



AccessOne®

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## AccessOne Report: COVID-19 Consumer Survey

Nearly two-thirds of consumers are concerned they won't be able to pay for medical expenses this year



## Vital Patient Financing Strategies for a COVID-19 World

Across income levels, consumers are worried about their ability to pay for medical expenses during and after the coronavirus pandemic. Now more than ever, all-inclusive patient financing options are critical.

Consumers fear the financial shock of paying for medical care in the midst of the coronavirus pandemic, an AccessOne survey shows—and high-income consumers are just as worried about their ability to pay for care as low-income individuals.

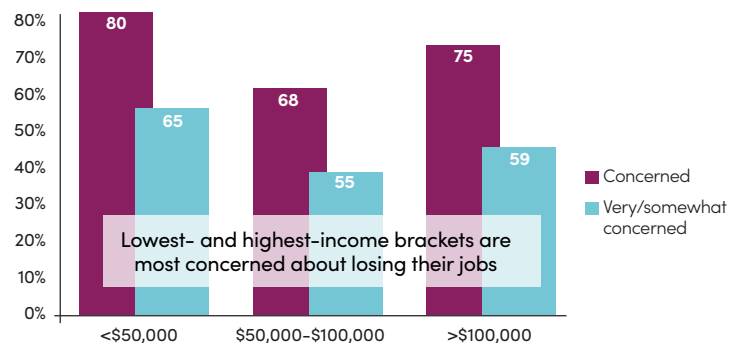
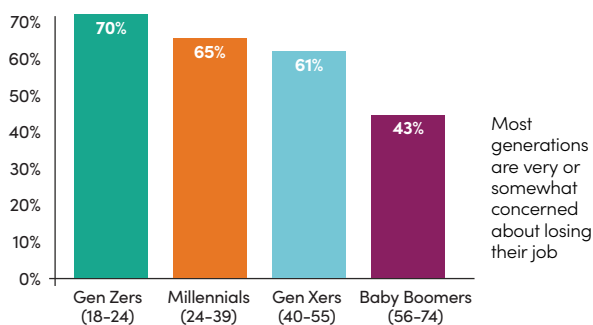
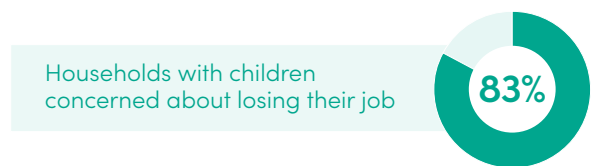
As hospitals wrestle with the financial pressures of their coronavirus response, providing affordable patient financing options for all consumers—regardless of income level—will be crucial to recapturing non-emergency procedure volumes. It will also be integral to keeping patients engaged in paying for their care in a market where consumer credit is shrinking.

Consider the following statistics:

- **67%** of consumers **expect a loss of income** due to COVID-19.
- **75%** of consumers in the \$100K+ income bracket are **very or somewhat concerned** they will lose their jobs as a result of the coronavirus pandemic.
- **64%** of families are **very or somewhat concerned** they will be unable to pay their medical expenses.

The results suggest all-inclusive financing options are a vital step toward helping patients feel financially comfortable returning to hospitals for care. It is clear that consumers will have to overcome fear of financial stress to return to normal care settings. Alleviating this fear is one key to strengthening hospitals' financial health.

### COVID-19 Job Loss Concerns Are Shared Across Income Levels and Demographics



AccessOne COVID-19 Consumer Survey, April 2020



## Taking a Closer Look

In the weeks following the start of the coronavirus pandemic, unemployment permeated the economy, with jobless claims reaching 22 million by mid-April<sup>1</sup>. One economist described the rate of economic distress unfurled by the pandemic as “the deepest, fastest, most broad-based recession” the United States had experienced, with the number of jobs lost roughly totaling the number of new jobs gained since 2007, the year the last recession took hold<sup>2</sup>.

The stresses of a viral outbreak combined with economic turmoil have sparked fear among consumers over how they will handle their expenses—especially medical expenses.

The AccessOne COVID-19 consumer survey shows consumers across demographic groups are feeling the financial strain of a tumultuous economic and public health environment:

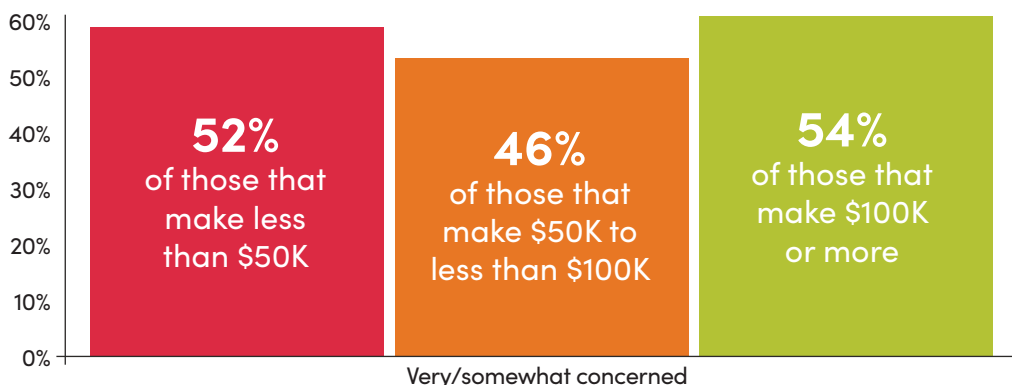
- **51%** of respondents **worry they will lose their health insurance** due to the pandemic.
- **68%** are **concerned about their ability to pay** for general medical expenses for the year.
- **64%** of families with children are **very or somewhat concerned** about their ability to pay for medical care this year.
- Younger generations—Gen Xers, millennials and Gen Zers—feel these worries more acutely than baby boomers. **62% of Gen Xers and millennials** and **53% of Gen Zers** say they are very or somewhat concerned about their ability to pay for medical expenses this year, compared with **33% of baby boomers**.

But the degree to which high-income consumers shoulder financial anxiety due to the coronavirus outbreak is surprising. For instance, high-income earners are more worried about their ability to cover medical expenses this year than those in lower income brackets (see the exhibit below)

### Measuring the Weight of Healthcare Cost Concerns by Income Level

#### QUESTION

How concerned are you about your ability to pay for your general medical expenses this year?

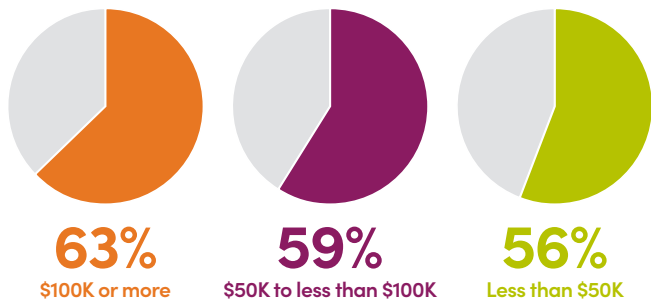


The degree to which high-income consumers shoulder financial anxiety due to the coronavirus outbreak is surprising

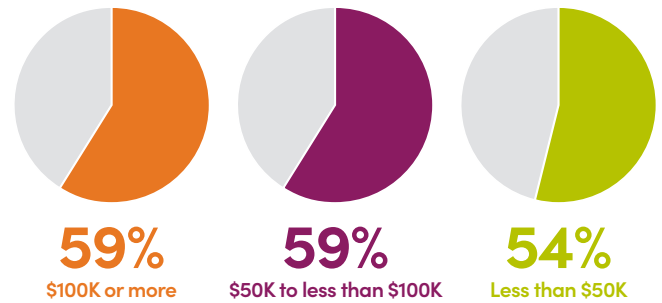
High-income earners also are more likely or just as likely to say they would consider delaying care this year due to cost (see the exhibit below).

### Higher-Income Consumers Are Likely to Delay Non-Emergency Care in 2020

Likely to delay a non-emergency but necessary surgery (like a knee replacement):



Likely to delay a diagnostic procedure (like a colonoscopy):



The length of time that high-income earners are likely to delay care varies. 46% plan to delay non-emergency but medically necessary surgery by up to six months. Meanwhile, 43% plan to delay diagnostic procedures by up to six months.

### High-Income Earners Are Most Likely to Delay Care for Up to 6 Months

Would delay a non-emergency but necessary surgery by up to six months:



Would delay a diagnostic procedure for up to six months:

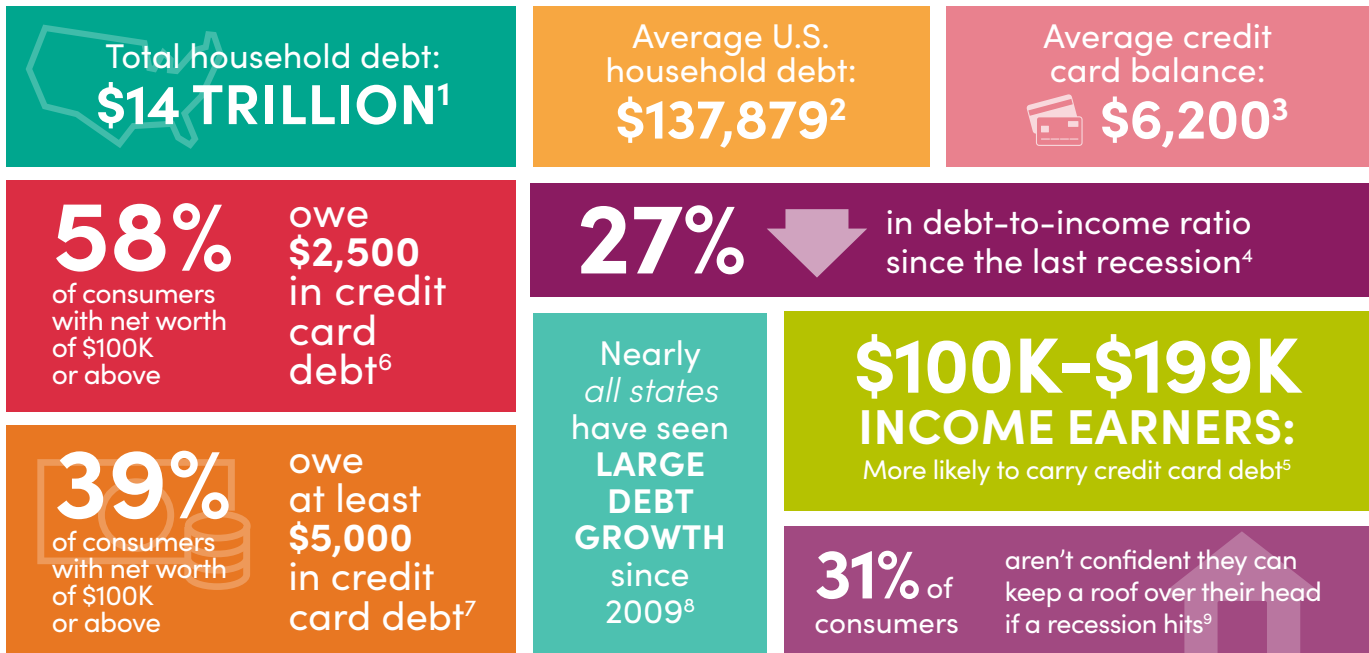


What is prompting cost concerns among high-income earners in particular? Soaring unemployment—with one analysis predicting job losses will reach 47 million<sup>3</sup>—may be one factor. Additionally, high-income earners—those making \$100,000 to \$199,000—are more likely to carry credit card debt<sup>4</sup>. Yet consumer confidence in their ability to pay their bills—even among high-income earners—has declined<sup>5</sup>. And as consumers seek loans to get them through the economic pain of the coronavirus pandemic, banks are making loans harder to get<sup>6</sup>, tightening lending standards for consumers as well as small businesses.

**Consumer confidence in their ability to pay their debt declined before COVID-19, even among high-income earners.**

The data point to the need for healthcare providers to adopt and implement affordable payment options for all consumers—quickly—to give consumers confidence in their ability to pay their medical expenses. Flexible payment options also will be critical to protecting an organization’s bottom line during and after the pandemic.

**The State of U.S. Household Debt Before COVID-19**



Sources: 1. Tanzi, A., Bloomberg, Feb. 11, 2020, <https://www.bloomberg.com/news/articles/2020-02-11/u-s-household-debt-exceeds-14-trillion-for-the-first-time>. 2. El Issa, E., "2019 American Household Credit Card Debt Study," NerdWallet, Dec. 2, 2019, <https://www.nerdwallet.com/blog/average-credit-card-debt-household/#footnote-one>. 3. El Issa, E., "2019 American Household Credit Card Debt Study," NerdWallet, Dec. 2, 2019, <https://www.nerdwallet.com/blog/average-credit-card-debt-household/#footnote-one>. 4. Stolba, S.L., "Debt Reaches New Highs in 2019, but Credit Scores Remain Strong," Experian, <https://www.experian.com/blogs/ask-experian/research/consumer-debt-study/>. 5. Dickler, J., "Credit Card Debt Is Worse for Those with High Income," CNBC, Dec. 18, 2019, <https://www.cnbc.com/2019/12/18/credit-card-debt-is-worse-for-those-with-high-income.html>. 6. Dickey, C., "Survey: Credit Card Debt More Common when Income Exceeds \$100K," Bankrate, Dec. 18, 2019, <https://www.bankrate.com/credit-cards/net-worth-survey/>. 7. Ibid. 8. Stolba, S.L., "Debt Reaches New Highs in 2019, but Credit Scores Remain Strong," Experian, <https://www.experian.com/blogs/ask-experian/research/consumer-debt-study/>. 9. Leonhardt, M., "Nearly 1 in 3 Americans Aren't Confident They'll Be Able to Keep a Roof Over Their Head If a Recession Hits," CNBC, March 20, 2020, <https://www.cnbc.com/2020/03/20/31-percent-of-people-arent-sure-they-can-pay-for-housing-if-recession-hits.html>.

## Creating the Most Effective and Inclusive Approach to Financial Assistance

In 2020, a proactive patient financial engagement strategy for consumers of all income levels is essential to enabling access to healthcare to promote public health and improve the financial standing of most healthcare organizations. Here are five tactics to consider.

2 in 3 consumers expect the COVID-19 pandemic to affect their income

### Engage patients early and compassionately around financial responsibility for care.

51% of consumers are very or somewhat concerned about how they will pay for medical care of any type this year, according to the AccessOne survey. That's why it's critically important to revisit your organization's patient financial engagement strategies to ensure all patients benefit from early communications and flexible, affordable approaches to payment. Provide out-of-pocket estimates for care prior to the point of care or, for emergency care, soon after the encounter. Then, initiate discussions around payment in person (for non-emergency encounters) or via the patient's preferred communication method: email, phone, secure patient portal, or text (with a link to the patient portal).

### Reassess your financial assistance policy.

67% of consumers expect the COVID-19 pandemic to affect their income, the AccessOne survey shows. In instances where patients have suffered loss of employment or a drop in income, Medicaid benefits and charity care may fall short of covering their medical expenses. As a result, hospitals may wish to augment this assistance with forgiving patient financing programs designed specifically to be paired with partial charity assistance. Doing so demonstrates in-the-moment compassion for patients suffering from financial hardship. It also establishes your organization as a trusted partner in care. The positive connections created during the coronavirus pandemic and afterward will stick with consumers long after the immediate health crisis is over, promoting loyalty.

### Offer flexibility around payment.

COVID-19 ups the ante for flexible payment: 43% of consumers don't expect unemployment benefits or government aid to be enough to cover their living expenses if they were to become unemployed, AccessOne's consumer survey shows. Consider not only establishing long-term, interest-free plans, but also providing patients the option to lower monthly payments even further with low-interest plans to manage income disruption. This assures consumers that they are empowered to adjust their terms if financial circumstances change.

### Keep an eye out for account delinquencies—and reach out quickly.

When it comes to consumer payment priorities during the coronavirus pandemic, medical expenses rank last, the AccessOne survey found. Instead, consumers are focused on groceries, utilities, and mortgage or rent. For patient financial services staff, this underscores the need to double down on contact with patients whose accounts are past due. When patients who entered into payment plans prior to the COVID-19 outbreak suddenly stop paying on their account, engage these patients right away to ask why—and offer practical solutions that meet the patient's needs while protecting the hospital's financial health. Such steps may include:

- Lowering monthly payments for a specified period
- Eliminating late fees for consumers during the pandemic
- Offering a grace period for patients that have lost their jobs

### Give patients a single contact for billing inquiries.

The level of financial stress that consumers are experiencing during the COVID-19 outbreak demands a more seamless patient financial experience. Look for ways to ensure consumers have a single, trusted contact to go to with medical billing questions—whether they have received care at your facility or are exploring options for care. Now is also a good time to verify that staff follow standardized processes for delivering price estimates, navigating discussions around payment, and establishing payment plans.

**Proactively communicating with patients about flexible payment options will be critical to engaging patients in their out-of-pocket costs. It will also be essential to addressing the new consumer psychology around care consumption in a post-COVID-19 era.**

### About the survey

The survey was commissioned by AccessOne and conducted by Engine Insights from April 3 to 5, 2020. Engine Insights surveyed 1,004 people, and completed interviews were weighted by age, sex, geographic region, race and education to ensure reliable and accurate representation of the total U.S. adult population.

## Footnotes

1. Schwartz, N.D., "'Nowhere to Hide' as Unemployment Permeates the Economy," The New York Times, April 16, 2020, <https://www.nytimes.com/2020/04/16/business/economy/unemployment-numbers-coronavirus.html>.
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3. Cox, J., "Coronavirus Job Losses Could Total 47 Million, Unemployment Rate May Hit 32%, Fed Estimates," CNBC, March 30, 2020, <https://www.cnbc.com/2020/03/30/coronavirus-job-losses-could-total-47-million-unemployment-rate-of-32percent-fed-says.html>.
4. Dickler, J., "Credit Card Debt Is Worse for Those with High Income," CNBC, Dec. 18, 2019, <https://www.cnbc.com/2019/12/18/credit-card-debt-is-worse-for-those-with-high-income.html>.
5. "Consumers Less Confident in Ability to Pay Off Credit Card Debt, CompareCards Survey Shows," CompareCards, Sept. 27, 2019, <https://www.prnewswire.com/news-releases/consumers-less-confident-in-ability-to-pay-off-credit-card-debt-comparecards-survey-shows-300926936.html>.
6. Andriotis, A., and Rudegeair, P., "People Need Loans as Coronavirus Spreads. Lenders Are Making Them Tougher to Get," The Wall Street Journal, March 28, 2020, <https://www.wsj.com/articles/people-need-loans-as-coronavirus-spreads-lenders-are-making-them-tougher-to-get-11585357440>.

## About AccessOne®

AccessOne is a leading provider of flexible, co-branded patient financing solutions. Founded by providers, our solution provides a consumer-focused experience which drives high patient satisfaction for our clients. We have helped over one million consumers afford out-of-pocket medical expenses for health systems nationwide. We offer the most comprehensive platform in the industry with funding models that help more providers and programs that reach more patients. All patients qualify for our program with no credit reporting or negative outcomes.

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