



# The Healthcare Conundrum:

THE IMPACT OF UNEXPECTED  
PATIENT COSTS ON CARE

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The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, a PYMNTS and Experian Health collaboration, examines the effects of rising healthcare costs on patient care, the need for healthcare providers to better serve financially struggling patients and how accurate and timely cost estimates drive patient satisfaction and improve care.



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## Table Of Contents

- Introduction** ..... 2
- Facing the dilemma: How rising costs affect patient care** ..... 6
- How high out-of-pocket costs create financial distress** .....12
- Why patients switch providers for better payment experiences** ..... 20
- Conclusion and Methodology** ..... 26
- About** ..... 28

### ACKNOWLEDGMENT

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# Introduction

Long before recent inflationary pressures challenged consumers financially, healthcare costs were rising, worsening patients' ability to access and pay for care. Consumers face skyrocketing out-of-pocket costs due to copays or high annual deductibles, despite relatively accessible health insurance options.

PYMNTS' data finds that nearly half of consumers canceled a healthcare appointment without their condition improving because of the high cost of the treatment. This was especially prevalent among consumers living paycheck to paycheck with issues paying their bills: Receiving a high cost estimate was the reason 60% of these consumers had canceled healthcare appointments in the past 12 months.

Another cause of financial distress is patients' lack of access to accurate cost estimates before a healthcare appointment or procedure, which too often results in either unexpected bills or unexpectedly large bills. In the past 12 months, 43% of patients who received inaccurate cost estimates and

40% of those who received an unexpected bill spent more than they could afford.

Healthcare providers that provide patients with timely and accurate estimates for out-of-pocket healthcare expenses improve the patient experience, retain existing patients and attract new ones. Our data shows that six out of 10 patients who paid out-of-pocket healthcare costs and received either an inaccurate cost estimate or an unexpected bill are very or extremely interested in switching to healthcare providers offering a better payments experience.

The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, a PYMNTS and Experian Health collaboration, examines the effects of rising healthcare costs on patient care and explores the need for healthcare providers to better serve patients who are struggling financially. It also offers actionable insights into how accurate and timely cost estimates drive patient satisfaction and improve care.

This is what we learned.

**Nearly half of consumers have canceled a healthcare appointment or procedure due to the high cost of medical treatment.** Three-quarters of millennials canceled a healthcare appointment after receiving a high cost estimate, as have 60% of consumers living paycheck to paycheck with issues paying their bills.

PYMNTS' data finds that 32% of consumers have scheduled a doctor's appointment and then canceled it in the past 12 months. Among consumers who had canceled a healthcare appointment for a reason other than their condition had improved before the appointment, 46% reported that receiving a high cost estimate was their main reason for canceling an appointment or procedure. Millennials were the most likely to do so, at 74%, while just 13% of baby boomers and seniors had canceled for the same reason. Sixty percent of consumers living paycheck to paycheck with issues paying their bills canceled due to a high cost estimate, whereas just 25% of those not living paycheck to paycheck did the same.

**More than two in five patients who received inaccurate cost estimates said they spent more on healthcare than they could afford.** A similar share of patients who received unexpected bills experienced financial distress.

PYMNTS' research finds that 19% of patients overall experienced financial distress due to healthcare costs because they spent more than they could afford in the past 12 months. Patients who received cost estimates, however, were more likely to be in financial distress due to healthcare costs: 43% of those who received inaccurate cost estimates said they spent more on healthcare than they could afford, as did 26% of those who received accurate estimates. Patients who received unexpected bills were also more apt to be in financial distress, as 40% said they spent more on healthcare than they could afford, a far greater share than the 18% of those who did not receive a surprise bill who did the same.

**Patients living paycheck to paycheck are most vulnerable to experiencing financial distress caused by unexpected healthcare costs.** Close to one-third of patients living paycheck to paycheck with issues paying their bills said they spent more on healthcare than they could afford, while approximately one-quarter said they did not have enough money to pay for their last appointment.

In the past 12 months, 30% of patients living paycheck to paycheck with issues paying their bills experienced financial distress because they spent more on healthcare than they could afford. Just 11% of patients not living paycheck to paycheck were in financial distress due to healthcare costs during the same period. We also found that 27% of patients living paycheck to paycheck with issues paying their bills did not have enough money to pay for their last appointment, whereas that share was just 4.6% for consumers not living paycheck to paycheck.



**Six out of 10 patients who paid out-of-pocket healthcare costs and received either an inaccurate cost estimate or an unexpected bill would switch healthcare providers for a better payments experience.** Patients living paycheck to paycheck with issues paying monthly bills who paid out-of-pocket healthcare costs were more likely to switch health providers than those of other financial lifestyles.

Sixty percent of patients who received inaccurate cost estimates stated they were very or extremely likely to switch providers for a better payments experience, and 59% of those who received unexpected bills said the same. Patients living paycheck to paycheck with issues paying their bills are also more likely to switch healthcare providers for a better payments experience: 41% are likely to switch, far more than the 14% of those not living paycheck to paycheck who would do the same.



#### FACING THE DILEMMA:

## How rising costs affect patient care

Patients schedule and cancel appointments for myriad reasons, but monetary constraints would ideally not factor into such cancellations. Unfortunately, PYMNTS' research finds that in the past 12 months, 32% of United States patients have scheduled a doctor's appointment and then canceled it and that those living paycheck to paycheck with issues paying their bills were the most likely to do so, at 56%. Just 29% of consumers not living paycheck to paycheck have scheduled an appointment and later canceled it in the past 12 months. Baby boomers and seniors are the generation who are the least likely to have canceled appointments, at 20%, whereas bridge millennials, at 45%, and millennials, at 44%, were the most likely to have done the same.

Patients may also cancel when faced with out-of-pocket healthcare payments. Our data finds that 45% of patients had to make an out-of-pocket payment during their most recent doctor visit, with more than half of them required to pay a copay by their insurance provider. Insurance providers also required that 24% pay a deductible.

Among those who paid out-of-pocket expenses for their most recent visit with a healthcare provider, Generation Z patients were the least aware that they would be required to make a payment. Although 32% of Gen Z patients did not know they would have to make copayments at their most recent healthcare appointment, just 20% of Generation X consumers and 10% of baby boomer and senior patients were unaware. The average out-of-pocket bill was \$363, though millennials paid the most on average — \$619.

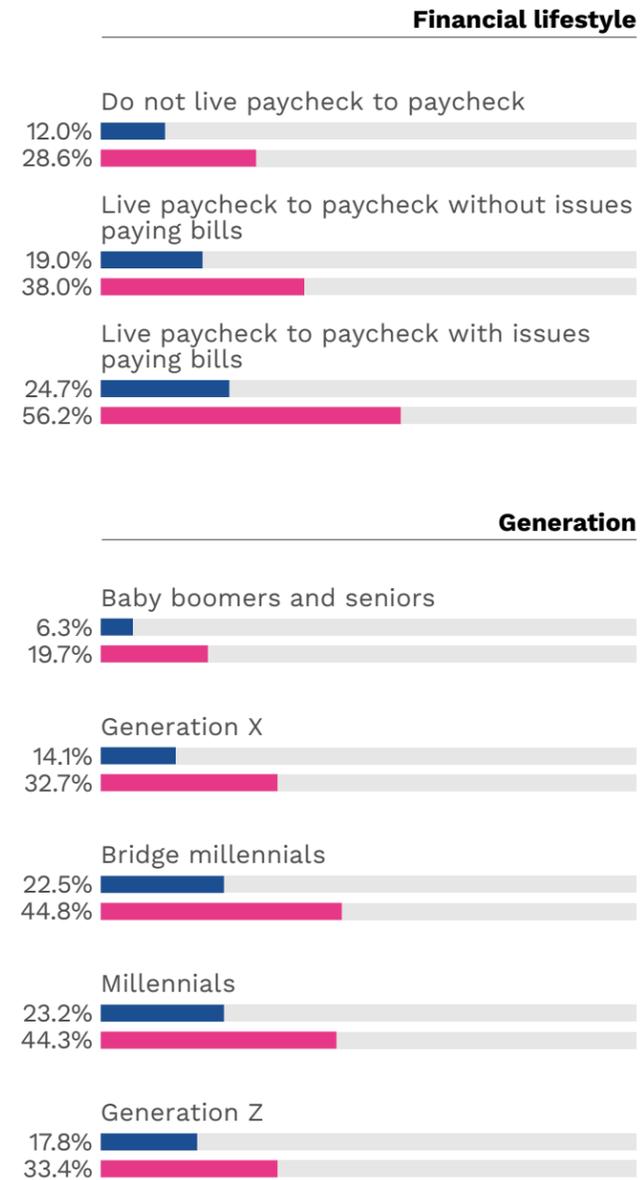
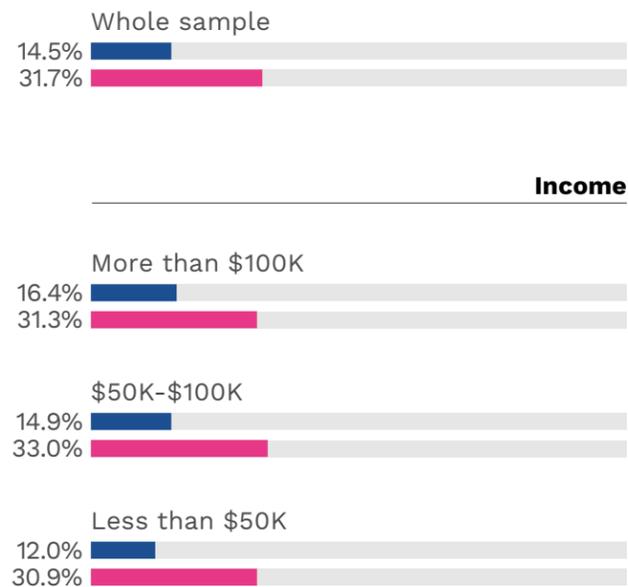
According to our data, receiving a high cost estimate is the main reason that consumers whose condition did not improve before the appointment cited for canceling appointments in the last 12 months. Among patients who canceled an appointment for any reason other than their condition improving, 46% of cancellations were attributed to a high cost estimate. Millennials were the most likely to cancel appointments because of high cost of treatment, at 74%, while baby boomers and seniors were the least likely, at 13%. Financial health impacted these decisions: 60% of those living paycheck to paycheck with issues paying

their bills had canceled an appointment because of high cost estimates, whereas 25% of those not living paycheck to paycheck did the same.

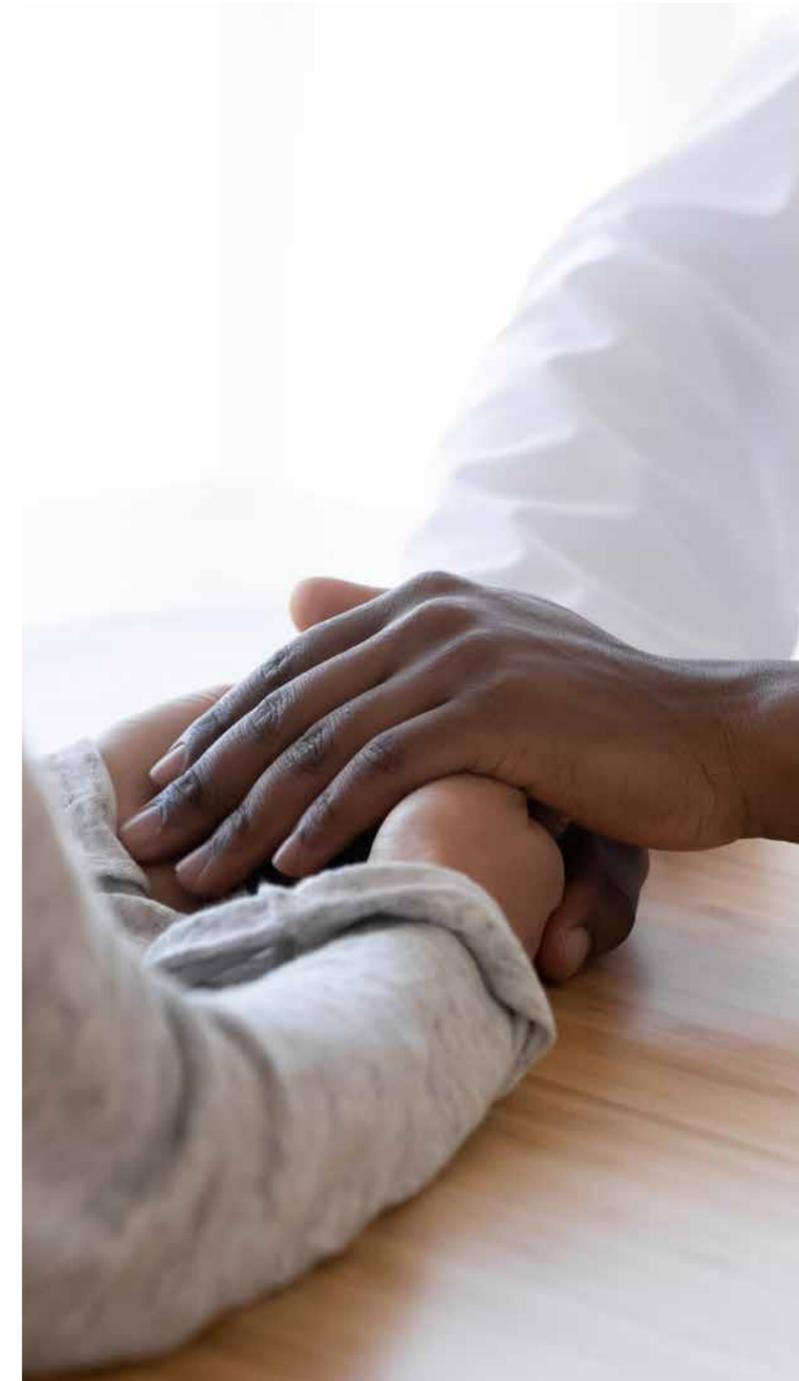
**FIGURE 1A:**  
**Why consumers cancel appointments**

Share of consumers who scheduled an appointment and then canceled in the last 12 months, by demographic

- My condition improved before the appointment
- Scheduled an appointment then canceled

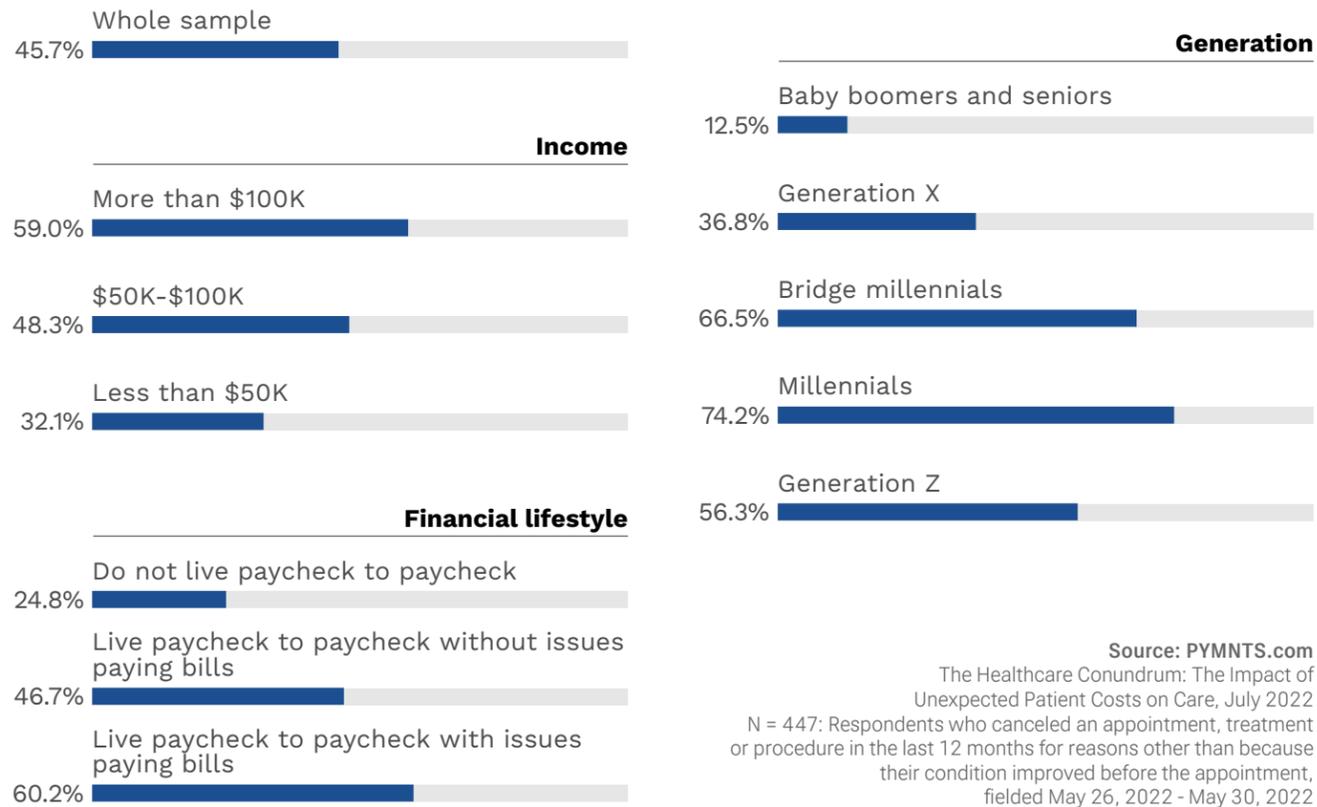


Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 3,000: Whole sample, fielded May 26, 2022 - May 30, 2022



**FIGURE 1B:**  
**Why consumers cancel appointments**

Share of consumers who canceled a care appointment in the last 12 months because they received a cost estimate that was too high, among those who canceled for any reason except their condition improving, by demographic



Source: PYMNTS.com  
 The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
 N = 447: Respondents who canceled an appointment, treatment or procedure in the last 12 months for reasons other than because their condition improved before the appointment, fielded May 26, 2022 - May 30, 2022





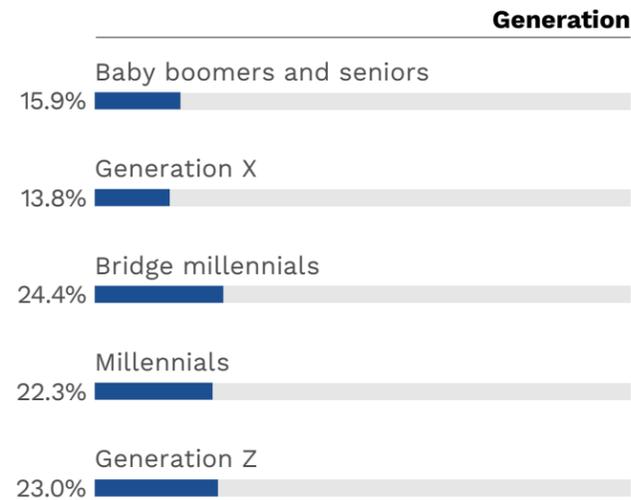
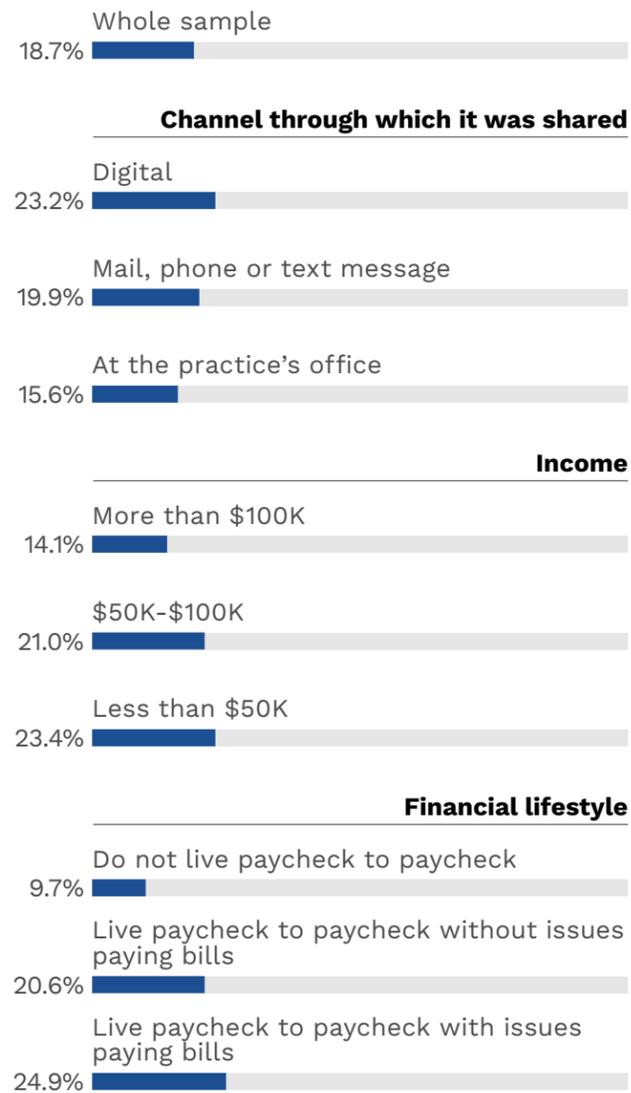
## How high out-of-pocket costs create financial distress

PYMNTS' research finds that 34% of patients automatically received cost estimates before their visits, and 14% received cost estimates before their visit after requesting them. While 16% received estimates after their healthcare visit, 36% did not receive estimates at any point. Patients most frequently received estimates in the office: 16% received them during their most recent appointments and 5.5% at a previous appointment.

While just 6.1% of patients did not understand or slightly understood the cost estimate they received, as many as 19% of consumers surveyed found the estimate provided during their most recent appointment was less than accurate.

**FIGURE 2:**  
**Inaccurate estimates**

Share of patients who received inaccurate estimates prior to their most recent appointment



Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 490: Respondents who received an estimate for how much they would be required to pay prior to their most recent visits to healthcare providers, fielded May 26, 2022 - May 30, 2022

Meanwhile, nearly one-quarter of patients have received a surprise medical bill. Comfort with insurance coverage does not seem to help: 31% of patients reporting being very or extremely familiar with their coverage said that they received surprise bills, as did just 16% of those not familiar with their coverage. The average surprise bill was \$675, and millennials and high-income consumers paid the highest amount.

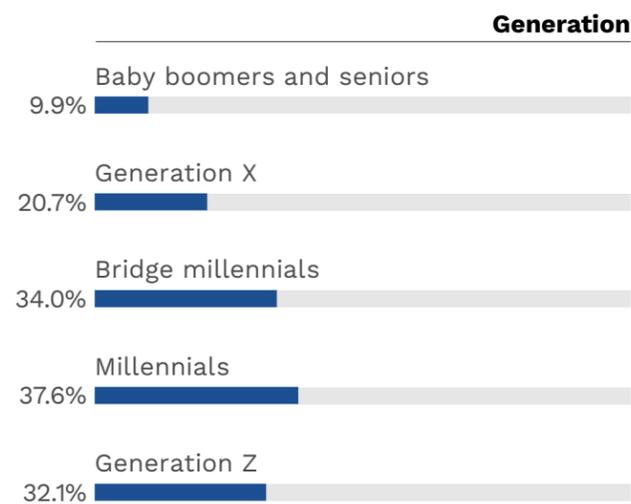
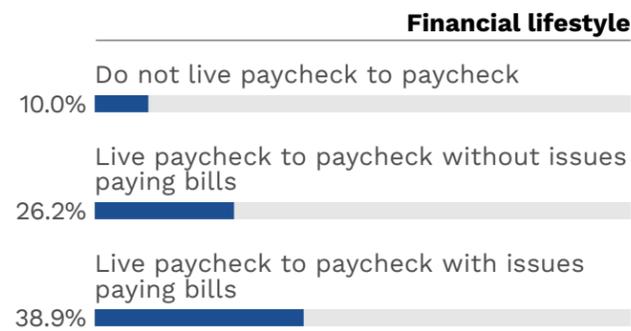
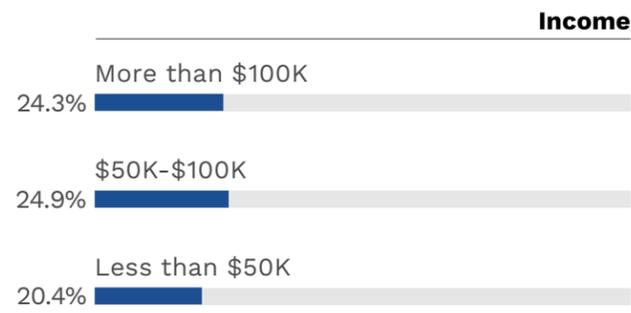
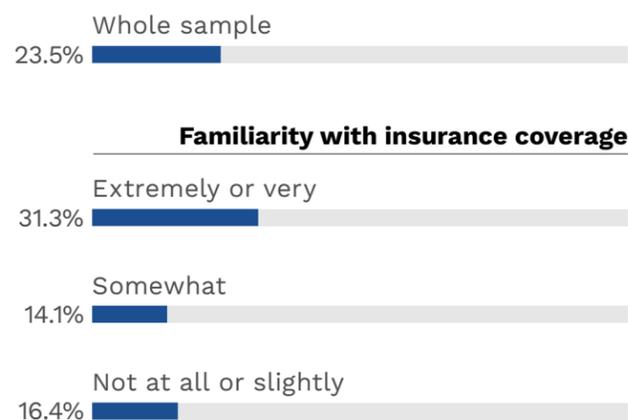
The average surprise bill was **\$675**, and millennials and high-income consumers paid the highest amount.



Our data also finds that 19% of all patients surveyed spent more than they could afford on healthcare in the past 12 months, putting them in financial distress. Those who received inaccurate cost estimates and who received unexpected bills were more likely to be in financial distress due to healthcare costs: 43% of patients who received inaccurate cost estimates said they spent more on healthcare than they could afford, compared to 26% of those who received accurate estimates. Among patients who received unexpected bills, 40% said they spent more on healthcare than they could afford, compared to just 18% of those who did not receive an unexpected bill.

**FIGURE 3:**  
Unexpected medical bills

Share of patients who paid out-of-pocket expenses and received surprise medical bills during their most recent visits



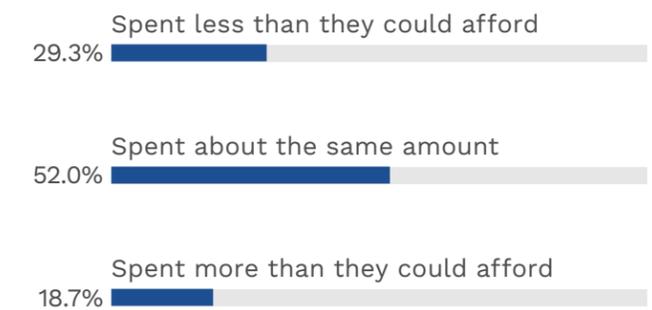
Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 1,026: Respondents who paid out-of-pocket expenses for their most recent visit with healthcare provider, fielded May 26, 2022 - May 30, 2022

Paycheck-to-paycheck consumers with issues paying their monthly bills are the most vulnerable to experiencing financial distress due to unexpected healthcare costs, according to PYMNTS' research. In the past 12 months, 30% of patients living paycheck to paycheck with issues paying their bills experienced financial distress because they spent more on healthcare than they could afford. Just 11% of patients not living paycheck to paycheck were in financial distress due to healthcare costs during the same period. Although 4.6% of consumers not living paycheck to paycheck did not have enough money to pay for their last appointment, 27% of patients living paycheck to paycheck with issues paying their bills lacked the funds for their most recent appointment.

Paycheck-to-paycheck consumers with issues paying their bills also had the highest share of inaccurate cost estimates: 25% of these patients found that the cost estimates they received were less than accurate, while 10% of those not living paycheck to paycheck said the same. Also, 39% of consumers living paycheck to paycheck with issues paying their bills received unexpected bills, compared to just 10% of those not living paycheck to paycheck. The amount financially struggling consumers paid in unexpected bills was higher as well: Their average unexpected bill was \$802, compared to \$596 for those not living paycheck to paycheck.

**FIGURE 4:**  
Surprise bills' impact on consumers' financial lives

Share of patients who received surprise bills in the past 12 months citing specific impacts on their healthcare spending

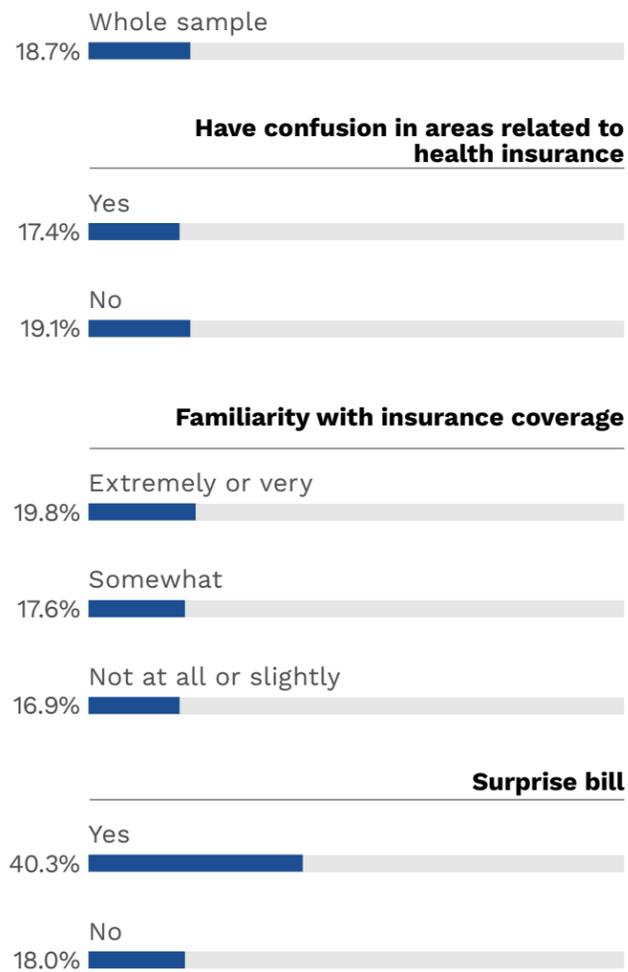


Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 241: Respondents who received surprise bills related to this most recent visit with healthcare provider, fielded May 26, 2022 - May 30, 2022

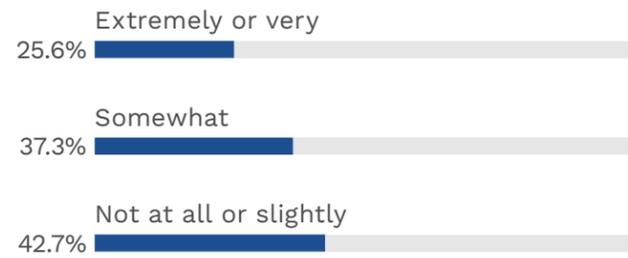
**FIGURE 5A:**  
Healthcare costs exceeding what consumers can afford

Share of patients who spent more than they could afford on healthcare cost in the past 12 months, by relevant factors

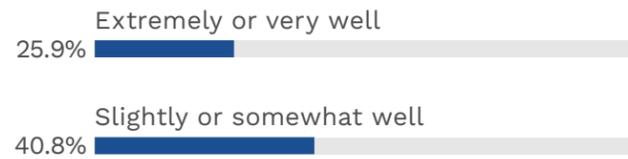
■ Spent more than they could afford



**Accuracy of the estimate received**



**Level of understanding of the estimate received**

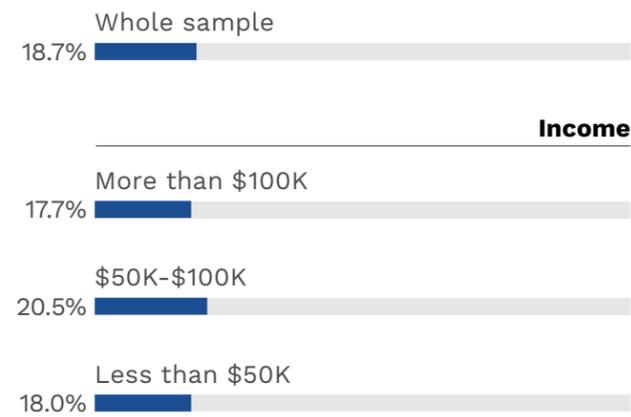


Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 2,248: Respondents that remember total amount spent; remaining N values vary based on factor, fielded May 26, 2022 - May 30, 2022

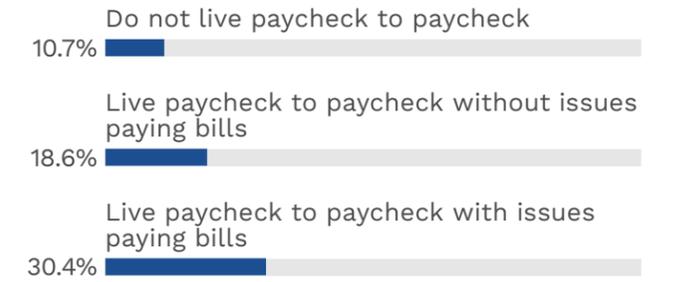
**FIGURE 5B:**  
Healthcare costs exceeding what consumers can afford

Share of patients who spent more on healthcare than they can afford, by demographic

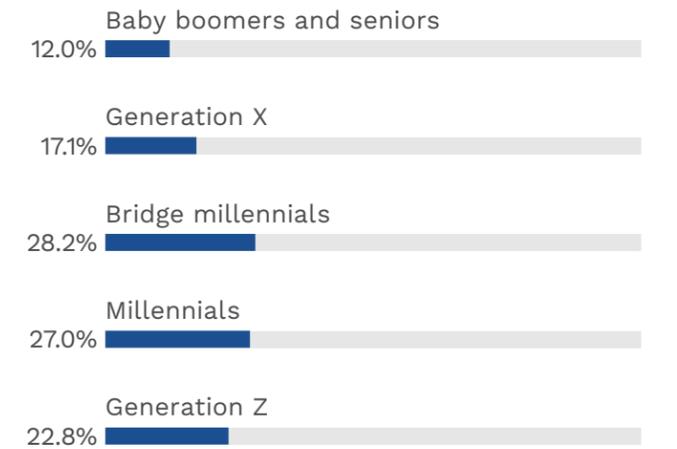
■ Spent more than they could afford



**Financial lifestyle**



**Generation**



Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 2,248: Respondents that remember total amount spent, fielded May 26, 2022 - May 30, 2022

**30%: Share of paycheck-to-paycheck consumers with issues paying their bills** who spent more than they could afford on healthcare costs



## Why patients switch providers for better payment experiences

As many as 26% of patients who paid out-of-pocket healthcare costs say they would switch their healthcare providers for a better payments experience, according to PYMNTS' research. Millennials are the generation most likely to switch providers: 47% would be likely to switch. For comparison, just 7% of baby boomers and seniors say they would be likely to switch.

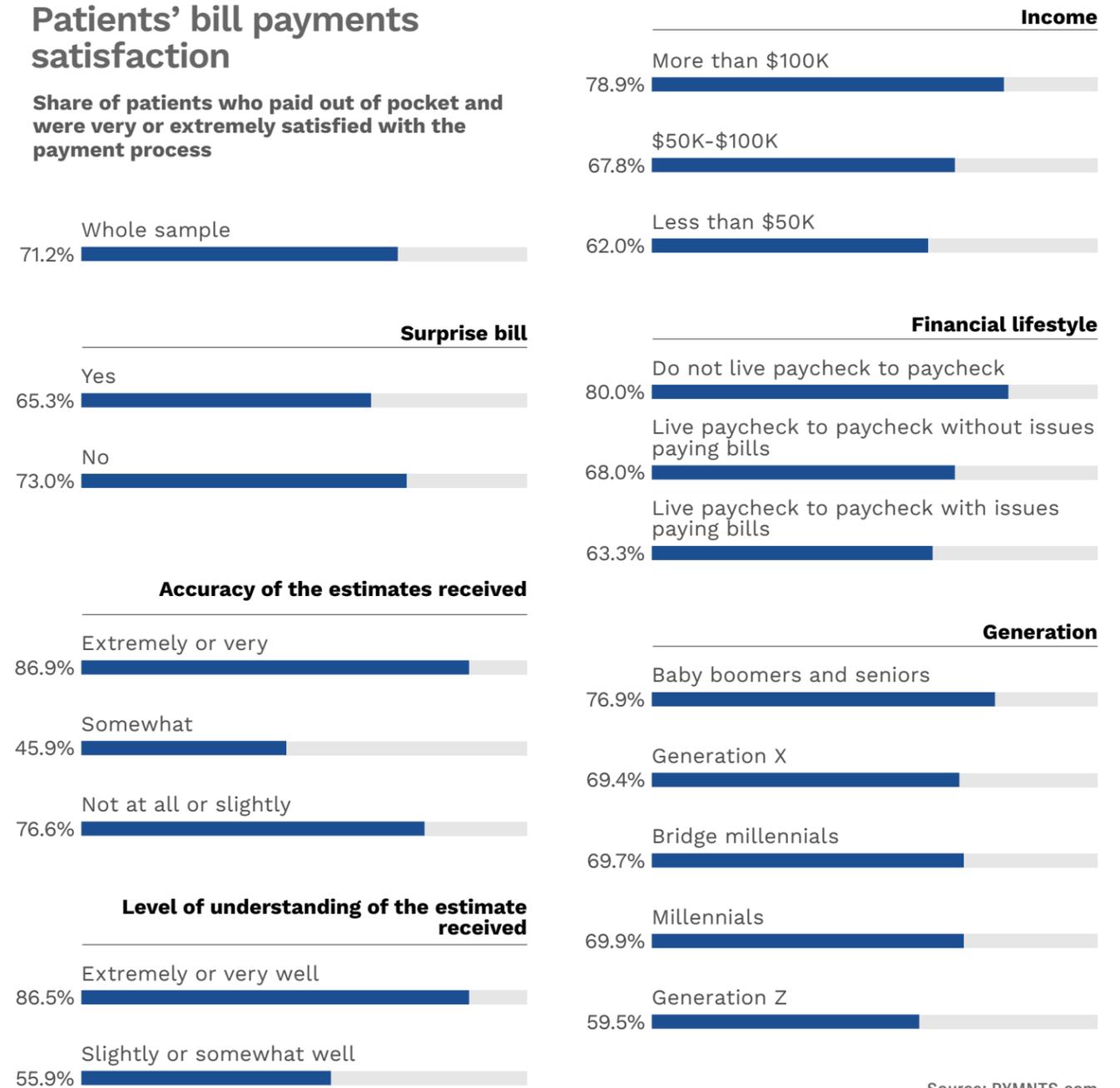
Counterintuitively, patients satisfied with their healthcare provider’s payments experience are more likely to say they would switch than those that are not satisfied with the payments process. While 22% of patients not satisfied with the payments experience would switch, 29% of those who are satisfied would. Higher-income consumers are more likely than those in lower income brackets to switch providers, despite being more satisfied with the payments process. These anomalies may be explained by the fact that these consumers tend to prefer a good payments experience and will switch to preserve that if their provider’s payments process stops meeting their expectations.

Lack of accuracy in cost estimates received and unexpected bills were significantly more likely to drive patients to switch healthcare providers than other factors. Our data also finds that 59% of those who received unexpected bills and 60% of patients who received inaccurate cost estimates were very or extremely likely to switch providers for a better payments experience.

Overall satisfaction with the payments process is lower among patients who received unexpected bills: 65% of those who received unexpected bills were very or extremely satisfied, compared to 71% of all patients. Those under financial distress also show less overall satisfaction with the payments process. Just 63% of consumers living paycheck to paycheck with issues paying their bills were very or extremely satisfied with their healthcare provider’s payments experience, a far smaller share than the 80% of those not living paycheck to paycheck who were highly satisfied. Moreover, consumers living paycheck to paycheck with issues paying their bills are more likely to switch: 41% were very or extremely likely to switch healthcare providers for a better payments experience, compared to 14% of those not living paycheck to paycheck.

**FIGURE 6A:**  
**Patients’ bill payments satisfaction**

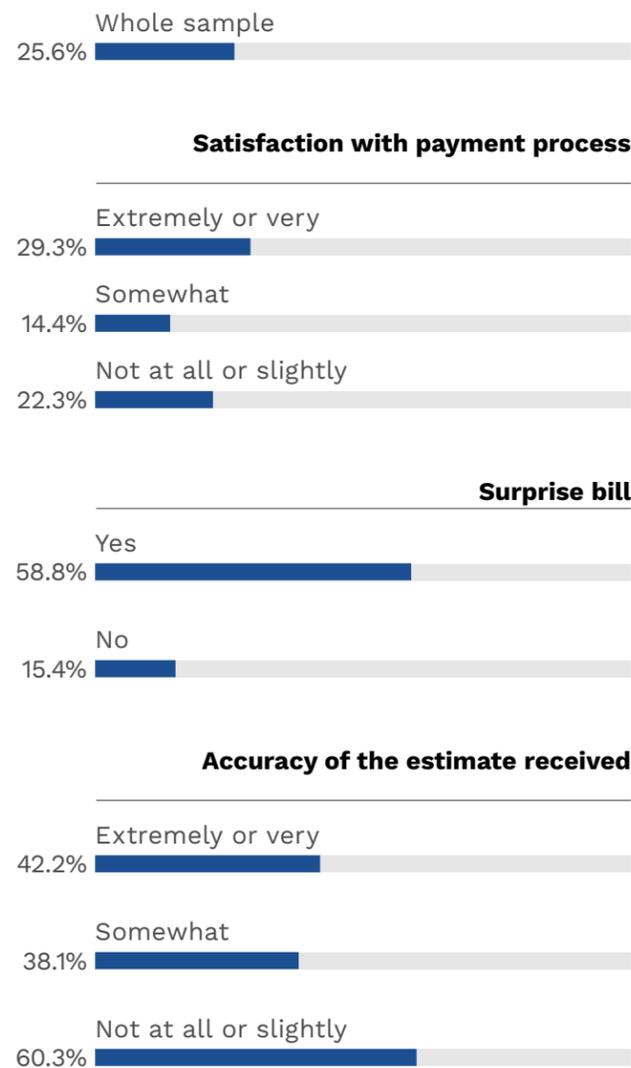
Share of patients who paid out of pocket and were very or extremely satisfied with the payment process



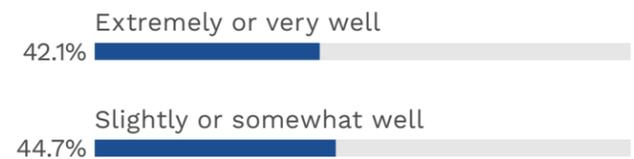
Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 1,026: Respondents who paid out-of-pocket expenses for their most recent visit with a healthcare provider; remaining N numbers vary based on factor, fielded May 26, 2022 - May 30, 2022

**FIGURE 6B:**  
**Patients' bill payments satisfaction**

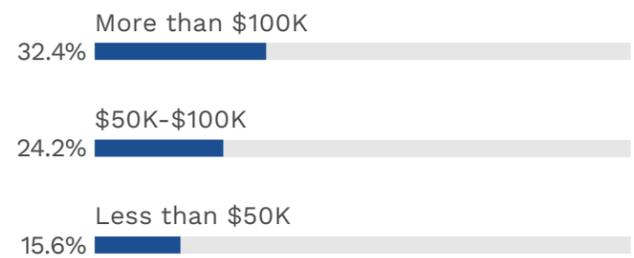
Share of patients who paid out of pocket and were very or extremely likely to switch to a healthcare provider offering a better payments experience



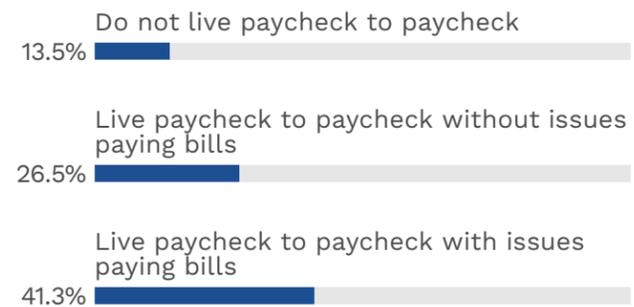
**Level of understanding of the estimate received**



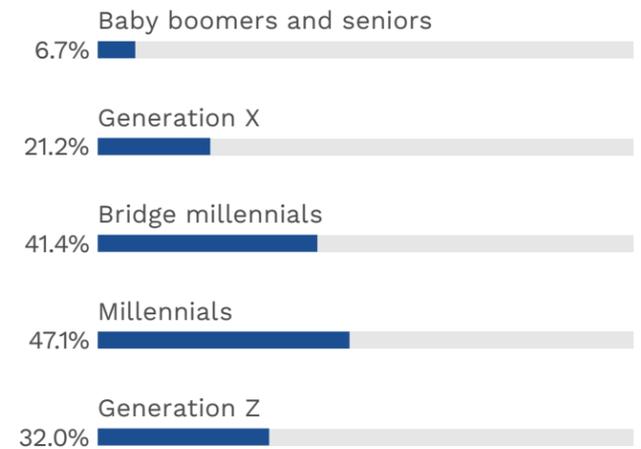
**Income**



**Financial lifestyle**



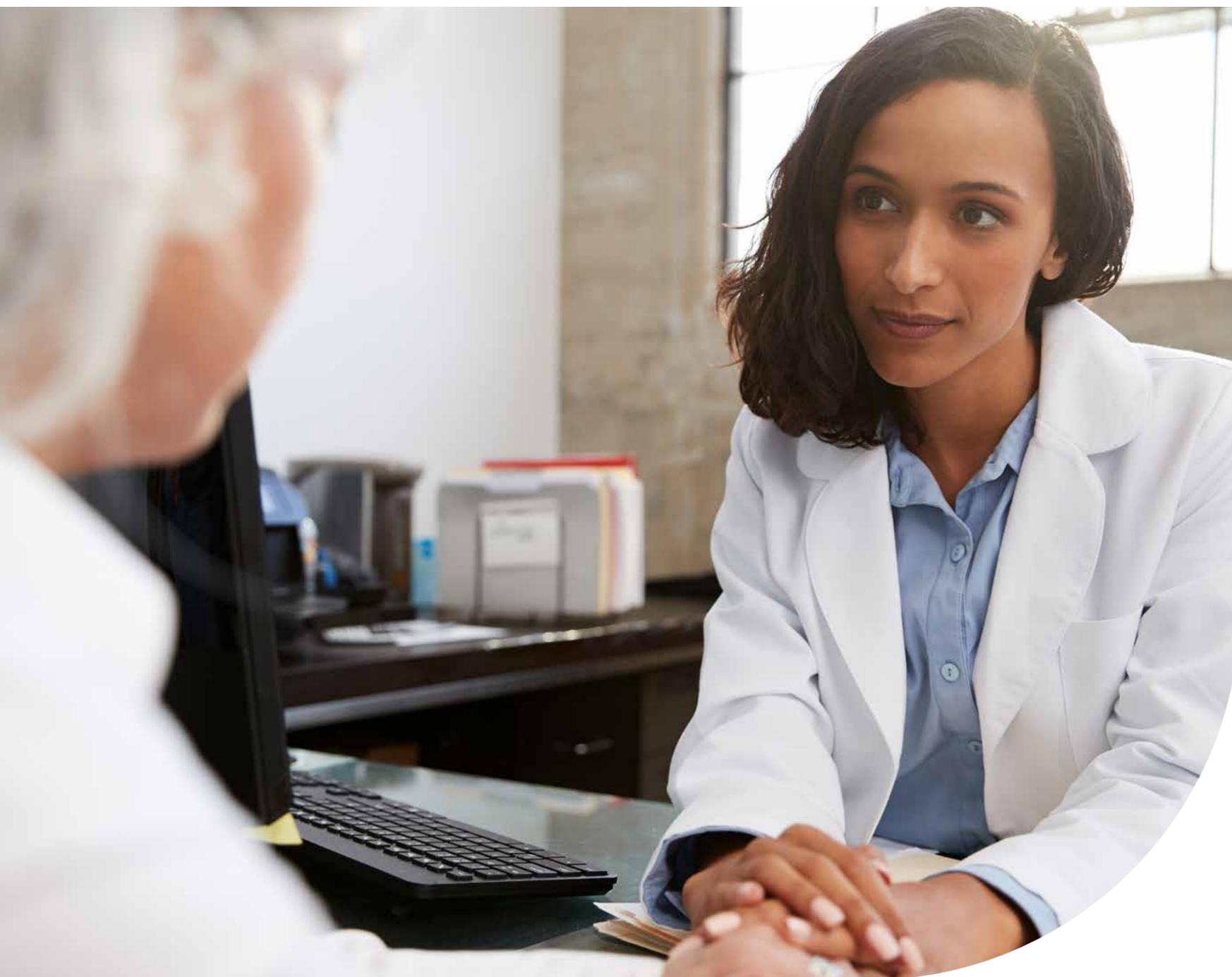
**Generation**



Source: PYMNTS.com  
The Healthcare Conundrum: The Impact of Unexpected Patient Costs on Care, July 2022  
N = 1,026: Respondents who paid out-of-pocket expenses in your most recent visit with a healthcare provider; remaining N numbers vary based on factor, fielded May 26, 2022 - May 30, 2022



Higher-income consumers are more likely than those in lower income brackets to switch providers, **despite being more satisfied with the payments process.**



## Conclusion

Rising healthcare costs broadly impact patients' access to care, meaning providers should serve patients with access to timely and accurate cost estimates. Financially struggling consumers, in particular, are apt to cancel an appointment or procedure due to high treatment costs. Their financial distress is further exacerbated when they receive inaccurate cost estimates and unexpected medical bills. Such payment experiences also impact patient satisfaction, driving consumers to switch to healthcare providers that offer better payment processes and transparency. Healthcare providers that provide patients with timely and accurate estimates for out-of-pocket healthcare expenses will be able to enhance the patient experience and improve care. Some healthcare providers will need to partner with solution providers to enhance their technology to provide accurate cost estimates before an appointment or procedure. Doing so is critical, as eliminating surprises can redefine how these providers engage with existing and new patients.

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## Methodology

For The Healthcare Conundrum: The Impact Of Unexpected Patient Costs On Care, a PYMNTS and Experian Health collaboration, we surveyed 2,483 consumers from May 26 to May 30 to learn more about the effects of rising healthcare costs on patient care and how healthcare providers' ability to provide accurate and timely cost estimates drives patient satisfaction and improves care. Respondents were 48 years old on average, 54% were female and 36% held college degrees. We also collected data from consumers in different income brackets: 34% of respondents earned more than \$100,000 annually, 32% earned between \$50,000 and \$100,000 and 34% earned less than \$50,000.

# About

PYMNTS.com

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At Experian Health, we serve more than 60% of U.S. hospitals and more than 7,700 medical practices, labs, pharmacies and other risk-bearing entities with data-driven platforms and insights that empower our clients to make smarter business decisions, deliver a better bottom line and establish strong patient relationships. We are part of Experian, the world’s leading global information services company, providing us access to deep data and analytics capabilities that complement the strong healthcare heritage rooted in our legacy companies. Our industry-leading solutions span revenue cycle management, identity management, patient experience and care management. For more information about Experian Health, visit [Experian.com/healthcare](https://Experian.com/healthcare)

## The Healthcare Conundrum: THE IMPACT OF UNEXPECTED PATIENT COSTS ON CARE

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