

Three Observations on Patient Financial Experience

Sponsored by CommerceHealthcare[®], a recent survey of a focused set of health systems explored vital current issues in patient financial experience (PFE). This infographic highlights three important themes that emerged.

1. Partnerships with financial vendors offer value.

- 60% of health systems with strong patient adoption of financing programs offer payment plans through an outside vendor.
- 24% of health systems partner with financial vendors to offer interest-free patient financing.
- Vendors offer payment portal resources for many health systems:
 - 47%: Our health system offers an online bill pay portal through a vendor partnership
 - 53%: Our health system offers an online bill pay portal through our HER

2. Revenue orientation and competing priorities are top strategic considerations.

Executives most reliable for patient financial experience:
(multiple responses permitted)

Percent	Executives
59%	VP of Revenue Recycle
24%	Chief Marketing Officer
24%	Chief Financial Officer (CFO)
6%	Chief Consumer Officer
6%	Other

Barriers to PFE Improvement Efforts

Percent	Barriers
76%	Competing priorities
29%	Inability to estimate out-of-pocket costs
29%	Insufficient IT capabilities
24%	Payer relations
18%	Regulatory requirements
18%	Lack of patient education
6%	Lack of clinician engagement
6%	Decentralized billing offices
6%	Other

3. Revenue contribution for patient obligation is growing.

- 24% expect their revenue from patient obligation to increase significantly (>10%)

Market forecasts confirm the trend:

- 9.9% growth in personal outlays annually through 2026 to reach almost \$800 billion.¹
- 48% of households had healthcare out-of-pocket expenses in a twelve-month period, with 47% incurring \$500+.²

Key Takeaways:

- Important to achieve alignment between finance and consumer executives to develop a system-level PFE improvement strategy.
- Prior authorization issue cited as one of the chief competing priorities.
- Executives increasingly seeking to maximize patient affordability by keeping shorter-term payment plans in-house and offering extended term payment plans through external partnerships.

- Discussing payment options throughout the patient financial journey promotes financing adoption.

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1. *Kalorama, Out-of-Pocket Healthcare Expenditures in the United States, 5th Edition, July 12, 2021.*
2. *Aflac, 2021 Health Care Issues Survey, December 2, 2021.*

About the Survey

The Heath Health Management Academy conducted a quantitative survey as well as in-depth telephone interviews in the fall of 2021. The survey covered 13 unique health systems encompassing 196 hospitals, 1.6 million inpatient and 32 million outpatient admissions annually, and average total operating revenue of \$5.7 billion.

CommerceHealthcare® solutions are provided by Commerce Bank.