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Breaking the cycle: A patient-centered solution to medical debt

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A patient-centered approach requires prioritizing affordability and accessibility and yields improved cash flow and patient care access.

Medical debt is now the leading cause of [personal bankruptcy](#) in the United States, with many patients forced to choose between their health and financial stability. For millions of Americans, the cost of care is not just a financial burden — it's a barrier to accessing the essential services they need. According to a study by Crowe Consulting, patient debt balances of [\\$7,500 or more have surged by 300%](#). Over [100 million adults](#) in the U.S. have medical debt, and one in four owes more than \$5,000, according to a recent KFF research study. So, where does this crisis stem from?



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Traditional health care, with its high-deductible plans and complex billing processes, has created a silent epidemic leading to debilitating medical debt, delayed or avoided care when faced with astronomical bills, or just unanticipated medical bills. Patients burdened by debt are more likely to delay or avoid seeking care, which can lead to worsened health outcomes and increased costs over time. Also, practices face financial instability as patients' bad debt mounts, making it difficult to provide consistent, quality care. Health systems, clinics and physicians' practices know this [all too well](#). Practices and ambulatory care sites, especially as small business operators, recognize how important affordable care is for the patient's complete episode of care and to continuing to keep their practice open and take home a paycheck. Fortunately, there is a solution to alleviate this financial burden.



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A patient-centered approach

Care teams and their patient financial access navigators are at the center of this crisis, as they are often patients' first point of contact. They are uniquely positioned to help mitigate this crisis by adopting a patient-centered approach that prioritizes affordability and accessibility. This involves several key strategies:

- 1. Creating a consumer-centric health care experience:** Health care leaders should adopt a consumer-centric approach to enhance patient satisfaction and financial management. Patients expect a more consumer-like experience from their health care providers with a digital-first approach. This includes offering financing options at the time of scheduling, providing transparent preservice estimates and delivering digital statements for easy postservice review. These measures improve the patient experience, boosting net promoter scores and public reviews. They also support better financial outcomes for health systems and their providers.
- 2. Expanding access to affordable insurance:** More than [24 million Medicaid enrollees have been disenrolled](#) as of July 2024, leaving many without coverage and further exacerbating the affordability crisis. Then, many patients are simply unaware of their eligibility for affordable insurance programs like Affordable Care Act plans or Medicaid. Patient financial access navigators can play a crucial role in educating patients about these options and assisting them in navigating the enrollment process. This helps patients access the resources they need to pay for their health care and also helps stabilize health care organizations' financial health by reducing the number of uninsured patients.
- 3. Navigating financial resources:** Comprehensive financial assistance programs are another critical part of a patient-centered approach. These programs can include partnerships with charitable foundations, patient assistance programs and financial counseling services. These resources help tackle health disparities and break through the barriers of [social determinants of health](#). Instead, patients receive equal access to proper care, help manage their financial responsibilities and avoid falling into debt.
- 4. Making care affordable:** Like retail sectors that offer financing for large purchases over \$1,000, health care must adopt similar models. Providers and health care executives can help patients

manage out-of-pocket costs more effectively by providing flexible financing plans and transparent pricing. Preservice estimates are particularly valuable, allowing patients to make informed decisions about their care.

A technological solution for patient advocacy

These strategies can be achieved by leveraging an end-to-end, comprehensive platform that offers several benefits to making the financial process seamless. A robust solution will also reduce the financial burden for patients while enhancing the provider's economic performance and ability to provide quality care without putting further financial strain on patients. One capability is allowing patients to pay their bills online, reducing missed payments and improving cash flow. This simple feature improves patient experience and helps physicians reduce administrative costs and patient medical debt.

Fully funded, nonrecourse 0% interest financing is another capability that offers providers immediate funds through Automated Clearing House (ACH) deposits, eliminating the financial risk associated with bad debt and recourse-based payment plans. This helps empower patients with flexible, interest-free payment plans, regardless of credit. Automated outreach is another option that ensures timely payments through email or text reminders, reducing missed payments. With the emphasis on automation, touchless, staff-free options streamline payments, enhancing efficiency and reducing human error.

These solutions are just a few of the ways health care providers can help control medical debt that can quickly get out of hand for patients, especially those facing multiple treatments for severe medical cases. The health care affordability crisis is complex and multifaceted, but that should never stop someone from getting the care they deserve. By adopting a patient-centered approach that prioritizes affordability and accessibility, care teams will be able to understand and explore new, innovative solutions available to their organization. This will help alleviate the burden of medical debt, improve patient outcomes and ensure the long-term sustainability of health care organizations.

Meredith Kirchner is a seasoned health care operations leader with over 20 years of experience. She is the chief operating officer at [Curae](#), where she focuses on improving operational efficiency and client satisfaction through innovative financial solutions for

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