2019 Healthcare Consumer Study
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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.
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).
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.

Key Trends

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

- 49% of healthcare consumers expressed frustration about their provider’s lack of adoption of digital administrative processes (online bill pay, access to insurance information, etc).

- 60% of healthcare consumers have requested expected out-of-pocket costs from providers ahead of care.

- 1 in 3 Americans don’t think that healthcare providers have done enough to improve the patient billing and payment process.

- 51% of those that requested it, were not able to get the information easily and accurately.

2019 Healthcare Consumer Study
The majority of consumers are still being notified about healthcare bills via outdated paper methods:

- Traditional mail: 74%
- Online patient portal: 55%
- Email: 34%
- Text: 15%

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:

- Post-visit (billing, insurance follow-up, etc): 45%
- Pre-visit (scheduling, copays, check-in, cost estimates, etc): 38%
- During visit (interactions with providers and staff): 17%
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
Healthcare is not immune: Consumers are willing to switch providers due to poor digital experiences and negative reviews

1 in 5 consumers left a provider because of a poor digital experience

41% said they’d consider switching to a provider who offered a better digital experience

52% 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

have given a negative review of a healthcare provider because of a poor digital experience
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: 66%

Adults 65+: 29%

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.

- 28% Adults 18-44
- 16% Adults 45+

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.

3x
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:

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**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.

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**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.

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**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.

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**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.

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**More Flexible Payment Plans**
Make care more affordable by leveraging patient data to craft personalized payment plans.