

2019 healthcare consumer study

Executive brief



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About Cedar

Cedar is a patient payment and engagement platform for hospitals, health systems and medical groups that drives improved financial results and patient satisfaction. Our solutions leverage advanced data science to personalize, simplify and modernize the way that patients interact with the administrative and financial side of healthcare—from pre-visit to bill resolution.



Methodology

The 2019 Healthcare Consumer Study was commissioned by Cedar and conducted by Survata, an independent research firm, to identify trends in the patient financial experience. Survata interviewed 1607 online respondents between August 27, 2019 and September 01, 2019. The respondents represent an even distribution of U.S. adults over the age of 18 who visited a doctor or hospital and paid a medical bill in the last 12 months (September 2018 - August 2019).

1607

online respondents

18+

age of respondents

12 mos

paid a medical bill in
the last 12 months



Context

34%

have had a healthcare bill go to collections in the last year

Top reasons include:

60% inability to pay full amount

43% confusion about bill amount

26% outdated billing & notification process

94%

of Americans are worried about their rising healthcare cost responsibilities over the next five years

The Healthcare Consumer Study found that one-third (34%) of U.S. healthcare consumers have experienced a medical bill having gone to collections, representing a slight increase year over year. Soaring patient cost sharing and high-deductible insurance plans are partly to blame, but it doesn't take a huge medical bill to make a collections agency come calling. Researchers found in a 2018 study of more than 4 million U.S. credit reports that over half of annual medical collections were for less than \$600.¹

Patients want to do the right thing, but providers still have some work to do to improve the patient financial experience. The Healthcare Consumer Study revealed that 60% of consumers tried to seek out-of-pocket cost estimates prior to their visit, and of those that did, barely half were able to get the information they requested. Consumers (56%) also indicated that they would take advantage of flexible payment plans if their provider offered them, and 50% expect more clarity on their bills. Healthcare's lag in digital technology compared to other industries like banking and retail adds to consumer frustration, with nearly three-fourths of respondents still receiving paper bills in the mail.

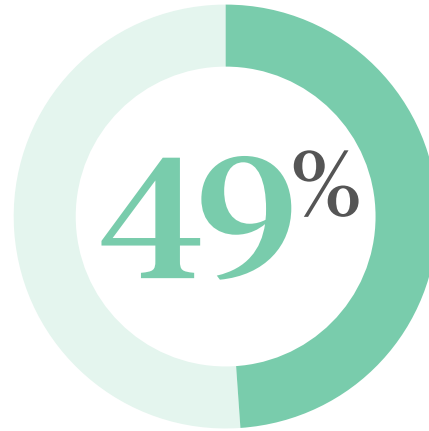
This summary details the current trends in the patient financial experience and the impact technology can have on helping healthcare organizations alleviate increasing consumer frustration and burden. Full survey results can be found [here](#).



¹<https://www.healthaffairs.org/doi/10.1377/hlthaff.2018.0349>

Key trends

1 Healthcare consumers are frustrated; it's time to minimize confusion and barriers to pay



of healthcare consumers expressed frustration about their provider's lack of adoption of digital administrative processes (online bill pay, access to insurance information, etc)



Americans don't think that healthcare providers have done enough to improve the patient billing and payment process



of healthcare consumers have requested expected out-of-pocket costs from providers ahead of care

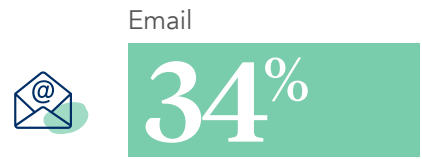
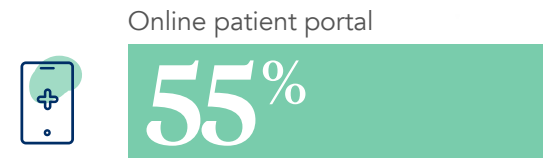


of those that requested it, were not able to get the information easily and accurately





The majority of consumers are still being notified about a healthcare bill via outdated paper methods:



When asked to rate the worst part of their experience with a provider, the majority took issue with pre- or post-visit administrative processes beyond clinical care.

Worst phase of patient journey:

45%

Post-visit (billing, insurance follow-up, etc)

38%

Pre-visit (scheduling, copays, check-in, cost estimates, etc)

17%

During visit (interactions with providers and staff)

2

Consumers want better cost transparency, flexible payment options and more modern engagement methods

The majority of healthcare consumers are calling for three specific improvements within healthcare billing:

56%

out-of-pocket cost estimates, helping them understand their responsibility

56%

payment flexibility via creative payment plan options

50%

more bill clarity/easier to understand bill explanations

In addition, over one third of consumers expect the following improvements:

41%

consolidated bills across multiple providers/episodes of care

38%

improved customer support for immediate billing questions

33%

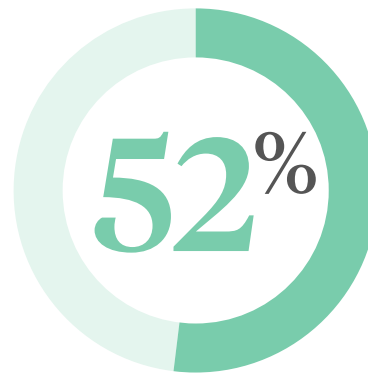
digital payment options





3

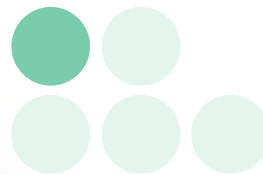
Healthcare is not immune:
Consumers are willing to switch
providers due to poor digital
experiences and negative reviews



of healthcare consumers
consult online review sites
when choosing a provider

44%

of those consumers consider
reviews either a significant
influencing factor or the
main influencing factor



1 in 5

—
consumers left a
provider because of a
poor digital experience

—
have given a negative
review of a healthcare
provider because of a
poor digital experience

41%

said they'd consider
switching to a provider
who offered a better
digital experience



4

Mind the generation gaps: Younger Americans are the most frustrated with patient billing processes and the most likely to switch providers if they have a poor experience

More than double the number of adults aged 18-24 indicated frustration with their healthcare provider's lack of adoption of digital patient administrative processes compared to those aged 65 and older

Adults 18-24



Adults 65+

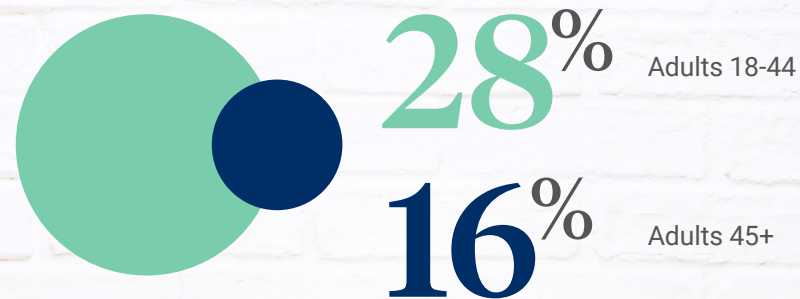


Adults aged 18-24 were four times as likely to have switched or stopped going to a healthcare provider because of a poor digital experience compared to those aged 65 and older





Adults aged 18-44 were nearly twice as likely as those over the age of 45 to provide a negative review of a healthcare provider due to unexpected costs or a frustrating bill process



3x



Adults aged 18-24 were three times as likely to consider switching doctors if they don't provide more digital experiences compared to those aged 65 and older



How healthcare stacks up against other industries' digital capabilities

Ranked out of five industries (Best to worst)

1st



Online retail

2nd



Online banking

3rd



Online travel

4th



Healthcare

5th



Insurance



Recommendations

When it comes to addressing medical bills and understanding their financial responsibility, Americans are trying to do the right thing. Consumers expect simple and convenient options that promote transparency for their healthcare payments, which translates to improved financial outcomes for providers.

It's time to rethink the end-to-end patient financial experience to match what consumers are getting in other industries.

To meet consumer expectations and improve the patient financial experience, we recommend:

Congruent end-to-end administrative experiences

Address the patient journey holistically, rather than in piecemeal fashion. Pre-visit activities such as insurance capture and co-pay collection are ultimately connected to the post-visit payment experience.

Out-of-pocket cost estimators

Empower your patients to become more informed about upfront costs with online cost estimators versus standard chargemasters or pricing menus.

Consolidate bills From within the same system

Alleviate frustration for patients and drive more revenue to your organization by enabling patients to view all bills associated with an episode of care in one place.

Digital payment options and real-time support

Reduce friction and make it easier for patients to view and pay their bills by offering online billing applications and live chat support.

More flexible payment plans

Make care more affordable by leveraging patient data to craft personalized payment plans.



