

HPS, PayMedix: Nearly 3 in 4 Wisconsinites say they can't afford their healthcare

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MILWAUKEE, February 14, 2023 – Nearly three-quarters of Wisconsinites do not believe they can afford their healthcare out of pocket costs, according to a new survey of state residents by [Health Payment Systems, Inc. \(HPS\)/PayMedix](#). The survey, conducted in early January, comes at a time when Wisconsin residents are grappling with how they manage their healthcare, medical bills, and preventative care.

Key Takeaways include:

1. Nearly two-thirds of Wisconsinites claim preventative healthcare is unaffordable.
2. A full one-third of respondents report their medical bills are too difficult to understand.
3. Nearly half of respondents in the last six months have had to sacrifice a medical need due to financial concerns.
4. Most Wisconsinites would not be able to cover a \$400 medical bill today without making a financial sacrifice.

“It is clear Wisconsinites are struggling with rising healthcare costs,” said Tom Policelli, CEO of HPS/PayMedix. “The concerning trends are that patients are choosing to avoid care because of cost, and they are also increasingly confused about what they owe to a system that is too complex. Avoiding care only leads to more costly emergent care, and avoiding or delaying payments forces providers to rely on alternative strategies, like requiring upfront payments or offering high interest credit, which only exacerbates the problem.”

Hurdles in the Affordability of Care

Wisconsin residents struggle with healthcare affordability, most notably in paying for out-of-pocket costs and deductibles. The PayMedix Survey found that 73% of respondents say their out-of-pocket costs are not affordable while 67% believe that their deductibles are not affordable. More than half (57%) of respondents said they would either have to make a financial sacrifice or delay payment if they received a \$400 medical bill. These issues are particularly more difficult for women and those in Gen Z and Gen X.

Wisconsinites are Sacrificing Medical Care Due to Finances

Wisconsin residents are sacrificing by either delaying bill payments or avoiding medical care entirely to combat rising healthcare costs. As patients delay making necessary and preventative appointments, as well as not taking their medications, it will inevitably lead to more expensive, emergent needs for care.

The survey also found that in the past six months, 46% of respondents had to sacrifice a medical need due to financial concerns. Of those who have avoided medical care to cut down on costs, 54% have also delayed medical bill payments.

A Desire for Simplification

A third of respondents reported that their medical bills are either “very difficult” or “somewhat difficult” to understand. It’s not surprising. The average American family can expect to receive approximately 125 pieces of mail each year related to healthcare billing. That’s about 2.4 times each week that residents are getting a piece of the puzzle as it relates to what they owe and don’t owe, what their insurance company paid and didn’t pay, which provider charged for which procedure and when, and so on.

Wisconsinites are looking for a way out of this blizzard of confusing paperwork and medical billing.

Generational Divides

Affordability of care and healthcare payment decisions are further segmented by generational divides, showcasing a shift in how different generations engage with and approach the healthcare payment process in Wisconsin.

Gen Z struggles the most with healthcare affordability, with 54% reporting the highest level of overall medical care avoidance due to financial concerns. According to the survey, 73% of Gen Z Wisconsinites struggle with prescription costs and preventative care costs (79%).

Gen Z (39%) and Gen X (36%) also appear to have the most difficulties when deciphering their medical bills. This presents an opportunity for consumer education on the benefits of a simpler, easier-to-understand medical bill experience.

While delaying bill payments is a concern across the board, delay in payment is most prominent among Gen X (59%) and Boomers (61%). Meanwhile, Gen Z are the least likely to skip medical payments, however, 48% of this group have skipped medical appointments and 31% have changed providers due to financial concerns.

Surprise medical bills are also a large concern for all generations, with over half of respondents saying they would need to make a financial sacrifice or delay payment if they were to incur a \$400 bill. Those most likely to make a financial sacrifice are females (61%), Gen Z (59%), and Gen X (61%).

Summary

“Avoiding care and delaying payments hurts both the patients and providers, said Brian Marsella, president of HPS/PayMedix. “Patients shouldn’t have to choose whether to get care they need because of cost, and providers should be focused on delivering quality care and not chasing collections. To create more equity in our healthcare system, patients and providers need better options so they can focus on what is most important—getting and delivering quality healthcare.”

Methodology

The PayMedix Survey was conducted online from January 4-7, 2023, among n=1,000 Wisconsin residents who are employed and have commercial health insurance. Respondents for this survey were selected from an Ipsos survey panel of qualified participants who have volunteered to participate in online surveys and polls.

About PayMedix

PayMedix, which began as the financing arm of Wisconsin-based HPS over a decade ago, is the only company solving the problem of high out-of-pocket costs for

everyone: providers, patients, employers and TPAs. By guaranteeing payments to providers and credit for all patients, PayMedix is changing the way people access, use, and pay for healthcare. PayMedix has processed more than \$5 billion in medical payments for hospital systems and physician practices and can be implemented in conjunction with any PPO or HMO network.

About HPS

Health Payment Systems (HPS) is a privately held healthcare technology and services organization with solutions that reduce the cost and complexity of the healthcare payments process to benefit providers, employers, patients and TPAs. Headquartered in Milwaukee, Wisconsin, HPS has an independent network of 96 hospital facilities and 22,600 individual providers.