What Are the Latest Trends in Healthcare Payments?

April 30, 2019

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How Do We Create the Trends in Healthcare Payments Report?

- Commissioned surveys – consumers, providers and payers
- InstaMed Platform data
- Third-party sources:

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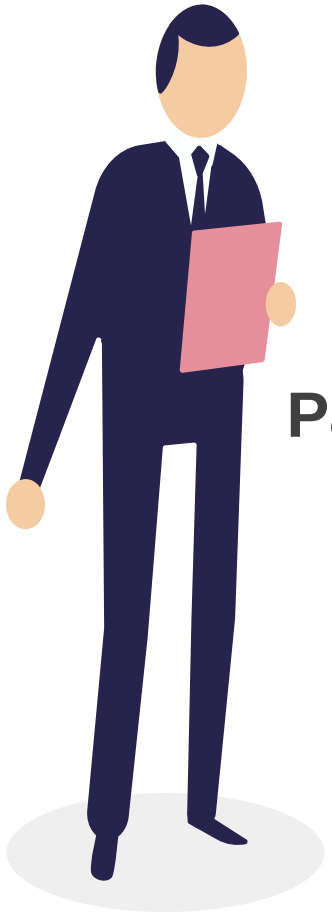
Stakeholders in Healthcare Payments

Consumers

Providers



Payers

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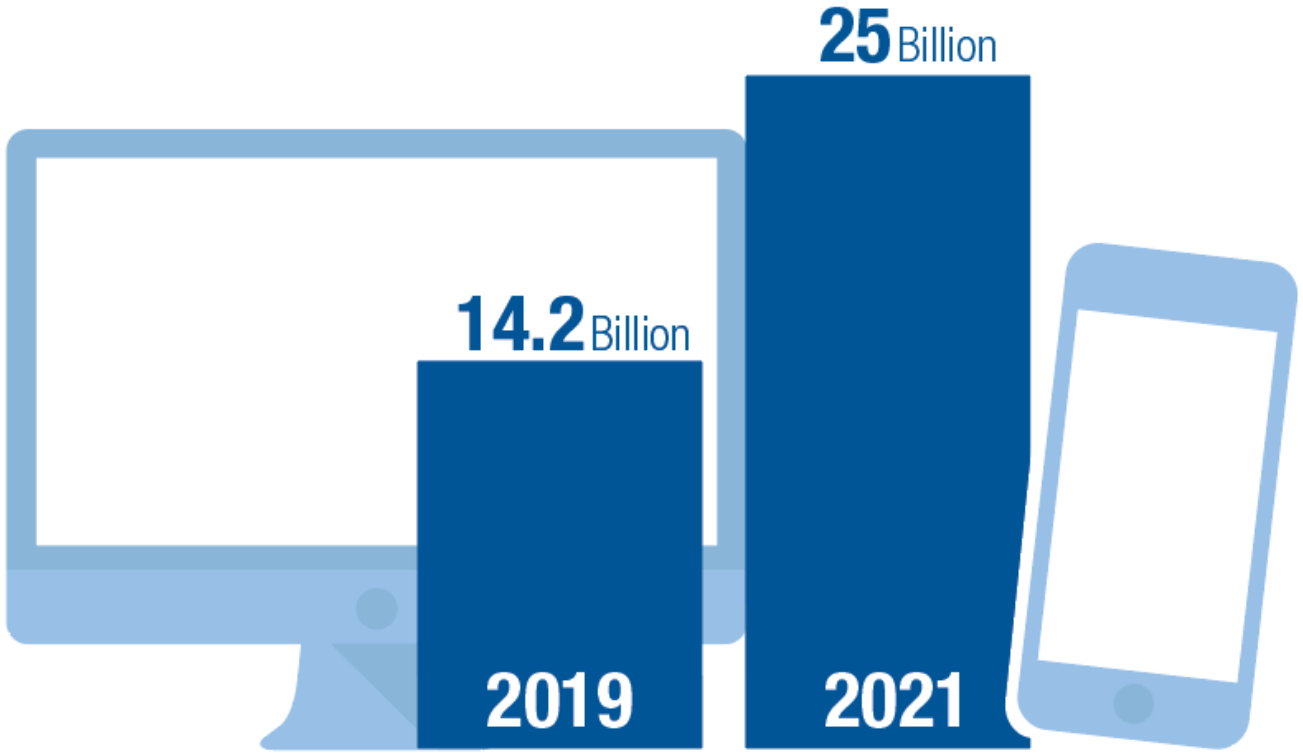
Living in a Digital World: The Impact on Consumers

Always Connected: The Internet of Things (IoT)



Sources:
Gartner

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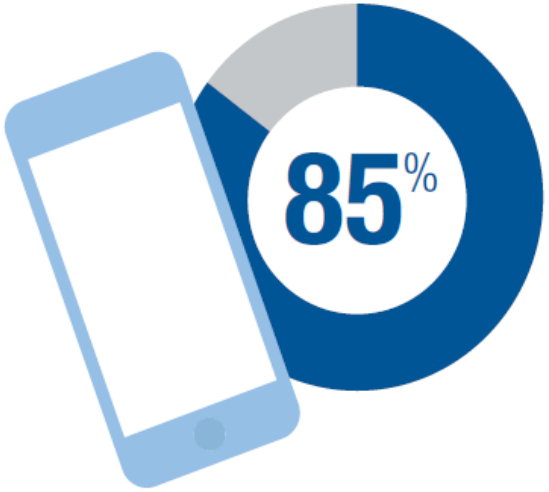
Smartphones Dominate Consumer Experience



Smartphone ownership reached 85% globally in 2018

Consumers look at their phones an average of 52x per day

Source: Deloitte

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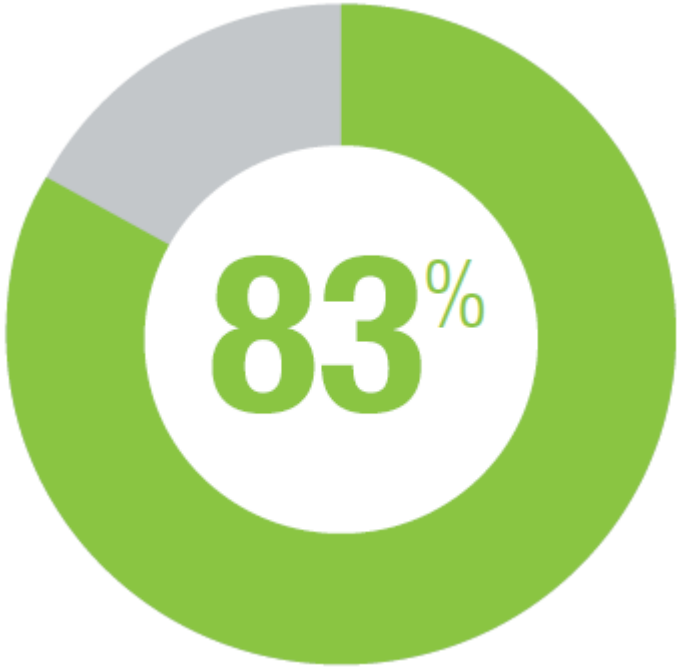
Creating Impatient Consumers: The On-Demand Economy



of Americans agree that the on-demand economy makes life more convenient and efficient

Source:
Pricewaterhouse Cooper

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24/7 Spending: eCommerce Growth

Consumers spent **$517 billion** online in 2018

Source:
Internet Retailer

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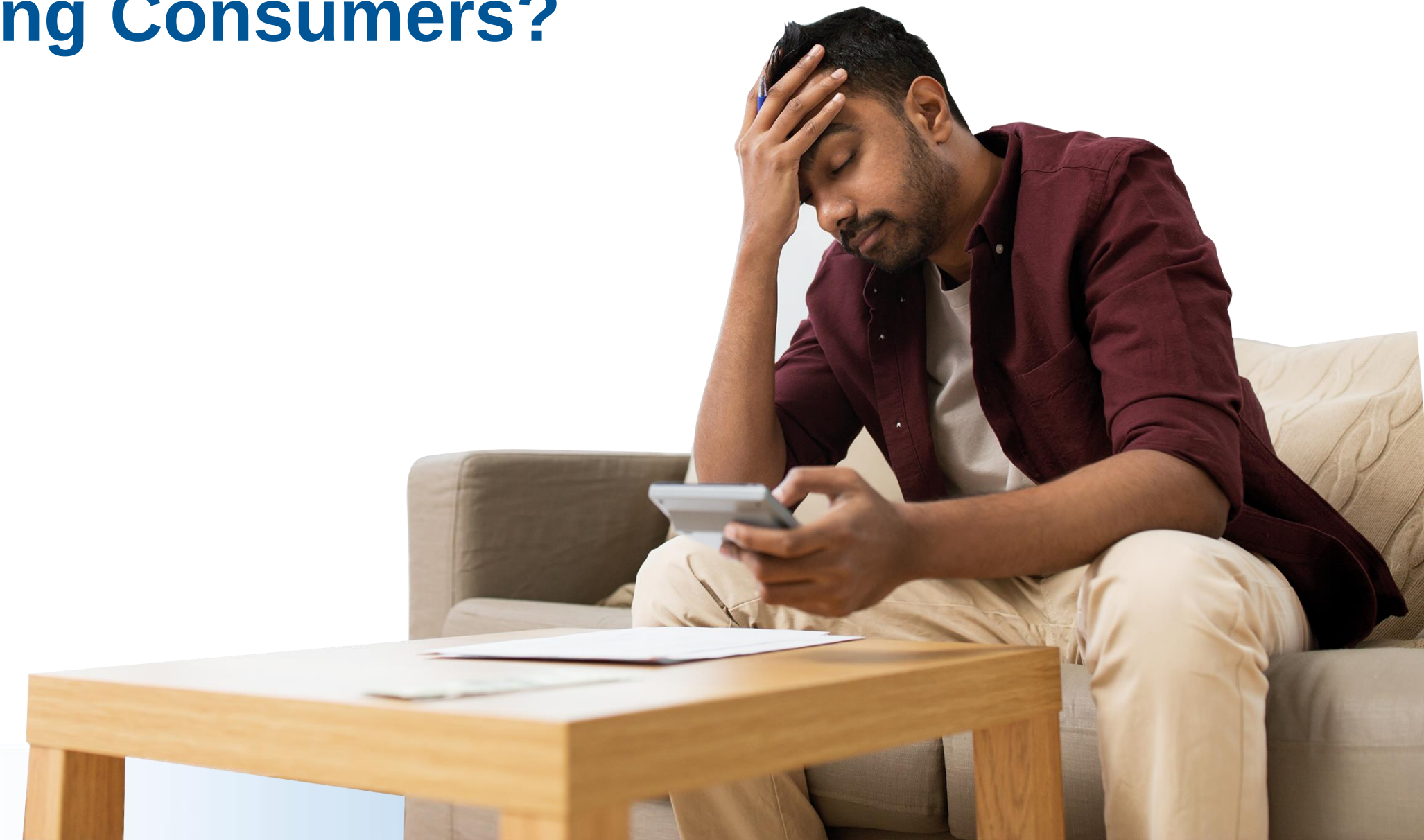
What Are the Trends in Healthcare Payments Impacting Consumers?



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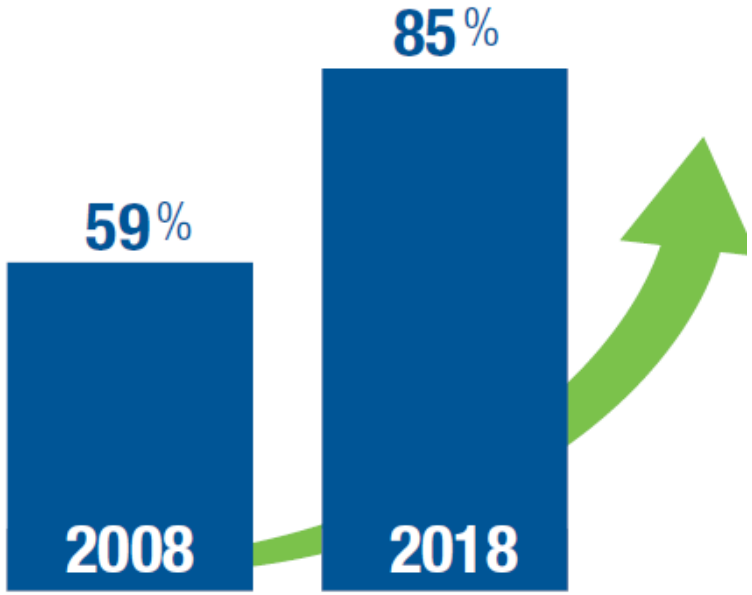
Deductibles Fuel Consumer Responsibility

Covered Workers With Deductibles



Average Deductible

Source:
Kaiser Family Foundation

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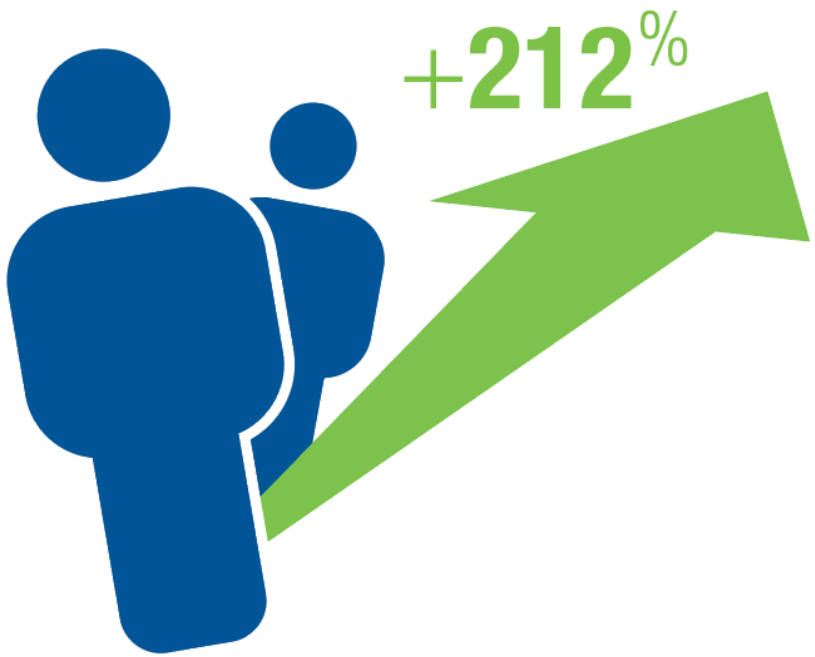
The Real Impact of Deductibles

The number of plans with deductibles + the average deductible growth = a 212% increase in the burden of deductibles



Source:
Kaiser Family Foundation

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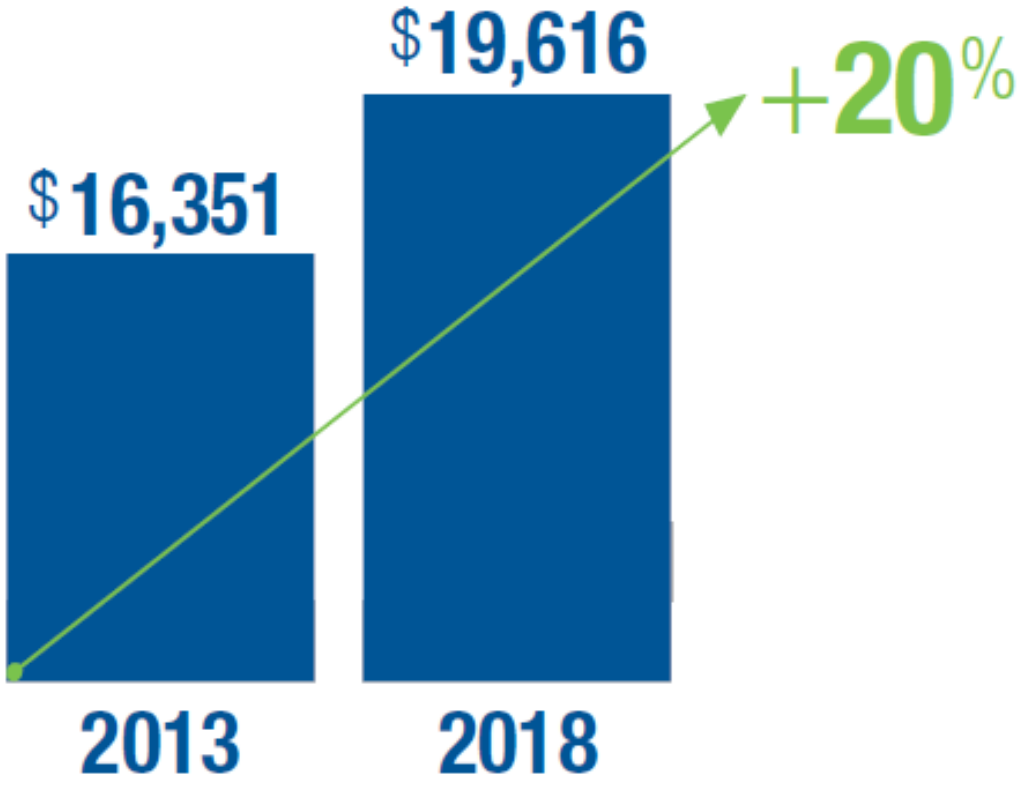
Premiums Growth Is Not Slowing Down



Source:
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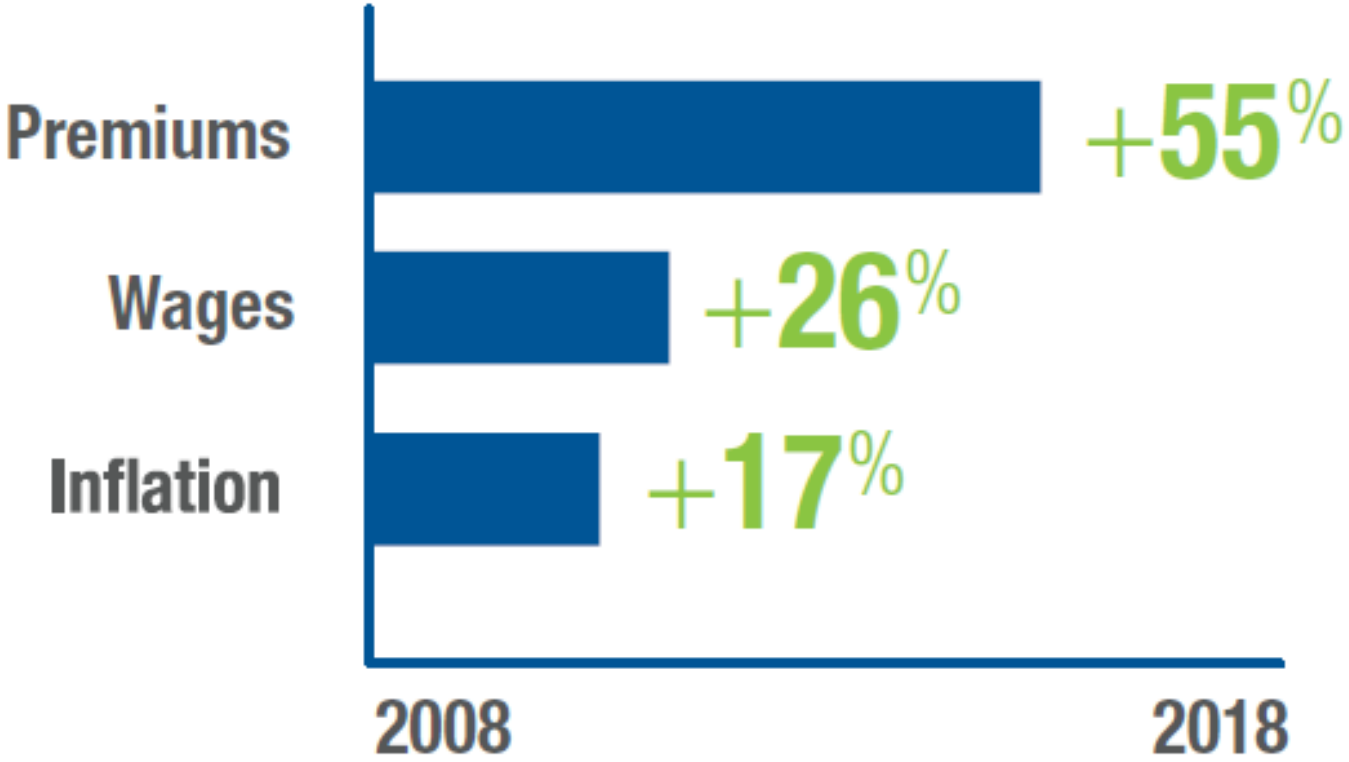
Putting Premium Growth in Perspective



Source:
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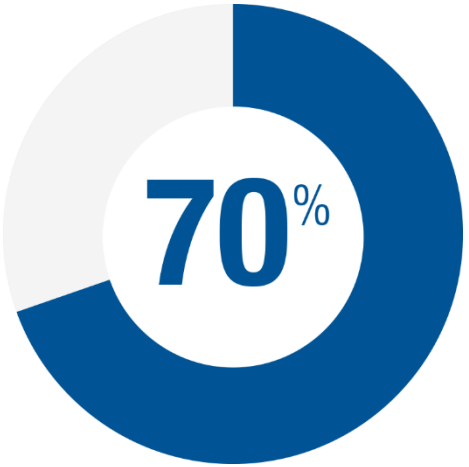
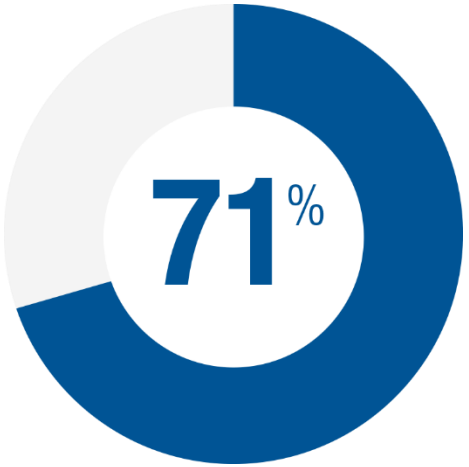
Consumers In the Dark With Healthcare Payments



of consumers are confused by medical bills



of consumers are confused by EOBs

Source:
Consumer Healthcare Payments Survey 2018

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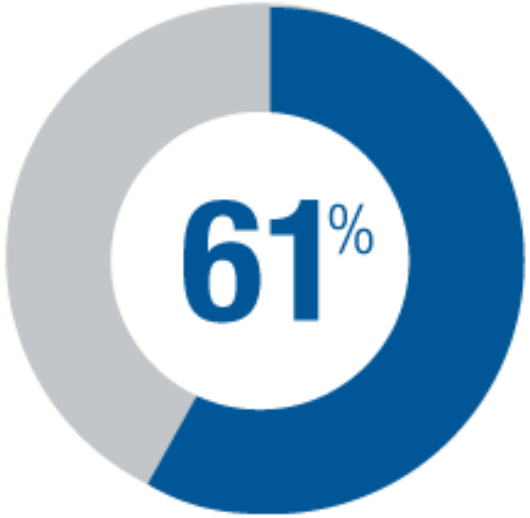
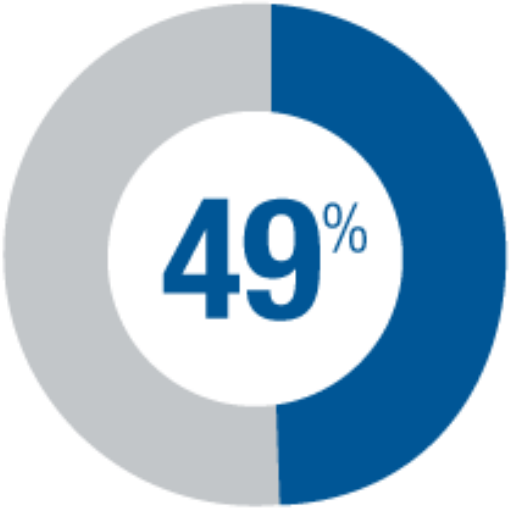
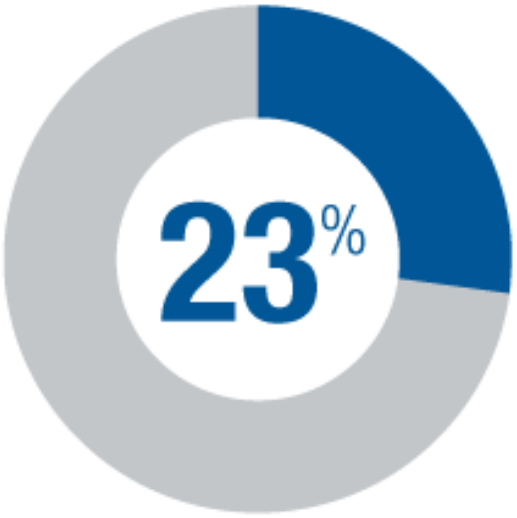
Negative Experiences for Consumers



received a bill for more than expected



received an unexpected bill



sent to collections

Source:
Consumer Healthcare Payments Survey 2018

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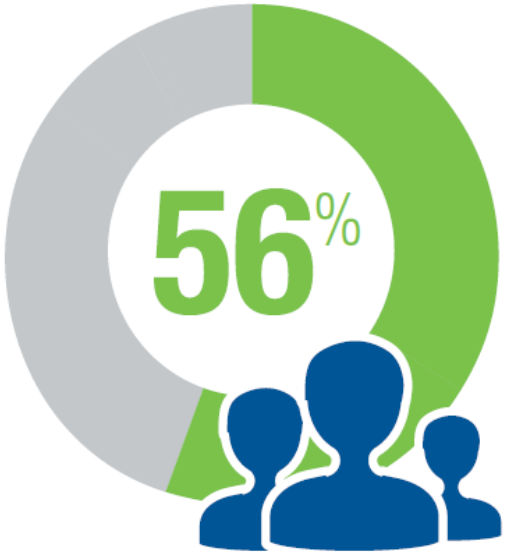
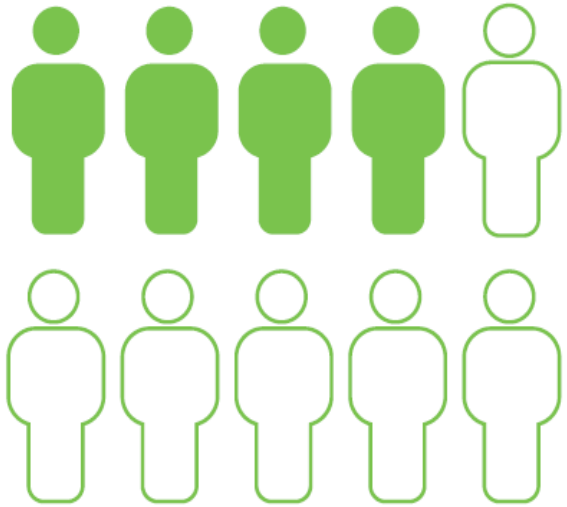
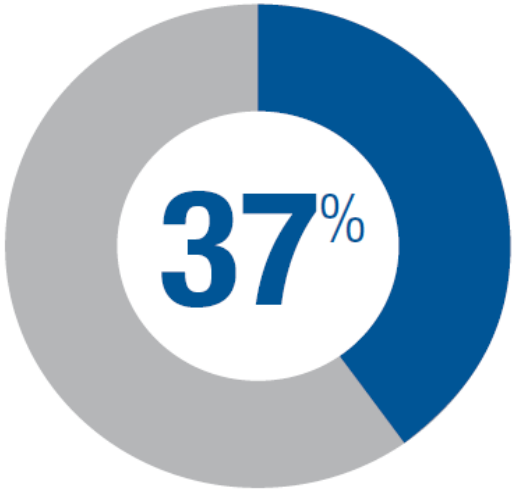
Consumers Struggle to Pay Larger Medical Bills



Consumers can’t pay $1,000+ medical bill



4 in 10 consumers would borrow, sell something or not pay a $400 emergency expense



Consumers have unpaid debt from medical bills

Sources:
Consumer Healthcare Payments Survey 2018
Federal Reserve
J.P. Morgan Chase

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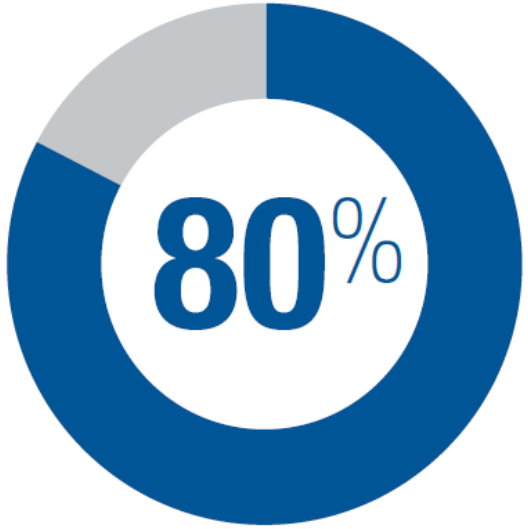
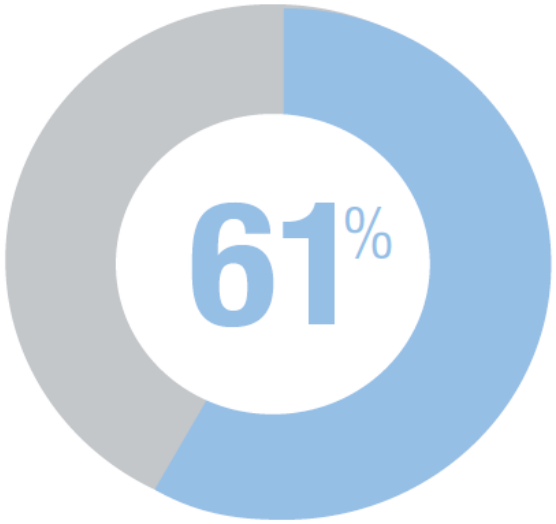
Consumer Loyalty Versus Convenience



of consumers reported that “convenience factors” would be enough to make them switch providers



of consumers would consider switching providers for a better healthcare payments experience

Sources:
NRC Health
Consumer Healthcare Payments Survey 2018

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What Do Consumers Want?

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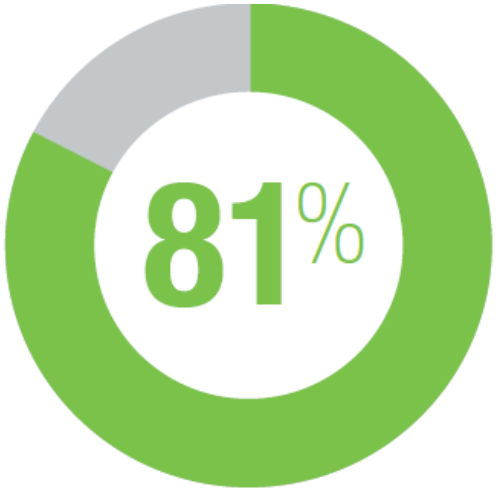
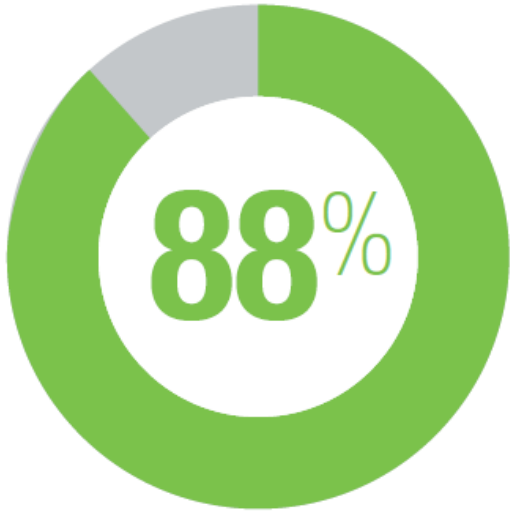
Stop the Surprises



of consumers want an online estimation tool for provider visits



of consumers want to know payment responsibility upfront

Source:
Consumer Healthcare Payments Survey 2018

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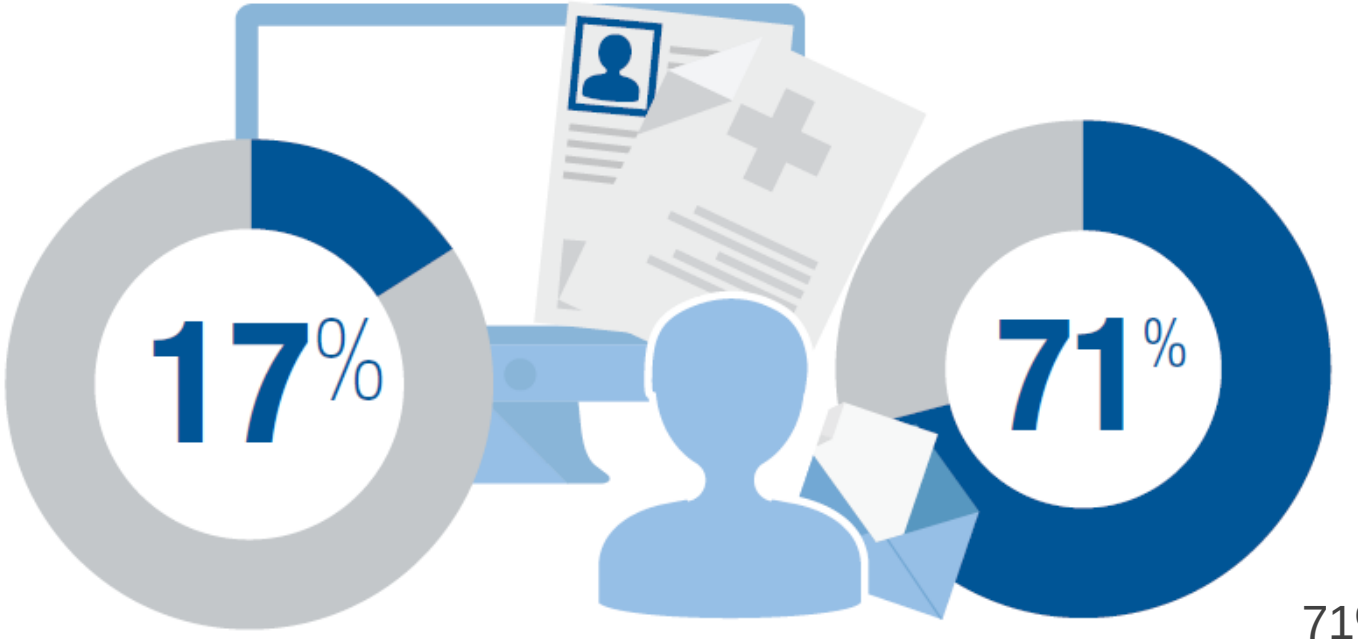
Kill the Paper



17% of consumers receive medical bills electronically

71% of consumers want eStatements from providers

Source:
Consumer Healthcare Payments Survey 2018

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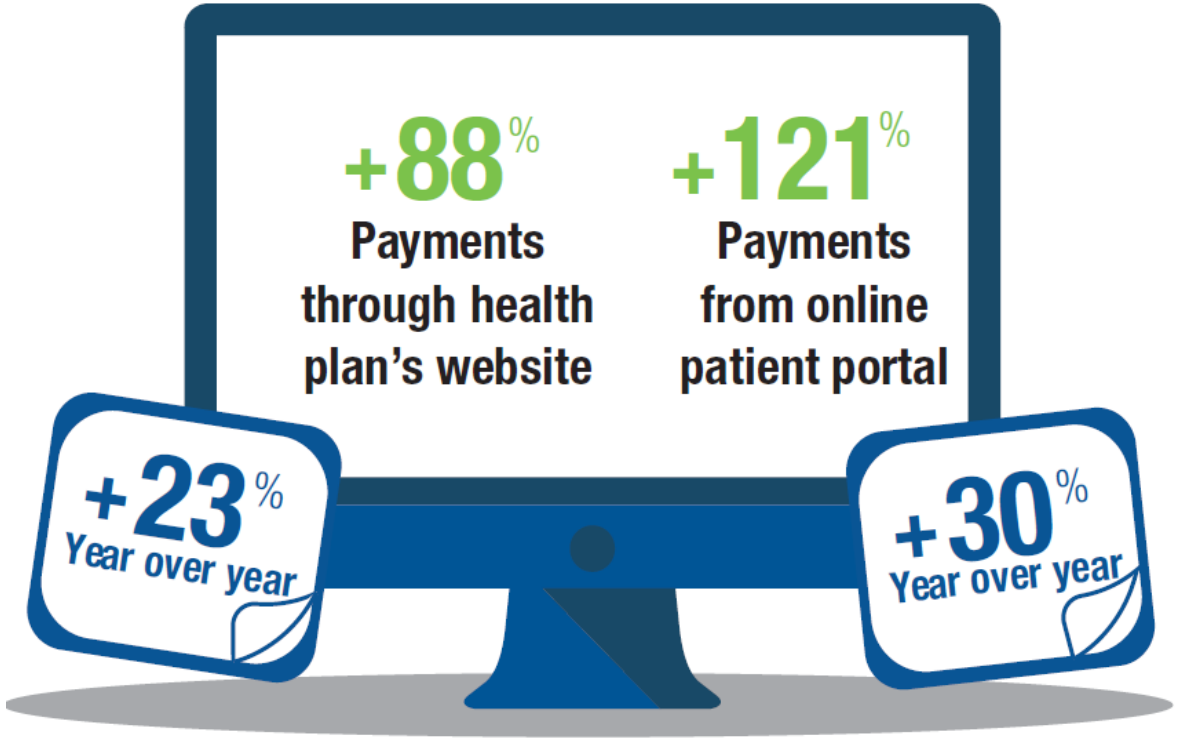
Be Where Consumers Are

2015 - 2018



Source:
InstaMed Network Data

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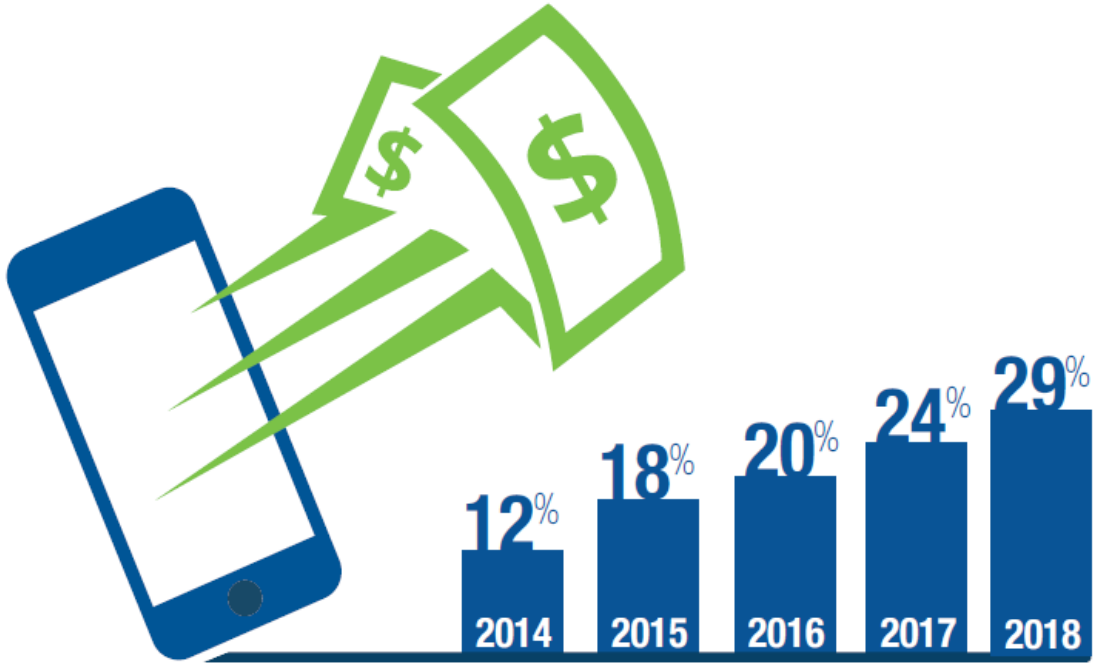
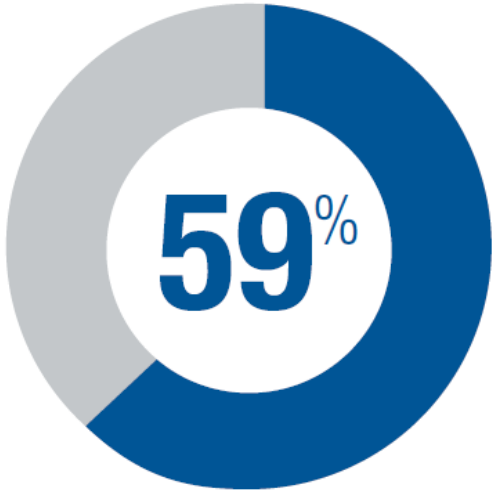
Make It Mobile

Mobile Payment Growth on the InstaMed Platform





of consumers would download a mobile app to pay all of their healthcare bills

Sources:
InstaMed Network Data
Consumer Healthcare Payments Survey 2018

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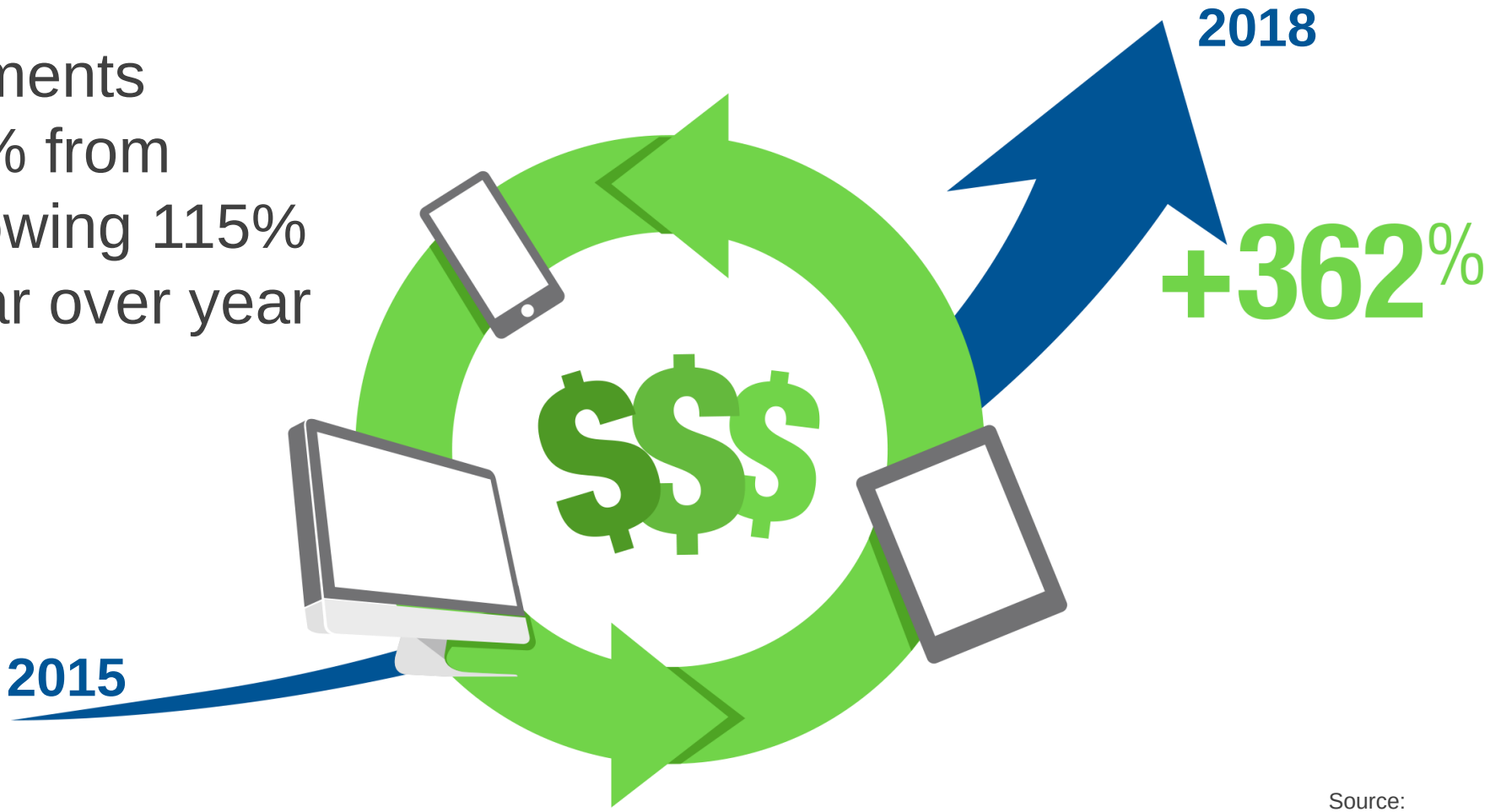
Think Automation

Automatic payments increased 362% from 2015-2018, growing 115% on average year over year



Source:
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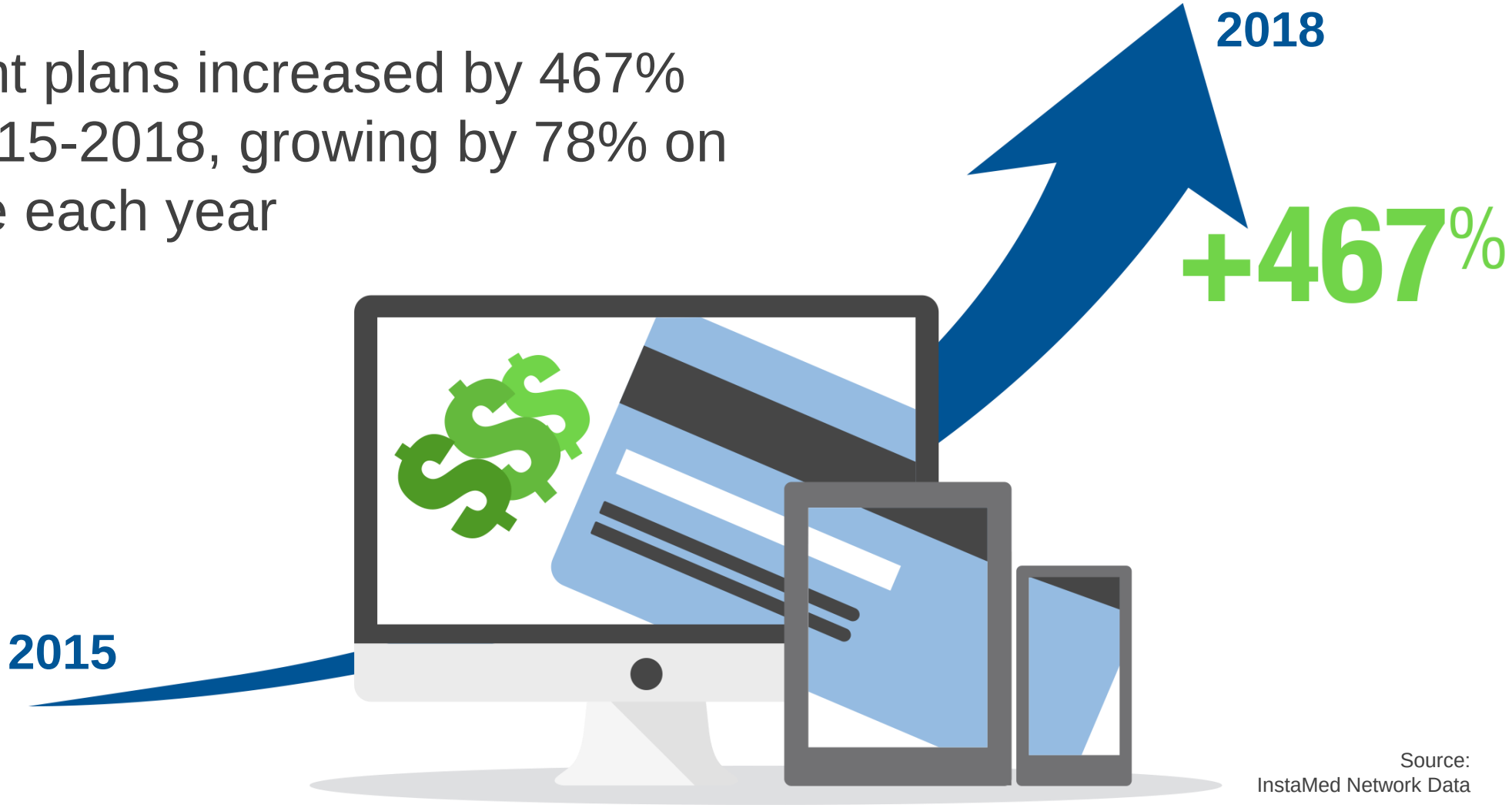
Give Options for Larger Payments

Payment plans increased by 467% from 2015-2018, growing by 78% on average each year



Source:
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What Are the Trends in Healthcare Payments Impacting Providers?

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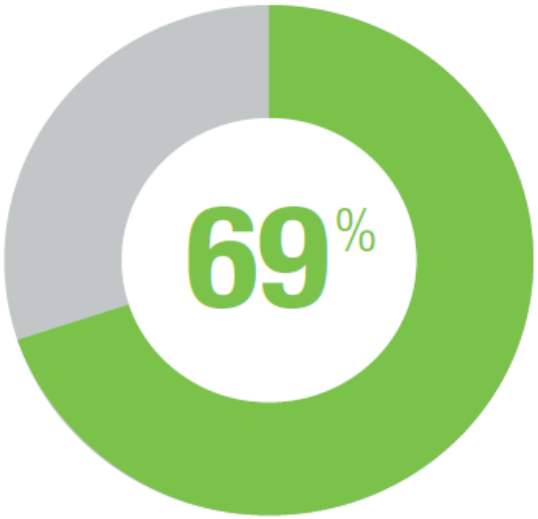
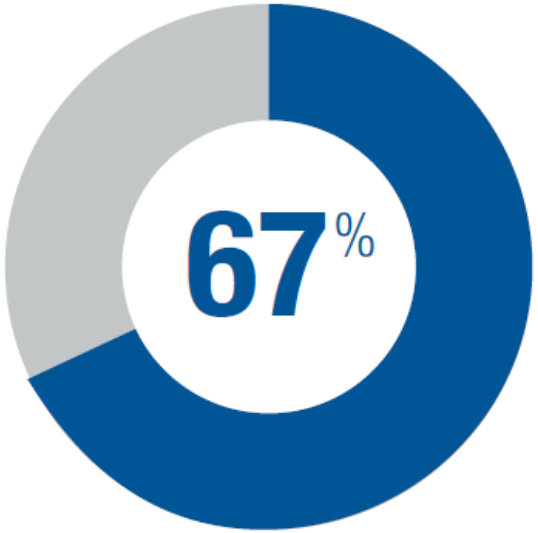
Providers Struggling to Collect From Consumers



of providers saw an increase in patient responsibility compared to 2017



of providers' primary revenue cycle concern is patient receivables

Source:
Provider Healthcare Payments Survey 2018

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Providers Fight Against Elapsing Time

77% of providers say that it takes more than a month to collect any payment

Source:
Provider Healthcare Payments Survey 2018

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Consumer Experience = Revenue

10% increase

in customer loyalty means

$22+ million

in revenue for a hospital

Source:
Advisory Board

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Consumer Experience Impacts the Bottom Line

Hospitals with **superior** customer experience achieve net margins 50% higher than **average**

Source:
Accenture

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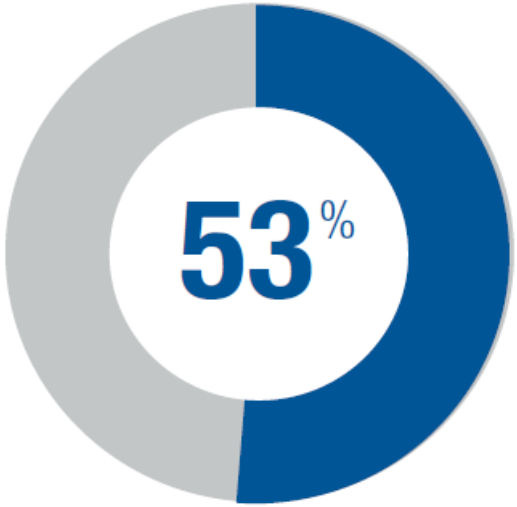
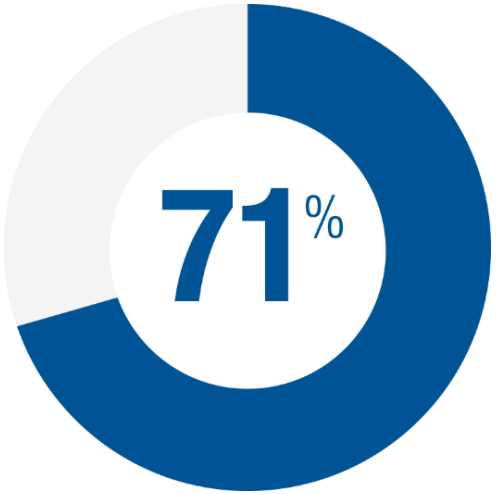
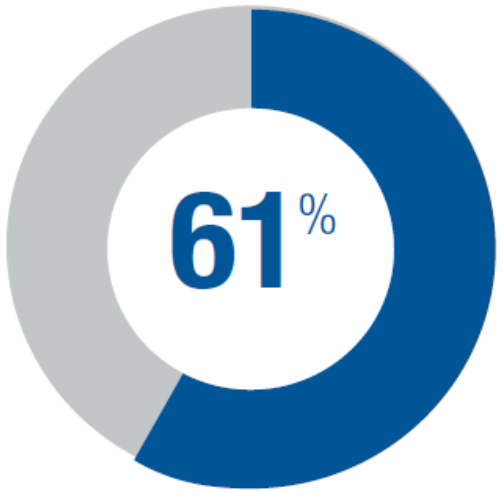
The Consumer Experience Is Ripe With Opportunities for Improvement



of providers do not know patient responsibility during the visit



of providers do not offer eStatements



of providers do not offer automatic payments

Source:
Provider Healthcare Payments Survey 2018

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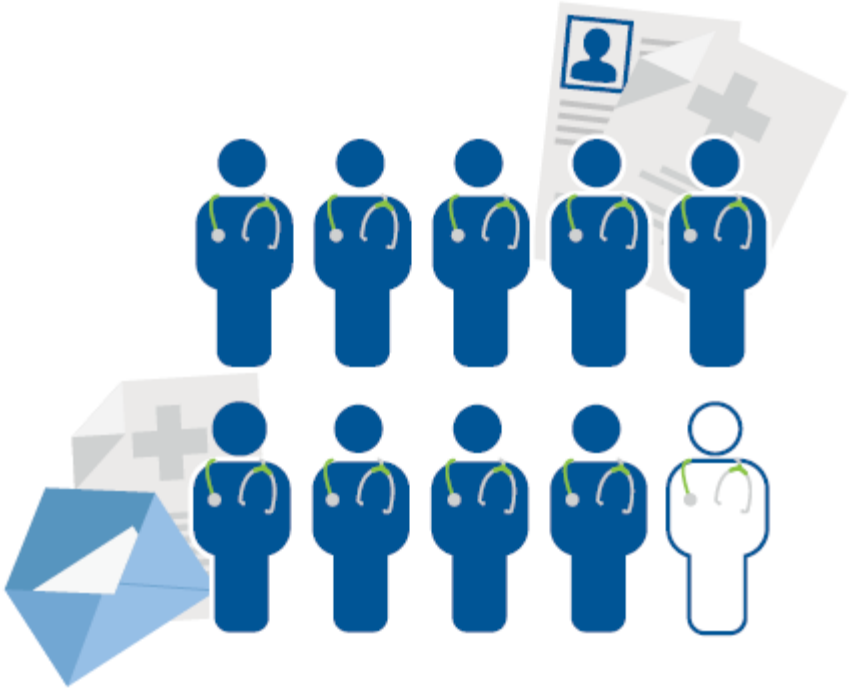
Providers' Problematic Relationship With Paper



90% of providers leverage paper and manual processes for collections

Source:
Provider Healthcare Payments Survey 2018

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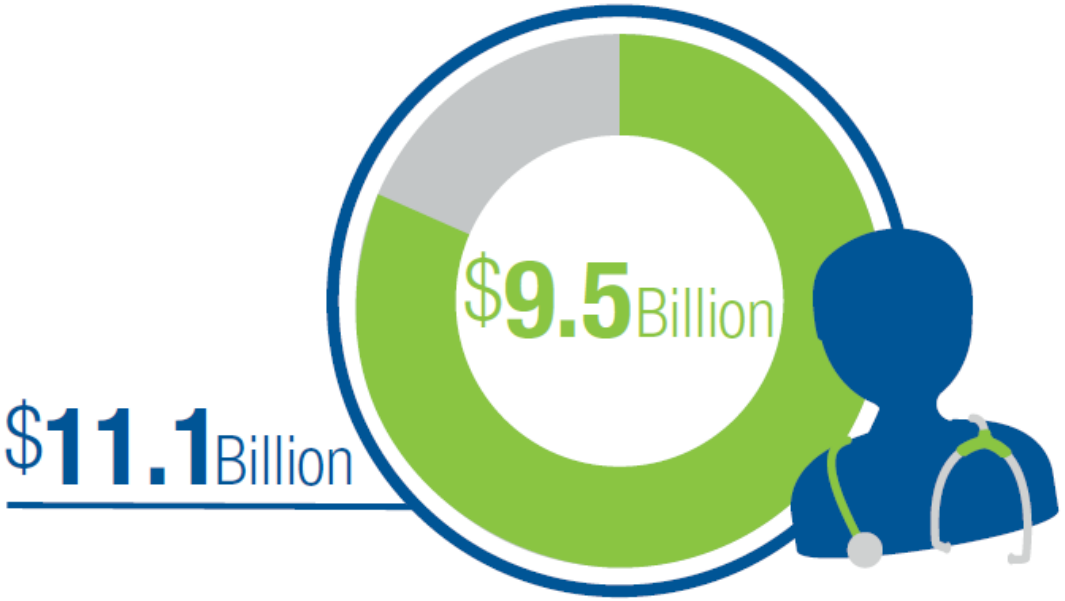
Killing Paper Comes With Significant Financial Gains

$9.5 billion in savings potential by adopting electronic transactions for providers



Source:
CAQH Index 2018

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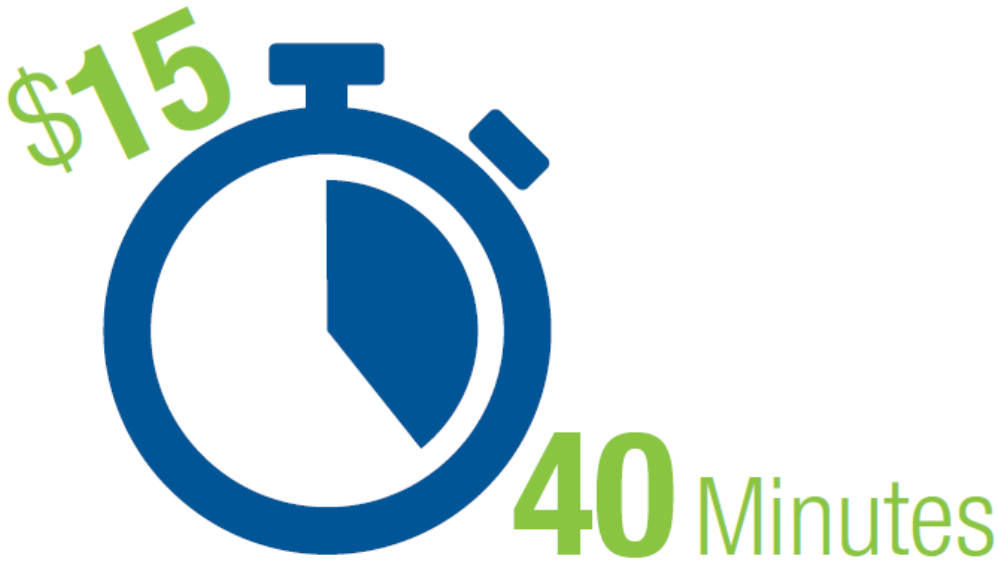
Killing Paper Comes With Significant Efficiency Gains



Providers can save **$15+** and **40 minutes** for a single medical claim with all 7 electronic transactions

Source:
CAQH Index 2018

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Retail Wants to Tackle Healthcare

The New York Times

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Amazon, Berkshire Hathaway and JPMorgan Team Up to Try to Disrupt Health Care

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By Zachary Tracer

June 24, 2018, 10:51 AM EDT

GeekWire

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BY CLARE MCGRANE on July 9, 2018 at 10:12 am

SECTIONS PYMNTS.com

AMAZON

Meet Haven, Amazon's Shared Healthcare Initiative

By PYMNTS

Posted on March 7, 2019

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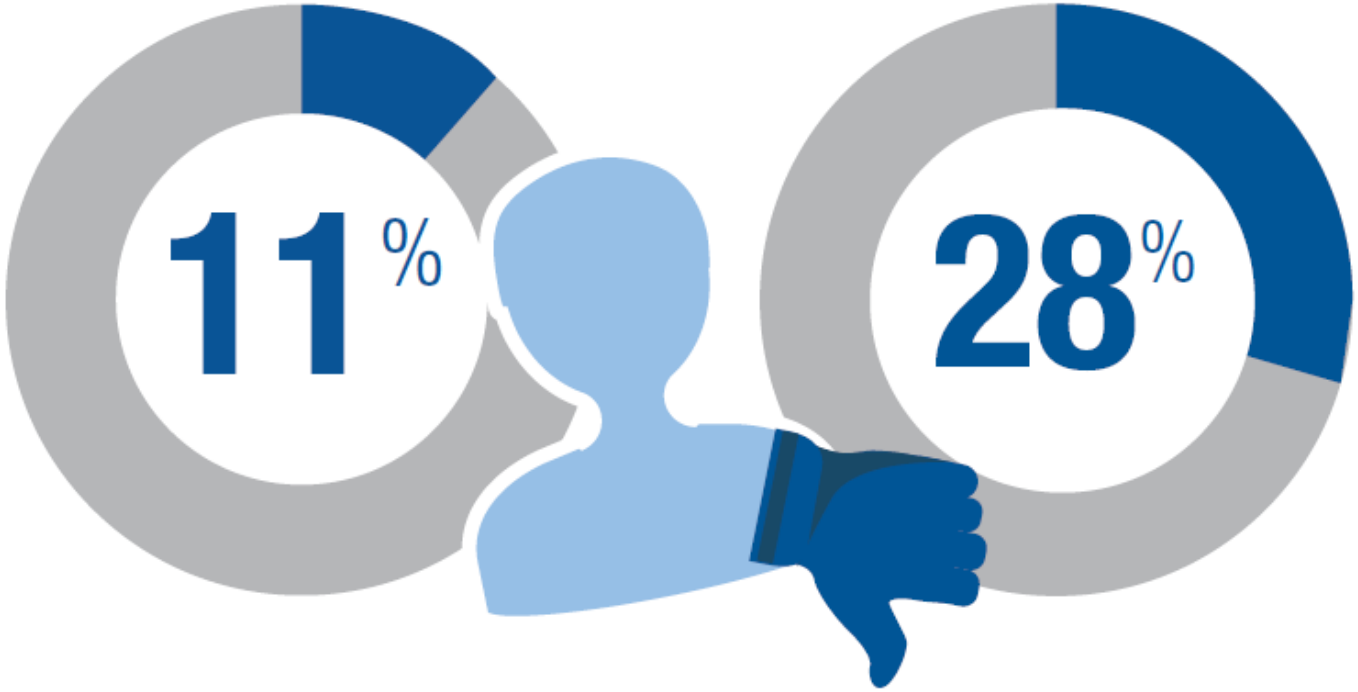
Member Experience Detractors

Members who feel **annoyed or dismissed by customer service** interactions...

11% of members will promote the brand



28% of members will stay with the payer

Source: Forrester

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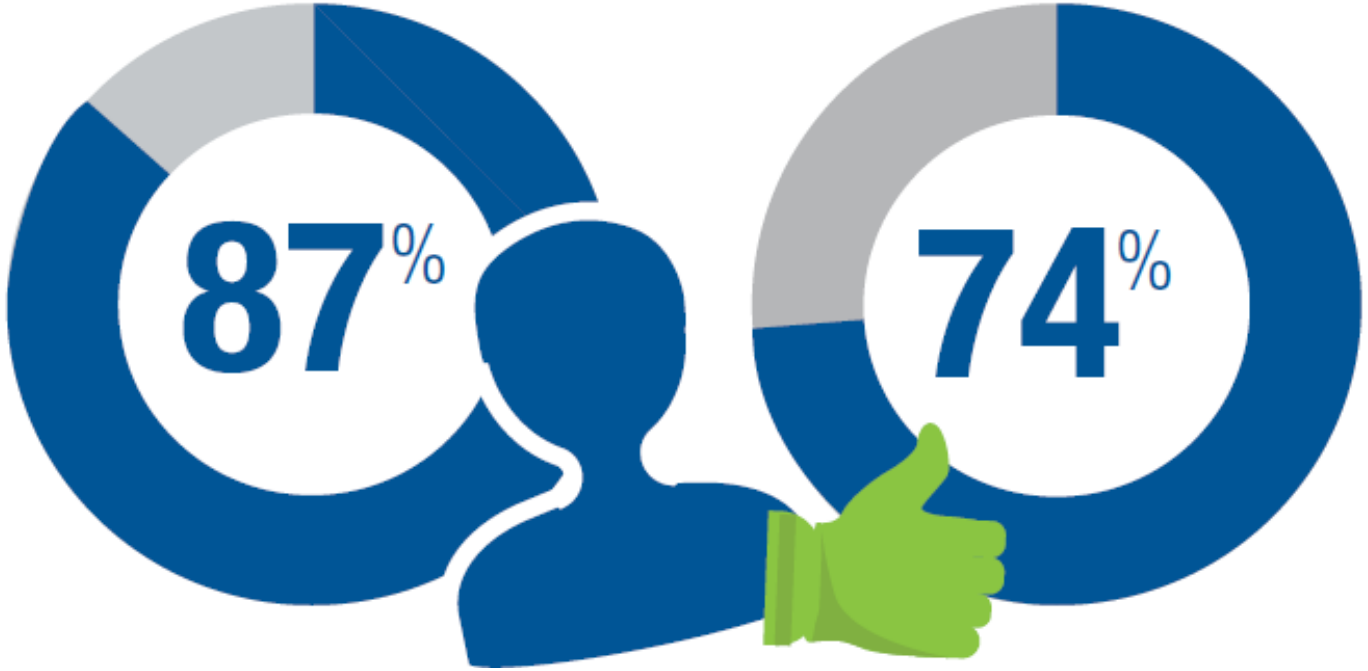
Member Experience Advocates

Members who feel **valued or appreciated by customer service** interactions...

87% of members will advocate for the brand



74% of members will retain their membership

Source: Forrester

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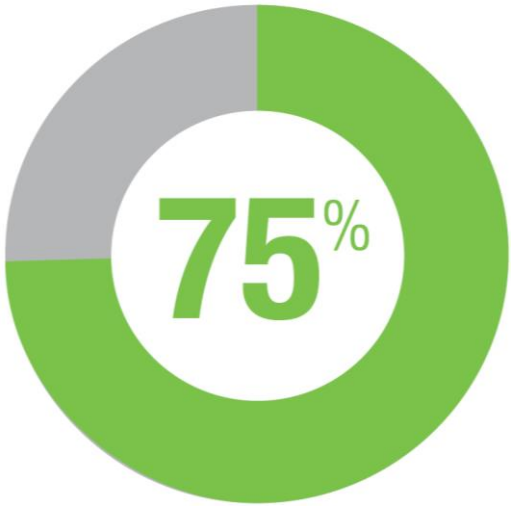
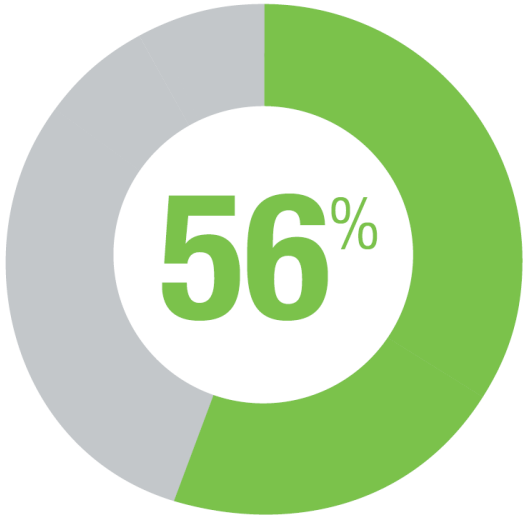
The Reality of Member Experience



of payers think members can find information without contact



of members get help when needed and employees solve issues quickly

Sources:
Payer Healthcare Payments Survey 2018
Forrester

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Room for Improvement in Member Experience

of consumers **want** eStatements for premiums

of consumers **cannot** receive eStatements from their health plan

Source:
Payer Healthcare Payments Survey 2018

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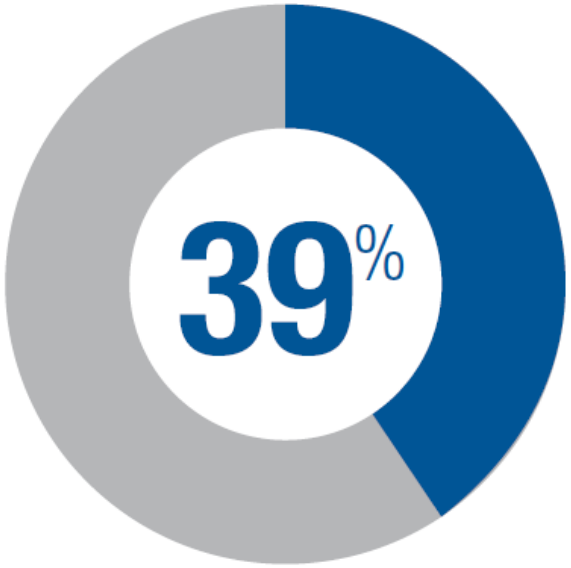
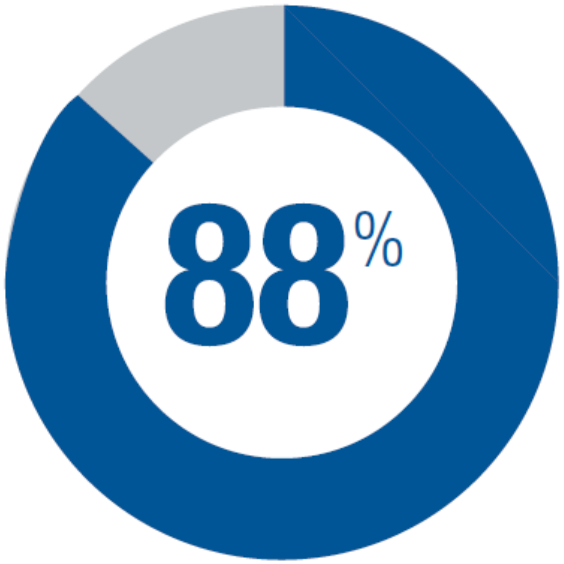
Payers Prioritizing the Member Experience



of payers say direct-to-consumer solutions are a top priority for 2019



of payers prioritize consumer preference for making all of their healthcare payments in one place

Source:
Payer Healthcare Payments Survey 2018

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Premium Payment Experiences Improving

of payers allow members to pay premiums via their member portals

of payers accept electronic options for premium payments

Source:
Payer Healthcare Payments Survey 2018

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Improving the Provider Payment Experience

of payers still deliver checks to providers

of providers still receive paper checks from one or more payers

Source:
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Payer Healthcare Payments Survey 2018

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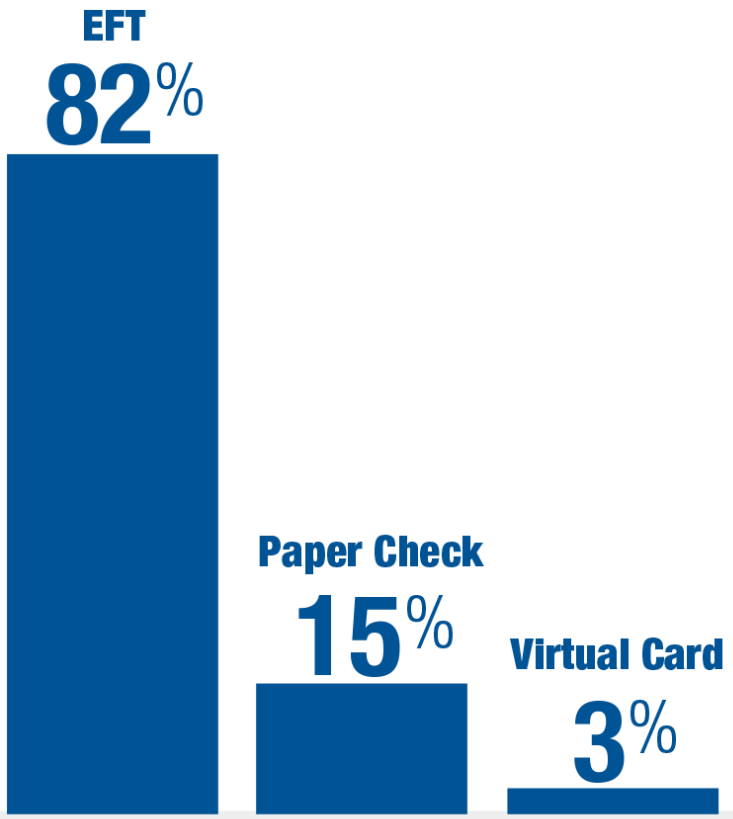
All Stakeholders Detest Paper

82% of providers prefer EFT from payers



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What Is the Future of Healthcare Payments?

- Consumers are in the driver's seat now
- Providers can have it all – payment assurance and patient satisfaction
- Payers can make healthcare payments better for everyone
- Business as usual is bad for business – must eliminate paper and manual processes

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Download the Trends in Healthcare Payments Ninth Annual Report!

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