



Compassionate financing. Accessible care.



**AccessOne Patient Finance Survey**  
Rethinking the Patient Financial Experience

## Rethinking the Patient Financial Experience During COVID-19

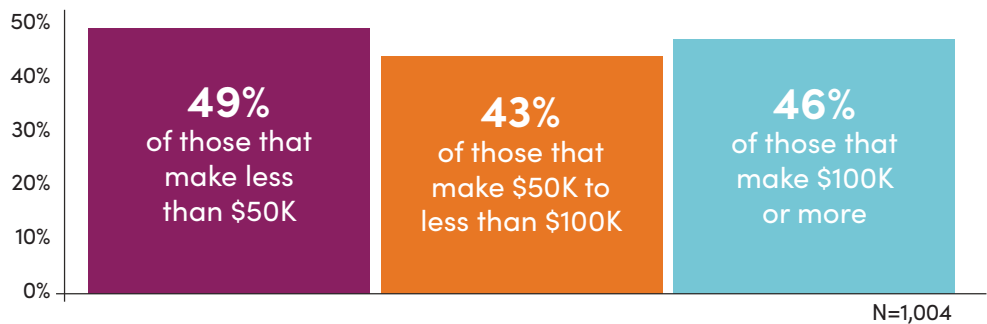
As Americans steel themselves for another coronavirus surge, consumers are worried about their finances in the year ahead—and their fears impact healthcare purchasing behavior in multiple ways.

An AccessOne survey administered in October 2020 found **46% of consumers surveyed are very or somewhat concerned they will lose their job** in the year ahead. This includes more than half of families with children (53%). Strikingly, concerns are high across income levels, with 46% of those earning more than \$100,000 expressing concern about job loss.

Among the more than 1,000 consumers surveyed, younger generations are especially concerned that they will lose their jobs due to COVID-19. Survey results show 55% of millennials, 44% of Gen Xers and 42% Gen Zers are afraid they will become unemployed during the pandemic.

### Across Income Levels, Consumers Fear Loss of Employment Due to COVID-19

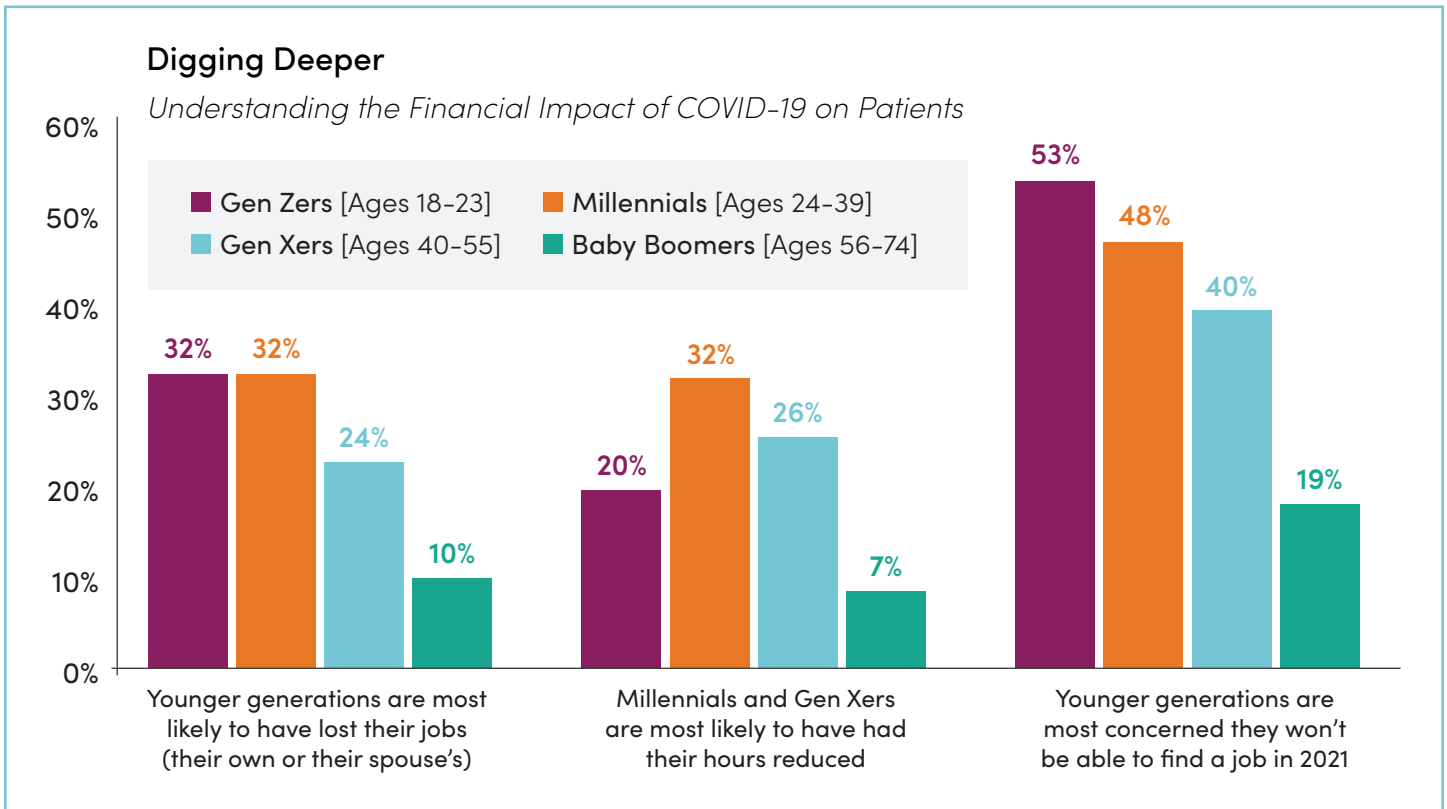
*Percentage of respondents who are very or somewhat concerned about job loss during the pandemic, by income level*



Meanwhile, 40% of those surveyed say they experienced some financial loss as a result of the pandemic, whether they lost their job, their spouse lost their job, their hours were reduced or they lost their health insurance. While the **national unemployment rate** is 7.9%—up from 3.5% last February, just before COVID-19 emerged in the United States—22% of respondents say that they or their spouse lost their job during the pandemic, including nearly one-in-three families with children. The **economic pain of the pandemic was greater for younger generations** (see the exhibit on the following page).

### Financial Impact of COVID-19 Runs Deep





## Families with Children Are Feeling Significant Economic Pressure

**30%** of families with children have lost their jobs during the pandemic.

**31%** of families with children have had their hours or pay reduced.

**51%** of families with children fear unemployment will not be enough to cover expenses, compared with 37% of all respondents.

In this environment, many are concerned that they will be unable to pay for medical care in the year ahead. These are pressures that demand attention from healthcare revenue cycle teams, especially when it comes to patient financial communications and options for medical payment.

## Taking a Closer Look

The recession that was brought on by COVID-19 is **very different from other recessions the United States has experienced**, economists say. For one, the recession was brought on by a public health crisis, not a financial event—highly unusual in the United States. It's also marked by the speed of economic collapse, with the **unemployment rate jumping to 14.7 percent** by early May, falling to 7.9% in the month before the elections.

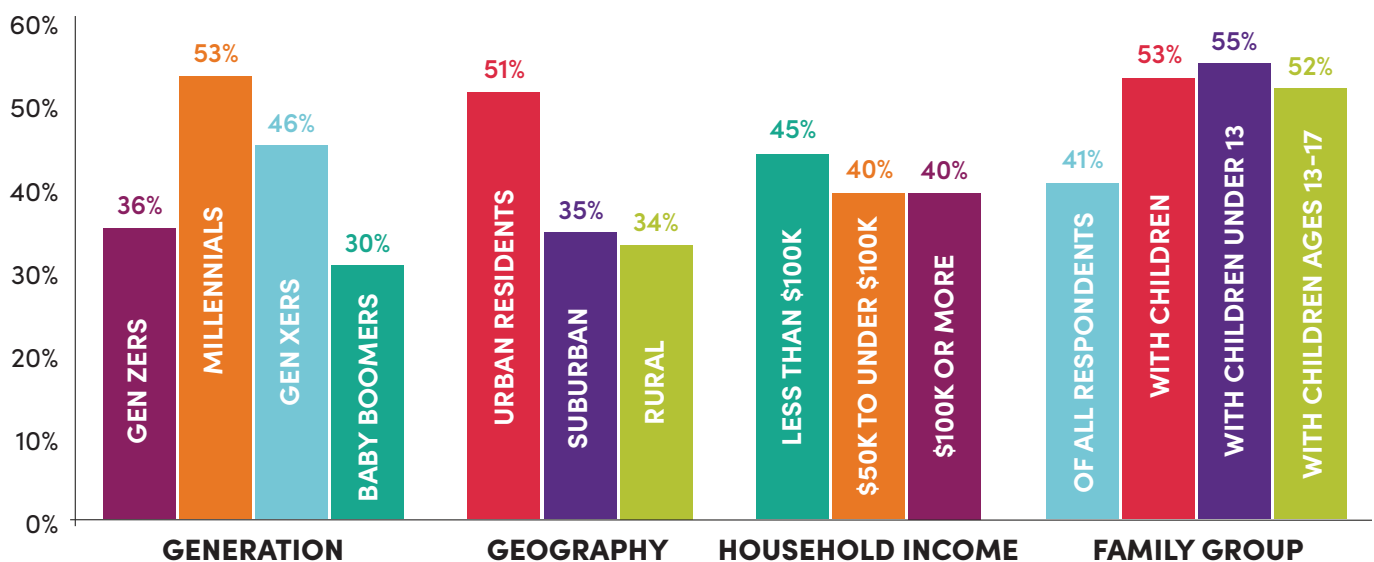
In this environment, consumer healthcare behavior has changed sharply. By June 30, 2020, an estimated **41% of U.S. adults** had delayed or avoided care—including **urgent or emergency care** (12%) and routine care (32%)—according to the Centers for Disease Control and Prevention. Populations that are most likely to delay urgent or emergency care are unpaid caregivers for adults, those who have underlying medical positions, Black adults, Latin Americans, young adults and people with disabilities. A Transunion survey, published in October, shows **six in 10 consumers have delayed care due to COVID-19**.

What’s driving consumers to delay medical care during the pandemic? Concerns around cost play a huge role—and certain populations and communities feel these concerns most acutely. According to AccessOne’s Fall 2020 survey:

- 37% of respondents are very or somewhat concerned they will be unable to pay for medical care in the year ahead, **including 53% of families with children**.
- Across generations, **millennials and Gen Xers** are most concerned that they will be unable to pay for their care, with **53% of millennials and 46% of Gen Xers** stating they are very or somewhat concerned about their ability to cover their cost of care.
- Affordability concerns are felt more acutely in urban communities: **51% of urban residents** are very or somewhat concerned about their ability to pay for care, compared with 35% of suburbanites and 34% of rural residents.

### Which Populations Are Most Concerned About Medical Costs? Survey Offers Insight

*Percentage of respondents stating they are very or somewhat concerned about their ability to pay for medical care in the year ahead*



Given cost concerns during the pandemic, it's only natural that patients would want discussions with providers around how they will pay for their care. About half of patients want to discuss payment plans or financing before care is delivered, including 59% of families with children, the AccessOne survey shows. Yet 55% of survey respondents say they haven't had these discussions with their providers.

## Rethinking your patient financial discussions is pivotal. Here's why:

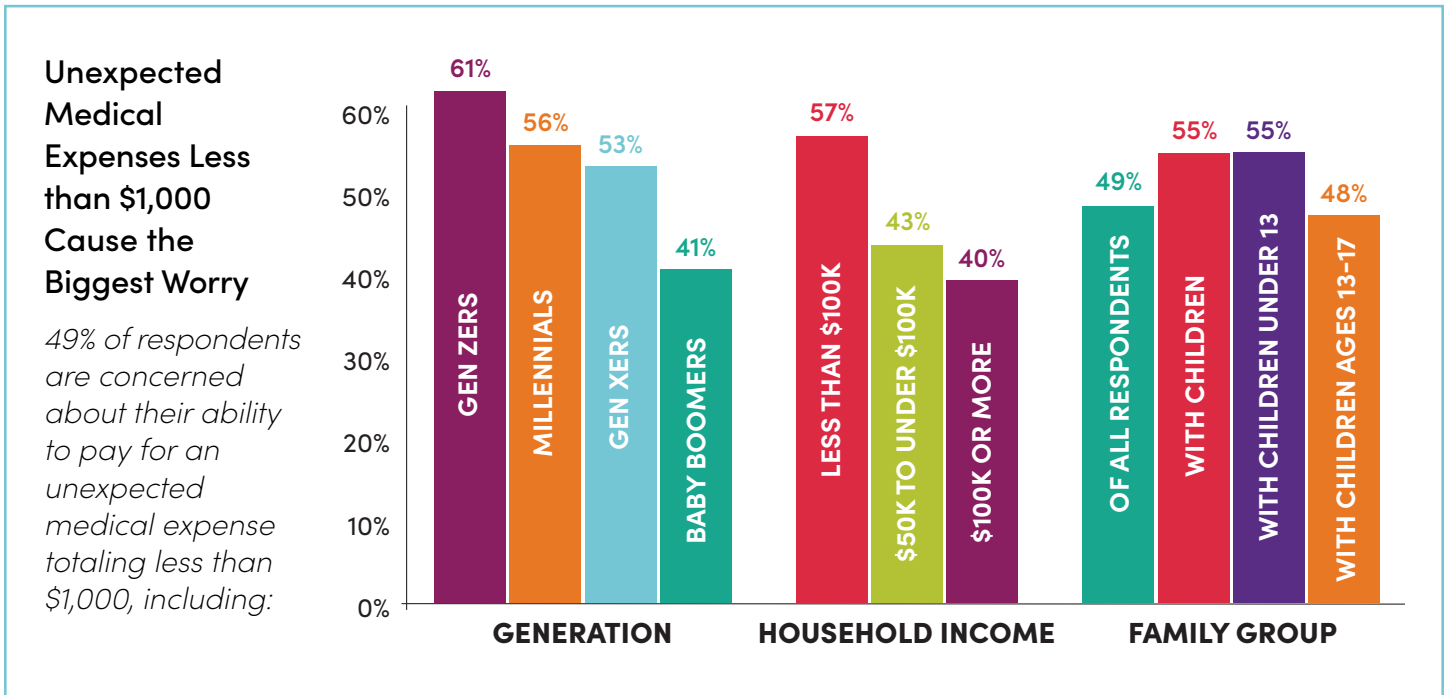
- **Nearly half of consumers are delaying care due to cost concerns.** The AccessOne survey shows 46% of families with children delayed care for six months or less. So did 45% of urban respondents.
- **A significant proportion of consumers are likely to have a deductible left this year.** One-in-three respondents spent less than \$1,000 on medical care by fall 2020, a finding that held true across generations. In 2020, the **average deductible** for individual coverage is \$4,364; for family coverage, it's \$8,439.
- **About half of consumers (49%) would be somewhat or very concerned about their ability to pay for a medical bill less than \$1,000.** This includes more than half of Gen Xers, millennials and Gen Zers and 55% of households with children.
- **Consumers are willing to shop around for care for the best price.** Two-thirds of respondents say they would shop around for care; 38% already have.

About half of patients want to discuss payment plans or financing before care is delivered, but **55% OF PATIENTS** say they haven't had payment plan discussions with their providers.

### PRICE MATTERS DURING COVID

Two-thirds of consumers say they would shop around for care for the best price—and 38% already have.

Unless providers address these concerns early in the patient encounter, they will be less likely to retain business or engage patients in medical payment. It's a situation caused not just by the pandemic's impact on personal finances, but also the current state of healthcare expenses. Out-of-pocket costs **remain near their highest levels** across healthcare settings. Meanwhile, 5.4 million Americans have **lost their health insurance coverage** due to unemployment during the COVID-19 pandemic. As financial pressures increase, healthcare bills do not rank among individuals' top five payment priorities, according to an AccessOne **survey** conducted in spring 2020. This intensifies the pressure for providers to ramp up patient financial engagement and meet patients where they are by providing payment options that best meet their needs.



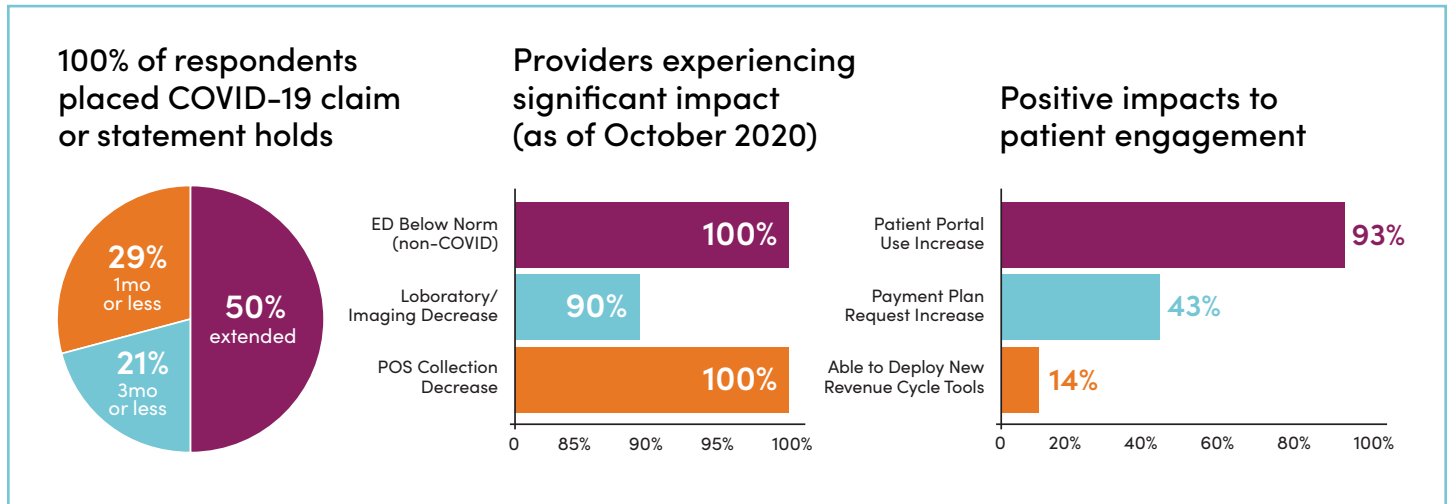
## How Pandemic Process Breakdowns Disrupted Self-Pay Collections

Provider billing, especially for COVID-19 diagnoses, came to a halt at some organizations during the first months of the pandemic, AccessOne research shows. Cash flow took a hit—and so did self-pay collections.

For example, uncertainty around how to bill for COVID-19 claims meant staff weren't filing any claim with COVID-19 coding. AccessOne interviewed 47 healthcare revenue cycle executives to assess the downstream impact of strategies used by healthcare providers to address the crisis. These discussions uncovered the following:

- In some instances, any mention of COVID-19 on a patient record triggered an automatic hold on claim processing.
- By October, 50% of these hospitals and health systems still were feeling the impact of statement holds across multiple acute care settings.
- In addition, claims took five to 10 times longer to be reimbursed by insurance companies, which were also facing unknowns.
- Compounding this revenue disruption, point-of-service collections fell for all healthcare providers surveyed.
- Meanwhile, 43% of providers experienced an increase in requests for payment plans.

For some hospitals, the effect on revenue, including self-pay collections, has been devastating. As consumers faced increased financial pressures, point-of-service collections fell, AccessOne data shows. Four-in-10 providers experienced a rise in requests for payment plans to manage out-of-pocket costs.

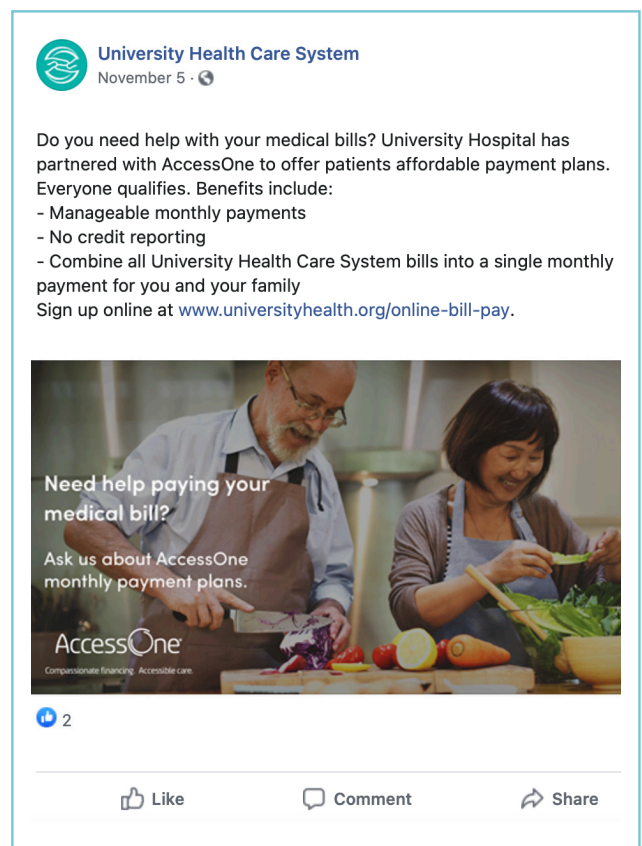


These experiences point to the importance of making sure revenue cycle processes are followed during times of crisis. It also underscores the need for hospitals to help patients understand not just how much they can expect to pay for care, but also their options for payment.

At University Health Care System, based in Augusta, Ga., revenue cycle teams use Facebook to inform patients about affordable payment options, with a single monthly payment for all their medical bills (see the image on the right).

**In times of financial duress, consumers need to know how much they can expect to pay for care—the sooner, the better. Approaching self-pay balances with an emphasis on transparency and payment flexibility eases patients’ financial concerns and enables them continue to seek necessary care without delay.**

**– MARK SPINNER, PRESIDENT & CEO, ACCESSONE**



## 4 Ways Providers Can Strengthen the Patient Financial Experience

During COVID-19, as individuals grapple with the impact of the pandemic on their finances and their health, providers should consider the following proactive steps to protect the patient financial experience.

### Keep working toward transparency.

The AccessOne Fall 2020 survey shows 57% of consumers say it is very important that providers share cost information before a procedure takes place, including 60% of Gen Xers, who often make healthcare decisions not only for themselves, but also their children and aging parents. Also notable: 45% say it's very important that providers publish price lists of common procedures, including 50% of Gen Xers.

With a new price transparency rule set to go into effect on Jan. 1, 2021, focusing on ease of use for consumers, not just compliance, is key. Make it easy for people to find your charge list. Provide the charges in a consumer-friendly format, and make it clear that charges are different from out-of-pocket costs after insurance. Just as important: Give individuals a way to contact the health system if they have a question about the charges they are seeing and how much they can expect to pay out of pocket. These steps give consumers the basis for making an educated decision as they shop for healthcare services.

At Atrium Health, based in Charlotte, N.C., revenue cycle leaders supercharged their approach to patient financial communications in 2017 to close the gap on transparency and affordability. At that time, patients' out-of-pocket costs were climbing, rising 14% from 2017 to 2018 alone. The move toward greater transparency had a substantial impact for the health system, with a 67% decrease in customer service response times, an 8% reduction in bad debt, and a 52% increase in payment plan participation.

### Find simplified ways to speak with patients about what their insurance will and won't cover.

AccessOne survey results indicate health literacy could be weak: 38% of respondents say they understand what expenses their health plan will cover "somewhat," while just one in four say they understand it "a lot." Given the percentage of people who would be worried about a medical bill that is less than \$1,000, not having a strong understanding of what is covered and what isn't could have a serious impact on the ability to pay for care when a bill is higher than expected because care wasn't covered.

Provide financial education at the first point of contact, such as when price estimates are requested, and continue to reinforce this education before care is delivered and afterward. Make sure patients understand the difference between the total charge and what matters most to them: their out-of-pocket cost for care. Explain how the out-of-pocket cost was determined, being careful to define terms such as *deductible*, *allowed amount* and *out-of-pocket maximum*. Consider defining these terms on billing statements as well. One other approach to think about: Prepare a short video that educates patients on how to navigate their bill.



### Discuss payment options with patients before care is delivered.

One best-practice approach: Hold these conversations before procedures are scheduled, including when individuals seek price estimates for care. This not only empowers patients by providing an affordable plan for care, but also relieves any financial concerns they may have at the start of the patient encounter. The result: fewer instances of delayed care and no-shows and higher rates of collections on self-pay balances.

As we prepare for another surge in coronavirus cases and the resulting impact on the economy, a proactive approach to patient financial communications will become even more critical. Look at the percentage of consumers who are already delaying care—and **haven't yet come back**. Volumes are **still down 10%** below pre-COVID-19 levels. When patients do return for care, their conditions may have worsened. Some patients may be ill-prepared, financially, to cover the cost of more intensive care. In situations like these, a compassionate approach to patient financial communications and payment arrangements is crucial.

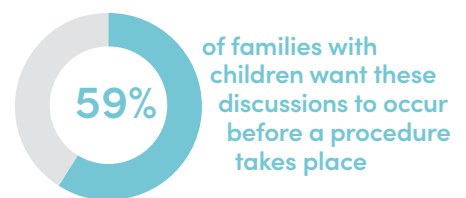
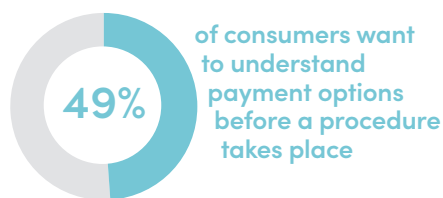
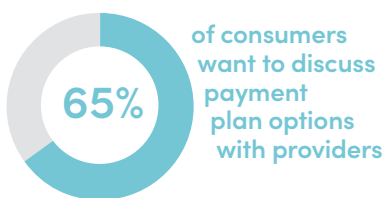
Rethink how patients are engaged after financial estimates are delivered. Make sure staff connect with patients digitally or via phone call or text within 24 hours of providing an estimate, and verify that the estimate is an accurate reflection of patients' out-of-pocket responsibility. Then, walk the patient through the range of payment plans available, from no-interest to low-interest plans, and offer to enroll the patient at the point of contact. These steps give patients a single point of contact from the start of the patient financial communications process and provide peace of mind that the hospital will work with them around payment.

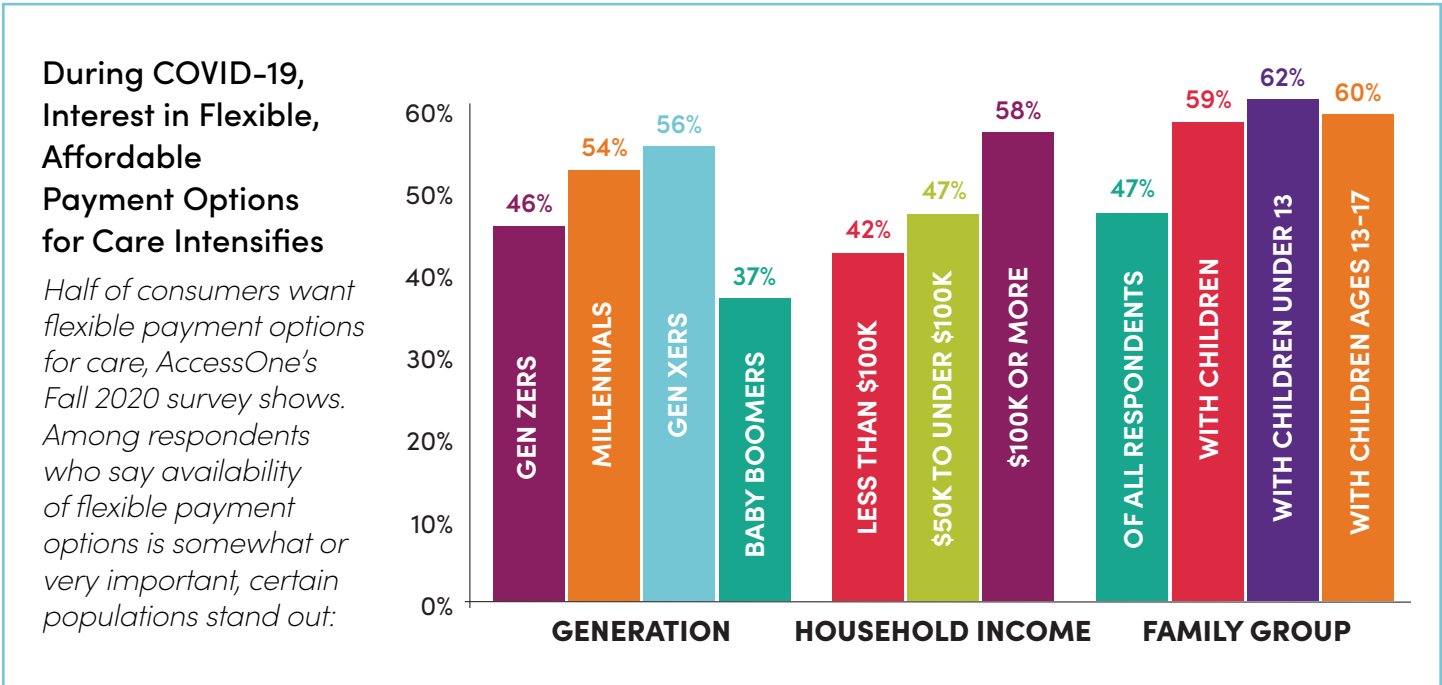
### Strengthen patient loyalty by offering flexible payment plans.

Nearly half of consumers want financing options or payment plans that are flexible to their needs, and for certain populations, interest in affordable, flexible options for payment is significant. (See the exhibit on following page.) Digging deeper, 41% say it's "very important" that providers offer zero-interest or low-interest payment plans, including 49% of Gen Xers and 45% of millennials. This compares to 30% of Gen Zers and 35% of Baby Boomers.

#### Patients Want to Discuss Payment Options Before Receiving Care

An AccessOne survey shows:





Another important finding: Half of consumers are likely to switch healthcare providers for zero-interest or low-interest financing. For example, 63% of those who make \$100,000 per year or more are likely to switch providers for no-interest or low-interest financing, more than any other income category. Sixty-eight percent of families with children also are likely to switch providers for no-interest or low-interest financing.

At a time when cost pressures and income uncertainty have intensified, it's critical that healthcare providers help patients navigate their costs of care. One size does not fit all. Offering a variety of payment plans enables patients to pay with dignity, no matter their financial circumstance.

At The University of Kansas Health System (UKHS), based in Kansas City, Kan., leaders took a proactive approach to patient financial engagement long before the COVID-19 crisis. UKHS offers a 10-month zero-interest, in-house payment plan as well as a long-term, zero-interest patient financing plan in partnership with AccessOne. The results have been outstanding. Since 2017, the availability of multiple options for patient payment has helped UKHS achieve the following revenue cycle improvements:

- 91% of UKHS patients are current with their payments.
- UKHS' recourse rate for payment plans is less than 10%.
- UKHS achieved a seven-day reduction in days in accounts receivable (A/R) for professional accounts.

The move toward flexible options for payment holds benefits for both consumers and revenue cycle staff. "Patients appreciate the various options for handling their medical bills, and staff are more confident in conducting complex financial conversations knowing that we have a variety of solutions to meet our patients' needs," says Marvin Mickelson, System Director of Shared Revenue Cycle for UKHS.

## Delivering Financial Care with Compassion

As COVID-19 continues to affect consumer finances, developing a compassionate approach to patient financial communications and payment will help patients make healthcare purchasing decisions that protect their health. A holistic approach to communications and payment that meets patients where they are during the pandemic supports a positive patient financial experience. It also strengthens the organization's financial recovery, ensuring hospitals have the resources to meet their communities' needs.

Interested in continuing the conversation? Contact us at **855.852.6358**.

### 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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