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INTELLIGENCE

INGO Payments

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The Instant Remedy for Healthcare Payments' Pain Points

Money Mobility Tracker® Series

Despite advances in digital payment technologies, healthcare payments remain a complex landscape for patients and providers. The persistent use of outdated methods underscores the urgent need for digital and instant solutions that can meet the evolving demands of modern healthcare billing and patient expectations.

■ Read the previous edition



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Tracker® Series

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Acknowledgment

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Introduction

Healthcare payments can be stressful even under ideal conditions as patients navigate a complex web of insurance, copays, deductibles and various other transactions. Consumers, accustomed to fast and streamlined payments in other areas of their everyday lives, increasingly expect similar conveniences in healthcare. However, many providers still rely on outdated payment methods that are ill-equipped to handle the increasing complexity of modern healthcare billing.

As patient financial responsibilities continue to rise and healthcare billing models grow more intricate, the need for efficient, technologically advanced systems for patient payments and refunds becomes ever more critical. Despite the prevalence of legacy processes in the industry, instant payments are seeing greater usage in healthcare settings. PYMNTS Intelligence data reports that [real-time rails](#) are now the most-used payment method for four out of 10 small to mid-sized businesses (SMBs) in the healthcare profession. These digital payment solutions not only improve efficiency and cash flow for providers but also improve the patient experience. Nevertheless, many healthcare providers still face obstacles in adopting these innovative payment methods.

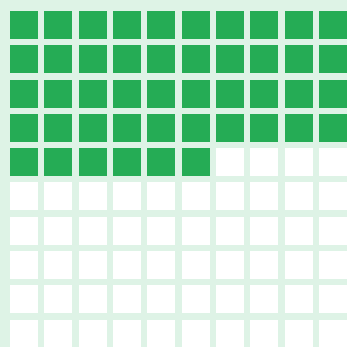


Recognizing the revenue and retention benefits offered by these modern solutions, many healthcare providers are partnering with third-party platforms to deliver swift digital and instant payments and disbursements to their patients.

Archaic Healthcare Payments

Legacy Methods Delay Healthcare Payments

The prevalence of outdated payment methods and legacy technology in the healthcare industry leads to inefficiencies and delays, negatively affecting the timeliness of payments and disbursements.



46% of healthcare businesses use instant payments, versus 52% of firms in other sectors.

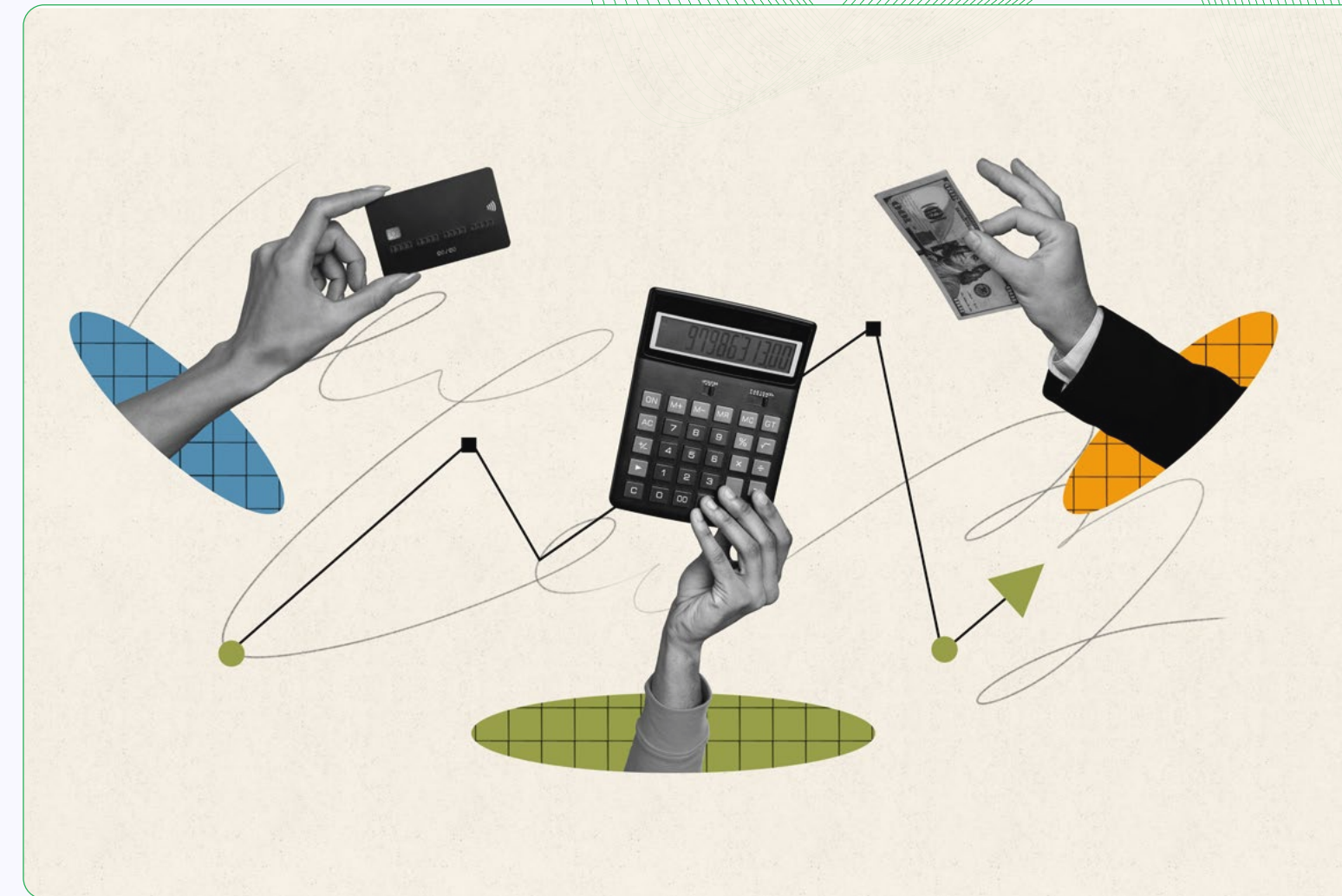


Archaic Healthcare Payments

The healthcare industry's payment technology is outdated compared to other fields.

Healthcare businesses face mounting pressure from increasingly complex billing models, growing patient financial responsibilities and delayed insurance reimbursements. This situation is exacerbated by their slower adoption of modern payment methods, with current technological infrastructure and operational processes struggling to keep pace with emerging payment challenges. Just 46% of healthcare providers use [instant payments](#), compared to 52% of firms outside the healthcare sector. Similarly, 31% of healthcare firms use push-to-debit methods versus 41% of other firms.

Instead of these more modern methods, healthcare providers largely rely on paper check payments, particularly for patient disbursements. The paper-based approach typically results in a time-consuming process of passing documents from one department to another to collect the information needed to initiate payments. According to Dee Harding, Chief Product Officer at [Big Data Healthcare](#), these payments cost providers both time and money.



“There’s the cost of the check that’s printed out, and there’s the cost of the envelope, the cost of the stamp — and then you’ve got to rely on the fact that the patient’s going to be there, address-wise,” Harding told PYMNTS Intelligence. “If anything goes wrong during that whole process, you’ve set yourself up for patient complaints — and even the reissuing of the checks.”

Archaic Healthcare Payments

Manual processes result in errors, potentially leading to the need for patient refunds.

Almost half of healthcare providers — 48% — review and [process claims](#) manually, a recipe for delays and potential payment errors. In fact, 55% of healthcare administrative leaders in 2024 said errors in claims were increasing — up from only 43% in 2022. At the same time, 73% reported rising denial rates in 2024, compared with just 42% in 2022. Claims errors and denials are a primary reason for [patient refunds](#) in healthcare, as inaccurate billing or coding information on a claim can lead to overpayments that must be returned to the patient in the form of a disbursement.

As of 2024, just 54% of healthcare executives believe their organizations' technology is sufficient to address existing claim and disbursement demands, a significant drop from 77% in 2022. Besides this technological gap, economic pressures and declining consumer confidence have added urgency to payer reimbursement for 42% of organizations. These challenges emphasize the need for faster, automated payment and claims processing solutions to reduce payment delays, eliminate errors and maximize revenue collection.



Optimizing Healthcare Payments via Digitization

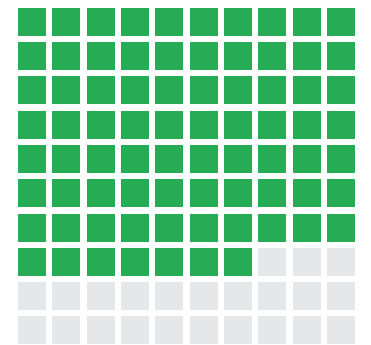
Digital Payments Optimize the Patient Experience

Accustomed to seamless and rapid digital transactions in their daily lives, consumers now expect the same efficiency in healthcare payments and disbursements. By adopting digital and instant payment technologies, healthcare providers can meet these expectations and improve the patient experience.



77%

of patients said making and receiving **digital payments** would positively affect their relationship with their healthcare provider.



Optimizing Healthcare Payments via Digitization

Interest in instant healthcare payments has nearly doubled since 2023.

A PYMNTS Intelligence study revealed that while only 39% of patients said they would choose [instant healthcare disbursements](#) in 2023, this figure jumped to 77% in 2024. In a separate study, 77% of patients said making and receiving [digital payments](#) would positively affect their relationship with their healthcare provider, suggesting a potential increase in customer loyalty.

It is easy to explain the demand for digital payment systems: They deliver funds more quickly, with reduced risk of delay and errors. While insurance companies have increased their use of instant disbursement methods across nearly all categories, healthcare remains a notable exception. The share of consumers receiving [healthcare claim payouts](#) via instant payments dropped from a high of 31% in January 2023 to 28% in January 2024. This decline might stem from heightened consumer security concerns, despite no evidence suggesting these payments are less secure.

Digital payments offer healthcare providers myriad advantages.

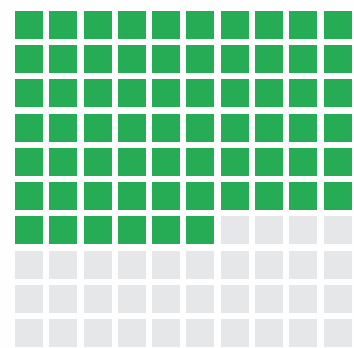
Experts note that switching to [digital payment rails](#) not only streamlines the healthcare refund process by reducing manual labor but also slashes the high administrative costs associated with traditional paper checks. Moreover, digital systems help providers meet Medicare-mandated and state-specific refund timelines, allowing them to avoid hefty fines for noncompliance.

Digital payment and disbursement solutions also enhance healthcare providers' operational efficiency and communication with patients. By automating tasks and providing real-time insights into cash flow, financial performance and risk, these systems simplify financial management while improving security and reducing costs. Furthermore, digital payments improve the patient experience by offering clear explanations for refunds, reducing confusion and fostering transparency, ultimately leading to increased patient satisfaction and trust in healthcare providers.

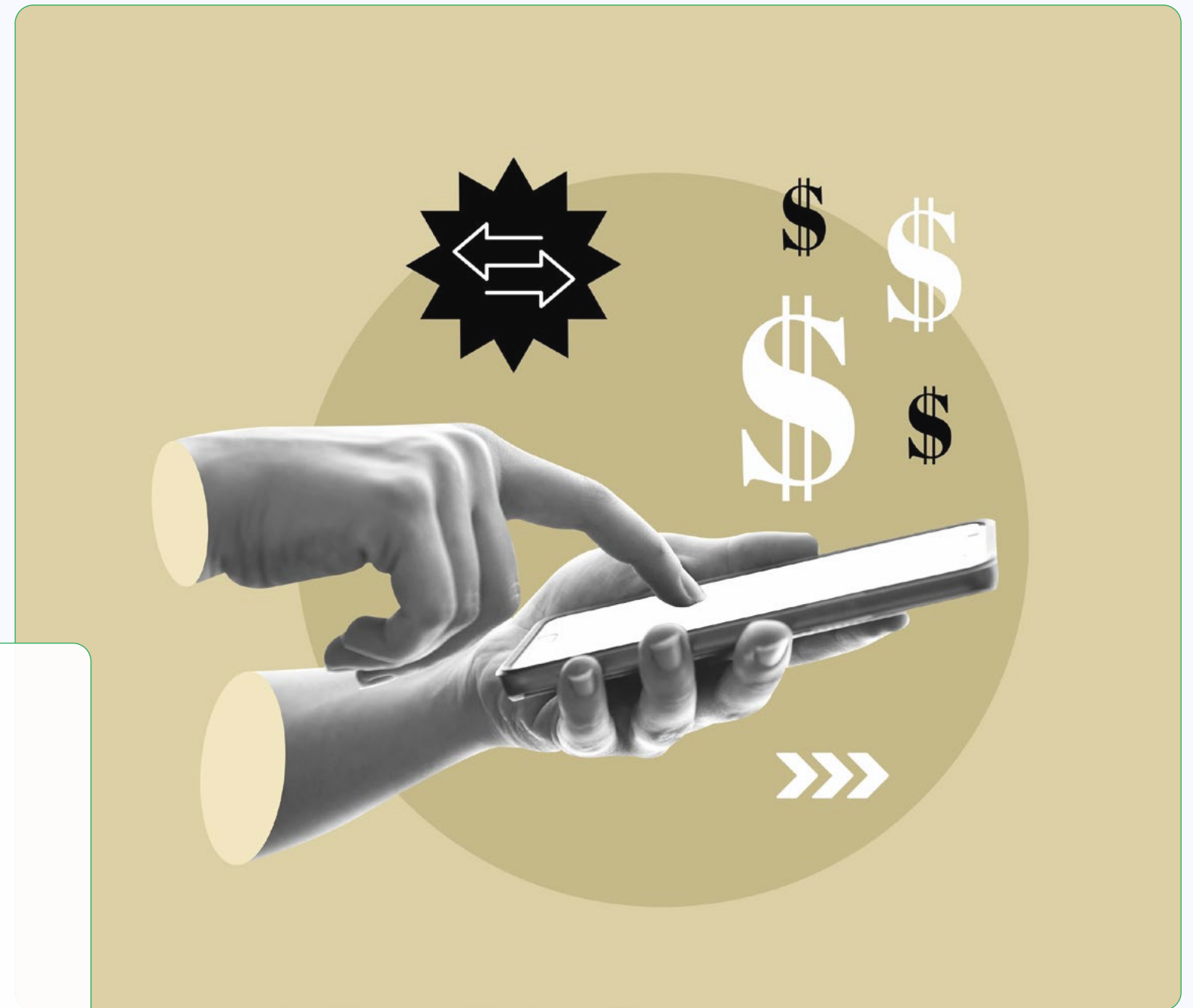
Shifting to Digital

Healthcare Providers Adopt Digital Payment Rails

While large-scale adoption of digital payments in healthcare has been slow compared to other industries, many firms are now integrating these methods to accelerate transactions.



66% of healthcare provider SMBs sent real-time payments in the last 12 months.



Shifting to Digital

While interest in real-time healthcare payments is high, many healthcare SMBs are slow to expand their use of this method.

Recent PYMNTS Intelligence research found that 66% of SMBs in the healthcare provider segment sent [real-time payments](#) in the last 12 months. Credit cards were the second-most popular payment method, used by 55% of healthcare SMBs, followed by checks at 42% and automated clearing house (ACH) transfers at 34%. However, while 38% of respondents identified a real-time payment method as their most-used payment rail, 64% of healthcare SMBs said they were very or extremely interested in sending real-time payments in the next year. This indicates a significant opportunity for greater adoption of real-time payments.

Speed is the critical driver of instant payments usage for healthcare provider SMBs, with 28% of both senders and receivers ranking it as the payments' most important benefit. Payers also cited ease and convenience (23%), risk reduction (18%) and better cash flow management (14%) as primary benefits. Among the healthcare provider SMBs that sent payments via real-time rails, 81% said they were very or extremely satisfied with their experiences. This satisfaction rate rose to 91% among SMBs in the \$1 million to \$10 million annual revenue range.

Shifting to Digital

Third-party payment providers are partnering to accelerate healthcare payments.

Collaborations among third-party payment providers are driving innovation in healthcare payments. A notable example is the partnership of Dash Solutions, Visa Direct and Zelis. This strategic alliance combines Dash Solutions' Dash Digital platform, Visa Direct's global payment and real-time money movement network and the Zelis Advanced Payments Platform (ZAPP) to streamline and accelerate [healthcare disbursements](#). The partnership allows members to choose their preferred payment method and receive funds within minutes of approval, according to a joint press release.

Another third-party healthcare solution comes from clinical artificial intelligence (AI) firm SmarterDX, which recently introduced its [SmarterDenials](#) tool to help hospitals respond to payer denials — and recover more revenue. The AI-powered solution expedites the claims appeal process by conducting an analysis of the denial and patient record, identifying discrepancies, and generating a comprehensive appeal letter within minutes.



Call to Action

The Case for Digital Healthcare Payments

In an era of rising healthcare costs and complex billing models, digital and instant payment systems can serve as a critical tool for financial efficiency and patient satisfaction. Advanced payment systems like same-day ACH, the RTP® network and the FedNow® Service enable instant or same-day fund transfers, significantly reducing processing times compared to traditional methods. This efficiency boosts cash flow, improves accounting accuracy and strengthens financial stability for healthcare organizations. By adopting these technologies, providers can ease administrative burdens and focus more on patient care rather than paperwork.

“Healthcare disbursements — especially patient refunds — have been largely left behind in the industry’s digital transformation. The backlog and slow pace of getting funds to patients remains a significant challenge, but modern payment technology makes solving it more achievable than ever.”

DREW EDWARDS
CEO

 **INGO Payments**

Furthermore, digital payments enhance patient satisfaction, particularly in the realm of refunds. Faster disbursements build trust, encouraging patients to prioritize bill payments with the assurance of timely refunds when necessary. This can lead to more on-time payments and healthier revenue cycles for providers. Additionally, real-time payments align with consumers’ expectations for speedy transactions in other parts of their lives, fostering loyalty to providers that offer this convenient service.

About

PYMNTS INTELLIGENCE

[PYMNTS Intelligence](#) is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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INGO Payments

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