2020

Healthcare Consumer Experience Study

cedar

Contents

About Cedar

Cedar President Arel Lidow (left) and CEO Dr. Florian Otto (right). Arel and Florian founded Cedar in 2016 to enable exceptional patient experiences to improve lives, foster engagement and transform US healthcare.

Cedar is a healthcare financial engagement platform for hospitals, health systems and medical groups that clarifies and simplifies the financial experience for patients, improving bill resolution and payment outcomes for providers. Recently named one of the most innovative healthcare tech companies of 2020 by a survey of 300 healthcare executives in the KLAS Emerging HCIT Companies report, Cedar facilitates patient-centric financial engagement across the care journey using intuitive and advanced data science. To learn more, visit www.cedar.com.

Methodology

The 2020 Healthcare Consumer Study was commissioned by Cedar and conducted by Forrester Consulting, an independent market research firm, to identify trends in the patient financial experience—including the impact of COVID-19. Forrester interviewed 1,502 online respondents from October 6, 2020 - October 21, 2020. The respondents represent an even distribution of U.S. adults over the age of 18 who visited a healthcare provider (doctor or hospital) in the last 12 months and were responsible for paying the bill related to their visit (October 2019 - October 2020).

FORRESTER®

1502

respondents

18+

age of respondents

12 mos

paid a medical bill in the last 12 months

Context

The 2020 Healthcare Consumer Experience Study is Cedar's second annual survey aimed at identifying and analyzing trends across the patient experience. While some data and trends are new this year, others are year-over-year comparisons. For a comprehensive view of last year's results, we encourage you to review our first study.

The overarching theme in this year's study is digital engagement acceleration and the increasingly high standards from consumers around quality digital tools to accompany the patient journey. To contextualize these evolving expectations, we can point to companies offering best-in-class digital experiences that have become the yardstick against which all companies are measured; **about half of patients in this year's study say they wish their digital healthcare experience was smoother and more intuitive, similar to experiences with Amazon, Netflix or Uber.**

Against the backdrop of the COVID-19 pandemic, digital impressions matter more than ever before—**28% of consumers have switched or stopped going to a healthcare provider because of a poor digital experience, a 40% increase from 2019[1].** And when it comes to billing, even more patients are using digital tools: text message use alone has grown by over 200% in the past year, while email and patient portal use have grown by 82% and 34%, respectively.

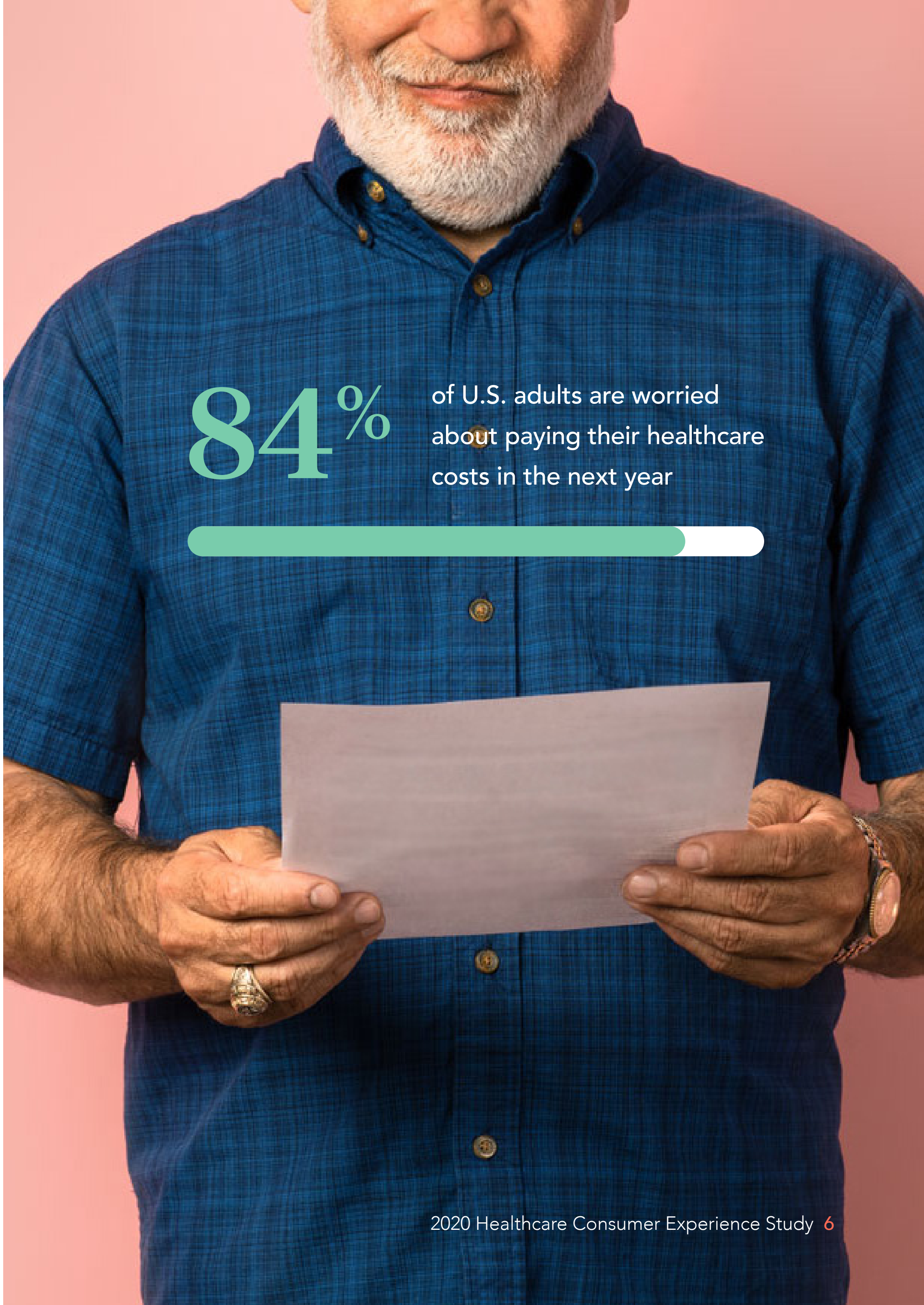
With this increased digital engagement, we see a corresponding rise in expectations around digital healthcare options; like last year, **nearly one-third of patients don't believe their healthcare providers have done enough to improve their patient billing and payment processes[1].** And this year, a majority (68%) believe it's important that healthcare providers enable a more customized experience when it comes to communication, bill pay, scheduling and more.

[1] 2019 Healthcare Consumer Experience Study (Cedar/Survata)

84% of U.S. adults are worried about paying their healthcare costs in the next year. While there was a slight decrease year over year in the number of consumers who said they have had a bill sent to collections (59% vs. 54%), patients are still citing confusion about the bill amount and outdated billing and notification processes as reasons for a bill eventually going to collections[1].

Additionally, COVID-19 has unleashed a veritable avalanche of antiquated paper statements, indecipherable billing codes, one-size-fits-all payment terms, and opaque pricing methodologies, which may be a significant contributor to this confusion and worry. Consequently, we see a deepening of the trend that we covered last year: patients want to do the right thing and pay their bills, but all too many providers make it far more difficult than it needs to be.

In short, despite the advances in virtual care brought on by COVID-19, providers still have a long way to go to meet consumer expectations and preferences. As digital tools become increasingly important to discriminating consumers, tools for the digital patient journey will become a key and increasingly important differentiator between providers of choice and the rest of the pack.



[1]2019 Healthcare Consumer Experience Study (Cedar/Survata)

KEY TRENDS AND FINDINGS

COVID-19 has accelerated necessary changes in digital health

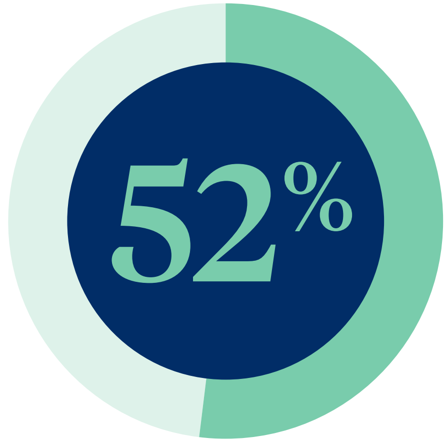
1

Consumers want these key digital changes

44% Telemedicine options

41% Digital forms + communication

37% Touchless check-in



of patients have seen improvements as a result of more virtual care and better administrative experiences

52%
say telemedicine and virtual care are now offered

40%
say they no longer have to sit in a waiting room

37%
say pre- and post-visit experience has changed (this includes being able to pay ahead of time/online, fill out paperwork online, touchless check-in, etc.)

Delays in care due to COVID-19

57%

of consumers have delayed care in fear of catching COVID-19

44%
need the comfort of a vaccine

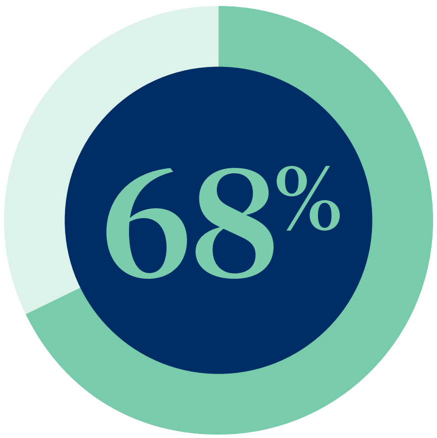
38%
need safety protocols (i.e. remote care options, touchless paperwork)

53%
would consider switching providers if COVID-19 protocols are not followed

Despite advances in digital health from COVID-19, providers are not meeting consumer expectations

2

Consumers want improvements to the end-to-end digital patient experience



say it's important to customize their experience with their healthcare provider (i.e., how they pay, communicate)

31%

don't think their healthcare providers have done enough to improve their patient billing and payment processes

49%

wish the digital healthcare experience was smoother and more intuitive, similar to experiences with Amazon, Netflix or Uber

10%

of consumers simply won't pay their bill if they can't understand the administrative experience

PRE-VISIT

The worst part of the healthcare consumers' experience

of consumers said that pre-visit activities (i.e. scheduling, co-pay prepayment, out-of-pocket price estimation) has been the worst part of their experience

34%
said their healthcare provider could improve the pre-visit experience by providing a better understanding of what they may owe before their procedure or visit

65%
of customers tried to obtain information around their expected out-of-pocket costs ahead of receiving care. A majority (78%) were able to get it easily and accurately, but the information was not readily available.

Pre-visit pain points

SCHEDULING

26%

wish it was easier to schedule appointments online

PREPARING

22%

say preparing for appointments is sometimes/never convenient

CHECK-IN

23%

wish they could check in for appointments using a virtual waiting room, like they can with restaurants

POST-VISIT

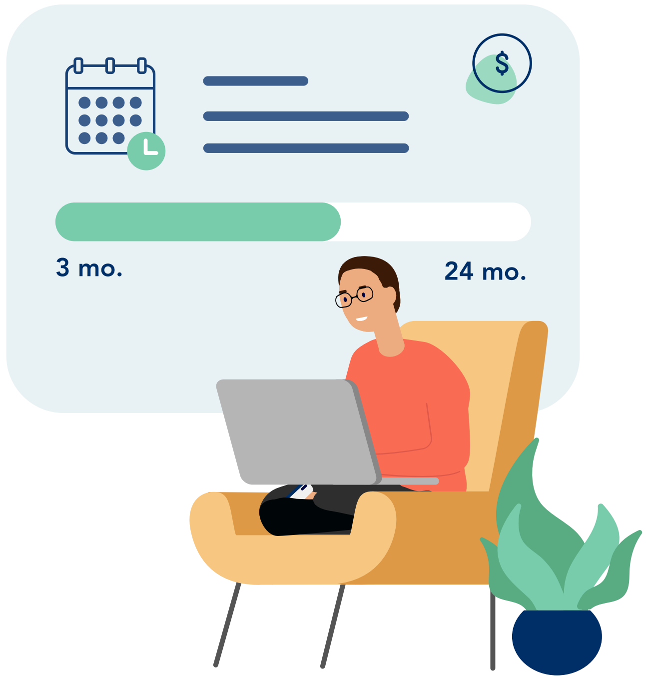
Consumers want digital payment options that allow for payment flexibility and bill clarity

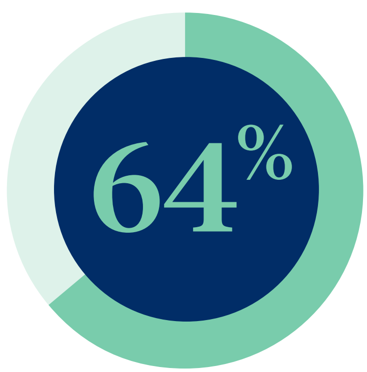
28%
want more options to view and pay a bill

60%
would prefer to make a digital payment through a portal

24%
wish it was easier to pay medical bills online, as it is with other bills

36%
would like payment plan options if they are not able to pay the full amount





would take advantage of creative payment plans/financing options for large bill amounts, if they were available

35%
want more clarity on what they owe and why, including insurance coverage details

28%
want better ways to get questions answered faster, including improved customer support

24%
want consolidated bills for care rather than multiple bills

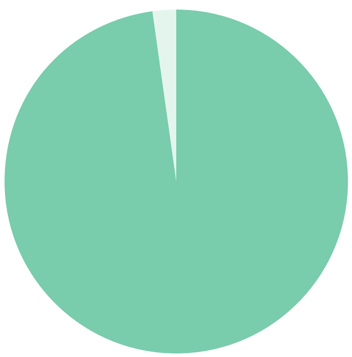
33%
think patient portals are the best way to improve the healthcare experience in the next 5 years

The social network effect in healthcare is pervasive

3

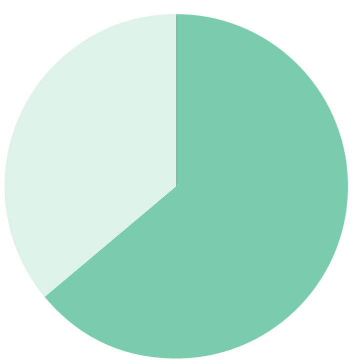
54%

more than half of consumers have consulted online reviews to choose a healthcare provider



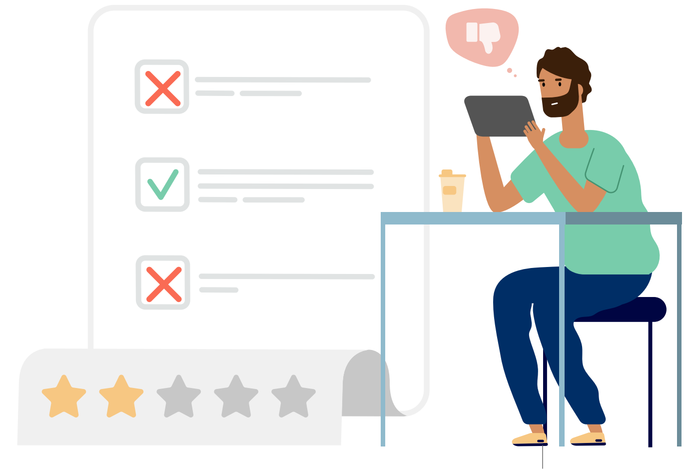
98%

say online reviews are influential in some way when choosing a healthcare provider



65%

would be very likely to recommend and/or write a good review if a healthcare provider offers a great digital experience



42%

of customers would consider switching doctors if they didn't provide good digital experiences

28%

have switched or stopped going to a healthcare provider because of a poor digital experience, a 40% increase from 2019

27%

have provided a negative review due to unexpected costs or a frustrating billing process

The generational gap is closing, as digital experiences become table stakes

4

AGES 23-54

2x

A23-54 are twice or more likely to prefer to interact through a patient portal than A74+

AGES 18-54

4x

A18-54 are at least 4x as likely to consider switching doctors if they didn't provide more digital experience than A55+, such as touchless check-in and virtual care

A18-54 particularly desire touchless check-in and digital forms. The same is true of traditional mail and email.

2x

A18-54 are twice as likely to wish that it was easier for them to schedule appointments with their provider online than A55+

AT LEAST

23%

of A18-54 wish that they were able to use more consumer-friendly payment solutions, like Apple Pay and Venmo, when paying medical bills compared to only 6% of A55+

The future is transparent, touchless and personalized

When it comes to the future of healthcare, meeting and exceeding consumer preferences around digital experiences is no longer optional for competitive healthcare providers. Americans increasingly want a clear, cohesive and safe end-to-end patient journey. Between policy changes, the challenges posted by COVID-19 and rapidly shifting consumer expectations, the task of humanizing and modernizing the patient experience could not be more urgent.

To rise to the challenges and capitalize on the opportunities posed by the new and increasingly shifting healthcare landscape, we have a few recommendations for providers to keep in mind.

Turn mandated price transparency changes into a competitive advantage: The new **price transparency** rules represent a major opportunity for hospitals to solve one of the biggest pain points in the patient financial journey. If implemented with care and designed with the patients in mind, providers have an opportunity to turn price transparency into a competitive advantage. Enabling visibility into out-of-pocket costs for common, shoppable services and communicating timely estimates across the healthcare journey will empower patients to focus on their care, as opposed to the paperwork and price tag.

Give patients more than one way to pay: Many patients struggle to afford healthcare financial liabilities, and record unemployment levels as a result of the COVID-19 pandemic have only exacerbated this problem. Patients want to pay their medical bills, but often need the flexibility to pay on their own terms. Providers can empower patients to resolve bills by offering more waysto pay, such as custom payment plans and prompt-pay discounts—even extending billing cycles can result in fewer accounts sent to collections. And by making medical billing more approachable for patients, providers canhelp build and maintain patient trust and enhance patient satisfaction rates.

Be prepared for a future that is touchless and contactless technology - especially in the doctor's office: The COVID-19 pandemic has driven demand for "touchless" technology to keep patients safe and reduce time spent in providers' waiting rooms. Consumers want a contactless experience—from checking in and registering at a doctor's office, to signing forms and paying bills—using their personal mobile device. Providers will want to make sure they are being creative in these solutions, from enabling self-serve appointment check-in ahead of time to allowing patients to prepay for services.

Expand personalization beyond just medicine: From customized recommendations on Netflix to cart suggestions on Amazon, consumers have elevated expectations when it comes to personalized experiences. However, these expectations are not being met in healthcare; even if patients receive outstanding personalized care, their overall experience is lacking. This results in low patient satisfaction, which can affect the bottom line. **Outbound communications** that connect with patients at the moments they're likely to engage, using the channels they prefer and the messages that resonate, coupled with personalized, in-app experiences, can help remove barriers to engagement and improve patient loyalty.

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