

Executive Brief | 2022

Healthcare Consumer Experience Study

3 Trends For Understanding the Digital Demands of Consumers



Introduction



35%

of consumers have changed (or would change) healthcare providers to get a better digital patient administrative experience.

U.S. healthcare is hardly immune to the steady march of digital innovation overtaking almost all industries. While the focus during the past two years has been on COVID-19 safety protocols, patient engagement and payment solutions are in huge demand to help solve the enigma of medical bills.

Our 2021 Healthcare Consumer Experience Study shows that although consumers appreciate how providers made technological strides with new pandemic protocols, they're still clamoring for similar advances when it comes to billing and payment. More than one-third (35%) of survey respondents say they have changed (or would change) healthcare providers to get a better digital patient administrative experience. And one-third (33%) have changed or would change payers (insurers) to get a better digital member experience.

Increasingly, what constitutes a good healthcare outcome for consumers isn't based solely on the clinical experience. Accuracy, clear explanation of billing and ease of payment are just as important. The feedback is clear: Digital solutions can make or break the healthcare experience.



Methodology

1,506
consumer
respondents

26+
age of
respondents

100%
paid a medical bill in
the last 12 months

The 2021 Healthcare Consumer Study was commissioned by Cedar and conducted by EI Studios, the custom division of The Economist Group, to identify top trends and pain points across the consumer financial and digital experience in healthcare. The survey was conducted online in September and October 2021 among 1,506 U.S. consumers, aged 26 years or older, and designed to ensure a balanced sample against standard census criteria (gender, age, etc.). All respondents visited, for themselves or for a dependent, a doctor or hospital at least once over the last 12 months, and are responsible for healthcare decisions and paying the bill.



Medical bills continue to be a source of anxiety, mystery and frustration for consumers

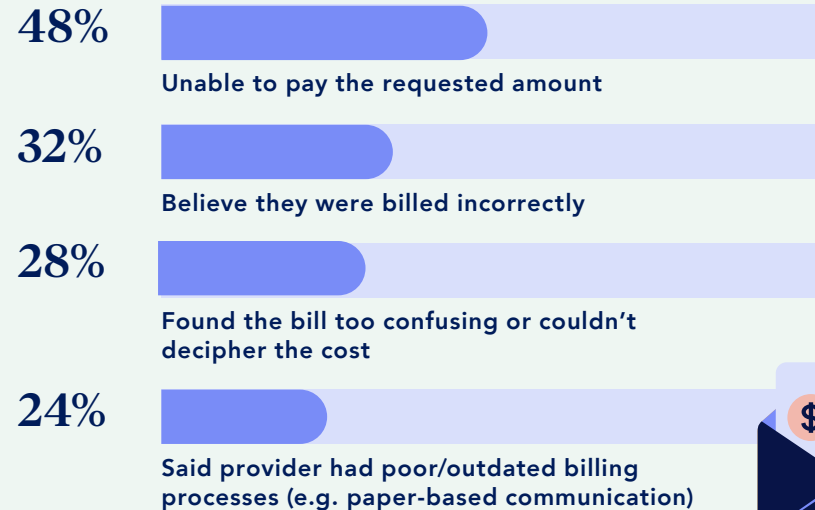
More than half (55%) of those surveyed find it stressful paying a healthcare bill, understanding their plan's coverage and benefits (53%) or comprehending what they owe (53%). And 59% find it stressful reconciling a bill issue with their payer. Compounding this frustration is the lack of dialogue between payers and providers—31% of consumers are not satisfied with the coordination between their healthcare provider and payer.

KEY TAKEAWAY: Recognize the value of connected capabilities and prudent digital investments

"We're taking inspiration from organizations that have really learned how to communicate effectively with customers, in a way that resonates with them and demystifies the process."

Jeff Logan
Group Vice President of Patient and Market Experience, Providence

Consumers are still citing confusion as a reason why their bills go to collections.



There's no doubt what consumers crave: knowing and understanding the final cost.

45% would like to see changes and clarity around which services are authorized by their health plan

25% desire better ways to get their questions answered faster

42% would like to see increased transparency around expected out-of-pocket costs

33% want greater clarity on what they owe and why, including insurance coverage and denials



93%

of consumers say the quality of the financial experience is an important factor in their decision to return to a healthcare provider

96%

of consumers say the quality of the financial experience is an important factor in their satisfaction with their payer

What consumers have on their financial experience wish list:

- ✓ **64%** want to be able to customize their experience with their provider as to how they pay their bills or communicate
- ✓ **56%** want a digital payment option or to pay through a patient portal
- ✓ **32%** want the ability to complete online the prior authorization process with their payer

Loyalty and repeat business depend on follow-up interactions involving payment

The quality of the billing experience has a huge influence on whether a consumer will return to their healthcare provider. That comes down to factors like consolidated bills and clear language displaying patient liability and payment options. What's more, 57% consumers say they are more likely to recommend a provider who offers a great digital experience, and 26% have left a negative review to express their dissatisfaction with a provider around unexpected costs or a frustrating bill process.

The main drivers of consumer dissatisfaction when it comes to billing and payment include:



37%

better communication clarity from their healthcare provider

34%

timeliness of communications regarding the explanation of benefits from their payer

34%

alignment between their healthcare bill and the explanation of benefits

KEY TAKEAWAY: Improving the billing experience doesn't have to come at the expense of care

"Where digital transformation is most valuable is when we have a confluence of [...] two factors—when improving the patient outcome and experience coincides with improving the revenue generation and collections."

Mac Boyter

Research Director, KLAS Research



Improving billing transparency would be beneficial to both consumers and healthcare providers

Healthcare providers have come a long way with technological upgrades, but there's room for improvement in communicating the cost of care. Nearly 90% of consumers would find it at least "somewhat useful" if their healthcare provider posted pricing information on their website around expected out-of-pocket costs such as copay and coinsurance. Yet only one in three consumers say their healthcare provider offers this "most of the time" or "always."

KEY TAKEAWAY: Seek cooperation between payers and providers to improve outcomes for everyone

"Get all parties to participate and investigate ways to come together and simplify as much as we can. The right thing to do is to work together and make it easy for patients."

Doug Watson
Senior Vice President and CFO, UnityPoint Health



37%

of consumers won't pay a bill if they cannot understand the administrative experience—that's more than triple the number of people as last year

Improving price transparency would go a long way in building trust and confidence with consumers.

79%

are willing to pay for the out-of-pocket costs prior to, or at the time of, the visit

63%

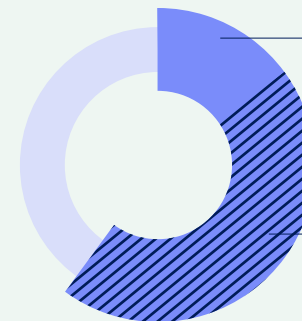
would likely generate out-of-pocket online costs for specific services if offered by their healthcare provider

32%

want a better understanding of what they owe before a procedure or visit

65%

wish they could view real-time benefits information in the same place as their provider bill



Of the **58%** of consumers who have tried to obtain out-of-pocket costs ahead of receiving care, **40%** said the information was difficult to find or even inaccurate



Conclusion



This study is Cedar’s third annual analysis of the consumer healthcare experience with billing and payment. As the industry continues to transform for the digital age, it’s clear that the billing demands of consumers need to take center stage. Consumers are clamoring for greater explanation and fewer surprises from their medical bills.

This survey data highlights the immense opportunity for providers and payers to work together to end the frustration and anxiety created by current billing methods. By fostering consumer loyalty and improved financial outcomes, the organizations willing to collaborate will yield tremendous benefits in the long-term. Allowing consumers to fully understand their bills, and budget better for medical expenses, is a win for the entire industry—and above all, for consumers.



About Cedar



Cedar is committed to improving the healthcare billing experience for all. We're the only complete solution that connects providers and payers, reducing friction so they can focus on helping healthcare consumers. For Cedar clients, this leads to more revenue, fewer headaches and happier patients.

To learn more about why leading U.S. healthcare organizations trust Cedar to manage payments and create a personalized financial experience for consumers, visit www.cedar.com.



