

# Pricing Transparency: Accessing real-time data to improve point-of-service collections

Riverside Health System, Newport News, Virginia

## Challenge

Riverside Health System (RHS) is a five-hospital system located in Virginia. It employs 350 physicians with 23,800 annual inpatient admissions and 300,000 outpatient visits. The unprecedented increase in patient responsibility occurring throughout the healthcare industry was beginning to make a significant impact on RHS' revenue cycle.

In 1992, the health system recorded \$4 million per month in uncompensated care, including both bad debt and charity care. By 2010, the number had increased to \$8 million. In an effort to reign in this growing liability, RHS set about improving its point-of-service collections process.

For the most part, the increase in uncompensated care was driven by the escalation of underinsured patients. These are defined as insured patients with extremely limited coverage and low maximum benefits. Also classified as underinsured, are insured patients who fall at or below 200% of the federal poverty level (FPL). These patients seldom have money to pay any of the portion they owe as they can barely afford their premiums.

As reimbursement models began to shift risk to the individual patient, RHS started seeing more co-insurance and deductibles. This made it increasingly difficult to calculate the patient's responsibility—to the point where the health system was unable to present any estimation of patient responsibility at or prior to the date of service.

“The tool is unique in that it presents a clear picture of a patient's identity and financial situation. So in addition to generating an accurate estimate of what the patient owes, it also allows registrars to determine presumptive charity care and likelihood of payment right at the point of service. This allows them to tailor their message to the individual patient when asking for payment.”

## Richelle S. Fleischer, CPA, MPH

Vice President, Revenue Cycle for Acute Care and Physician Practices  
Riverside Health System

## Customer Objective

RHS undertook a patient pricing transparency initiative to provide real-time data to its employees with the goal of collecting payment at or before the point of service. The health system believed that educating patients on their financial responsibility through credible and defensible estimates would lead to an increase in the fulfillment of their responsibilities.

## TransUnion helped Riverside:

Achieve a 54% increase in point-of-service collections.

Increase point-of-service collections to 0.4% of gross revenue—a 35% improvement.

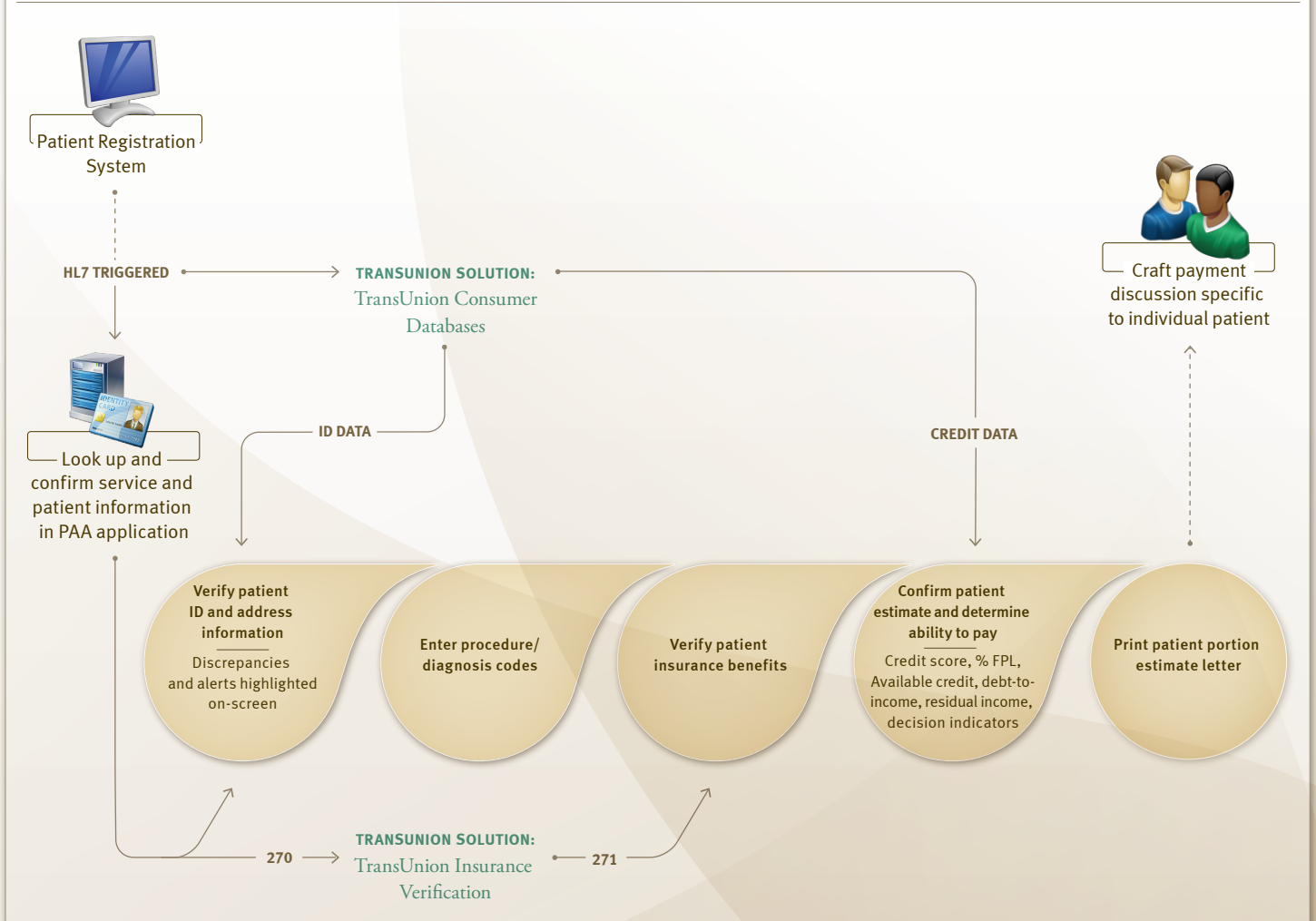
### Solution

RHS tapped the data, analytics and decisioning power of TransUnion Healthcare to help achieve this objective. They moved forward with the TransUnion Healthcare Patient Portion Estimation solution which differs from other estimation solutions in that it combines estimating capabilities with summary-level identity and financial data for each patient. With real-time access to multiple data sources in a single application, registrars would not only be able to

estimate how much a patient owes, they'd be able to estimate his or her ability to meet that obligation. Patient Portion Estimation is web-based and combines payer contract terms, charges, and current patient benefits to calculate the patient's out-of-pocket responsibility. It provides estimates for inpatient, outpatient and emergency cases, including any institutional or professional fees. Once RHS staff completes the estimate, the solution generates a letter (available in multiple languages), which explains the details of the estimate.

Along with the estimate, RHS staff also uses TransUnion Healthcare data and analytics to verify identity and address information and determine a patient's ability to fulfill their financial responsibility. What a patient owes is often not the same as what a patient can afford. Estimating both allows RHS to craft a message specific to each individual based on their financial situation. Implementing a technology solution, however, does not, completely solve the problem of greater point-of-service

## How does Patient Portion Estimation work?



performance. People and process also needs to be addressed. So the RHS executive team developed a comprehensive redesign of its point-of-service workflow. The staff was fully trained and prepared as soon as the new solution and processes were rolled out.

#### Results

Providing a comprehensive technology solution, staff training and process redesign positioned RHS for success. By presenting an estimate to the patient at the point of service, the formality of the process improved transparency and encouraged patients to pay. The ability-to-pay information was also key because it enabled the RHS staff to begin confidently asking for payment and appropriately engaging financial counselors.

The results of RHS' initiative and the TransUnion solution speak for themselves. Within the first month, point-of-service collections increased 31% resulting in a 177% return on investment.

To date, TransUnion helped Riverside achieve a 54% increase in point-of-service collections. Currently, RHS point-of-service collections account for 0.4% of its gross revenue—a 35% improvement.

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