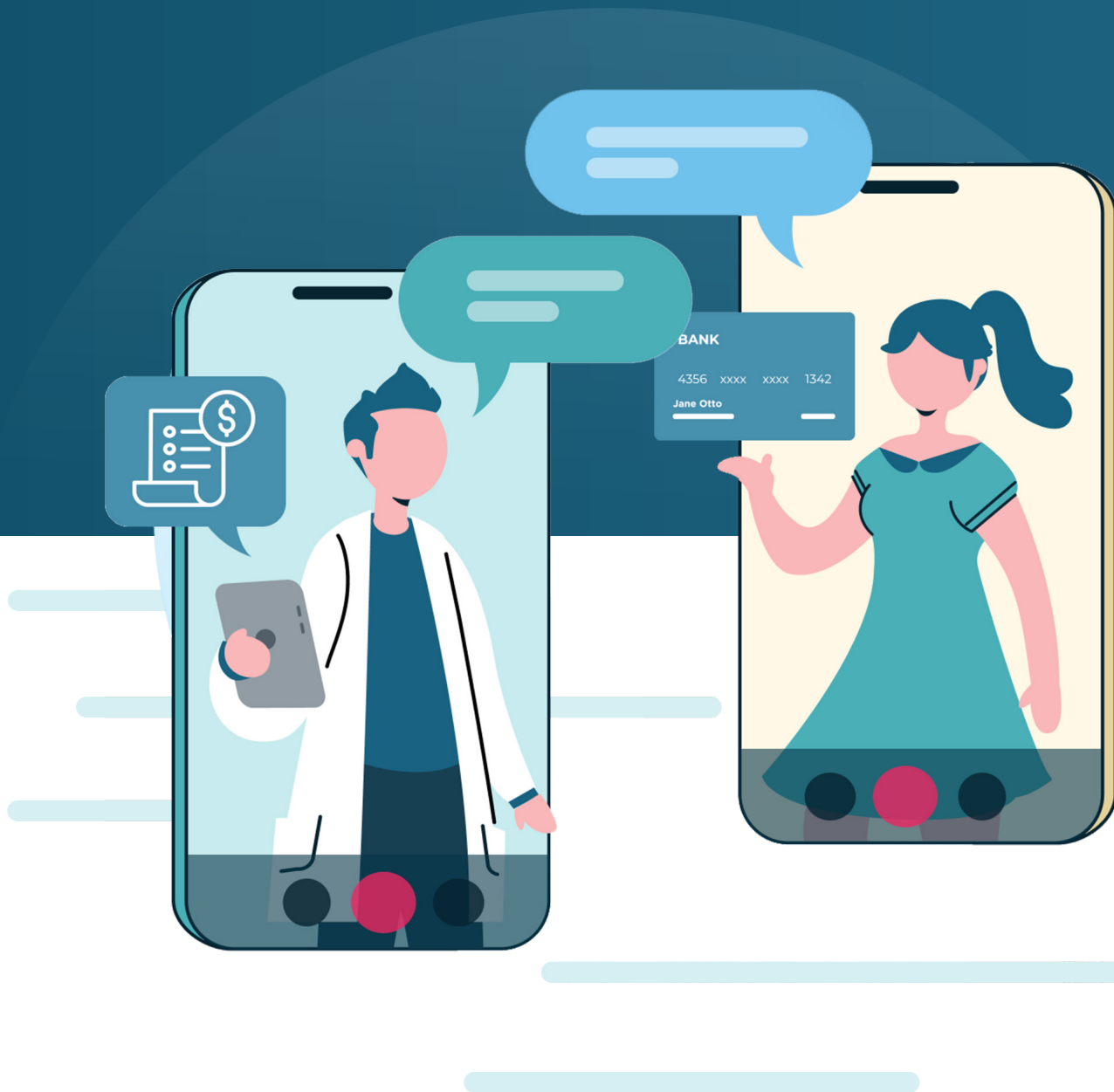




The Stats on Patient Financial Engagement



How The Statistics Show Patient Financial Engagement Is What Everyone Wants

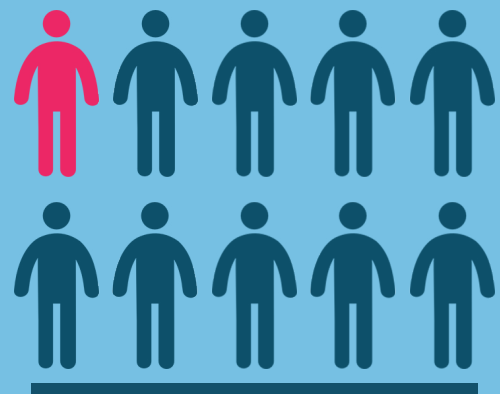
It's no secret that healthcare costs have increased significantly in recent years and that patients are becoming responsible for larger portions of their medical bills. U.S. healthcare spending reached **\$4.1 trillion in 2020**, an **increase of 9.7%** from the previous year, and more than double the increase from **2019 to 2020 (4.3%)**¹.



Given rising healthcare costs, it's not surprising that the number of Americans with medical debt has also increased substantially.

Eleven million people owe more than \$2,000, and 3 million owe more than \$10,000. Collectively, Americans' medical debt totaled at least \$195 billion in 2019, though it's likely that amount has increased in the wake of the COVID-19 pandemic. Patients who are struggling to pay their medical bills may avoid seeking care, which can end up costing even more money in the long run if their condition or illness worsens.

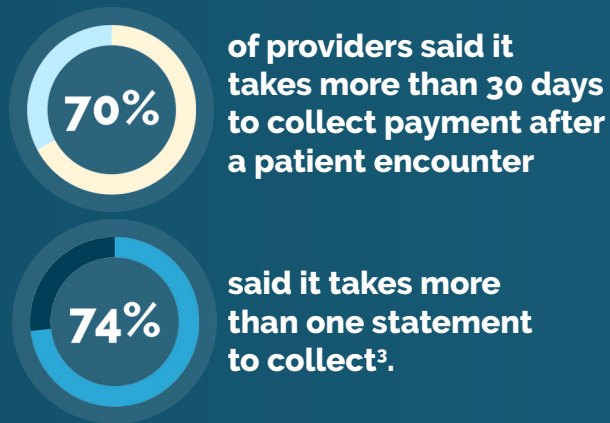
Healthcare organizations, then, find themselves in a tough spot. The inability to collect payments for patients can negatively impact an organization's bottom line and decrease its revenue. That's why it is critical for healthcare organizations to prioritize patient financial engagement before it's too late.



A 2020 analysis of government data estimated that nearly 1 in 10 adults, roughly 23 million people, carry medical debt²

Challenge

Healthcare providers can spend a significant amount of time chasing down patient payments. In one report,



Part of the problem is that 75% of providers are still relying on paper and manual processes for collection. However, this practice doesn't line up with what patients actually want. Although 70% of patients receive their medical bills via mail, only 9% want to pay their bills with a paper check. One in four patients ended a transaction because they weren't able to pay using their method of choice, either with a credit or debit card.

Additional research has found that 68% of patients with medical bills of \$500 or less did not pay the full amount⁴. One of the reasons patients are often unable to pay their full balance is because of high deductibles—according to the report, patient responsibility increased from 10% to 30% over the past few years. Not only that, but patients are often unaware of exactly how much they are expected to pay until they receive their bill. In 2021, 87% of consumers said they were surprised by a medical bill, and 73% said they found out about their healthcare costs after they had already received care.

With these statistics in mind, providers are tasked with not only providing patients with modern payment methods, but also with ensuring price transparency so patients understand their financial responsibility up front. Focusing on patient financial engagement can not only improve patient satisfaction but provider satisfaction as well.

Overview

The importance of the patient's financial experience cannot be overstated. Although 39% of physicians believe the billing and collection process does not affect the patient experience, 74% of millennial patients reported they would consider switching providers for a better financial experience. However, patients reported that they received confusing explanations about their benefits or medical bills. They also were not sure how much they were supposed to pay; nine in 10 patients said it would be helpful to have information about their expected costs, including co-pays and insurance coverage. But patients also reported having trouble finding an out-of-pocket cost estimate, even after asking for one.

Patient Financial Engagement (PFE) technology can be a powerful ally for healthcare organizations that are looking to enhance the patient billing experience and improve their revenue. One report found that the majority of early adopters of patient financial engagement technology invested in a unified patient payment portal that not only simplified the payment process but also enabled patients to take ownership of their medical bills by offering payment plans and consolidated statements⁶.

Nearly **64%** of early adopters of PFE technology reported increased collections

27% saw reduced AR days

55% experienced reduced costs

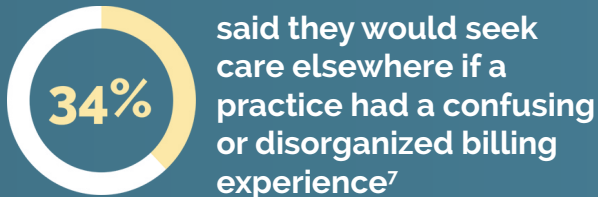
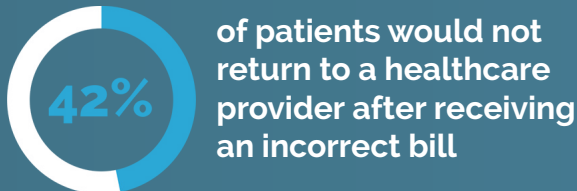
Patients benefit as well; patient satisfaction increased by **18%** following implementation.



Reduce Billing Errors to Keep Patients (and Keep Them Happy)

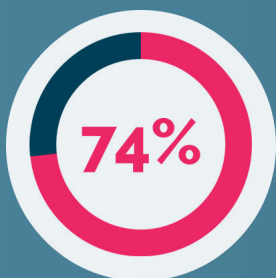
Errors are an unfortunate reality when it comes to medical billing, and both patients and providers are impacted. After a hospital visit—sometimes months later—a patient receives a paper bill listing all of the different services and items used during their stay. These itemized bills can be overwhelming, and most patients will pay the bill without going through it line-by-line—if they pay it at all, that is. And while the majority of mistakes are minor and simply due to human error, occasionally they are the result of intentional fraud.

No matter the cause, billing errors can cause patients to seek care elsewhere. Research found



One benefit of patient financial engagement is preservice screening, which can reduce the amount of time and money spent on patient billing while also reducing errors and billing delays⁸. Preservice screening ensures the scheduled patient matches the correct medical records and confirms insurance coverage and eligibility for service before the encounter. This can help patients understand what their financial responsibility will be before they receive their bill. Preservice screening also ensures accurate claims processing and reduces the number of denials.

Support Digital and Alternative Payment Options



A consumer report found that **74% of patients prefer online payments for medical bills.**



As consumers, patients are used to paying their bills online or through a company's app. But healthcare continues to rely on paper for payments, which can be a turnoff for patients who expect a similar financial experience as retail or banking. Millennials in particular prefer digital payments—80% said they want digital payment platforms for medical bills, and 85% said they would download and use an app to pay their medical bills. Almost three-quarters (74%) of millennials said they would switch healthcare providers for a better payment experience.

Although some healthcare organizations allow patients to make credit or debit card payments through their online portals, some patients want to take it even further. One survey found that one in four patients would use a mobile wallet to pay their medical bill if they had an option, and one in three patients wished their provider offered payment options such as Zelle or Venmo⁹. One roadblock to supporting these alternative payment methods, however, is that they are not HIPAA compliant.

Although providers may not be able to offer alternative payment methods just yet, an online portal can make it easier to offer payment plans to patients who may not be able to pay their entire bill at once. Utilizing additional features such as text message reminders or interactive voice response (IVR) can also increase the likelihood that patients will pay their bills in a timely fashion.

Automate Payments Before and After the Visit

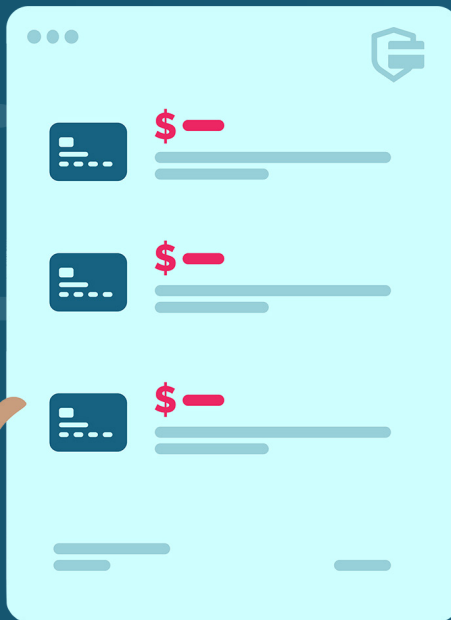
Medical billing times can vary greatly by practice, meaning patients don't always know when they will be expected to pay for their visit. This can make it difficult for providers to collect payment as patients may either forget about their bills or may have experienced a change in their financial situation. The best way for providers to ensure that patients pay their bills is to collect the payment immediately before or after the visit.



Often when patients check in for their visit, the front desk staff simply confirms their appointment before sending them to the waiting room. Occasionally they may ask to confirm insurance if there has been a change. But with a digital check-in process, providers can collect the co-payment before the visit. This also allows patients to pay using a credit card on file or a new card, rather than having to wait for a paper bill and then pay by check or over the phone.

The same can be said for collecting payment after the visit. Once the patient finishes their visit, the practice can either charge the card on file or send a digital invoice. If a practice plans to charge the card on file immediately after the visit, it is important to make sure the patient is aware they will be charged and inform them of their financial responsibility. For patients who do not feel comfortable being charged automatically, the practice can send a digital invoice via secure text or email. The patient simply needs to confirm their date of birth to authenticate before paying with the card on file or a new payment method.

Automating payments before and after the visit can save healthcare staff a lot of time and frustration. Since staff members do not have to manually collect payments, they can spend their time on more important tasks. Not only that, but collecting payments automatically means the practice won't have to sell an uncollected payment to a debt collector just to receive a fraction of the actual bill.



Conclusion

Patient financial engagement can be a game-changer for healthcare organizations that want to improve the patient experience and increase their revenue. Patients are more likely to pay their medical bills when they know how much their financial responsibility is and are able to pay using the method that works best for them. If you're ready to transform your patients' financial experience, schedule a demo with Mend to learn how to automate payments for in-person and telehealth visits.

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About Mend

Mend is an enterprise-grade patient engagement and telehealth platform designed to help healthcare organizations profitably scale their practice and care for more patients.

Founded in 2014, Mend is on a mission to revolutionize healthcare delivery so that every patient can receive extraordinary care. Mend makes it easy for healthcare providers to securely and efficiently communicate with their patients and colleagues, without concerns of violating HIPAA compliance or misplacing patient information. Mend provides integrated in-office and virtual care experiences for over 100 specialties with more than 5 million patients.

Mend's comprehensive platform works hand-in-hand with all major EHR and PMS software to facilitate more than 400,000 telehealth visits per month, increase patient satisfaction by up to 23% reduce no-show rates as low as 4%, radically improve staff productivity, and help providers drive more revenue through better patient attendance.

