## Scheduling

| KPI Description  | Process |
|--|---------|
| 1. Use on-line scheduling software house-wide?               | Yes     |
| 2. Have central scheduling unit?                             | Yes     |
| 3. Central scheduling answers to Chief Revenue Officer?      | Yes     |
| 4. Surgery uses same scheduling software as other depts?     | Yes     |
| 5. Scheduling system interfaced with registration system?    | Yes     |
| 6. Use on-line OP medical necessity system prior to service? | Yes     |
| 7. Pre-certification requirements shared with MDs' offices?  | Yes     |

# KPIs for CDHC P-O-S Collections Scheduling

| KPI Description   | Process |
|---|---------|
| 8. MDs' offices able to make on-line appointment requests?    | Yes     |
| 9. Non-emergency services scheduled 12+ hours in advance?     | Yes     |
| 10. Process and IT integrated between scheduling and pre-reg? | Yes     |
| 11. Services postponed if not pre-authorized in advance?      | Yes     |
| 12. Financial counseling part of scheduling process?          | Yes     |
| ➤ Patient balances and payment obligations discussed?         | Yes     |
| ➤ Hospital policy explained for point-of-service payment?     | Yes     |
| ➤ Reminder given to bring required payment & insurance cards? | Yes     |

# KPIs for CDHC P-O-S Collections

## Pre-Registration / Pre-Authorization

| KPI Description   | Standard |
|---|----------|
| 1. Overall pre-registration rate of scheduled patients            | ≥ 95%    |
| 2. Overall insurance verification rate of pre-registered patients | ≥ 95%    |
| 3. Deposit request rate for co-pays and deductibles               | ≥ 95%    |
| 4. Deposit request rate for elective admissions / procedures      | ≥ 100%   |
| 5. Deposit request rate for prior unpaid balances                 | ≥ 95%    |
| 6. Data quality compared to pre-established dept standards        | ≥ 98%    |

# KPIs for CDHC P-O-S Collections

## Pre-Registration / Pre-Authorization

| KPI Description   | Process |
|---|---------|
| 1. Have dedicated pre-registration / pre-authorization unit?  | Yes     |
| 2. Process and IT integrated between scheduling and pre-reg?  | Yes     |
| 3. Services postponed if not pre-authorized in advance?       | Yes     |
| 4. Financial counseling part of pre-reg / pre-auth process?   | Yes     |
| ➤ Patient balances and payment obligations discussed?         | Yes     |
| ➤ Hospital policy explained for point-of-service payment?     | Yes     |
| ➤ Reminder given to bring required payment & insurance cards? | Yes     |

# KPIs for CDHC P-O-S Collections

## Insurance Verification

| KPI Description  | Standard |
|--|----------|
| 1. Overall insurance verification rate of scheduled patients     | ≥ 95%    |
| 2. Overall ins verification rate of pre-registered patients      | ≥ 95%    |
| 3. Ins verf rate of unscheduled IPs w/ in one business day       | ≥ 95%    |
| 4. Ins verf rate of unscheduled hi-\$ OPs w/ in one business day | ≥ 95%    |
| 5. Data quality compared to pre-established dept standards       | ≥ 98%    |

# KPIs for CDHC P-O-S Collections

## Insurance Verification

| KPI Description   | Process |
|---|---------|
| 1. Have dedicated insurance verification unit?  | Yes     |
| 2. Process and IT integrated between ins verf / patient access?   | Yes     |
| 3. Use on-line insurance verification system?   | Yes     |
| 4. Financial counseling part of insurance verification process?   | Yes     |
| <ul style="list-style-type: none"> <li>➤ Alternate arrangements for non-covered patients explored?</li> </ul>       | Yes     |
| <ul style="list-style-type: none"> <li>➤ Hospital policy explained for point-of-service payment?</li> </ul>         | Yes     |
| <ul style="list-style-type: none"> <li>➤ Reminder given to bring required payment &amp; insurance cards?</li> </ul> | Yes     |

# KPIs for CDHC P-O-S Collections

## Patient Access / Registration

| KPI Description   | Standard |
|---|----------|
| 1. Average registration interview duration                    | ≤ 10 min |
| 2. Average patient wait time                                  | ≤ 10 min |
| 3. Average IP registrations per registrar / per shift         | 35       |
| 4. Average OP registrations per registrar / per shift         | 40       |
| 5. Average ER registrations per registrar / per shift         | 40       |
| 6. Data quality compared to pre-established dept standards    | ≥ 98%    |
| 7. ABNs / MSPQs obtained when required                        | 100%     |
| 8. MPI duplicates created daily as a % of total registrations | ≤ 1%     |

# KPIs for CDHC P-O-S Collections

## Patient Access / Registration

| KPI Description   | Process |
|---|---------|
| 1. Patient access reports to Chief Revenue Officer?   | Yes     |
| 2. All registrars report to patient access or within rev cycle?   | Yes     |
| 3. Use on-line document imaging system?   | Yes     |
| 4. Financial counseling part of patient access process?   | Yes     |
| <ul style="list-style-type: none"> <li>➤ Patient balances and other payment obligations collected?</li> </ul>       | Yes     |
| <ul style="list-style-type: none"> <li>➤ Policy explained for payment alternatives (credit cards, etc.)?</li> </ul> | Yes     |
| <ul style="list-style-type: none"> <li>➤ Copies obtained of required payment &amp; insurance cards?</li> </ul>      | Yes     |

# KPIs for CDHC P-O-S Collections

## Patient Access / Registration

| KPI Description   | Process |
|---|---------|
| 5. Registrars' incentive compensation tied to quality indicators? | Yes     |
| 6. Registration system integrated / interfaced to PFS system?     | Yes     |
| 7. Use on-line / web-enabled patient self-registration system?    | Yes     |
| 8. Use on-line OP medical necessity system prior to service?      | Yes     |
| 9. Use on-line registration data quality tracking system?         | Yes     |
| 10. Have CDHC-specific insurance plans?                           | Yes     |

# KPIs for CDHC P-O-S Collections

## Financial Counseling

| KPI Description   | Standard |
|---|----------|
| 1. Collection of elective services deposits prior to service  | 100%     |
| 2. Collection of IP patient-pay balances prior to discharge   | ≥ 65%    |
| 3. Collection of OP patient-pay balances prior to service     | ≥ 75%    |
| 4. Collection of ER patient-pay balances prior to departure   | ≥ 50%    |
| 5. Screening of uninsured IPs and hi-bal OPs for fin assist   | ≥ 95%    |
| 6. Pmt arrangements for non-charity eligible IPs / hi-bal OPs | ≥ 95%    |
| 7. Prompt-payment discount percentage(s)                      | 05 - 20% |

# KPIs for CDHC P-O-S Collections

## Financial Counseling

| KPI Description  | Process |
|--|---------|
| 1. Financial counseling reports to Chief Revenue Officer?  | Yes     |
| 2. Uninsured IPs and high-balance OPs screened for fin assist?                                   | Yes     |
| <ul style="list-style-type: none"> <li>➤ Medicaid eligibility?</li> </ul>                        | Yes     |
| <ul style="list-style-type: none"> <li>➤ State, local, and hospital charity programs?</li> </ul> | Yes     |
| <ul style="list-style-type: none"> <li>➤ Grants / studies, etc.?</li> </ul>                      | Yes     |
| 3. Financial counselors interview patients in their rooms?                                       | Yes     |
| 4. Prompt payment discounts offered?   | Yes     |

# KPIs for CDHC P-O-S Collections Financial Counseling

| KPI Description  | Process |
|--|---------|
| 5. Fin counselors' incentive compensation tied to collections?   | Yes     |
| 6. Discuss pmt alternatives w/ non-charity eligible patients?  | Yes     |
| <ul style="list-style-type: none"> <li>➤ Credit cards?</li> </ul>  | Yes     |
| <ul style="list-style-type: none"> <li>➤ Bank-loan financing?</li> </ul>                                   | Yes     |
| <ul style="list-style-type: none"> <li>➤ Interest-bearing hospital-funded payment arrangements?</li> </ul> | Yes     |
| 7. All IPs cleared thru financial counselors before discharge?   | Yes     |
| 8. Proof of income / assets obtained from charity applicants?  | Yes     |
| 9. Place "holds" on \$ in CDHC patients' medical savings accts?  | Yes     |

# Questions? Comments?

## Presenter's Resume

### David Hammer, Vice President, McKesson

Mr. Hammer is a Vice President in McKesson's Business Performance Solutions group. He focuses on receivables and health information management for hospitals, health systems, and related entities. In his more than 21 years of health care industry experience, Mr. Hammer has held a variety of positions with leading not-for-profit and proprietary health systems, Big Four accounting firms, information systems vendors, and health care A/R management companies.



### Background and Affiliations

Mr. Hammer received an MBA in Management and an MHS in Health Care Administration from the University of Florida in 1987. He also received a BBA in Accounting with a minor in Information Systems (Magna cum Laude) from the University of North Florida in 1985. Mr. Hammer is certified by HFMA as a Fellow (FHFMA) and as a Certified Healthcare Finance Professional (CHFP). He has been named an HFMA Distinguished Speaker for four consecutive years, and has received HFMA's Gold, Silver and Bronze service awards.

### Recent Publications

Mr. Hammer authored the July 2007 cover story in HFMA's healthcare financial management journal, entitled "The Next Generation of Revenue Cycle Management," as well as the July 2005 hfm cover story, entitled "Performance is Reality: Is Your Revenue Cycle Holding Up?" His most-recent article, "UPMC's Metric-Driven Revenue Cycle," appeared in the September 2007 issue of hfm, and "Data and Dollars: How CDHC is Driving the Convergence of Banking and Health Care" was published in hfm's February 2007 issue. His article "Black Space Versus White Space - The New Revenue Cycle Battleground" appeared in the January 2007 issue, and "Customer Service Adapts to CDHC" appeared in the September 2006 issue.

### Contact Information

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