



# TransUnion Healthcare Costs Survey

June 23, 2015





**TransUnion conducted a survey in May 2015 to examine patient billing experiences.**



**7.382 insured household decision-makers** who had either personally received medical care, or had a family member on their policy receive care in the past two years

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Respondents included a representative sample in **each of the 50 U.S. states and the District of Columbia**

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The survey was representatively distributed among different types of insurance plans



# The Importance of Cost Transparency

## According to TransUnion Healthcare's survey:

**80% of Americans**

say the opportunity to review cost estimates prior to undergoing treatment is just as important as bedside manner when selecting a healthcare provider.

**80% of Americans**

also identified clear billing processes as a major factor, highlighting the growing importance of cost transparency and clarity in determining where patients choose to receive care.

**61% of Americans**

say they are always (17%) or sometimes (44%) surprised by their out of pocket healthcare costs.

**55% of Americans**

say they are always (10%) or sometimes (45%) confused by the bills they receive.



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“ This survey suggests that cost and billing experiences significantly influence how patients view their provider and highlights the continued confusion about healthcare bills. As consumers become more sophisticated in understanding healthcare costs, providers must be prepared to answer financial questions they were rarely asked 10 or even five years ago ”

- Gerry McCarthy, president of TransUnion Healthcare



The TransUnion Healthcare survey found that healthcare cost transparency and billing varies by state.



## TransUnion broke down the states into these categories

### Large States

Top one-third most populous states

- California
- Texas
- Florida
- New York
- Illinois
- Pennsylvania
- Ohio
- Georgia
- North Carolina
- Michigan
- New Jersey
- Virginia
- Washington
- Massachusetts
- Arizona
- Indiana
- Tennessee

### Small States

Bottom one-third populous states

- Nevada
- New Mexico
- Nebraska
- West Virginia
- Idaho
- Hawaii
- Maine
- New Hampshire
- Rhode Island
- Montana
- Delaware
- South Dakota
- North Dakota
- Alaska
- District of Columbia
- Vermont
- Wyoming



## Larger states are generally better at providing front-end cost estimates and information on alternative payment options.

31% of respondents in large states reported receiving front-end cost estimates without asking.



Just 26% of respondents in smaller states reported receiving front-end cost estimates without asking.



28% of respondents in large states were offered information about payment installment plans, while just 22% of respondents in smaller states received installment plan information.





## Respondents in small states have greater difficulty receiving information on costs of medical care before receiving the care.

Small States	Very or somewhat difficult to receive cost information
Montana	67%
Idaho	59%
North Dakota	58%
South Dakota	57%
West Virginia	50%
District of Columbia	50%
New Mexico	49%
Vermont	48%
Nevada	47%
Nebraska	47%
<b>Average for small states</b>	<b>47%</b>





**In general, larger states provide more up-front cost information than smaller states.**

<b>Large States</b>	<b>Very or somewhat difficult to receive cost information</b>
Indiana	52%
Massachusetts	50%
Ohio	48%
Michigan	48%
Tennessee	47%
North Carolina	45%
Georgia	45%
Texas	44%
Illinois	43%
Pennsylvania	43%
<b>Average for large states</b>	<b>43%</b>



**When asked to rate the quality of their care over the past year, respondents were generally satisfied.**

Satisfaction with Quality of Care	
Select States	Sometimes or usually a positive experience
California	80%
Colorado	77%
Florida	84%
Georgia	87%
Illinois	86%
Massachusetts	83%
New Jersey	90%
New York	84%
Ohio	92%
Texas	85%
Average for all states and D.C.	84%



**But patients were less satisfied with the billing and payment process over the last year.**

<b>Satisfaction with Billing and Payment</b>	
<b>Select States</b>	<b>Sometimes or usually a positive experience</b>
California	60%
Colorado	51%
Florida	60%
Georgia	55%
Illinois	57%
Massachusetts	52%
New Jersey	63%
New York	56%
Ohio	62%
Texas	59%
<b>Average for all states and D.C.</b>	<b>57%</b>



The patients surveyed by TransUnion also reported confusion about the bills received for healthcare treatment.

Confusion about Bills Received	
Select States	Always or sometimes confused by bills
California	53%
Colorado	57%
Florida	53%
Georgia	57%
Illinois	56%
Massachusetts	51%
New Jersey	54%
New York	53%
Ohio	56%
Texas	52%
Average for all states and D.C.	55%



**Patients also reported being surprised by the amount they had to pay when they received final healthcare bills.**

Confusion about Payment Amount	
Select States	Always or sometimes confused by bills
California	56%
Colorado	68%
Florida	63%
Georgia	61%
Illinois	62%
Massachusetts	60%
New Jersey	58%
New York	55%
Ohio	61%
Texas	61%
Average for all states and D.C.	61%



# ClearIQ Platform for Patient Access

An intelligent, automated decisioning platform that improves the patient access experience with *pre-defined workflow processes*.





# Patient Access Solutions

SOLUTION	Workflow	ID and Address Verification*	Insurance Eligibility*	Medical Necessity	Prior Authorization
BENEFITS	<ul style="list-style-type: none"><li>• Improve staff efficiency with task-driven, user defined automated workflows</li><li>• Manage staff workload with work-queue monitoring and analysis</li><li>• Provide added intelligence into patient access processes with configurable reporting and dashboard view</li></ul>	<ul style="list-style-type: none"><li>• Verify patient self-reported information against multiple data sources</li><li>• Prevent medical identity theft with Red Flag alerts</li><li>• Reduce data entry errors and returned mail costs</li></ul>	<ul style="list-style-type: none"><li>• Verify insurance benefits electronically with payer connectivity to ~98% of insured lives</li><li>• Easy-to-read eligibility viewer</li><li>• Maximize coverage discovery with customized business rules</li><li>• Increase POS collections</li></ul>	<ul style="list-style-type: none"><li>• Prevent claim denials by ensuring compliance with Medicare medical necessity rules</li><li>• Improve workflow with pass/fail alerts</li><li>• Improve patient education with transparent cost information</li></ul>	<ul style="list-style-type: none"><li>• Reduce administrative costs by automating the prior authorization process</li><li>• Decrease claim denials</li><li>• Allocate resources more efficiently</li></ul>



\* HFMA staff and volunteers determined that these products have met specific criteria developed under the HFMA Peer Review Process. HFMA does not endorse or guaranty the use of this product.



# Patient Access Solutions *(continued)*

SOLUTION	Patient Payment Estimation**	Charity Determination*	Ability to Pay Determination*	Financial Assistance Screening*
BENEFITS	<ul style="list-style-type: none"><li>• Provide a credible estimate with a contracts-based estimation system</li><li>• Easy-to-use for a non-clinical user</li><li>• Get a better estimate with ClearCode auto add technology</li><li>• Improve patient education and POS collections</li></ul>	<ul style="list-style-type: none"><li>• Use a consistent method to determine a patient's likelihood to qualify for charity care based on a charity score and FPL%</li><li>• Meet your community benefit objectives</li><li>• View easy-to-read summary of probability of financial aid metrics</li></ul>	<ul style="list-style-type: none"><li>• Make objective ability-to-pay decisions</li><li>• Increase POS collections with configurable messages on how to treat the account</li><li>• View easy-to-read summary of likelihood to pay metrics</li></ul>	<ul style="list-style-type: none"><li>• Streamline financial counseling with a step-by-step interview process</li><li>• Match patients to the appropriate funding sources</li><li>• Pre-populate program-specific applications</li><li>• Track, store and provide audit-ready documentation for charity care</li></ul>





# The ClearIQ Difference

## Improved Workflow



- Task-driven, user-defined, automated workflows
- Work queue monitoring and analysis
- Configurable dashboard design and search capabilities

## Increased POS Collections



- Industry-leading eligibility, estimation and collection functionality
- Access to multiple 3<sup>rd</sup> party data sources for patient verification
- Easy to read summary of patient financial data

## Better Patient Experience



- Credible, defensible estimate of the patient's out-of-pocket costs with medical necessity review
- Online payment processing
- Patient friendly payment plan options

# About TransUnion Healthcare

TransUnion Healthcare, a wholly owned subsidiary of credit and information management company TransUnion, empowers providers with Intelligence in an Instant<sup>®</sup> by providing data and analytics at the point of need. TransUnion offers a series of data solutions designed to provide greater ease of use, accuracy and transparency in the revenue cycle process thereby assisting providers in lowering their uncompensated care. TransUnion Healthcare was recently rated the highest performing vendor by the KLAS 2014 Patient Access Report for its patient payment estimation and propensity to pay solutions. [www.transunionhealthcare.com](http://www.transunionhealthcare.com)