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ANNUAL STUDY

# Healthcare Financial Experience Study

Consumers want to pay their healthcare bills, but they are unaffordable, too complex and bad for their health

# Abstract

The 2024 Healthcare Financial Experience 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 experience in healthcare. Based on the results, Cedar identified three opportunities for system-wide change:

- 1 Consumers demand more financial support and certainty**  
Affordability is the main challenge consumers face when paying their healthcare bills, and they need help understanding their bills, insurance benefits and financial assistance options.
- 2 Consumers struggle to navigate a fragmented ecosystem**  
For too long healthcare has placed the burden of patient billing on providers alone. Payers, providers and financial institutions must work together to offer a streamlined and low-friction consumer financial experience.
- 3 Consumers stay loyal when billing is transparent and easy**  
Ensuring that consumers have positive experiences—both while being cared for and paying for care—will have significant top- and bottom-line impact.

**1,239**  
Respondents

**26+**  
Age of respondents

**12 months**  
Recently paid a healthcare bill

The survey was conducted online in April and May 2023 among 1,239 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 in the past 12 months, and are responsible for healthcare decisions and paying the bill.

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[cedar.com/2024-healthcare-financial-experience-study](https://cedar.com/2024-healthcare-financial-experience-study)

# Introduction



In 2014, Sarah\* gave birth to premature twins who needed to be monitored for two nights by her hospital's neonatal intensive care unit (NICU). She had researched hospitals extensively before going into labor and knew that the place she had chosen was within her insurance network. What she did not know—until after delivery—was that the NICU inside was not.

"She came out with a \$30,000 bill because the hospital contracted out its NICU," recalls Caitlin Donovan, senior director of the Patient Advocate Foundation, who assisted Sarah with her mountain of bills post-delivery. "Their NICU—and only their NICU—was staffed by out-of-network providers."

*\*Name used to protect the identity of the patient.*

## INTRODUCTION

Sarah's story is just one example of what millions of patients and caretakers across the United States have to endure when dealing with the country's fragmented healthcare system. Forced to navigate a complex web of touch points, patients—or consumers—lack clarity about expected out-of-pocket costs, insurance coverage and what they ultimately owe. At the same time, today's uncertain economy is magnifying affordability issues as households grapple with rising costs for everything from rent and mortgages<sup>1</sup> to groceries, all of which are straining families at a time when they should be focused on healing. Almost three-quarters of those surveyed in the 2024 report say they want to pay their bills, but are unable to pay larger healthcare debts—and this stress is seriously impacting their well-being and healing.

"On average, even folks who are insured through some type of employer plan are ultimately paying about 30–33% of their healthcare costs," says Vincent Tamaro, chief financial officer at the Ohio State University Wexner Medical Center. "I think that is really contributing to a lot of the angst from a patient/consumer standpoint."

### HOW CONSUMERS FEEL ABOUT PAYING FOR CARE

**72%**  
say affordability is the biggest challenge to paying larger healthcare bills, not that they don't want to

**58%**  
find paying for a healthcare bill to be stressful

**18%**  
can't understand their healthcare bills and benefits



**47% of consumers say their well-being or healing has been *negatively* impacted by difficulty paying a healthcare bill**

## INTRODUCTION

But consumers are not the only ones under pressure. Providers are also feeling the effects of challenging economic conditions, with slower growth and high inflation impacting profit margins. Approximately half of U.S. hospitals finished 2022 with a negative profit margin as higher costs outpaced revenue increases.<sup>2</sup> As a result, some providers have resorted to extreme methods to collect money and stay afloat with razor-thin margins.

Not only does this approach fall short of the missions of most leading healthcare organizations, it does not resolve bills—especially as consumers are often in the dark about their options, and need better financial support. Cedar’s 2024 survey underscores the need for investments in technology that bring greater clarity and flexibility to the billing process; providers that invest in this technology are more likely to see their bottom line improve as consumers are more likely to pay their bills faster, and are more likely to return.

Still, providers alone cannot fix the system. While the billing process has always been rife with challenges, the status quo of patient confusion and stress is not acceptable. The 100 million Americans currently struggling with medical debt<sup>3</sup> deserve help, and there are industry-wide costs to not solving the patient billing problem at scale.

To give consumers what they need, coordination and communication between all healthcare stakeholders—including providers, payers and financial institutions—isn’t just recommended. It’s **required**.

### THERE ARE INDUSTRY-WIDE COSTS TO NOT SOLVING THE PATIENT BILLING PROBLEM



**40%**  
of consumers won’t pay their bill if they cannot understand the administrative experience



**96%**  
of consumers say that coordination on billing between their provider and payer is important to their overall satisfaction with their payer



**41%**  
of consumers have left a negative review of their provider due to a bad billing experience

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**“We have to get providers  
and payers working together  
better. It’s not fair to the  
consumer to be in the  
middle of this—at their  
most vulnerable moment.”**

**JAMES ROHRBAUGH**

Chief Financial Officer and Treasurer  
Allegheny Health Network

**“I don’t know how  
I’ll ever be able to pay  
my healthcare bills.”**

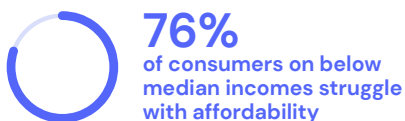
Affordability is the main challenge consumers face when paying their healthcare bills, and they need help understanding their bills, their insurance benefits and financial assistance options.



**KEY FINDINGS AND TRENDS: #1**  
**DEMANDING FINANCIAL SUPPORT AND CERTAINTY**

Healthcare affordability is the key concern for most consumers. Out-of-pocket spending on healthcare is on the rise—jumping 10% to \$433 billion in 2021—and is expected to continue rising in the coming years.<sup>4</sup> This is a serious concern as 23% of consumers say they would not be able to pay more than \$250 for a surprise bill, and already 19% have not paid a bill because they could not afford to.

A friendlier, more empathetic approach is needed, as well over half of consumers say they find paying for a healthcare bill stressful (58%) and are worried about paying their medical costs over the next year (59%). This stress can have a significant impact, with almost half (47%) of consumers surveyed saying their well-being or healing has been negatively impacted by difficulty paying a healthcare bill.



Watching healthcare costs grow is stoking major fears, yet consumers are not aware of the financial assistance resources that are available to help cover their cost of care. Despite almost two-thirds (63%) not being able to pay more than \$750 out-of-pocket for unexpected costs, the same percentage do not know what financial assistance options are available.

“The biggest barrier we find is connecting the person with a financial counselor, because a lot of times, people aren’t forthcoming about needing help. They don’t walk in and say, ‘hey, I can’t pay my bill,’” says James Rohrbaugh, chief financial officer and treasurer at Allegheny Health Network. “So we have to figure out how to remove the stigma from that. Because the risk is that if we don’t tackle the issue, people may not access services they need.”

**KEY FINDINGS AND TRENDS: #1  
DEMANDING FINANCIAL SUPPORT AND CERTAINTY**

Although over half (52%) of consumers say they are uncomfortable relying on aid or assistance from others, nearly three-quarters (71%) say they would be more likely to apply for financial assistance if they were provided clear, accessible options. Yet, 61% say they need help understanding which financial assistance options are best for them and 55% require help navigating the process of applying for financial assistance, which they find confusing.

“With a lot of the social programs in the U.S., people qualify but either they’re kicked out for administrative reasons [...] or they’re just not told and they have no idea the program exists, let alone that they qualify for it,” says Ms. Donovan. “A lot of times we find patients just won’t go to the appointment rather than tell their doctor. We encourage our patients to talk to their doctors about financial distress, because there are things doctors can do. Your finances and your health are so intimately intertwined—that has to be a conversation.”

At the same time, confusion over costs, insurance benefits and the billing process also keeps consumers from paying their bills. Those surveyed express a strong desire for clearer information, with 71% wishing they were able to pay a guaranteed price prior to receiving care or at the point of service.

Guarantees or accurate estimates allow consumers to start making plans to pay bills, as opposed to being hit with an unexpected bill months later. This is beneficial for both consumers and providers, as Mr. Rohrbaugh says: “It’s the right thing to do as it’s a credibility issue between the patient and the healthcare system. And when we give estimates, we’ve seen a significant increase in upfront collections. So it’s a benefit to both sides.”

In fact, over half (53%) of consumers who were provided a cost for healthcare services ahead of their appointment would be willing to pay ahead of time.

**TOP REASONS WHY CONSUMERS  
HAVEN’T PAID HEALTHCARE BILLS**

I was unable to pay the requested amount

I believe I was billed incorrectly

I was overwhelmed by the number of bills coming in

I had a lack of financial aid options

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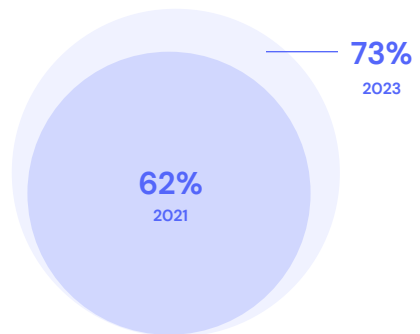
**71%**  
of consumers say they would be more likely to apply for financial assistance if they were provided clear/accessible options

**KEY FINDINGS AND TRENDS: #1  
DEMANDING FINANCIAL SUPPORT AND CERTAINTY**

Payment plans also can help make healthcare bills manageable, particularly for younger consumers and those with high bills, as Allegheny Health Network has found. “We’ve set some parameters, but provide a lot of flexibility,” Mr. Rohrbaugh says. “And we’ve seen the number of payment plans increase pretty dramatically.”

For providers, offering estimates ahead of time and providing financing options are just part of the changes they are making to improve the consumer financial experience. “We’re continuing to make investments because we are listening to the consumer and understand their frustration,” says Mr. Tamaro. “We have invested in technology, but we also think that it is just as important to invest in our staff and train them to understand what the patient is going through.”

**MORE CONSUMERS DESIRE  
PAYMENT PLAN OPTIONS**



The desire to spread out payments has grown by almost a fifth since Cedar’s 2021 report<sup>5</sup>, reflecting the challenging economic conditions many consumers find themselves in today



**“We encourage our patients to talk to their doctors about financial distress, because there are things doctors can do. Your finances and your health are so intimately intertwined—that has to be a conversation.”**

CAITLIN DONOVAN

Senior Director  
Patient Advocate Foundation



**55% of consumers need help navigating the process of applying for financial assistance**

**“It is so hard to understand why I owe what I do.”**

For too long healthcare has placed the burden of patient billing on providers alone. Payers, providers and financial institutions must work together to offer a streamlined and low-friction consumer financial experience.

**KEY FINDINGS AND TRENDS: #2**  
**NAVIGATING A FRAGMENTED ECOSYSTEM**

Many of the challenges associated with healthcare billing are not new, but they have historically been framed as a provider problem. The reality is that consumers typically have to navigate various siloed interactions with multiple stakeholders beyond the provider—payers and HSA banks, to name a few.

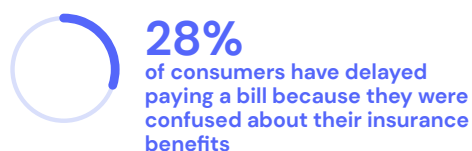
The result? A mess of paperwork and disconnected systems that lead to confusion and frustration, missed payments, administrative waste and serious financial—and even clinical—ramifications.

Almost three-quarters (71%) of consumers find reconciling a billing issue between their payer and provider stressful, more stressful than their separate interactions with payers (66%) and providers (67%).

“The insurance companies and the TPAs [third-party administrators] are pushing this responsibility onto the providers, so we’re trying to step up by investing in our people and technology to help a consumer determine the insurance plan that they’re in,” says Mr. Tamaro. “It shouldn’t be the provider’s responsibility to do that, but patients connect with us—the people who see them and take care of them—much more than with the insurer, which is just a card in their pocket.”

Crucially, these digital investments advance the central mission of all providers: to help patients. “We’re trying to bring both provider information and payer information together on a digital platform,” says Mr. Tamaro. “The ideal solution is digital—being able to grab all this information and to get it to our employees in real time as they’re talking to the patient. Because the biggest frustration is when patients feel like they’re being forced to make a decision without all the facts.”

**MORE PAYER-PROVIDER COORDINATION IS NEEDED**



## KEY FINDINGS AND TRENDS: #2 NAVIGATING A FRAGMENTED ECOSYSTEM

Technology investments also empower consumers by giving them direct access to their own information. Mr. Rohrbaugh explains: “We felt like we could improve the processes by driving transparency and making the whole experience simpler, so patients can see their out-of-pocket expenses, as well as access their health savings account, knowing that the bill had already been reconciled between the provider and the payer.”

Consumers who are accustomed to using apps for banking and other financial services are increasingly demanding digital access to consolidated information about their healthcare accounts as well. Almost three-quarters (73%) of consumers wish they could view real-time benefits information (such as their remaining deductible) in the same place as their provider bills. The same goes for health savings account details (*see data to the right*).

The lack of coordination on billing and payment between providers and payers, and an inability to consolidate information, has a financial impact for providers. Almost three in ten (28%) consumers have delayed paying a bill because they were confused about their insurance benefits. Forty percent say they will not pay their bill if they cannot understand the administrative experience.

Mr. Rohrbaugh acknowledges there is still work to be done. “Maybe the most frustrating thing is the volley of bills you get after your service. We have many providers within our system, but there still are other healthcare organizations that we partner with, like laboratory services, which send separate bills,” he says. “To completely improve the patient experience, the ecosystem of providers that are sharing information has got to keep growing.”



### HEALTH BENEFIT ACCOUNTS: WHAT CONSUMERS WANT

Health benefit accounts, like health savings accounts (HSA) and flexible spending accounts (FSA) allow consumers to use tax-free dollars to pay for care—yet just 53% of consumers say they use their account on a regular basis to pay for healthcare.

**38%** don't know how to open an account or have not gotten around to opening an account

**35%** forget that they have an account

**33%** don't know what these accounts are

**34%** have been put off using their account by a bad experience

**29%** don't know how to pay bills out of an account

With HSAs, consumers on high-deductible health plans can set aside money on a pre-tax basis to pay for qualified medical expenses. At the end of 2021, Americans held around \$100bn<sup>6</sup> in assets across over 33m HSAs.

Holders of FSAs—which allow for pre-tax dollars to be spent on medical expenses but because of their structure are technically employer-owned— forfeit an estimated \$3bn annually<sup>7</sup>, often because they miss annual deadlines to spend the funds.

Greater usage could be supported by better access to real-time HSA and FSA information in the same place as provider bills, particularly among younger digital-native consumers, who usually expect to see accounts in one place.



**Four in ten consumers  
say they will not pay  
their bill if they  
cannot understand  
the administrative  
experience**





**“I had the worst  
billing experience  
with my doctor,  
I wouldn’t  
recommend her  
hospital.”**

Ensuring that consumers have positive experiences while being cared for—and paying for care—will have significant top- and bottom-line impact.

**KEY FINDINGS AND TRENDS: #3**  
**UNDERSTANDING CUSTOMER LOYALTY IMPLICATIONS**

In addition to consumers, today's economy is also piling financial pressures on providers, who need to be even more mindful about staying on top of revenue cycle management.

Hospitals across the U.S. are feeling the financial squeeze as costs for labor, goods and services continue to be well above pre-pandemic levels in 2023.<sup>8,9</sup> They also face competition for market share from new entrants like digital health start-ups, technology companies and wellness providers offering services from telemedicine to preventative care.

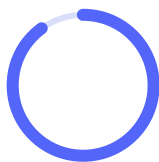
Ensuring that consumers have positive experiences before, during and after care increases the likelihood that they will book another visit and leave a glowing review. Nearly half of consumers (49%) have left a positive review for their provider if they had a good billing experience, while 58% have revisited a provider due to a previous positive billing experience. Providers who go a step further and give discount options are also more likely to see repeat visits, with over half (57%) saying it impacts their choice to use a provider again.

But for those that do not deliver a positive experience, there are often negative consequences. Forty one percent of consumers have left a negative review of a provider due to a bad billing experience, and more than one-third (38%) of consumers have switched providers due to a negative billing experience.

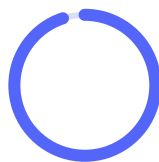
**COORDINATION ON BILLING AND PAYMENT BETWEEN PROVIDERS AND PAYERS HAS A PROFOUND IMPACT ON CUSTOMER LOYALTY**



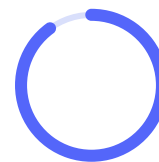
**94%**  
say it is an important factor in their decision to return to a provider in the future



**92%**  
say it is important to their likeliness to recommend a provider



**96%**  
say it is important to their overall satisfaction with a payer



**92%**  
say it is important to their likeliness to recommend a payer

**KEY FINDINGS AND TRENDS: #3**  
**UNDERSTANDING CUSTOMER LOYALTY IMPLICATIONS**

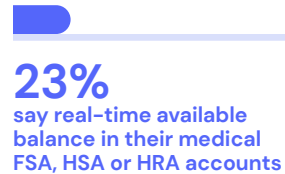
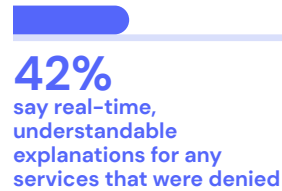
Payers also see the benefits of a smoother billing process. Nearly all (96%) consumers say that coordination on billing and payment between their provider and payer is important to their overall satisfaction with their payer, and 92% say it is important to their decision to recommend their payer.

A positive financial experience also leads consumers to pay their bills quicker. Over four in ten (43%) say they would be more likely to pay their bills faster if they were provided with real-time, clear explanations about how deductibles and out-of-pocket maximums impact the bill.

Mr. Rohrbaugh has seen the effect of changes made to the billing process at Allegheny Health Network. “When people are getting the information they need from the app or from the web, they are actually making their payments themselves,” he says. “We now have a 68% self-service rate, which is a pretty significant increase.”

Ultimately, a good clinical experience can be overshadowed by a challenging billing experience. “Clinically, you had an amazing experience, but from a financial standpoint, it was a terrible experience. We’ve cured you of your ailment, but we’ve harmed you financially—that’s the patient’s perception of the provider,” says Mr. Tammaro. “We know it’s broader than that, but that’s why I’ve been focusing the majority of my time on the patient financial experience and making sure that our employees understand what the patient is going through.”

**WHAT REAL-TIME INFORMATION WOULD ENCOURAGE CONSUMERS TO PAY FASTER?**





**38% of consumers have  
switched healthcare  
providers due to a negative  
billing experience**

# Conclusion



Before the arrival of her twins, Sarah had done everything in her power to understand her coverage and select a provider that was in network.

And despite all this planning, Sarah was still hit with a surprise out-of-network medical bill that she didn't understand and couldn't afford. At a time when Sarah should have been recovering from delivery and savoring the opportunity to meet her children for the first time, she instead was experiencing the same confusion and dread that millions of consumers face each year.

Rising healthcare expenses, a lack of certainty over costs and knowledge of financial aid options, as well as poor coordination between providers and payers, has caused consumers to experience more grief than ever before.

When consumers leave the hospital, they interact with a set of stakeholders beyond the provider's control, and this can negatively impact the financial experience and outcome for everyone involved.

There is a clear opportunity in—and a cost to not—helping consumers navigate this fragmented and confusing journey. In order to truly solve the patient billing problem, the healthcare ecosystem must work together to create a better experience for consumers like Sarah.

# What's next

## CONNECTING THE CONSUMER FINANCIAL EXPERIENCE—A LIST OF ACTIONS

To address the fundamental challenges that consumers face today, and truly solve the patient billing problem, it is imperative to:

- 1 Pair affordability with flexibility**

Consumers want to pay their healthcare bills, but it is often difficult for them to access financial assistance resources, or they might not fully understand their options. This fear puts people off seeking preventative care and services for major health conditions and chronic diseases, which can be devastating to health outcomes. Being there for patients during their financial journey is crucial in order to help them find the most affordable path—whether that be Medicaid, financial assistance for high-cost drugs or charity care—to resolve their bills. Providers can do more to give consumers certainty of costs and flexibility in payment options, with upfront guarantees, personalized discounts and payment plans.
- 2 Find opportunities for collaboration**

Consumers need consolidated billing information that is clear about both healthcare costs and insurance benefits, so they can easily understand what they owe. However, access to this information is often blocked by fraught payer-provider relationships and fears about opening up access to data and communication channels. The most successful collaborations are when payers and providers start small and pick one pain point to address. By starting with one problem—like HSA utilization—payers and providers can start to build the muscle for effective partnership, while also addressing low-hanging fruit that improves the financial experience.
- 3 Make a lasting impression**

The healthcare experience doesn't end after the point of care. When patients leave the hospital, they interact with a set of stakeholders beyond the providers control, and a bad billing or administrative experience can negatively impact outcomes for everyone involved. Last impressions are lasting impressions<sup>10</sup>, and resolving a bill should feel more like a friendly "see you later" than a hostile break-up, helping to build consumer engagement and brand loyalty. ■

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**“Clinically, you had an amazing experience, but from a financial standpoint, it was a terrible experience. We’ve cured you of your ailment, but we’ve harmed you financially—that’s the patient’s perception of the provider.”**

**VINCENT TAMMARO**

Chief Financial Officer  
The Ohio State University Wexner Medical Center

# References

<sup>1</sup> <https://www.moody's.com/web/en/us/about/insights/data-stories/us-rental-housing-affordability.html>

<sup>2</sup> [https://www.kaufmanhall.com/sites/default/files/2023-01/KH\\_NHFR\\_2023-01.pdf](https://www.kaufmanhall.com/sites/default/files/2023-01/KH_NHFR_2023-01.pdf)

<sup>3</sup> <https://www.kff.org/health-costs/report/kff-health-care-debt-survey/>

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<sup>9</sup> [https://www.kaufmanhall.com/sites/default/files/2023-05/KH-NHFR\\_2023-05.pdf](https://www.kaufmanhall.com/sites/default/files/2023-05/KH-NHFR_2023-05.pdf)

<sup>10</sup> <https://www.psychologytoday.com/us/blog/automatic-you/202109/peak-end-rule>





Cedar is a patient financial engagement platform that transforms the end-to-end consumer journey. Through an integrated platform that aligns providers, payers, and other ecosystem partners, Cedar delivers an optimized patient financial experience that drives real engagement and guaranteed results.

For more information, visit [cedar.com](https://cedar.com).