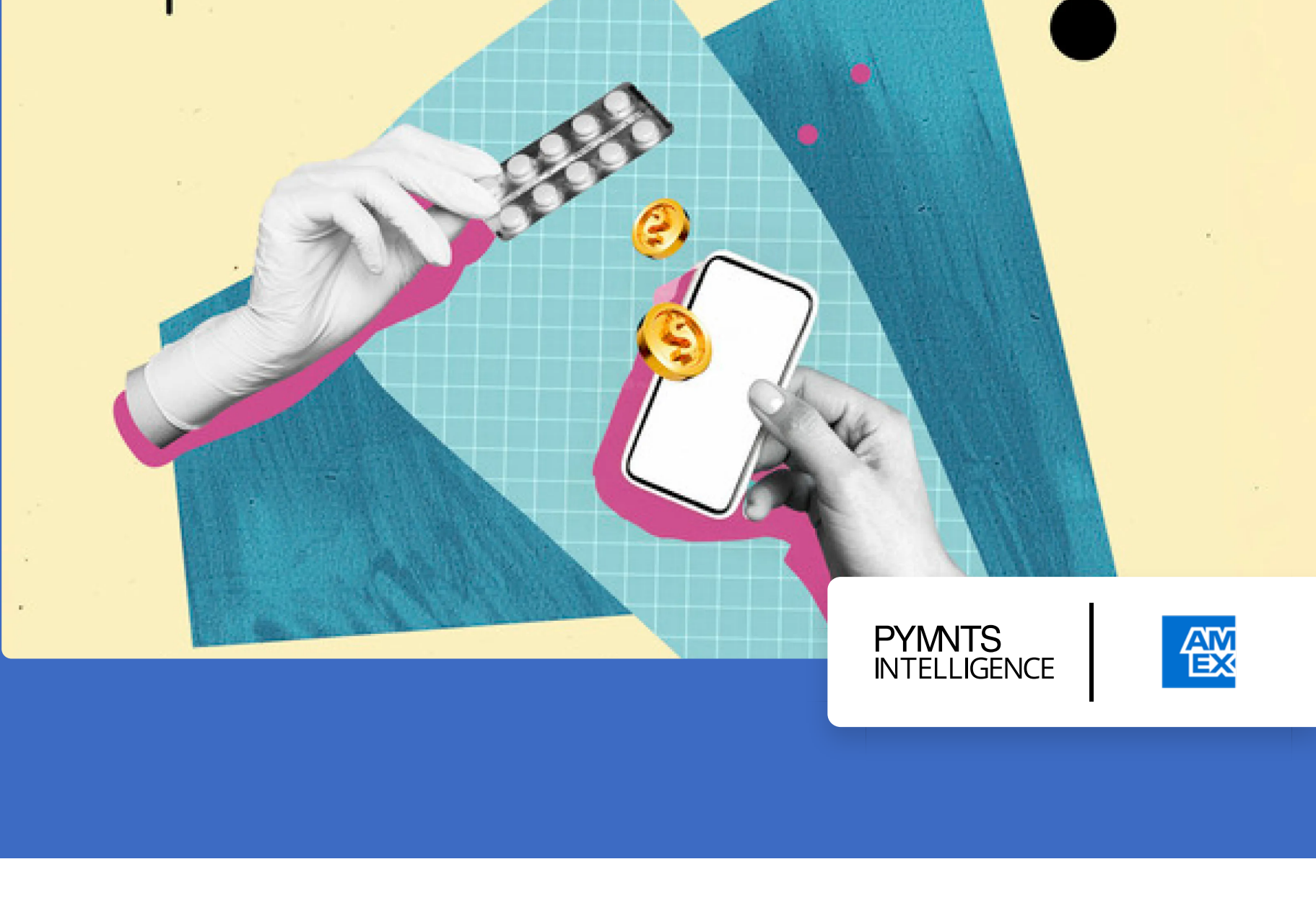


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B2B and Digital Payments Tracker® Series

A Dose of Digital: How Modernizing Payments Is Revitalizing Healthcare

Manual payment systems are hindering healthcare providers' efficiency and impacting their revenue. Digital payments, meanwhile, are poised to revolutionize the industry, improving cash flow, reducing risk and enhancing patient satisfaction.



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- 01Manual payment systems are slowing the healthcare industry, creating inefficiencies. As other sectors embrace digital tools, healthcare's lag highlights the urgent need for modernization.
- 02Digital healthcare payments are revolutionizing the industry, with major players adopting modernized systems. While the sector is poised for rapid growth, adoption gaps remain, presenting opportunities for further innovation.
- 03Modernizing payments in healthcare is delivering greater speed, efficiency and convenience. For providers, digital payments help improve cash flow, reduce risk and streamline operations. Patients, in turn, benefit from seamless and hassle-free digital transactions.
- 04PYMNTS Intelligence interviews Saurabh Joshi, President of CSG Forte, on why payment modernization with digital and automated solutions is key to healthcare companies' quest for better financial health.

The healthcare industry in the United States has long been challenged by manual payment methods and processes that hinder efficiency and strain revenue. However, the sector is undergoing a significant shift as digital payments gain traction. These innovations are streamlining financial transactions for providers and patients, offering faster, more secure and more convenient solutions.

Digital payments not only help improve cash flow and reduce risk but also enhance patient satisfaction — a key driver of long-term patient retention. As other industries embrace these advancements, healthcare providers that fail to modernize risk falling behind in a highly competitive landscape.

- [Healthcare Firms Seek Tech Upgrades as Manual Systems Hamper Efficiency](#)
- [Digital Healthcare Payments Are Gaining Ground](#)
- [Healthcare Providers and Patients Alike Cite Benefits of Digital Payments](#)
- [An Insider on Modernization as Healthcare's Vital Payment Prescription](#)
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Healthcare Firms Seek Tech Upgrades as Manual Systems Hamper Efficiency

Manual payment systems are slowing the healthcare industry, creating inefficiencies. As other sectors embrace digital tools, healthcare's lag highlights the urgent need for modernization.

Manual systems in the healthcare industry create inefficient workflows.

A recent survey revealed that more than two-thirds (67%) of executives and decision-makers in healthcare payer organizations say their firms' manual [payment platforms](#) are reducing efficiency. Additionally, nearly three-quarters (74%) said these platforms left their organizations more exposed to risks of regulatory fines and penalties. Furthermore, 62% of respondents said their company's payment technologies had become a liability.

67% of decision-makers in healthcare payer organizations say their firms' **manual payment platforms** are reducing efficiency.

PYMNTS Intelligence illuminates how healthcare payments often rely on [manual methods](#). In the past year, 42% of healthcare provider small to mid-sized businesses (SMBs) reported sending payments by check, 34% used automated clearing house (ACH) transfers and 30% relied on cash.

According to a survey by American Express, 33% of surveyed U.S. [healthcare consumers](#) experience frustration when they are not offered modern payment solutions, such as digital wallets or mobile payments. Moreover, 87% of surveyed U.S. consumers said it's important for their healthcare provider to offer their preferred payment method, with 24% saying they would consider switching healthcare providers if they couldn't pay in the way they prefer.

Digital Healthcare Payments Are Gaining Ground

Digital healthcare payments are revolutionizing the industry, with major players adopting modernized systems. While the sector is poised for rapid growth, adoption gaps remain, presenting opportunities for further innovation.

66% of healthcare **payment portals** offer Google Pay.

Three major California health plans — Aetna, Blue Shield of California and Health Net — have teamed up to implement a new [value-based payment model](#), aiming to streamline processes through a single, unified approach. The move is intended to boost efficiency and reduce administrative labor, freeing up staff and resources to focus more on care.

Globally and domestically, digital payments in healthcare are on the rise.

Between 2024 and 2030, the global [market for Healthcare Digital Payments](#) is expected to grow at a compound annual growth rate (CAGR) of 19%. As part of this growth, healthcare providers are replacing check payments with self-service options such as [online portals](#). The most popular payment methods offered via online healthcare portals are credit and debit cards (78%), Google Pay (66%), Apple Pay (64%) and PayPal (63%).

Healthcare Providers and Patients Alike Cite Benefits of Digital Payments

Modernizing payments in healthcare is delivering greater speed, efficiency and convenience. For providers, digital payments help improve cash flow, reduce risk and streamline operations. Patients, in turn, benefit from seamless and hassle-free digital transactions.

Both payers and payees cite benefits from digital healthcare payments.

Online [digital payment portals](#) can give patients access to detailed billing statements, cost estimates, payment options, insurance information and avenues of communication with healthcare providers. For providers, the ability to store patient payment options streamlines billing.

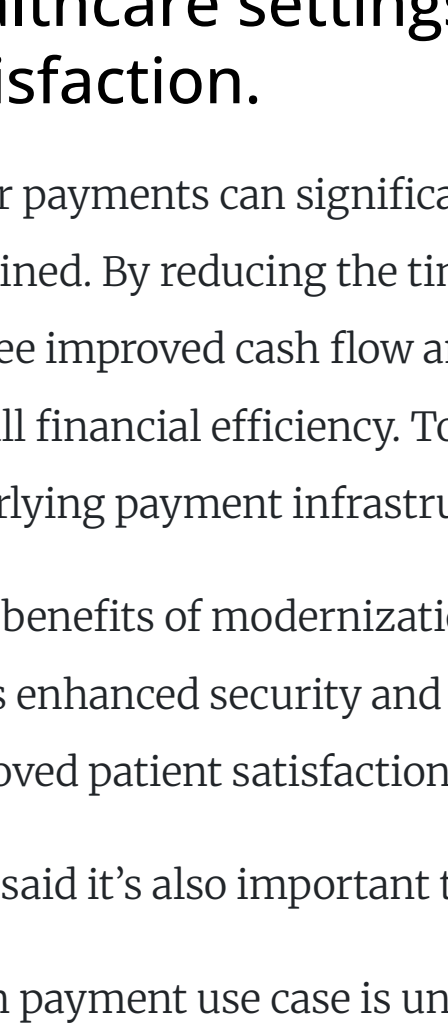
40% of patients would like to see their healthcare providers support contactless payments and online **portal payments**.

More user-friendly digital payments can also drive patient retention.

The advantages of digital payments extend beyond internal operations. The technology can also help retain patients. Healthcare finance experts note that manual [payment processes](#) create confusion and friction for consumers. By adopting digital payment technologies, providers can deliver a more seamless and straightforward experience.

An Insider on Modernization as Healthcare's Vital Payment Prescription

PYMNTS Intelligence interviews Saurabh Joshi, President of CSG Forte, on why payment modernization with digital and automated solutions is key to healthcare companies' quest for better financial health.



“The benefits of modernization go far beyond payment speed. A modernized payment system offers enhanced security and compliance, better integration with electronic health record systems and improved patient satisfaction in addition to financial efficiency.”

Saurabh Joshi
President, CSG Forte

Manual payment systems remain a common feature in the healthcare industry, making business operations complex.

Joshi told PYMNTS Intelligence that CSG Forte works with several thousand healthcare providers and processes more than a billion dollars in healthcare payments each year, including nondigital payments. As such, he sees firsthand the complications created by nondigital payments such as cash, paper checks and money orders.

“Modernizing the payment system is critically important for this industry,” he said. “Non-digitized payments introduce several operational challenges, such as manual processing errors, delayed reconciliations, record-keeping issues, increased administrative burden and security/fraud risks. These challenges lead to increased costs, losses and cash flow issues for healthcare providers, which can hurt business operations and outcomes for these essential businesses.”

However, faster payment options are seeing greater usage in healthcare settings, offering both efficiency and improved patient satisfaction.

Faster payments can significantly transform healthcare operations and enhance patient experiences, Joshi explained. By reducing the time lag between service delivery and revenue collection, healthcare providers can see improved cash flow and reduce time spent chasing overdue payments, ultimately boosting their overall financial efficiency. To enable faster payments, he noted, healthcare providers must modernize their underlying payment infrastructure.

“The benefits of modernization go far beyond payment speed,” he said. “A modernized payment system offers enhanced security and compliance, better integration with electronic health record systems and improved patient satisfaction in addition to financial efficiency.”

Joshi said it's also important to consider multiple payment options.

“Each payment use case is unique and merits a tailored approach,” he said. “By engaging a trusted payment partner with longtime industry experience, healthcare providers can benefit from its counsel on the optimal payment process for each use case.”

Many healthcare businesses still face obstacles in adopting innovative payment methods, with perceived risks, costs and other factors deterring them from transforming their payment systems.

It's crucial to address perceived risks upfront, Joshi asserted. To alleviate concerns and accelerate the adoption of beneficial payment upgrades, he maintains vendors should take a multifaceted approach that demonstrates user-friendly designs, improved cost management and higher return on investment (ROI), while offering flexibility with phased deployments. In particular, he noted, fraud mitigation is one of the most important considerations in payments — especially in the healthcare industry, given the sensitivity of patient data.

“Payment companies must have transparent and honest conversations with healthcare providers about the cybersecurity landscape and highlight the processes and technologies in place to identify and prevent instances of fraud,” he said.

System maintenance is also a common concern among healthcare providers, Joshi explained, with businesses required to evolve their systems regularly to get ahead of cyberthreats and ensure compliance. This can slow the modernization process for in-house payment systems, as payment optimizations are overwhelming to undertake individually.

“Healthcare providers should lean on a trusted partner to ensure that payment systems are always equipped with the latest technology and remain 100% compliant,” he advised.

Healthcare providers should seek payment partners that offer industry-specific solutions.

Healthcare payments are unique and complex, Joshi observed, so providers should consider selecting payment companies that already work within the space to help them reduce risk, support revenue and improve patient payment experiences.

“No two organizations are alike, and neither are their payment processing needs,” he noted, “so it's critical to work with a payment partner that offers the expertise, technology and flexibility that providers need to tailor and optimize their payment experience. The right solution will depend on the maturity and expertise of the provider, as well as the strength of their partnerships.”

He added that a seamless experience for both healthcare providers and patients is also essential.

“Our custom-built, new-age solutions for the healthcare industry are not just innovative but also backward-compatible with legacy platforms, thereby enabling seamless integration across generations of healthcare technologies,” he said. “CSG products are modular, easy to integrate and offer faster payments, with acquiring and processing capabilities across all channels: web, mobile, over the phone and in-office point of sale. The platform helps digitize payment methods and offers patients the ability to split payments due when needed.”

Joshi said that CSG also supports the provider's bottom line by reducing late payments, minimizing system leakages and improving payment collections.

“Demand for these solutions is skyrocketing as our customers see and share the benefits of these platforms for their organizations to reduce risk, improve revenue outcomes and create a more seamless payment experience,” he concluded.

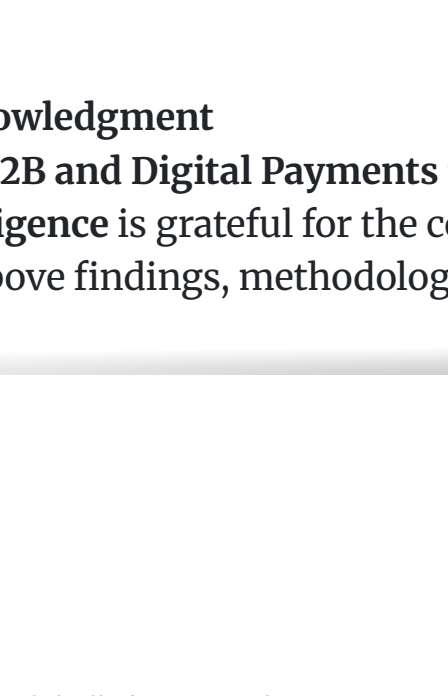
Future-Proofing Healthcare With Digital Payments

To stay competitive and meet evolving patient expectations, healthcare providers must embrace digital payment solutions. These technologies not only streamline operations but also improve financial health and patient satisfaction.

PYMNTS Intelligence recommends the following actionable roadmap for healthcare companies:

- **Modernize payment systems to boost efficiency.** Manual payment methods slow transactions and add administrative burdens. Digital payments reduce inefficiencies, allowing providers to focus more on patient care.
- **Consider implementing digital payments to help improve cash flow.** Healthcare providers that digitize payments report better cash flow management, reduced financial risk and lower transaction costs. Faster payments mean more predictable revenue.
- **Address any gaps in your payment modernization efforts to date.** While healthcare is making strides in its use of instant and digital payments, a significant portion of providers still rely on manual methods like checks. Now is the time to invest in modern solutions.

By adopting digital payment platforms, healthcare providers can future-proof their operations, reduce inefficiencies and strengthen patient relationships. The shift to modern payment technologies may prove to be a necessity for sustainable success, and now is the time to act.



“Modern payments solutions are supporting the evolution of the healthcare industry. By embracing today's digital payment solutions, providers can improve operational efficiency and reduce risk — all while keeping up with patients' payment preferences. That's why American Express is working with Payment Facilitator Partners to help extend the benefits of these payment solutions, including fast, secure payments to healthcare providers.”

Alexander Paull
Vice President, Global Merchant Services, American Express

Acknowledgment
The B2B and Digital Payments Tracker® Series is produced in collaboration with [American Express](#), and [PYMNTS Intelligence](#) is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the above findings, methodology and data analysis.

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