



The Affordability Imperative:

How AI Innovation Drives Revenue and Access

January 2026

Agenda

- Introductions and state of the market
- Optimizing the patient revenue cycle
- Pre-service transformation: From estimates to payments
- Post-service payment challenges and solutions
- Key considerations in choosing a patient financing partner
- Q&A

Who We Are



Keith Bourne
Director - Strategic Accounts



- Leverage technology to improve healthcare access & affordability
- Remove financial barriers to care for patients
- Unlock revenue while reducing complexity and friction for medical providers

State of the Market

Bad debt write-offs and uncompensated care continue to rise.

Bad debt is 10% higher year -to-date compared to 2024.¹



Payment rates on patient self-pay balances are decreasing.

The overall self-pay collection rate is now at 24%.²



The regulatory environment is evolving and fragmented.

From price transparency to financial assistance, new legislation continues to add complexity to revenue cycle operations.



Staffing shortages are taking a toll, as many workflows are still manual.



100% of hospital executives say non-clinical staffing shortages have significantly affected revenue cycle management and patient engagement efforts.³

Deepening **crisis** of healthcare affordability



75% of survey respondents said that they fear not being able to afford unexpected medical bills.



49% of respondents say they've skipped out on preventative care visits



39% have postponed their care for more than a year



49% said the health problem they were waiting on treating worsened as a result

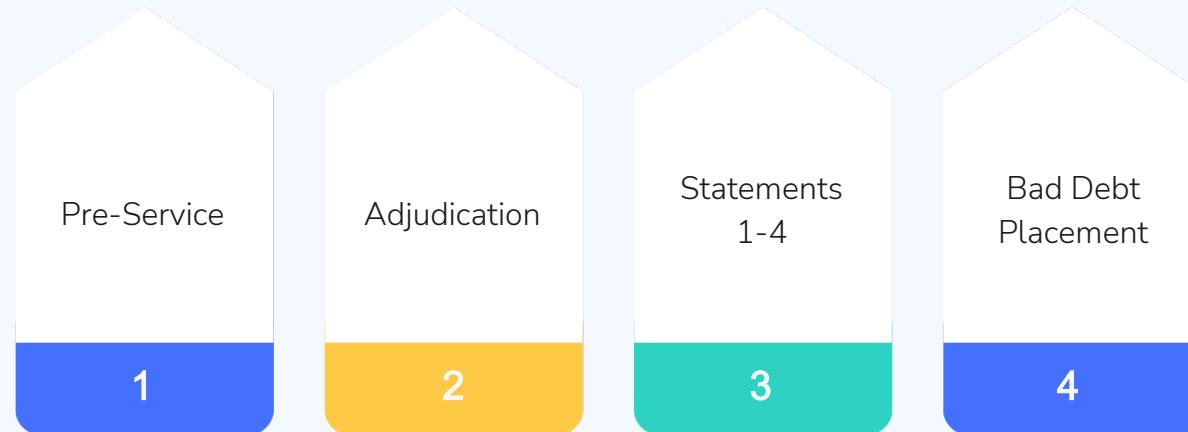
Most Patients Want to Pay

75% of survey respondents say that having multiple options to pay over an extended period would make them more likely to pay

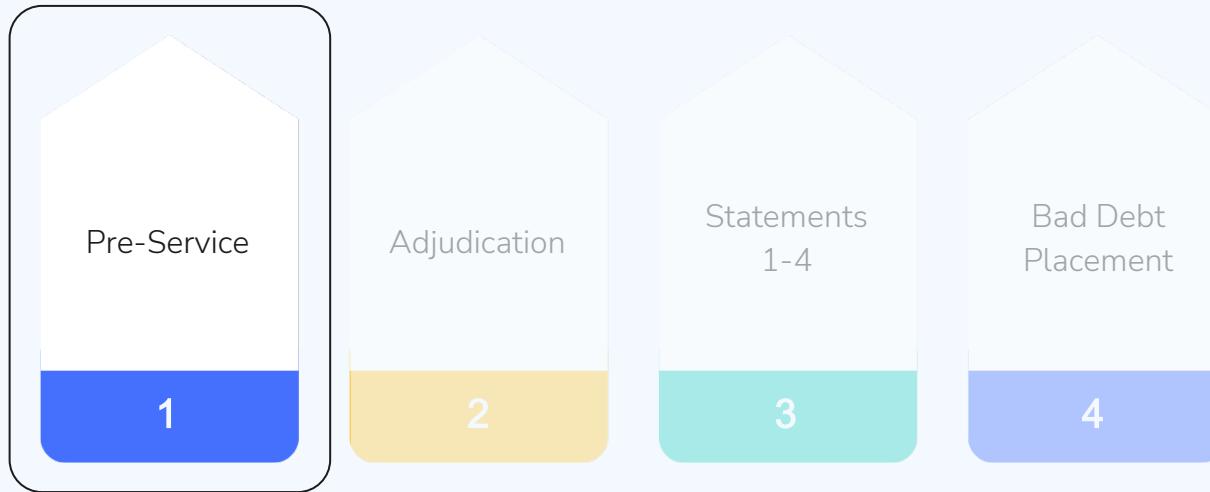
It's time to look at the **patient revenue cycle and affordability** .

In light of this shifting landscape, revenue cycle leaders must evolve their strategies in key areas along the value chain to make a meaningful impact on their organization's financial performance.

Optimizing the **Patient Revenue Cycle**



Optimizing the **Patient Revenue Cycle**



Audience Poll #1

To what extent are you currently tying estimates and pre-service payments together?

- A. We don't ask for a deposit or payment method when providing an estimate
- B. We ask for a deposit or payment method, but don't encourage them
- C. We encourage a deposit or payment method, but don't require them
- D. We require a deposit or payment method on file when providing an estimate
- E. I'm not sure

Key Insight

To what extent are you currently tying estimates and pre -service payments together?

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- E. I'm not sure

In HFMA survey, those who answered C & D saw **21% higher pre -service collections** and **20% higher overall collections** than those who answered A & B!

Pre-service workflows are rapidly evolving & present an opportunity



<40% of scheduled procedures involve an auto generated estimate



>70% of estimates are still delivered over the phone



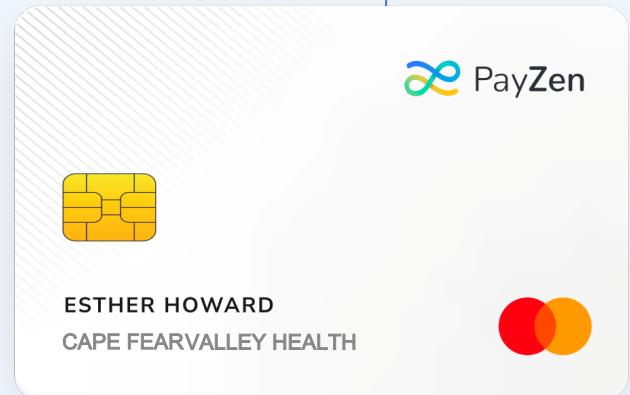
30%+ increase in pre-service collections year-over-year



16% of patient payments are collected pre-service

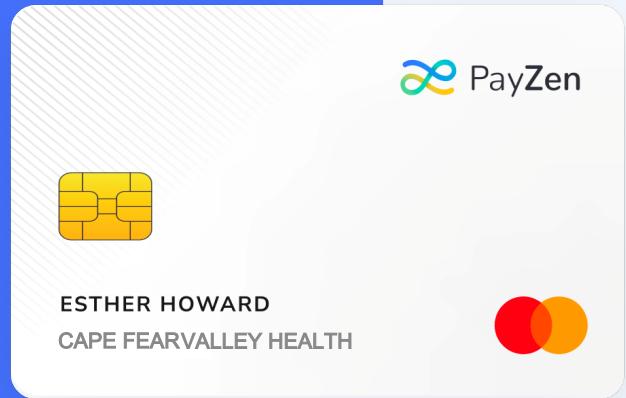
Cape Fear Valley Health System's Pre-Service Initiatives

- Saw opportunity to prevent care avoidance when proactively offering estimates & requiring deposits
- Care Card can be used across all POS systems and billing portals and charges convert to interest-free, affordable monthly payments.
- Card is health system-branded and offered as an **exclusive benefit** to patients to drive loyalty.

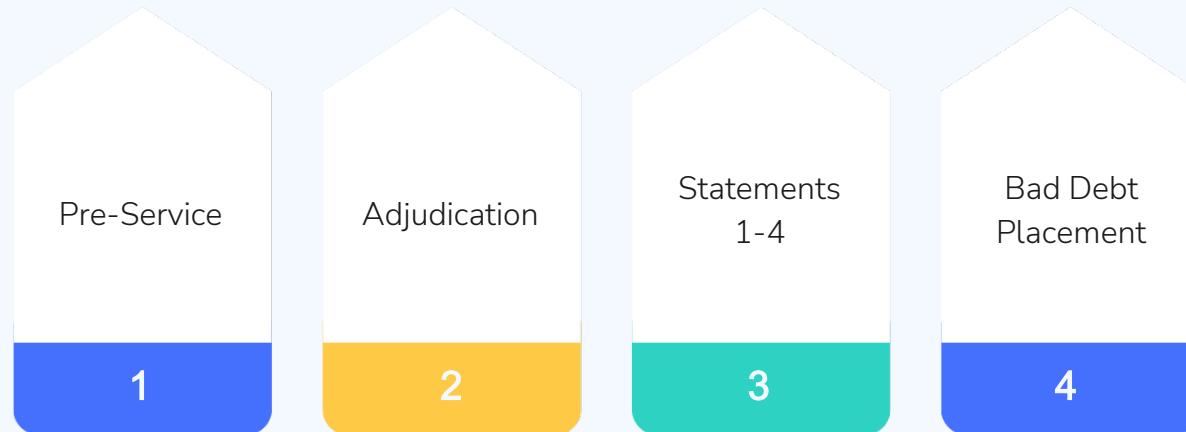


Cape Fear's Approach: Enabling Flexible Payments

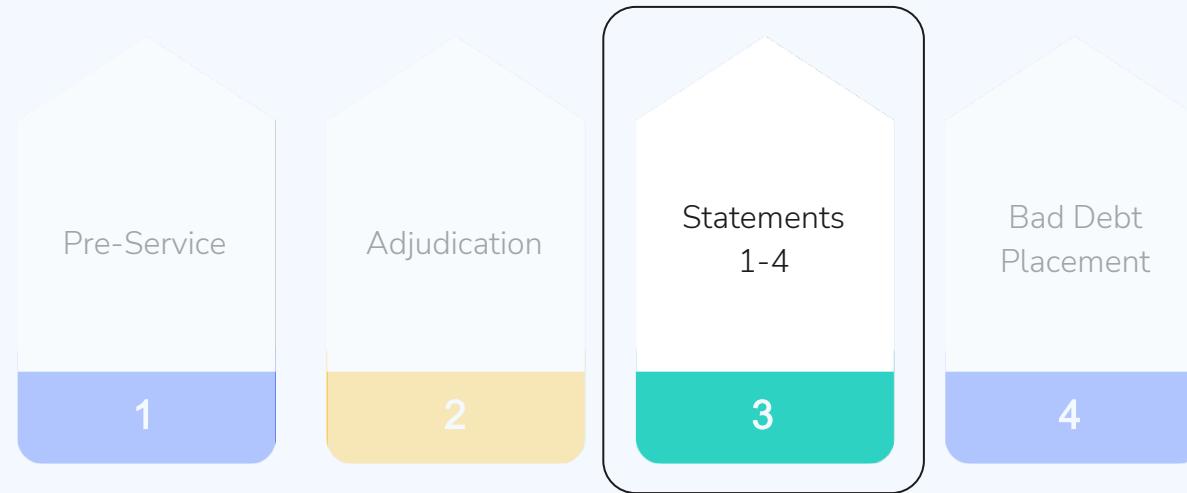
In a YOY analysis, Cape Fear's **pre-service collections increased by 23%** since launching with PayZen!



Optimizing the **Patient Revenue Cycle**



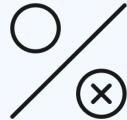
Optimizing the **Patient Revenue Cycle**



Hospital payment plan terms are **generally limited...**



7% of providers offer no in-house payment plans



28% cap in-house payment plans at 12 months or less



58% offer in-house plans with a maximum term of 24 months or less

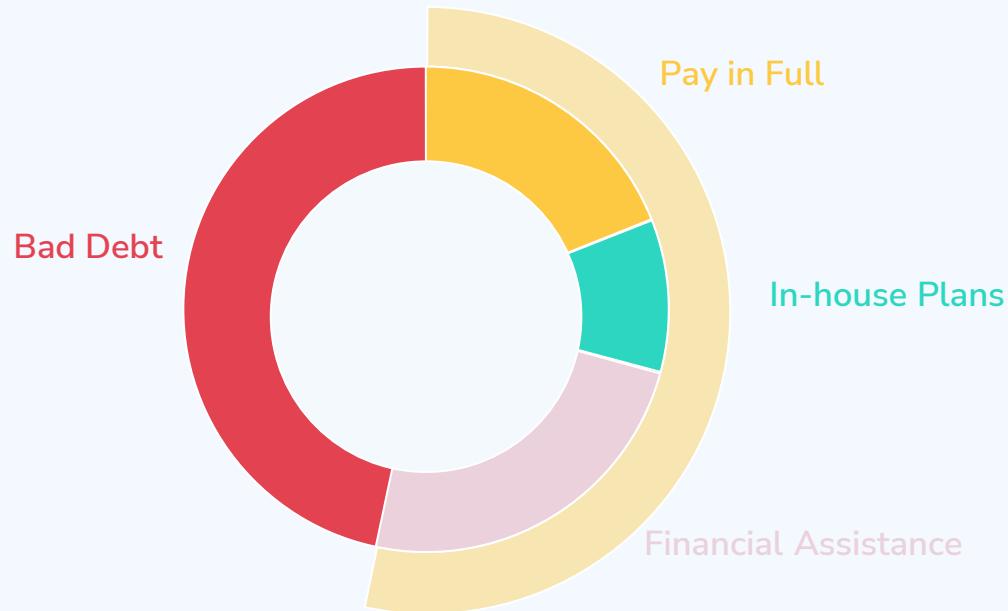


62% do not work with third-party financing partners to offer extended-term payment plans

... so they send more patients to **bad debt collections** than necessary

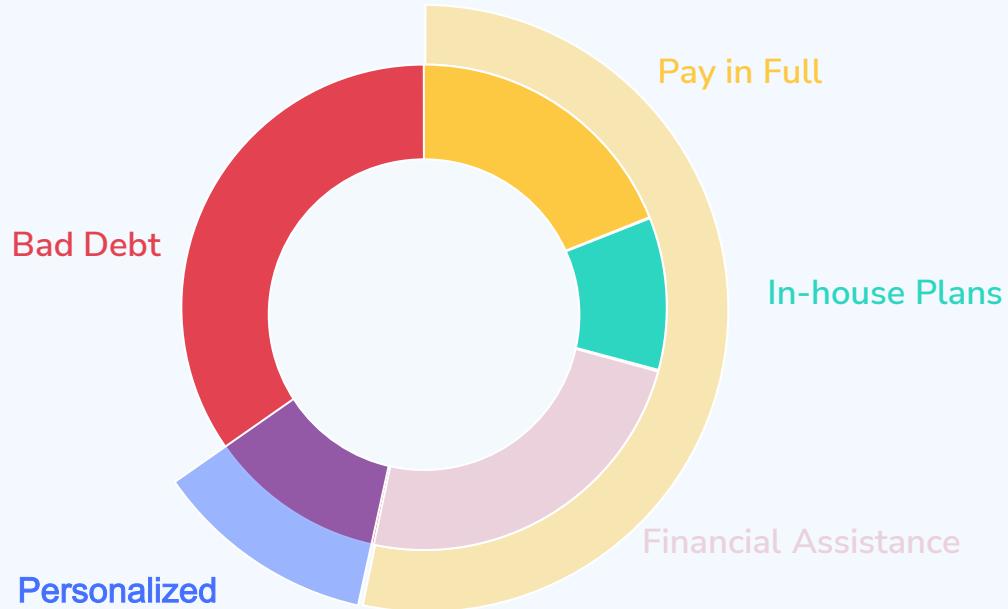
- On average, Americans can only allocate **\$97 per month** toward medical expenses
- Many can afford much less. **21% of respondents said they could only afford \$15 -30 per month .**
- Assuming that \$97 per month is feasible:
 - A 12-month payment plan only supports a medical bill up to \$1,200 before becoming unaffordable.
 - A 24-month payment plan accommodates a bill up to \$2,350, beyond which a patient risks defaulting.

The Patient Revenue Cycle **Today**



20-30% Average Collections
90 Average days in A/R

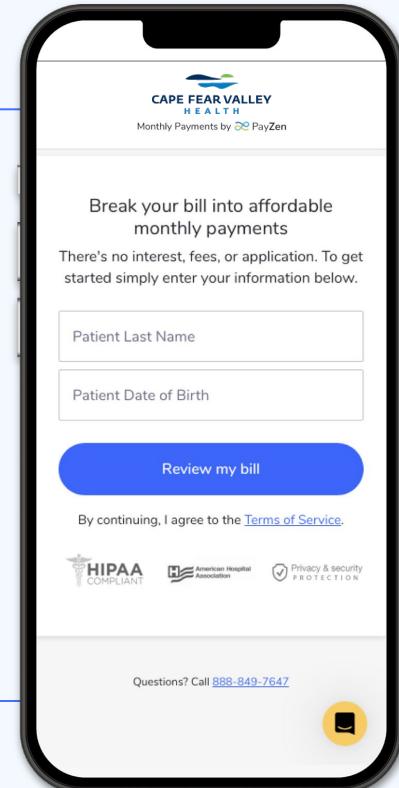
Drive incremental revenue with **extended, flexible options**



32% Average Collection Lift
+50% Patient Satisfaction

Making Affordability Work **at Scale** with PayZen

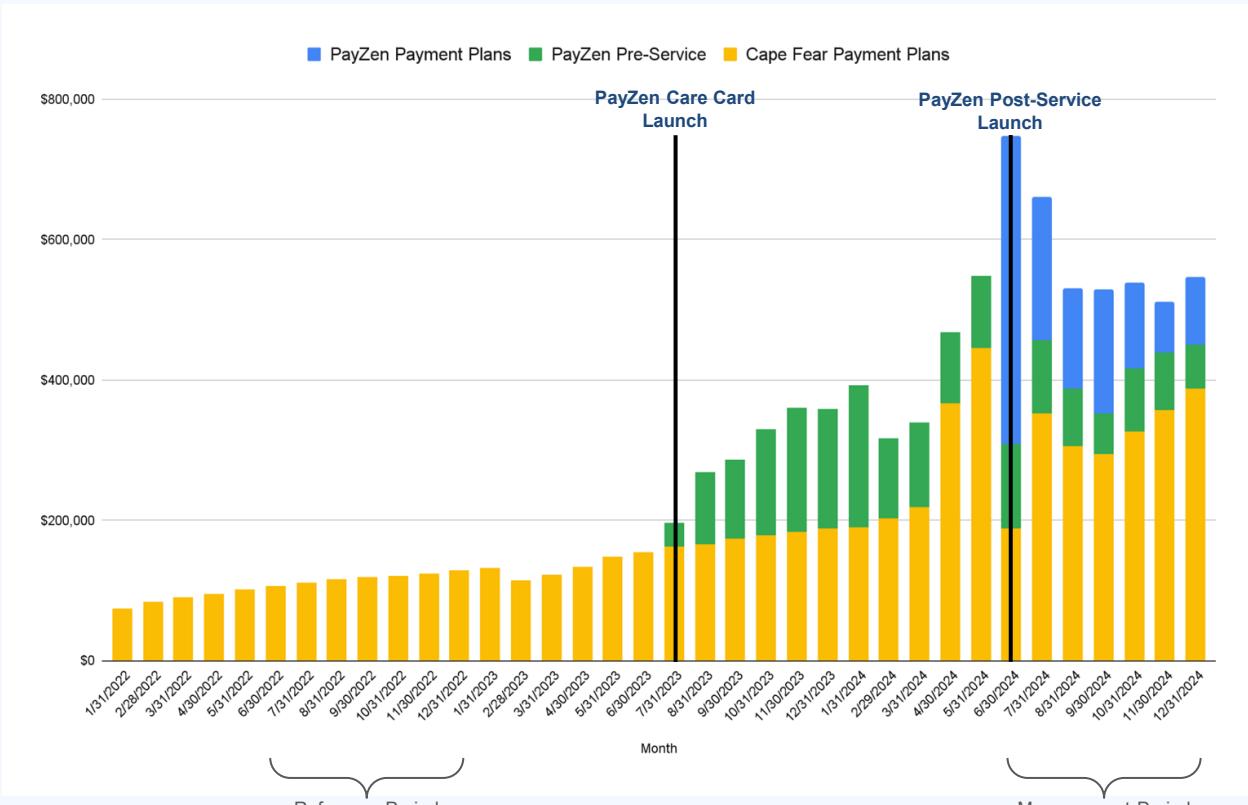
- Offered to patients who require **extended payment options**
- Terms are **personalized** to patient's ability to pay, up to 60 months
- **100% of patients are approved** for an **interest-free** monthly plan
- Fully embedded Epic experience and **automated** patient engagement
- **Non-recourse cash acceleration**



PayZen Delivered a **Significant Lift in Collections**



Payments from Plans Increased **299%** Since Launch



- Short-term plans increased 167% once PayZen was launched
- PayZen drove incremental collections with no cannibalization

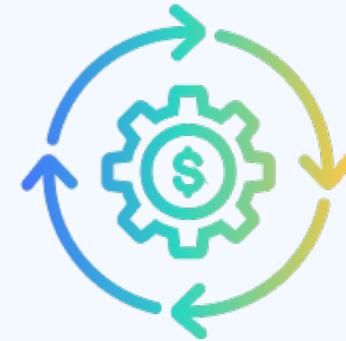
The All-In Cost of In-House Payment Plans



Default Rates



Capital Costs



Administrative Costs

The All-In Cost of In-House Payment Plans

In-House Payment Plans

Default Rate	30-35%
Cost of Capital	6-13%
Administrative Cost	6-8%
Bottom Line Costs	42-56%
Cash Acceleration	None
Financial Risk	Provider
Staffing Burden	Significant
Key Considerations	Constrained by balance sheet capital, internal revenue cycle resources, A/R policies, expertise

Audience Poll #2

Are you using or have you considered using a patient financing solution?

- A. We have not considered using a patient financing solution
- B. We have considered using a solution, but have not come to a decision
- C. We have considered using a solution, but decided against it
- D. We have used a solution in the past, but have since stopped using it
- E. We currently use a patient financing vendor
- F. I'm not sure

Key Considerations in Choosing a Solution

How will it **increase the number of paying patients?**



1. Automation & integration with existing technology & workflows
2. Patient access and ease of use
3. Patient affordability



How will it **improve my balance sheet?**



1. Patient repayment success
2. Cash acceleration
3. Reduction in financial complexity (recourse vs. nonrecourse)



Key Takeaways

1. In a changing healthcare landscape, revenue cycle leaders must evolve their strategies in key areas along the value chain.
2. Coupling estimates with flexible payment options can prevent care avoidance/deferment and increase pre-service collections.
3. Hospitals and health systems benefit from adding extended payment options and technology solutions to affordability.
4. Traditional patient financing approaches come with tradeoffs. Consider the full end -to-end impact, not just headline pricing.



Q&A

For further information, contact:

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