

February 2023

The Digital Platform Promise: How Patients Want to Streamline Healthcare Payments,

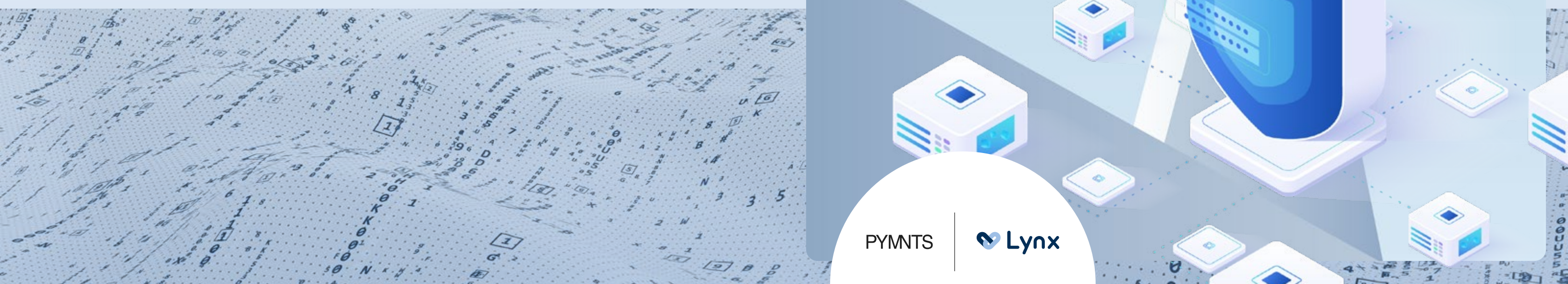
a PYMNTS and Lynx collaboration, is based on a census-balanced survey of 2,515 U.S. consumers conducted from Sept. 7, 2022, to Sept. 13, 2022, to learn about their interest in using digital platforms to manage their medical services and benefits. Consumers were asked about their understanding of their existing health insurance benefits and whether they believe a unified digital platform would help them improve not only their understanding and utilization of these benefits but also their overall ability to manage and afford their healthcare.

THE DIGITAL PLATFORM PROMISE:

How Patients Want to Streamline Healthcare Payments

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Healthcare in the Digital Age:
Consumers See Unified Platforms As Key to Better Health



The Digital Platform Promise: How Patients Want to Streamline Healthcare Payments was produced in collaboration with Lynx, and PYMNTS is grateful for the company’s support and insight. **PYMNTS** retains full editorial control over the following findings, methodology and data analysis.

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INTRODUCTION

Healthcare represents one of the largest and most critical industries in the United States, accounting for 18% of gross domestic product in 2021.¹ Three in four consumers paid for healthcare products or services in the past 12 months, underlining the sector's ubiquity in hundreds of millions of lives.

PYMNTS' latest research shows that digital platforms are revolutionizing how consumers make out-of-pocket payments for healthcare products and services. Indeed, 29% of consumers used a digital portal at least once to pay a medical bill in the past year, and 25% say it is their preferred way to pay. This represents a major shift away from in-person and other traditional methods, such as mail-in payments.

¹ Author unknown. National Health Expenditure Data: Historical. Centers for Medicare & Medicaid Services. 2021. <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical>. Accessed February 2023.

However, paying for healthcare products and services too often remains a friction-filled task. Fifty-four percent of consumers reported encountering at least one pain point during the payment process in the past 12 months, highlighting demand for more seamless experiences.

The Digital Platform Promise: How Patients Want to Streamline Healthcare Payments, a PYMNTS and Lynx collaboration, examines the state of play for payments in the healthcare industry to understand shifting consumer preferences and the drivers behind them. We surveyed a census-balanced panel of 2,515 U.S. consumers to identify the pain points they experience while paying for healthcare products and services and to gauge their attitudes toward adopting a unified digital payments platform.

This is what we learned.



1 In-person payments for healthcare products and services remain prevalent, but digital portals are quickly becoming the go-to choice for consumers.

Seventy-five percent of U.S. consumers made at least one healthcare payment in the past year, and 29% paid through digital portals, making this more common than traditional payment channels such as mail and phone. Additionally, 25% of consumers prefer digital portals and in-person payments equally, with millennials and Gen Z showing a stronger preference for digital alternatives.

2 More than half of consumers encounter friction when paying for healthcare products and services.

Over half of consumers faced difficulties when making healthcare payments, with 54% experiencing at least one pain point in the past 12 months. Twenty-one percent found the payment process difficult, 18% found medical bills confusing and 8.8% and 6.2% raised concerns about the security of their information and lack of preferred payment methods, respectively.

3 Online healthcare portals are more popular than ever, and most consumers who use them report high levels of satisfaction.

Among consumers who use digital patient or health-plan portals to pay their balances, 70% felt highly satisfied with their experiences. Similarly, 64% of those who use digital portals reported high satisfaction when tracking their medical invoices and insurance payments.

4 A single, comprehensive digital platform for managing medical bills and finances holds broad appeal for consumers.

Seventy percent of consumers expressed interest in a unified digital platform — a portal that gives users detailed information about their health insurance benefits, lets them manage interactions with providers and health insurers and offers them better control of their healthcare financial accounts — for managing medical bills, with 43% indicating strong interest. In particular, consumers desire features that enable them to manage all types of medical bills from a single location (79%), store multiple payment methods (77%), access financing options (72%) and gain assistance in finding providers (71%). Even among consumers who face no problems paying their medical bills, 39% still reported strong interest in a unified digital platform.

THE DIGITAL PORTAL REVOLUTION






PYMNTS' latest research shows that three in four U.S. consumers made at least one payment for a healthcare product or service in the past 12 months, underscoring the near universality of managing and making health-care payments.

Consumers still make many of these transactions in person, but online portals are fast becoming the preferred option for paying out-of-pocket healthcare expenses. Our research found that while 36% of consumers reported paying in-person at physicians' offices or hospitals at least once in the past year, 29% used a digital patient or health-plan portal at least once to settle their medical bills during this same period. This has displaced payment by mail, which was used at least once in the previous year by only 21% of consumers, as well as phone, which was used by 17%.

TABLE 1:

How consumers make healthcare payments

Share of consumers who have used select methods to pay for a healthcare service or product in the last 12 months



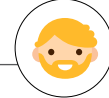
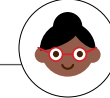
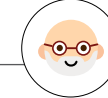
	SAMPLE	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
• Made a payment for any healthcare product or service in the last 12 months	75.1%	76.3%	80.1%	80.8%	75.3%	70.1%
• Made a payment in person at a physician's office or hospital	35.7%	32.5%	34.0%	35.2%	36.1%	38.0%
• Made a payment through a digital portal	28.9%	31.3%	38.5%	39.8%	27.3%	20.5%
• Made a payment via mail	20.9%	21.2%	26.7%	26.8%	16.8%	18.8%
• Made a payment via phone	16.5%	23.8%	22.0%	20.7%	15.3%	9.8%
• Used a payment plan to pay a bill over several months or years	15.0%	13.0%	22.5%	22.6%	17.2%	7.4%
• Made a payment through a physician's website	13.1%	8.1%	19.8%	21.5%	14.2%	8.0%
• Made a payment through an HSA portal	8.5%	9.5%	14.7%	15.6%	9.2%	2.1%

Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
 N = 2,515: All respondents, fielded Sept. 7, 2022 – Sept. 13, 2022

TABLE 2:
Most frequently used payment channels

Share of consumers citing their most used payment method for healthcare services or products in the last 12 months

	SAMPLE	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
• A payment in person at a physician's office or hospital	23.8%	21.9%	19.7%	21.3%	24.6%	27.7%
• A payment through a digital portal	16.0%	18.4%	19.2%	17.2%	15.1%	13.3%
• A payment via mail	10.4%	9.4%	10.4%	11.1%	8.4%	12.3%
• A payment via phone	7.6%	12.8%	8.7%	8.8%	7.8%	4.6%
• A payment plan to pay a bill over several months or years	7.5%	6.5%	10.6%	10.3%	8.6%	4.2%
• A payment through a physician's website	5.1%	3.4%	6.6%	7.3%	6.1%	3.6%
• A payment through an HSA portal	2.8%	3.5%	4.0%	4.0%	3.4%	0.9%

Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
N = 1,886: Respondents who made a payment for any healthcare product or service in the last 12 months, fielded Sept. 7, 2022 – Sept. 13, 2022

Consumers are increasingly choosing digital patient and health-plan portals as their go-to way to pay for healthcare expenses. In the last 12 months, 16% of consumers paid more often through digital portals than through any other channel. This means digital portals are in second place behind in-person payments (24%), but far ahead of payments by mail (10%) and phone (7.6%).

16%
Share of consumers **using digital portals** as their primary healthcare payment channel








28%
 Share of **millennials** who prefer to use digital portals to pay for healthcare expenses

In-person channels may remain the most common way to pay for healthcare expenses, but our research shows that digital patient and health-plan portals are equally preferred. One-quarter of respondents said they favor digital portals above other methods — the same share that chose in-person payments. Notably, our research finds that younger consumers are somewhat more likely to prefer digital portals, with 28% of millennials and 27% of Gen Z indicating this as their most preferred method, while baby boomers and seniors (34%) were most likely to favor paying in person.

TABLE 3:

Most preferred payment channels

Share of consumers citing their preferred ways to pay for healthcare services and products

	SAMPLE	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
• A payment through a digital portal	25.4%	26.9%	28.1%	25.5%	25.3%	22.2%
• A payment in person at a physician's office or hospital	25.4%	25.0%	18.2%	17.4%	24.2%	34.0%
• A payment via mail	13.1%	11.5%	11.9%	13.9%	11.9%	16.0%
• A payment plan to pay a bill over several months or years	11.0%	9.5%	12.6%	13.9%	13.2%	8.0%
• A payment via phone	9.4%	12.0%	11.4%	12.8%	9.0%	6.8%
• A payment through a physician's website	8.7%	7.8%	9.8%	10.6%	9.9%	7.0%
• A payment through an HSA portal	4.7%	6.8%	6.9%	4.6%	4.6%	1.5%

Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
 N = 1,886: Respondents who made a payment for any healthcare product or service in the last 12 months, fielded Sept. 7, 2022 – Sept. 13, 2022

UNHEALTHY LEVELS OF FRICTION

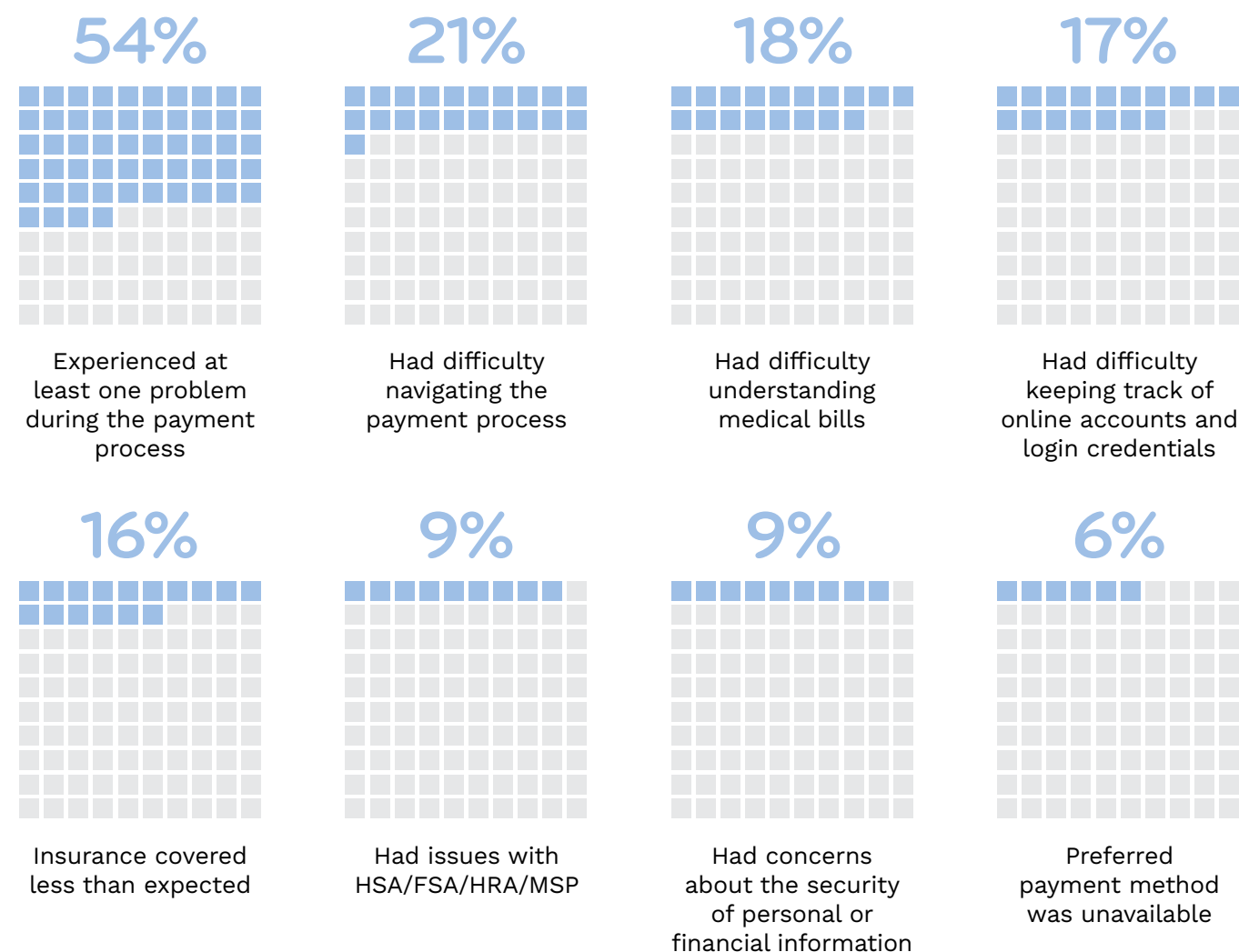
Paying for healthcare products and services is often a friction-filled task for consumers. We found that 54% of consumers experienced at least one pain point during the payment process in the past 12 months.

Zooming in on the data, we learned that 21% of consumers found the actual process of paying difficult. Another 18% said that medical bills were confusing in ways that hampered efficient payment, with 13% unable to decipher the costs for specific services and 9% finding inconsistencies between the costs outlined on medical bill statements and those detailed within the online patient portal.

FIGURE 1:

Pain points in the payments process

Share of consumers citing select problems when paying for healthcare-related services or products



Source: PYMNTS

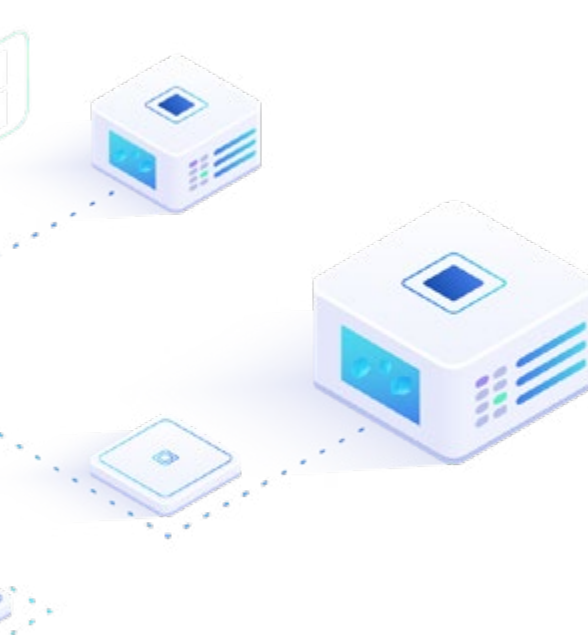
The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
 N = 1,886: Respondents who made a payment for any healthcare product or service in the last 12 months, fielded Sept. 7, 2022 – Sept. 13, 2022



DIGITAL PORTALS RELIEVE PAYMENT HEADACHES

Our research shows that online portals are effective in helping consumers navigate the complex tasks of understanding and paying for healthcare services and products.

Among consumers who held an online account with a digital healthcare or wellness-related portal, 48% reported that online channels improve at least one part of the overall payments and billing management experience. Notably, 29% said that digital portals make their experience more convenient, and 25% said that digital platforms make it easier to access account information.



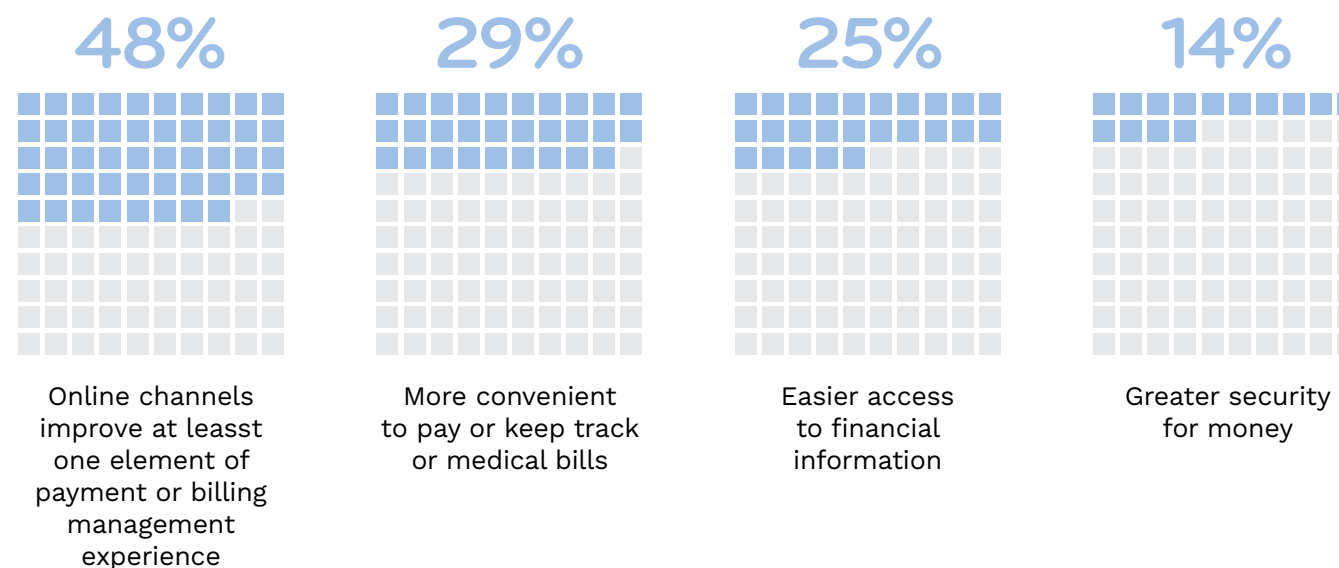
48%

Share of consumers who believe online channels **improve the healthcare payment or billing management experience**, among those who hold an account with a digital portal

FIGURE 2:

Benefits of online channels

Share of consumers who experienced select benefits as a result of using online channels for healthcare and wellness activities



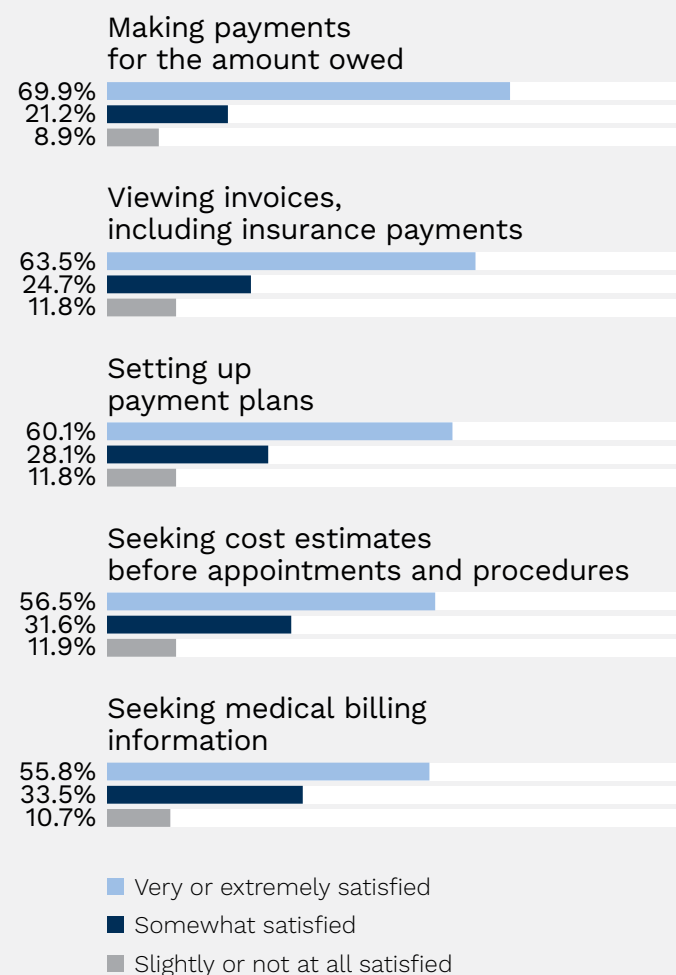
Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
N = 966: Respondents who held an online account with a health insurance or healthcare service company, or a wellness and fitness app, fielded Sept. 7, 2022 – Sept. 13, 2022

THE PROMISE OF A UNIFIED PLATFORM

FIGURE 3:
Satisfaction with online channels for healthcare activities

Share of consumers satisfied with select online healthcare activities

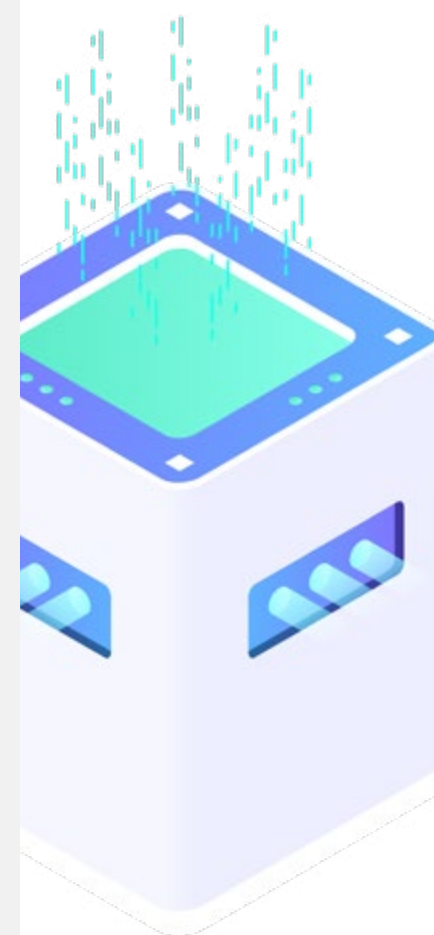


Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023

N varies by select online healthcare activity, fielded Sept. 7, 2022 – Sept. 13, 2022

Breaking these findings down further, we observed high levels of satisfaction among consumers who use digital portals for a variety of purposes related to their healthcare spending. Seventy percent of those who paid outstanding balances through an online platform reported being highly satisfied with the experience, and 64% of those who viewed medical invoices and insurance payments through a digital portal said the same. Most consumers who used digital platforms to set up payment plans, get cost estimates or obtain billing information also reported high levels of satisfaction.

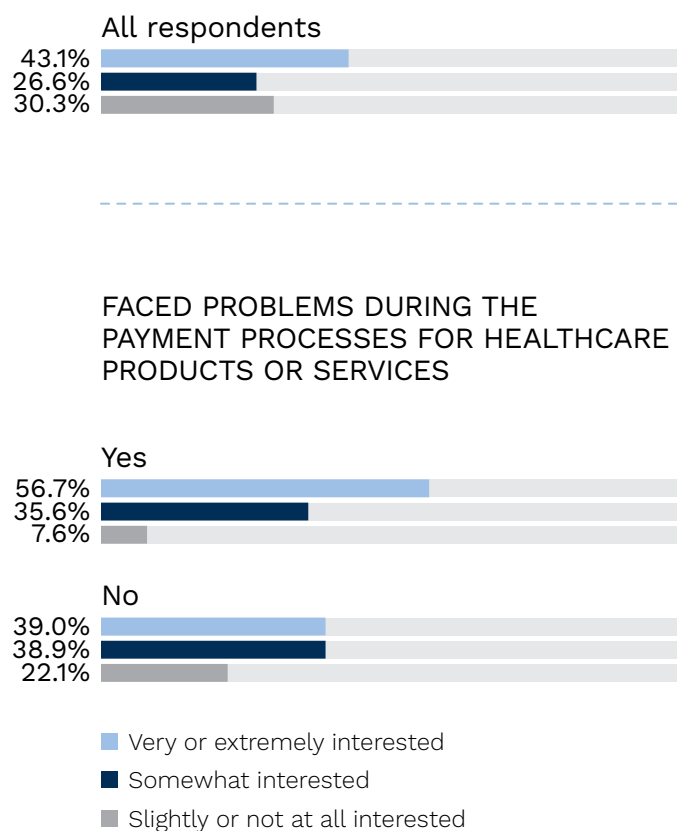


For optimized consumer healthcare experiences, it is key to remove the obstacles that impede seamless payment journeys — and a unified digital platform offers a powerful way forward. Unified digital platforms are portals that allow users to manage interactions with providers and health insurers, access detailed information about their benefits and better control their healthcare-related financial accounts.

When we analyzed consumer interest in a single, comprehensive digital platform, we discovered that 70% of consumers are open to using a unified digital platform to manage their healthcare needs and activities, with 43% indicating high levels of interest.

FIGURE 4:
Interest in a unified digital healthcare platform

Share of consumers citing interest in using a single digital platform to manage healthcare needs and activities, by level of interest and select characteristics



Source: PYMNTS

Healthcare In The Digital Age: Consumers See Unified Platforms As Key To Better Health, November 2022
N = 2,515: All respondents, fielded Sept. 7, 2022 – Sept. 13, 2022

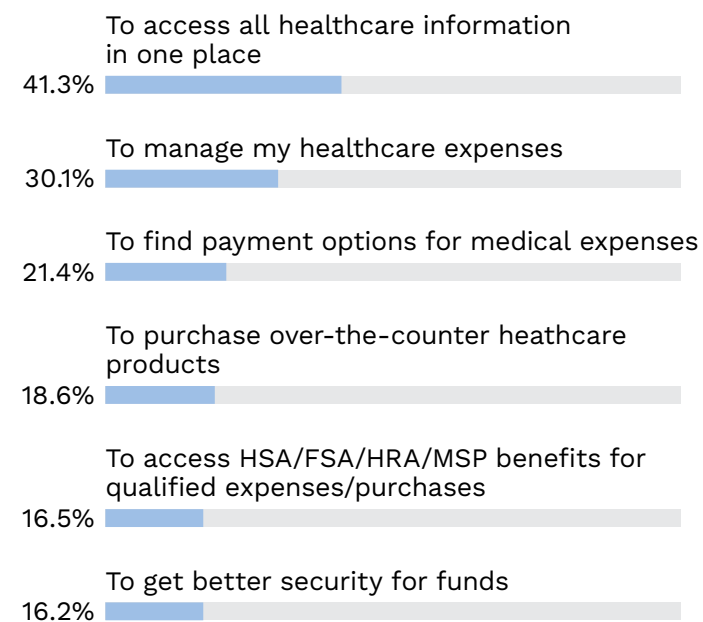
This finding is more pronounced among those who encountered friction when paying their medical bills, with 57% of this cohort reporting high interest. Indeed, even among consumers who faced no problems when paying for these products and services, 39% still expressed strong interest in a such a platform.

Our research found that 30% of consumers who are interested in a unified digital platform for managing their healthcare needs and activities believe it would help them better manage their healthcare expenses, while 21% said it would be a more convenient way to access payment options for these expenses.

The feature-rich payments experience unified digital platforms offer holds particular appeal among consumers. Seventy-nine percent of consumers who expressed interest in such a platform identified the ability

FIGURE 5:
Reasons for interest in a unified digital healthcare platform

Share of consumers citing select reasons for interest in a single digital platform



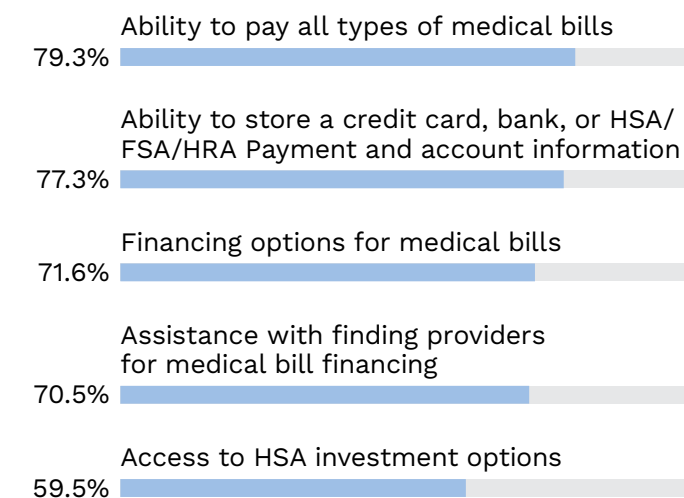
Source: PYMNTS

The Digital Platform Promise: How Patients Want To Streamline Healthcare Payments, January 2023
N = 1,738: Respondents who were somewhat to extremely interested in a single digital platform, fielded Sept. 7, 2022 – Sept. 13, 2022

to pay all types of medical bills from a single location as the most desirable feature. Additionally, 77% prefer the ability to store multiple payment methods — including HSA/FSA/HRA (63%), credit card details (61%) and bank account information (57%). Over 70% also cited the availability of financing options for their medical bills (72%) and assistance in finding providers for medical bill financing (71%) as preferred features.

FIGURE 6:
Preferred digital platform features

Share of consumers who would or would not prefer to access select features regarding the management of financial information or benefits via a single digital healthcare platform



Source: PYMNTS

Healthcare In The Digital Age: Consumers See Unified Platforms As Key To Better Health, November 2022
N = 2,034: Respondents who were at least slightly interested in a single digital platform, fielded Sept. 7, 2022 – Sept. 13, 2022

CONCLUSION

Digital healthcare platforms are quickly becoming the standard way to pay for healthcare expenses, and the go-to payment channels for many consumers. To stay competitive, healthcare providers must adapt to meet these shifting preferences. At the same time, the average consumer frequently encounters friction when managing and paying their healthcare bills. To ensure more seamless experiences, healthcare organizations can embed financial functionality, such as payment acceptance, eCommerce, banking and investments, to offer consumers the ability to manage their healthcare finances alongside their other healthcare activities.

THE DIGITAL PLATFORM PROMISE:

How Patients Want to Streamline Healthcare Payments

METHODOLOGY

The Digital Platform Promise: How Patients Want to Streamline Healthcare Payments, a PYMNTS and Lynx collaboration, examines consumers' interest in using digital technology to have tighter control over their medical treatment. We conducted a census-balanced survey of 2,515 U.S. consumers from Sept. 7, 2022, to Sept. 13, 2022, to learn about their interest in using digital platforms to manage their medical treatment and health insurance benefits.

ABOUT

PYMNTS **PYMNTS** is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

 **Lynx** Boston-based Lynx is introducing modern FinTech to healthcare. Lynx is the API-connected healthcare payments, banking and eCommerce platform that enables companies to embed customizable FinTech solutions to improve affordability, drive health engagement and enhance financial security for all Americans. Investors include .406 Ventures, Obvious Ventures, Frist Cressey Ventures, Winter Street Ventures (an investment subsidiary of Commonwealth Care Alliance), Shields Capital, Huntington Avenue Ventures and current and former C-level executives at top healthcare, financial services and tech companies.

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