



COVER TOPIC

# New Ways to Pay

## Today's Patients Expect More Flexible Options for Financing Their Eyecare

Image Credit: Getty Images / iadirkaplun; Thomas Northcut; scythers; PeopleImages; ferrantraite



BY MARGE AXELRAD / SENIOR VP, EDITORIAL DIRECTOR

NEW YORK—The impact of a global pandemic has furthered a crescendo of new attitudes among patients toward how they want to pay, if they can afford to pay and the methods they are able to use to pay for their health care.

Such concerns were in place prior to March of 2020 when COVID-19 threw so much into question, as most market experts agree. The retail and product worlds have been irrevocably changed by an escalation in online, digital and contactless payment options transforming those businesses for the past two years.

At the same time, the entire U.S. health care system of hospitals, primary care networks, pri-

vate practitioners, insurance payers and specialty care providers—including eyecare—are seeing both a greater awareness of the complexity of payment systems and benefits as well as visible inequities and imbalance among Americans in general about the affordability of health care, most experts say.

Further, several recent authoritative studies in the payments world have corroborated that the concerns about the costs of health care have skyrocketed among all Americans, regardless of age and income bracket. Retail and e-commerce changes—and consumers' increased interactions with both of these for the past two years—are also absolutely impacting a new set of expectations and choices of where patients can access

their care.

Patients are asking how and for what they are being billed, and they often do not have a consistent understanding about what different health care services will cost them. Many find it a burden to absorb out of pocket costs or understand what their insurance—including vision care and health care benefits—takes care of until they begin to use them.

For the majority of patients, the pandemic is not over. Increased competition and a movement toward value-based care is escalating, as *Health Affairs* reported at the start of this year. “Despite the pandemic, billions were invested in start-up companies built to take risk, leverage telehealth

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**Buy Now, Pay-over-time.**  
**Technology made for optical.**



Loans are made by TAB Bank.

# New Ways to Pay



## Financing Options Help Patients Access Specialty Clinical Eyecare and Quality Eyewear

As one health care observer recently pointed out, COVID-19 offered a long overdue jolt to health care payments. The public health emergency, which impacted so many, underscored what is now perceived as out-of-date processes depending on manual, paper-based recordkeeping as much as the pandemic underscored confusion about health care costs.

The pandemic also ushered in a priority about contactless payment options in a new type of digitally-emphasized world. Even when practices were closed or scheduled appointments were the only option, the crisis set in more rapid motion a new direction in the payments world for providers, payers and consumers.

A 2020 report by InstaMed includes quantitative data from \$393 billion in health care payments processed on its platform, as well as survey data from consumers, providers and payers.

The pandemic accelerated many consumer-focused digital trends in health care, such as telehealth and contactless payment options. It's not just younger, tech-savvy patients using these options. Millions of Medicare beneficiaries made contactless payments in 2020, according to the report.

What it said about patient attitudes has held true through the present timing in early 2022, even though offices reopened over the second year of the pandemic and into this year. The survey noted:

- 82 percent of patients said they want to make all of their health care payments in one place.
- 85 percent of patients said they prefer an electronic payment method for medical bills and premiums.
- 66 percent acknowledged that they still receive medical bills in the mail.

The InstaMed report noted that many health organizations and providers don't always acknowledge the link between the payments experience and overall patient satisfaction.

### Not All Consumers are Impacted the Same



#### WOMEN

are 22% more likely to be unable to pay a balance of \$1,000+<sup>51</sup>



#### MILLENNIALS AND GEN X

are 23% more likely than Baby Boomers to want patient financing<sup>52</sup>



#### BABY BOOMERS

are 22% less likely than Millennials and Gen X to prefer the option to schedule an automatic deduction to pay a medical bill<sup>53</sup>

InstaMed  
a JPMorgan company

Source: InstaMed Consumer Healthcare Payments Survey 2019

### Empowering Consumers Through Automated Payments



**63%** OF CONSUMERS cannot schedule automatic payments for medical bills<sup>47</sup>



**52%** OF CONSUMERS want patient financing<sup>49</sup>



**34%** OF CONSUMERS cannot schedule automatic payments for premiums<sup>48</sup>



**53%** OF CONSUMERS have used a payment plan to pay off a medical bill<sup>50</sup>

Source: InstaMed Consumer Healthcare Payments Survey 2019

InstaMed said that patients take ease of payment seriously—more than many providers realize. Forty-two percent of providers think collection efforts don't impact the patient experience. Yet 56 percent of consumers would consider switching providers for a better health care payments experience. Patients have seen digital growth in

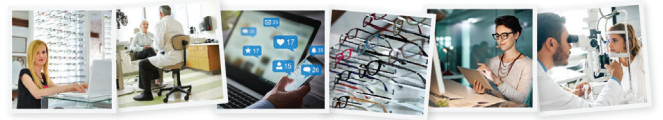
other industries, so they notice when health care providers' systems are lacking.

For companies like CareCredit, a division of Synchrony Financial, the pandemic's escalation of the major consumer shift to digital technology—including e-commerce, social media and mobile

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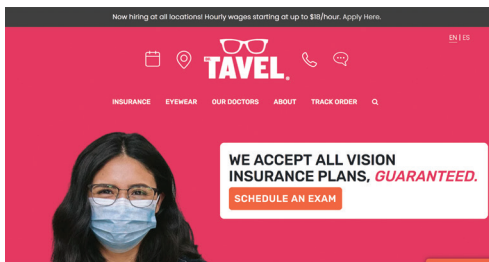
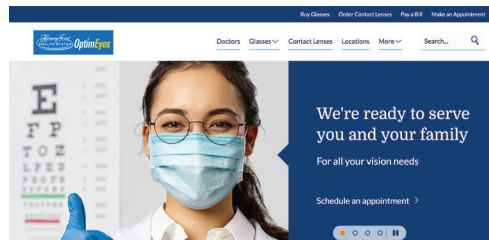


### Buy Now, Pay-Over-Time Helps Expedite In-Store Eyewear Purchases

One of the more pronounced trends to emerge strongly as a result of the COVID-19 pandemic has been the rise of digital and online shopping and along with that, the rise of Buy Now, Pay Later (BNPL) approaches to retail payments. Accompanying a range of retailers using new flexible payment options has been the advent of companies like Sunbit, which has specifically targeted the need for flexible payment and fast credit approval options for business sectors where physical store customers also need more varied flex payment options.

As Sunbit's Tal Riesenfeld, co-founder and head of sales pointed out, the company specifically set out to strategically focus on certain types of business (auto service centers) and, then, specialty health care (vision/eyewear/optometry providers) where purchases considered to be a necessity also required pay-over-time choices.

Today, Sunbit is gaining traction in the optical/vision care retail space, serving such regional optical players as Dr. Tavel Eye Care, Henry Ford Optimeyes, Eyemart Express and many smaller independent practice offices, too.



National, regional and independent practices are capturing more in-store eyewear purchases with the Sunbit platform.

Riesenfeld said, "We recognized that the vast majority of Americans are looking for new ways to extend payments in several situations. Sometimes it's the auto service dealer where they have a problem that needs to be fixed ASAP so they

can get to work and they're looking to manage a more flexible payment approach. In an optical location, they want to have new flex pay options for an eyeglass purchase—or an additional pair

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### Financing Options Help Patients Access Specialty Clinical Eyecare and Quality Eyewear

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computing—has been fast reshaping the needs and expectations of patients, especially when it comes to payment options.

Consumers and patients within today's digital environment are starting to apply their on-demand, mobile expectations to the health care experience. Immediate access to information, streamlined communications and convenient payment solutions are quickly becoming essential.

However, some 88 percent of providers still rely on manual transactions to collect fees, according to the InstaMed report. These labor-intensive legacy approaches can decrease cash flow and result in bad debt, CareCredit pointed out. While 92 percent of patients say they are satisfied with the clinical relationship, 66 percent of patents say they would



CareCredit offers new mobile-enhanced digital tools to help patients access payment options.

still consider switching providers for a better health care payment experience.

CareCredit has been implementing new features for its health care credit card and the company offers a range of tools for providers to utilize to bring more digital and mobile options to patients. The new tools use an all-in-one mobile solution that allows patients to privately learn

about promotional financing options, estimate their mobile payments up front, apply for credit and receive an instant credit decision and, if approved, pay with their new account right away, all from their own smartphone.

Looking ahead for 2022, Randy Baldwin, CareCredit's vice president, marketing for elective specialties, observed, "CareCredit can help patients move forward immediately with so many different vision care needs—from quality eyewear to clinical treatments for dry eye, myopia management and vision therapy to elective therapies such as CRT/Ortho-K. Six-to-24- promotional financing options with the CareCredit credit card can help increase patient satisfaction and also boost practice revenue. It's a win-win for providers and patient alike." ■

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### In-Store Eyewear Purchases Aided by New Flex Payment Options to Consumers

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purchase—and ‘pay-over-time’ just gives them so much more flexibility.”

The Sunbit website offers demos of how it works and Riesenfeld pointed out, “The process from an on-site or online application, with a scan of their driver’s license, takes about 30 seconds to approve them for a certain overall dollar amount with a ‘soft’ credit check—some 90 percent receive approvals that quickly.

“And then they can make the choice of the number of payments they’d like pay for that particular purchase amount. The practice location staff loves the process because it’s so quick, intuitive and easy that it’s something they can confidently bring up to patients right on site.”

Kent Iglehart, general manager of Indiana’s Dr. Tavel Optical Group stated, “The results were jaw-dropping for us—the patients using Sunbit spent 123 percent more than they spent during their previous visit. It is overwhelmingly clear that Sunbit unlocks additional spending that patients would not otherwise have.”

Dr. Athena Brasfield, owner and optometrist of Coachella Valley Optometry in Indio, Calif., added, “Since bringing on Sunbit technology less than three months ago, we’ve increased our revenue by \$95,000 and doubled our capture rate. Sunbit has increased our multiple pair sales by 66.5 percent. I only wish I found this tool sooner.”

Riesenfeld said, “People often think that BNPL ideas work best online, but we have seen that they are super effective when offered in-store or in-office when patients are making decisions about how much to spend. It’s important to remember that today, about four in 10 Americans have enough savings to cover an unplanned expense of \$1,000, meaning more than half would need to find other means to pay for an unexpected car repair or emergency room visit, according to a Bankrate survey.”

Sunbit’s Riesenfeld said, “Today’s inflation concerns are also impacting household finances tremendously. And holding back many Americans’ ability to save for unplanned expenses. You know, today, our average transaction in eyewear



Tal Riesenfeld, Sunbit’s co-founder and head of sales.

is probably \$400. And dentistry is \$1,200.

“The way we train the associates is that ‘this is an amenity, offered to all customers. Your financial circumstances are not our concern but this is an easy, quick process. It’s Buy Now, Pay Later, like you’re seeing online and we have the option for you.’ That conversation is pretty easy to have. If they have insurance plans, they might cover some of the purchase, but Sunbit enables them to pay for the remaining amount.” ■

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and apps, and deliver more cost-effective primary, home and specialty care—capabilities that got turbo-charged during the pandemic.”

*Health Affairs* noted, citing a RockHealth report, “In fact, in 2020, nearly \$15 billion was invested in digital health and other technologies designed to disrupt traditional providers in the quest to provide lower-cost, higher-quality population health. In 2021, that figure jumped to more than \$29 billion. These companies continue to disrupt fee-for-service by innovating targeted care delivery and services, winning loyal payer partners and patients alike.”

So, how will all of this impact eyecare and eye

health services and payment for eyewear/vision correction solutions for both providers and patients? *VM* has learned that 2022 is likely to see a further drive toward these trends:

- More transparency to patients and customers—offering, when possible, upfront pricing for care, services, tests and product options.
- More financing and payment options to help patients—those with existing health care or vision insurance as well as those who are not covered at all and are straining financially to manage vision care and product choice.
- Inflation is now a key headwind. As PYMTS recently reported, inflation and COVID variants

pose fresh challenges for “paycheck-to-paycheck” consumers in 2022. A growing number of shoppers, in fact, categorize themselves as living paycheck to paycheck—more than 60 percent do, up from the mid 50 percent level as recently as 10 months ago.

Vision and eyewear providers will want to convey to their patients that they are responsive and actively offering options to help facilitate not only necessary routine eyecare exams and eyewear choices, but also to encourage other eye health options such as retinal scans, dry eye or myopia treatments among the many specialty care options now coming onstream. ■