

## INSIDE VIEW

# MedDirect

*As patients evolve into consumers, firm focuses on  
"serving the customer in every patient."*

By Susan Hash, Contact Center Pipeline

The health care industry has been undergoing a service evolution in recent years as patients exercise more choice about their health care providers. As patients evolve into consumers, their expectations for a quality customer-centric experience—influenced by service providers in other industries—also has increased. Patients are taking a retail-like view of their health care, and are quick to switch providers if they're unhappy with the service provided.

Health care providers have started to step up their strategies to improve the end-to-end patient experience and increase patient satisfaction and retention. The price of dissatisfied patients can be hefty. A lost patient translates into as much as \$238,000 in lost revenue for a typical practice, according to a study in the "Group Practice Journal," published by the American Medical Group Association. And beginning this year, Medicare will raise the stakes by holding health care providers accountable for patient satisfaction as it transitions to a value-based purchasing program for doctors.

### **Billing Is a Source of Confusion and Dissatisfaction for Patients**

While many providers have focused on increasing patient satisfaction with the clinical care visit, service often falls off dramatically post-visit. In many cases, the only communication patients receive from health care providers after an appointment is an invoice or

statement, which can be difficult to decipher. Patients often don't recognize the terms, procedures and services listed on the invoice, and many don't understand which ones may be covered by their health insurance, which costs they're responsible for, what their payment options are and who to contact for help.

Many physicians and hospitals underestimate the impact that the back-office operations, such as scheduling, registration and billing, have on patient satisfaction. For instance, poor follow through in the billing process can create a great deal of frustration and can undermine an otherwise outstanding experience.

Enter MedDirect. The patient services outsourcer is helping its clients—hospitals and physicians—to enhance their patients' pre- and post-clinical experience through effective communication, patient education and exceptional service delivery.

"We're bringing retail-oriented tools to health care to help physicians' offices and hospitals provide their patients with a more satisfying experience overall—from scheduling the visit to making sure the bill is paid," says Gregory VandenBosch, MedDirect's founder and president.

### **A Focus on Customer Communication and Education**

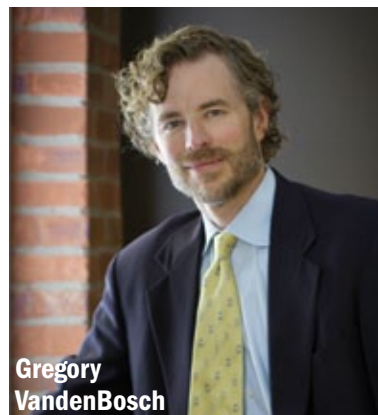
Over the past few years, patients' financial obligations for the care that they receive have increased considerably. Yet the majority of patients are not very savvy when it comes to navigating the health care insurance and reimbursement process. "It's complex for people who are in the field, let alone those who are unfamiliar with the processes," says VandenBosch. As a result, hospitals and physicians have been collecting, on average, only about 40% of the balances owed to them by patients.

MedDirect's approach to the billing process focuses on proactive communication and patient education. "Our approach is quite different because we believe that most patients want to pay their health care bills, if they have the resources and they understand what they're paying for," VandenBosch says.

Research by management consulting firm McKinsey & Company supports that view. In a 2009 survey of retail health care consumers, McKinsey found that more than 74% of insured consumers were "willing and able" to pay for their out-of-pocket medical expenses of less than \$1,000 a year. So what were their reasons for not paying? A lack of financing options and confusion over what they owed were two top issues.

In the past, MedDirect's patient service reps (PSRs) placed outbound calls to patients to follow up after visits and answer questions about their invoices, insurance coverage and payment options. But as the firm's client base grew, and they began to take on larger clients with tens of thousands of patients, they realized that they

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**Gregory  
VandenBosch**



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needed to increase the patient service center's capacity quickly. Because of a shortage of physical space in which to expand and a limited timeframe in which to get PSRs trained and up to speed, management began to search for a technology solution that could expand the center's capacity without increasing its headcount and expand its communication channels.

### Communication Tools Support Service Commitment

MedDirect recently rolled out its new patient communication initiative, which incorporates automated outbound communications to initiate the process.

It starts with a welcome call to the patient, says VandenBosch. Using technology developed by Varolii, a provider of automated outbound communications, patients receive an automated call early in the billing process to introduce the program, provide a high-level overview of the services available to them, alert them to any critical pieces of missing account information and inquire about any questions that they may have. If, at any time, a patient would like to speak with someone, they are immediately transferred to a live patient service representative for assistance or to discuss payment options.

The automated outbound call uses a natural language voice created by Varolii's professional voice talent and follows a pre-defined script that is tailored to different patient demographics, and customized based on the individual patient's preferences for language and communication channel (email, phone or text message).

If a patient chooses to speak to a live patient service rep, the call is transferred to the MedDirect patient service center, where the PSRs' goal is to work with the patient to resolve the call—whether that is receiving payment in full, establishing some type of structured payment plan for patients,


applying the hospital's financial hardship program, or finding insurance on accounts that are reported as having no insurance. "We find that as many as 40% of the accounts that are sent to us as non-insured, actually do have insurance," VandenBosch notes.

### Positive Results for the Center, Clients and Patients

The automated outbound communication solution has dramatically increased the productivity of MedDirect's patient service center by eliminating the outbound calling from its PSRs' workload, VandenBosch says. And PSRs are happier, as well. "They didn't like the outbound component to their job," he adds. "They love the change because it has made them more efficient. Now when they talk to a patient, the patient has already been informed through the automated call about their options and they're ready to take action. It has been very positive."

In fact, the patient service center's efficiency has increased so much that MedDirect recently added its largest client without having to add a single PSR, he says.

Besides the ability to increase capacity, efficiency and satisfaction for patients and staff, VandenBosch says that another key goal for MedDirect has been to increase its communication channels, and to integrate technology that supports its commitment to customer service.

"SMS is very important to us. All of these channels support what we call a generational approach to the revenue cycle communication with patients," he says. "The patients are incredibly diverse—from Millennials to Xers to the Greatest Generation. We recognize that these individuals respond different to different technology. You need a system with the ability to deliver the right message at the right time to the right individual—and that's what we're doing." 

## AT-A-GLANCE

### LOCATION:

Grand Rapids, MI

### OPERATING HOURS:

Monday through Friday, 8 a.m. to 10 p.m., EST; Saturday, 9 a.m. to 2 p.m., EST

### CUSTOMERS:

Provides pre- and post-clinical patient services for hospitals and physicians

### CONTACT CENTER SIZE:

65 FTEs

### SERVICES PROVIDED:

Billing and payment inquiries

### CHANNELS:

Phone, email, SMS

### TOP CHALLENGE:

Expanding capacity for proactive communications to tens of thousands of patients with diverse backgrounds and communication preferences.

### KEY STRENGTHS:

A strong commitment to customer-centric patient services.

## ABOUT US

This issue is available online at: [January 2011, Contact Center Pipeline](#)

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