JULY 2021

Connected Healthcare:

What Consumers Want From Their Healthcare Customer Experiences

Connected Healthcare: What Consumers Want From Their Healthcare Customer Experiences, a collaboration with Rectangle Health, presents insights into consumers' healthcare choices and preferences. It is based on a survey of 2,263 consumers representative of the adult population in the United States. Our findings reveal the importance of digital healthcare management and detail how healthcare services can leverage this interest to engage patients and foster their loyalty.

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Connected Healthcare REPORT

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The Connected Healthcare Report was done in collaboration with Rectangle Health, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

Introduction

Patients are eager to return to in-person healthcare after a tumultuous year, and PYMNTS' research finds that 78 percent of consumers prefer in-person healthcare services to telehealth ones. Many providers are beginning to again offer traditional services in the United States, so they must grapple with the reality that consumer standards for healthcare experiences have evolved.

Today's healthcare consumer is discerning, demanding simplified payments, rapid and secure interactions with service providers and reliable data privacy. Our research shows that today's healthcare consumer is motivated to choose a provider not only based on their need for high-quality care but also a desire for a stellar customer experience.

PYMNTS discovered a significant correlation between consumers' access to digital, time-saving tools and their loyalty to healthcare providers. The availability of these time-saving digital tools will remain a key determinant of a positive patient experience for many key demographics, such as millennial and Gen Z patients, as in-person visits reclaim popularity.

Connected Healthcare: What Consumers Want From Their Healthcare Customer Experiences, a collaboration with Rectangle Health, presents insights gleaned from our survey of 2,263 respondents about their perceptions of their healthcare customer experiences and how these impact their provider choices.

THE EMPOWERED PATIENT:

Healthcare consumers — especially young adults— want digital control over their healthcare customer experiences.

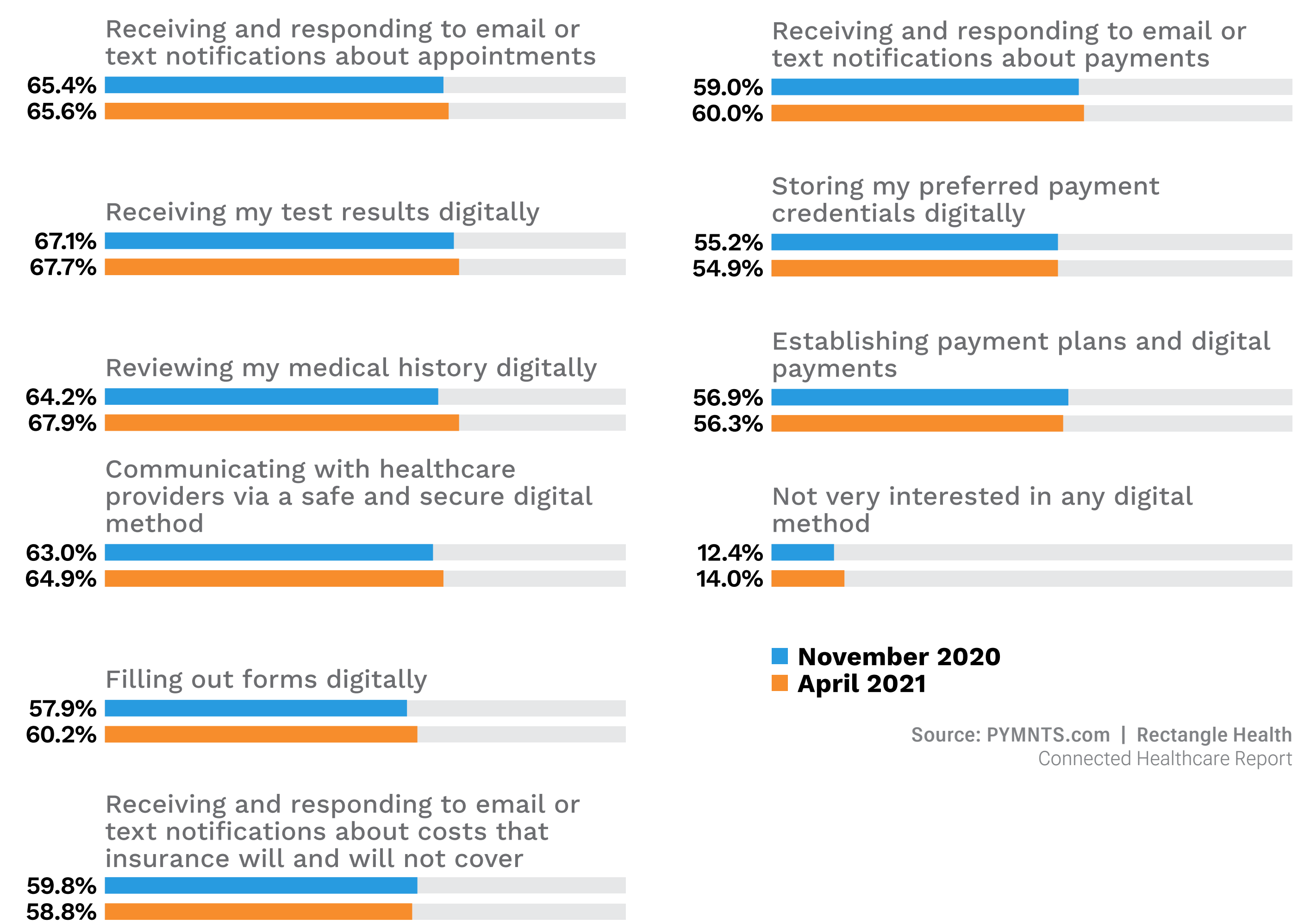
Consumers want to manage many of their healthcare experiences, including everything from physical paperwork requirements to payment confirmations to interacting with their physicians. PYMNTS' research uncovered an especially high level of consumer interest in digital healthcare management tools. Most patients want to use at least one digital method to manage their healthcare services or interactions with their providers.

Bridge millennials and younger patients exhibited an increased interest in several key actions: reviewing their medical histories digitally, (rising from 64 percent in November 2020 to 68 percent in April 2021), filling out medical forms digitally (rising from 58 percent to 60 percent), communicating with healthcare providers securely (rising from 63 percent to 65 percent) and receiving payment notifications (rising from 59 percent to 60 percent).

FIGURE 1:

Patients' interest in digital healthcare management methods

Bridge millennials or younger patients who are "very" or "extremely" interested in select digital actions, by date



Source: PYMNTS.com | Rectangle Health Connected Healthcare Report

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GENERATION HEALTHTECH

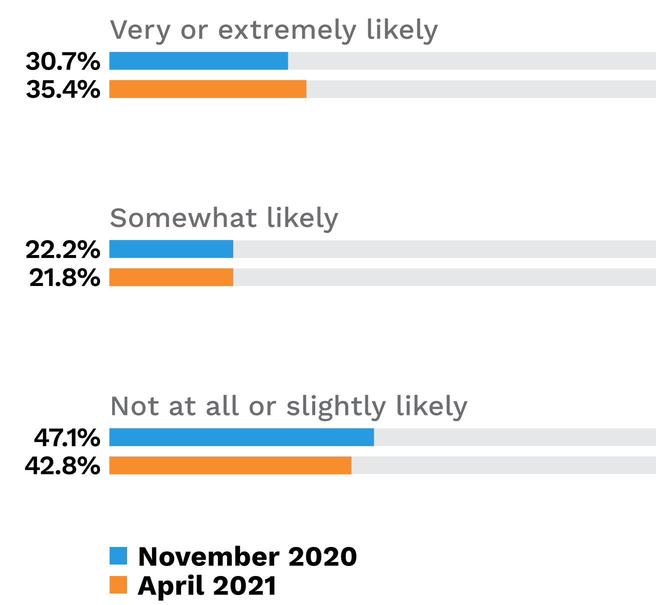
Digital tool access is increasingly driving young adult consumer loyalty.

Today's young adults are digital natives, part of a culture that prioritizes frictionless interactions online. Our research found that young adults are more likely to abandon healthcare providers that do not provide digital healthcare management tools than baby boomers and seniors. Despite high levels of healthcare provider loyalty among most consumers, bridge millennial, millennial and Gen Z patients care enough about digital healthcare management options that they lead every other demographic in their willingness to leave one provider for another that offers the digital options they desire. The likelihood that Gen Z, millennial and bridge millennial patients would switch to providers that offer new digital healthcare management tools rose from 31 percent in 2020 to 35 percent in 2021.

FIGURE 2:

Patients' willingness to switch providers

Share of bridge millennials or younger patients who cite selet levels of likelihood to switch healthcare providers for access to digital healthcare management options, by date



Source: PYMNTS.com | Rectangle Health Connected Healthcare Report

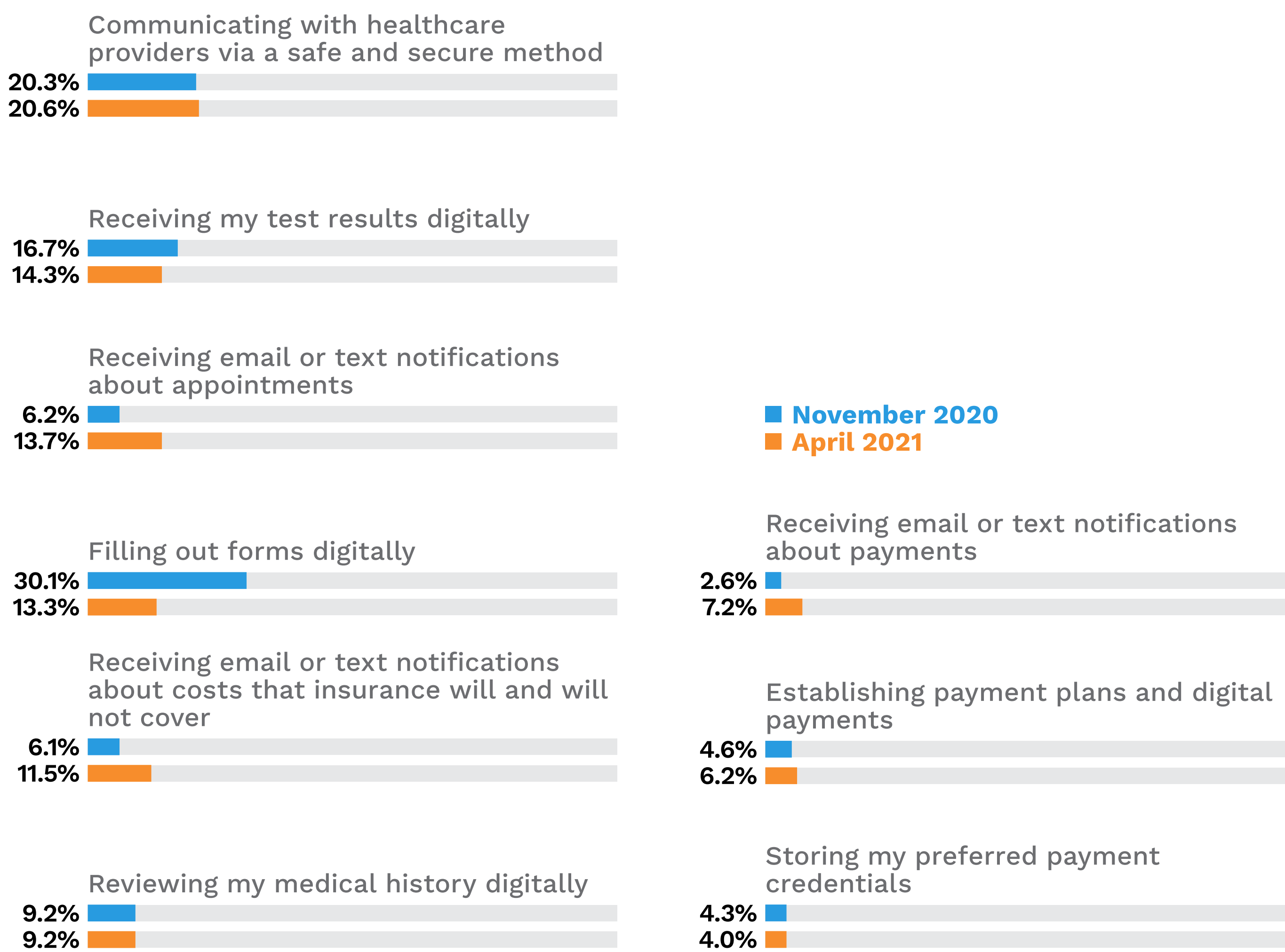
Patients who are willing to leave their current providers to access digital options identified tools that helped them save time, keep track of payments and interact securely with their healthcare providers as their top motivations for switching.

Generational differences were significant in our study. A large share of baby boomers and seniors cited secure communications with their provider (28 percent) as a leading reason to switch providers, while Gen Z patients listed appointment reminders (23 percent) as a key motivating factor for a provider change.

FIGURE 3:

Most important digital offering that would encourage patients to switch providers

3A: Top digital ability, by date



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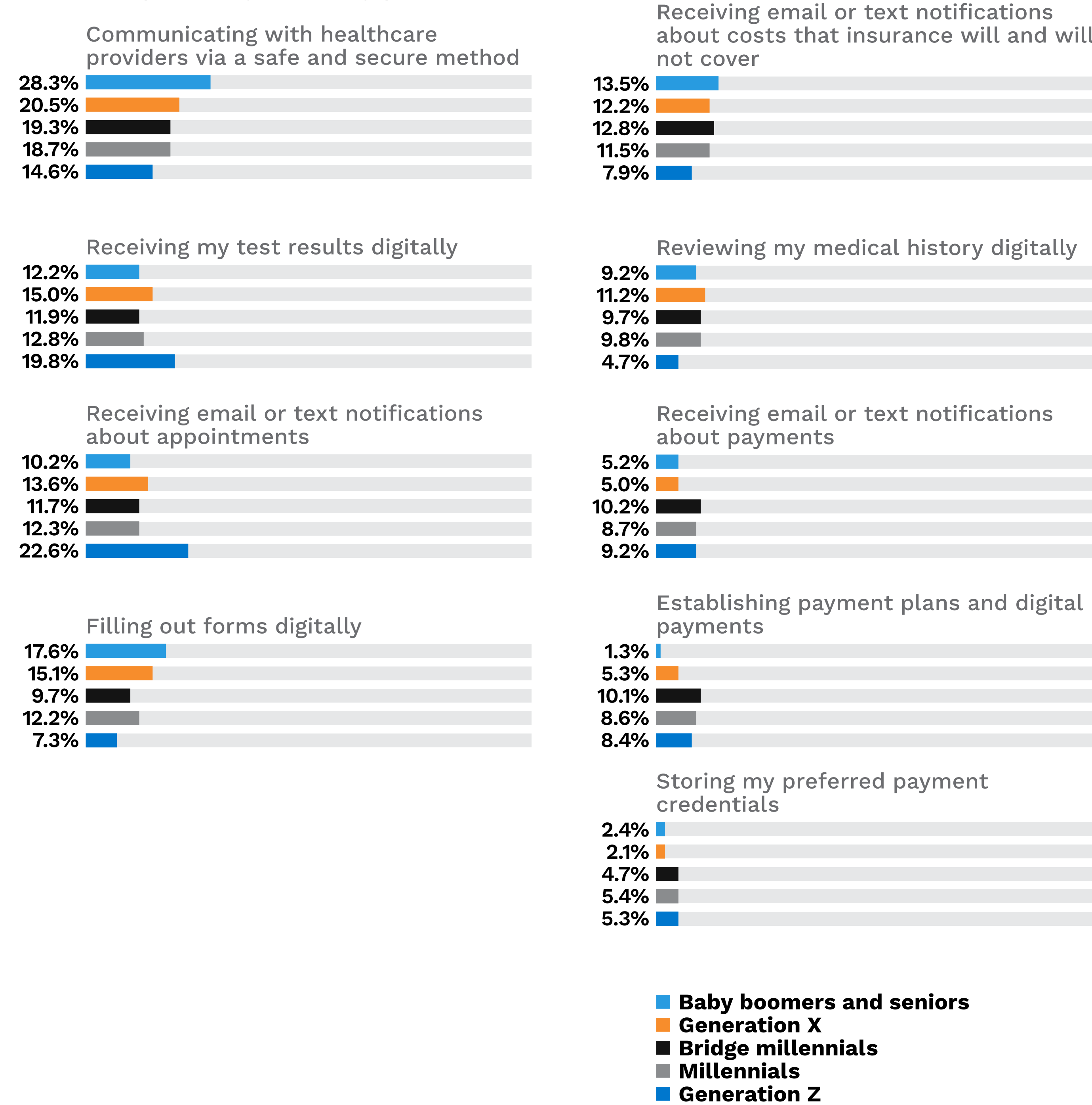
3B: Top digital ability in 2021, by generation



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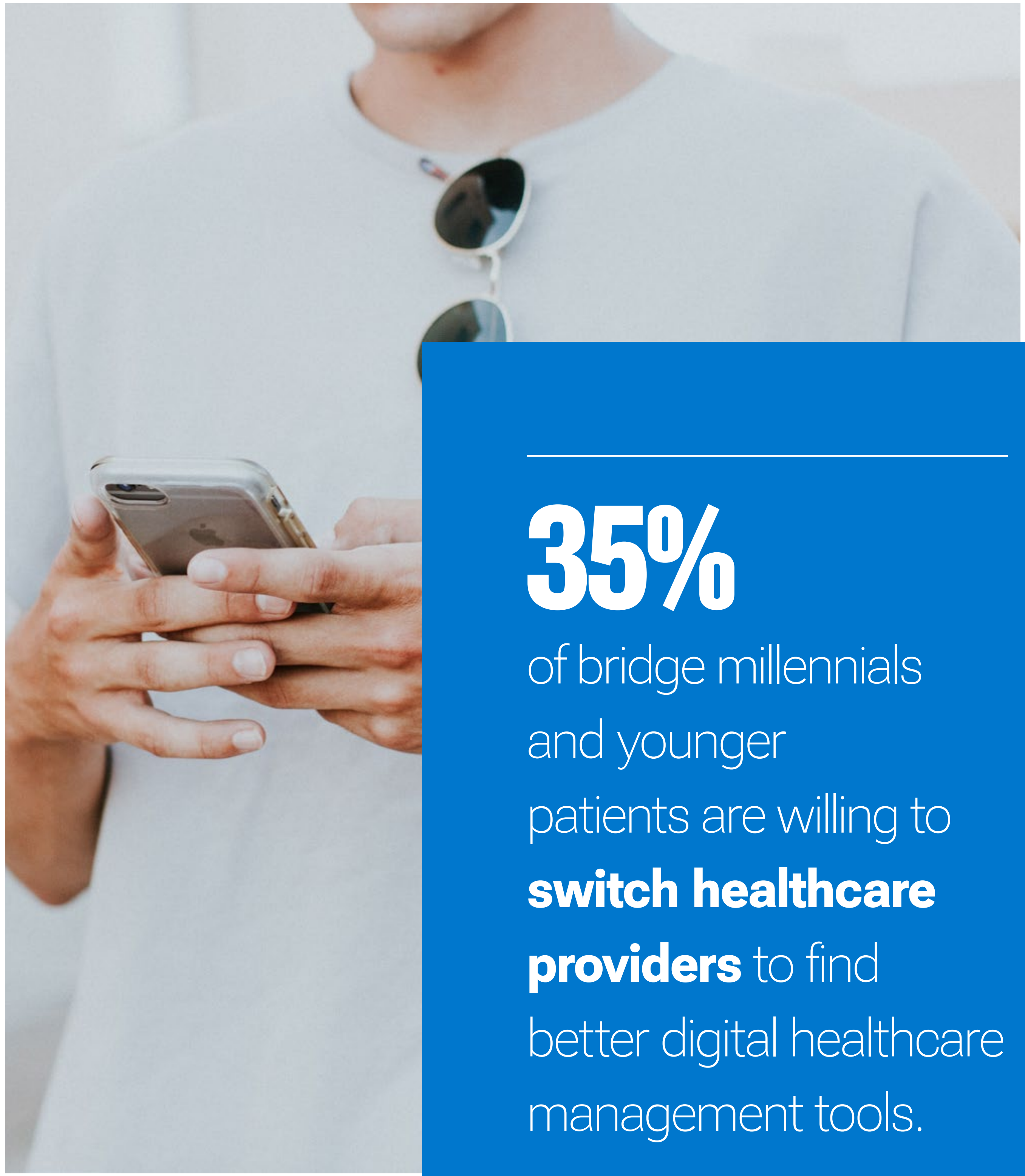
BACK TO THE OFFICE, BUT BETTER:

Consumers prefer in-office interactions but want digital options when saving time is a priority.

The majority of respondents — 78 percent — prefer to visit their providers in person. The shares holding this preference are larger for baby boomers and seniors (91 percent) and patients seeking routine check-ups (89 percent) or procedures (98 percent). Of the 16 percent of patients who preferred online medical visits, the largest shares did so to complete routine healthcare management tasks, such as making simple requests or obtaining information. PYMNTS' data found that 41 percent of patients prefer online visits when asking for additional prescriptions, 36 percent prefer them for checking test results and 30 percent prefer them when asking for information from their healthcare providers.

Patients who favored online visits reported that they preferred digital ones because such visits saved time (51 percent), the patients found traveling inconvenient (37 percent) or the options helped them manage scheduling concerns (35 percent).

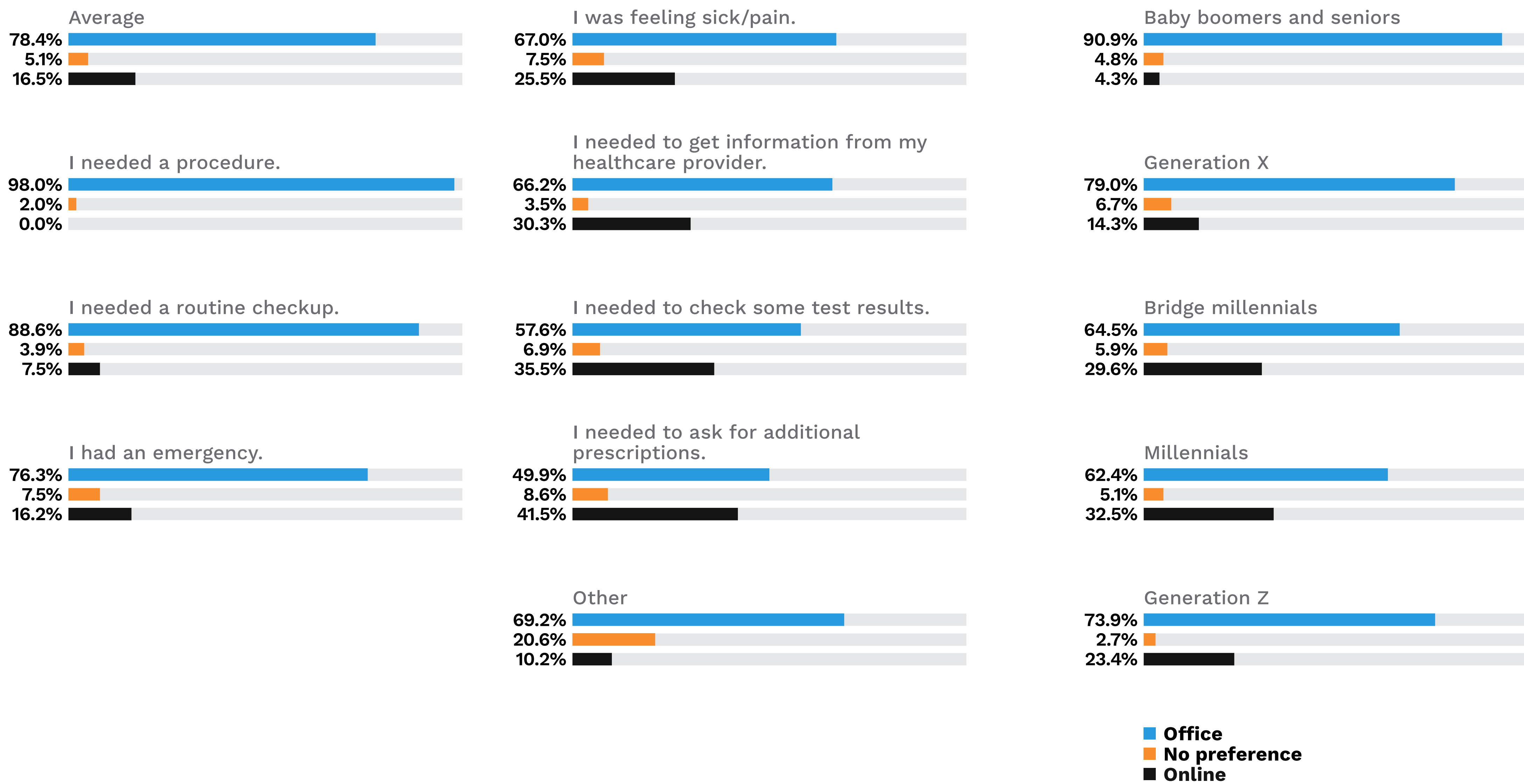


35%
of bridge millennials and younger patients are willing to **switch healthcare providers** to find better digital healthcare management tools.

FIGURE 4:

Patients' preferences for online or in-person visits

Share of patients who prefer to see their healthcare providers at an office or online, by main reason for most recent health visit or generation



Source: PYMNTS.com | Rectangle Health
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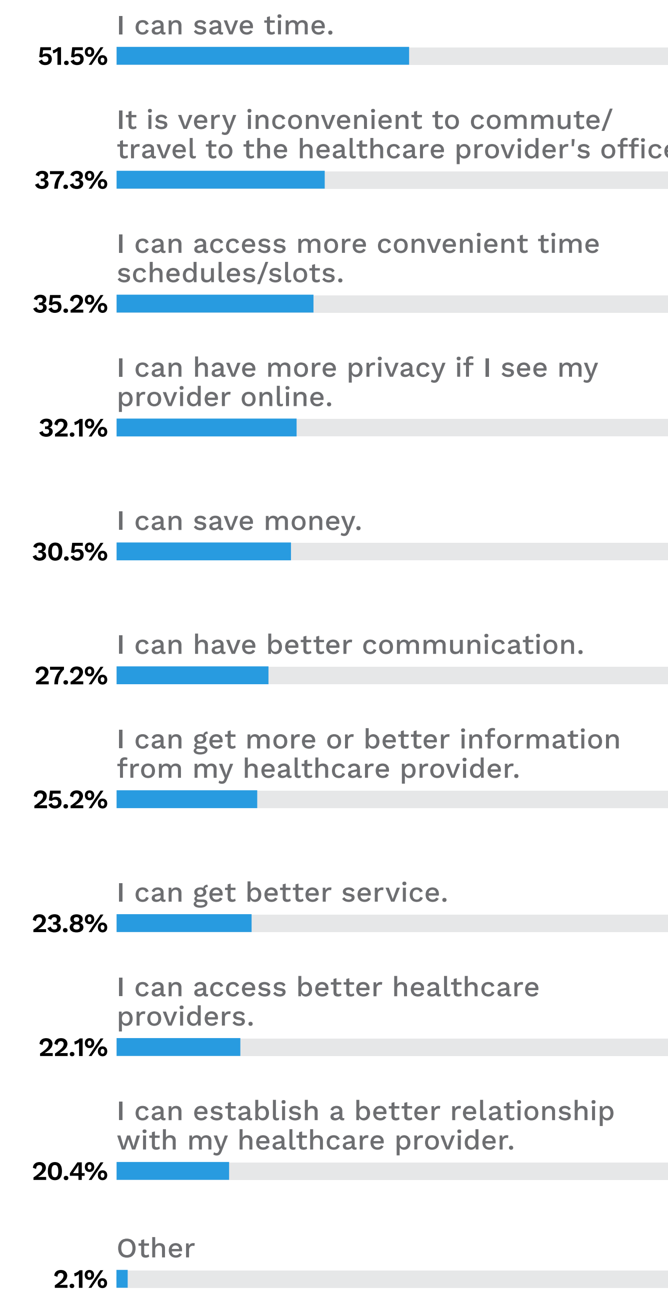
FIGURE 5:

Reasons patients prefer online visits

Share holding online visit motivations



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PAYMENTS SYNCHRONICITY:

Consumer payment choices match their healthcare experience choices.

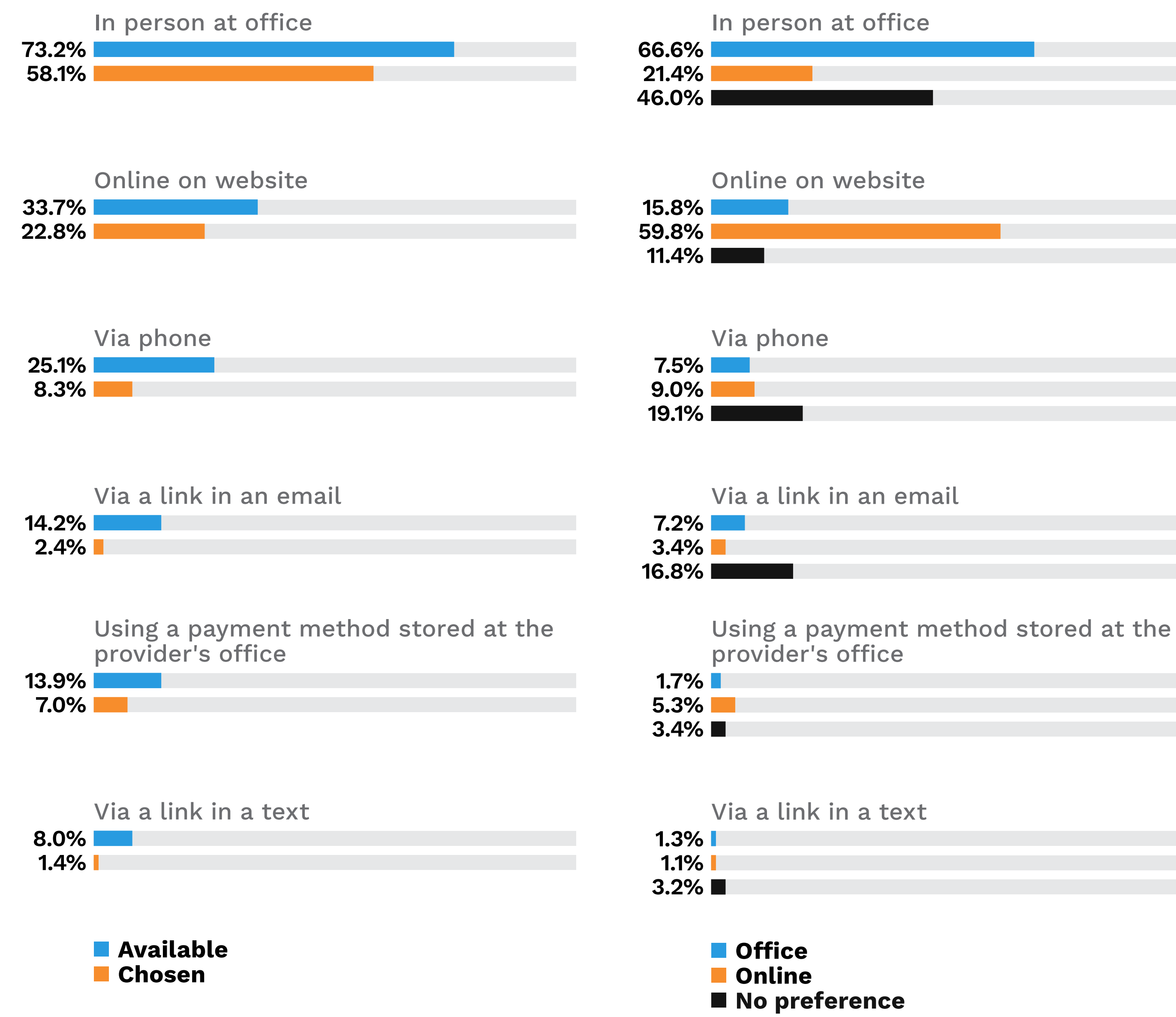
PYMNTS' research shows that consumers tend to pay at the point of sale for healthcare, just as they do when retail shopping. Patients who prefer telehealth experiences tend to make digital payments, and those who prefer in-office healthcare visits pay in the office.

FIGURE 6:

Payment methods during last healthcare visit

6A: Ways that consumers could pay or did pay during their most recent visits

6B: Most recently chosen way to pay, by preferred way to see provider



Source: PYMNTS.com | Rectangle Health Connected Healthcare Report

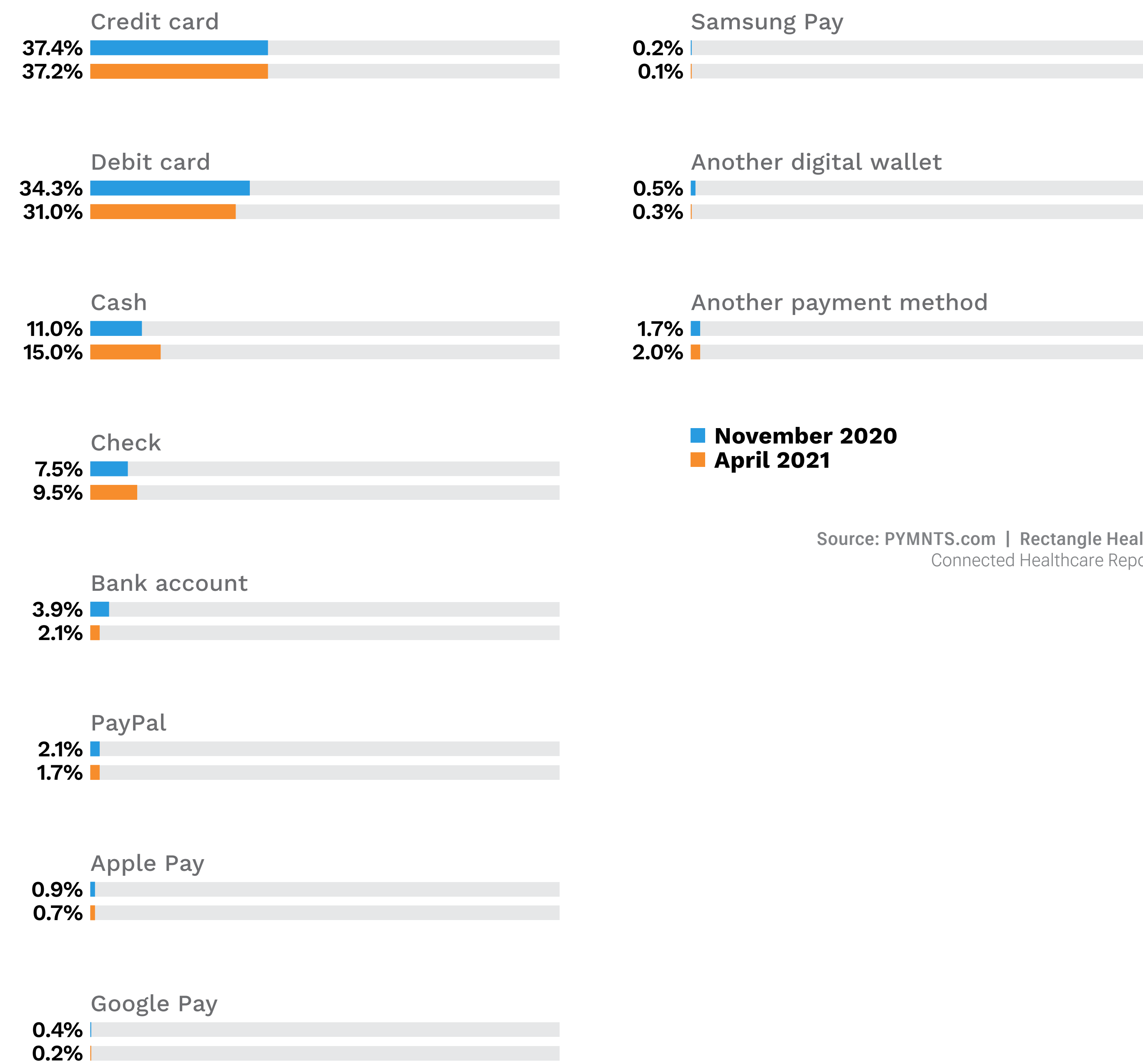
Many consumers pay their bills with **credit cards** (37 percent) or **debit cards** (31 percent).

Many consumers pay their bills with credit cards (37 percent) or debit cards (31 percent), making it easy for healthcare providers to streamline online payment processes.

FIGURE 7:

Payment method chosen to pay for last visit

Payment method used during most recent visit, over time



Source: PYMNTS.com | Rectangle Health
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THE $800 DIFFERENCE:

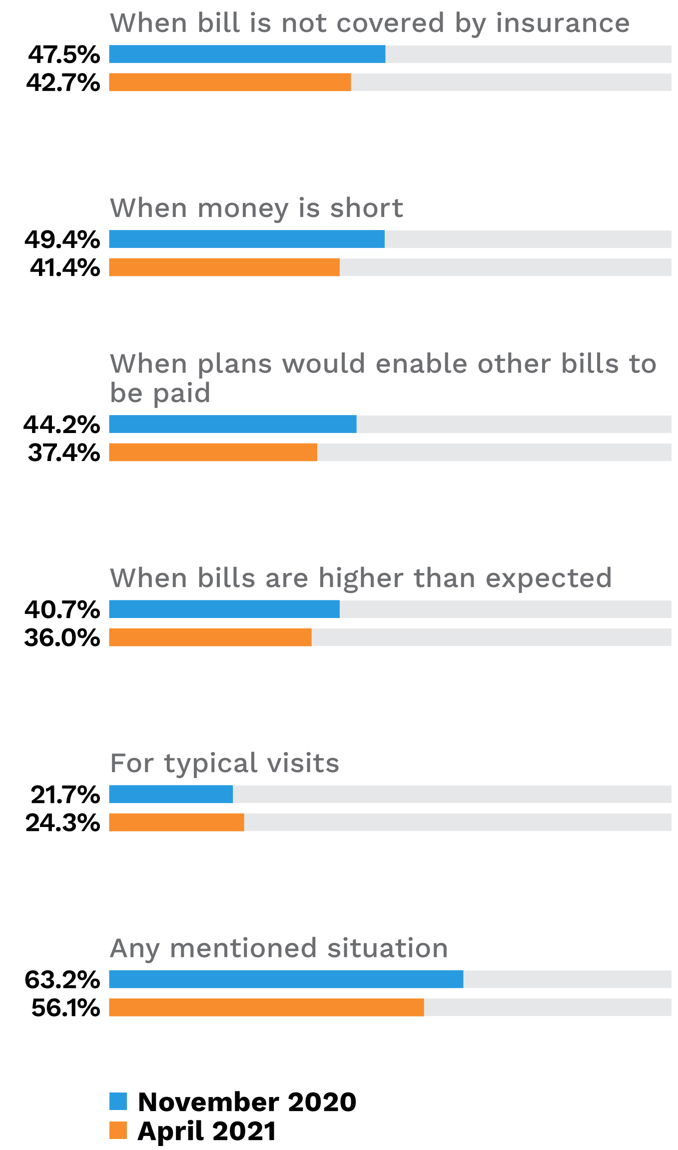
Payment plans are of great interest to both affluent and financially challenged consumers.

Most consumers — 56 percent — expressed significant interest in payment plans, and patients across all demographics report interest in covering bills that insurance will not pay for with affordable payments. The difference between the amount that would cause patients living paycheck to paycheck and those earning above $100,000 annually to seek out affordable installment payments for medical bills differed by less than $800.

FIGURE 8:

Patients' interest in payment plans

Share of patients who are "very" or "extremely" interested in using payment plans in select situations, over time



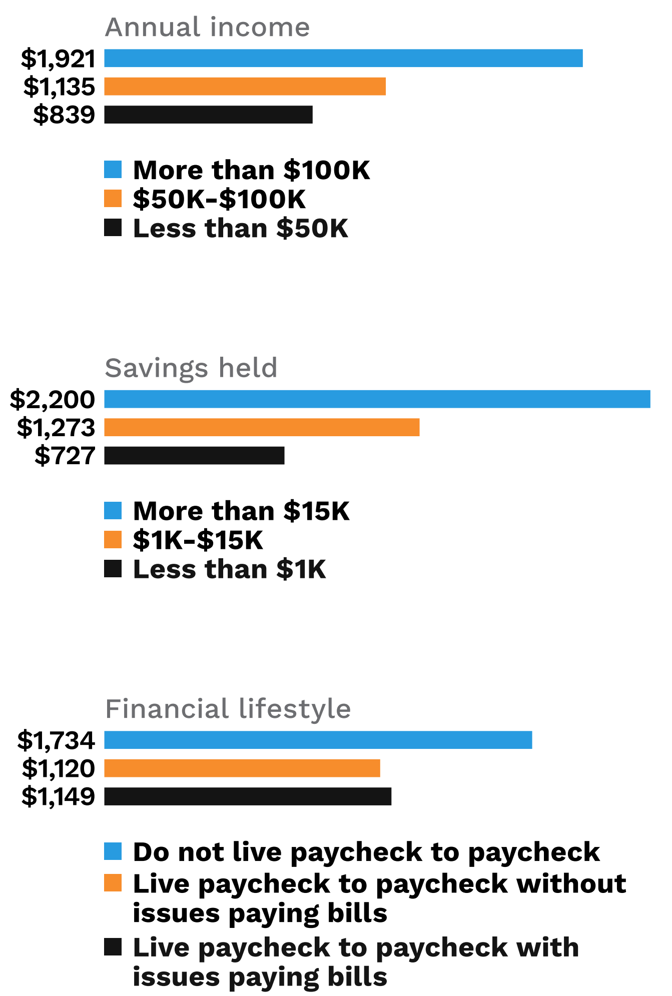
Source: PYMNTS.com | Rectangle Health Connected Healthcare Report

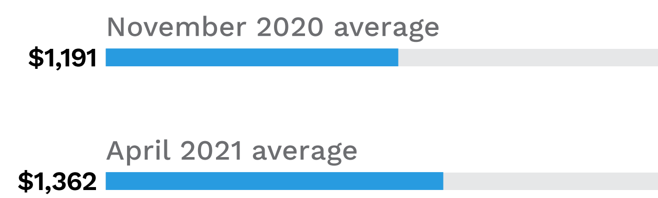
56% of consumers are **"very or "extremely" interested in payment plans.**

FIGURE 9:

Patients' interest in payment plans

Average minimum bill value at which patients become interested in payment plans, by select demographic





Source: PYMNTS.com | Rectangle Health
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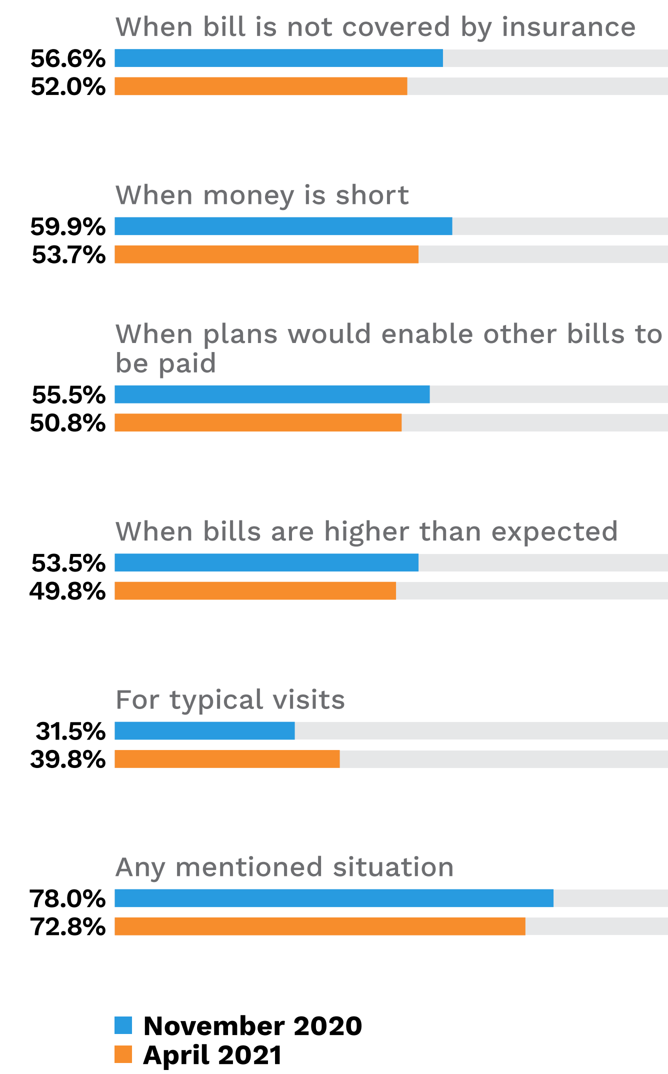
Younger patients show significantly greater interest in payment plans than older patients, and though interest in payment plans decreased slightly in the past year, younger consumers are becoming more interested in payment plans for typical visits. This group's interest rose from 32 percent in 2020 to 40 percent in 2021.

Source: PYMNTS.com | Rectangle Health
Connected Healthcare Report

FIGURE 10:

Bridge millennials' and younger patients' interest in payment plans

Share of bridge millennials and younger patients who are "very" or "extremely" interested in using payment plans in select situations, by date



Source: PYMNTS.com | Rectangle Health
Connected Healthcare Report

78%

of patients **prefer in-person visits** with their healthcare provider.

FIGURE 11:

The rise in in-office interactions

Share of patients who perform select activities at providers' offices, by date

Consumers are increasing their in-office interactions, but they **still want better customer experiences.**

Patients are returning to their healthcare providers' offices: Our research found that in-person interactions between consumers and healthcare providers increased. Despite this, we discovered that most consumers still demand time-saving digital tools that make their in-office interactions more valuable and care-focused. Young consumers, in particular, are showing an increased interest in using digital options to interact with their healthcare providers, with the share recognizing medical websites as a most preferred method rising from 9 percent to 13 percent and the share identifying the use of text communications as a top method growing slightly from 10 percent to 11 percent. Millennials (32 percent) and bridge millennials (30 percent) are the generations with the greatest preference for online visits.

CONCLUSION

As consumers return to in-person medical visits en masse, healthcare providers will be faced with the challenge of meeting new, higher standards for patient experiences that have been influenced by the recent digital shift. Patients are highly loyal to their healthcare providers, but younger consumers show significant willingness to switch providers if they are offered digital tools that improve their patient experiences. That means digital tool access is a key loyalty driver for younger patients, who show particular interest in simplified communications, payments and appointment management. Most consumers are also very interested in affordable ways to pay their bills, and healthcare practices may inspire customer loyalty and possibly avoid costly debt collection actions by offering payment plans to consumers. Medical practices now have a unique opportunity to make the patient experience more positive through offering through the digital communication tools and new payment options that consumers want.

METHODOLOGY

Connected Healthcare: What Consumers Want From Their Healthcare Customer Experiences, a collaboration with Rectangle Health, presents findings from a survey of 2,263 consumers representative of the U.S. population. Our initial pool included 3,776 responses. Out of these responses, 3 percent declined the confidentiality agreement, 10 percent gave partial responses, 10 percent were deleted either because they failed the robot question (2.9 percent) or because they had inconsistent answers (7.5 percent) and 16 percent were disqualified for not receiving healthcare from any of the types of providers studied for this survey during the past 12 months. Consumers were asked questions regarding their healthcare experiences, including their health insurance usage and how they paid for their most recent healthcare visits as well as their preferences for interacting with their healthcare provider. They were also asked demographic questions. This survey was conducted from April 14 to April 26, 2021.

ABOUT

PYMNTS.com

PYMNTS.com 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.

Rectangle Health

Rectangle Health, a leading healthcare technology company, empowers practices with seamless and secure solutions to drive revenue by increasing patient payments and streamlining practice management. Since 1992, the company's innovative technology has reduced administrative burden and rebalanced the ledger for its thousands of healthcare providers in the U.S., reliably processing billions of dollars in payments annually. To learn more, visit: www.rectanglehealth.com

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