

HFMA Tackles Hospital Billing Chaos

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by Jane Jeffries

Hospital bills are lengthy, often incorrect, and potentially confusing-to no one's surprise. A hospital bill is the result of a long process with numerous participants, beginning at pre-intake and ending with final collections.

Richard L. Clarke, FHFMA, president and CEO of the Healthcare Financial Management Association (HFMA), wants to transform hospital bills from confusing, complex, and incorrect to "clean, correct, and concise." With the endorsement of the American Hospital Association, HFMA is leading a "patient-friendly" billing initiative that aims to analyze the billing process to determine the roots of its complexity. The complexities of managed care billing, chargemaster maintenance, staff training, the combination of manual and automated input of information, and other billing components will be examined for potential simplification.

So far, the patient-friendly billing task force, comprised of industry experts providing technical and financial support, has met to examine the major issues-legal, staff training, and managed care, to name a few-involved in billing and develop positions. Patient focus groups are planned so more can be learned about patient billing experience. "We need to know what 'patient-friendly' billing means to patients," says Clarke. Later this year, HFMA will meet with hospital executives to review the association's recommendations and then present them to the public via public service agencies.

"We think we can make some recommendations that will solve some of the PR nightmares hospitals are experiencing. And our recommendations will save money over a period of time and most likely reduce the labor behind billing," Clarke says. That's the incentive hospitals need to follow the recommendations. However, the task force will also explore legislative and regulatory changes that may be needed to simplify the billing system. Says Clark, "We hope to crystallize better practices for billing."

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