



Healthcare's Digital Transformation & the Future of Patient Payments

We live in a digital world. From smart phones to the internet to digital devices, technology is all around us. In fact, many of us use advances like augmented reality, voice assistance, blockchain or machine learning on a daily basis. While industries like telecommunications, entertainment and banking utilize these technologies to enhance their products and services, unfortunately, it seems as though the healthcare industry is playing catch up.

It's an increasingly digital world, but we often see healthcare-related solutions and services lagging behind. Take a look at your medical provider's office. Can your appointments be scheduled online, or must you call their land line and speak to a staff member directly? Will test results be available via a patient portal, or will the office leave a voicemail? It's not unheard of for prescriptions to be faxed to a pharmacy.

Additionally, there's no doubt that COVID-19 uprooted the industry. While the pandemic brought immense challenges to the business side of medical practices, it also caused healthcare executives, physicians and staff members to take a hard look at workflows and long-established ways of doing things. Tools like telemedicine and contactless payments were in higher demand than ever before. On the positive side, one could say it pushed practices into the future by forcing them to adapt and adopt digital and touchless options.

The need for payment flexibility has also become more pronounced since pre-pandemic days. In an era of growing patient responsibility and higher deductibles, the ability to pay is a challenge for many patients. This is evidenced by the stat that sixty-seven percent of patients have received a medical bill they couldn't pay in full, according to [a companion report by the KFF polling group, in partnership with KHN and NPR](#). It's also said that more than half of patient payment responsibility after insurance ends up as bad debt for providers. As patient obligations increase, the payment tools offered must also adapt to serve a larger and more fiscally diverse patient community.

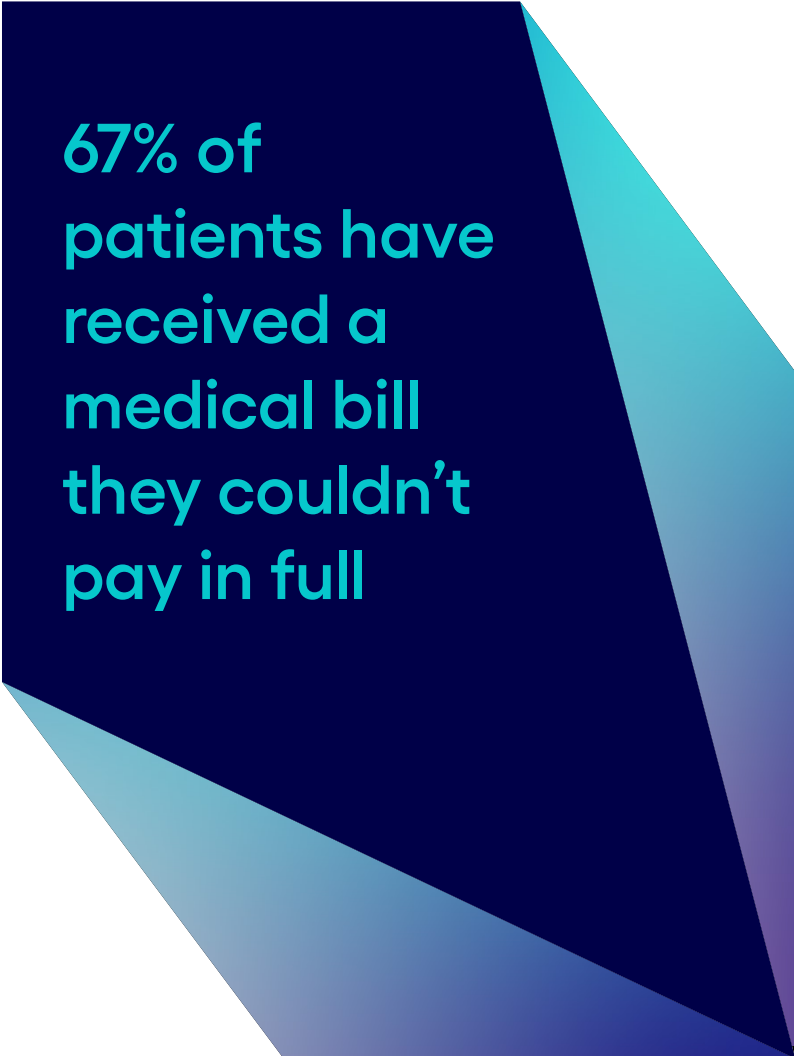
The future looks bright

One of the keys to providing a positive patient-centric journey is listening to patients and responding appropriately. A 2019 [Trends in Healthcare Payments Report](#) revealed that seventy-seven percent of consumers would like to enroll in e-statements. However, only twenty-

three percent actually receive them. On the flip side, a [collaboration](#) between PYMNTS and ACI Worldwide that explored how utilities and consumer finance firms are innovating to offer customers seamless digital billing and payment platforms found that fifty-one percent of billers said it was "very" or "extremely" important to improve digital billing capabilities. The need is there. Thankfully with modern technology, medical practices have a variety of digital options at their fingertips.

Going green

One of the somewhat archaic practices still widely used by healthcare offices nationwide involves paper statements. Not only are printed bills bad for the environment and adding to the public's general dislike of snail mail, they also eat up valuable resources at the staff level by requiring manual labor. Practices are also at the mercy of the United States Post Office,



67% of patients have received a medical bill they couldn't pay in full

Benefits of digital payment methods include:

- Improved collections
- Reduced customer service / inquiries
- Increased patient accountability
- Strengthened patient loyalty

where mailing delays and staffing issues are all too common. With a postage increase recently going into effect and additional hikes expected over time, sending paper statements is simply not the ideal way to go. Practices that implement electronic statement sending, through a secure patient portal or via text message. This paper-free options is not only faster, but provide a convenient online option that lets patients pay their way.

Texting your way to more revenue

In America, our personal phones are a part of our everyday life. With ninety-seven percent of Americans owning a cell phone, a call or text is at the fingertips of almost all of the population. And those with smart phones have immediate access to texting, emailing and social media. Most of us are not far from our phones; it's said they are checked 344 times a day, on average (which is once every four minutes!).

With such easy access, healthcare providers would be remiss to not meet consumers where they are. Since seventy percent of notifications received on phones are reviewed within five minutes, it's likely that a text message reminding a patient of their outstanding balance has a high likelihood to be seen shortly after being sent. Text-to-Pay technology offers a fast and convenient way for patients to pay bills, allows

them can complete their payment without accessing a payment portal. For providers, it's another way to expand payment options and expedites collections at a lower cost than other strategies.

One of the major benefits with automation and payment advancements is the flexibility. Providers can choose the channel that will work best for their demographics. With patient populations varying by age and household income, it's up to each individual practice to know their patients well enough to take educated guesses as to which payment methods are most likely to convert. A best practice would be for offices to implement a variety of digital payment options, thus allowing practice decision makers to tailor their invoicing workflow. And with the correct analytic tools in place, billing experts are able to see conversion and collection rates for emailed statements, patient portals and more. Through trial and error and adequate analytics, providers can create their custom workflows over time to optimize collections. Even better, by offering intuitive and easy-to-use self-serve options, patients gain control over their healthcare financial responsibility.

While digital means are the best bet, it's not to say that traditional methods need to fall completely by the wayside.

**Americans
spend an average
of 2 hours, 54 minutes
on their phone
each day**

For example, let's say a patient named Mrs. Jane Doe received care and has an outstanding balance. Initially, the office sends an invoice via email. Three days later they send a text reminder. After that, a staff member can place an outbound call on the seventh day. Once this first cycle is completed, the office tries the same cycle one more time before sending a printed statement. It's all about incorporating the right digital channels then tailoring the methods to your patient base. Overall, the practices should lean toward a digital-first mentality, then personalize their collection methods if needed.

The bottom line is that practices need to opt for digital options from the start. In today's digitally advanced world, there is no reason to avoid automation and technology in the patient

payment space. Practices should aim to guide patients in the right direction toward paperless, digital options, then tailor their strategies as needed. Once options are understood, patients can easily implement and manage self-service payments tools and financial plans on their own. With the power in their own hands, patient satisfaction increases and collections improve, leading to a better bottom line and optimized revenue cycle.

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