

sequence

Goodbye, Bills: Modernizing the healthcare experience by changing the way we pay

August 2016



Meet Stewart. Stewart was suffering. It began with a physical pain in his foot, but when confusion about fees and payment responsibility for diagnostic procedures began to delay treatment, the pain expanded to be emotional as well. Was the MRI his doctor recommended covered by insurance, or would it cost him \$500? Why did it seem as though no one could give him a clear answer? Stewart spent many frustrating hours on the phone liaising with his doctor and insurance company to try and sort it out. He was finally informed that he was not responsible for the MRI, yet after the procedure was done, Stewart received a statement suggesting that he may owe \$500. That was more than a year ago. Stewart still waits, with much anxiety, for a bill to surface—or worse, for a call from a collections agency.

Stewart's story is all too common. As a population, we struggle to navigate a confusing healthcare system and feel confident that the care we receive will be in our best interest, both in treatment outcome and financial responsibility. When it comes to our health, we put our faith in trained medical professionals who best know how to administer care. But when it comes to paying for this care, we are left on our own to negotiate the labyrinth of undisclosed fees, uncertain payment responsibility, mysterious billing codes, and reams of perplexing and often contradictory statements and bills.

It is time to demand a better experience—time to shift from a patient mindset to a consumer mindset. The healthcare industry is continually increasing payment responsibility for individuals, and as our financial responsibility grows, so must our access to information—and choice—that guide our healthcare purchasing decisions.

Individuals are paying more than ever for their healthcare. The Patient Affordable Care Act has increased individual insurance enrollment by a factor of one million in the past year alone. 90% of these consumers have opted for plans with low premiums that come with high deductibles and out-of-pocket costs. Higher payments for health plans, insurance premiums, and treatment costs also affect families and employers. The average health insurance premium for family coverage has increased by 83% since 2005 (*Instamed Trends in Healthcare Payments Report, 2016*).

As the financial burden on consumers rises, so too does the demand for visibility around treatment costs before the service is delivered; no one likes a surprise after-the-fact and there is no other industry for which we make purchases without knowing the cost. 91% of consumers want to know their payment responsibility before their visit. (*Instamed Trends in Healthcare Payments Report, 2016*). When we approach our healthcare as consumers, we will demand the information we need to be smart about the money we spend.

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PAY

A shift to a more empowered consumer mindset raises our expectations of the experience as a whole.

In today's world, consumers no longer make decisions on the product or service offering alone, but on how it is delivered. Our end-to-end experience matters more than ever. Retailers such as Amazon, services like UBER, and others have reset expectations in this on-demand convenience economy. Cost transparency, personalization, and convenience through tech-enabled experiences that simplify and streamline processes have become the norm, and yet our experiences within the healthcare system remain glaringly behind the times.

The conditions are prime to remodel the experience of shopping for and buying medical services.

At Sequence, we call this demand for an improved experience "consumer-grade healthcare." Following a retail model of consumer behavior, healthcare services can be presented in new ways that allow people to search, browse, weigh their options, compare prices, and decide how they will pay. By modernizing, automating, and personalizing the transactional aspect of healthcare services, we can enable better relationships among consumers, providers, and payers.



We participated in the design and innovation challenge, “A Bill You Can Understand” because as designers, it’s our responsibility to improve the human experience whenever possible.

Our experience in retail design gives Sequence the ability to create a consumer-grade healthcare shopping experience. Our experience in healthcare design grounds us in knowing constraints that plague healthcare innovation today, which, by and large, will require legislation and societal pressure to make happen. For this challenge, we have created an experience vision that is not futuristic; rather, it is a solution that is well within reach.

However, for our solution to be realized, we understand that it will take a spirit of cooperation between payers and providers, the willingness to expose hidden service fees, and a systemic change at an order of magnitude far beyond what a well-designed experience can do on its own.

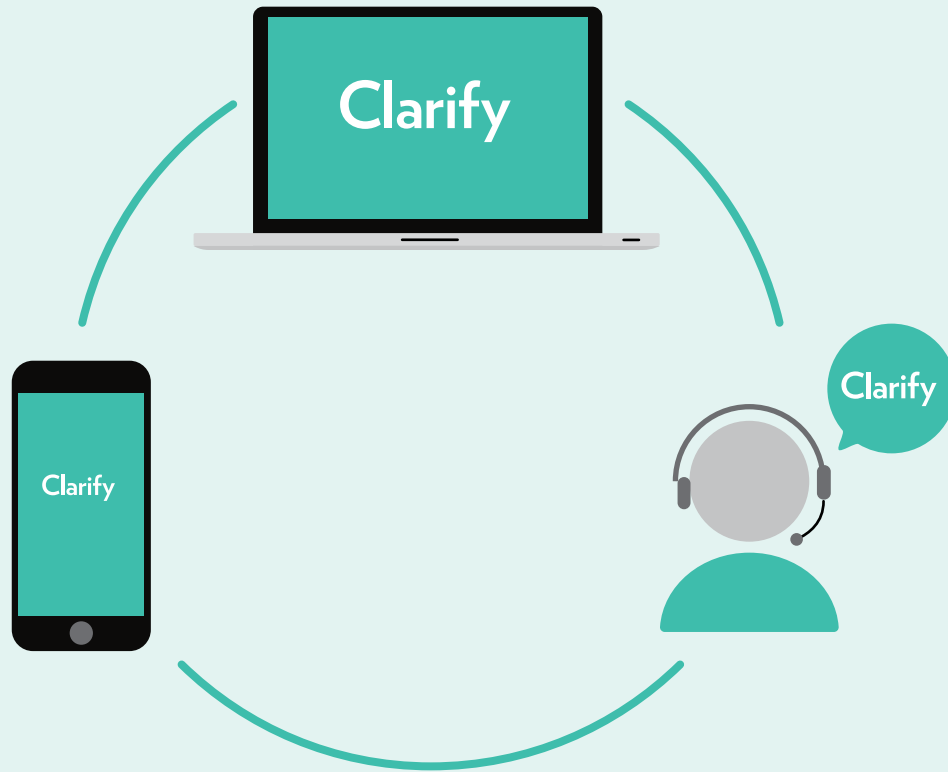
While our submission to this challenge does not delve deeply into these larger, systemic issues, our solution will inspire conversations and bolster the spirit of those already making headway in breaking down the barriers of cost transparency, the fee-for-service business model, the fragmented network of care providers, and the closed system of protected self interest.

INTRODUCING

Clarify

The Clarify ecosystem:

Easily accessible from a variety of touchpoints.



Clarify is a platform that brings cost transparency and choice to healthcare purchases, eliminating financial surprises and empowering people to make more informed decisions.

Clarify connects patients, providers, and payers together in one place, accessible not only via the Web and smartphone apps, but also through offline customer support channels to accommodate those who need or prefer a more guided experience. By gaining access to previously unpublished fees, patients get a clearer snapshot of their costs and coverage, and can pay directly through the app at the time of service. Providers see less missing payments, resulting in improved cash flow and better patient relationships. And by reducing paperwork and policy confusion, payers save money and increase customer retention. It's a win-win-win.



Patient



Patient



Patient



Patient



Patient



Insurance Broker



Industry Expert



HR Manager



Physician's Assistant



Medical Coder

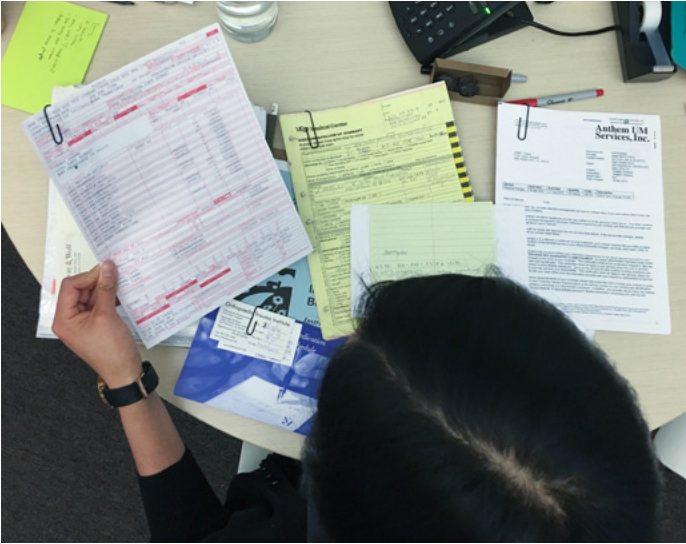
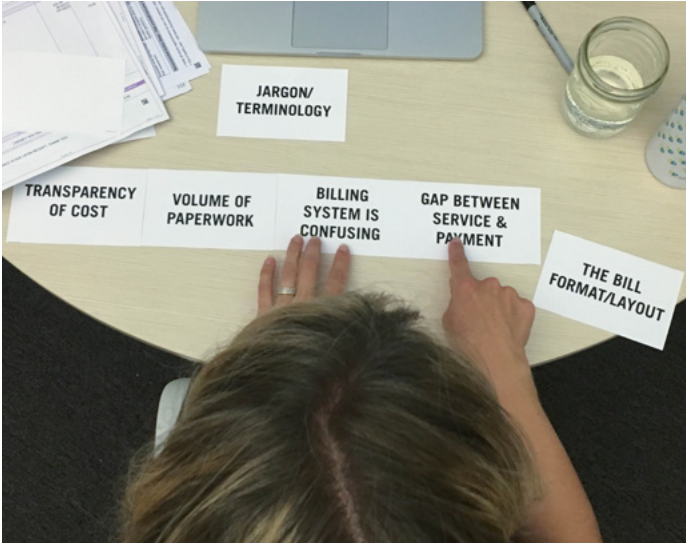
Clarify is designed around the needs of people.

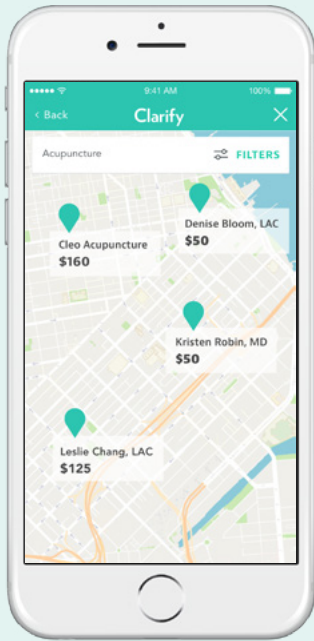
This includes not only patients, but providers and payers as well. We are all part of the experience. In addition to immersing ourselves in the detailed Mad Pow research and that of others, we interviewed a medical coder, physician's assistant, HR manager, insurance broker, industry expert (journalist), and seven individuals who have recently experienced medical events involving treatment or surgery.

Their top pain points about today's healthcare experience, in order of priority, included the following:

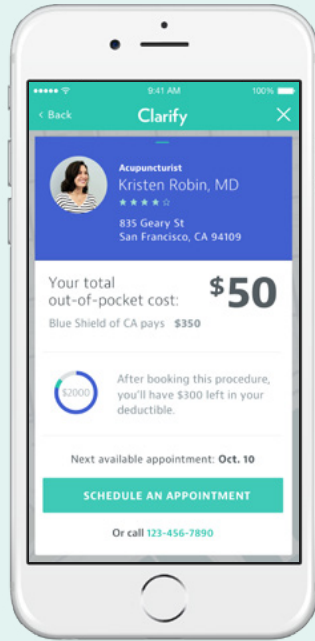
1. Lack of cost transparency
2. Confusing billing system / process
3. Time gap between service and payment
4. Confusing industry jargon / terminology
5. High volume of paperwork
6. Confusing bill format / layout

Interviews and a card sorting activity helped us gain empathy and gather insights.

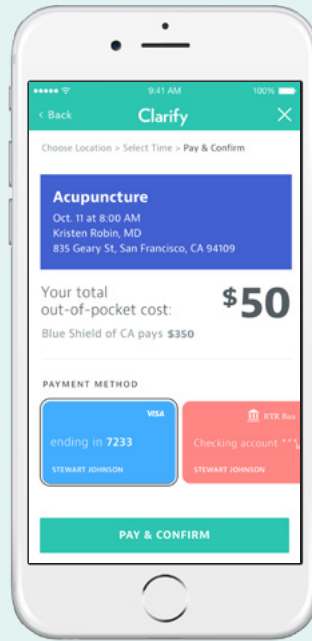




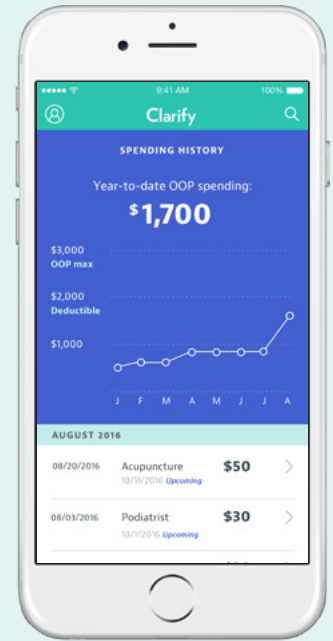
Compare prices on a map



View details about provider and cost



Pay when you book



Track spending history

Our solution is crafted on principles of consumer education, empowerment, choice, and simplifying the process of obtaining and paying for care.

Here's how Clarify accomplishes this:

- By publishing dynamic and competitive fees, using geographic location to present the most personalized options
- By enabling immediate or recurring payment through mobile and online methods—transforming bills into receipts
- By tying payments to HCP visits or treatments with an appointment scheduler, which streamlines the entire healthcare experience
- By offering a single place to access a clear, comprehensive picture of how one's insurance benefits and payment responsibility work together
- By including a digital record of payments, keeping a history of everything together in one place
- By visualizing an overall summary of healthcare finances that enables consumers to make smart decisions, from those that are more immediate to ones that require longer-term planning



The word “clarify” means “to free of confusion.”

By introducing a tool like Clarify into the healthcare landscape, our goal is to free people from the confusion that surrounds healthcare costs, and arm them with the information they need to make empowered decisions around future healthcare investments. This consumer-centered dynamic has been absent from the healthcare industry for far too long, and we believe Clarify represents a promising step towards the healthcare experience we all deserve.



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sequence

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