



Issue Four

# Healthcare Consumer Insights

## Financial Care

- 01 Introduction
- 03 Understanding the Challenge
- 07 So, Now What?

# Revolutionizing Healthcare Through Meaningful Consumer Experiences

At Change Healthcare, we pride ourselves on occupying a unique position at the center of the health ecosystem. Serving payers, providers and consumers, we leverage our centricity and work with multiple platforms to help providers, and payers ensure an outstanding patient or member digital experience. That means we need a deep understanding of the healthcare consumer’s perspective.

For the past three years, we’ve dedicated countless hours to identifying the largest pain points in the health system for the most important stakeholders in this industry—healthcare consumers. Arming our researchers with frameworks dedicated to understanding the consumer’s experience, we’ve completed hundreds of interviews, synthesized tens of thousands of need statements, and cultivated insights that we believe can *inspire a better healthcare system*.

The next step is sharing those insights with payers and providers so they can benefit from these learnings to build a patient digital experience suited for the world of value-based care.

**We touch...**



**\$1 trillion** in  
Healthcare Claims



**1 in 3**  
US Patient Records



Nearly **14 billion**  
healthcare  
transactions

# The Broken Billing Process

In order for healthcare “consumer” to be an accurate title, we’re assuming goods and services within healthcare are, in fact, being consumed. And an integral part of being a consumer is payment. From the barter system to the gold standard, in order to receive a good or service, something has to be given in return.

But with healthcare, it’s not as simple as ...

**“I’ll give you a goat if you remove my appendix.”**

Instead, the process of paying for care is riddled with confusion from the start. Consumers have no indication what care will cost them, what insurance will cover, or when they’ll get a bill.

Even more frustrating, when the consumer actually attempts to pay, they’ll be greeted by friction. For example, a visit to the emergency room that indicates an immediate appendectomy may result in six bills: one from the hospital, one from the ED physician, one from the radiologist, one from the laboratory, one from the anesthesiologist, and one from the surgeon. Patients then need to compare those bills to their explanation of benefits to understand who and how much to pay, and must do so across several different platforms, each with an unfamiliar interface.

The more likely reality is an unsuccessful attempt to review the bill. The bill is labeled “junk mail” for months at the consumer’s risk of being sent to collections. The consumer is left feeling void of respect and compassion, while trying to simply recover. **Sound familiar?**

**3** out of **10** consumers report having been sent to collections due to unpaid medical bills<sup>1</sup>

**21%** of those consumers simply lost track of the bill<sup>1</sup>

## A Methodology of Sensitivity

We often begin interviews asking consumers about their lives. Typically smiling, people are excited for an opportunity to talk about what they do, what they love, who they are.

We then say, “tell us about your experience with the health system.” Interviewees physically withdraw and must be coaxed for an answer. Why? Because discussions around healthcare are sensitive. Now imagine we’re also asking questions about finances.

Honoring that sensitivity requires deep empathy. Time to sit with consumers, earn trust, and understand their stories so that we can improve their lives and the lives of those around them.

<sup>1</sup> “Sick of Confusing Medical Bills?” Consumer Reports, 2018

# Meet Belinda



I'm  
beyond  
helpless.

- » Bad health and financial habits but feels like she's "doing enough"
- » Goes to doctor ... only when she needs to
- » Just had a heart attack
- » Needs a primary care physician

**"How could this have happened? How am I supposed to pay for this?"**

Shocked by the heart attack

Bleak acceptance of financial duress

Will have little understanding about post-surgical care

No idea how to improve habits

**"I've just been discharged. Now what do I do?"**

**"These bills just keep piling up. How was I supposed to know cost?"**

Wants to pay but recovery is already a heavy lift; unable to give more effort to paying

Will be convinced that eating healthier, exercising or seeing a specialist are all too expensive for her

**"I don't know how to pay for this and now I've been sent to collections."**

# Belinda’s Pain Points Exemplify the Stories of the Consumers We Interviewed Who Detail\*...

## 01 It’s Not Like My Other Bills

It’s not that consumers don’t know how to pay bills: they do. They do it every month with rent or mortgage, utilities, cable, and cell phone bills. The issue is that trying to pay healthcare bills is more complex than paying bills for any other industry. Post-appointment consumers not only receive a bill full of insurance codes and technical language they don’t understand, but they also receive an Explanation of Benefits, creating confusion over when to pay, how much to pay, and who to pay. Healthcare consumers that we spoke to told us how difficult it is to anticipate when they are going to receive their bill, let alone what the cost may be. Many highlighted that they would be much more comfortable paying what they owe (if not too large of a bill) when they check out after their appointment, but receiving a bill months later is frustrating.



## 02 Saving for an Unpredictable Cost

Consumers expect traditional retailers to be upfront with the cost of their goods and services. Why should their healthcare be any different? Unfortunately, our current healthcare system makes paying for care more complicated than it should be. Across the board, regardless of income, those we spoke to mentioned understanding how much their care would cost as a major point of confusion, and rightly so. Only recently was it mandated that providers disclose the cost of all their services online, but even this “transparency” is null when these costs are often intentionally hidden within websites and do not account for insurance coverage. It is impossible for consumers to save for something they don’t know the cost of, adding yet another burden to manage in the care journey.



## 03 Embarrassment, Denial, and Avoidance

It’s no secret that discussing finances is somewhat taboo. Consumers, understandably, don’t like to feel as if they aren’t making enough to support themselves or their family, or that they are doing a bad job of managing their savings. As a result, addressing unpaid bills can feel unpleasant at best. Consumers told us that the way these bills are addressed can feel embarrassing, such as being confronted about an overdue bill in their provider’s office. As a result, it can also create tension in longstanding relationships with their doctors.



\* Out of the 264 synthesized needs and pain points collected across six consumer discovery research initiatives that relate exclusively to financial care

# The Majority of People Are **Failing**



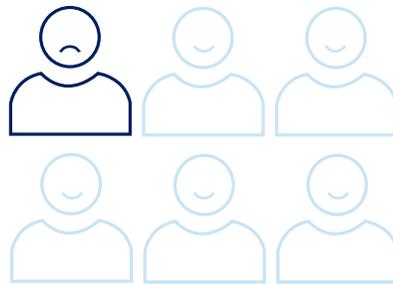
of debt collections actions that appear on consumer credit reports are

**medical**<sup>1</sup>

Belinda is a representation of the

**1** in **6**

Americans with past-due medical bills<sup>2</sup>



of Americans don't have enough to cover a \$1000 medical event if

**unexpected**<sup>1</sup>

<sup>1</sup> "Most Americans Don't Have Enough Savings to Cover a \$1K Emergency." *Bankrate*, 2018

<sup>2</sup> "Millennials Rack Up the Most Medical Debt, and More Frequently." *PBS News Hour*, 2018

# How Might We Transform Financial Care

We know that solving problems for Belinda and consumers like her means delivering:



## Options

*Payment comes in all shapes and sizes.* Innovative solutions must be flexible. Providers who use payment platforms that ask for full payment only at the time of payment are setting themselves up for failure. Yet “payment plans,” “partial pay” and “auto-pay” are phrases just beginning to enter the world of healthcare finances. Imagine a world where you use the same online options to pay your doctor as you do your Netflix subscription. Or can pay incremental amounts of a bill like a car payment. Or even pay your bill before you leave the doctor’s office. Bills delivered to you in a time frame that works for you with a platform where you set the terms can create a reality where providers are paid.



## Upfront Information

*You can’t plan for an unpredictable cost.* While massive health events will always remain unpredictable, most medical debt is the result of a single event. Consumers need some help understanding what care will cost before they receive that care. Healthcare is the only industry that does not provide consumers with an estimate of cost before a service is administered. But healthcare consumerism and the rise of High Deductible Health Plans demand this information. Steps taken to solve for this have only provided generic costs excluding coverage, and have not offered personalized pricing information. To be able to shop for and create a financial plan for their healthcare, consumers need to know what it will cost for them, under their health plan, for their unique situation.



## Compassion

*Consumers need to know you care before they pay for care.* Compassion throughout the entire healthcare journey is a subtlety we have yet to master in the health system. Providers and payers are each tied to a bottom line with competing priorities. But it should never be lost on us that compassion is a necessary component of the payment process. Compassion and sensitivity should be translated to the digital experience that your consumers encounter when they pay. Payment platforms have the potential to be your most-visited digital front door. Make sure there’s a welcome mat.

# Care Is Not Just Clinical

Neither is the journey of the healthcare consumer.

At Change Healthcare, we hold a place in the industry that is unusual and unique. As one of the largest independent healthcare IT companies in the United States, we see a lot.

Since our infancy, we've been leveraging our data and employing methods to maximize what we bring to the table. Innovation. Consumer experience. Bottom-line improvement for our customers. These are not just buzzwords.

We take uncovering data insights very seriously. We mine and refine our raw materials to ultimately serve our customers and inspire a better healthcare system.

We hope that this Healthcare Consumer Insights series has helped you connect some dots about the consumer healthcare experience. If you're ready to pioneer a new frontier in healthcare, we'd like to be your partner.

**Our products and services exist to help our customers create meaningful consumer experiences and revolutionize an industry fundamental to the human experience. For more information, visit [changehealthcare.com](https://changehealthcare.com).**



## About Change Healthcare

Change Healthcare is inspiring a better healthcare system. Working alongside our customers and partners, we leverage our software and analytics, network solutions and technology-enabled services to help them improve efficiency, reduce costs, increase cash flow, and more effectively manage complex workflows. Together, we are accelerating the journey toward improved lives and healthier communities.

© 2019 Change Healthcare LLC and/or one of its subsidiaries. All Rights Reserved.

[changehealthcare.com](https://changehealthcare.com)