

America's hospitals and health systems are committed to providing high-quality, equitable and safe care to all individuals, as well as delivering a care experience that meets patients' needs and expectations, from scheduling through payment. Patients' medical bills are an important part of their care experience, yet consumers routinely struggle with billing issues.^{1,2}

Patients report that bills can be difficult to read, sent separately from different providers, contain unintentional errors, are sometimes for an unexpected amount and fail to provide ready access to flexible financing options. For example, for breast cancer surgery, a patient may receive separate bills from the hospital, the surgeon, the anesthesiologist, the pathologist and the laboratory, depending on each provider's relationship with the hospital or health system and whether they do their own billing. These sorts of issues can contribute to patients missing their payment and negatively impact their relationship with their providers.³

Some hospitals and health systems are already making improvements to the patient billing process, such as simplifying the standard bill format and offering multiple approaches to receiving and paying bills. These efforts have been successful,^{4,5} but opportunities remain to meet patients' needs and expectations. The federal [Hospital Price Transparency Rule](#) and [No Surprises Act](#) highlight efforts by policymakers to intervene and address consumers' concerns. However, some provisions, such as requirements to produce machine-readable files of all privately negotiated rates, are unhelpful to consumers and overly burdensome to providers. **It is important that the health care field continues improving the patient billing experience in order to better assist and preserve good relationships with patients and their communities. While some solutions to patient billing require the involvement of other care providers and health plans, there are steps hospitals and health systems can take now to improve the overall patient experience.**

The AHA, with input from our Price Transparency Task Force, examined national surveys and research conducted on the patient billing experience to better understand patients' perceptions and attitudes related to medical bills. Our research, discussed in more detail below, identified several key challenges that exist with patient billing today and opportunities for hospitals to address these challenges in order to improve the patient experience.

Challenges in Patient Billing

Technological advances, a general rise in consumerism and growth in consumer cost-sharing — often through high-deductible health plans — have changed consumers' expectations around their health care finances. Patient billing issues are further exacerbated by increasingly confusing and convoluted policies implemented by commercial health insurers, including changing coverage rules midyear and complex cost-sharing structures that leave patients uncertain about what they owe and what their plan will cover. Patients are looking for simple, consolidated bills, multiple payment and payment plan options, pre-service out-of-pocket cost estimates, and improved customer service. Consumer research identified the following key issues with the patient billing experience.

- **Confusing Bills.** The majority of patients are confused by their medical bills.⁶ Confusion can stem from lack of clarity about the amount owed and how it relates to any payments already made by the patient, less than clear-cut descriptions of services, and how different types of coverage, such as Medicare, private health insurance, workers' compensation and/or auto insurance, interact to pay for care, among other issues.
- **Multiple Bills for a Single Episode of Care.** Patients report confusion as a result of receiving multiple bills from different providers for what appears to them to be a single episode of care. They would prefer to receive consolidated bills and pay bills from different health care providers all in one place.^{7,8}

- **Unexpected Bills or Amounts of Bill.** More than 90% of patients surveyed report being surprised by a medical bill in the past year, which includes receiving a bill that they did not expect or that was for more than they expected.⁹ A vast majority of patients would prefer to know how much they will owe for a medical bill before receiving medical care; and many prefer to find that information using an online cost estimator.¹⁰
- **Outdated Communication Methods.** An increasing number of patients, regardless of age, prefer to receive and engage in communications around medical bills through electronic communications, yet only 23% of patients are receiving their medical bills in this format.¹¹ Not surprisingly, younger patients between the ages of 18-34 are more likely to prefer e-billing than older patients.¹²
- **Lack of Multiple Payment Mechanisms.** In a recent survey, more than a third of patient participants believed available payment options were inconvenient.¹³ Patients increasingly prefer to pay using an electronic payment method, including payment by credit or debit card, or directly from a bank account or health benefit account.¹⁴

For bill balances under \$200, debit/credit cards are the preferred payment method – regardless of whether the payment is made on a provider’s website, patient portal, over the phone or by using an automated payment plan.¹⁵ There also is a growing demand to offer mobile payment systems, such as PayPal, Apple Pay, Samsung Pay or Google Pay.¹⁶

Improving the Patient Billing Experience

Hospitals and health systems can take a number of steps to improve the patient billing experience. We encourage hospitals and health systems to consult existing resources, including from the [Health Financial Management Association](#) and trusted vendors, to learn more about options for improvement. In addition, as a number of hospitals and health systems already do, it may be useful to employ patient focus groups, patient and family advisory councils, and consumer advocates to help tailor solutions to patients and communities.

BILLING EXPERIENCE IMPROVEMENT CHECKLIST

Below are specific suggestions for ways hospitals and health systems can improve the billing experience. Some solutions can be done relatively easily, whereas others are more complex and require resource investments or buy-in by others outside of the hospital or health system.

Simplify Bills: Work with consumer advocacy and focus groups to improve the clarity of your medical bills. For example, some hospitals and health systems have adopted a topline summary coversheet for their bills that clearly states the amount due and does not include charges, allowed amounts or any other dollar figure that could distract from the amount owed. The summary also should clearly state the deadline for payment and the options for making payment, as well as provide contact information for customer support.

Ensure Bill Accuracy: Commit to billing accuracy and adopt quality control processes to ensure that bills are accurate before they are sent to patients. Errors should be investigated for resolution prior to sending the bill to the patient.

Provide Out-of-Pocket Cost Estimates: If not already providing easily accessible out-of-pocket estimates, work to do so for shoppable services, such as those services that are scheduled in advance, tend to follow a common course and are not dependent on patient characteristics, such as comorbidities. Technological advances enable hospitals and health systems to help patients get this information in new ways, such as through online calculator tools.



- ✔ **Provide Flexible Payment Options:** Develop and make easily known to patients a variety of standard payment options, recognizing that some payment options may need to be customized based on the individual patient's experience.
- ✔ **Accept Multiple Forms of Payment:** Expand the ways in which patients can transmit payment beyond check and credit card, such as through a variety of electronic means.
- ✔ **Adopt Electronic Mechanisms to Communicate about Medical Bills:** Begin to engage in electronic communications around medical bills, such as email, text messaging, in-app messaging or a live chat feature.
- ✔ **Consolidate Bills:** Work toward consolidating billing for all care delivered within the system. Bills could be consolidated for an episode of care, or, alternatively, 30-day billing cycles. In the latter option, bills that occur during a 30-day period would be bundled together and sent to the patient at the end of the cycle. Providers would need to communicate clearly with patients about what would be included in these consolidated bills and ensure that patients understand that care sought outside of the system would not be included in these bills.
- ✔ **Ensure Consistent Patient Communication:** Develop standard messaging around billing for all front-line staff. For example, all providers within the hospital or health system should understand the basic billing process and anticipated timeline, as well as the best contact for any questions.
- ✔ **Consolidate and Improve Customer Service:** Establish a single billing office to manage all billing responsibilities, including a single point of contact for responding to all patient inquiries. This office should undergo substantial customer service training to ensure they are prepared to address common patient questions, regardless of where in the system care was provided.

AHA Resources

The AHA seeks to support hospitals and health systems in their efforts to improve the patient billing experience. We encourage you to explore the following resources.

- **Voluntary Patient Billing Guidelines:** The AHA's updated [voluntary guidelines](#) represent the AHA's expectations of what the hospital and health system field can and should do to address issues of coverage, billing and debt collection, and patient and provider accountability.
- **Patient Cost Estimates:** The AHA supports hospital and health system efforts to improve patient access to estimates about their costs. For a range of resources, including member case studies, please see [AHA's Patient Out-of-pocket Cost Estimator Toolkit](#).
- **Patient Billing Experience:** For a range of resources, including case studies showcasing various hospital approaches to addressing patient billing challenges, please see [AHA's Patient Billing Toolkit](#).
- **Price Transparency Communication Tools:** For a range of resources to assist hospitals and health systems discuss price transparency with patients and other stakeholders see [AHA's Price Transparency Communications Tools for Hospitals](#). The toolkit includes action items, a self-assessment tool and exercises that hospital and health system leaders can use to examine price transparency and the billing process from the patient perspective.
- **Price Transparency Video:** The AHA's consumer-facing [video](#) explains hospitals' commitment to help make costs understandable. AHA members can add their own branding and use on their websites; see details [here](#).

Sources

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