

2023

Consumer Survey.

A background photograph of a person in a blue shirt kayaking on a lake, with mountains in the distance. The image is partially obscured by a white text box and several colored squares (orange, purple, lavender) scattered across the scene.

**What Options Do Consumers Really
Want For Paying Healthcare Expenses?**

Survey Reveals that Nearly 3 out of 4 Consumers Can't or Don't Pay Healthcare Bills Immediately

Across America, the cost of medical care is still a deep, ongoing concern among individuals and families.

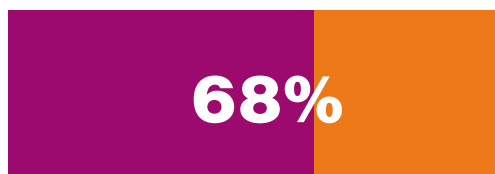
Yet as healthcare [spending](#) and [costs](#) continue to rise, with some populations—like seniors, who face greater need for care—increasing their spending more than others, the healthcare industry faces new questions: How can health systems ensure they are providing the right options for payment to healthcare consumers, especially when preferences may vary by demographic?

It's an important question at a time when fewer than one out of three people (28%) pay their medical bills in full, right away, according to an AccessOne survey. Among those who wait to pay, 68% say it's because they can't afford to pay their bills on time.

Now, healthcare revenue cycle leaders must consider how to better support the 72% of consumers who can't or don't pay their bill right away and need different options and support.



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As healthcare spending and costs continue to rise, with some populations increasing their spending more than others, the healthcare industry faces new questions regarding payment.



prescription or delayed a prescription. **See exhibits on page 3.**

Meanwhile, 10% of respondents have dipped into personal savings to pay for healthcare-related expenses, while 32% have used a credit card to pay their bill.

Delays in paying medical bills are one tactic consumers have explored to get a better handle on their healthcare expenses. Among the 72% of respondents who delay medical payment:

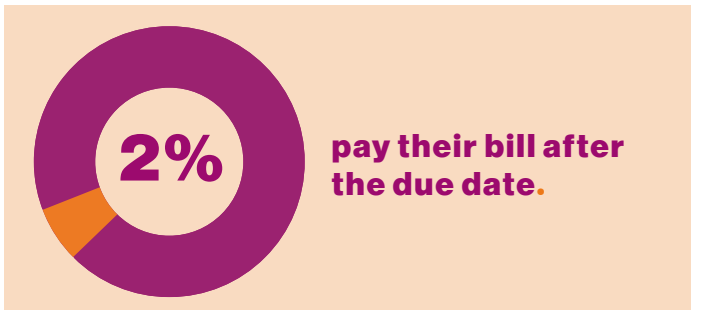
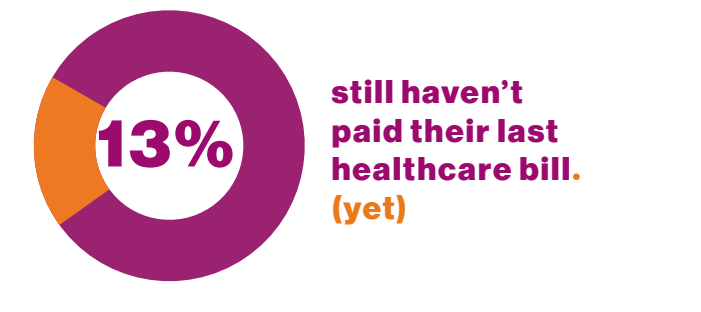
Consumers Are Struggling to Pay Their Healthcare Bills on Time

Overall, about half of all Americans (44%) surveyed said they've experienced an increase in healthcare costs. That's in line with [other studies](#) that show that prices for medical care typically grow faster than inflation.

Individuals ages 35-44 seem to be most significantly affected (50%) compared with other age brackets, as are higher-earning individuals with household incomes of \$100K or more (55%).

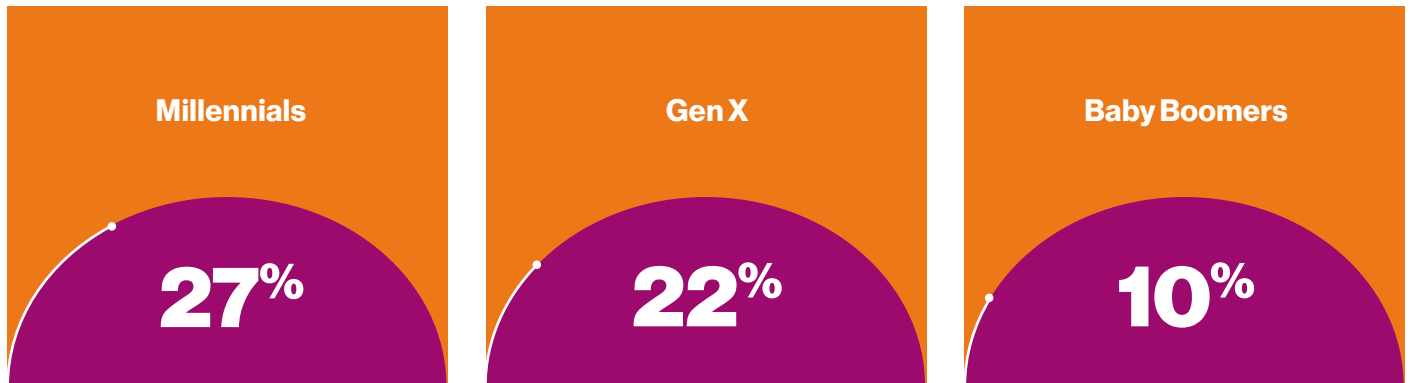
Households with children also are more likely to say they're feeling the pinch of rising healthcare expenses when compared with their child-free peers: **55% of households with one or more children** say their healthcare expenses have increased, versus 40% of those with no children. In this environment, we're seeing ripple effects of rising costs on consumer decision making: Nearly 3 in 5 millennials without children say the reason they don't have kids is [that it's too expensive](#) to raise them.

Almost half of respondents (48%) have taken some kind of action to try to reduce medical expenses. Nearly one out of three 18- to 34-year-olds (31%) have gone as far as postponing needed care or procedures, and 40% of respondents ages 18-44 have opted not to fill a

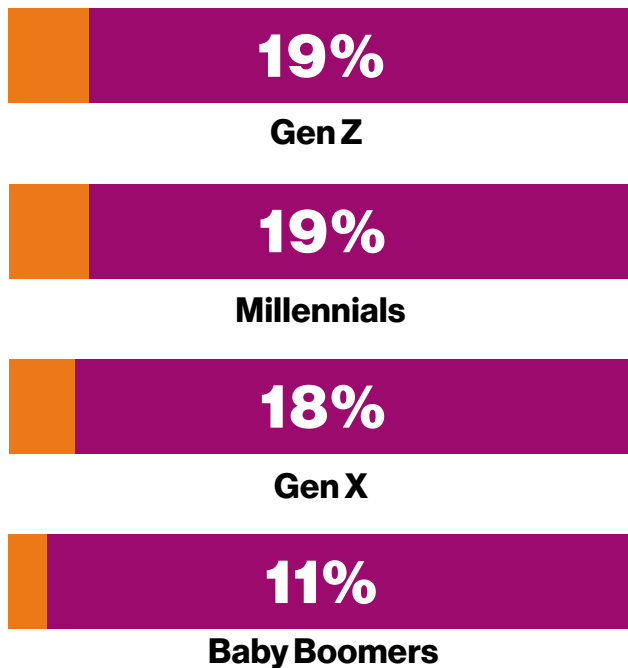


Survey respondents also took increasingly dangerous health risks to cut back on care expenditures in 2023 – especially younger generations and minorities. One-third of respondents ages 18-34 said they have postponed needed care to reduce healthcare expenditures, compared with 7% of respondents ages 65+ and 19% of 55- to 64-year-olds.

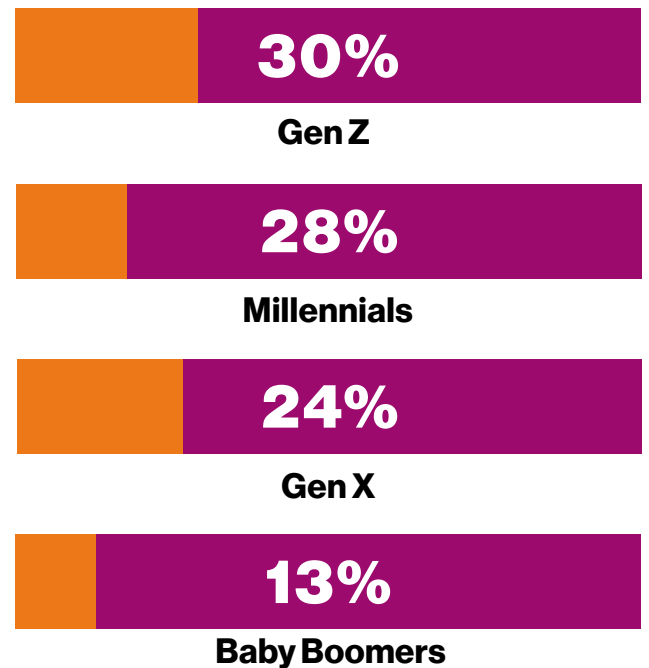
Who has postponed needed care or procedures to cut back on healthcare expenses?



Who has opted to not fill a prescription (or delay a prescription) to cut back on medical spending?



Who has delayed making preventative doctor's appointments (i.e., annual checkups) to cut back on medical spending?



More of Us Are Lured by the “Quick Fix” of Credit Cards

Americans are also looking into new ways to pay for medical expenses after they incur them.

This is not surprising, considering 30% of survey respondents say they are “not confident at all” that they could pay a medical bill of \$500 or more.

32% of respondents have used a personal credit card to pay for a healthcare bill over the last 12 months.

And while some individuals dip into personal savings to handle their bills when their income isn't sufficient, as many as 32% use a personal credit card.

However, the decision to use personal credit cards carries a fair degree of risk. While Congress passed the [No Surprises Act](#), which led the top three credit bureaus to agree [to drop](#) most medical debt from consumers' credit reports, the use of personal credit cards for healthcare expenditures doesn't count as “medical debt.” Any charges incurred by the credit card holder — such as penalties for late payments — can be subject to interest. Late payments or missed payments to the credit card affect one's credit rating.

Among respondents who used credit cards to pay for healthcare over the last 12 months, 24% carried a non-promotional interest rate of 15% to 20% had cards with an interest rate of 21% to 25%, and 6% of respondents used cards with interest rates of 25%+.

The rise in crowdfunding to cover medical care costs is also a noteworthy trend—though it's not a solution for most consumers.



While 250,000 Americans [launch crowdfunding](#) campaigns with GoFundMe each year to pay medical bills—including celebrities without insurance, like [Mary Lou Retton](#)—about 16% of the time, their crowdfunding campaigns generate no donations.

When using your credit card to pay for your most recent medical bill, how much did you charge on the card?

54%

\$250 or less

32%

\$1-250

15%

\$500 or more

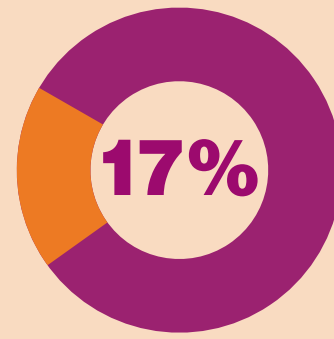
Fixing the Healthcare Payment Experience

Customer satisfaction is increasingly tied to having peace of mind around the affordability of medical care. Patients who are blindsided by a \$500 medical bill are more likely to feel negative sentiment toward their healthcare provider than those who know the cost of a procedure or treatment ahead of time (and can plan for it).

Yet the survey shows there's a long way to go in improving customer satisfaction, beyond giving accurate out-of-pocket cost estimations.

When polled on their satisfaction with their healthcare providers' payment options, 17% of survey respondents said they are dissatisfied with what they're being offered.

What consumers really want is healthcare organizations that are willing to work with them to demystify healthcare payments. For example, two out of three respondents say they would be more likely to seek care if they were given a payment plan option ahead of time (see the exhibit below). In addition, two-thirds of respondents ages 18-34 say they are "comfortable" or "very comfortable" with the idea of paying an interest rate on a third-party payment plan (if it lowered their monthly payments and didn't mess with their credit).



of respondents are dissatisfied with what they're being offered

Exploring payment plans after insurance and financial assistance: Offering flexible options for payment could ease financial stress for consumers, but it could also put providers at risk of being accused of "pushing" patients onto payment plans before they have exhausted other options for payment, including financial assistance and insurance. It's an area where revenue cycle teams can make a difference by making sure to explore the potential for discounted or charity care with patients based on income before entering into discussions around payment. Such an approach ensures patients access the right options for financial care from the start of the patient financial journey—with outcomes they feel good about.

If you were given a payment plan option ahead of seeking care, how would that change your willingness to receive care, if at all?

Would be more likely to seek care (Net)

**Total
66%**

**Male
67%**

**Female
65%**

Digital Outreach Is Preferred by Most, Especially as Millennials Approach Middle Age

In addition to the desire for proactive financial communications and payment opportunities for medical debt, consumers also want to utilize digital tools to make payments, whether they're in front of their tablet or holding a smartphone in a waiting room.

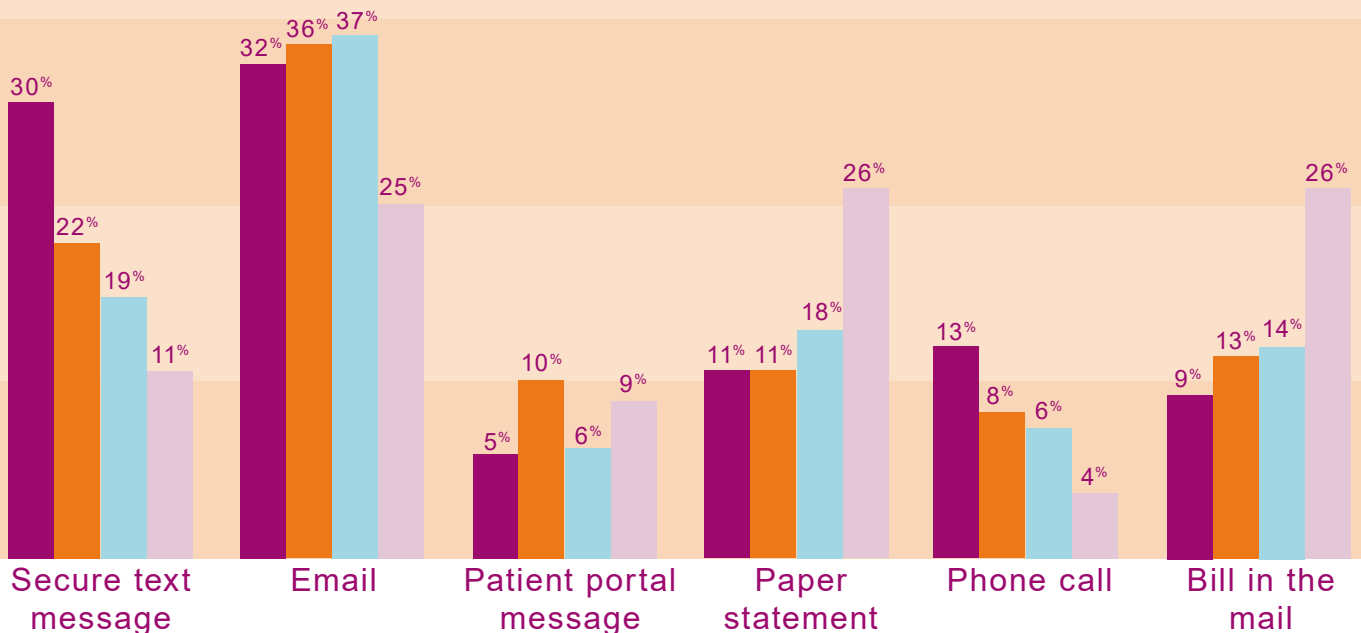
The younger an individual is, the more likely they are to prefer being contacted via secure text message if a medical balance is due.

While 19% of all respondents said they prefer being contacted by secure text message when a healthcare balance is due—and 32% prefer email notifications—a generational breakdown of the data reveals stark differences (see exhibit below).

About one in three (30%) Gen Z respondents say they prefer being contacted by secure text message, as do 22% of millennials, 19% of Gen X adults, and 11% of Baby Boomers. Meanwhile, just 9% of Gen Z respondents say they prefer paper statements, compared with 26% of Boomers.



How do you prefer to be contacted/alerted when a healthcare balance is due?



3 Key Actions Hospitals Can Take to Improve Patients' Financial Experience – and Their Financial Outlook

While medical costs are inevitable, feeling stress about paying for medical care should not be. So what can healthcare organizations do more to help consumers feel empowered to pay for their cost of care?

Survey results point to three key actions:

1. Promote a culture of financial transparency.

Not every patient has the same level of financial literacy or ability to comprehend medical bills. That's why ensuring bills are clear and easy to understand is the best way to prevent disputes or delays in payments.

When they're presented with a bill, patients also want to know they have a lifeline—an alternative to high-interest personal credit cards. While many, if not most, healthcare organizations offer payment plans, only 11% of survey respondents said they established a payment plan. That percentage could possibly increase if the opportunity to enroll in a payment plan were communicated more effectively.

Taking the extra step to discuss financial assistance, including the availability of flexible, extended payment plans, can make a world of difference to an individual who doesn't have the confidence that they can manage a \$500 medical bill.

It's time for revenue cycle leaders to consider their patients' preferences—and find new ways to work with them to elevate their overall satisfaction.



2. Proactively encourage the use of mobile payments technologies.

No one wants to be bogged down with the weight of paper bills, especially patients under 45 at the height of their careers. More than half of Gen Z and millennial respondents (52%) prefer secure text messages, while 68% of respondents in these age cohorts prefer email.

Mobile platforms can make payments as easy as Amazon or Uber Eats transactions, which appeals to Americans' desire for simplified, convenient solutions. Even if organizations continue to send paper bills to patients, they should also take advantage of emerging secure mobile platforms that simplify the process of sending payments.

3. Give patients the flexibility to manage and change their medical payment plans.

Events such as the birth of a new baby or job loss can rattle even the most financially secure families. When life happens, patients will appreciate the opportunity to change the terms of their payment without penalty. Having a repayment plan that can be adjusted when needed, is a game changer for families that need a little extra support.

While healthcare costs are expected to continue their rise, patients deserve better than healthcare bills that wipe out their savings or having to choose between a routine screening such as a mammogram and groceries. When healthcare organizations can empathize with the desire for convenient, easy, and manageable healthcare payment systems, they'll do a better job of winning over patients for the long term.

About the Survey.

In October 2023, AccessOne conducted a survey of 1,016 consumers to explore the healthcare payment options consumers crave, the measures they've taken to pay their medical bills, and their satisfaction with the availability of payment and billing options from their providers. The survey was conducted by CARAVAN® Omnibus Surveys and was administered online.

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](#).