

# 2018

## Healthcare Business Strategy and Technology Survey



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### OVERVIEW

The BillingTree 2018 Healthcare Operations and Technology Survey represents our second annual survey focused on healthcare organizations and reflects the perspectives of respondents about the opportunities and challenges they face in meeting their business objectives, as they relate to medical care payments. Rather than attempting to conduct a comprehensive, in-depth benchmark study, our goal was to capture a snapshot of the current state of the industry in terms of payment channels, payment technologies, challenges, and opportunities for healthcare providers.

Some of what we learned was not surprising. Our respondents told us that their biggest challenges faced in patient payments are: *A client's inability to pay, Collecting payments after the patient left the facility, A lack of payment channels, Compliance* and challenges related to *Amount billed to insurance*. This was consistent with our prior year's survey, although *A lack of payment channels* significantly rose in importance this year.

On the other hand, when it came to technology adoption and the range of automated payment options for their clients, this year's responses produced some surprises. There was a dramatic increase in adoption of payment technologies, including *Web portals* and *Interactive voice response (IVR)* technology, which was born out by our 2017 survey results. These responses exceeded expectations compared to what our 2016 respondents said about their plans to adopt new payment technology. At the same time, when asked about future plans to adopt new payment technology, this year's respondents suggested that the increased pace of technology adoption would continue. In contrast to 2016, fewer respondents in 2017 indicated that they planned to add staff to support payment collections.

While some survey results were consistent with year-over-year, many of the differences were anticipated by questions about the future plans of healthcare organizations. Among those firms who offered automated phone or Web-based payment options.

For growth and service-oriented healthcare organizations, the results from our 2017 survey suggest that adoption trends for payment technology is catching up with other industries, and that there is a shift in mindset from relying on manual processes and staff increases to adopting payment automation and technology-enhanced services to streamline payment collections while continuing to cut costs and increase profits.

## SURVEY RESULTS

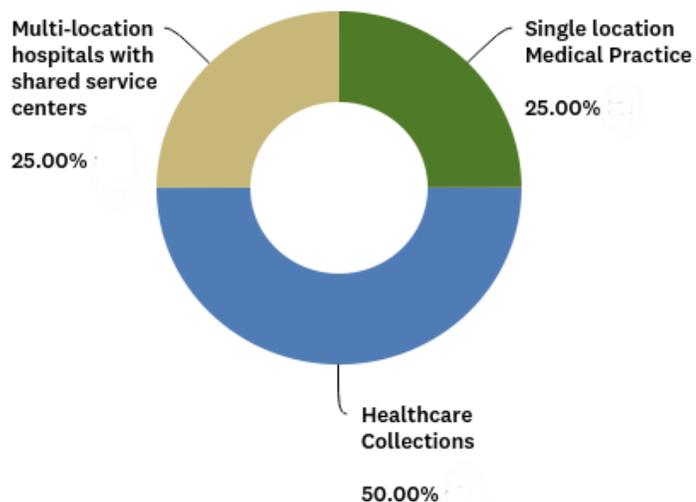
### Methodology

This benchmark report is based on a survey of U.S. Healthcare companies (including single and multi-location providers and healthcare collection agencies) collected over a one-month period.

### Demographics

Respondents were split among four categories, with the majority (50%) representing collection firms experienced in healthcare collections. Healthcare providers that participated in the survey were evenly split between single-location and multi-location businesses that self-identified as “Other” and indicated that they were multi-location hospital operations reliant on shared services centers.

**What best describes your type of Healthcare facility or your knowledge base for understanding Healthcare payments?**

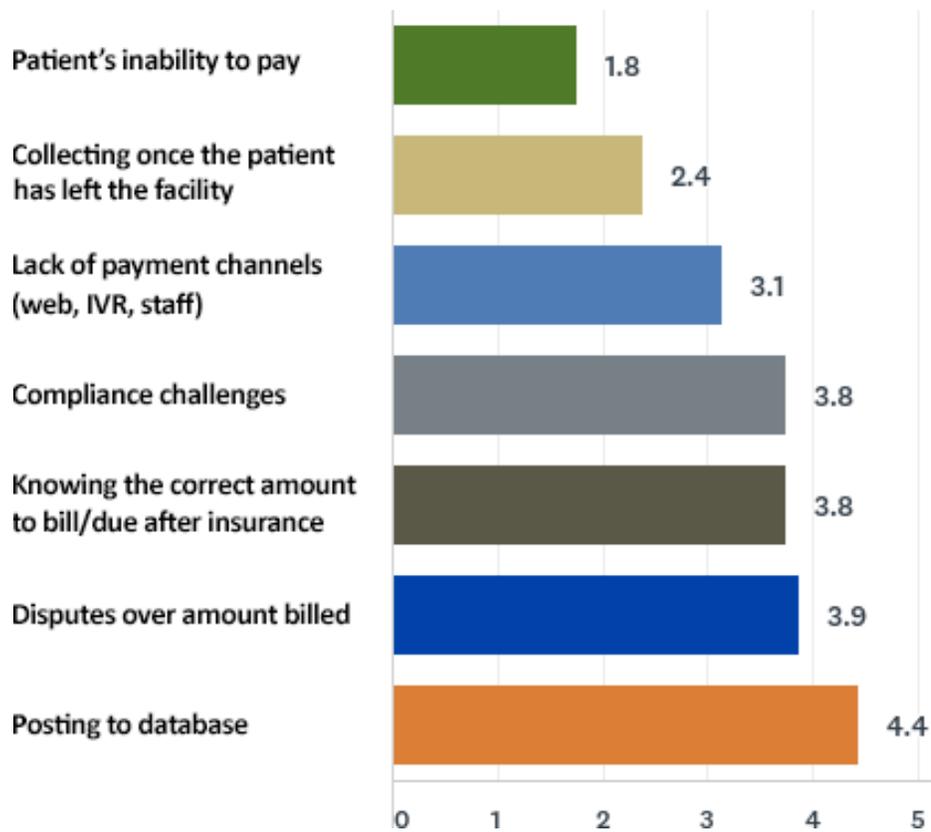


### Challenges Related to Collecting Payments

On a scale of 1 (highest) to 6 (lowest) respondents ranked *Patient's inability to pay* (weighted average of 1.8), *Collecting once the patient has left the facility* (2.4), and *Lack of Payment channels* (3.1) as the top three collection challenges in 2017, with *Knowing the correct amount to bill/due after insurance and Compliance challenges* tied for a close fourth (3.8). Respondents ranked *Disputes over amount billed*

(3.9), followed by *Posting to the database* (4.4) as the least important challenges faced when collecting Patient Payments.

**Rank your challenges related to collecting Patient Payments (biggest =1 to least =6)**

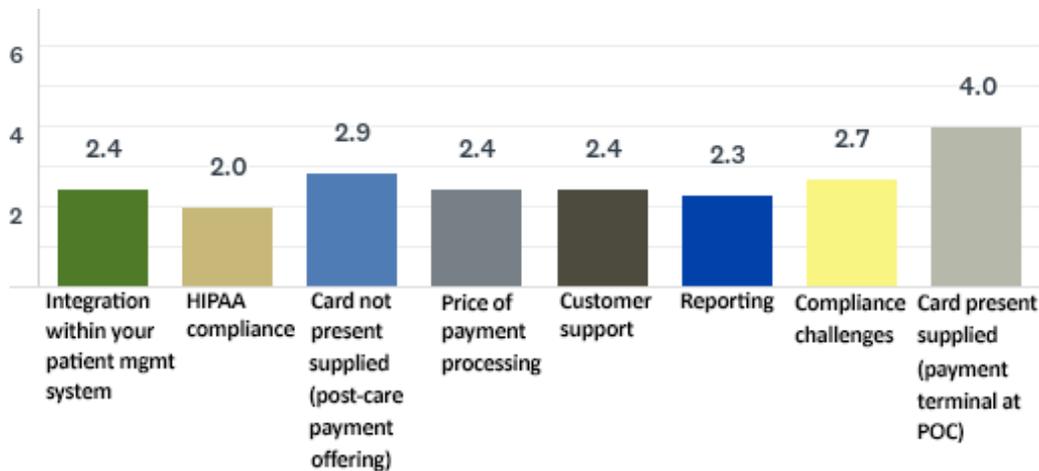


\*Aggregate scores

**Payment Processing Service Priorities**

When asked about the importance of different factors determining their choice of a payment processing services (with 1 representing “extremely important” and 6 representing “less important”), *HIPAA Compliance* (2.0 weighted average) and *Reporting* (2.3) ranked as the top two priorities, followed by *Integration within your patient management system*, *Customer support* and *Price of payment processing* (2.4) all tied for the third-highest ranking for importance of these factors as they relate to patient payment processing within a healthcare facility.

Please rate the following options in order of **IMPOTANCE** as it relates to your practice/facility regarding payment processing services. (Most important =1, to least =8)



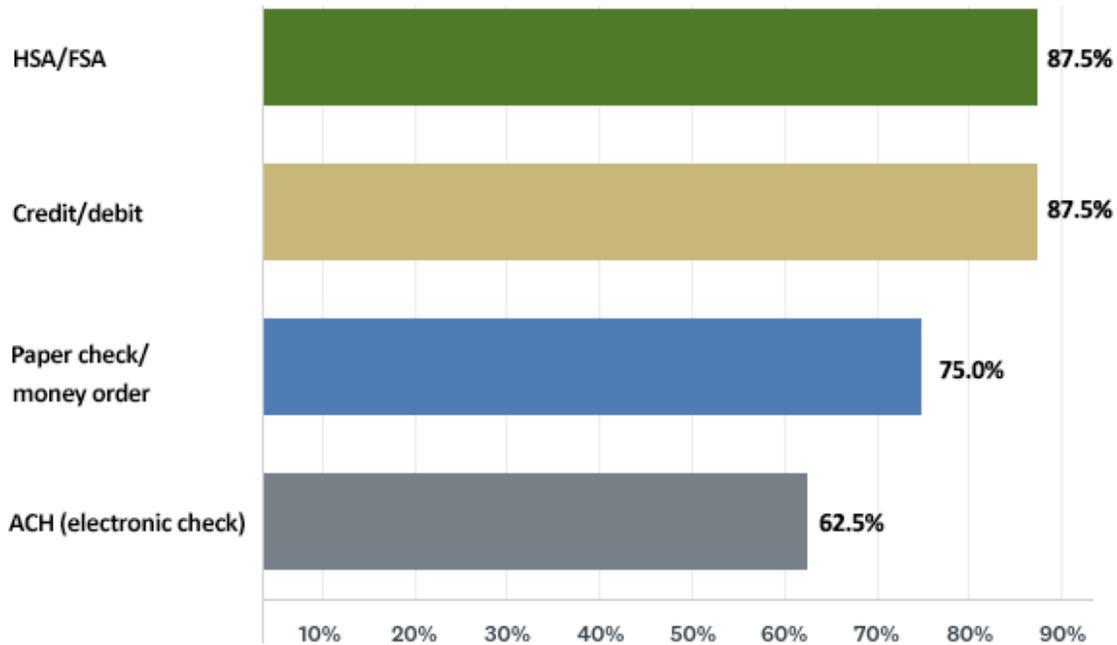
\*Aggregate scores

While compliance priorities and integration were consistent with prior year results, the premium placed on reporting reflected a new trend. As we will see when examining the payment technology adoption of healthcare providers, this may reflect the premium placed on data for many providers that are increasingly relying on technology to support their patients and partners.

**Forms and Means of Payment**

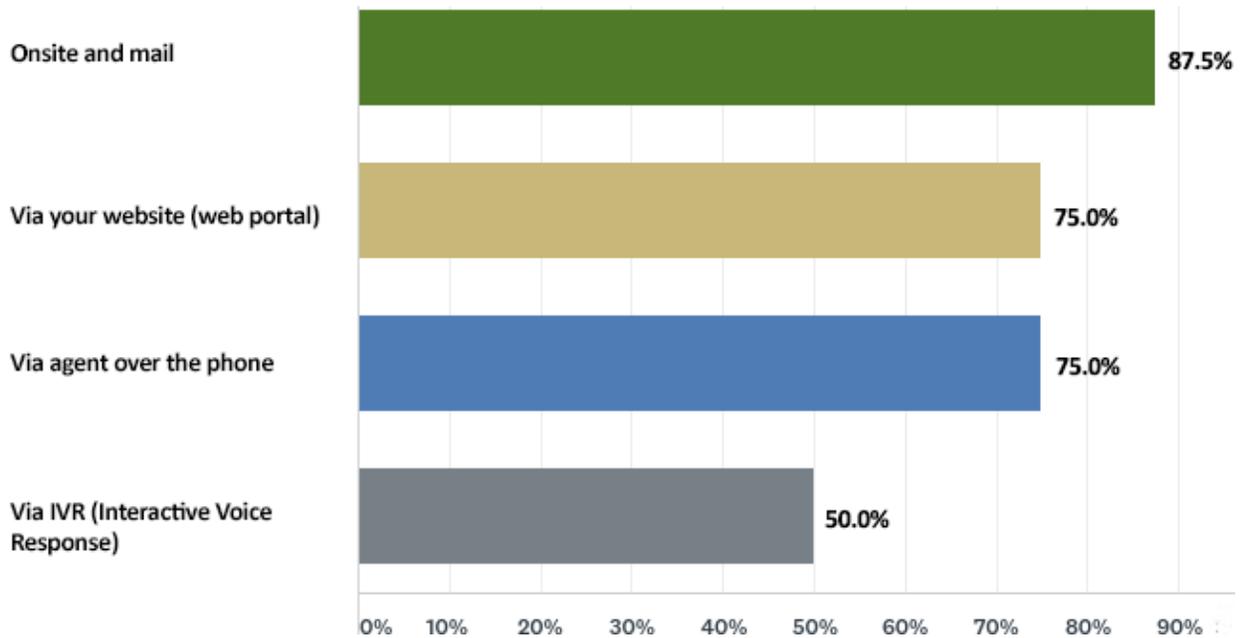
When asked about the forms of patient payments accepted, the majority of survey respondents indicated that they accepted a range of payment options. Almost ninety-percent of those polled indicated that they accept *HSA/FSA* (87.5%) and *Credit/debit* payments (87.5%), with a significant number of providers also accepting *Paper check/money order* payments (75.0%) and *ACH (electronic check)* transactions (62.5%).

**What forms of Patient Payment do you accept? (please select all that apply)**



Based on responses to the means of payment methods and technologies in use today within the Healthcare sector, it appears that a growing number of firms today rely on automation and are catching up to consumer adoption of electronic payments. While most respondents (87.5%) indicated that they accepted *Onsite and Mail* payments, an equal number (75.0%) indicated they accepted payments over the *Phone via Live Agent and Web portal* payments. Half offered means of payment *Via an Interactive Voice Response (IVR) system* (50.0%), compared to just 6.7% one year ago.

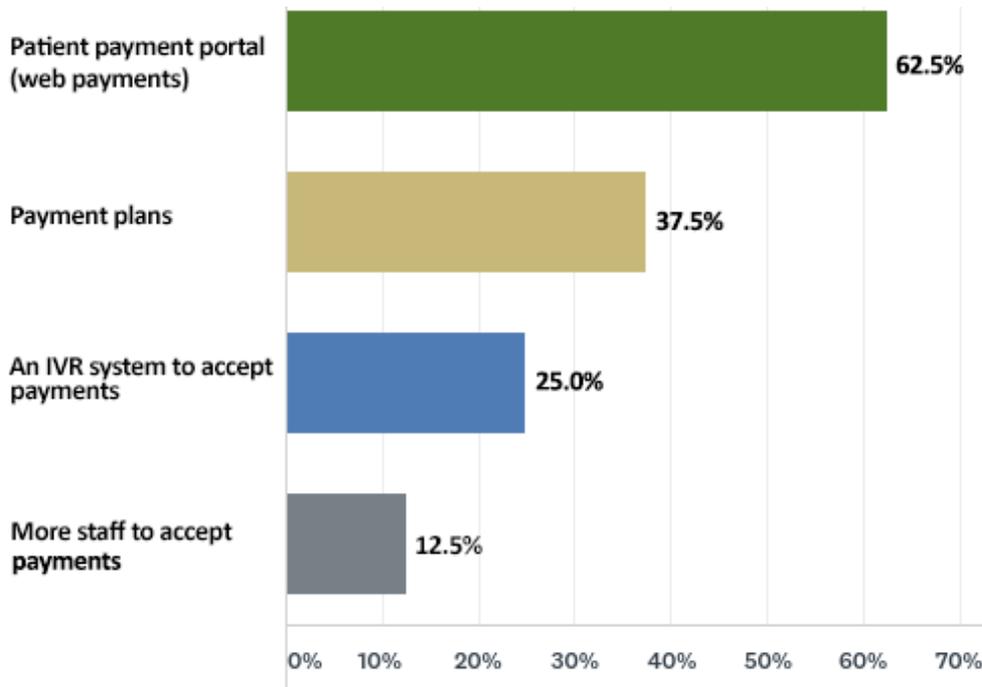
*What means of payment do you currently offer patients? (please select all that apply)*



These results suggest that while Healthcare collection practices may lag behind consumer adoption of new payment technologies, the gap is closing at an increased pace. In fact, this year’s results are more in line with BillingTree’s 2017 Collection Agency Operations and Technology Survey<sup>1</sup>, in which respondents reported (47.8%) offering payments via an *Interactive Voice Response system*, and (86.7%) offering payments via a *Web Portal*.

<sup>1</sup> [BillingTree’s 2017 Collection Agency Operations and Technology Survey](#)

*Which of the following options related to Patient Payments does your practice/facility plan to add within the next 12 months? (please select all that apply)*



When asked about plans to enhance or augment their payment collections in the next 12 months, survey responses suggested that the adoption of electronic payments will only continue to grow. *Web payments* (62.5%) was the most commonly identified technology that respondents indicated they plan to adopt within the next 12 months. Adding an automated option to their phone system to accept payments via an *Automated voice response (IVR) system* was identified by just (25.0%) of respondents, nearly double that of the 13% that indicated they planned to adopt IVR in 2016.

## CONCLUSION

From the perspective of BillingTree, technology service providers have a more critical role than ever to play in helping organizations of all kinds that are striving to collect payments in a timely and efficient manner to maximize revenues, control operational costs, while also mitigating compliance risk. Beyond simply processing transactions, industry-leading payment processors partner strategically with their clients to provide education and guidance on best practices to maintain regulatory compliance. They share technological knowledge and expertise to help ensure security, and automate processes. They foster industry relationships to support technology implementation and integration among payment collection systems to maximize clients' return on investment.

In 2018, we look forward to seeing a growth trend towards technology solutions as an alternative to traditional staffing and outsourcing solutions to tackle capacity issues, as healthcare organizations close the gap with their peers in other industries.

For those healthcare organizations that seek to manage compliance, control costs and optimize collections and cash flow, automated, and mobile self-service payment solutions continue to present an opportunity for profitability and growth without sacrificing service.

## ABOUT BILLING TREE

Headquartered in Phoenix, Arizona, BillingTree is developing ways to make it easier for people to get paid for their products and services. BillingTree has become the trusted, competitively priced, and proven solution provider to a variety of industries looking to increase efficiency and process payments quickly. BillingTree has lead the way with progressive, innovative solutions that address the diverse needs and challenges surrounding the payment process. With our experience in the payment industry, we have developed the most reliable, user friendly payment solutions in the world today.

The BillingTree mission has always centered on simplifying the often-confusing world of electronic payments, thereby allowing clients to focus on their core competencies. BillingTree combines state-of-the-art technology with decades of customer-service experience to give clients the latest payment solutions available to succeed in a highly competitive marketplace. BillingTree continually strives for

excellence through superior technology and industry expertise. Driven by a need to create solutions that provide customers with strategic advantages in their marketplaces, BillingTree has become the industry expert in payment technology.

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