



REPORT

NRC Health 2021 Healthcare Consumer Trends Report

A note from NRC Health Chief Growth Officer Helen Hrdy

DISTINGUISHED PARTNERS OF NRC HEALTH,

COVID-19 was *the* defining event of 2020. Its social, economic, and political consequences have been so profound and so far-reaching that it may be years before we fully comprehend them. The future of healthcare has never seemed so uncertain.

Under such circumstances, healthcare organizations are naturally keeping a watchful eye on their customers. It's the consumer, after all, who will be the best predictor for the future of healthcare in America. With that in mind, leaders want to know: when the immediate danger clears and a semblance of normalcy returns, will their patients return with it?

On that front, the ***NRC Health 2021 Healthcare Consumer Trends Report*** can lend some insight. Gleaned from millions of data points across more than 300,000 American households, the report captures an evolving snapshot of consumer sentiment, both before and after the pandemic caused the country to pivot in ways we didn't think were possible.

As might be expected, some findings present real challenges.

COVID-19 has dramatically altered the trajectory of consumerism in healthcare, and those changes may yet prove permanent. In the wake of the coronavirus's aftershocks, standard models of care delivery have never looked more fragile. Prior to the pandemic, the status quo was already on the verge of obsolescence. Today, it's all but unsustainable.

More encouraging news, however, awaits organizations willing to evolve with the times. Consumers are eager to find constructive partners in their wellness, and traditional health systems remain the best-positioned entities to take advantage of the trend. All they need are the willingness to act and the understanding to know where to direct their efforts.

To that end, this report will outline how consumer sentiment continues to evolve along several important trendlines:

- Brand preference [page 4](#)
- Care deferment [page 7](#)
- Telehealth [page 9](#)
- Digital innovations [page 12](#)

These insights, grounded in the single largest database of American healthcare consumers, should help industry leaders lay the foundation for a forward-facing strategy, prepared for the aftermath of COVID-19 and beyond.

We hope you find it instructive.

Sincerely,



Helen Hrdy,
Chief Growth Officer, NRC Health

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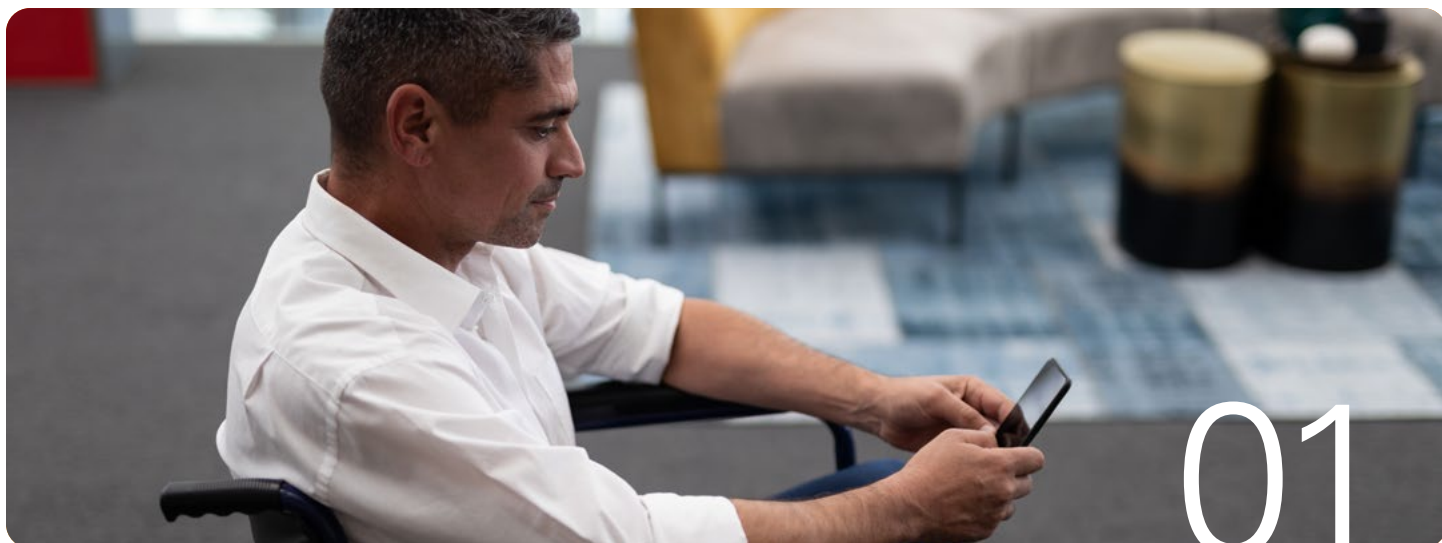
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PART ONE:

Brand preference is on the decline. (But there's some good news, too.)



"I prefer my provider because they treated me quickly and with good customer service...this is the best healthcare!"

—New Jersey customer

Brand loyalty is a much sought-after objective for healthcare systems, and for good reason. In driving down costs and capturing recurring revenues, consumer loyalty acts as a major driver of health-system profitability.¹ More importantly, recurring patient visits drive up the quality of care by improving care continuity and reducing the friction involved in care encounters.²

Despite the obvious benefits of consumer loyalty, NRC Health data suggests that many organizations still struggle to achieve it. Year over year, indifference to brands is increasing among healthcare consumers, with percentages of consumers who stated "no preference" increasing from **31%** in 2018 to **36%** this year. This means that **more than a third of consumers** currently show no particular preference for a healthcare brand.

In 2020, more than a third of healthcare consumers showed **no particular preference for a healthcare brand.**

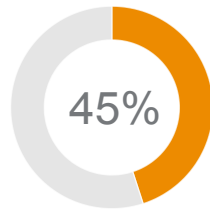


NO HEALTHCARE BRAND PREFERENCE

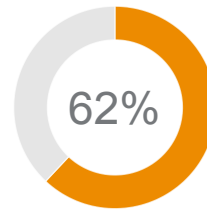
36%

5% change | 31% 2018

As may be expected, the pandemic has only exacerbated these trends. In the wake of COVID-19, **45% of consumers** report that they have *already* changed their healthcare brand preference, and **62% expect** their brand preferences to change once the pandemic has ended.³ Health-system leaders might view these numbers with concern. However, a few data points also suggest some cause for optimism.



of consumers report that they **have already changed their healthcare brand preference.**

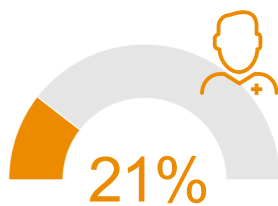


expect that their brand preferences **will change, once the pandemic has ended.**

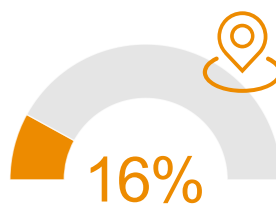
First, while many customers lack a clear preference for a given healthcare brand, this is likely *not* a reflection of negative care experiences. Rather, customer ambivalence appears to be largely driven by the unique circumstances surrounding healthcare consumption.

Case in point: among the 36% of consumers who express no particular brand preference, 21% say that they seek care based solely on recommendations from their primary-care physicians, 16% say they seek care based on proximity, and 22% say they simply do not know enough about local health systems to make an informed choice.

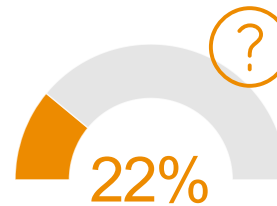
Where consumers who express no brand preference seek care



Recommendations from primary-care physician



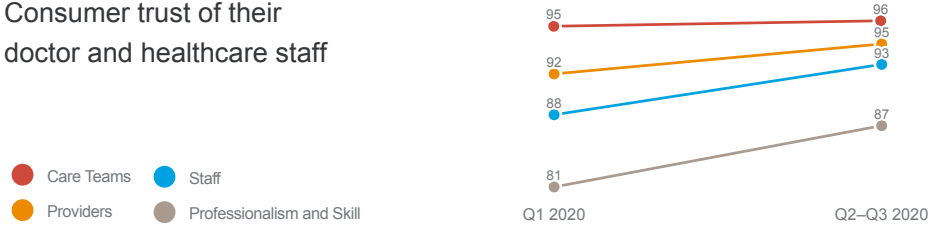
Based on proximity



Don't know enough to make informed decision

A second cause for hopefulness is consumers' overwhelming fondness for their healthcare providers. An analysis of feedback in NRC Health's Real-time Feedback database shows that customers hold their providers in high regard—especially since the COVID-19 outbreak began.

Consumer trust of their doctor and healthcare staff



These figures reflect how well-positioned healthcare providers are to earn consumer trust. NRC Health data reveals, in fact, that this level of fondness is not enjoyed by outside competitors in the space. According to NRC Health's data, few healthcare consumers express trust in healthcare services from brands like Walmart (23%), Amazon (24%), or Google (21%).

How, then, should healthcare organizations capitalize on the goodwill earned from their providers? All evidence points to convenience. In a survey asking consumers to list their reasons for choosing providers, 49% of consumers surveyed in NRC Health's Market Insights data list "convenient locations" as a primary driver for their healthcare decision-making. 52%, meanwhile, listed convenience as their second-most important driver for brand choice (behind insurance coverage).



The message for healthcare organizations, then, is clear. Organizations have, by and large, done outstanding work in offering highly satisfying care experiences, in spite of the pandemic. Going forward, it may be prudent to consider measures that improve the speed and ease with which consumers can access those experiences.

(One possible avenue for expansion—telehealth—is explored later in this report.)

PART TWO:

Healthcare deferment is on the rise.



“I wish this [email] about managing non-COVID-19 care had been sent out earlier, as I had been delaying care because the previous email message headers seemed so specific to the pandemic that I hadn’t fully read them.”

—California customer

Of all the possible competitors that organizations must contend with, perhaps none is more formidable—or more disconcerting—than the deferment of care altogether.

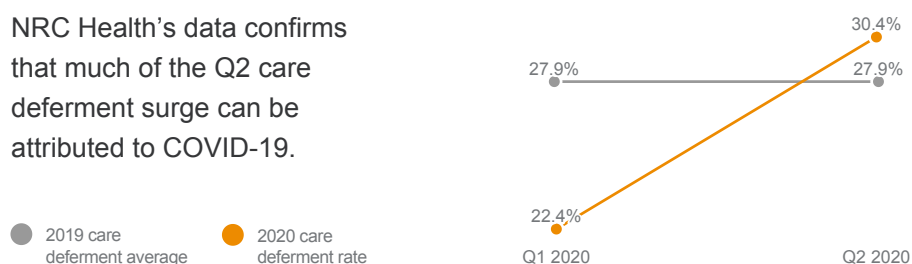
In the short term, deferment is a substantial threat to health-system revenue streams.⁴ But its long-term consequences are far more serious. Left untreated, many patients’ conditions are likely to deteriorate, which can lead to serious adverse outcomes that health systems may be less able to effectively treat.⁵

The problem of deferment has bedeviled health systems for years. In the year of a highly contagious pandemic, the problem has only gotten worse: **29.4% of patients** deferred necessary care in 2020, up from 27.7% in 2019.

Still, considering the severity of the COVID-19 crisis, the magnitude of this change might seem surprising. When hospitals across the country have had to shutter units and furlough staff for lack of elective procedures, why has the uptick in deferment been so modest?

In fact, months before the pandemic, deferment rates were actually approaching a five-year low. Only **22.4%** of patients deferred care in Q1 (January, February, and March) of 2020. It's the extraordinarily high rate of Q2 (April, May, and June) deferment, **30.4%**, that has driven up 2020's average.

NRC Health's data confirms that much of the Q2 care deferment surge can be attributed to COVID-19.



NRC Health's data confirms that much of the Q2 deferment surge can be attributed to COVID-19. **Approximately 40%** of patients who delayed care in 2020 mentioned the disease specifically, while **17.2%** said they were "willing to manage on their own," and **15.8%** said they were unable to afford the cost of services.

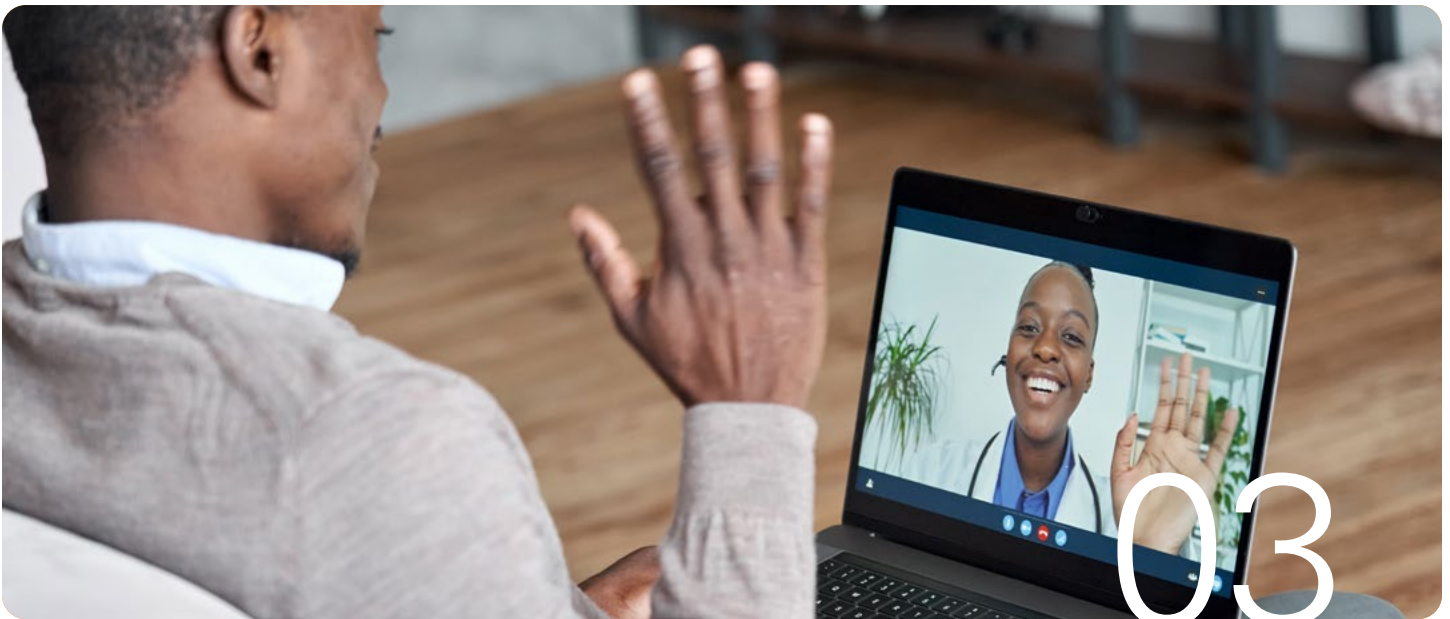


The pandemic's dominance over healthcare decision-making was especially pronounced among older consumers. For those in the Silent Generation (aged 75+), for instance, COVID-19-related concerns drove nearly **68% of care delays**. Compare this with Millennials, the largest majority (**21.3%**) of whom reported delaying care because they believed their health problems were not terribly serious.

This generational gap has strong implications for how health systems should approach recruiting patients back into regular care—explored in Parts Three and Four of the report, below.

PART THREE:

Telehealth finally meets its moment.



"Telemedicine is super easy and convenient! I hope this option continues after the COVID-19 crisis passes."

—Colorado customer

For years, telehealth seemed to hover on the fringes of mainstream adoption by organizations. With some exceptions, most health systems restrained the reach of digital care delivery, restricting its application to a minority of appointments.

That's not to say that organizations lacked the capacity to deploy telehealth. The technology had matured, and patients had long signaled their willingness to try it.⁶ The problem was rather one of reimbursement. Payers and providers had not yet arrived at a consensus for compensating telehealth appointments, which complicated the business case for widespread adoption.⁷

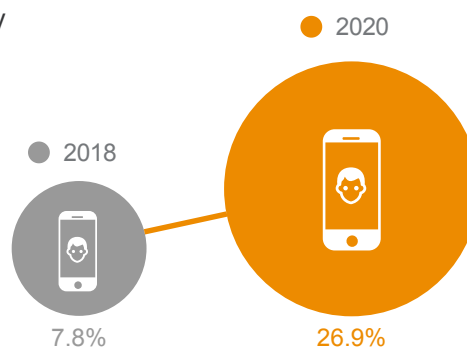
COVID-19 shifted that calculus in short order. As hospitals contended with contagious working environments and social-distancing protocols, digital delivery went from optional

luxury to operational necessity. Many insurers, in turn, temporarily lifted restrictions on telehealth reimbursement, compensating nearly all telehealth appointments for the duration of the pandemic.

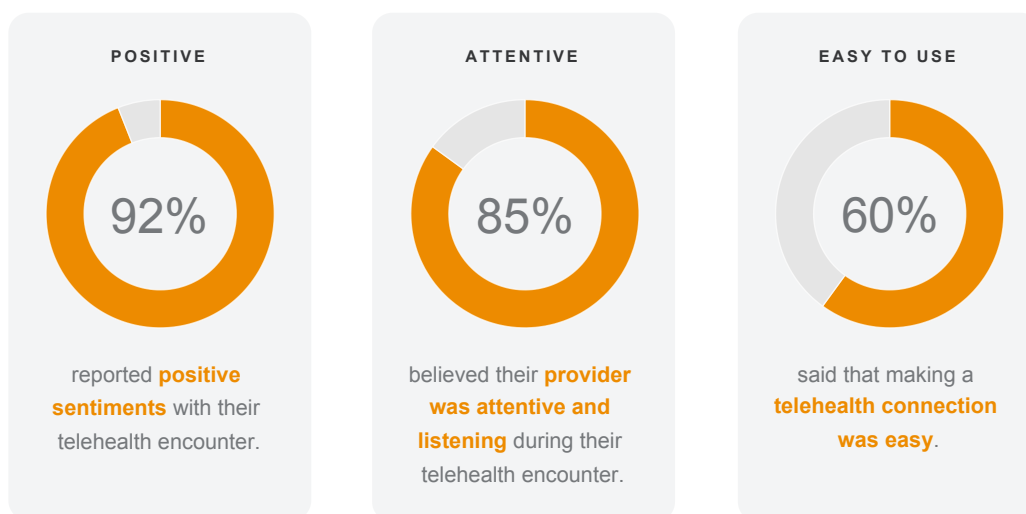
As NRC Health's data shows, the resulting environment can only be called a roaring success for telemedicine. Overall telehealth usage has **nearly tripled**, from 7.8% in 2018 to **26.9% today**. This steep increase in utilization has accompanied a broad wave of consumer enthusiasm. In 2018, just 47.2% of consumers reported excitement about using telehealth, whereas **54.9%** are excited about using it today.

Overall telehealth usage has nearly tripled since 2018.

As hospitals contended with contagious working environments and social-distancing protocols, digital delivery went from optional luxury to operational necessity.



What's more, customers are thoroughly impressed with their telehealth experiences. Among respondents from over 150,000 telehealth encounters, **92%** reported positive sentiments, **85%** believed their provider was attentive and listening, and **60%** said that making a telehealth connection was easy.



But what, precisely, has made these encounters so positive? Data from patients' comments reveals what makes for a successful telehealth encounter—and what may make them less appealing.

Telehealth detractors criticized:

-  Concerns about insurance/fees
-  A lack of emotional support
(compared with in-person appointments)
-  An observed decline in professionalism
-  Technological or equipment issues

Telehealth recommenders enjoyed:

-  Attentive, listening providers
-  The amount of time spent
with providers
-  Provider courtesy and respect
-  Ease/accessibility in scheduling

All told, the future of telehealth is far from certain. The high utilization we've seen during the pandemic may not persist in a post-COVID-19 world. Despite the overall positive response to telehealth so far, only **27%** of consumers reported that they see telehealth as a potential alternative for future visits.



27%

of consumers see
**telehealth as a
potential alternative
for future visits.**

Still, given that a majority of consumers are excited to try telehealth, and that enthusiasm for the platform tends to grow year-over-year, it behooves every healthcare organization to cultivate an effective telehealth practice. Accordingly, organizations should optimize for **provider time and attentiveness**, as well as for **financial transparency**. These will help healthcare organizations overcome consumers' initial hesitations, and may help them win consumers over as lifetime telehealth converts.

PART FOUR:

Digital innovations are beloved by patients—an opportunity for providers.



“Invest in more wearable EKG monitors to take home, so that patients may not have to wait due to shortage.”

—Louisiana customer

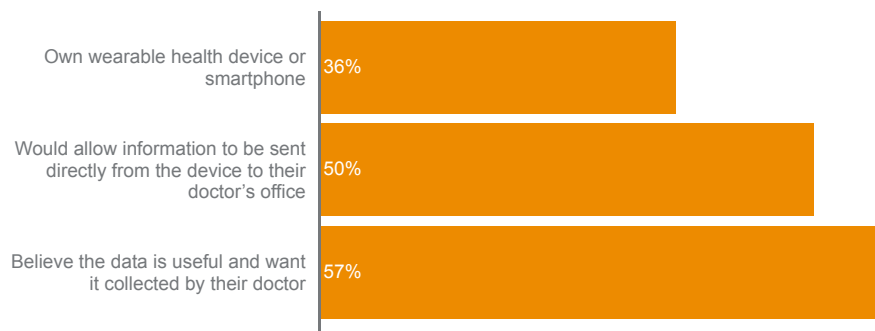
Telehealth may have brought the doctor’s appointment into consumers’ homes. But it is by no means the only avenue for healthcare organizations to reach customers outside of a healthcare facility. Consumers, in fact, prove to be broadly enthusiastic about other digital innovations that bring provider and patient closer together—even as these innovations remain underutilized by healthcare organizations.

The first of these innovations is *wearable tech*.

Health devices from the likes of Fitbit (recently acquired by Alphabet), Apple, and Amazon have taken decisive steps toward mass adoption. 30 million units have been sold in 2020 so far, and industry estimates show that number reaching 104 million by 2025.⁸

NRC Health’s consumer-sentiment data underscores this impressive adoption rate. **36%** of healthcare consumers currently own a wearable health device or use their smartphone to track wellness; **50%** of them would trust the information gathered by these devices to be relayed directly from the device to their doctor’s office. **57%** believe that data would be useful in conversations with their healthcare providers, and would want it to be collected if they’re ever in need of a healthcare service.

Consumer sentiments shared on the use of health devices



Herein, however, lies a disconnect between providers and consumers. While a majority of consumers believe wearable tech offers useful insight, only **half of providers ever ask about wearable-tech/smartphone data** during appointments. In neglecting to bring up wearable-tech data, providers may be missing an opportunity to engage more deeply with their patients’ wellness.



Most consumers trust wearable tech data.
But only **50% of providers ask for it.**



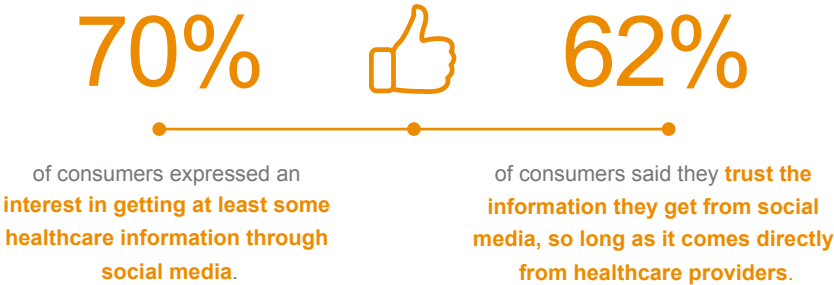
A second underused digital venue for patient interactions is *social media*.

Many healthcare systems have not yet found an optimal strategy for social-media engagement. User statistics would suggest, however, that leaders should consider developing one. The internet remains a guiding force in consumers’ care decisions—Google processes about 70,000 health-related search queries every *minute*⁹—and 72% of all Americans have some kind of social-media profile.¹⁰

And while currently, the rate of internet users actively seeking health information on social media is low (23.3%), that number is likely to rise in the future. According to NRC Health’s research, **70% of healthcare consumers** expressed an interest in getting at least some healthcare information through social media, and **62% of consumers** said they trust the information they get from social media, so long as it comes directly from healthcare providers.

(This was especially true during the worst times of the pandemic, when consumers trusted announcements from local healthcare organizations more than any other source of information.¹¹)

Consumers trust healthcare information on social media



Clearly, health organizations enjoy a position of trust and authority. To capitalize on it, they should attend to consumer preferences. For example, **66% of consumers** do *not* want posts to show up on their feeds. Instead, they want large, authoritative bodies of content that are relevant to their search queries, especially on topics like healthy recipes and nutrition, exercise ideas and tips, and lifestyle and wellness information. Social-media consumers are saying, in effect, that they want to come to organizations—not the other way around.



66% of consumers do not want posts to show up on their feeds. Instead, they want large, authoritative bodies of content that are relevant to their search queries.



CONCLUSION:

An appeal through human understanding.



Consumers want to come to you.

This last insight neatly encapsulates the overarching direction of the industry: one defined by the emergence of consumerism.

For years now, consumers have made consistent appeals for autonomy, for convenience, and for freedom of choice. They're not looking for top-down, authoritative relationships with providers. They're looking for partnerships—relationships that respect their time and their judgment, that deliver an excellent experience, and that pursue a sense of meaningful human connection.

Unsettling as it has been, COVID-19 has done little to alter this trajectory toward consumerism. If anything, the pandemic has accelerated it. Organizations had to take drastic measures to meet the needs of socially distanced customers; whether those customers will be willing to return to pre-COVID-19 habits remains to be seen.

Regardless, however, organizational leaders have cause to be optimistic. They have decisively proven that they can be nimble and adaptable, even in the face of a crisis. With the right data—and a strong commitment to human understanding—they are surely capable of adapting again.

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**NRC Health helps healthcare organizations
better understand the people they care for and
design experiences that inspire loyalty.**

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