



SELF-SERVICE PAYMENTS DOES AGE MATTER?

Most hospitals and healthcare providers have internal initiatives that encourage patients to manage their health records and make payments for medical services online. When patients pay using a self service channel, such as an online portal or IVR, the average days it takes to collect a payment significantly decreases. According to RevSpring statistics, the average number of days to collect a payment from a statement is 14.3 days and by phone it is 14.6 days. Compared to lockbox payments, it takes 16 days on average to collect from statement to payment, which can have significant impacts on time to cash.

Older Americans (who are 65 years and older) make up about 15% of the population today; but by 2050, they will account for 22% of the population. While this population is becoming more comfortable with new technology over time, 48% report that they still need help learning how to use technology, such as smartphones, tablets, and laptops.

That isn't to say that this population doesn't own technology, despite the challenges. About four in 10 older Americans own smartphones, which is up from 18% in 2013. And, about half of them have broadband in their homes, and 67% access the internet daily.

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The greatest challenge is to increase patient confidence paying online or by phone, particularly among patients who are 65 years and older.

Payment trends

by age

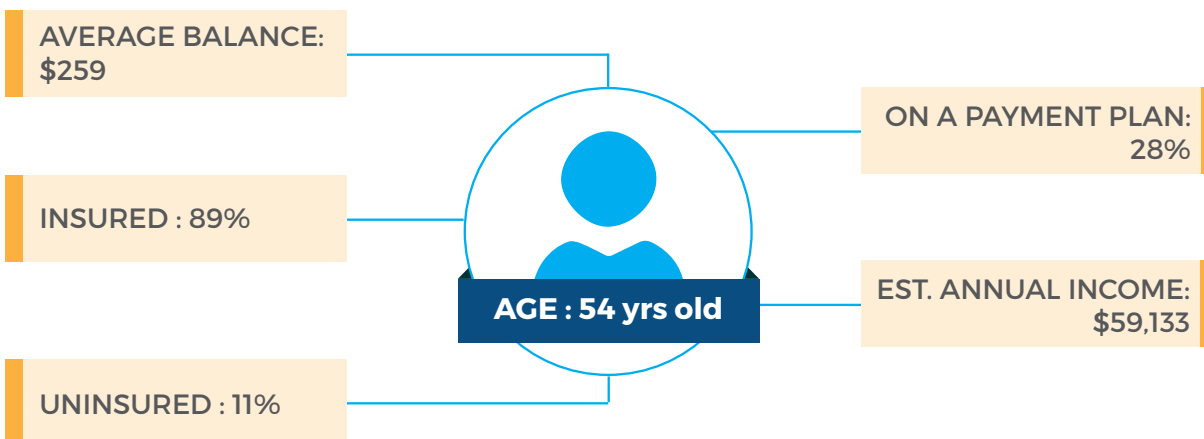
In June 2017, RevSpring completed a proprietary research study of almost one million payments taken between May 2015 and May 2017. This study examined the impact of patient age on the likelihood to pay via a self-service

channel (inbound IVR and patient portal). The population measured included a large cross-section of the US population, from tech-savvy urban centers to small rural farming communities.

THE LIKELIHOOD OF OLDER AMERICANS MAKING A PAYMENT USING A SELF-SERVICE CHANNEL



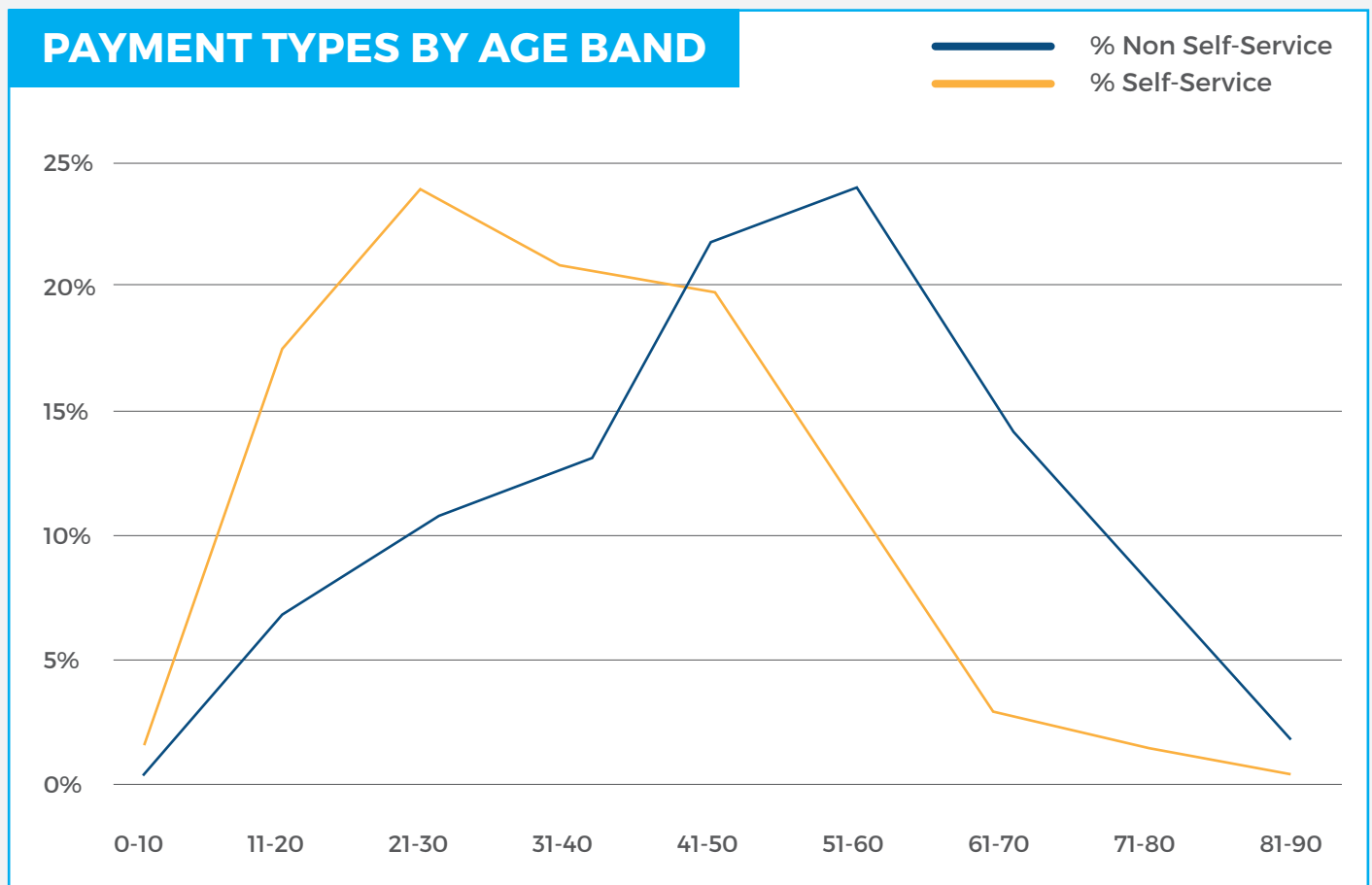
Statistics found on average:



Older Americans are less likely to self-serve

“While there are correlations between a variety of factors to pay at all (income and balance after insurance status), the likelihood to pay tends to be driven specifically by one variable: **Age.**”

The strongest relationship between collecting payments using self-service and any other factor was patient age. The graph below illustrates this dynamic very clearly. The orange line shows the age distribution of self-service payments while the blue line shows the distribution of non-self-service payments (checks in the mail or collected from customer service).



Drilling down into the details of self-service payments, the age gap continues to widen when evaluating what channel is used. Younger populations (ages 31 to 40 years old) are more likely to pay online, followed by paying by phone.

The median age of someone paying by phone is 47 years old while the median age of someone paying online is 43 years old. While this doesn't suggest a huge age gap when paying by phone versus online, when plotted by distribution, differences in age become more pronounced. Most online portal payments fall into the 31-40 age band and most phone payments fall into the 51-60 age band.



31-40
age band

Online Payments

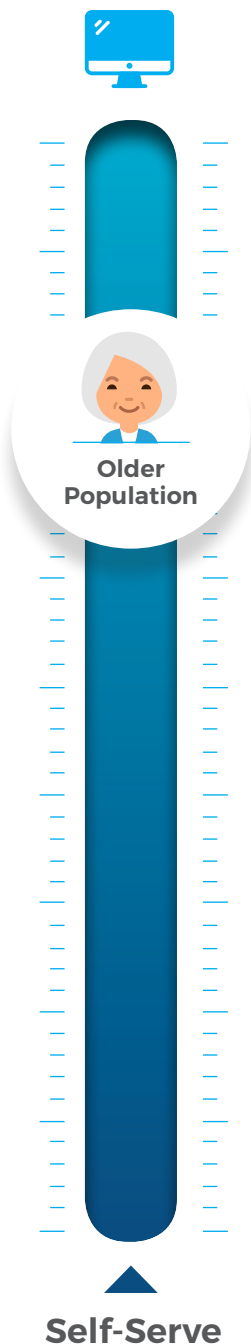
vs.



51-60
age band

IVR Payments

Implications for Healthcare Providers



It is important to note this study was purely descriptive, looking for key trend differences in populations and evaluating “traditional” payment methods like mail payments or payments collected by customer service against self-service options, such as online portals and IVR. This study examined **WHO** is paying by payment channel and not **WHY** they chose those channels.

In order to move the needle by encouraging older populations to self serve, consider these following suggestions:

Clearly communicate how to pay via self-serve on all patient communications. Your bill should offer the payment link and language about how online payments are safe and secure to build confidence in an older demographic.

Offer quick pay. While many hospitals and health systems have included this language on billing statements to help drive Meaningful Use, much of that language has been hyper-focused on requiring patient registration to set up a portal account before a patient can pay. Given that over 85% of online payments are “quick pay” (the ability to make a payment without account creation), you may be putting up barriers to online self service if you require patient portal registration.

Offer educational videos about how to pay online or by phone. Waiting rooms are a unique opportunity to do patient education about health management. Many healthcare providers have televisions in their waiting rooms but may not be making the most of this opportunity to educate patients while they are waiting to be seen. It’s an industry best practice to showcase community health initiatives, online website options, and the convenience of paying by phone 24-7. Younger demographics are probably looking at their phones, but older demographics will probably be watching the TV. (Adults aged 65+ watch TV three times more than their younger counterparts.) An explainer video showing how easy and safe it is to pay online is an excellent starting point. Use the same educational content on online patient portals.

Don’t try to push people out of their comfort zones. If your target audience is younger, you may want to prominently feature online payment as the top payment option on all printed and digital payment communications. If your target audience is older, you may want to feature how to pay by phone whenever they want with inbound IVR technology. You’ll be far more successful driving response in channels where certain demographics have their comfort levels already set.