



A Positive Payment Experience Is Critical: How Healthcare Organizations Deliver Consumer Engagement

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About Our Presenters



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Samaritan Health Services At A Glance

✦ People

- 6,000+ employees
- 425+ employed health care givers
 - Bariatrics, cardiology, cardiothoracic surgery, emergency medicine, endocrinology, general surgery, vascular surgery, oncology, hematology, infectious disease, nephrology, neurosurgery, obstetrics, gynecology, orthopedic surgery, plastic surgery, primary care, psychiatry, psychology, pulmonary medicine, rheumatology, urology
- Nearly 850 health care givers on staff

✦ Facilities

- Five acute care hospitals
 - Tertiary hospital and level II trauma center (at regional medical center)
 - Community-based hospital
 - Three critical access hospitals
- 10+ urgent care centers

Samaritan Health Services At A Glance

✦ Plans / programs

- Four types of health plans: Medicare, Medicaid, Self-Funded, Group
- Home health / hospice, including a hospice house
- Health and fitness centers

✦ Finances

- Gross revenues approaching \$1 billion
- Off-shore captive plan for liability coverage

✦ Preparing for the future

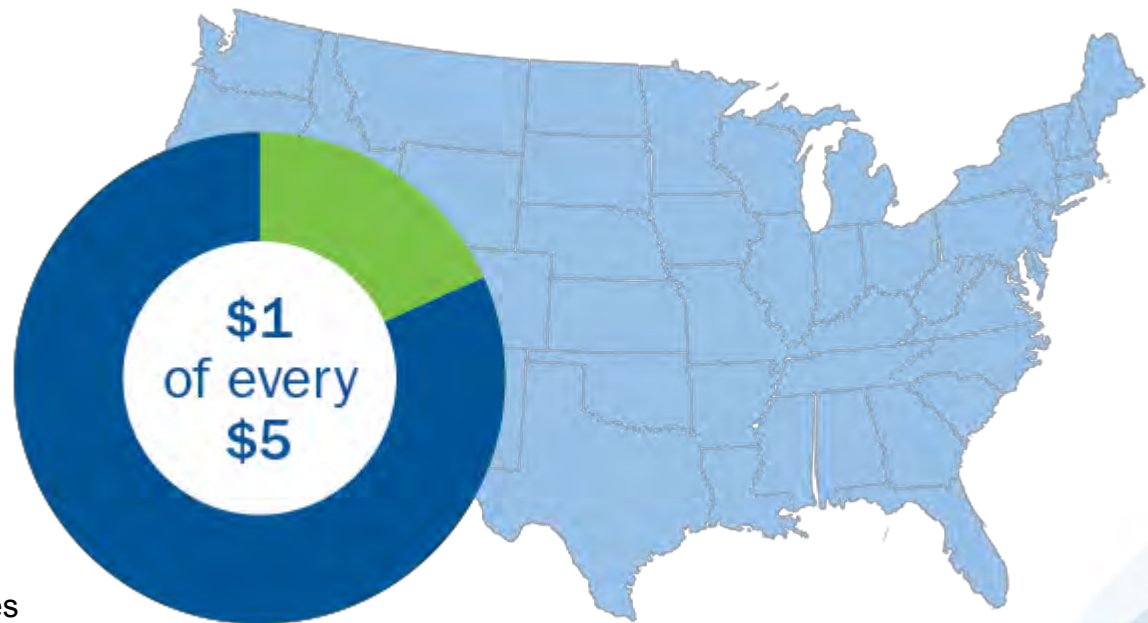
- Accountable Care Organization / Coordinated Care Organization (CCO)
- Medical school partnership
- Residents / GME

Agenda

- ✦ Recognize the importance of **consumer engagement**
- ✦ Evaluate **best practices** for improving the consumer payment experience and achieving financial stability
- ✦ Identify **security risks** associated with the expansion of payment channels

The Healthcare Payments Market is Changing Fast

- ✦ By 2024, it is estimated that nearly \$1 of every \$5 will be spent on healthcare in the U.S.



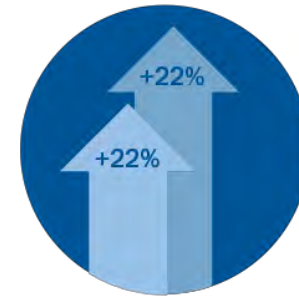
Source: Centers for Medicare & Medicaid Services

Consumer Payment Responsibility in Increasing

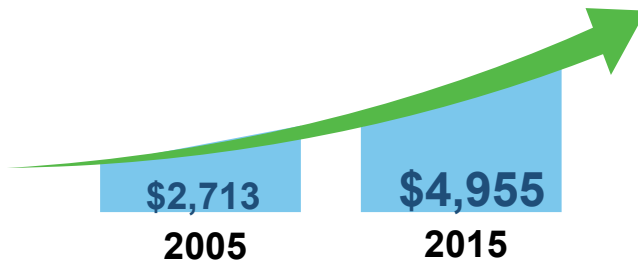
12.7 Million



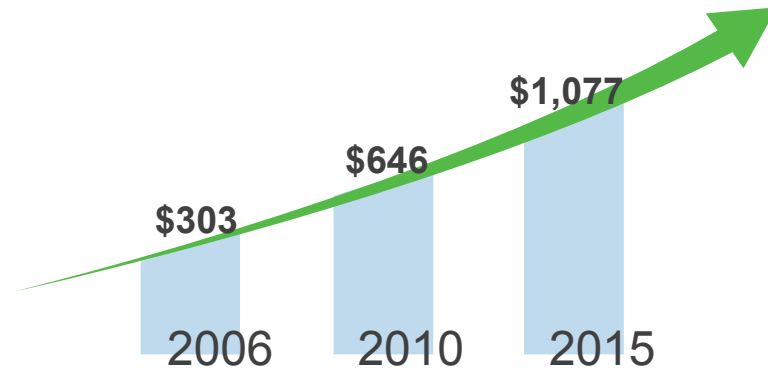
12.7 million consumers enrolled in a health plan through public and private exchanges during Open Enrollment 2016



As of January 2015, 19.7 million consumers are enrolled in HDHPs, representing a 22% increase for each of the last two years



The average health insurance premium for family coverage has increased by 83% since 2005



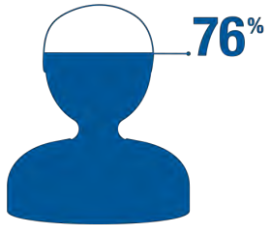
The average deductible for all covered workers has risen 255% since 2006

Sources:
Centers for Medicare & Medicaid Services
America's Health Insurance Plans
2015

The Consumer Experience Healthcare Delivers Today



The percentage of paper statements vs. electronic statements is almost double for medical bills vs. all other consumer bills



76% of consumers said that they were confused by their healthcare bills



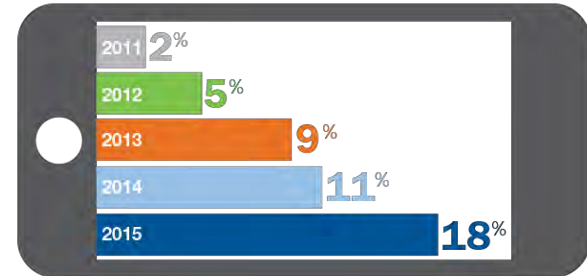
87% of consumers received a paper statement from their providers in 2015

24% of consumers actually want to use checks to make healthcare payments

Sources:
Aite
Trends in Healthcare Payments Sixth Annual Report: 2015

Digital is Changing Economies and Industries and Healthcare Is Not Exempt Consumer Expectations Have Been Set

✦ Payments from a mobile device expanded to 18% of all online payments in 2015



✦ 64% of consumers are interested in Apple Pay or Android Pay to make healthcare payments



Source: Trends in Healthcare Payments Sixth Annual Report: 2015

Security is Top of Mind

Trust Is Important

- ✦ **1 in 3** Americans have been victims of a healthcare data breach
- ✦ **47%** of healthcare organizations claim they **are not confident** in their ability to keep cloud data secure
- ✦ Over half a billion personal records **were stolen or lost** in 2015



1 in 3



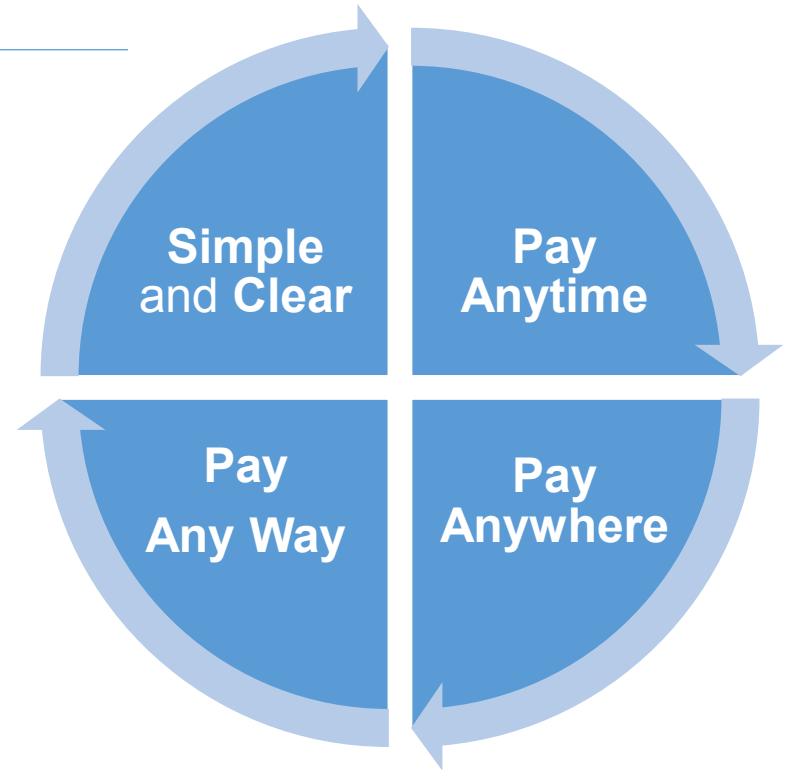
Source: Bitglass 2016 Healthcare Breach Report

Consumer Overview

Consumer Current Realities



- ✦ Acceleration of consumer responsibility
- ✦ Consumer bill confusion
- ✦ Difficulty adopting and implementing
- ✦ Lack of a trusted solution
- ✦ Limited payment options

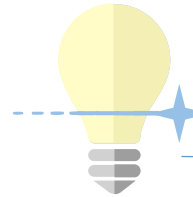


Simple and Clear



Consumer Needs

- ✦ 76% of consumers said that they were confused by their healthcare bills
- ✦ 91% of consumers think it's important to understand what they will owe before a provider visit
- ✦ 84% of American adults use the internet, and 64% of them have smartphones



Solutions

- ✦ Consolidated statement presentation
- ✦ Estimate patient responsibility with real-time pricing intelligence
- ✦ Clear electronic and print communication with text, email and patient friendly statements

Source: Trends in Healthcare Payments Sixth Annual Report: 2015

Pay Anytime



Consumer Needs

- ✦ Simple and automated payments
- ✦ Mobile payments
- ✦ Convenient payment options to pay anytime



Solutions

- ✦ **Automatic Payments:** automatically collect patient balances and deliver all mailed statements electronically
- ✦ **Mobile:** offer online payment options, including mobile
- ✦ **Omni-channel:** give patients multiple ways to pay you so they can pay you anytime

Pay Anywhere



Consumer Needs

- ✦ 71% of consumers preferred paying healthcare bills all in one place
- ✦ 49% of consumers wanted to pay through bank, mobile, or walk-in location
- ✦ 65% of consumers want to pay their health plan premiums online



Solutions

- ✦ More Payment Channels
 - *Online & Mobile*
 - *Front Office*
 - *Back Office*
 - *IVR / Telephone*
 - *Walk-In Bill Payments*
 - *Member Payments*
- ✦ All payment methods and channels in one place
- ✦ Retail-centric solution

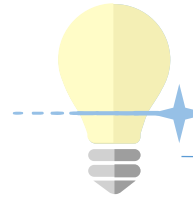
Source: Trends in Healthcare Payments Sixth Annual Report: 2015

Pay Any Way



Consumer Needs

- ✦ 72% of consumers prefer to use electronic payment methods to pay their medical bills
- ✦ 64% wanted to pay using new mobile payment channels
- ✦ No compromise in security for convenience



Solutions

- ✦ All payment types including Apple Pay and Android Pay
- ✦ Universal consumer digital wallet
- ✦ Trusted, secure, compliant



Source: Trends in Healthcare Payments Sixth Annual Report: 2015

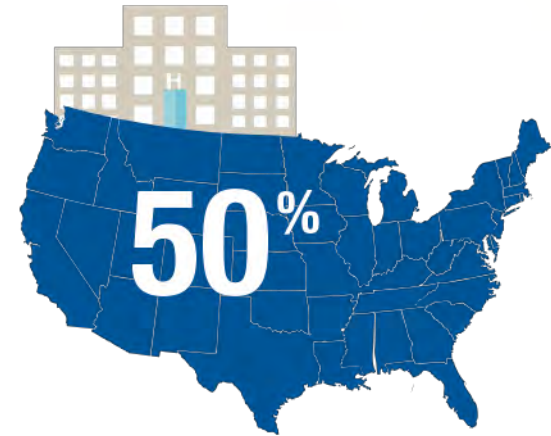


**“The identity I stole was a fake!
Boy, you just can’t trust people these days!”**

Cartoon by Randy Glasbergen

Don't Be the Next Headline

- ✦ In the last year alone, more than **50% of U.S. hospitals** are estimated to have been victim to ransomware with many unsure if they had been attacked
- ✦ 2016 saw the **most healthcare data breaches** than any other year on record
- ✦ Ransomware **increased 35%** in 2015

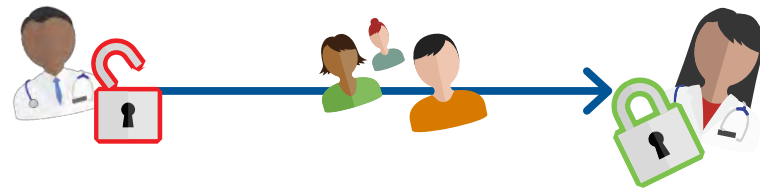


Source: Healthcare IT News and HIMSS Analytics Quick HIT Survey

Know the Risk

The Downside Can't Be Ignored

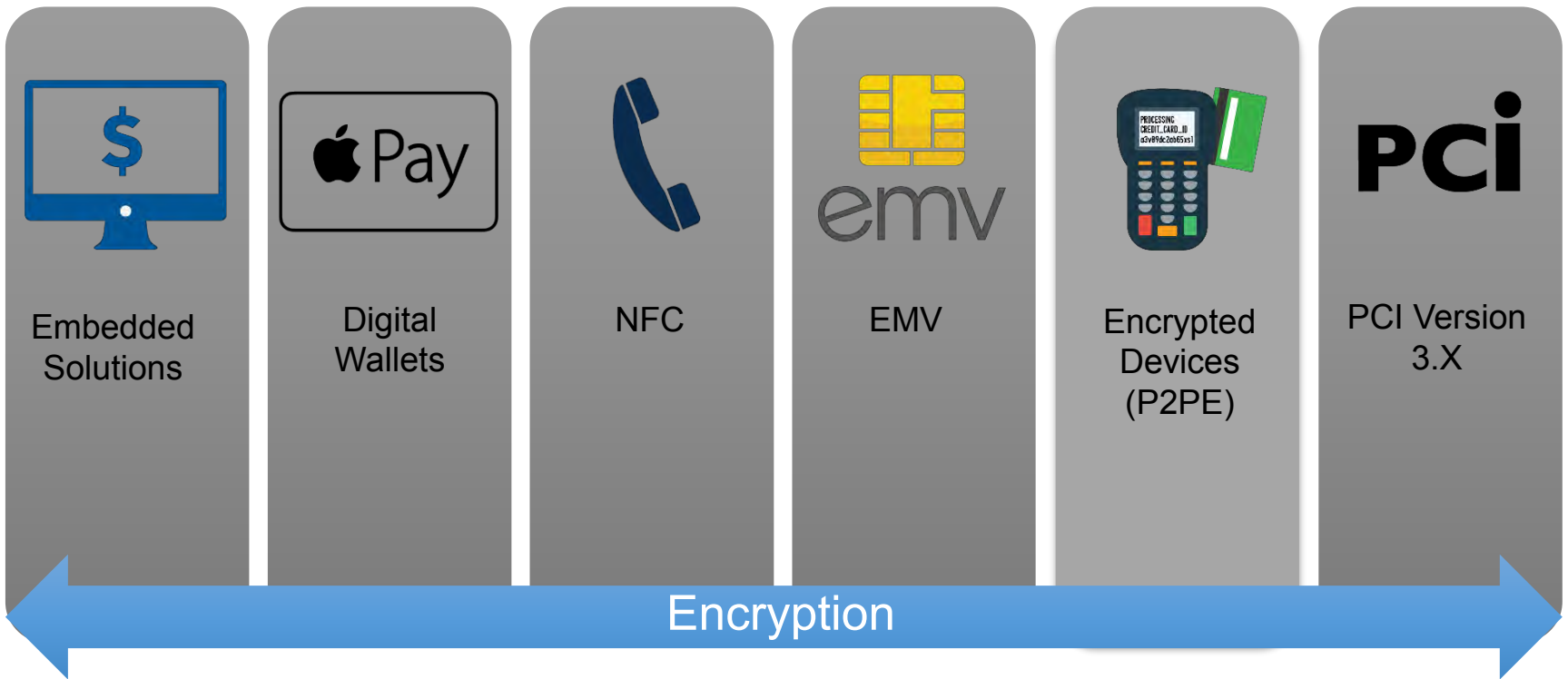
- ✦ **\$7 Million**—the average total cost of a data breach to an organization in the U.S.
- ✦ **\$500,000**—annual excess costs associated with manual posting and reconciliation of payment, manual clearinghouse processes and efforts to meet PCI compliance
- ✦ **60%**—the number of consumers who will think about choosing another provider if there is a security breach, **30%** actually will



Source: Ponemon Institute

Payment Security in Healthcare

Security and Compliance Critical Across Multiple Channels



Expansion of Payment Channels in Healthcare

Digital Wallets



Online Banking



Online Portals



Point of Sale



Automated
Phone Pay



Mobile and
Tablet

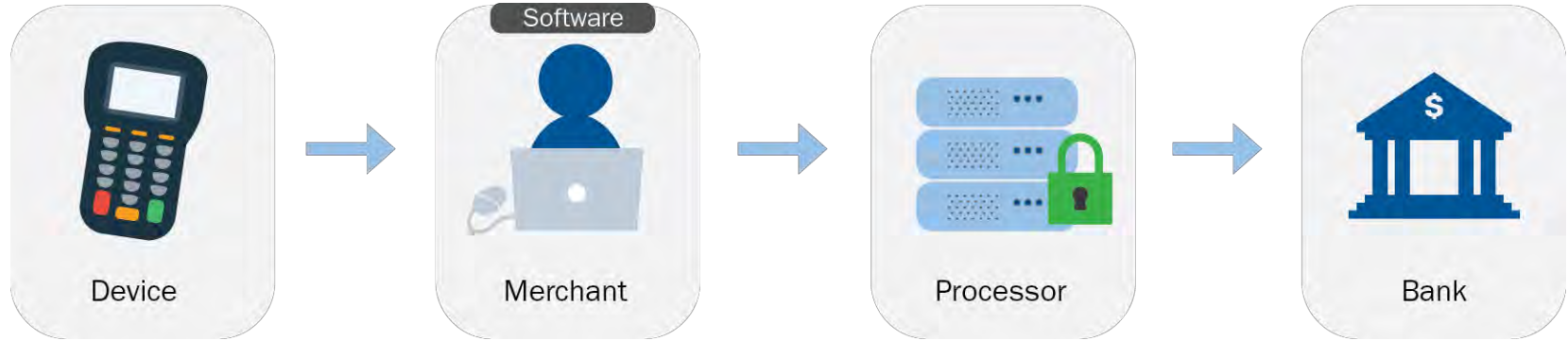


Mail-In Pay



40,000+
Retail
Locations

Handoffs Increase Your Security Risks



PA-DSS

Payment Application Data Security Standard (PA-DSS)

- ✦ Software vendors who develop payment applications that store, process or transmit cardholder data, and/or sensitive authentication data
- ✦ Holds vendors accountable for the payment applications they develop and sell
- ✦ Requires that vendors guide customers with the implementation and use of those applications



PCI

- ✦ Applies to all entities involved in payment card processing, including merchants, processors, financial institutions and service providers
- ✦ Also applies to all other entities that store, process or transmit cardholder data or sensitive authentication data



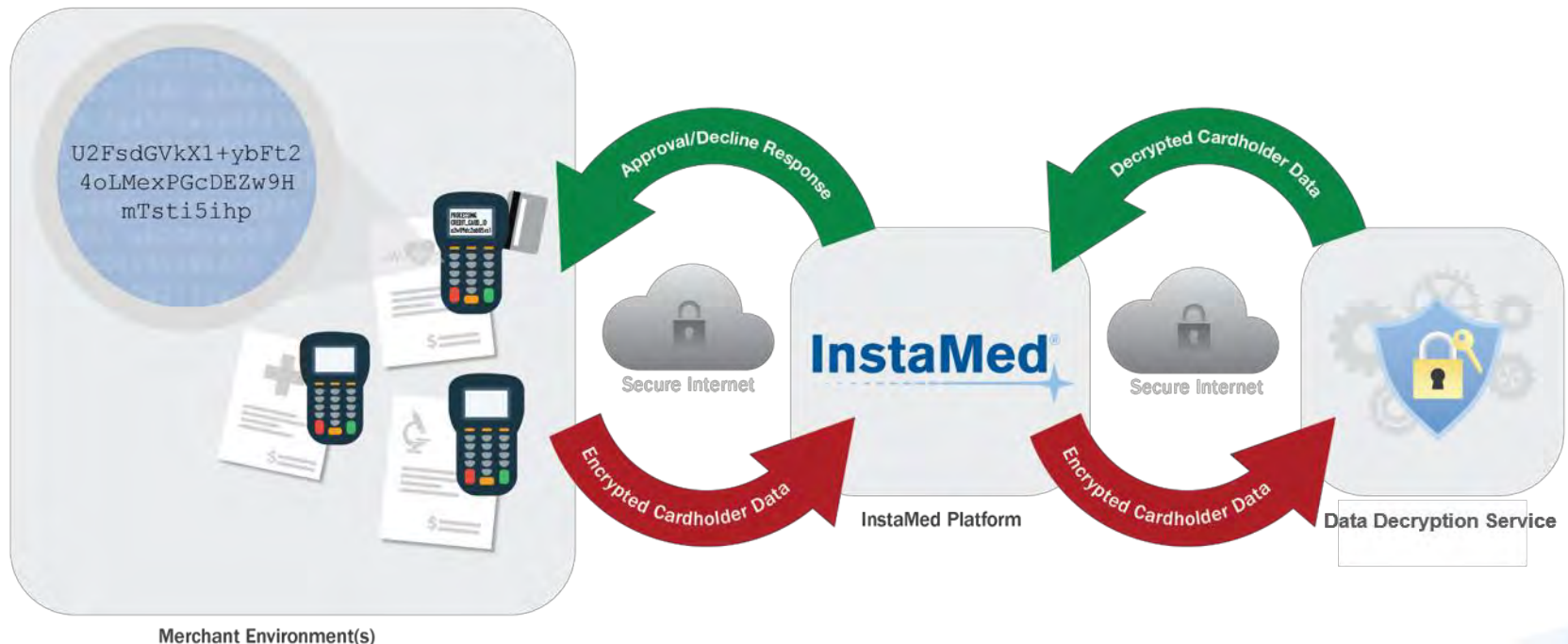
Credit Card Flow



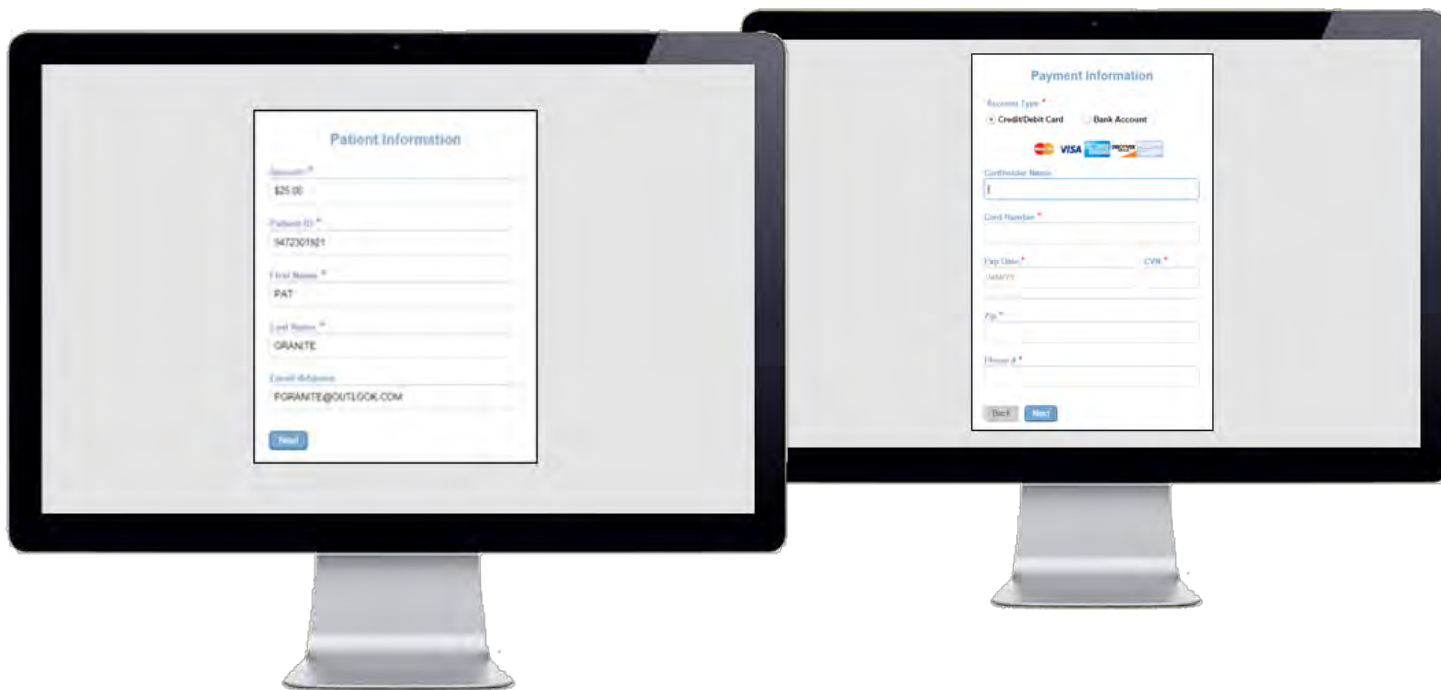
What is P2PE?

✦ Point-to-Point Encryption

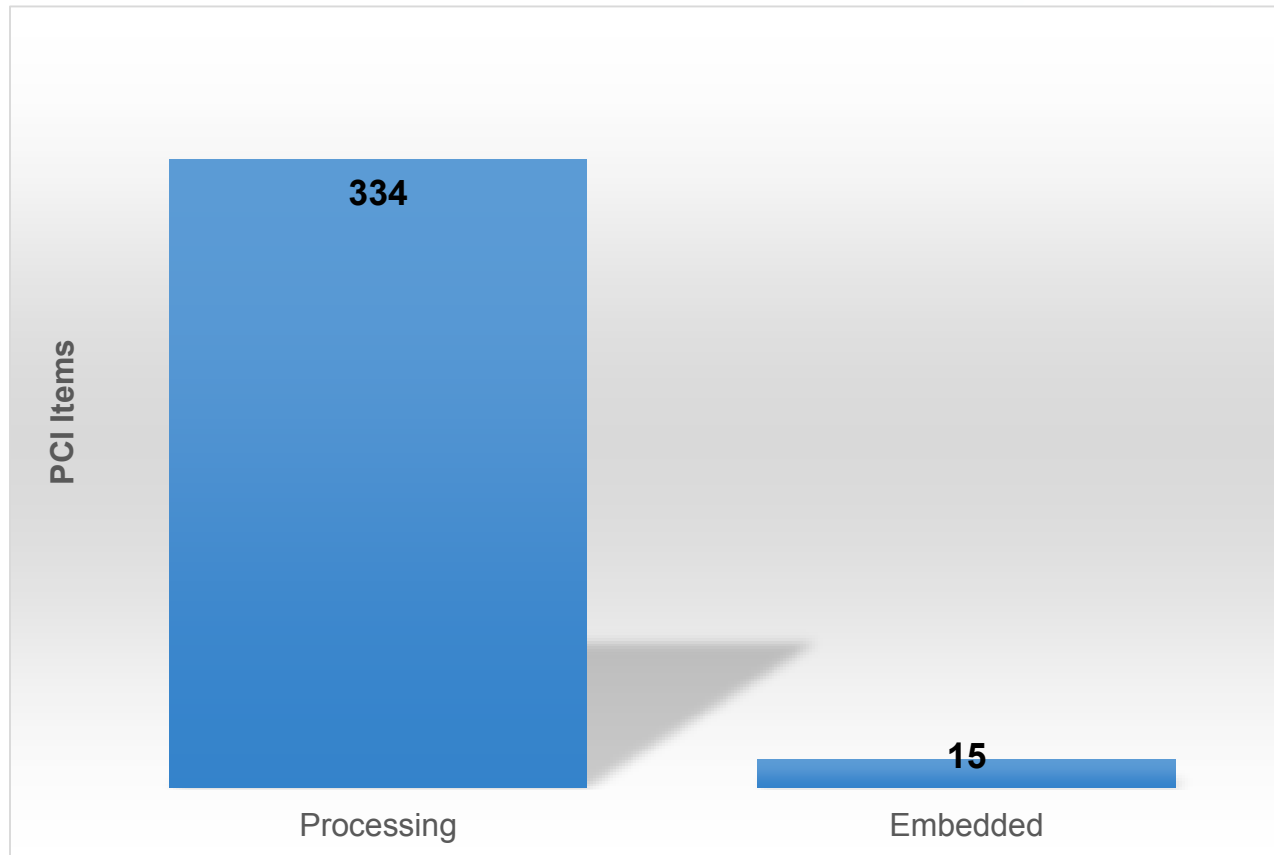
- Encrypt payment information from a device to a secure destination
- Applies to swiped, tapped, inserted and keyed transactions



Payment Processing: Website



Processing vs. Embedding Credit Card Processing



What is EMV?



EMV

Europay, MasterCard and Visa – global standard for authenticating the cardholder



Liability Shift

Since October 1, 2015, merchants are liable for any fraudulent transaction using an EMV card at the point of sale that wasn't authenticated with a pin



Merchants Need to Know

- EMV transactions need to be completed by cardholder
- EMV transactions need to be completed within a time limit of approximately three minutes

EMV will protect you from fraud at the point of service – it will not protect payment card data in the event of a network breach.

What is Tokenization?



All In One Place: Benefits of Integration

Integrate across all systems into a single secure platform

Accelerate data entry and speed to payment

Automate posting of all payments across all channels securely



Questions?

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