Winning patients back

The COVID-19 pandemic has left the health care industry in a fragile financial condition.

The financial impact has been catastrophic for health systems. While there was federal funding for the treatment of patients who had the virus, there were also substantial reductions in outpatient and ambulatory revenues. Based on the projections of the spread of the virus, hospitals canceled many procedures and shifted their focus to inpatient COVID-19 treatment.

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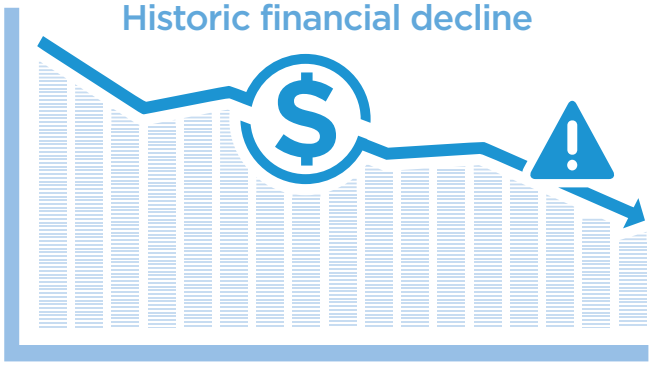
Outpatient services and elective procedures have experienced up to a 65% decrease in visits[1]. Hospitals and health systems were left with open beds and surgical/procedural suites, as well as massive drops in revenue. The financial decline has been historic, with expected losses of $200 billion through June, according to *American Hospital Association*[2].



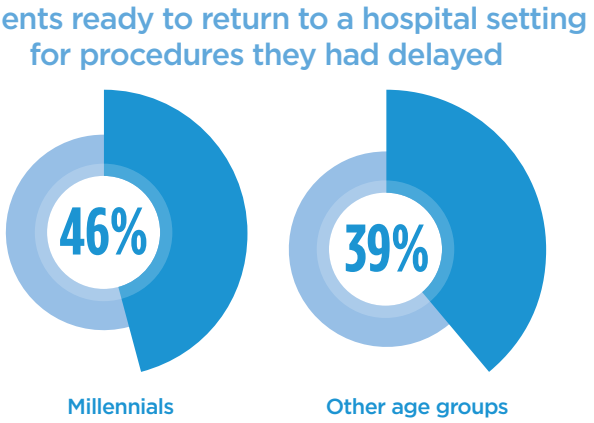
There have been alarming declines in care for high-risk patients with life-threatening illnesses, such as congestive heart failure (-55%), heart attacks (-57%) and stroke (-56%), according to a report from *Kaufman Hall*. In addition, those suffering from chronic illnesses, such as diabetes (-67%), are either avoiding or unable to obtain care[3].

In order to climb out of this financial hole and start down a road to recovery, the health care industry must first win back its patients. There is not a perfect model to get patients back for hospital visits, but hospitals need to focus on earning patients' trust by putting appropriate protections for COVID-19 in place.

There have been some small signs of improvement with loosened quarantine restrictions and economies reopening. And with the implementation of safety procedures, hospitals have started to reinstate elective procedures. An article published by *Healthcare Financial Management Association (HFMA)* shows a 4% increase in outpatient volume since April among hospitals tracked by TransUnion Healthcare. But with overall patient volumes down more than 50%, larger gains will be necessary for hospitals to financially recover[4].

Patients who do not have the virus are forgoing medical care and elective procedures because they are afraid of contracting COVID-19 if they go to hospitals and health care facilities. This decline in visits has led to a mass cancellation of procedures.

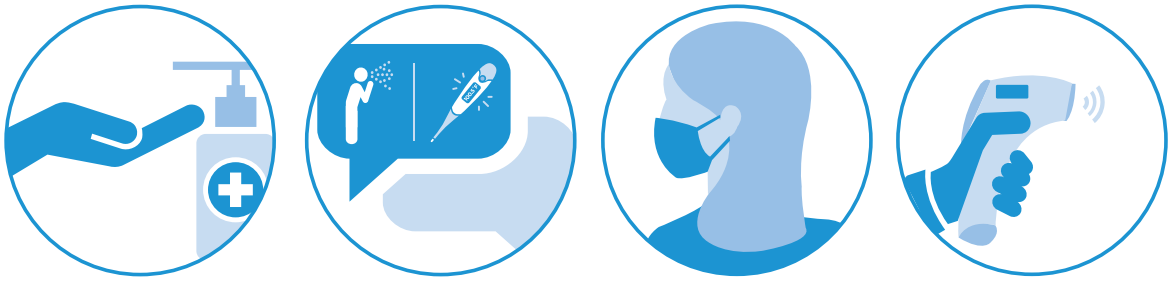
Another hurdle to recovery, according to *HFMA*, will be getting the right patients back into hospitals. Younger patients are most willing to return to hospitals but also make up the smallest population of elective patients. While 46% of millennials are ready to return to a hospital setting for procedures they had delayed, only 39% of patients in other age groups say they feel ready to return[4].



Health systems were left scrambling, having to plan for a surge of COVID-19 patients, but those projections didn't always come to fruition[5]. Having already canceled outpatient and elective procedures, facilities were left with open beds and surgical/procedural suites. This not only left hospitals reeling financially, but meant some patients were left unable — or unwilling — to receive care.

This decline in patient visits and revenue had a direct correlation to the surge in COVID-19 cases that began in March[2]. The projected increase of inpatient occupancy left providers focused on the treatment of those testing positive for COVID-19. Without a vaccine, uninfected patients, afraid of contracting COVID-19 during non-essential hospital visits, have continued to stay away.

Hospitals have now re-opened and reinstated these elective procedures, but are left wondering — when will patients return?



Sanitize hands | Ask about symptoms | Wear a mask | Check temperature

For some hospitals, geography will be a factor. COVID-19 hot spots will face a longer road to recovery, with shortages of staff, equipment and a lack of capacity — all of which lead to scheduling challenges.

Helping the patient population feel safe enough to return to hospitals is key for a return to a normal volume of visits. Hospitals must help protect patient safety so they can, in turn, supply patients the care they are currently lacking.

The first step is to alleviate patient concerns and communicate the procedures currently in place to both patients and providers. This message should be shared via multiple channels for widespread visibility.

> "Patients need to know first and foremost places of care will be made safe."

Patients need to know first and foremost places of care will be made safe. This includes sterilizing all service areas, which should occur before and after all office visits and procedures. Testing providers — utilizing temperature scanners — would help identify health care workers who could be a threat to patient safety. If a provider tested positive, they would not be allowed to work and must undergo further testing to confirm whether they are positive for COVID-19. The check-in and discharge processes can also be handled safely with medical records and financial information given ahead of time, along with sterilized check-out and pickup areas.

Providers also need to ensure they have the proper resources to schedule outpatient services. Nursing staff are currently short on personnel, either due to a high demand for nurses in COVID-19 units or because they have contracted the virus themselves. This has a significant effect on a facility's ability to begin rescheduling services.

This issue leads back to safety, not just of patients, but of hospital employees. As health systems re-open, they will need to have a checkpoint in place for any patient entering its facilities. *HFMA* suggests potential patients should have their temperature taken, be asked about symptoms and given masks and hand sanitizer as they enter. This will keep staff healthy and other patients in the facility safe[4].

As measures are put in place to get patients back into the hospitals, another hurdle will be the reinstatement of revenue cycle employees. Due to the loss in revenue, hospitals implemented reductions in non-essential staff. For many, a cost reduction strategy saw patient access staff furloughed or laid off.

With a renewed focus to reinstate elective procedures, emergency care and medical testing, hospitals find they are understaffed. Bringing back patient access staff will require the approval of hospital senior leadership, which will require financial analyses that show positive returns on investment, such as increased patient visits and subsequent revenues and collections. In projecting costs, the reinstatement of staff in patient access should precede any increases in billing and collection staff. Once hospitals experience increases in realized patient visits, they can bring back billing and collections staff and other resources.

The request for additional resources needs to satisfy the questions:

Who? What? When? Where? Why?

Who?

Client resources, outsourced resources, hospital IT, hospital branding, Revenue Cycle, Patient Access, CFO, CIO and CEO

What?

Communicate to patients and the community that we are open for business and have processes and tools in place to provide health care in a safe setting. Safe is essential. The patient perspective is that hospitals are not safe. This is the primary reason patients are not accessing health care services now.

When?

Can you get the tools, people and processes yesterday? Help is needed now! Time is not on your side.

Where?

Engage with all caregivers of elective procedures, office visits, ambulatory visits and other outpatient services.

Why?

Recovery of lost revenues and collections as quickly as possible.

Sources

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2. **American Hospital Association:**
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3. **HFMA:**
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About the author

Don P. Paulson
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Work experience

Don has 42 years of experience in health care finance at the individual hospital and health system levels as a CFO and Vice President of Revenue Cycle Management. Additionally, he has 20 years of experience administrating radiology, pathology and cardiac services, as well as utilization management.

- CFO University Hospitals Bedford Medical Center
- Vice President of Finance and CFO, University Hospitals Community Hospital Division
- Vice President of Revenue Cycle Management, University Hospitals
- Vice President, Revenue Cycle Executive, Cerner

HFMA involvement

- President and Chairman of the Board, Northeast Ohio Chapter of the Healthcare Financial Management Association
- Chapter Liaison Representative for Region 6
- Chairman of the National HFMA, CFO Forum
- Member of 6 HFMA National Advisory Councils

Education

- BS, Accounting, Miami University, 1976
- MBA, Business Policy, Case Western Reserve University, 1988
- Fellow, HFMA, 1995

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