



2024 Healthcare Payment Trends



and Future Outlook Report

Contents

Key Findings and Trends	1
Research Methodology	2
Payment Trends and Future Outlook	3
Healthcare Spending Trends and Top Organizational Priorities	3
Acceptance and Usage of Payment Methods	4
Alternate Payment Options	7
Mechanics of Healthcare Billing Systems	8
Conclusion	9
5 Ways to Build Better Patient Connections Through Modern Payment Experiences	10
About TrustCommerce	11

This white paper by **TrustCommerce** aims to inform the healthcare industry about evolving patient behaviors and preferences, fostering greater awareness and driving meaningful change in patient-centered practices.

96% of healthcare organizations accept credit card payments



Key Findings and Trends

Healthcare organizations are undergoing a transformation of the patient financial experience. As healthcare costs rise, patients are actively seeking ways to make the expenses more manageable through modern, flexible payment options. In response, providers are aligning with the broader digitalization trend in payments and increasingly adopting digital payment systems and enhancing billing processes for a more seamless and transparent payment experience while improving collections. Omni-channel communication, such as patient portals and email billing, further enhances transparency and simplifies patient interactions, easing navigation of what has historically been a complex billing process.

Today, it isn't surprising that 96% of healthcare organizations accept credit card payments, and nearly half of patient payments are made via credit cards. The data indicates that patients prefer to pay using their provider portals and this continues to increase. Additionally, 69% of providers offer flexible payment plans to ease patients' immediate financial burden, demonstrating a commitment to affordability and removing barriers to care.

In the face of rising healthcare costs, organizations can further support patients by offering delayed payment options and alternative financing, such as Buy Now, Pay Later (BNPL), to provide flexibility and financial relief.

As payment processes evolve, the need for strong cybersecurity is paramount. Healthcare providers are prioritizing the protection of patient data by enabling secure storage of payment information and expanding secure payment options, including mobile wallets like Apple Pay and Google Pay.

This transformation in healthcare payments underscores a pivotal shift: healthcare organizations must embrace these innovations to improve financial access, boost patient satisfaction, and foster loyalty in a rapidly evolving, patient-centered landscape.

69% of providers offer flexible payment plans to ease patients' immediate financial burden.

On average, **4 out of 5** providers identify updating billing and payment systems and expanding payment options as key focus areas for their organizations.



Research Methodology

This report uses data points and insights derived from:

- **(1.) TrustCommerce transaction data collected between January 2022 and May 2024**
- **(2.) A qualitative survey commissioned by TrustCommerce in August-September 2024:**
 - The survey was conducted through an online platform
 - 45 responses were collected from healthcare organizations
 - Respondents were employed at the following types of organizations: hospitals, IDNs, nursing homes, mental health/addiction centers, diagnostic labs, research centers, multispecialty clinics, clinic/medical offices and ambulatory surgical centers
 - Respondents were employed in the following sub-orgs: IT, treasury, patient accounting/billing services/ revenue cycle management, operations, strategy, finance, patient services and HR
 - Net patient revenue of the organizations ranged from less than \$50 Million to more than \$2 Billion per year
- **(3.) Healthcare Industry Pulse, Year 2 Results, Data used with permission of Mastercard** – This poll was conducted by Morning Consult on behalf of Mastercard between October 11-13, 2022, among a national sample of 1000 patients and 450 healthcare organizations. The interviews were conducted online. Patient data was weighted to approximate a target sample based on age, gender, educational attainment, race/ ethnicity, and region. Results among the patient audience have a margin of error of +/- 3 percentage points. Results among the healthcare professional audience have a margin of error of +/- 6 percentage points.
- **Other third-party sources** referenced appropriately through the report.

Payment Trends and Future Outlook

Healthcare Spending Trends and Top Organizational Priorities

Patient spending in healthcare has demonstrated consistent growth over recent years.

As healthcare digitalization progresses, TrustCommerce-supported providers saw an increase in year-over-year spending in 2023 and are on track to see an even higher spend in 2024. Spending is on the rise alongside healthcare costs, with providers exploring flexible payment options to help patients manage expenses.¹

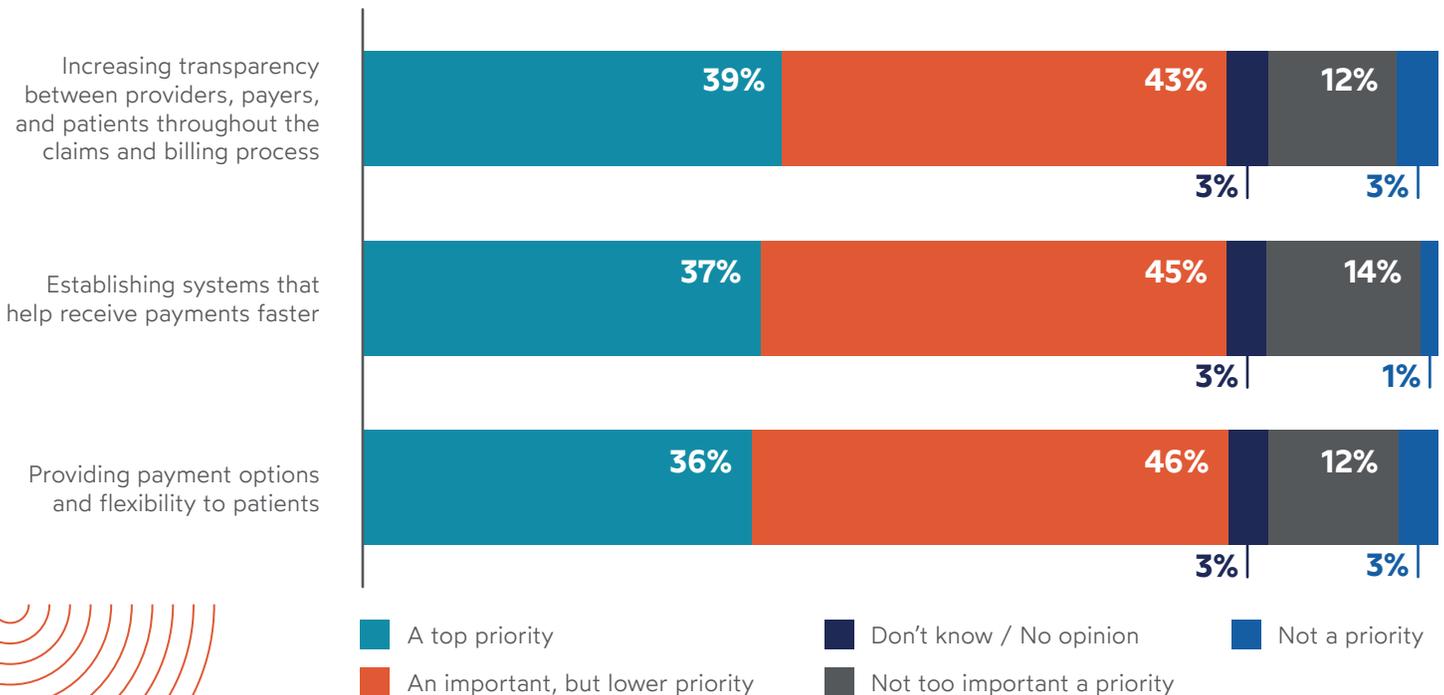
A cyclical spending pattern is observed throughout the year, with a noticeable peak between January and March.

A spike in transaction volume in the early part of the year could be attributed to deductible resets and early-year treatments. Spending typically declines over the course of the year as deductibles are met and insurance coverage increases.¹

With the growing acceptance of digital payments and given the observed spending behavior, healthcare providers are prioritizing technology-centric enhancements to improve the payment experience.

On average, four out of five providers identify updating billing and payment systems and expanding payment options as key focus areas for their organizations. Embracing these changes allows providers to offer relevant payment options to patients at the appropriate interaction point, offering flexibility and convenience that align with patients' financial needs while enhancing overall patient satisfaction.³

In general, how much of a priority is each of the following at your organization?



¹ Insights in this section are based on TrustCommerce transaction data collected between January 2022 and May 2024. Any mention of "healthcare spend" refers to spend at "TrustCommerce supported organizations"

³ Healthcare Industry Pulse, Year 2 Results

Acceptance and Usage of Payment Methods

Banks and Fintech companies are increasingly offering rewards—such as points and cashback—to incentivize patients to use their platforms or financial products for healthcare payments, providing some relief for high service costs.

For example, the BILT loyalty program now allows patients to use HSA/FSA funds for eligible Walgreens purchases and earn points on prescription refills.⁴ The Chase Freedom Unlimited® offers 3% cashback on drugstore purchases⁵, and other players like Upgrade⁶ and CareCredit⁷ offer similar credit card perks. These incentives, along with low interest fees and balance-carrying options may have contributed to increased credit card usage for healthcare transactions.

96% of surveyed healthcare organizations accept credit cards for in-person payments, with those not doing so still accepting Apple Pay or Google Pay online.² Additionally, organizations reported that credit cards account for 47% of receivables, far outpacing debit cards (13%) and HSA/FSA payments (11%).²

Though credit cards hold the largest share of receivables, both patients and healthcare organizations show a slight preference for debit card payments, suggesting differences in perception and behavior.

According to an industry report 59% of patients indicate they prefer paying for healthcare services using debit cards while 39% prefer credit cards, with other methods trailing significantly. Similarly, 49% of healthcare organizations favor payment via debit cards, while 37% prefer credit cards.³

Interestingly, and in contrast to stated preferences, Patients primarily use credit cards to complete payments, with 47% of patient payments made using credit cards, compared to 13% of payments made using debit cards. This may be attributed to patients using debit cards to cover smaller out-of-pocket expenses, such as co-pays, but preferring credit cards for more expensive procedures to benefit from card rewards or to spread the cost over time.

As credit and debit card usage continues to shape payment trends, healthcare providers and patients are increasingly adopting modern payment tools—such as stored payment methods, digital wallets, and online bill pay.

* Some respondents may have interpreted debit and credit card usage to include FSA (Flexible Spending Account) and HSA (Health Savings Account) cards.

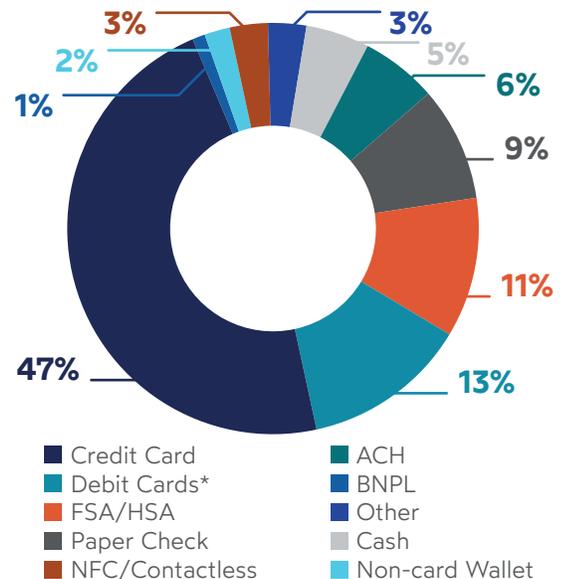
* Note: BILT and Chase Freedom program offers and features as of September 2024

² Research commissioned by TrustCommerce in August-September 2024

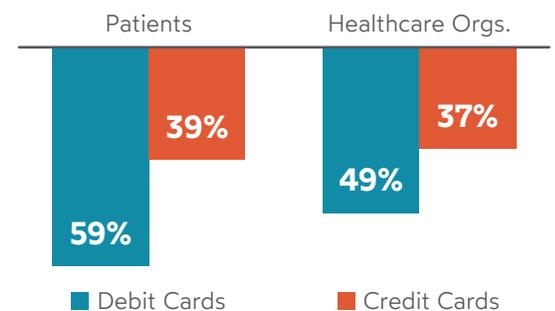
³ Healthcare Industry Pulse, Year 2 Results

⁴ www.Bilt.com; ⁵ www.Chase.com; ⁶ www.upgrade.com; ⁷ www.CareCredit.com

In a typical month, what percentage of your total patient-responsibility accounts receivable is paid using each of the following types of payment methods, regardless of payment channel?



What are your preferred payment methods when paying medical bills? How do you prefer the patient responsibility be paid?



Increasing healthcare costs require providers to minimize barriers and friction to payment to maximize on collections. TrustCommerce has seen a trend in providers upgrading devices to accept Apple Pay and Google Pay digital wallets, ensuring that they support all payment methods, and enabling omni-channel tokens to simplify recurring and subsequent payments.

- Johnathan Welch, Chief Product Officer, TrustCommerce

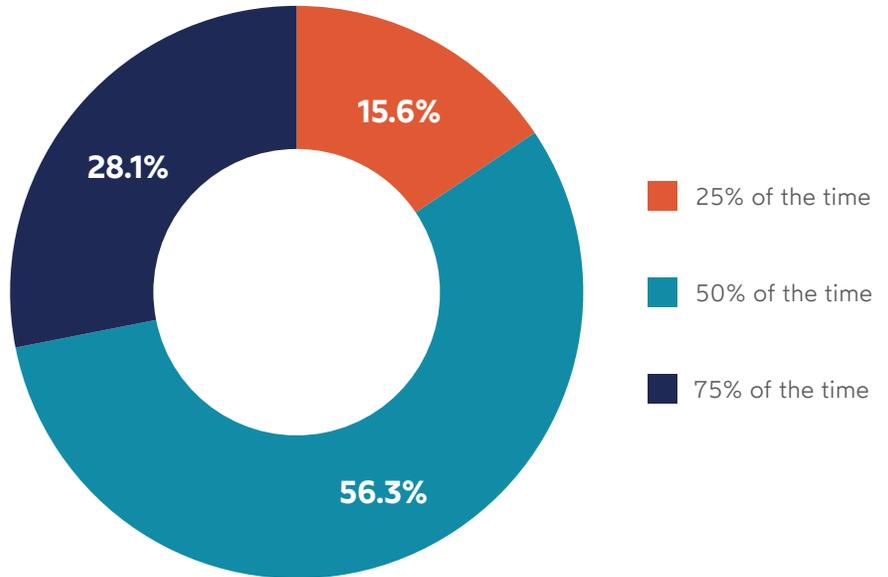
The ability to store payment methods may improve patients' payment experience.

71% of surveyed healthcare organizations offer patients the ability to store payment methods to enable the processing of repeat payments. All these organizations allow storage of credit and debit cards, while 28% also offer storage of bank account information. When offered, over half of patients elect to have their payment information stored on file for future payments.²

How often, if ever, do patients store their payments on file for future payments?

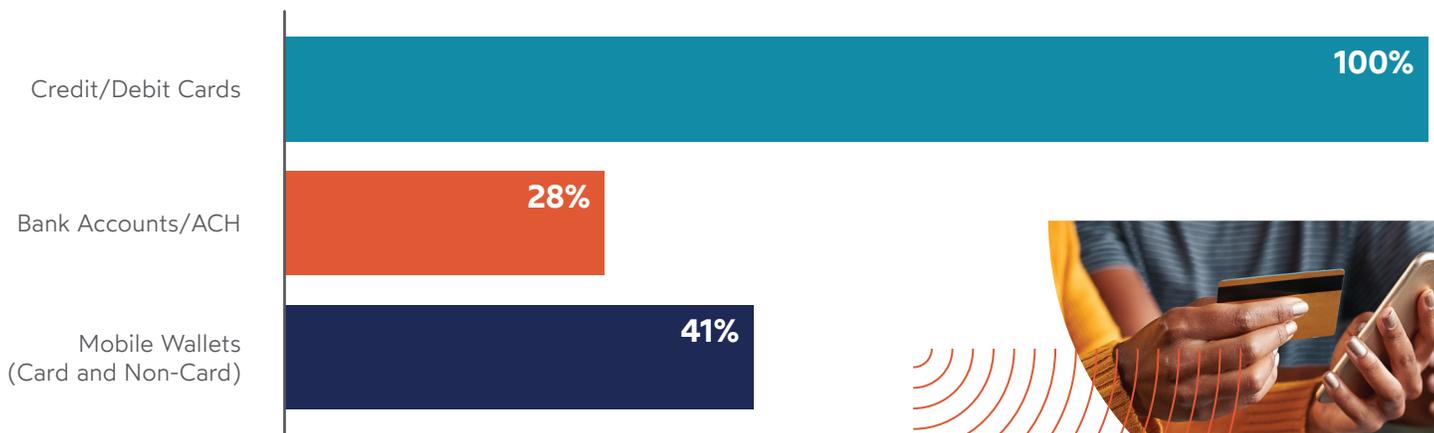
(Base: orgs offering the ability to save payment methods)²

71%
of healthcare organizations offer patients the ability to store payment methods²



What type of payment methods do you store for future use?

(Base: orgs offering the ability to save payment methods)²



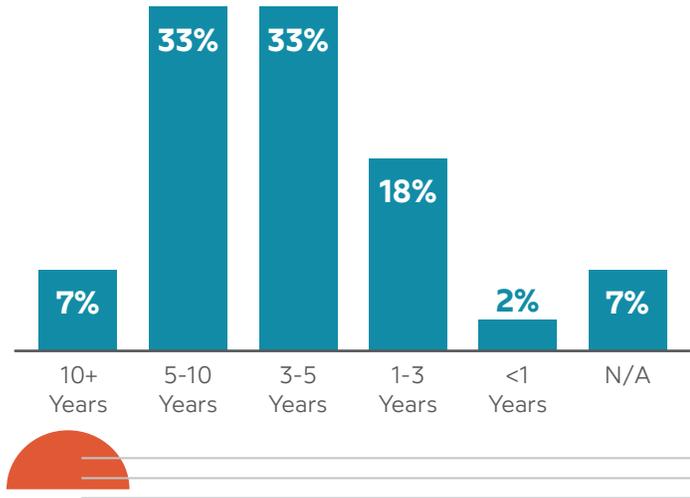
² Qualitative survey commissioned by TrustCommerce in August-September 2024



Patients increasingly prefer online bill pay through provider portals for convenience and security, with healthcare organizations also reporting rising usage. This trend highlights the value of secure, user-friendly portals with payment storage options to enhance patient satisfaction.

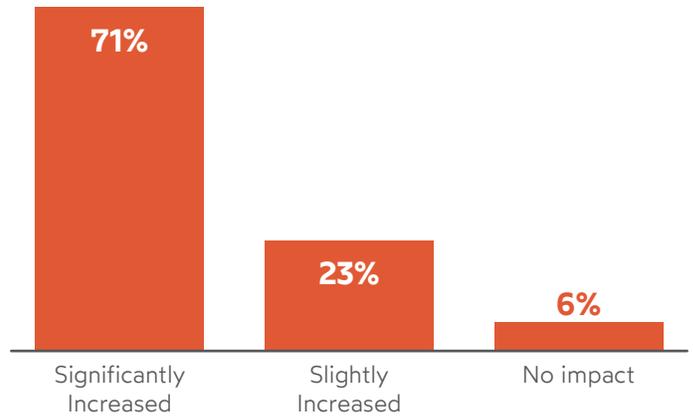
94% of healthcare organizations offering online bill pay for over 5 years report increased patient adoption, while only 7% still do not provide online bill pay services to their patients.²

How long have you been offering online bill pay?²



How would you say the usage of bill pay has changed from 2019?

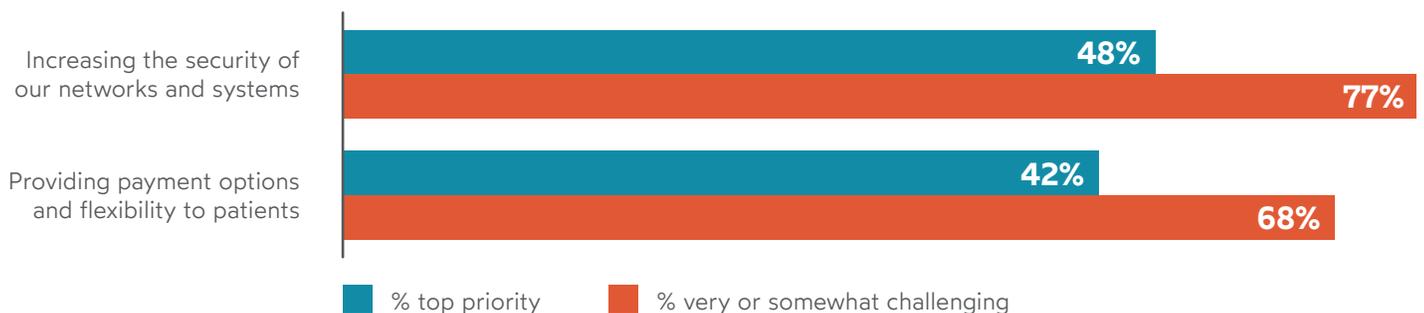
(Base: orgs offering bill pay for 5+ years)²



Yet still, offering secure payment storage platforms that prioritize patient convenience remains a challenge for healthcare organizations, highlighting the crucial role of payment processors in powering these solutions.

While healthcare organizations understand the importance of improving network security and payment flexibility, it has proven difficult to effectively implement these solutions. Network security, in particular, appears to be a complex issue for providers, with over half of providers surveyed indicating it is a top priority for their organization, but 77% indicate that this is a difficult topic to address. Similarly, while 42% focus on providing flexible payment options, 68% face significant hurdles in making these solutions available to patients. Addressing these challenges through digital innovation and by partnering with a specialized payment partner is essential to offering secure and compliant services helping build patient trust while improving access to care.³

How important do you personally believe it is for your organization to invest in each of the following? And, how challenging would you say the following are for your organization to action or address?³



² Qualitative survey commissioned by TrustCommerce in August-September 2024

³ Healthcare Industry Pulse, Year 2 Results

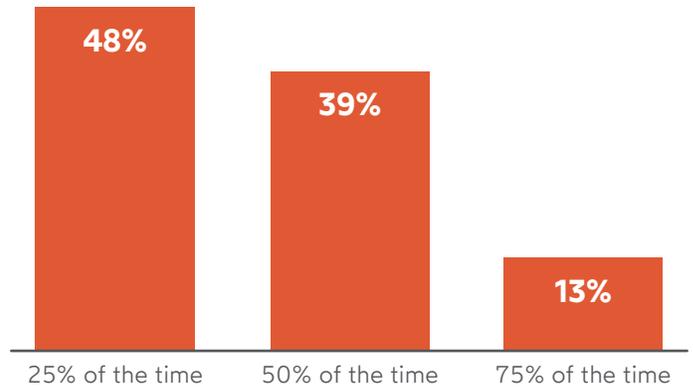


On the other hand, flexible payment options benefit patients by easing their financial burdens.

As flexible payment options become standard across industries, patients increasingly expect healthcare providers to offer them. A survey commissioned by TrustCommerce found that 69% of surveyed organizations provide flexible payment plans, with over half of patients frequently requesting them. These options allow organizations to balance financial risk while offering patients more accessible ways to manage healthcare costs. While only 10% of organizations offer the option for all patient requests, 52% allow it 50-75% of the time.²

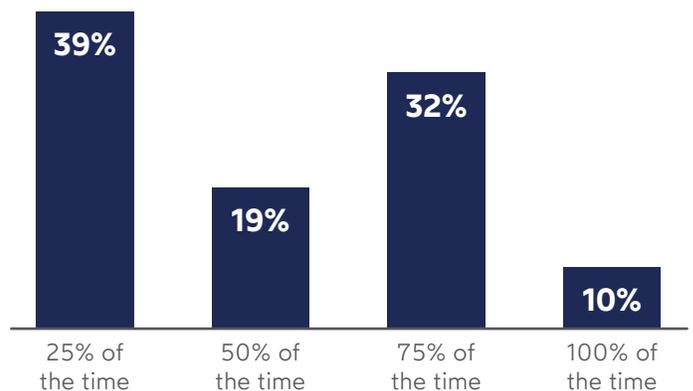
How commonly do your patients request for the option to pay-over-time?

(Base: orgs offering bill pay for 5+ years)²



How often do you allow your patients to pay-over-time?

(Base: orgs offering bill pay for 5+ years)²



Alternate Payment Options

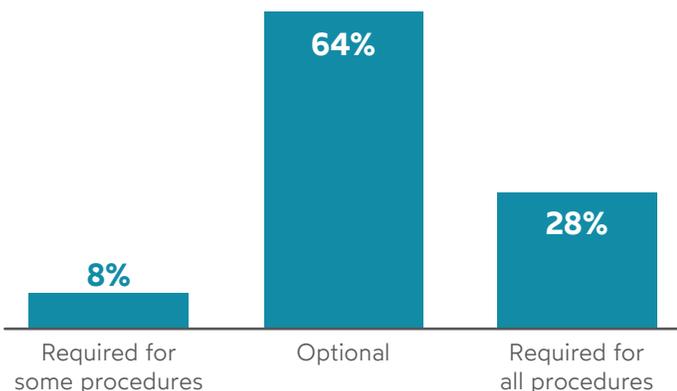
Prepayment can help providers secure revenue upfront, but patients may prefer flexible payment plans, which offer more control and convenience in managing healthcare costs.

While not typically a popular choice among patients, prepayment is becoming more commonly offered (and required in some cases) by healthcare providers.

56% of surveyed organizations offer prepayment for scheduled services, with 28% requiring partial prepayment and 8% mandating prepayment for specific services, mainly to reduce service costs and minimize uncollected payments. These organizations report that patients opt to prepay less than half the time when offered as a choice, with credit and debit cards being the most popular methods used for prepayment.²

Which of the following best describes your prepayment policies?

(Base: orgs offering prepayment)²



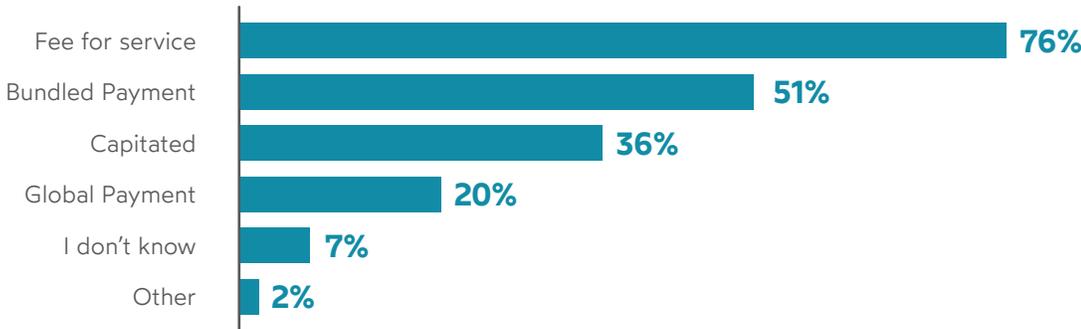
² Qualitative survey commissioned by TrustCommerce in August-September 2024

Mechanics of Healthcare Billing Systems

Organizations offer various types of invoices to accommodate versatile services. This helps enhance cost predictability for patients.

Fee for service invoices (76%) and bundled payment invoices (51%) are the most commonly issued formats, while global payment invoices are not as prevalent among the surveyed organizations.²

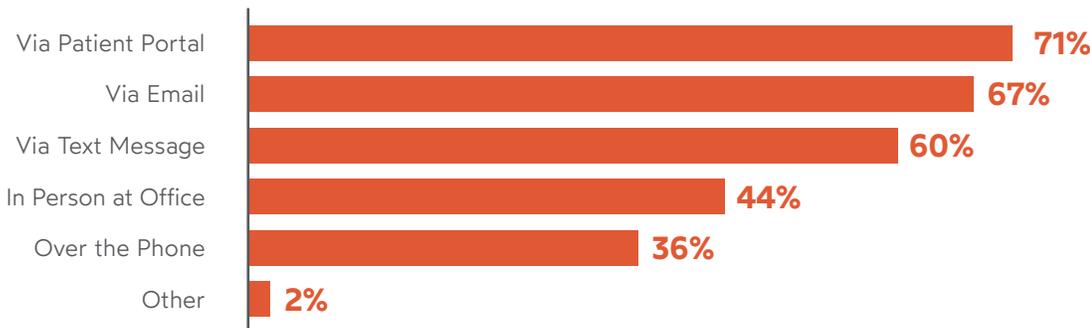
**What type of invoices does your healthcare organization typically issue?
Select all that apply²**



Most healthcare organizations now have omni-channel billing capabilities, giving both patients and organizations greater control and visibility into invoicing communications. Channels like secure patient portals and direct email help improve communication, while making it easier for patients to make payments and view transaction and service histories.

Patient portals (71%) and email (67%) are the most frequently used billing channels, while phone (36%) and in-person billing (44%) are the least utilized communication methods used by providers to notify patients of a bill. It should be noted that channel usage is influenced by factors such as patient opt-in choices, default settings, and the need for security and payment efficiency.²

**Which of the following ways do you notify your patients of their bills?
Select all that apply²**



² Qualitative survey commissioned by TrustCommerce in August-September 2024

Conclusion

The findings of this research underscore the need for simplicity, flexibility, and security in healthcare payment experiences. Patients increasingly value the ability to streamline transactions by saving payment methods, utilizing diverse payment options like credit cards, mobile wallets, and flexible payment plans, and managing bills through integrated systems. These preferences highlight an opportunity for healthcare organizations to strengthen patient satisfaction, trust, and financial accessibility. Relatedly, providers are balancing these patient preferences with their need for secure and timely payments.



“ In engaging with our clients, it has become clear that patients have come to expect the same experience when interacting with their healthcare provider that they get when purchasing goods and services in retail environments. ”

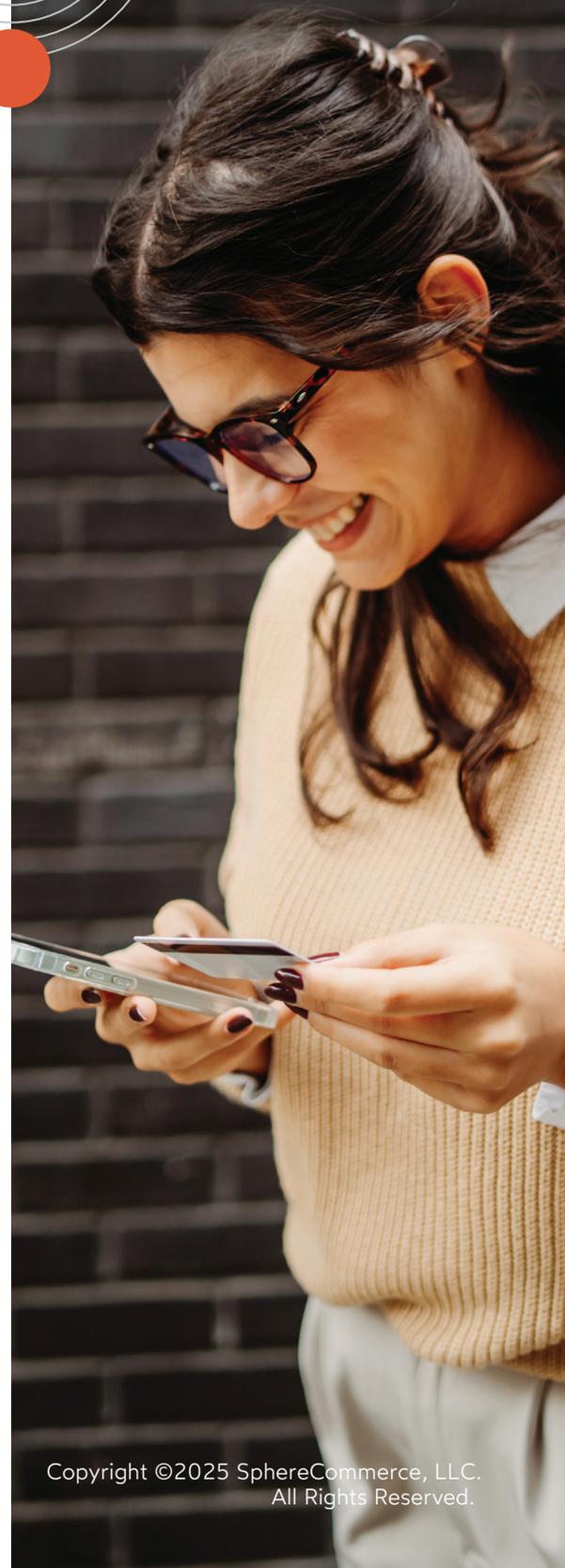
- Johnathan Welch, Chief Product Officer, TrustCommerce

5 Ways to Build Better Patient Connections Through Modern Payment Experiences

Here are five ways providers can address patient payment preferences and create efficiency for staff:

- **Support flexible payment options:** Support for all major U.S. payment methods, including credit/debit cards, FSA/HSA, ACH, and digital wallets (Apple Pay, Google Pay, Samsung Pay, PayPal, and Venmo).
- **Provide omni-channel acceptance:** Provide seamless payment experiences, reduce friction and improve collection rates across all collection channels (online, in-person, over the phone, in app).
- **Ensure secure payment storage:** Enable patients to securely save payment methods for faster, repeat transactions, without requiring providers to capture and store sensitive payment data.
- **Seamlessly integrate payments into your existing EHR workflows:** Comprehensive integrations with leading Electronic Health Record providers (EHRs), Integrated Software Vendors (ISVs), and Software as a Service (SaaS) providers for seamless transaction processing within existing workflows.
- **Don't overlook security. Use Validated Point to Point (VP2PE) solutions:** Ensures unencrypted card data stays out of the provider's environment for enhanced security, while helping reduce overhead related to PCI-DSS.

Incorporating flexible, secure, and user-centric solutions enables healthcare providers to meet patient expectations, improve collections, and build trust. As patient demand for simplicity grows, TrustCommerce empowers healthcare organizations to create enduring connections through smoother, efficient, and modernized payment interactions.





About TrustCommerce

TrustCommerce®, founded in 1999 and acquired in 2017 by Sphere, a Waud Capital Partners private equity portfolio company, has 25+ years of experience in healthcare payments.

TrustCommerce, a Sphere company, is the leading financial technology company trusted by the nation's largest health systems. The TrustCommerce integrated payment platform can reduce friction and facilitates secure, compliant patient payments. Using TrustCommerce to enhance the patient financial experience, clients can securely process payments anytime and anywhere and be connected within the workflows of core software including Electronic Health Record (EHR) and Practice Management (PM) providers.

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