

2022

Consumer Survey.



**Relieving the Financial
Stress of Care**

A significant proportion of care that was delayed or deferred during the pandemic “may be permanently lost,” a [recent analysis](#) projects, whether due to affordability concerns, loss of trust or increased competition. Meanwhile, there are signs that [“inflation has hit healthcare.”](#) The expected impact: higher costs of care at a time when consumers are less able to shoulder the healthcare cost burden.

For revenue cycle departments, these are signs that retaining and recapturing patient volumes could depend on their team’s ability to relieve the financial strain of care.

In December 2022, AccessOne conducted a survey of more than 1,000 consumers to explore the potential impact of inflation on consumers’ healthcare purchasing decisions and payment behavior in the year ahead. The responses reveal the extent to which individuals and families are feeling the financial pinch of higher expenses and constrained resources:

- 71% of consumers say inflation has affected healthcare purchasing decisions or their ability to pay their medical bills.
- More than half say they’ve felt the impact of inflation on their ability to pursue or pay for care “a lot” or “somewhat.” Populations that feel this stress most acutely include younger generations, racial and ethnic minorities, families with children, and middle-income families.
- The financial stresses of an inflationary environment also put pressure on consumers’ ability to afford food, utilities, rent or mortgage payments, fuel, and even travel to see family or friends. *See exhibits 1 and 2 on the following page.*

Now is the time for revenue cycle leaders to examine the ways in which economic turbulence and uncertainty could tighten revenue in 2023—and develop proactive strategies for securing patient volumes, payment, and trust.



In 2023, inflation will influence most consumers’ purchasing decisions—and purchases of food, fuel, utilities, healthcare services, and more will undergo greater scrutiny.

Digging Deeper.

Populations Most Likely to Delay Healthcare Expenses in 2023*

By Income.

52% Less than \$50K

58% \$50K to less than \$100K

48% \$100K or more

* Indicates percentage of consumers expecting to delay any healthcare expense in 2023, including preventative doctor's appointments, prescriptions, or needed care or procedures.

By Generation.

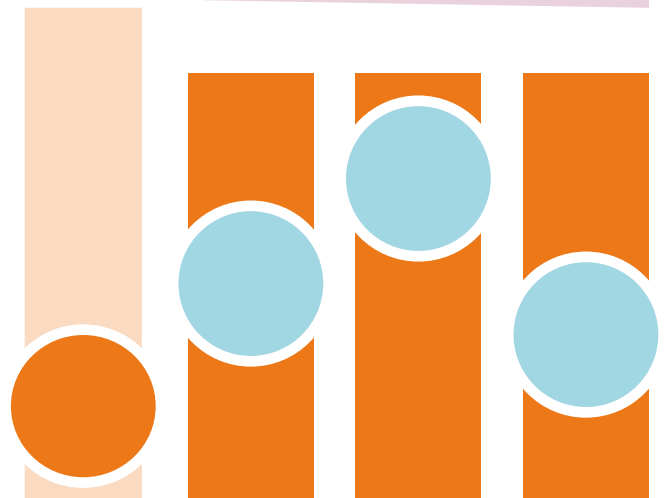
59% Gen Z

55% Millennials

55% Gen X

48% Baby Boomers

One out of four consumers say inflation will affect healthcare purchasing decisions "a lot."



How Financial Stress Affects Purchasing Decisions

Nearly one-third of American adults say their top financial goal for 2023 is to [build an emergency savings fund](#), a survey fielded in late 2022 shows. That's more than the percentage of adults who are saving to buy a car or a home or plan for a wedding—and insight from the AccessOne survey reveals consumers' motivations for shoring up emergency savings.

Many adults are dipping into savings to pay for essentials—including healthcare.

One out of five consumers have relied on savings to pay for healthcare expenses in the past year, survey responses show. More than four out of 10 have used savings to pay for groceries, while 31% borrowed from savings to pay utilities, and about one in four did so to cover their rent.

Just 26% had not used savings to cover essential expenses in the past year. Thirteen percent of consumers said they did not have savings to draw from.

Consumers are losing confidence in their ability to pay for healthcare expenses.

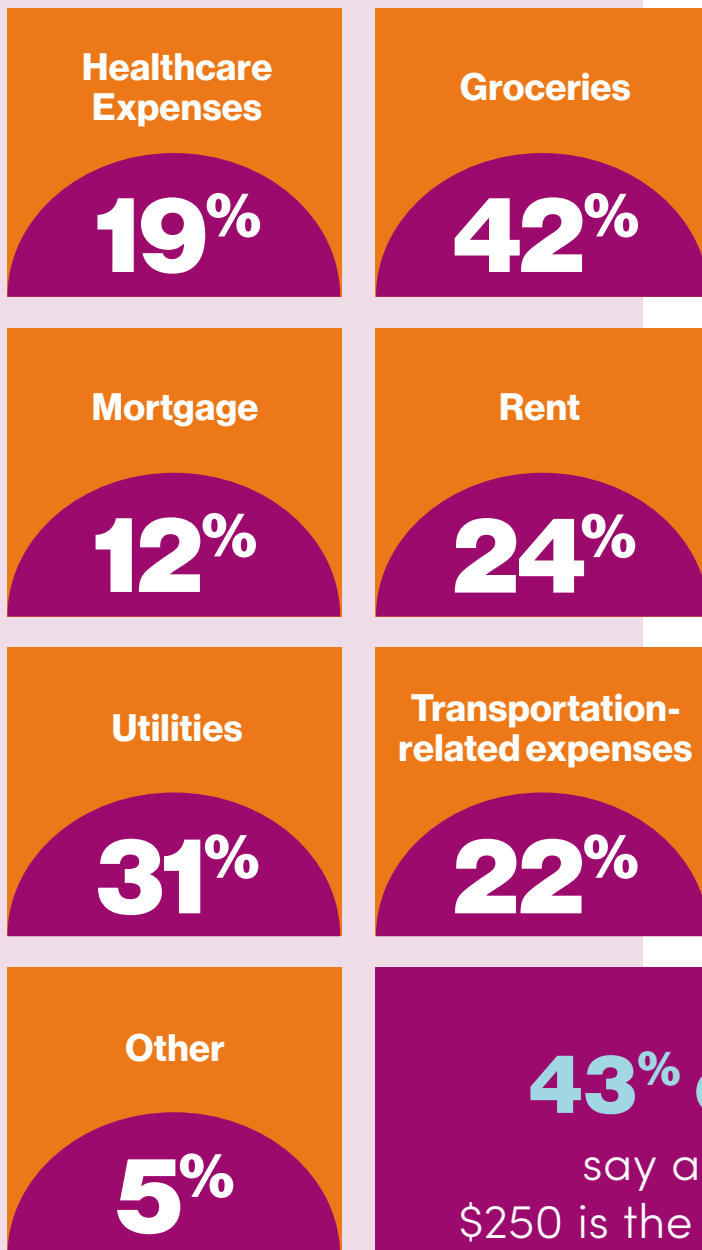
Nearly one out of 10 people [owe at least \\$250 in medical expenses](#), yet 43% of survey respondents say a bill of \$249 is the maximum they could manage with confidence. Just 16% feel confident they could manage a healthcare expense of less than \$500. Ten percent say the maximum out-of-pocket amount they would feel confident in paying for care would fall between \$250 to \$499.



One out of five consumers have relied on savings to pay for healthcare expenses in the past year.

Consumers Rely on Savings to Cover Essential Needs

In the past 12 months, the following percentages of consumers have dipped into savings to cover a range of essential expenses:



Nearly half of consumers would switch providers for affordable, long-term payment options. AccessOne survey data shows 47% of consumers would switch providers to access affordable, long-term payment plan options—and 12% have done so in the past.

Consumers' Financial Stress Likely to Impact Hospital Revenue

Unless hospitals take action to relieve the financial stress of care, they will likely feel the impact of changes in consumer purchasing behavior on their bottom line in the year ahead. Here's why.

About one out of two adults will put off care or medical expenses to avoid the expense. Survey data shows 47% of consumers expect to delay healthcare expenses in 2023. This includes more than half of millennials, Gen Xers, Black Americans, Latin Americans, and families with children.

Some of the ways consumers plan to delay care include:

- Postponing preventative doctor's appointments like annual checkups (25%)
- Delaying filling a prescription or choosing not to fill a prescription at all (18%)
- Postponing needed care or procedures or deciding not to pursue needed care at all (27%)

IN ADDITION

43% of respondents say a medical bill of less than \$250 is the maximum amount they could confidently manage.

In fact, 56% of respondents already have tried to reduce their healthcare expenses, including two-thirds of millennials and families with children and seven out of 10 Latin Americans.

More than half of consumers won't pay their bill right away if they fear they cannot afford it. Given that positive operating margins [could be difficult for hospitals to achieve](#) in 2023, it's vitally important that hospitals capture the revenue they are owed in a timely fashion. Yet 54% of consumers say they will delay paying their medical bill when concerns around affordability arise. Most likely to postpone medical bill payment when they fear they can't afford the expense: Gen Xers (67%) and families with children (61%).

Not surprisingly, lower-income individuals—those with household incomes under \$50K—are more likely to delay medical payment due to affordability concerns (63%) than those making \$50K to less than \$100K (55%) or \$100K or more (34%). So are families with children (61%).

More than 80% of consumers say availability of affordable, long-term payment plans would make a difference in whether they decide to seek care. For one out of four consumers, payment plan availability would make a significant difference in their healthcare purchasing decisions, according to the survey.

Even high-income consumers will delay medical bill payment if they question the accuracy of a bill. Survey results show 46% of high-income earners—defined as \$100K a year or more in household income—won't pay their medical bill right away if they question its accuracy. This compares to 31% of respondents overall.

More than half of adults already have tried to reduce their healthcare expenses, including two-thirds of millennials and families with children.



4 Key Actions for Hospitals in an Inflationary Environment

With so much riding on a healthcare organization's ability to relieve the financial stress of care for consumers in the year ahead, how can healthcare revenue cycle teams take a proactive approach? Survey results point to four insights.

1. Make healthcare bills easy to understand.

Forty percent of consumers find medical bills confusing, a [2022 industry survey](#) found. Given the percentage of AccessOne survey respondents who will not pay their bill promptly if they don't understand it (16%) or aren't sure it's accurate (31%), it's important to evaluate how easily patients can determine what they owe, why, and how to pay it.

One way to do this is to review the types of customer service calls your department receives to determine the extent to which confusion around billing statements is prompting patients to reach out. Another is to seek input from patients and employees who have received services to determine whether changes to billing statements could help clarify patients' financial responsibility for care as well as their options for payment.

It's also important to examine the level of transparency your organization provides around out-of-pocket costs of care before care is delivered. One out of four survey respondents would seek financial assistance if they knew in advance that the amount of a required procedure would be more than they could afford. They would also use this information to determine whether to move forward with care.

2. Take a look at the methods of communication used to convey financial responsibility.

Are you communicating with patients in the way they want to be communicated with—and is it easy for them to take action? While paper statements, emails, and messages via the patient portal are the most common ways survey respondents say they receive communications, 40% would rank secure text among their top two preferred methods of communication. This percentage is even higher for younger generations, ethnic and racial groups, and families with children.



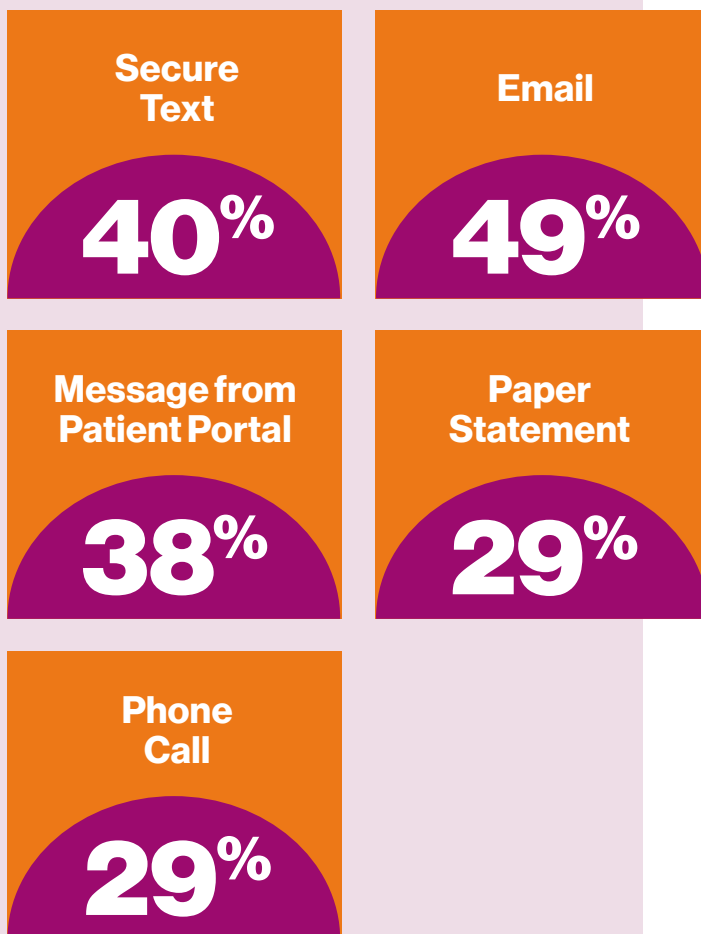
One out of four consumers would seek financial assistance if they knew in advance that the cost of a required procedure would be more than they could afford.

SURVEY SAYS:

Text Ranks High as a Preferred Option for Patient Financial Communications*

40% of consumers rank secure text among their top two preferred options for patient financial communications.

Here's a breakdown of consumers' top two preferences for communications:



* Percentage responding "a lot" or "somewhat"

Investing in a variety of digital communications, such as secure text, meets patients where they are in an increasingly digital-first environment. It also can speed payment for hospitals and health systems. At a time when financial resources are constrained, digital communications appear to yield the greatest opportunity to receive payment in less than three weeks, according to AccessOne survey data. In fact, 49% of respondents say when text is offered as an option for payment, they pay their medical bills in six days or less.

Every avenue for communication should clearly indicate options for payment, including who to contact when financial assistance is needed. Among AccessOne survey respondents, **23% say providers make it difficult to pay medical bills.**

3. Promote the availability of long-term payment options. Eighty percent of consumers say availability of affordable, long-term payment plans would make a difference in determining whether to seek care, the survey found. For 65% of respondents, it would make "a lot" or "somewhat" of a difference—and that's especially true for racial and ethnic groups, younger generations, and families with children.

Today, 47% of consumers would switch providers to access affordable, long-term payment plan options—and 12% have done so in the past. For hospitals, retaining patients in an inflationary environment will depend not just on providing options for paying off medical bills over time, but also on widely promoting these avenues for payment.

Consider that one out of four consumers have considered using a credit card to pay off medical expenses. The average interest rate for credit cards is higher than 19%. As many consumers seek to build their emergency savings this year, promotion of affordable, long-term payment options could help patients avoid unnecessary credit card expenses and associated high interest rates.

4. Partner with a financial services company to assist patients in establishing affordable payment plans.

It's no secret that healthcare revenue cycle teams are stretched, with many departments struggling to fill open positions. This limits the capacity of teams to work with patients in determining the right steps for covering their medical expenses based on their financial situation. Today, 55% of consumers say they would be comfortable working with a financial company to come up with an affordable payment plan for their medical bills. However, just 3% of consumers already are working with a financial company to pay their out-of-pocket expenses. This could indicate a missed opportunity to provide payment solutions that meet consumers' expectations—and your own—during a period of economic hardship.

Providing a range of options for affordable payment—on your own or in partnership with a financial services company—demonstrates compassion for consumers at a time when they may feel especially vulnerable. In exploring options for partnership, look for a company that will work with you to provide a range of payment plans that could meet patients' needs, from low-interest to no-interest plans. Make sure patients have the opportunity to combine their healthcare accounts into a single bill for a more seamless approach to medical bill management. Just as important: Assess whether the company's values and approach align with your mission. The right partner will protect patient relationships by demonstrating concern for the patient financial experience. Such an approach relieves patients' financial stress while protecting the relationships that matter most to your organization.



More than 60% of families with children will delay medical bill payment when they fear they can't afford the expense.

About the Survey.

The AccessOne Consumer Survey around healthcare expenses was fielded to a random consumer sample of adults in the United States. Distributed online by CARAVAN® Omnibus Surveys Dec. 2-4, 2022, 1,006 U.S. adults participated in the survey.

About **access one.**

AccessOne, a leading healthcare fintech company, partners with health systems to provide consumer centric payment tools for the modern patient. From pay-in-full to extended payment plans, our mobile-native pathways make understanding and paying medical bills easy and affordable. Our text-to-pay platform strips out the need to remember usernames, passwords or account numbers, creating a frictionless experience that drives more payments. Our inclusive patient financing solution adds a Care Now, Pay Later component that accepts all patients, meaningfully lowering the financial barriers to receiving high-quality healthcare. Reimagining payments for healthcare. Learn more at www.accessonepay.com or connect with us on [LinkedIn](#).