MHEI Healthcare Leadership Conference

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The Curious Case of the Healthcare Consumer

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Session Roadmap

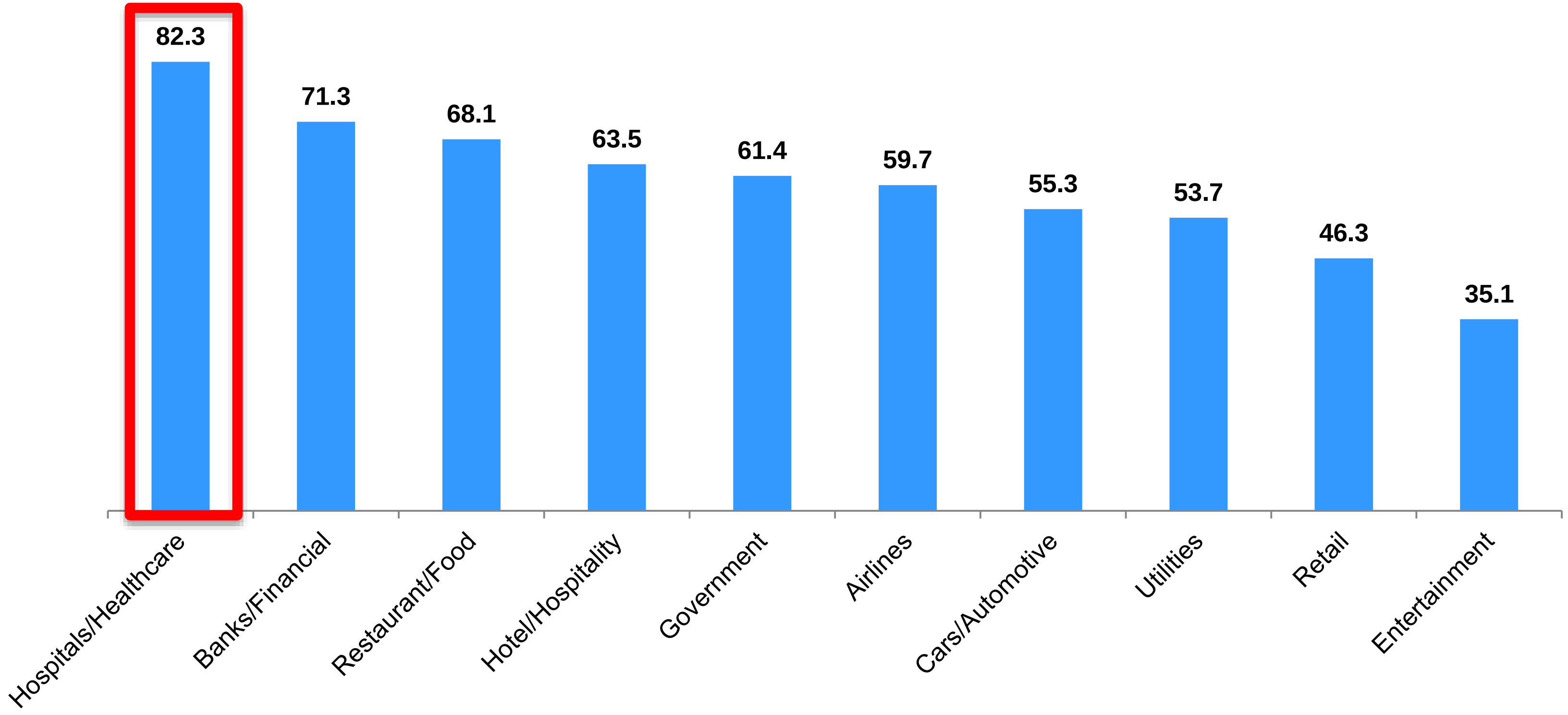
- Defining the Consumer
- Triple Aim: Consumer Edition
- Consumer-Centric Tomorrow
- Discussion

Defining the Consumer

A healthcare consumer
is any person who will
use healthcare services
at some point in the future

Consumer Expectations

Which of the following industries *should* consistently meet or exceed your expectations as a customer?



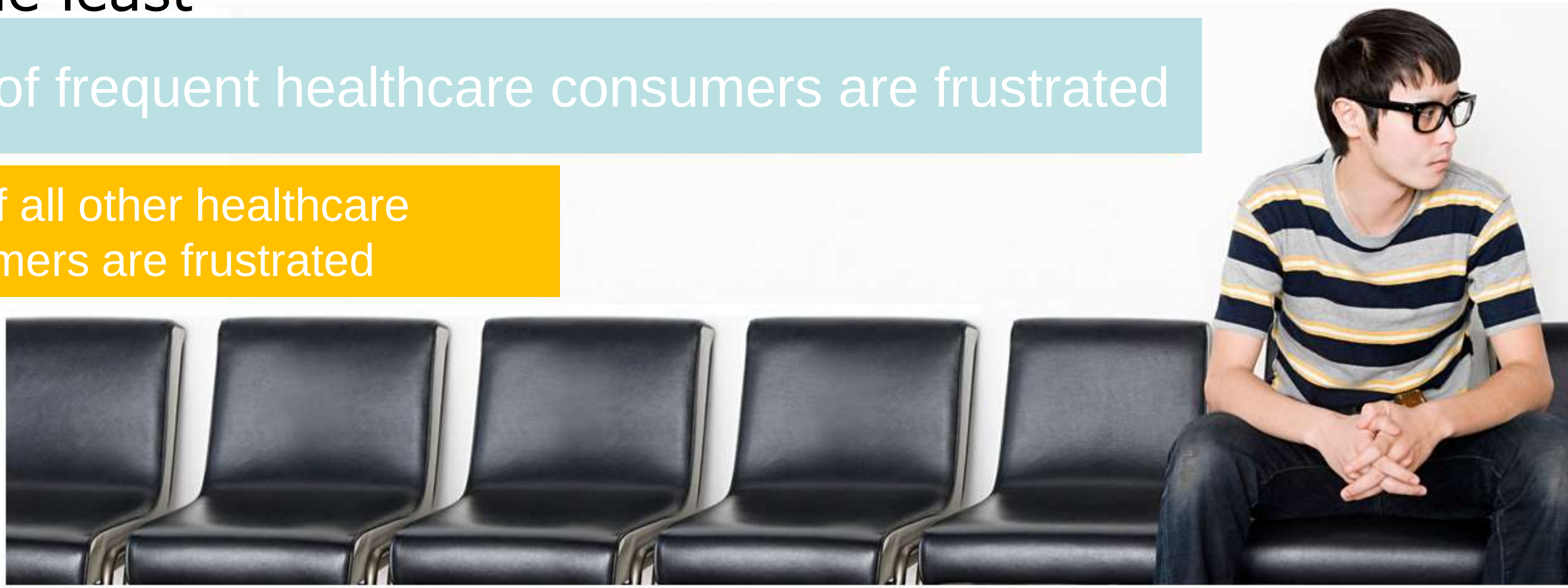
SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2016, annual n sizes vary from 176 (qual) to 278,824 (quant)

Consumer Experiences

An alarming **81%** of consumers are unsatisfied with their healthcare experience – and the happiest consumers are those who interact with the system the least

75% of frequent healthcare consumers are frustrated

48% of all other healthcare consumers are frustrated

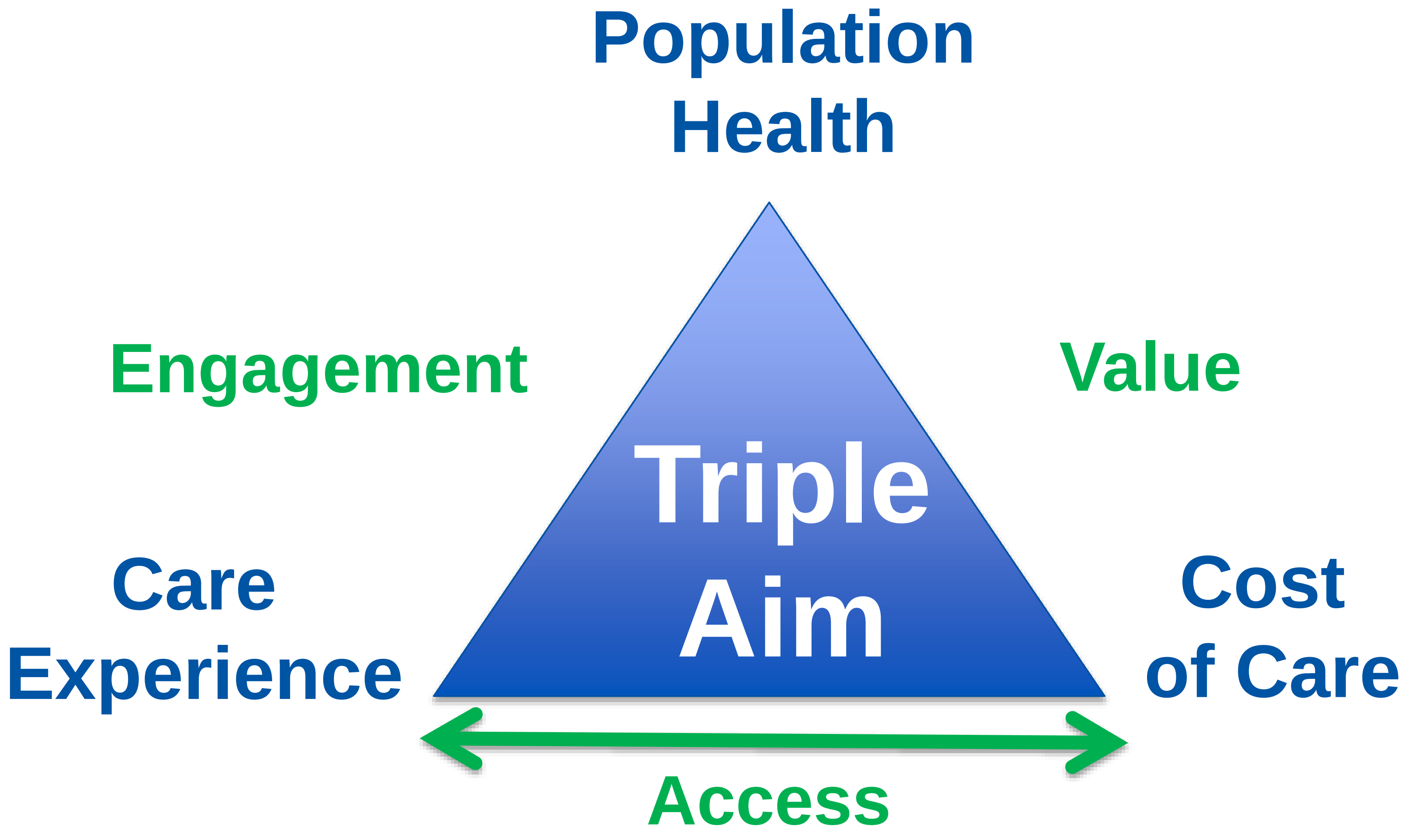


SOURCE: Camden Group, 2016

Consumers are the **fastest growing payer** of healthcare services

Triple Aim:
Consumer Edition

Triple Aim: Consumer Edition



Consumers RE: Access

- Access is no longer simply about scheduling, capacity, or existing physician referral networks
- Consumers enter through a screen, not a door:
  - 87 percent of Americans use the internet regularly
    - 1 in 5 visited a local health system website last year
  - 74 percent use social media websites regularly
    - 1 in 3 searched for healthcare info (average age: **48 years old**)
    - 31 percent likely to prefer a health system after positive interaction
  - 35 percent wear a digital health device every day
    - 27 percent used a mobile device to access health info
    - 1 in 3 anticipate doing so in the next year

SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Consumers RE: Access

Consumer adoption of innovation in just 3 years:

- **35 percent** own a wearable
  2015: 17 percent
- **15 percent** used telehealth last year
  2015: 11 percent
- **57 percent** would schedule tele-visit
  2015: 36 percent
- **54 percent** would see PA/NP if no doc
  2015: 36 percent

SOURCE: National Research Corporation's MARKET INSIGHTS study, 2015, 2018, average annual n sizes vary from 208 (qual) to 278,824 (quant)

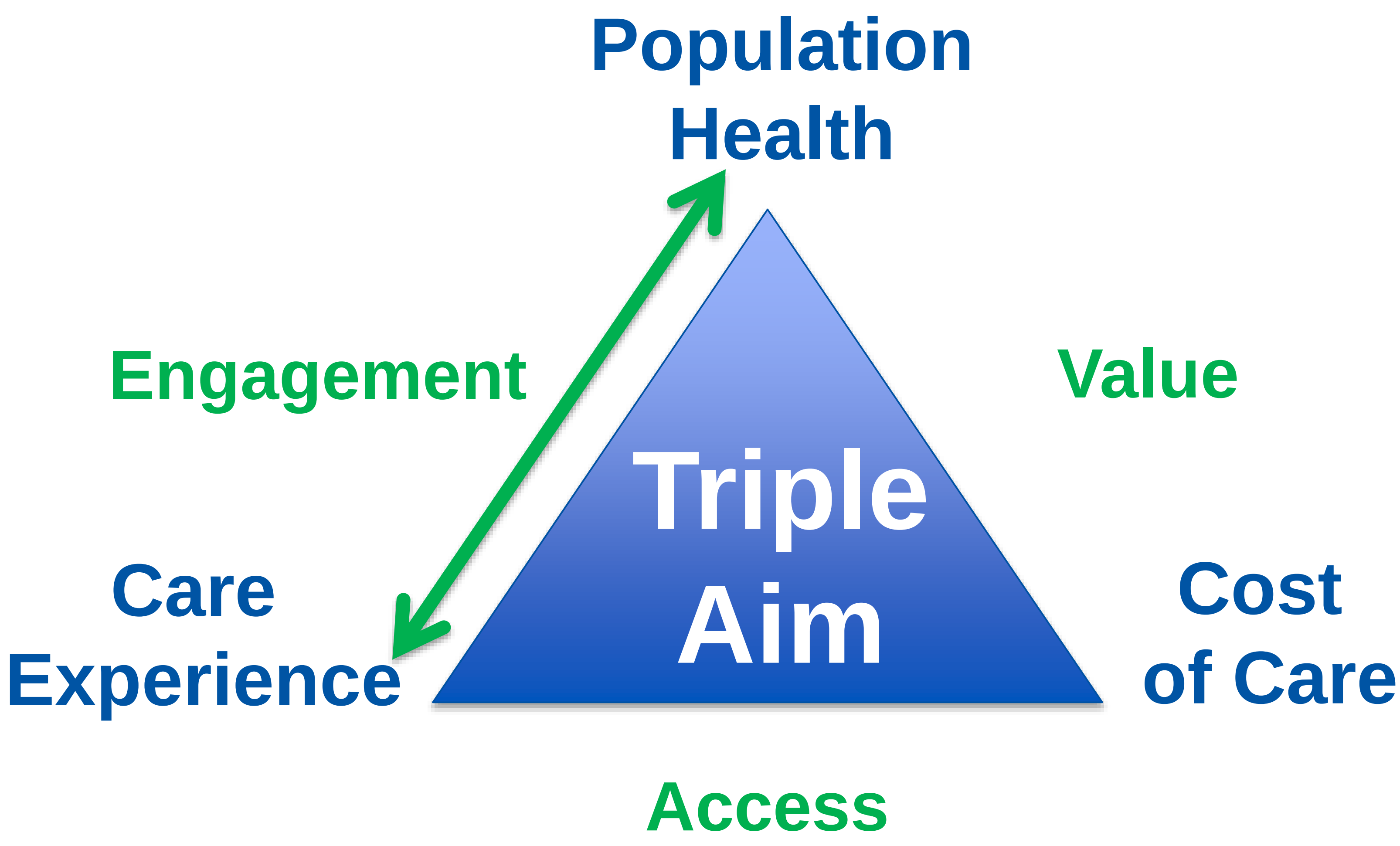
Consumers RE: Access

- Access in the future will be decided where virtual and physical experiences meet
- Innovative, digital-friendly services are inverting the physical model of healthcare delivery:
  - **11 percent** used telehealth services last year
  - **42 percent** are likely or very likely to schedule virtual health services when the option is available
  - **48 percent of** employers will offer telehealth benefits this year

SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Access Case Example

Triple Aim: Consumer Edition



Consumers RE: Engagement

- Well-known, quasi-health brands are entering the traditional healthcare mix
- Consumers are remarkably open to change:
  - For preventative or routine care services, many consumers wouldn't hesitate to visit **Walgreens** (48%) or **Walmart** (51%)
  - For more serious procedures (MRI), many consumers would *still* visit **Walgreens** (40%) or **Walmart** (38%)
- Our biggest threat is the idea we still have time to adapt

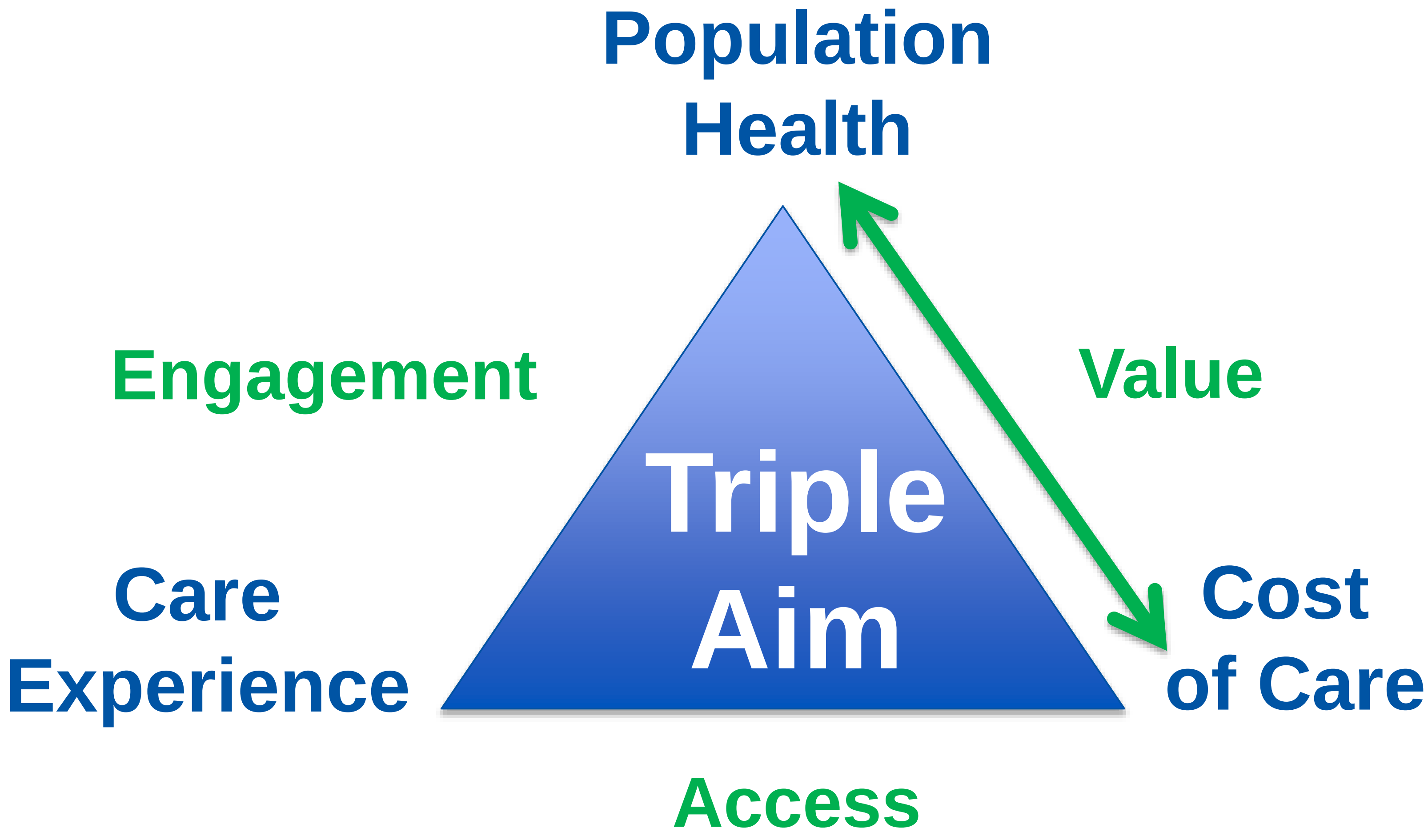
Walgreens

AT THE CORNER OF HAPPY & HEALTHY™

SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Engagement Case Example

Triple Aim: Consumer Edition

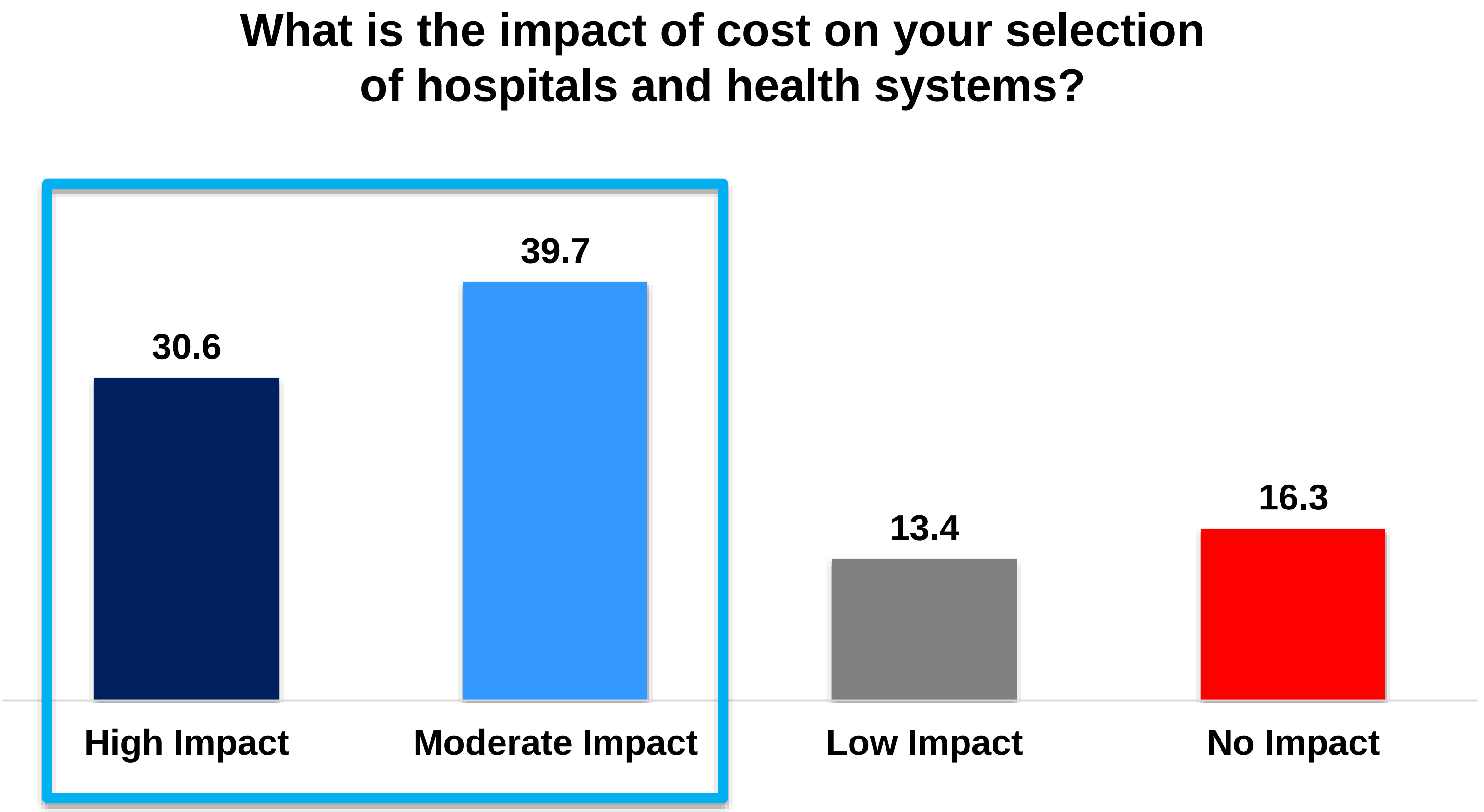


Consumers RE: Value

- For consumers **value** is where cost and quality meet
- Healthcare is price opaque – even as out-of-pocket **costs** have doubled in the past decade
  - **13 percent** of consumers believe health systems are upfront about the prices of their services
  - **37 percent** would choose a health system that shares prices over a health system that does not
- 1 in 3 would switch to an unfamiliar but more affordable healthcare provider for acute services

SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Consumers RE: Value



SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Consumers RE: Value

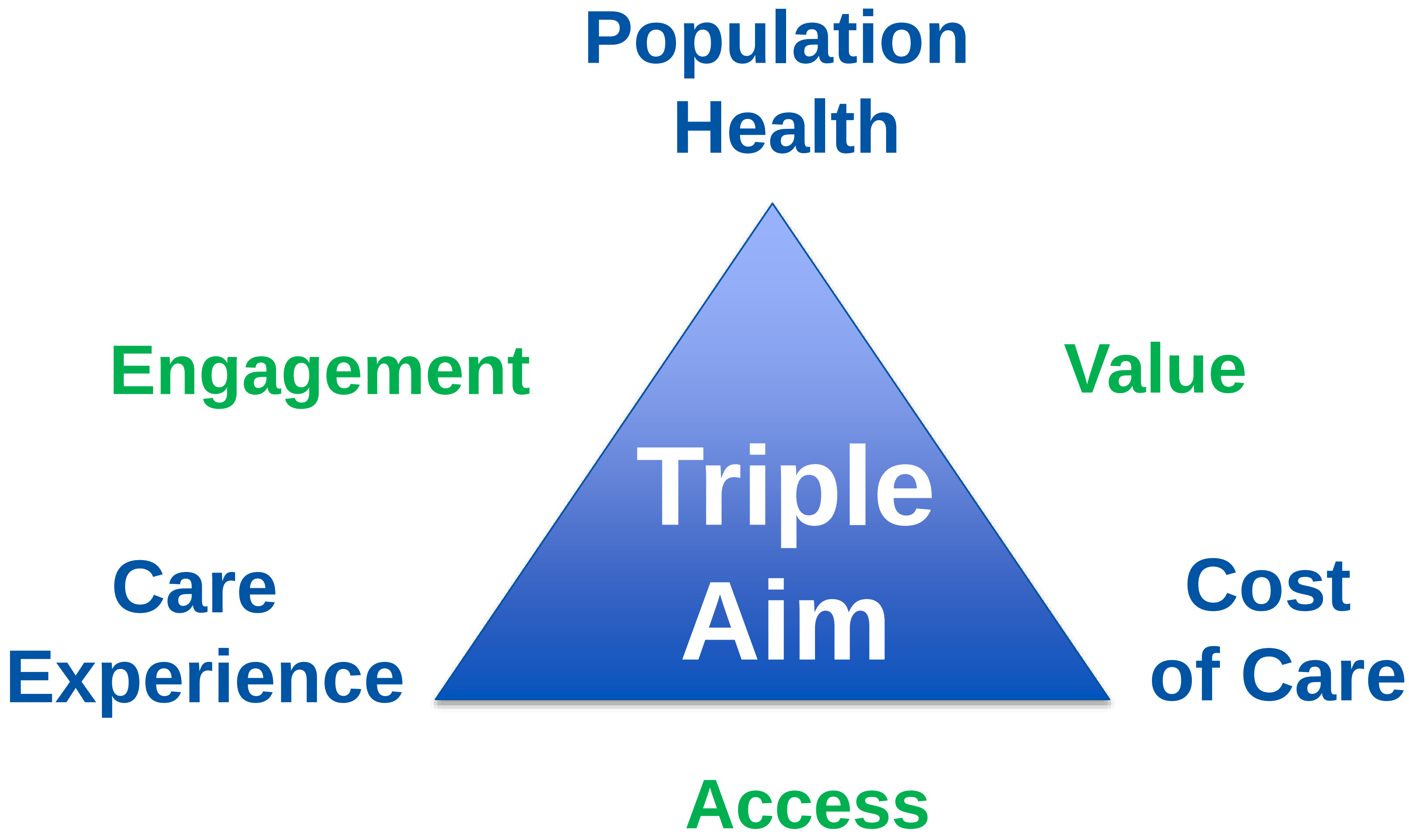
- 4 in 5 consumers find it difficult to find pricing information before an experience
  - 9 percent have visited a site or listing of prices
- Quality data remains equally elusive:
  - 13 percent visited Hospital Compare
- 56 percent of consumers attempted to find cost/quality data together
  - 74 percent had $3k+ deductible
- Market forces will play key role in race to ‘value transparency’

Healthcare **Bluebook**

SOURCE: National Research Corporation’s MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Value Case Example

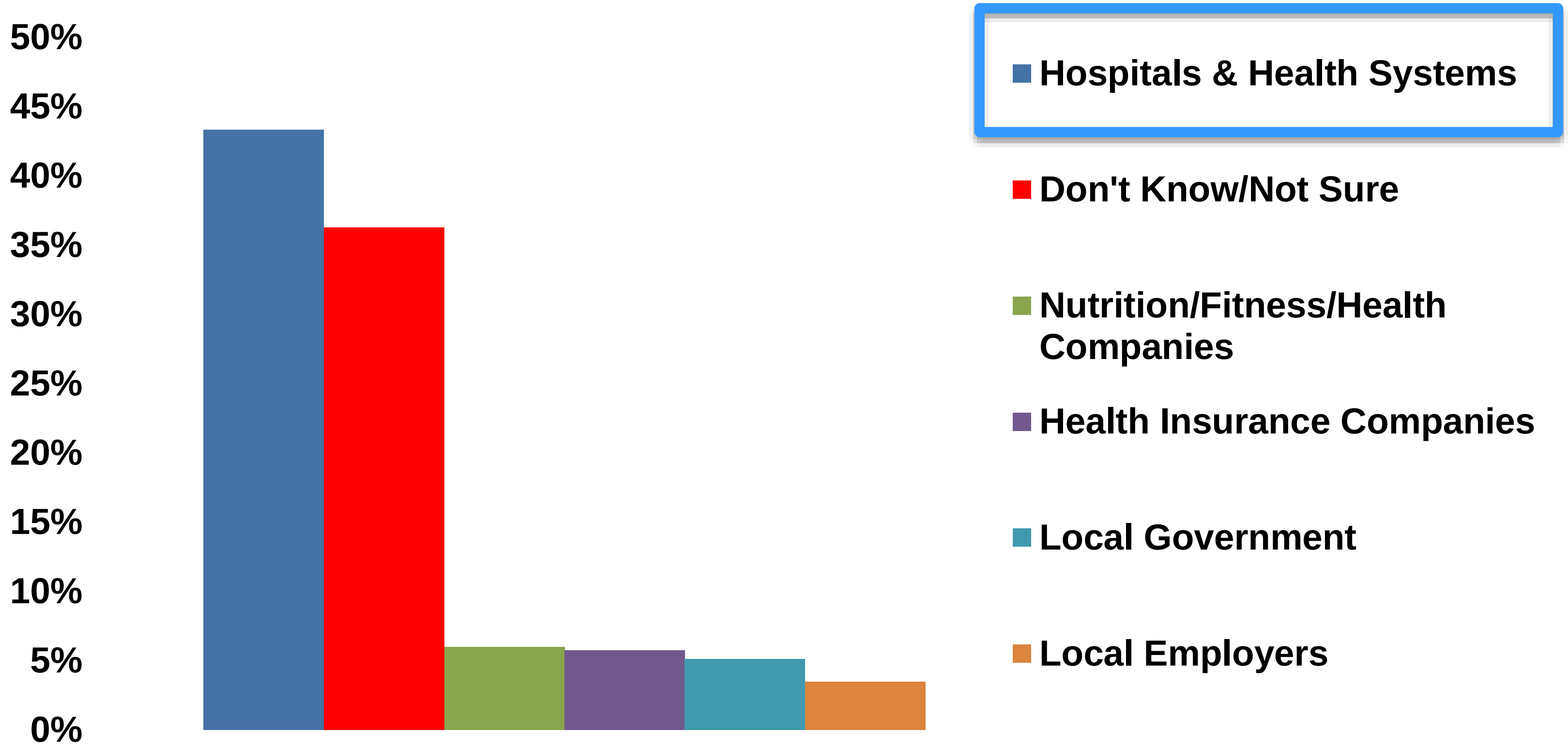
Triple Aim: Consumer Edition



A Consumer-Centric
Tomorrow

Perception of Responsibility

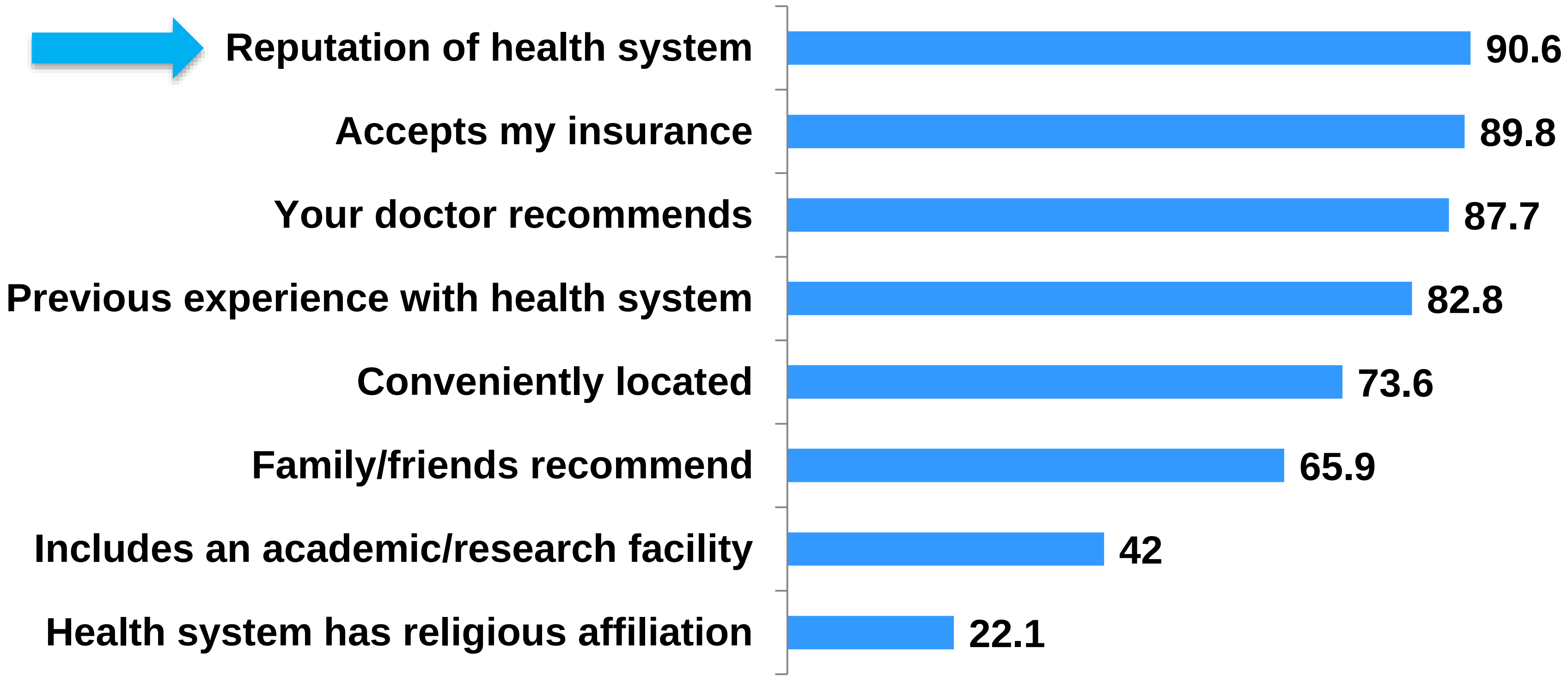
If you had to select one of the following to be primarily responsible for the health of your community, who would you select?



SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

A Valuable Reputation is #1

How important are the following factors in selecting a health system?



SOURCE: National Research Corporation's MARKET INSIGHTS study, 2010-2018, annual n sizes vary from 176 (qual) to 278,824 (quant)

Visible Collaboration

- Health systems are in a long-term battle for the minds of healthcare consumers
- The ‘collective provider’ mindset lends itself to cooperation now in order to reap benefits later
- Consumers find collaborative innovation delightful:
  - ACOs and multi-hospital partnerships test favorably
- Health systems must transcend ‘healthcare’ to form a true **1:1 relationship** with consumers
- If we lose sight of them – they’ll lose sight of us

Consumerism: 4 for the Road

1. **We must strongly consider – and internalize – the consumer point of view**
2. **We can offer a world-class experience but if it's not simple and clear we won't make it**
3. **Meeting consumers in the middle and being transparent along the way is non-negotiable**
4. **Consumers are seeking a trusting, lasting 1:1 relationship – be bold and seize the role**