

Wellness And Affordability:
How Payments Practices
Create Positive Patient
Experiences, a PYMNTS report
with research sponsored by
CareCredit, examines how
payments experiences impact
consumers' medical choices
and their loyalty to healthcare
providers.

Wellness And **Affordability:**

**HOW PAYMENTS PRACTICES
CREATE POSITIVE PATIENT
EXPERIENCES**

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Wellness And Affordability

HOW PAYMENTS PRACTICES CREATE POSITIVE PATIENT EXPERIENCES

Wellness has become paramount, and some consumers are returning to office visits with their healthcare providers and undergoing the elective procedures they put off during the initial waves of the pandemic. PYMNTS' research finds that 90% of Americans have health insurance, with 53% holding policies that cover their families.¹ Yet economic realities can complicate the picture, as additional PYMNTS' research has found that 54% of Americans who annually earn between \$50,000 and \$100,000

live paycheck to paycheck and that even 40% of those earning more than \$100,000 per year report living in this way as well.² Patients who live paycheck to paycheck can face barriers in accessing healthcare due to its out-of-pocket costs and may be more likely to delay or skip a medical procedure because of financial challenges.

Digital care models like telehealth, concierge medical providers like One Medical and digital patient portals have helped make healthcare more accessible while

SINCE THE PANDEMIC BEGAN, PATIENT FINANCING OPTIONS HAVE BECOME MORE POPULAR AS CONSUMERS ENGAGE WITH ONLINE AND MOBILE WELLNESS EXPERIENCES.

providing consumers with more customized payment options and pricing transparency. Consumers used to the convenience and personalization of eCommerce and the ability to pay for goods and services online or via mobile devices now expect the familiar convenience and efficiency of digital payments to be available for their healthcare needs.

Since the pandemic began, patient financing options have become more popular as consumers engage with online and mobile wellness experiences. PYMNTS' research finds that consumers want healthcare providers to improve customer experiences and offer digital tools that help ease the payment process for healthcare services, including financing options that allow them

to cover out-of-pocket costs with flexible payment plans. Our research reveals that 57% of consumers see "fast and easy" payments as an essential part of a positive healthcare experience.³

Wellness And Affordability: How Payments Practices Create Positive Patient Experiences, a PYMNTS report with research sponsored by CareCredit, is based on the findings of a survey of 3,546 adult American consumers regarding their preferences and perceptions of their customer experiences as patients. It explores how consumers define a positive wellness and payment experience and explains how healthcare providers using automated, user-friendly payments tools can boost customer loyalty by eliminating payments friction.⁴

1. Wellness and Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2021.
2. Food for Thought: As Grocery Bills Rise, Living Paycheck to Paycheck Gets Tougher. PYMNTS.com. 2021. <https://www.pymnts.com/consumer-finance/2021/as-grocery-bills-rise-living-paycheck-to-paycheck-gets-tougher/>. Accessed January 2022.
3. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2021.
4. Ibid.

The Affordability Issue:

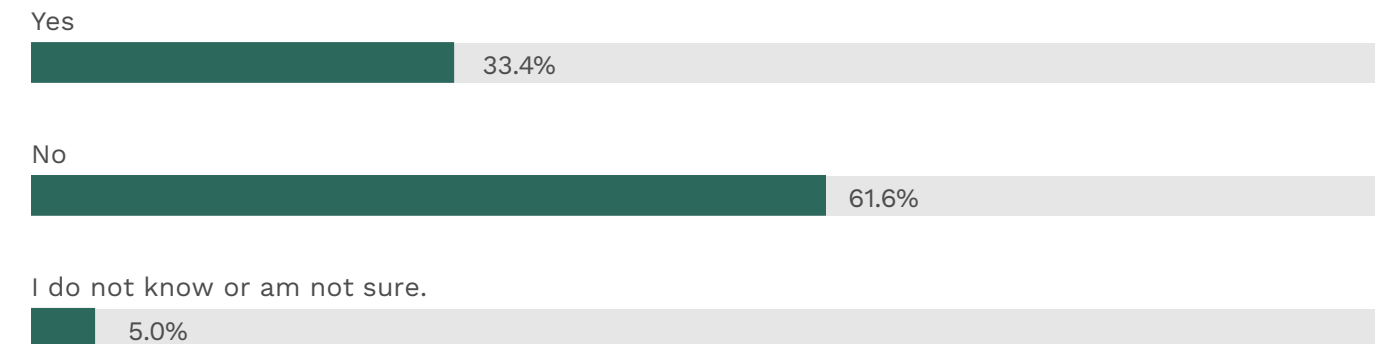
33% OF CONSUMERS OPTED NOT TO RECEIVE NEEDED MEDICAL CARE, AND 21% OF THEM SAY COST WAS THE MOST IMPORTANT REASON.

Health insurance coverage is a decisive factor in consumers' determination to go to the doctor or undergo an elective procedure. Our findings reveal that 33% of consumers have opted out of seeking needed medical care, either by not making necessary healthcare appointments or abandoning needed treatment, and 21% of these patients report that cost was the

most important factor. Not being able to afford the treatment was the most important reason for 22% of those who say they have opted out of need medical treatment. The most important reason for an additional 11% of these consumers was that their health insurance plan would not cover the appointment or treatment.⁵

FIGURE 1:
Consumers who have opted out of seeking medical care

SHARE OF CONSUMERS WHO DID NOT MAKE NECESSARY HEALTHCARE APPOINTMENTS OR ABANDONED NEEDED MEDICAL TREATMENT



Source: PYMNTS.com
Wellness And Affordability

More than half of consumers believe that having insurance coverage is required when making necessary appointments. Our data also finds that insured patients had twice the number of appointments as uninsured patients in the past 12 months: Insured patients had 3.1 appointments in the past 12 months, while those who are uninsured had just 1.3. Most insured consumers had

appointments with their primary physician (65%) or their dentist (48%) during the past 12 months. Uninsured patients, however, were less likely to visit their doctor during the same time, with just 23% reporting a visit with their primary physician and 17% with their dentist. Forty-five percent of uninsured consumers have not visited a doctor in the last 12 months.⁶

5. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

6. Ibid.

FIGURE 2:
Consumers' reasons for opting not to seek medical care

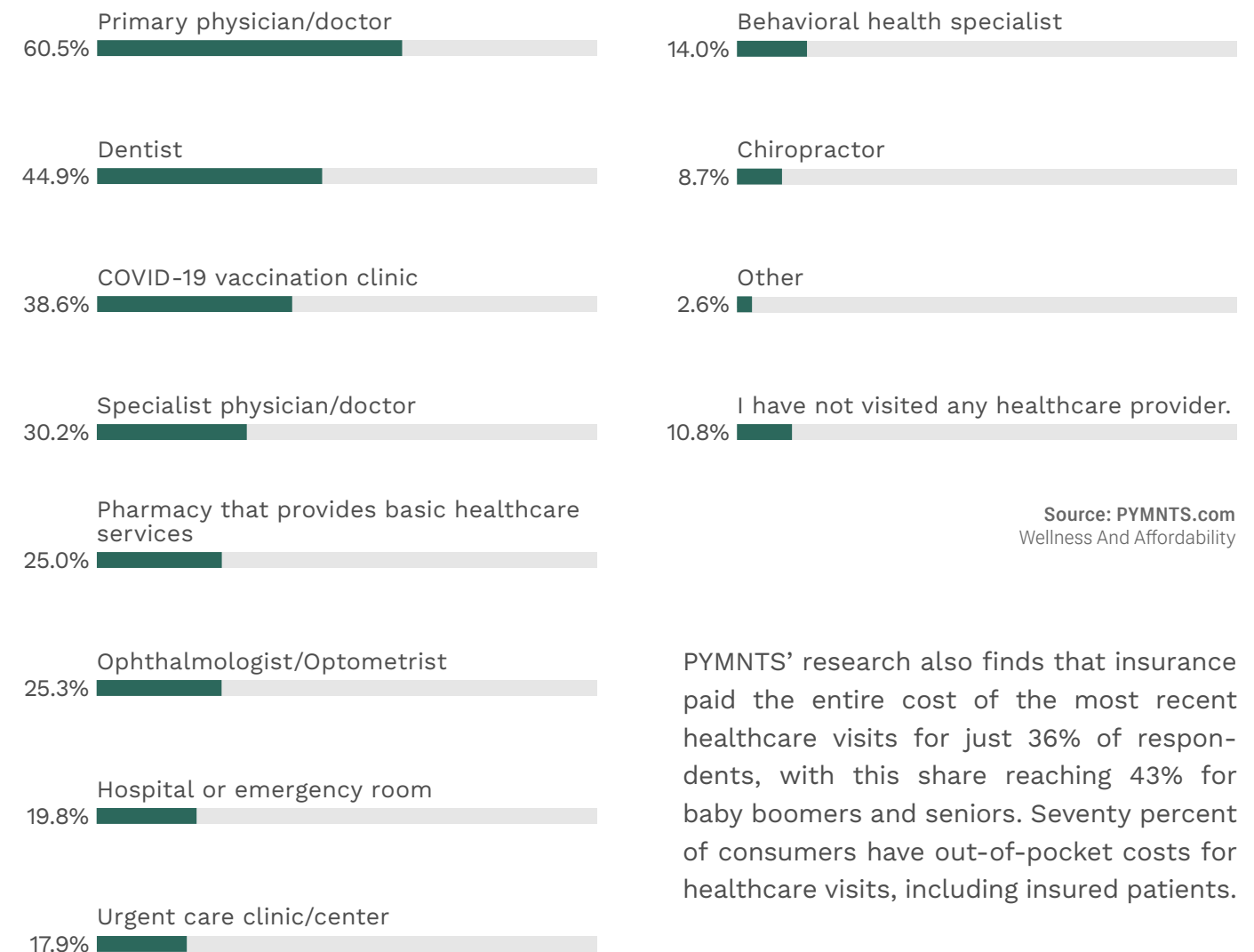
SHARE OF CONSUMERS WHO DID NOT MAKE NECESSARY HEALTHCARE APPOINTMENTS OR ABANDONED NEEDED TREATMENT CITING REASON WHY, BY IMPORTANCE



Source: PYMNTS.com
Wellness And Affordability

FIGURE 3:
Consumers' recent use of healthcare providers

3A. SHARE OF CONSUMERS WHO SAW SELECT HEALTHCARE PROVIDERS IN LAST 12 MONTHS, IN PERSON OR ONLINE

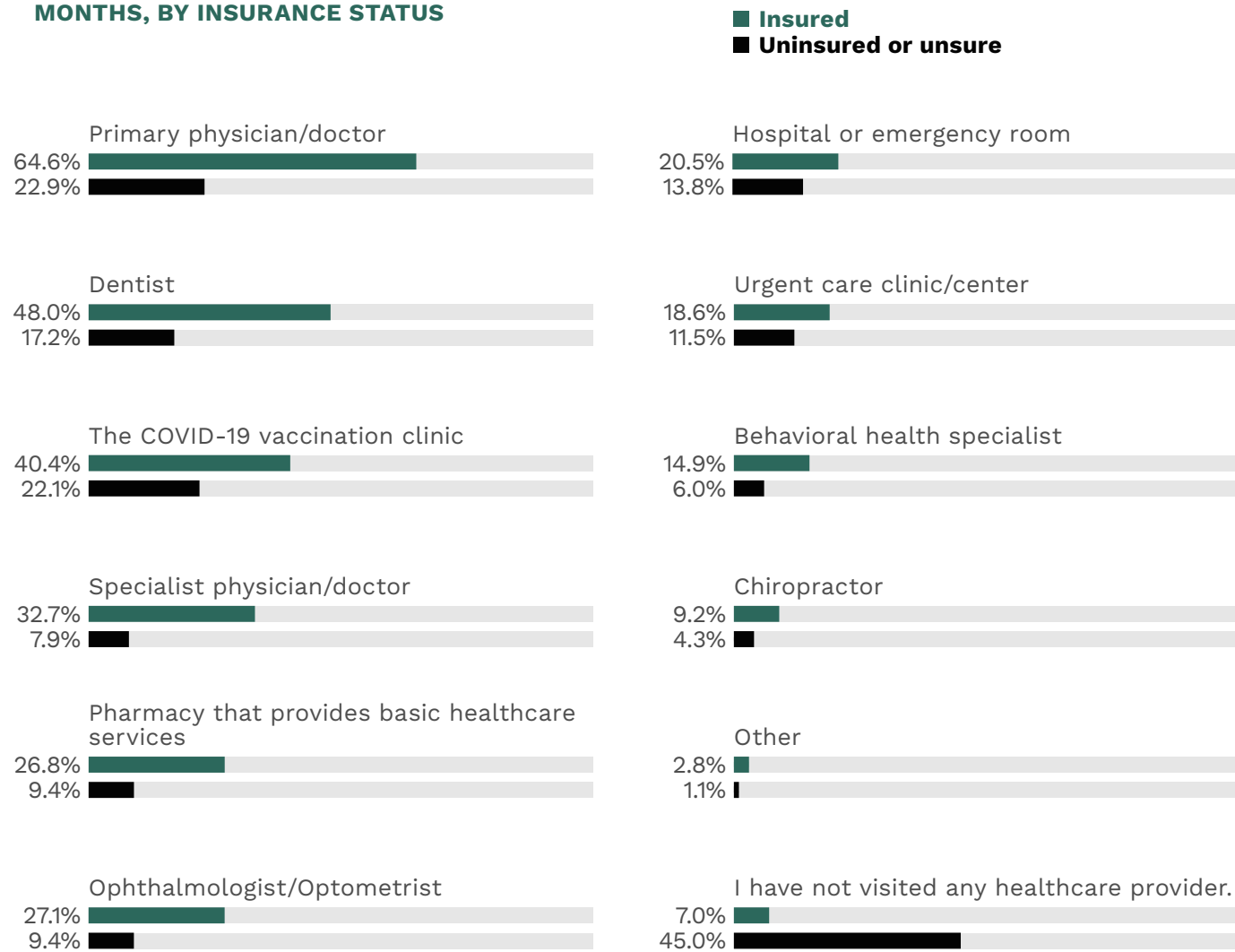


Source: PYMNTS.com
Wellness And Affordability

PYMNTS' research also finds that insurance paid the entire cost of the most recent healthcare visits for just 36% of respondents, with this share reaching 43% for baby boomers and seniors. Seventy percent of consumers have out-of-pocket costs for healthcare visits, including insured patients.

FIGURE 3 (CONTINUED):
Consumers' recent use of healthcare providers

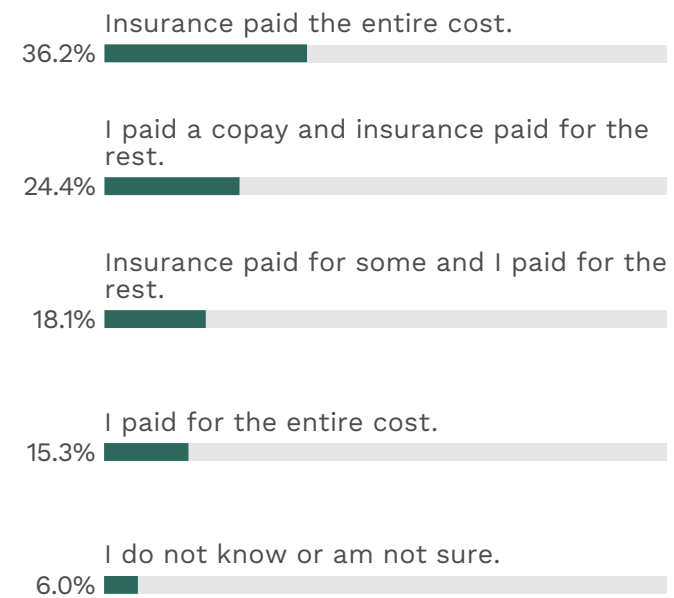
3B. SHARE OF CONSUMERS WHO SAW SELECT HEALTHCARE PROVIDERS IN LAST 12 MONTHS, BY INSURANCE STATUS



Source: PYMNTS.com
Wellness And Affordability

FIGURE 4:
Ways consumers pay for healthcare

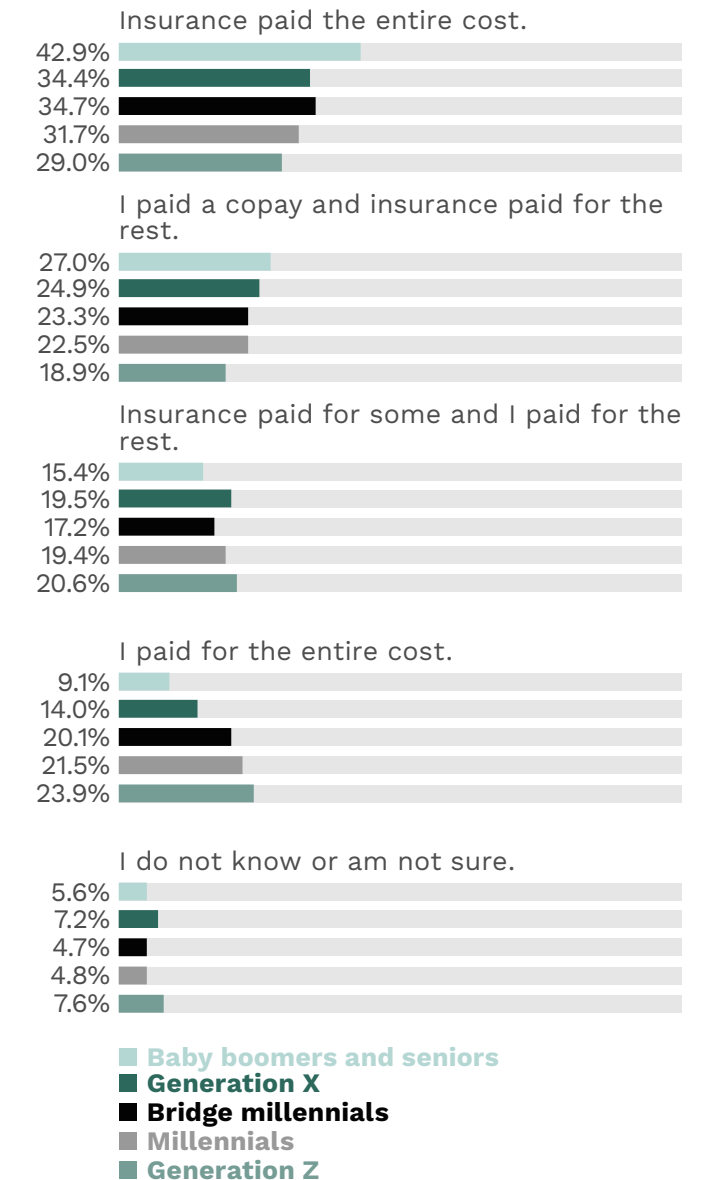
4A. SHARE OF RESPONDENTS WHOSE MOST RECENT HEALTHCARE VISIT WAS PAID FOR IN SELECT WAYS



We found that 24% of patients paid a copay and insurance covered the rest of their last visit, 18% paid the portion of costs their insurance provider did not cover and 15% were responsible for paying the entire cost. Younger patients are more likely to have paid the whole cost of their most recent treatment themselves, as 24% of Generation Z consumers, 21% of millennials and 20% of bridge millennials have done so.⁷

7. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

4B. SHARE OF RESPONDENTS WHOSE MOST RECENT HEALTHCARE VISIT WAS PAID FOR IN SELECT WAYS



Source: PYMNTS.com
Wellness And Affordability

The Transparency Mandate

JUST 30% OF CONSUMERS RECEIVE COST ESTIMATES BEFORE TREATMENT, BUT 89% OF PATIENTS CONSIDER KNOWING THEIR BILL AND MAKING A PAYMENT BEFORE THEIR VISIT TO BE AN EASY WAY TO PAY.

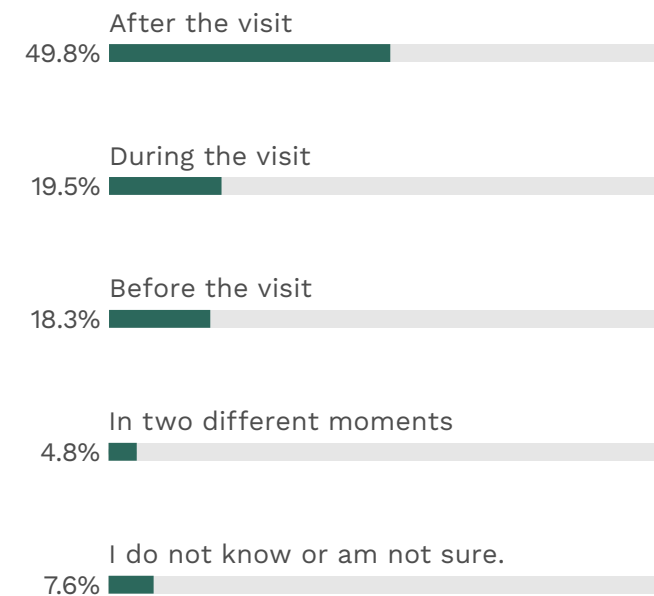
Many consumers expect to pay a copay for their healthcare visits but want transparency into their treatment costs. PYMNTS' research finds that 89% of respondents say knowing their bill and making a payment before their visit is an easy way to pay. Getting a cost estimate is more common for visits with behavioral health specialists and primary and specialist physicians, but only 30% of patients as a whole say they received a cost estimate before their most recent treatment.

Our data finds, however, that just 18% of patients reported paying before their most recent visit. Fifty percent of consumers paid for their last visit after it occurred. Sixty-six percent of respondents paid for their most recent ophthalmologist or optometrist appointment after the visit, and 61% said they did the same for their most recent dental appointment. Payment after treatment can create a potential collection issue for these practitioners. Paying for a visit at two different times is considered easy by less than half of patients.⁸

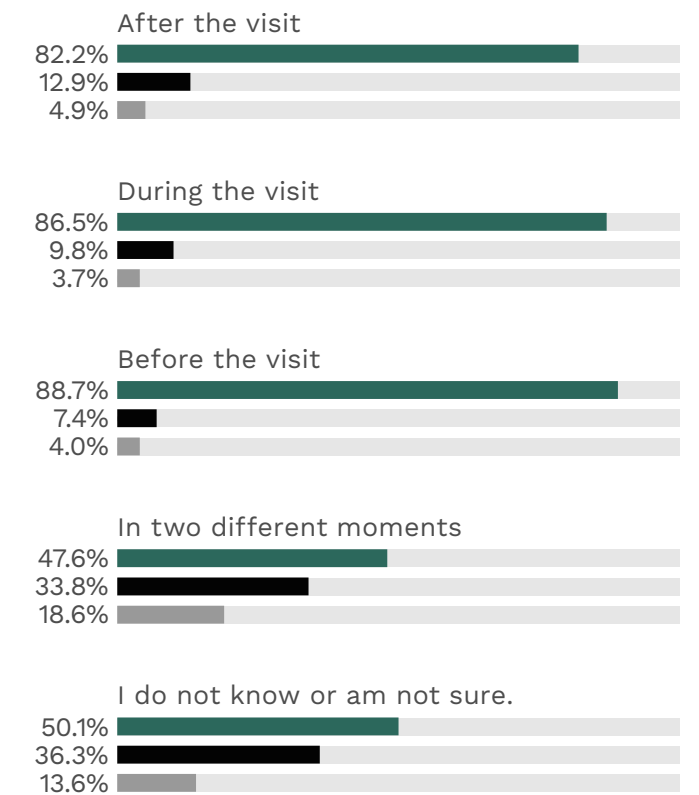
8. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

FIGURE 5: When consumers paid for their most recent healthcare visit

5A. SHARE OF CONSUMERS WHO PAID FOR THEIR MOST RECENT HEALTHCARE VISIT AT SELECT TIMES



5B. SHARE OF CONSUMERS WHO PAID FOR THEIR MOST RECENT HEALTHCARE VISIT AT SELECT TIMES, BY EASE OF USE



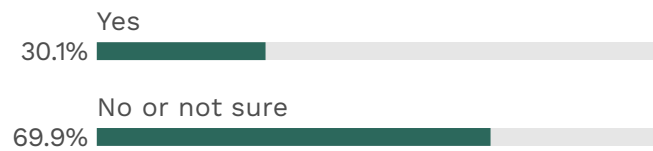
■ **Extremely or somewhat easy**
 ■ **Neither easy nor difficult**
 ■ **Extremely or somewhat difficult**

Source: PYMNTS.com
 Wellness And Affordability

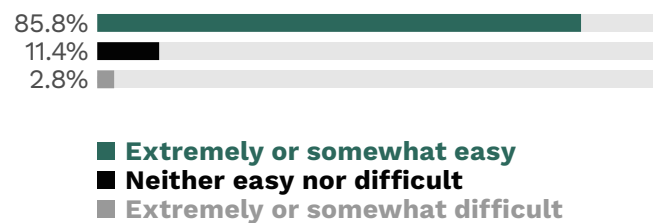
As mentioned before, just 30% of consumers receive cost estimates before a treatment, despite rising healthcare costs, although a grand majority of these patients saying it was easy to get the estimate (86%). Among the 70% that could not get an estimate, more than half (55%) said they would not have found such a projection helpful.

FIGURE 6:
Cost estimate accessibility

6A. SHARE OF CONSUMERS WHO RECEIVED A COST ESTIMATE BEFORE THEIR MOST RECENT HEALTHCARE VISIT OR PROCEDURE

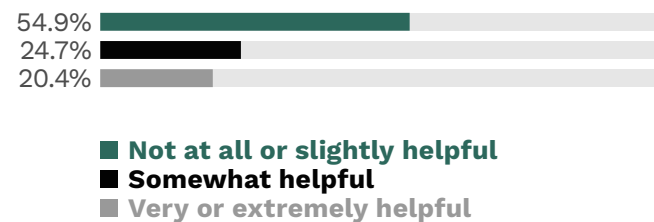


6B. SHARE OF CONSUMERS WHO RECEIVED A COST ESTIMATE BEFORE THEIR MOST RECENT HEALTHCARE VISIT OR PROCEDURE WITH SELECT LEVELS OF EASE



Last year, consumers paid approximately \$810 on out-of-pocket healthcare visits on average, with uninsured patients spending 19% more for out-of-pocket healthcare visit costs than insured patients. Our data also shows that Generation Z and millennials pay the highest out-of-pocket costs for healthcare visits. Approximately 21% of

6C. SHARE OF CONSUMERS WHO DID NOT RECEIVE A COST ESTIMATE BEFORE THEIR MOST RECENT HEALTHCARE VISIT OR PROCEDURE BUT THINK IT WOULD BE SELECT LEVELS OF HELPFUL



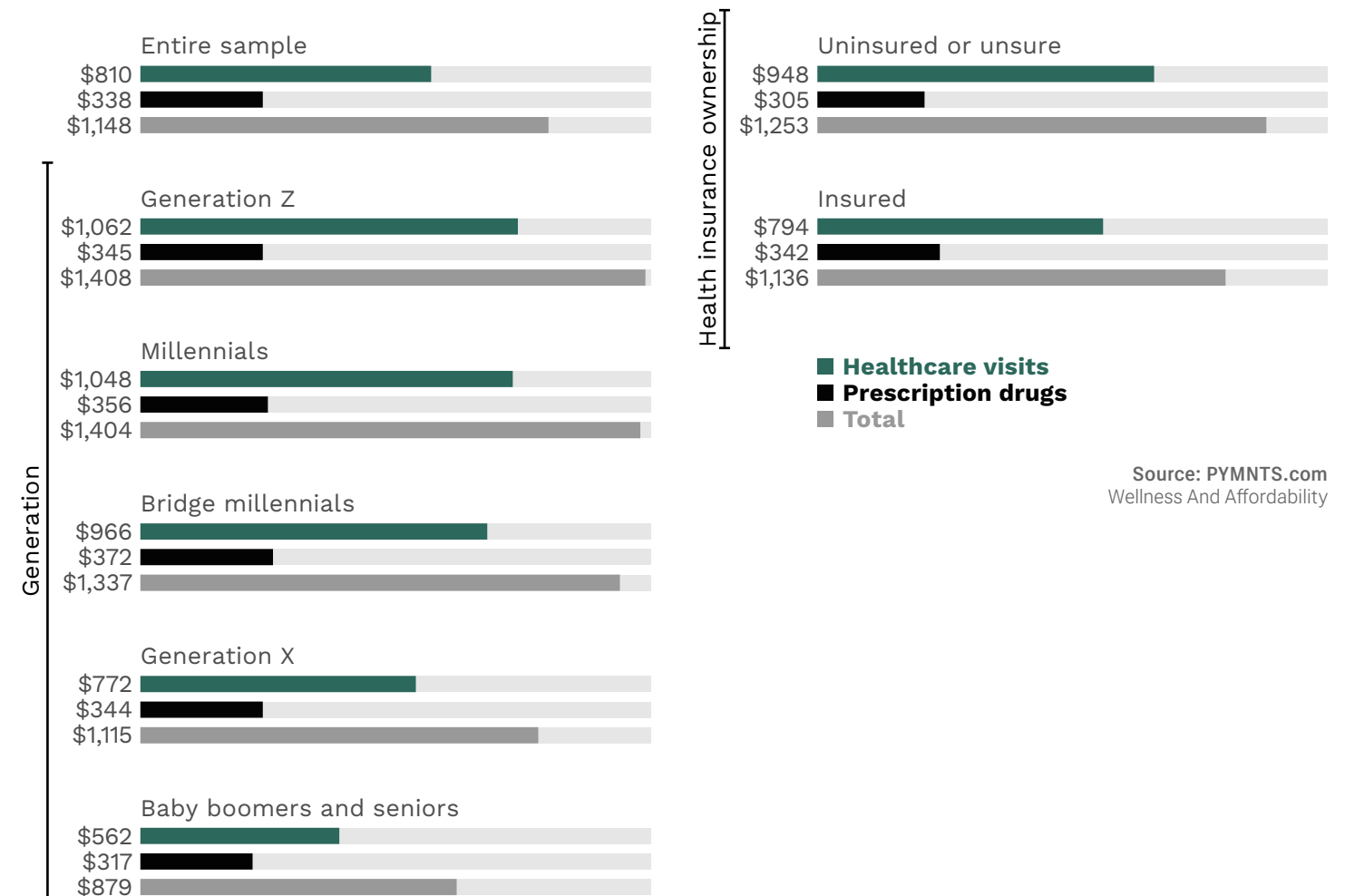
Source: PYMNTS.com
Wellness And Affordability

patients reported spending more on healthcare than in previous years. Consumers who live paycheck to paycheck face high healthcare costs, even when they have insurance coverage. The average patient spent approximately \$1,150 on out-of-pocket healthcare expenses — visits and

prescriptions but excluding the costs of health insurance premiums — during the past 12 months.⁹

9. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

FIGURE 7:
Average out-of-pocket healthcare spending in the last 12 months, by generation and health insurance ownership



Source: PYMNTS.com
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Coverage Is A Wellness Enabler

59% OF PATIENTS SURVEYED SAID THEY WOULD CONSIDER LEAVING THEIR HEALTHCARE PROVIDER DUE TO SERVICES NOT BEING COVERED.

Insurance coverage plays a crucial role in enabling patients to access necessary healthcare and is a fundamental consideration for consumers when they choose healthcare providers. Our research finds that most patients consider insurance no longer covering their visits to be an important reason they would switch healthcare

providers. Fifty-nine percent of patients surveyed said services not being covered was an important reason they would leave their healthcare provider, and, cited by 35%, insurance ceasing coverage of their practitioner ranks as the most-cited most important reason that consumers would switch healthcare providers.¹⁰

10. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

FIGURE 8:
Most important and important reasons consumers would switch healthcare providers

SHARE OF CONSUMERS CITING IMPORTANT OR MOST IMPORTANT REASONS THEY WOULD SWITCH HEALTHCARE PROVIDERS

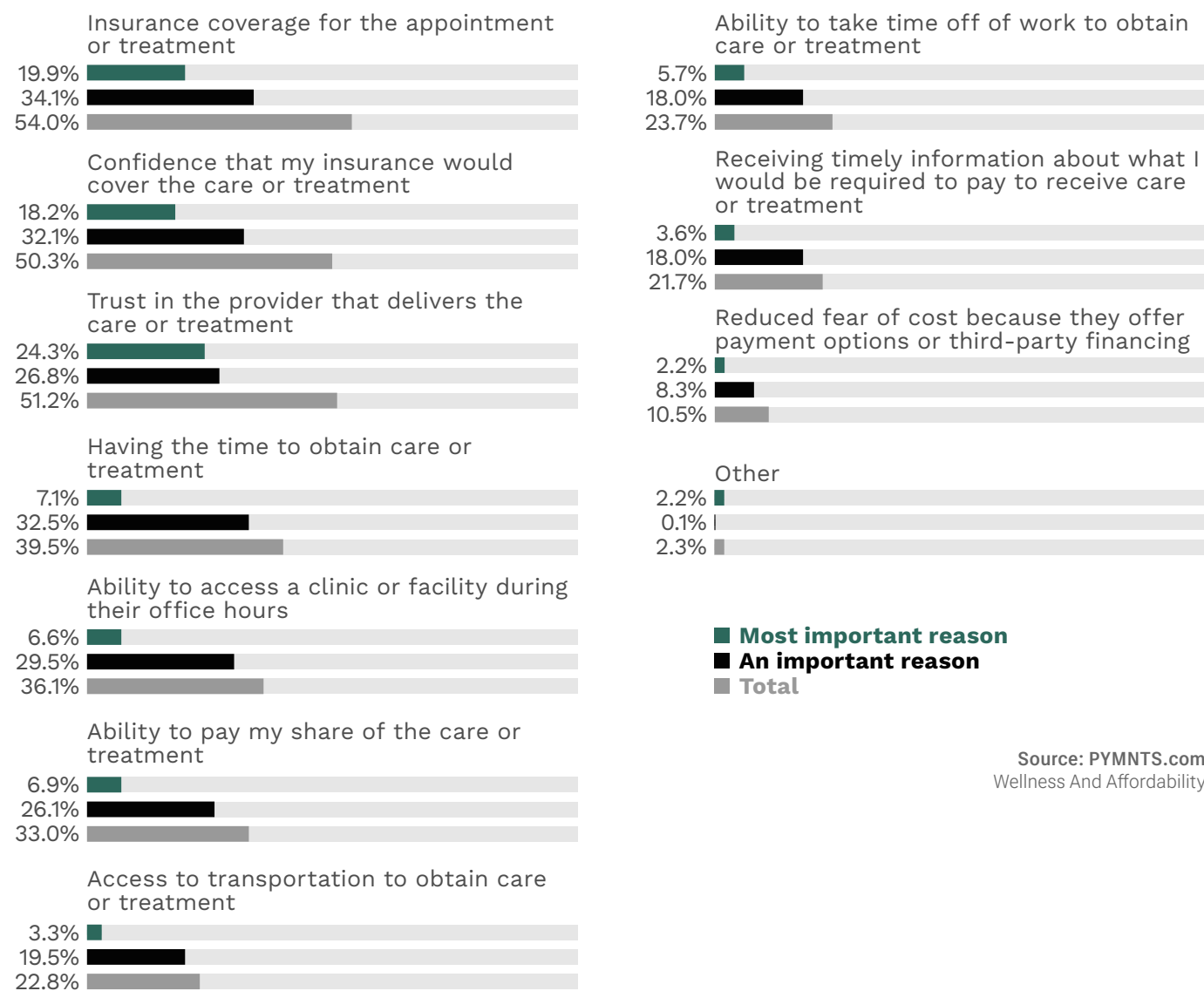


■ Most important reason
■ An important reason
■ Total

Source: PYMNTS.com
Wellness And Affordability

FIGURE 9:
Conditions that support consumers' ability to make appointments for necessary healthcare or obtain needed treatments

SHARE OF CONSUMERS CITING IMPORTANT OR MOST IMPORTANT REASONS THAT SUPPORT THEIR ABILITY TO MAKE APPOINTMENTS FOR NECESSARY HEALTHCARE OR OBTAIN NEEDED TREATMENTS



Source: PYMNTS.com
Wellness And Affordability

With consumers most likely to have some out-of-pocket costs for their healthcare visits or medical treatments, even if they have insurance, it is not surprising that patients place importance on their healthcare providers' billing and payment procedures, and that they are an influential factor in a decision to change healthcare providers. Our data shows that difficulty obtaining costs before a visit or treatment is an important reason consumers would switch healthcare providers for 38% of respondents. Thirty-six percent believe that their practitioner's billing process being difficult to track or understand is an important reason they would switch healthcare providers. Patients report they would also consider switch for a practitioner that would provide an estimated cost of treatment (33%), offer a range of payment options (29%), offer a payment plan or third-part financing option (27%) or provide financing using a health-care credit card (25%).¹¹

PYMNTS' data also reveals that 54% of patients who have not refrained from making an appointment or abandoned necessary treatment consider insurance coverage to be an important factor in supporting their ability to make appointments or obtain treatments. Fifty percent believe that confidence that insurance will cover the visit or procedure is an important condition to receive needed care. Fifty-one percent of consumers consider trust in the provider an important factor and 24% consider it the most important factor supporting their decision to make appointments with a provider. Though trust in the provider is cited as the most important reason by the largest portion of these consumers, it is notable that consumers rank insurance coverage and trust nearly equally.¹²

11. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.
12. Ibid.

The Engagement Factor

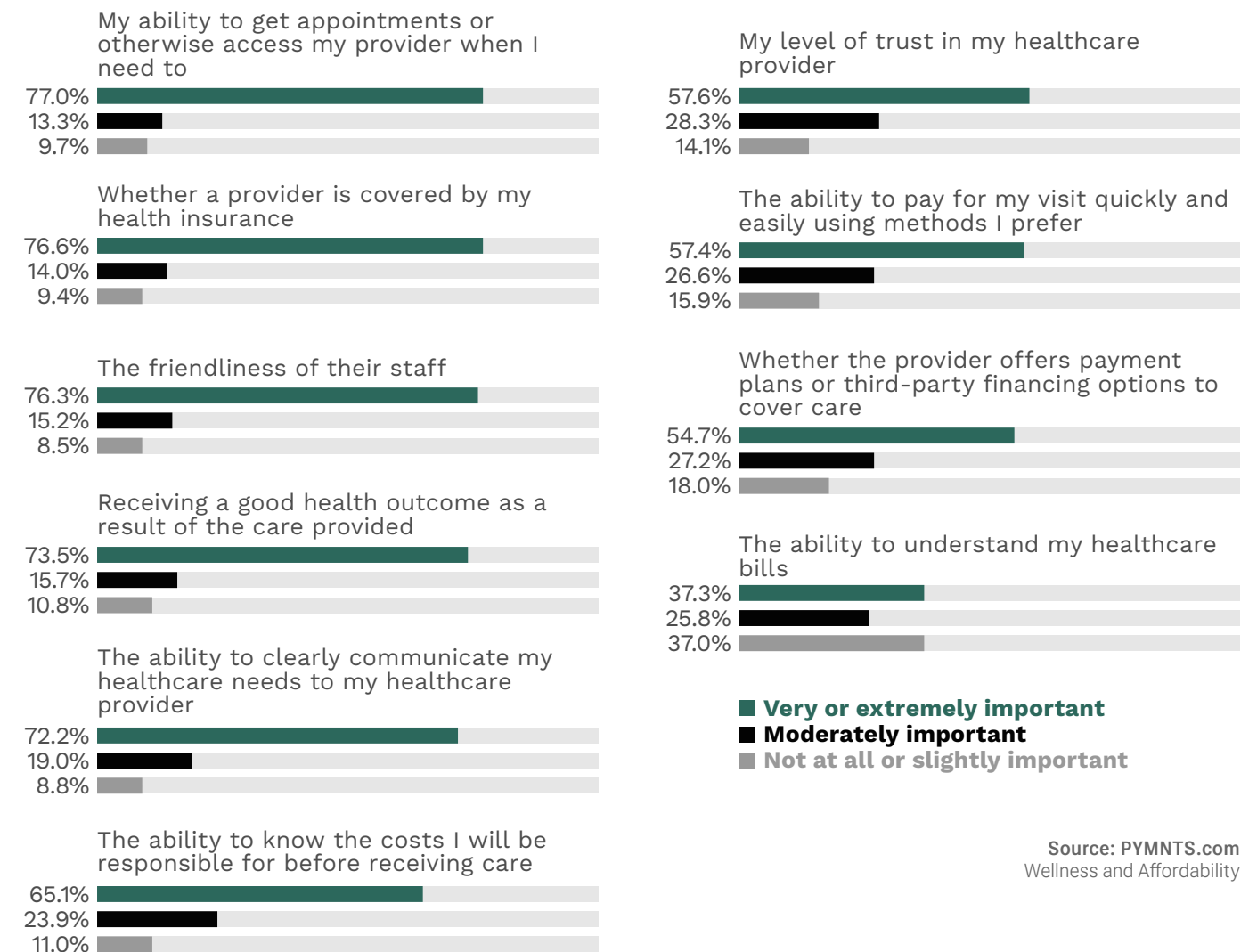
57% OF CONSUMERS SEE “FAST AND EASY” PAYMENTS AS AN ESSENTIAL PART OF A POSITIVE HEALTHCARE EXPERIENCE.

Ultimately, an overall positive healthcare experience is why patients return to practitioners. Our data finds that being able to pay easily with a preferred payment method was very or extremely important to having an overall positive healthcare experience for 57% of respondents. Whether the practitioner offered payment plans or third-party financing was very or extremely important to having an overall positive healthcare experience to 55% of consumers.¹³

Our data shows that 31% of consumers say their physician offers payment plans or third-party financing, which can give consumers more options to pay their medical expenses and manage their budgets. More than half of the consumers who say their physician offers payment plans or third-party financing report use them, but lack of awareness remains a problem. Less than half of respondents whose insurance did not fully pay for their last healthcare visit say they know if their healthcare

FIGURE 10: Important factors that enable a positive healthcare experience

SHARE OF CONSUMERS THAT CONSIDER SELECT FACTORS TO BE VARYING LEVELS OF IMPORTANT



Source: PYMNTS.com
Wellness and Affordability

13. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

provider does or does not offer a payment plan or third-party financing. While 41% of consumers said payment plans helped them better handle other bills or expenses, just 28% said they used payment plans due to lack of funds. Among respondents who visited at least one healthcare provider

during last year, 45% are interested in using these kinds of payments in the future, including a 26% share that are very or extremely interested in using them.¹⁴

14. Wellness And Affordability: How Payments Practices Create Positive Patient Experiences. PYMNTS.com. 2022.

MORE THAN HALF OF THE CONSUMERS WHO SAY THEIR PHYSICIAN OFFERS PAYMENT PLANS OR THIRD-PARTY FINANCING REPORT USING THEM, BUT LACK OF AWARENESS REMAINS A PROBLEM.

FIGURE 11: Payment plan or third-party financing availability and usage

SHARE OF CONSUMERS WHO WERE OFFERED, NOT OFFERED OR UNAWARE OF BEING OFFERED A PAYMENT PLAN OR THIRD-PARTY FINANCING AT THEIR MOST RECENT HEALTHCARE VISIT OR PROCEDURE

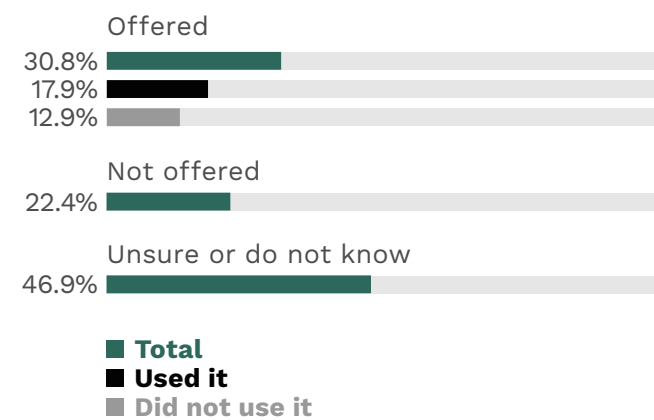
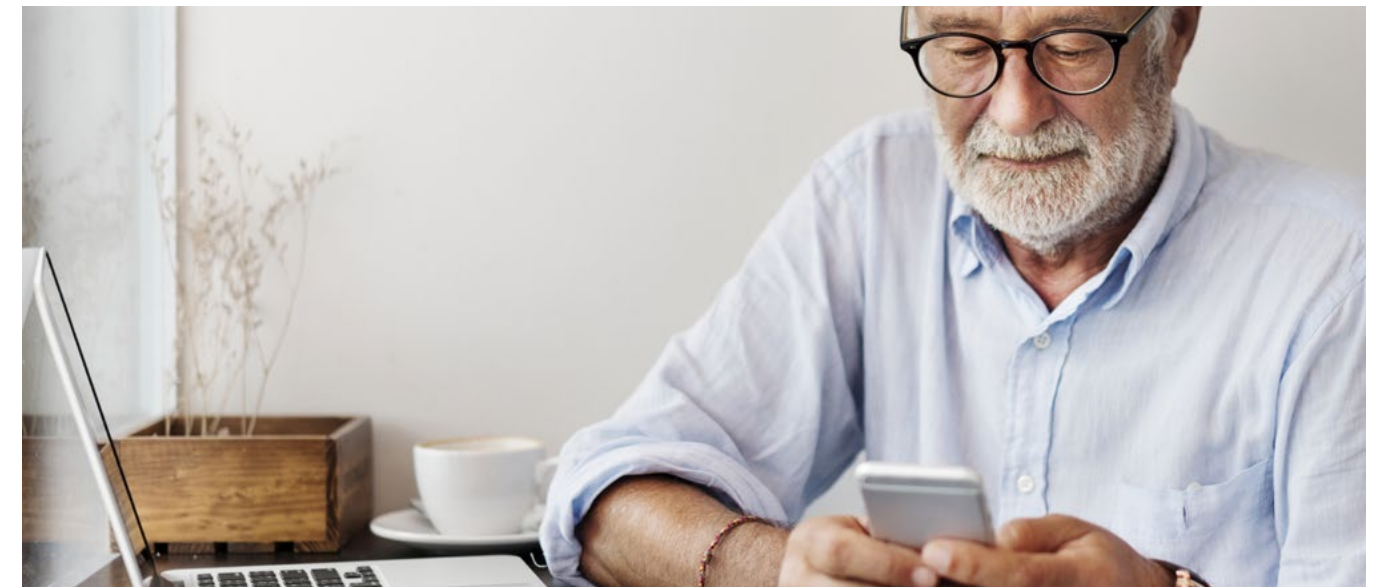
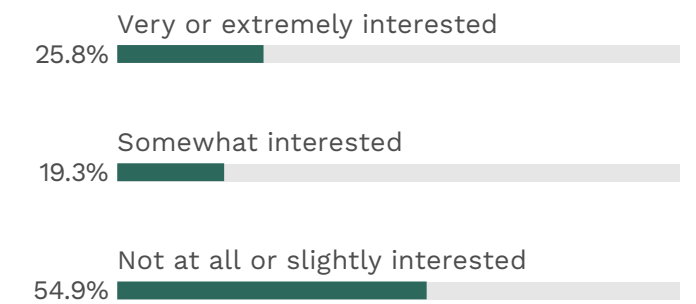


FIGURE 12: Consumer interest in payment plans

SHARE OF CONSUMERS WHO EXPRESSED VARYING LEVELS OF INTEREST IN USING PAYMENT PLANS OR THIRD-PARTY FINANCING FOR FUTURE HEALTHCARE VISITS



Conclusion

Patients looking to maintain and improve their wellness want access to new and accessible payment options. PYMNTS' research reveals that a projected 26 million American adults paid for their most recent medical visits using payment plans or third-party financing, and a projected 38 million Americans are interested in using these options in the future. Using patient financing to improve payments experiences ultimately provides an important bridge to healthcare services for millions of consumers who otherwise might delay or abandon care, thus offering a simple solution to one of healthcare providers' biggest challenges.

METHODOLOGY

The study was based on insights from a survey of 3,546 complete responses from a census-balanced sample of adult American consumers with a median age of 48. Approximately 32% of respondents held college degrees and income distribution was as follows: those earning less than \$50,000 (33%), \$50,000 to \$100,000 (31%), and more than \$100,000 (36%).



About

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Wellness And Affordability:

HOW PAYMENTS PRACTICES CREATE POSITIVE PATIENT EXPERIENCES

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