Financial Toxicity

The Importance of Effective Financial Navigation

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AGENDA

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1. Introductions
2. Let’s Talk About Financial Toxicity
3. Why Does This Matter?
4. What Can Healthcare Providers Do?
5. What is Financial Navigation and How Does it Help?

Who We Are

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Former healthcare leaders with over 20 years of hospital operations experience.

- Revenue Cycle
- Patient Access
- Financial Counseling
- Oncology, Surgery and Imaging Operations

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What is Financial Toxicity?

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- A term used to describe the financial impact of treatment
- Applicable to any patient with a chronic high cost disease or illness
- Driven by a combination of factors including:
  - High out-of-pocket treatment/drug costs, including high co-pays and deductibles
  - Reduced income due to not being able to work
  - Being underinsured or uninsured

Signs of Financial Toxicity

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- Missing doctor visits or treatments
- Skipping prescription refills or taking less than prescribed to prolong the time between refills
- Reduced spending on necessities such as food, clothing, or utilities
- Inability to pay bills
- Maxed out credit cards
- Increased stress, anxiety and depression

Impact of Financial Toxicity

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- Patients under extreme financial distress have a reduced quality of life
- A recent study correlated financial hardship in cancer patients to increased mortality rates[1]
  - Among cancer patients ages 18-64, 30% reported medical financial hardships
  - Of those 30%, there was a **17% excess mortality rate**
  - More research is needed for other disease types
- Extends beyond the patient to their family members and loved ones
- Patients will have less ability to pay out-of-pocket costs

Why Does this Matter?

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High out-of-pocket costs are negatively affecting revenue cycles

The majority of bad debt now is associated with patients with insurance, contributing to the net revenue challenge for hospitals.

Four in 10 Americans Cut Spending to Cover Healthcare Costs

New Report Highlights Financial Challenges Facing Hospitals That Are Jeopardizing Access to Care

Medical Debt Makes the Sick Sicker

— Better and broader insurance coverage is essential

Why Does this Matter?

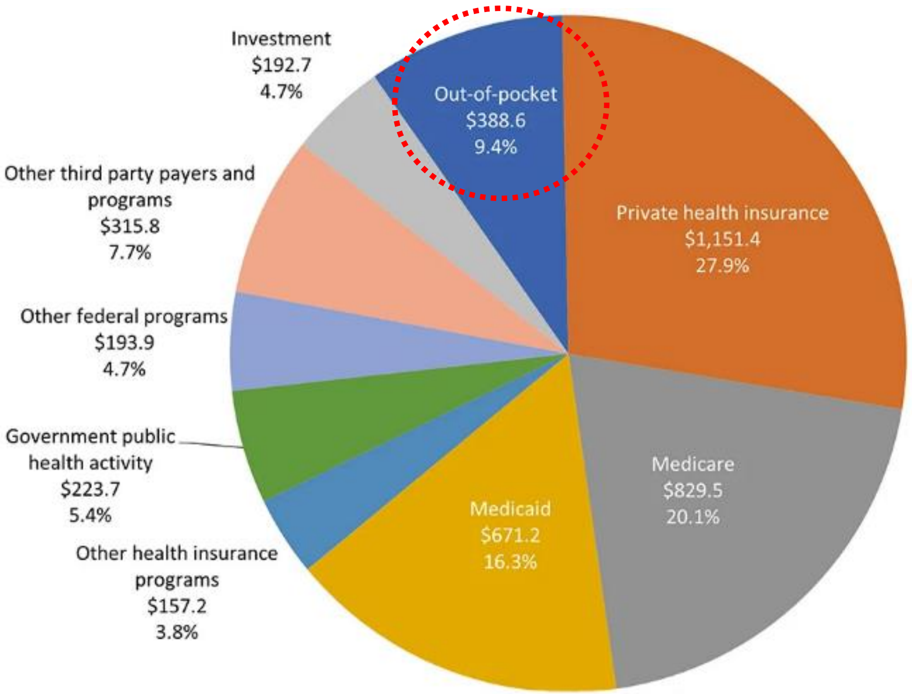
According to an analysis by Kaufman Hall, over half of hospitals will be in the red by year-end[2].

These financial hardships are driven by:

- Economic instability
- Inflation
- Rising interest rates
- Increased costs for supplies, drugs and equipment
- Staffing shortages and increased contract labor

Why Does this Matter?

- Health spending in the U.S. increased by 9.7% in 2020 to $4.1 trillion[3]



Who pays the bill?

Norm's Story

- Diagnosed with an aggressive stage 4 cancer
- Insurance would not cover prescribed immunotherapy
- Treatment regime deemed 'off-label'
- Estimated out-of-pocket cost: $10,000 per treatment
- Patient cannot afford treatment costs and declines care
- Meets with Financial Navigator and wishes for "one more Christmas" with his family

Norm’s Story

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- Financial Navigator immediately looked into ways to help the patient
- Co-pay assistance not applicable for off-label
- Drug replacement was new and took some time to get approved
- The patient got his wish and had several more holidays with his family

“The Financial Navigator worked with us so Norm was able to get the drug. And now, two years later, he’s still alive to celebrate another holiday season with us!” -Pat

Benefits of Reducing Financial Toxicity

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- Increased patient satisfaction
- Medication and treatment adherence
- Improved quality of life
- Patient retention within the health system
- Patients will be better positioned to pay out-of-pocket costs

Patient Experience Matters

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- Better patient health outcomes
- Happy patients are loyal patients
- Loyal patients will refer family and friends
- Consumerism in healthcare is growing
- Increases employee satisfaction[4]

What Healthcare Providers Can Do

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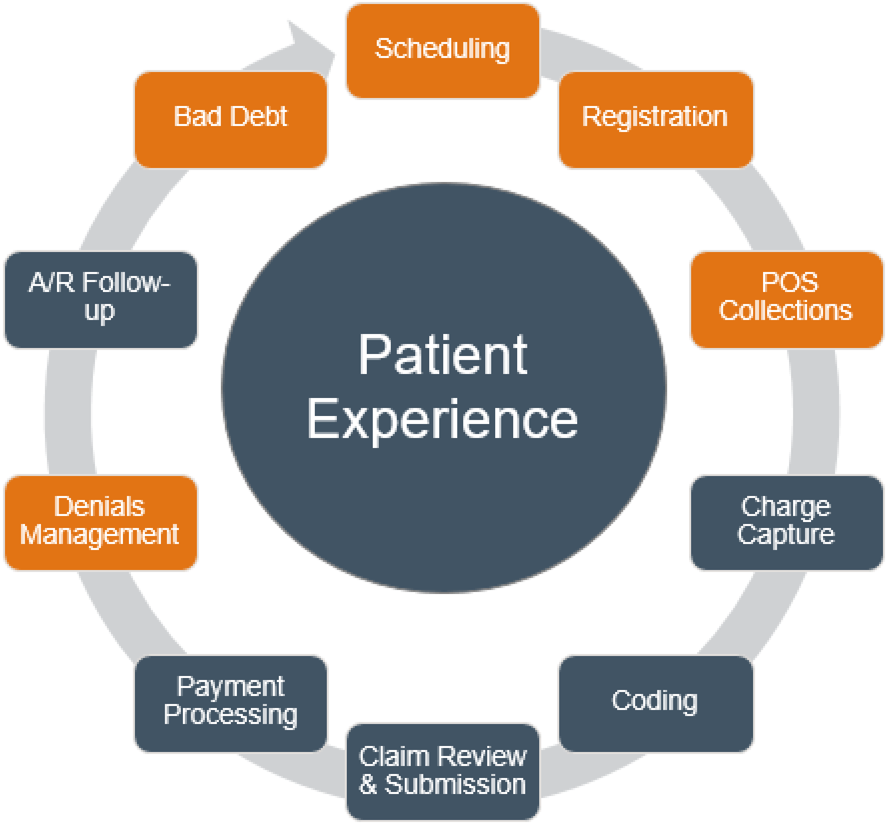
- Start with a comprehensive financial clearance workflow



Financial Clearance Responsibilities

Incorporate Financial Navigation

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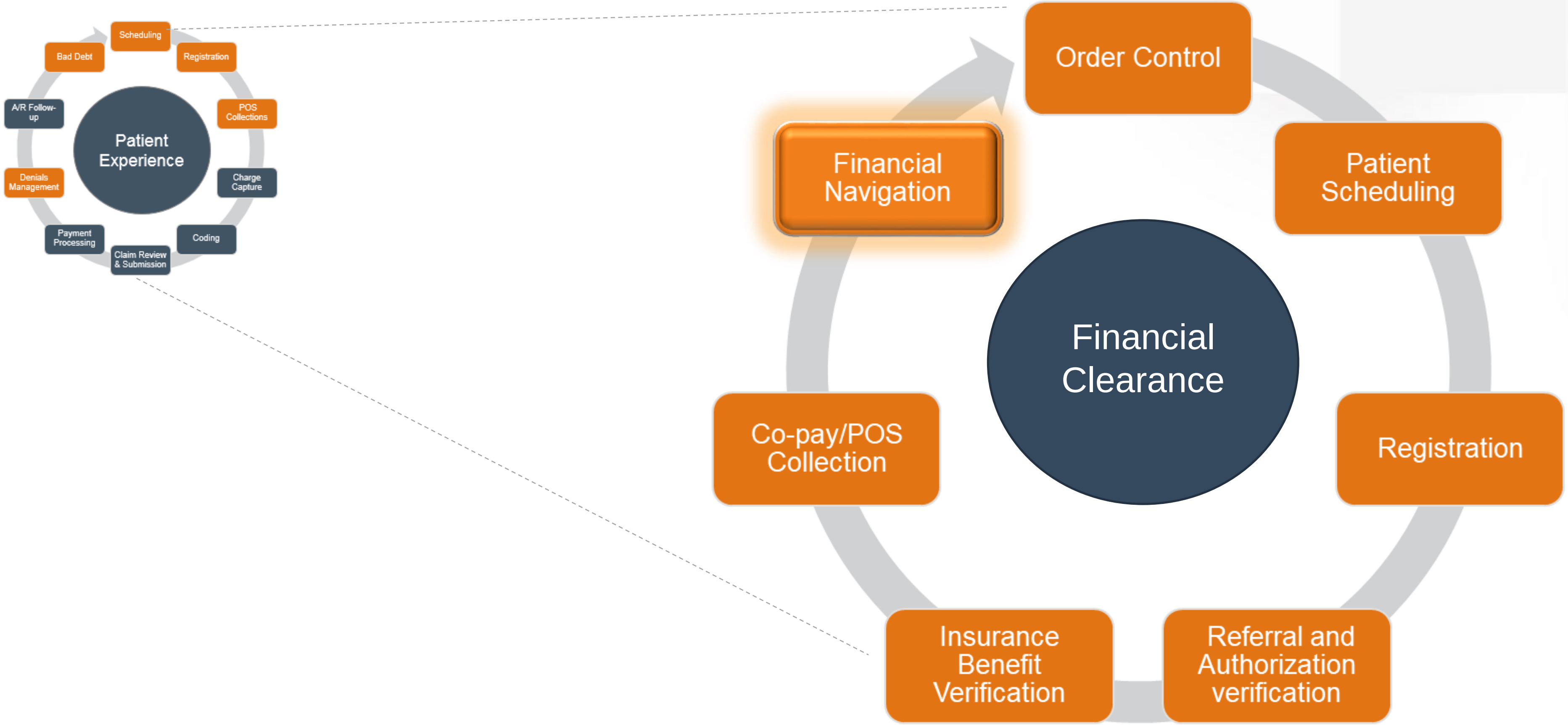

What Healthcare Providers Can Do

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- Offer more complex patients financial navigation services (cancer, cardiovascular disease, autoimmune diseases, neurological diseases)
- Provide estimates for all scheduled services
  - Knowing the costs up front, versus after the fact, empowers patients in decision making
- Keep a list of resources available to support patients
- Include financial navigators as part of the multi-disciplinary care team

What is Financial Navigation?

- Benefits investigation
- Insurance coverage optimization
- Prior authorization obtainment
- Patient education
- Identification of assistance programs
- Facilitation of insurance/billing issue resolution

"You can reduce your co-pay if you eat lots of chicken soup."

What Does a Financial Navigator Do?

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- Advocate
- Educate
- Listen
- Guide
- Problem solve
- Collaborate

Another Patient's Story

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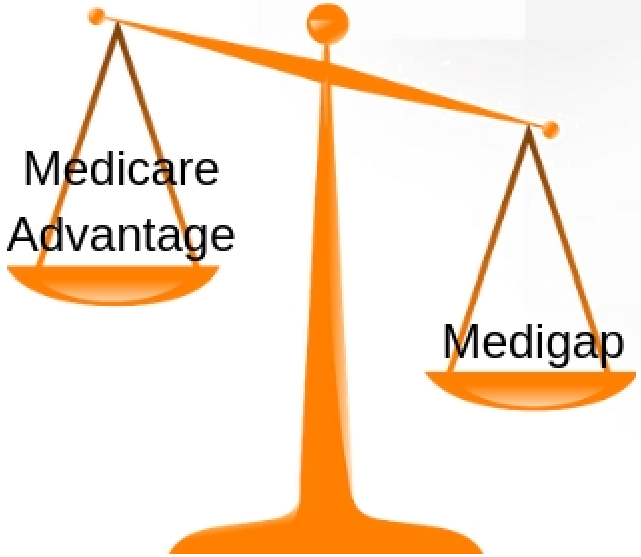
- Patient was a Veteran
- Patient thought he had Medicare & Medicare Supplement plan but discovered he had a Medicare Advantage plan
- He could not afford the out-of-pocket cost for treatment
- The husband and wife did not qualify for financial assistance
- Financial Counselor helped patient obtain better coverage



Insurance Optimization

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- **Enhance insurance coverage through careful review and selection process**
- Medigap (supplement) or Medicare Advantage?
- Patient confusion due to:
  - Lack of understanding available insurance products
  - Insurance marketing practices

Impact to the Bottom Line

- Protect valuable revenue
- Maximize reimbursement through insurance optimization, co-pay assistance and other programs that financially support patients' ability to pay out-of-pocket costs
- Reduce denials
- Reduce bad debt
- Reduce charity write-offs

Resources Available

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- PAN Foundation (https://www.panfoundation.org/)
- GoodRx (https://www.goodrx.com/)
- Aunt Bertha (https://www.auntbertha.com)
- Medicare Rights Center (https://www.medicarerights.org/)
- National Council on Aging (NCOA) (https://www.ncoa.org/)
- National Association of Area Agencies on Aging (https://www.usaging.org/)
- Association of Community Cancer Centers (ACCC) (https://www.accc-cancer.org/)

Questions?

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Thank you!

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