



HEALTHCARE: PAYMENTS 2025

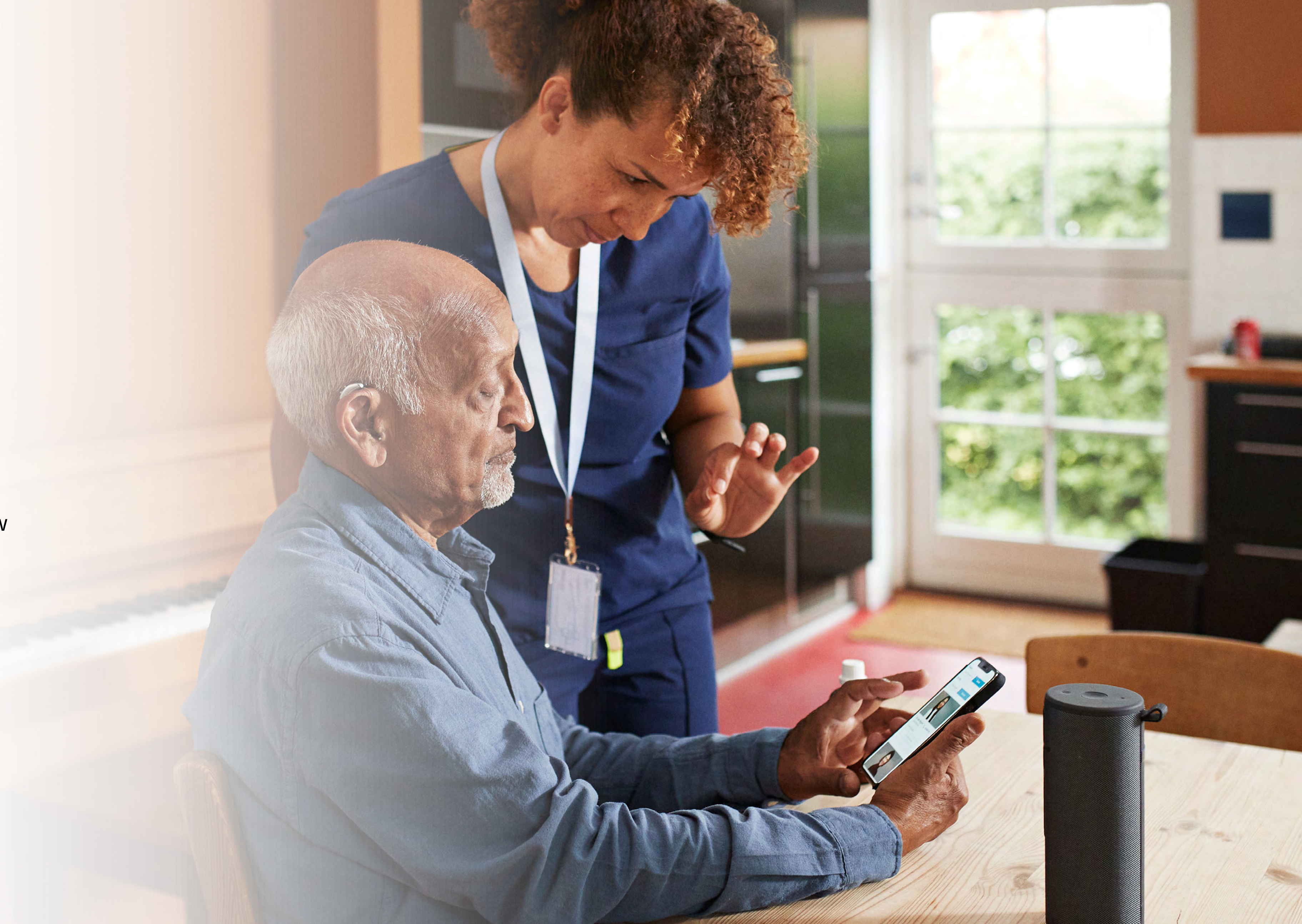
**How are payment innovations contributing
to the future of Healthcare?**

A Worldpay x Stylus White Paper

Introduction

While these last two years have exacerbated an already **fragile healthcare ecosystem** and put strain on frontline workers, it's also been a period catalyzing incredible innovation. The industry is embarking on a **digital transformation** that has laid the foundation for a new era of healthcare, with payments playing a key part in this rapidly adapting landscape.

In collaboration with global trends intelligence agency **Stylus**, Worldpay from FIS has uncovered key macro drivers, demographic nuances and new consumer trends that could **define the future of payments** for tomorrow's healthcare consumers, and for the brands that serve them.



Macro drivers



Digital Acceleration

We witnessed radical Digital Acceleration, as consumers flocked online to work, play and transact during pandemic-led lockdowns. **In response, the global e-commerce market is set to expand by \$1.4tn between 2021 and 2025, accounting for 50% of the growth in the global retail sector** and driving non-cash payment volumes higher¹. The rising adoption of digital and cryptocurrencies, arrival of 5G technology and Internet of Things (IoT), and appetite for Virtual Reality (VR), are also revolutionising the payments industry.



Collective Consciousness

Consumers' Collective Consciousness is growing, as they confront issues including systemic inequality and climate-change risks. Worldwide, **60% of people say wealth inequality is one of the most serious forms of inequality in their country**⁴. There is a major opportunity here for sustainable, equity-focused businesses to win consumer loyalty and spend in years to come.



Mass Mistrust

With rampant misinformation and leaks of private information, Mass Mistrust of governments, businesses and media is now more common. **It's no surprise that 71% of global consumers worry about hackers and cyber-attacks**². In this landscape, brands must demonstrate transparency and commit to data security.



New Health Paradigm

As consumers develop a more holistic understanding of healthcare, a New Health Paradigm is emerging. Globally, **79% of people say their mental and physical health are equally important**⁵. A rising expectation that brands should step in to help fortify all aspects of personal wellbeing signposts a key opportunity space for the decades ahead.



Stagnant Economies

Even before the pandemic, Stagnant Economies were impacting consumers' quality of life. **Covid-19 has exacerbated the struggle, pushing around 124 million people into extreme poverty worldwide**³. Frugal attitudes and savvy spending tricks are increasingly necessary to remain financially afloat.



Shifting Demographics

Shifting Demographics is another important driver. **The global population is ageing rapidly, with the proportion aged 65 years plus expected to increase from 9.3% in 2020 to 16% in 2050**⁶. Businesses need to be aware of these shifts if they are to remain relevant in the future.

Generational perspective

Accompanying these macro drivers impacting healthcare payment priorities are subtle generational nuances that dictate the experiences and needs of different demographics.



Gen Z

Born and bred alongside major tech developments, Gen Z (**born 1995-2009**) experience a big part of their lives online. Rather than being online-first, many are online-only, spending up to 9 hours a day online⁷. As such, always-on access to anything, at any time, from anywhere is the norm for this cohort.

Millennials

Millennials (**born 1981-1994**) have grown into adulthood amid the Great Recession and the COVID-19 pandemic and have been hard hit throughout their working lives. For many this means dealing with student loans, stagnant wages and rising costs of living. Consequently, American Millennials rank financial concerns/debt and low paying jobs/job insecurity as two of the top five problems of their generation⁸. This demographic also grew up with Web 2.0 – that is, mobile – and now Web 3.0 crypto-technologies, helping to make them financially savvy and keen to embrace alternative payment methods and currencies to optimize often-stretched finances.



Gen X

Born in an analogue world, Gen X (**born 1965-1980**) remain somewhat attached to traditional payment methods with more choosing physical over digital, opting for credit cards as their preferred choice⁹. As work and domestic responsibilities grow though, they're seeking digital routes to more streamlined living. To appeal to this generation's need for fast-paced and frictionless solutions, brands and payments companies alike must offer speed and benefits such as active reward systems and seamless opt-out models.



Boomers

While historically “tech shy”, Boomers (**born 1946-1964**) are an increasingly online generation, open to financial services and payment options that offer ease and security. However, access to tech devices – as well as literacy on how to use them – can be roadblocks for some of the members of this consumer cohort. To close this gap, stakeholders must empower Boomers via tech guidance, simplified user experiences and adaptive features.



Seniors

For Seniors (**born up to 1945**), longer life expectancies are leaving many feeling anxious about their economic outlook. Lower levels of tech awareness, access and ability are deepening concerns, and may be leading to financial exclusion. Payment processes should be accessible, simple and secure to help empower this generation and allay their worries.



Macro trends: New Payment Priorities for Healthcare

The aforementioned drivers and generational nuances are steering new healthcare payment priorities, grouped into six powerful emerging trends that can be harnessed across the healthcare industry for future success.

28% of patients worldwide

would like to use digital or mobile wallets to pay for healthcare

TRENDS 1:

Seamless and Smooth

As the pandemic shifted payments ever more into digital spaces, healthcare consumers expect simple and streamlined experiences that elevate convenience.

‘Digital-first’ patients are increasingly seeking end-to-end experiences that let them manage medical-related issues remotely, often from their mobile devices. Demand for omnichannel payment methods is likely to continue to ramp up, and with it the desire to transact with a broader range of digital currencies including cryptocurrencies. Some 28% of patients worldwide would like to use digital or mobile wallets to pay for healthcare¹⁰.

Covid also changed the way patients received healthcare, and 71% of US consumers now expect telehealth to be an option for visits¹¹. The pandemic proved that people could work anywhere, creating demand for medical services across continents. As the move to telemedicine and virtual healthcare continues, we could see payment solutions traversing the borders between real-life, tele- and extended (VR / AR) reality, and eventually moving into the metaverse.

71% of US consumers

now expect telehealth to be an option for visits



TRENDS 1:

Seamless and Smooth

Trend in Action

Innovators in the healthcare space are already creating more efficient patient/provider interactions. Launched in April 2022, platform iVitaFi MyPlan centralizes medical bills across providers in one place, allowing quick payments, payment plan enrolment, or access to zero-interest credit¹². Health insurer SafetyWing plans to expand beyond insurance, launching a Remote Doctor service that matches digital nomads with doctors anywhere worldwide more easily and at a far lower rate¹³.

We're also seeing the industry leveraging burgeoning appetites for crypto payments and NFT (non-fungible token) ownership. SanoPass launched NFTs that come bundled with a subscription to health-related services including consultations, workouts and telemedicine. Holders of these NFTs will receive health tokens and be able to pay for wellness services with these in the future¹⁴. Meanwhile, retail healthcare giant CVS has filed to trademark its pharmacy in the metaverse, signalling an imminent move to immersive, virtual health services¹⁵.

Key Takeaways

Healthcare clients are demanding the same hassle-free and streamlined payments experiences they've become used to receiving from other industries. Centralize bill payment in one platform, allow transactions online and with digital currencies, and prepare for patients who seek modes of transacting in virtual wellness spaces.





TRENDS 2: Safe & Secure

Securing consumers' personal healthcare data is of the utmost importance. Two-thirds (66%) of US consumers would leave a healthcare provider if their payment data was compromised in a data breach due to the provider's lack of security measures.¹⁶

Biometric authorization is set to replace more clumsy pins, passwords and security numbers, and is emerging as consumers' top choice for healthcare record identification.

AI-driven systems are also personalizing the payments process, offering more intuitive solutions for patients, and tackling the annual **\$300bn+** in unnecessary spending resulting from healthcare payment errors.¹⁷

There may also be a move towards decentralized, peer-to-peer transaction models underway, where platforms built on blockchain technology could see control shifting from providers to patients.

\$300bn+ ▼
in unnecessary spending
resulting from healthcare payment errors



TRENDS 2: Safe & Secure

Trend in Action

A standout brand prioritizing biometric security is US community health system VHC Health.¹⁸ From June 2022, it integrated positive patient identification (PPID) facial biometrics at locations for intake processing, check-in kiosks, and payments, to prevent patient misidentification and fraud.

Start-up Anomaly uses AI to search for irregularities in medical billing to prevent overpayments and billing errors, reducing issues of improper payments between payers and providers in the claims payment process.¹⁹

A new project from HashCash Consultants allows people to convert their health records into NFTs, which they can share more securely on the blockchain with medical researchers to help them progress their studies. The NFTs could become an income-earning asset, in that the owner of the health information will be paid every time a transaction is completed involving their NFT.²⁰

Key Takeaways

Consumers will not tolerate any infringement of their right to data protection. Healthcare providers should fortify records with tech-led tools – from biometric authentication software, to continuously learning AI-led features. Blockchain and the next-gen Web 3.0 could shift control and privacy back to consumers.

Two-thirds (66%)
of US consumers would leave
a healthcare provider

if their payment data was compromised in a data breach due to the provider's lack of security measures

TRENDS 3: Just for Me

Healthcare payments are being upgraded to offer patients a more personal touch, with the latest innovations helping to enhance loyalty, incentivize healthier habits and improve healthcare outcomes.

Pre-visit services is an area of opportunity. Nearly one-third of people (32%) want to understand what they owe before a procedure or visit. However, of patients who seek advance costings, 40% say this information is hard to find or inaccurate.²¹

The neuro-marketing industry is set to grow from \$1.6bn in 2022 to \$3.2bn in 2032²². Personalizing messaging and the payment experience for an individual's bespoke psychological profile or emotional state allows for more tailored engagement and can increase patient payments significantly. Thus engaging with customers based on their psychographic traits might be a key route to tap this market to improve the payments process for both patients and providers.

The neuro-marketing industry is set to grow from

\$1.6bn (2022) to \$3.2bn (2032)

TRENDS 3:

Just for Me

Trend in Action

Launched in July 2022 by healthcare financial engagement platform Cedar, Cedar Pre offers a “concierge-style experience”, tailoring information that patients need to take the right actions, and offering expected payment estimates in advance to avoid billing-related surprises.²³

And American wellness-led credit card start-up Ness lets users collect points when they make health-related purchases. The points can be redeemed on health and fitness activities from popular wellness brands like Barry’s and Headspace.²⁴

Leading with emotional engagement, platform PatientBond uses psychographic insights to create personalised messaging – including emails, text messages, interactive voice response and in-app comms – to increase patient payments by up to 61%.²⁵

Key Takeaways

Healthcare payments should pivot towards personalization, acknowledging the unique needs of patients to boost loyalty and incentivize healthier habits for better healthcare outcomes.

Pre-visit concierge services, NFT rewards schemes and tiered virtual health packages are among the most promising opportunity spaces.





TRENDS 4: Financial Wellness

A possible post-pandemic recession and rising healthcare costs mean consumers could be more financially squeezed than ever and this might be impacting their mental health. Poised to succeed are the providers who can help patients better manage wellness-related finances, spread payments over time, or gain access to services they otherwise couldn't afford.

Healthcare labour shortages worldwide are leading to innovative services that incentivize working in the industry. A shift to preventative, value-based care could see payments increasingly based on healthcare outcomes rather than services rendered and time spent on treatments.

Validating this, half of global healthcare leaders said the pandemic would “propel the industry away from fee-for-service”.²⁶

TRENDS 4:

Financial Wellness

Trend in Action

A financially savvy solution, CoverUS' Payments app aggregates healthcare providers for transparent price comparisons, and offers BNPL and pay-as-you-go options to spread payments over up to 12 weeks.²⁷

Employers can also ease healthcare payment concerns. In the UK, Lime Global's Subscription for Accessible Employee Health Care bridges the financial gap in NHS provision and medical insurance by offering employees rapid access to medical care across areas including mental health and cancer support, for a small monthly fee.²⁸

Governments are adopting value-based models. The current administration in the US is implementing a new payment mechanism starting in July 2023 through to 2028 that will see participants getting retrospective performance-based payments according to quality of service. Healthcare practices will either receive a share of credit or repay the difference for any cost overruns.²⁹

Key Takeaways

Soaring medical costs and a financial post-pandemic squeeze could incentivize healthcare providers to devise more affordable access to care. Patients want the healthcare industry to help them better manage their finances. This could be achieved with add-on financial-wellbeing tools to monitor or spread out healthcare spending, or a move to value-based care models, offering payments based on outcomes rather than service rendered.

TRENDS 5:

Kind Finance

While the healthcare sector is somewhat lagging in tackling issues of sustainability, payment providers are meeting demand for eco action with carbon-offsetting opportunities and rewards for planet-friendly behaviour.

Social awareness is on the rise too, with growing acknowledgement that barriers to healthcare access beyond cost exist, including ability, race and age, among other factors. For example, 27% of Black households in America hold medical debt compared to 16% of non-Black households.³⁰ New payments mechanisms addressing this include bundled service subscriptions and culturally tailored telemedicine platforms. Pandemic-catalysed community spirit sees collective action taking place to fund otherwise unaffordable treatments, with new platforms streamlining the process.



TRENDS 5: Kind Finance

Trend in Action

A brand working to make payment transactions less wasteful is American Pharmacy CVS. Its 'Skip the Slip' initiative endorses paper-free transactions by making digital receipts easier to access.³¹ Meanwhile, UK pharmacy Boots incentivizes in-store packaging recycling for health and wellness products by exchanging deposits for reward points.³²

Reliance Health in Nigeria is tackling financial barriers to healthcare access in low- and middle-income countries by using technology to bring together several healthcare solutions – such as health insurance, telemedicine and prescription delivery – under a single flat fee.³³

Healthcare platforms are helping to build caring patient communities. Israeli start-up Alike matches people who are on the same clinical journey to share advice with each other. It's planning services and products for an added fee, potentially paving the way for a future whereby service buying is informed by a community of similar patients.³⁴

Key Takeaways

To meet patient appetite for sustainability action, healthcare payment providers should step in with eco-initiatives. Addressing barriers to healthcare beyond cost – including ability, race and age – is critical, while facilitating collective action to make care more affordable is a key opportunity space.



TRENDS 6: Life Stage Support

Young adults are struggling to afford rising healthcare costs. More than a third (35%) of US millennials received a surprise medical bill in 2021, with 51% of those bills over \$2,000.³⁵ This demographic crave support in accessing affordable care, particularly around wellness issues relevant to this life stage.

Time-pressed Gen X want healthcare payments to be streamlined, efficient and flexible, catering to the multi-member households they're often responsible for.

As later life approaches, independence and financial security are major priorities. Providers should enable preventative, in-home support, or embed assistive tech for accessibility.

35% of US millennials

received a surprise medical bill in 2021



TRENDS 6: Life Stage Support

Trend in Action

Key Takeaways

Bespoke needs accompany new life stages when it comes to healthcare and suitable payments mechanisms. Consider providing young Gen Z consumers with money-savvy options, while Gen X want flexibility and family-friendly support to help them manage midlife pressures. Elevate independence and e-commerce accessibility to help appeal to older consumers.

Tech-enhanced subscription services are improving outcomes for young people. Affordable birth control service Emme now allows users to track their contraceptive symptoms alongside medical markers, helping them to find their perfect birth control through an affordable monthly payment plan.³⁶

Plastiq x PayGround's new service aggregates medical bills across providers for better visibility on healthcare spending. It also allows for viewing and paying all family members' medical expenses from a single digital dashboard, minimizing time-consuming admin.³⁷

To support the ageing population, UK health retailer Boots partnered with assistive tech start-up Recite Me to improve the accessibility of its online shop with zoom features and website navigation advisors.³⁸

Conclusion

In the face of radical challenges presented during the pandemic, healthcare providers should prioritize easing medical debt for patients, addressing labour shortages and lowering costs across the healthcare ecosystem.

1

Digital-first, more streamlined and aggregated paths to payment could now be seen as non-negotiable, while a move to telemedicine and remote XR (extended-reality) healthcare could propel transactions into virtual realms. Promoting payment security via biometric authorization and decentralized platforms could help to attract privacy-savvy patients.

2

Prepare for the arrival of the value-based care model – which could save both money and lives via a preventative approach – with bespoke reward schemes and more personalized interactions. This may also make healthcare more accessible by introducing financially supportive services or fuelling collective funding.

3

To address the collective socio-eco awakening, build planet-friendly action into payment experiences and nurture social impact in innovative ways. Payments solutions should also help tackle the unique challenges that new life stages bring.

Armed with this understanding of emerging payment trends, how might your healthcare business win over patients with experiences that are more convenient, secure and aligned with their values and needs?

Payments 2025 is a thought leadership campaign launched by Worldpay from FIS to highlight the key trends shaping the future of payments.

Using our many years of experience and leveraging our vast network of specialists from across the payments industry and beyond, we will share expert opinions and recommendations as well as explore the social, economic, technological and environmental factors that will inform the future and help our merchants to prepare for tomorrow.

**PAYMENTS
2025**

©2022 FIS and/or its subsidiaries. FIS®, Worldpay®, and any associated brand names/logos are the trademarks of FIS and/or its affiliates. All other trademarks are the property of their respective owners. This content is for information purposes only. We have taken care in the preparation of this information but will not be responsible for any loss or damage including loss of profits, indirect, special or consequential loss arising as a result of any information in this document or reliance on it. The content of this material may not be reproduced without prior consent of Worldpay. This material may include information on third parties and their services. The reference to these third parties is for information purposes only and does not constitute an endorsement or recommendation of the third party or their service.

worldpay
from FIS