

# Elevate patient engagement and retention with pricing transparency



Hospitals and health systems have been legally required to publicly disclose their prices since early 2021, but compliance has lagged due to factors like internal friction and lack of urgency.

Unfortunately, this inertia also blocks healthcare providers from accessing transparent pricing’s hidden opportunity: it holds the potential to be an effective avenue to engage and win over today’s

price-conscious patients. How does compliant disclosure of healthcare prices build patient engagement and ensure the financial success of hospitals and healthcare systems?

The impact of transparent pricing practices extends beyond legal and regulatory compliance. It has the potential to influence everything, from the health of operating margins to the patient satisfaction ratings of future healthcare organizations.

## Several factors contribute to this new approach to healthcare:



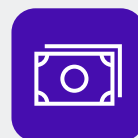
### Harnessing established consumer behaviors

by encouraging price-savvy patients to choose compliant providers



### Cultivating trust

in the evolving healthcare landscape with price transparency as a key differentiator for attracting and retaining patients



### Staying competitive

through easy access to accurate online prices, fostering long-term loyalty

# People, process, and technological barriers to implementation

Forward-thinking healthcare leaders should begin considering their next steps and how they can implement transparent pricing practices within their organization.

As they kickstart their efforts, they might find people, processes, and technological challenges standing in the way:



## **People: Cultural resistance to change**

Cultural resistance among some healthcare professionals to price transparency can hinder patient-centered progress. To overcome this, hospitals must educate and emphasize the benefits—enabling physicians to balance quality care with affordability and fostering professional pride.

Done right, transparent pricing is a win-win for everyone involved. Patients receive the best course of treatment they can afford and can pursue suitable payment options, while hospitals and healthcare systems can keep margins healthy, and operations sustainably funded.



## **Process: Complexities in calculating healthcare costs**

Calculating healthcare costs accurately is a complicated task due to the multitude of hidden expenses involved in service delivery. Cost-centered accounting may overinflate or underestimate costs, making data accuracy crucial. To maintain trust and reputation, healthcare systems must reevaluate their cost-tracking processes and technology for real-time precision.



## **Technology: Disconnected IT systems and siloed data**

Inadequate IT system integration and data silos hinder cost tracking in healthcare. Accurate pricing requires capturing costs down to the cent for every service component, involving data from payroll, supply chain, medical supplies, labor, and more. The solution should centralize this data for a unified view, eliminating the need for multiple interfaces and disparate datasets.

As a plus, the benefits of interoperability aren't limited to price transparency initiatives. Greater levels of integration also contribute towards efforts to develop a robust FHIR strategy, improve operational efficiencies, or ensure security and privacy regulatory requirements are met.

# Breaking down the barriers to price transparency implementation

How can these challenges be overcome and progress towards patient-centric healthcare be realized?

As every healthcare professional knows, there are appropriate treatments for every diagnosis. Below are some solutions to people, process, and technological challenges:



### Lead with patient-centric education and training

With leadership’s support, focused educational sessions and training programs can be initiated to align health professionals and staff on the benefits of transparent pricing:



	Purpose	Reasoning and Benefits
1	Informing professionals and frontline staff on how price transparency benefits patients.	Appeals to their professional side and helps them guide patients in selecting a treatment plan that fits their medical needs and financial requirements.
2	Training professionals and staff on how they can obtain the latest prices on behalf of their patients, on-demand.	Improves the patient experience by showing patients how easy it is to access the latest prices online. Healthcare professionals can also use this opportunity to engage their patients better and initiate conversations on affordable treatment options.
3	Training professionals and staff on how they can guide their patients to obtain the latest prices online, on-demand.	
4	Guiding personnel on how they can maximize the use of tools and technology related to price transparency	This helps relevant medical staff to give patients transparency into the costs that go into a service and build trust with patients.

**Consider the shift to activity-based accounting**

Activity-based accounting assigns a cost to specific activities or components, providing a detailed view of expenses. Shifting from cost-center accounting necessitates organizational process changes across finance, customer service, and medical staff. To ensure a smooth transition, hospitals and health systems must equip their teams with the necessary tools and training. Key requirements include:

	Purpose	Reasoning and Benefits
1	Processes to define and assign a cost to the different activities that are involved in creating each healthcare service.	These ongoing processes will guide finance and revenue teams to keep activity costs up-to-date, and final service costs accurate, over time. Patients will get fair prices even as hospitals and health systems keep their operating margins healthy.
2	Processes to calculate and update price information, as the costs of activities change over time.	
3	Processes to post and update prices online, and allow patients to obtain the latest information without assistance.	Hospitals and health systems can enhance the patient experience by providing self-service options or the ability to interact with a professional to purchase a service. Prices remain consistent across multiple channels, garnering patient trust and satisfaction.
4	Processes to empower call centers, scheduling services, and administrative staff with updated prices, on-demand.	

**Enhance interoperability and improve functionality**

The primary goal of enhanced interoperability is the full integration of all IT systems, including third-party and partner data sources. Healthcare organizations will benefit from an integrated solution tailored to seamlessly connect with healthcare tools, APIs, and data types, offering cloud-based scalability, security, and availability. Improved interoperability will enable real-time pricing determination and seamless dissemination of pricing information to patient-facing portals:

Provider-facing capabilities	Patient-facing capabilities
Complete interoperability and activity-based accounting enable healthcare professionals to access cost data integrated into a secure, compliant cloud-based solution, facilitating real-time price calculation, adjustment, and patient-facing channel updates while ensuring patient data privacy.	Hospitals and health systems need user-friendly website interfaces for price transparency. Patients should easily access pricing and self-scheduling options, ensuring a seamless journey from discovery to appointment booking. Integrating scheduling data with CRM systems empowers personalized follow-up, enhancing patient engagement and loyalty.

# The path to implementing transparent pricing practices

Implementing transparent pricing practices may seem long and daunting, but hospitals and health systems must remember that the long-term benefits far outweigh the investments in people, processes, and technology.

Improvements to accounting processes and interoperability levels also have the potential to raise operational efficiencies and ease the path to regulatory compliance – thereby bolstering returns on investment.

More importantly, hospitals and health systems now possess an alternative avenue to elevate the healthcare experience.



Price transparency stands out as a quantitative edge that can be used beside the qualitative advantages of a healthcare organization, attracting both price-conscious consumers and professionals desiring to provide high-quality, but affordable, healthcare services to their patients.

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## Healthcare-specific ERP for better operations and outcomes

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