









2025 State of Payer Marketing Report:

Budget Trends, Privacy Challenges, and Strategic Insights

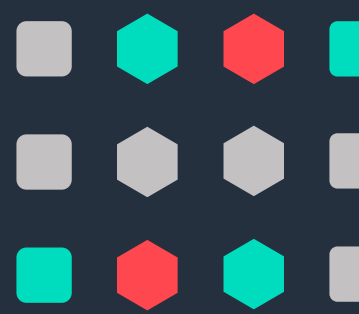


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Introduction



Healthcare payers face a range of challenges when it comes to marketing, from managing advertising budgets to navigating complex privacy regulations. To better understand these challenges, we collaborated with Becker's Hospital Review to survey 100 marketing professionals from leading national and regional payers, whose advertising budgets range from \$25,000 to \$250,000 per month. The results were fascinating—our analysis revealed that **only 24% of payers are aware of PHI Risks in Advertising** and that **over 50% of payers have stopped digital advertising due to privacy concerns.**

In this eBook we'll walk through the key findings from the survey related to how payers are allocating their budgets, prioritizing marketing objectives, and addressing privacy challenges.

Let's dive into the data!

Healthcare payer budgets

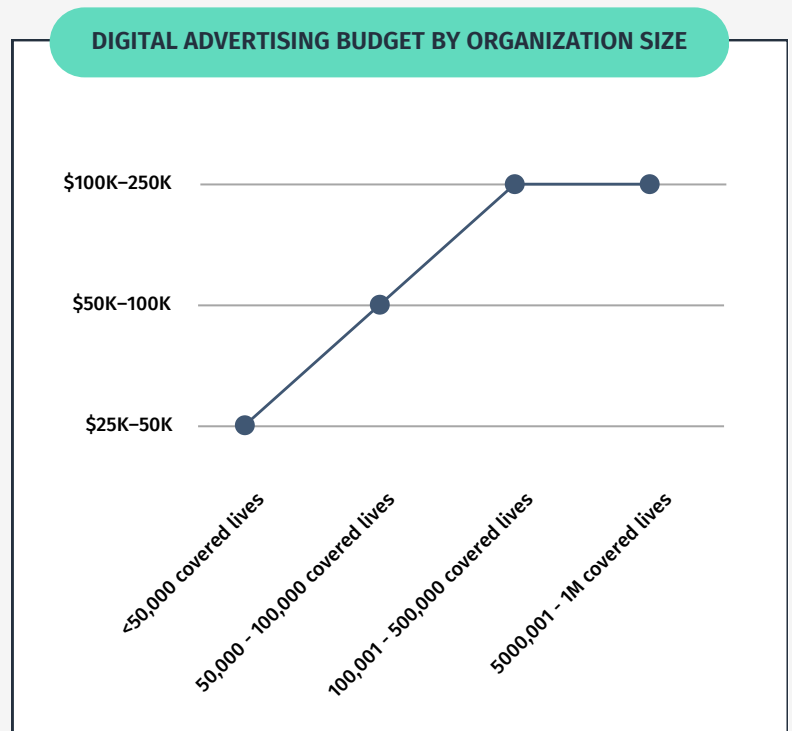
The first topic we asked about was marketing budgets. The survey results presented several trends related to budget allocation across payers of different sizes and scopes.



Budget size shows a direct relationship with covered lives

Digital advertising budget shows a strong correlation with the number of covered lives. All organizations with under 50k covered lives included in the survey reported a monthly budget of \$25k to \$50k.

As the number of covered lives increases, the monthly advertising budget continues to scale, with 92.3% of organizations serving 50k-100k covered lives reporting a monthly digital advertising budget of \$50k to \$100k. All organizations with over 100k covered lives reported a monthly digital advertising budget of over \$100k.



Budget size varies little across national and regional payers

The relationship between the digital advertising budget and the covered lives remains constant when we compare national and regional payers. National and regional payers tend to maintain similar budget levels at equivalent levels of covered lives, suggesting that advertising investment needs are more closely tied to operational scale than geographical scope.

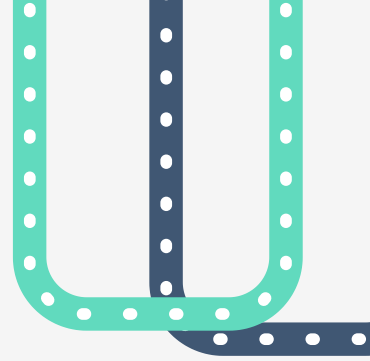
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Learn How a Top 10 National Payer Launched HIPAA-Compliant Advertising in Just 3 Weeks

[Learn More ↗](#)

“By the end of the three-week sprint, the healthcare payer’s advertising stack was **live and validated.”**

Payer marketing objectives



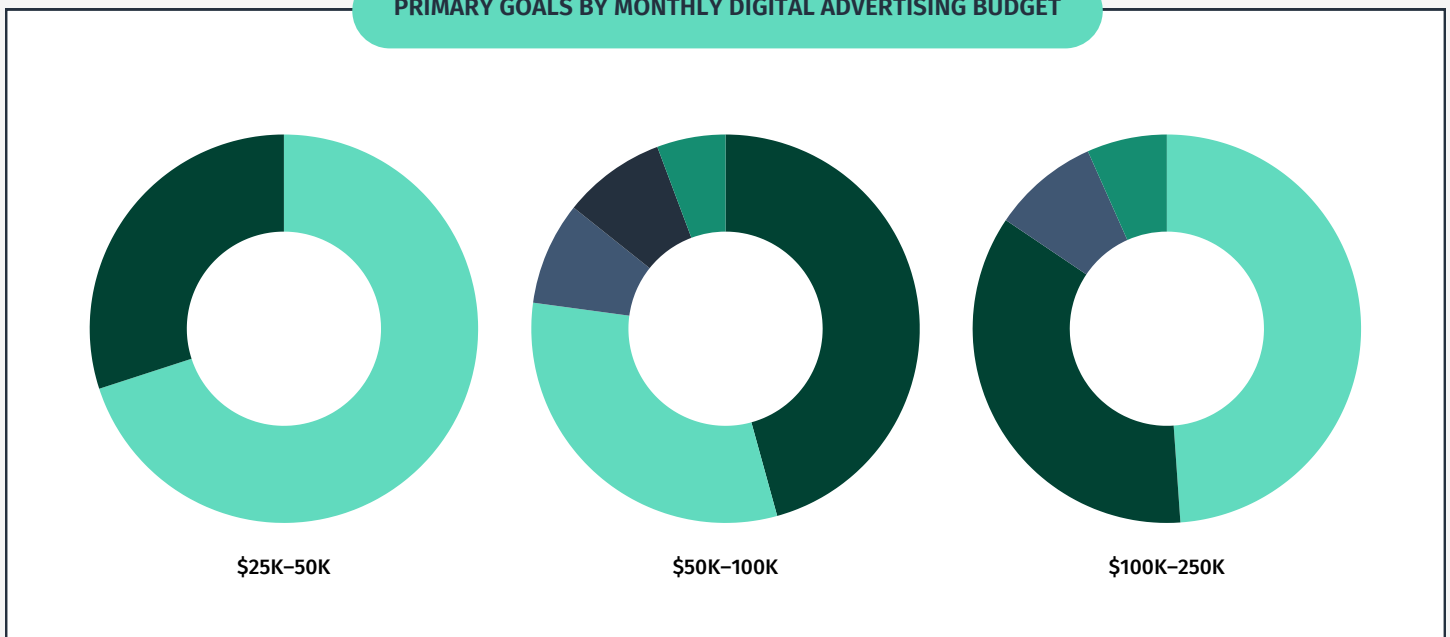
Marketing is essential for growth and long-term performance for healthcare payers. Surveying organizations of varying sizes, we uncovered several insights related to how different payers are approaching digital advertising.

Organizations with smaller budgets focus on BOFU conversion, while organizations with larger budgets take a full-funnel approach

Budget allocation appears to vary significantly across budget sizes. **Healthcare payers with a monthly advertising budget between \$25k-\$50k report investing 75% of their budget in bottom-of-funnel conversion programs and only 25% in brand awareness initiatives.** Organizations with a monthly budget of \$50k and above report a more balanced allocation, with budget distributed across bottom-of-funnel conversion, mid-funnel engagement, lead generation, and brand awareness.

That said, bottom-of-funnel conversion remains the priority for organizations with larger budgets—**payers with \$100k monthly spend reported almost 50% of their budget to bottom-of-funnel conversion**, with the remaining budget allocated across the rest of the funnel.

PRIMARY GOALS BY MONTHLY DIGITAL ADVERTISING BUDGET



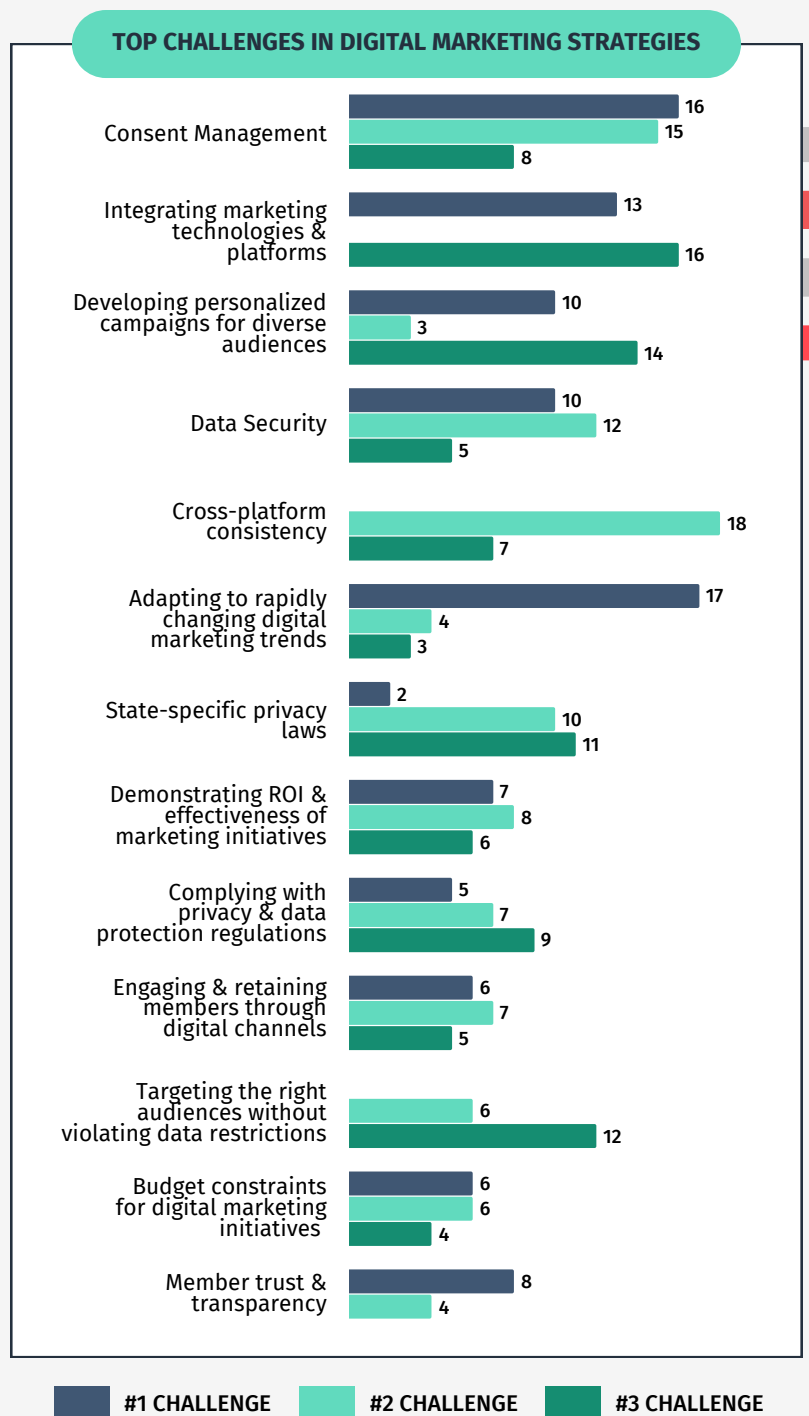
BOFU CONVERSION LEAD GENERATION MID-FUNNEL ENGAGEMENT BRAND AWARENESS MEMBER RETENTION

Tooling and technology is a top challenge across the board

When asked to rank the top challenges they face, **100% of respondents identified a "technology" challenge as their top concern.** Consent management was ranked #1 overall, followed by integrating marketing technologies, developing personalized campaigns, and data security in positions two, three, and four, respectively.

Interestingly, this raises the question of whether budget constraints are the underlying issue driving these challenges. While it's evident that a larger budget enables better tools and technology, **only 21% of respondents listed budget constraints as a top challenge.** Our hypothesis is that payer marketers have become so accustomed to working within tight budgets—and so skilled at navigating those limitations—that they no longer perceive it as a primary challenge. Instead, it has become a fact of life.

We see a similar pattern with the challenge of engaging and retaining members through digital channels. While **29% of respondents ranked this as a top challenge,** it's clear that increased budgetary resources could significantly alleviate this issue. Yet, the focus remains on optimizing within existing constraints.



State-specific privacy laws and general privacy regulations were not frequently ranked as the top challenge, but they appeared often as secondary or tertiary concerns. This suggests that while these issues remain on the radar for payers, the responsibility for addressing them is often shared across departments. As a result, they are acknowledged by many but don't emerge as a primary focus for any single team, as we'll explore in the next section.

Don't Let Privacy Regulations Wreck Advertising ROI

See how privacy regulations affect your marketing performance



Calculate the Impact [↗](#)

Privacy and awareness



Solving data privacy challenges is one of the biggest obstacles in healthcare marketing. Our analysis reveals several fascinating insights related to how organizational size and structure impact payers' ability to solve key compliance challenges.

Larger organizations show higher levels of awareness of PHI-sharing risks

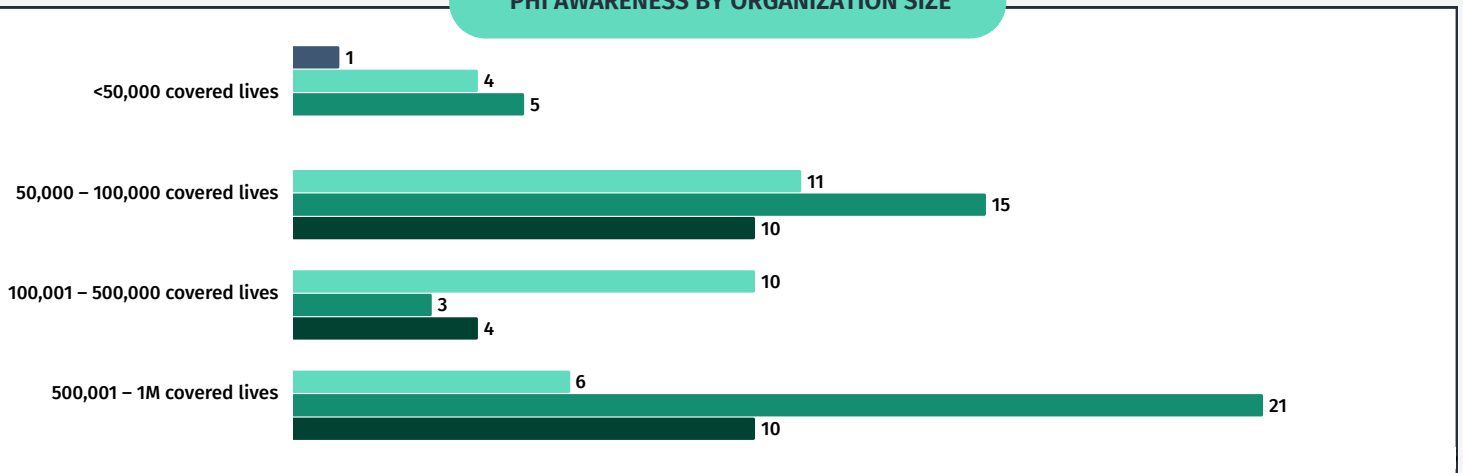
As organizations increase in size, as measured by covered lives, they show higher levels of awareness of PHI sharing risks.

Of payers with fewer than 50k covered lives, only **12.5%** reported being fully aware of PHI sharing risks and having measures in place to prevent this.

37.5% reported being somewhat aware, having solved for analytics but unaware of concerns for advertising, and 50% having solved for analytics but have stopped advertising because they didn't have a solution.

Larger organizations reported higher levels of awareness, with 50% of payers serving 500k+ covered lives reporting full awareness of PHI sharing risks, and 50% having solved for analytics but have stopped digital advertising until they find a solution for protecting PHI. These results suggest that as organizations grow, they have greater resources to invest in privacy education and tooling.

PHI AWARENESS BY ORGANIZATION SIZE



SOMEWHAT AWARE, WE'VE SOLVED FOR ANALYTICS AND REMOVED PIXELS FROM OUR WEBSITE WHILE CONTINUING TO DO ADVERTISING

SOMEWHAT AWARE, WE'VE SOLVED FOR ANALYTICS BUT HAVE STOPPED ADVERTISING BECAUSE WE DON'T HAVE A SOLUTION

SOMEWHAT AWARE, WE'VE SOLVED FOR ANALYTICS BUT WEREN'T AWARE OF CONCERNS FOR ADVERTISING

YES, WE ARE FULLY AWARE AND HAVE MEASURES IN PLACE TO PREVENT THIS

Larger organizations report lower levels of difficulty with BAA management

Similar to our previous insight, organization size also appears to correlate with the ability to solve core compliance challenges, such as BAAs.

Nearly **50%** of payers with 50k covered lives or less reported that managing BAAs across third-party vendors as one of their primary privacy-related challenge.

As organizations increase in size, BAA management appears to become less of an obstacle, with just 16.2% of payers with 500k covered lives or more reporting BAA management as a primary privacy-related challenge.

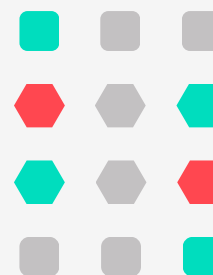
Smaller organizations report PHI de-identification as a primary challenge

The #1 most common privacy-related challenge differs significantly between organizations with fewer than 50,000 covered lives and those with 500,001 to 1 million covered lives. Smaller organizations are primarily concerned with de-identification and anonymization of PHI (30%), reflecting challenges in ensuring compliance.

In contrast, larger organizations are more focused on ad targeting limitations (**18.9%**), highlighting concerns about avoiding the misuse of PHI in advertising. This contrast suggests that smaller organizations are grappling with foundational data privacy issues, while larger ones are navigating more advanced marketing and compliance complexities.

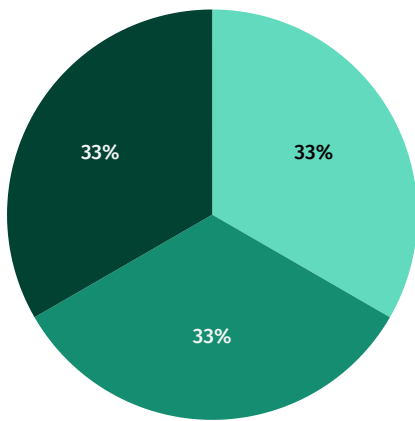
Organizations, where technical departments own compliance, show the most sophisticated awareness profile

Survey results revealed significant variance in privacy maturity based on which department is responsible for compliance within the organization. **Payers that tasked Marketing with data privacy compliance reported the highest level of concerns about data privacy, with 80% of such organizations reporting either level 4 or 5 concern about compliance.** Furthermore, just 12.5% of payers tasking marketing with compliance reported being fully aware of PHI sharing risks and having measures in place to prevent them.

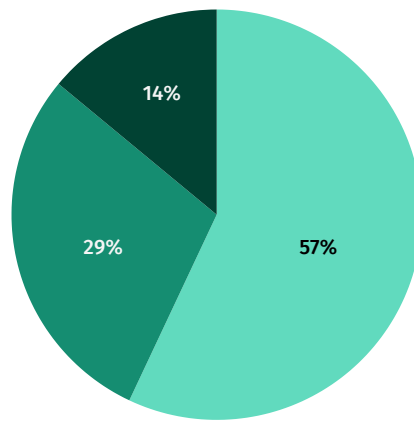


Organizations that task Marketing Operations with data privacy compliance, on the other hand, show the most sophisticated awareness profile. **50% of these organizations report level 2 or 3 concerns about compliance, and 31.6% reported being fully aware of PHI sharing risks and having measures in place to prevent them.** Organizations that task IT with compliance show similar maturity, with 36.4% reporting full awareness of PHI sharing risks.

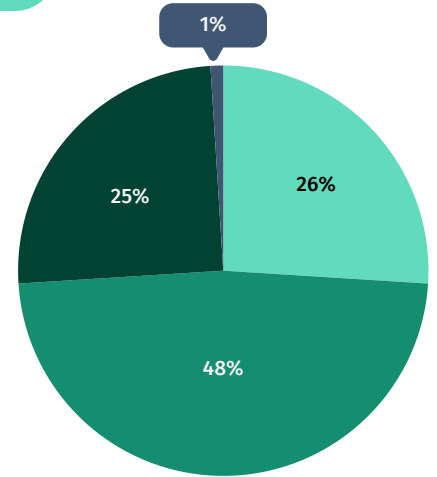
PERCENTAGE OF PHI AWARENESS BY TEAM







MARKETING



IT



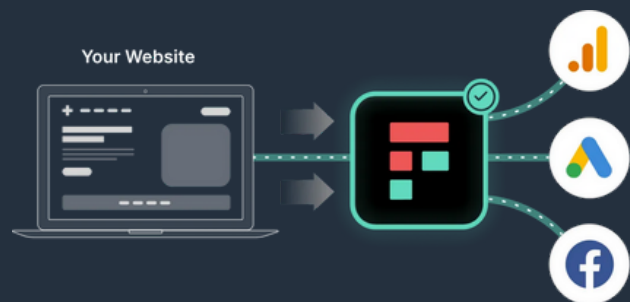
MARKETING OPS

-  SOMEWHAT AWARE, WE'VE SOLVED FOR ANALYTICS AND REMOVED PIXELS FROM OUR WEBSITE WHILE CONTINUING TO DO ADVERTISING
-  SOMEWHAT AWARE, WE'VE SOLVED FOR ANALYTICS BUT HAVE STOPPED ADVERTISING BECAUSE WE DON'T HAVE A SOLUTION
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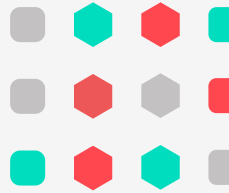


[Learn More](#) ↗

Unlock **High-Performance Marketing** While Safeguarding Patient and Member Privacy



Survey demographics



JOB FUNCTION

Survey respondents represented a range of job functions. We surveyed 100 total respondents across the following roles:

Digital Marketing/Performance Marketing:	59%
Digital Experience/Member Experience:	23%
IT:	16%
Marketing Analytics:	2%

ORGANIZATION TYPE

The survey also included a mix of National Payers and Regional Payers, with the following breakdown:

National Payer:	63%
Regional Payer:	37%

ORGANIZATION SIZE

Our sample pool additionally covered a range of organizational sizes. We surveyed 100 total respondents from the following company sizes:

500,001 – 1 million covered lives:	37%
50,000 – 100,000 covered lives:	36%
100,001 – 500,000 covered lives:	17%
Fewer than 50,000 covered lives:	10%

Key Insights



Digital advertising, as well as the privacy requirements that regulate it, are core components of healthcare marketing. And it's clear from our research that payers of different sizes tackle these challenges in different ways. Here are some of the key insights from our analysis:

1

Digital marketing appears necessary for growth, as healthcare payers of all sizes invest in digital advertising channels. As organizations scale, advertisement budgets increase.

2

As payers' budgets grow, they appear to expand beyond the bottom of the funnel and develop a full-funnel marketing strategy.

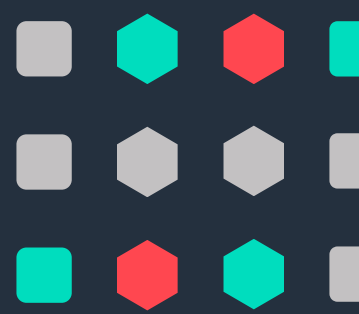
3

Larger payers are better at solving healthcare privacy challenges, such as PHI sharing and BAAs, possibly due to their ability to invest in technology and expertise in the area.

4

Organizations that task technical departments, such as Marketing Operations and IT, with privacy compliance management appear to have higher levels of privacy maturity than organizations that assign responsibility to non-technical departments, such as Marketing.

What we'd like to explore next



At Freshpaint, we're always striving to understand how the healthcare advertising landscape is evolving, and to share those learnings with our audience through our [Blog](#) and [Privacy Hub](#). While this study on Healthcare payers' digital advertising practices has uncovered several fascinating insights related to budget allocation and privacy awareness, it has also revealed new questions, several of which we're looking to explore in further research. Specifically,

- How will our aging population impact payers' digital advertising decisions? As healthcare organizations brace for the coming "[silver tsunami](#)," the emphasis on chronic disease management may lead organizations to adjust their digital advertising strategy, especially as they manage growing costs and hospital capacity concerns.
- With survey respondents listing "adapting to rapidly changing digital marketing trends" as their top challenge, which specific shifts organizations are grappling with the most—regulations, consumer preferences, tech advancements, and/or something else?
- How are organizations approaching privacy-related education and training? With just 24% of survey respondents fully aware of the ways PHI might inadvertently be shared with unauthorized parties, is there room for broader education on the data privacy landscape?

About Freshpaint

Freshpaint's Healthcare Privacy Platform empowers healthcare companies to use the industry's best marketing tools while remaining compliant with a growing list of privacy regulations like HIPAA. Freshpaint replaces untrusted tracking technologies from tools like Google Analytics, Facebook, and Google Ads, then provides a governance layer that controls what data gets shared with those platforms.

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