

The Curious Case of the Healthcare Consumer



A Governance Institute Webinar

Presented by Ryan D. Donohue

Corporate Director of Program Development

NRC Health

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Today's Presenter



Ryan Donohue is the Corporate Director of Program Development for NRC Health. Through NRC Health's consumer perception division, Ryan has partnered extensively with hospitals and health systems to leverage market intelligence and build consumer-centric healthcare brands.

Ryan has studied the effect of consumerism across multiple industries and collaborated with Mayo Clinic, Northwestern Memorial Hospital, Vanguard Health Systems, Trinity Health, Medical College of Georgia, and other providers big and small to analyze and understand consumer decision making. Ryan specializes in creating simple yet effective strategic models any healthcare brand can use to reach and influence its customer base.

Learning Objectives

After viewing this Webinar, participants will be able to:

- Define what healthcare consumers value most in healthcare providers.
- Identify three key areas where healthcare providers fail to fulfill consumer expectations.
- Create a consumer-centric environment from the board down.

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Criteria for successful completion: Webinar attendees must complete evaluation survey and include their name and degree (M.D., D.O., other) at the end of the survey in order to receive education credits. Evaluation survey link will be sent to all registrants in a follow-up email after airing of the Webinar.



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None of the presenters intend to discuss off-label uses of drugs, mechanical devices, biologics, or diagnostics not approved by the FDA for use in the United States.

Session Roadmap

- Definition of “Consumer”
- Outside Healthcare
- Three Consumer Mysteries
- Consumer-Centric Tomorrow

Definition of Consumer



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Healthcare Consumer:
any person who will
use healthcare services
at some point in the future



Where are the happiest healthcare consumers?

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

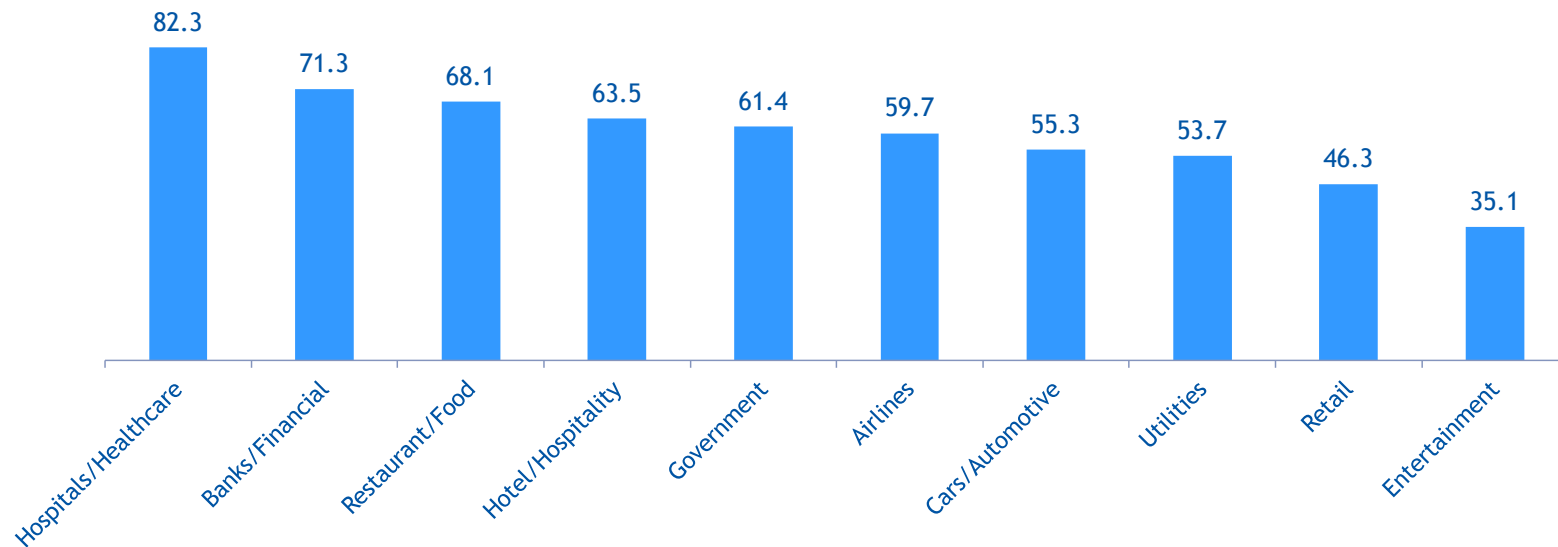
48% of all other healthcare consumers are frustrated



SOURCE: Camden Group, 2016

What are consumers' expectations of us?

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



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2016, average annual n sizes vary from 208 (qual) to 278,824 (quant)

Consumers are the fastest growing payers of healthcare services



SOURCE: William Blair Consumer-Centric Healthcare Report, 2016

Lessons from Outside Healthcare



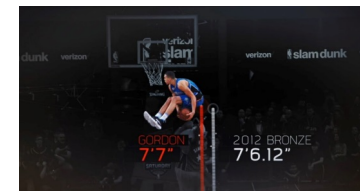
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Outside Healthcare: The Rise of Numbers

Industry: Sports

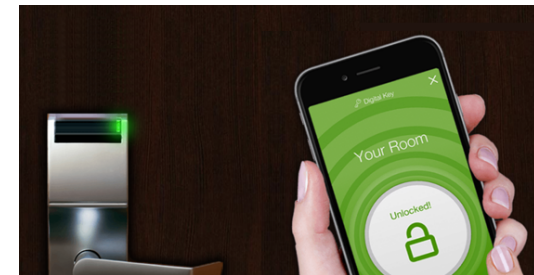
- Quantification of sports performance has become big business.
- ESPN and others use analytics as a competitive advantage in broadcasting.
- Any competition requires analytics.
- **Cautionary tale: know when you have enough numbers.**



Outside Healthcare: The Power of Convenience

Industry: Hospitality

- Hotels are desperately fighting mass commoditization.
- Incentives and membership benefits are highly influential on consumers.
- Convenience has become quality.
- **Cautionary tale: know when the easy way isn't the best way.**



Three Consumer Mysteries



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UNSOLVED
mysteries



1

The Case of the Confused Consumer



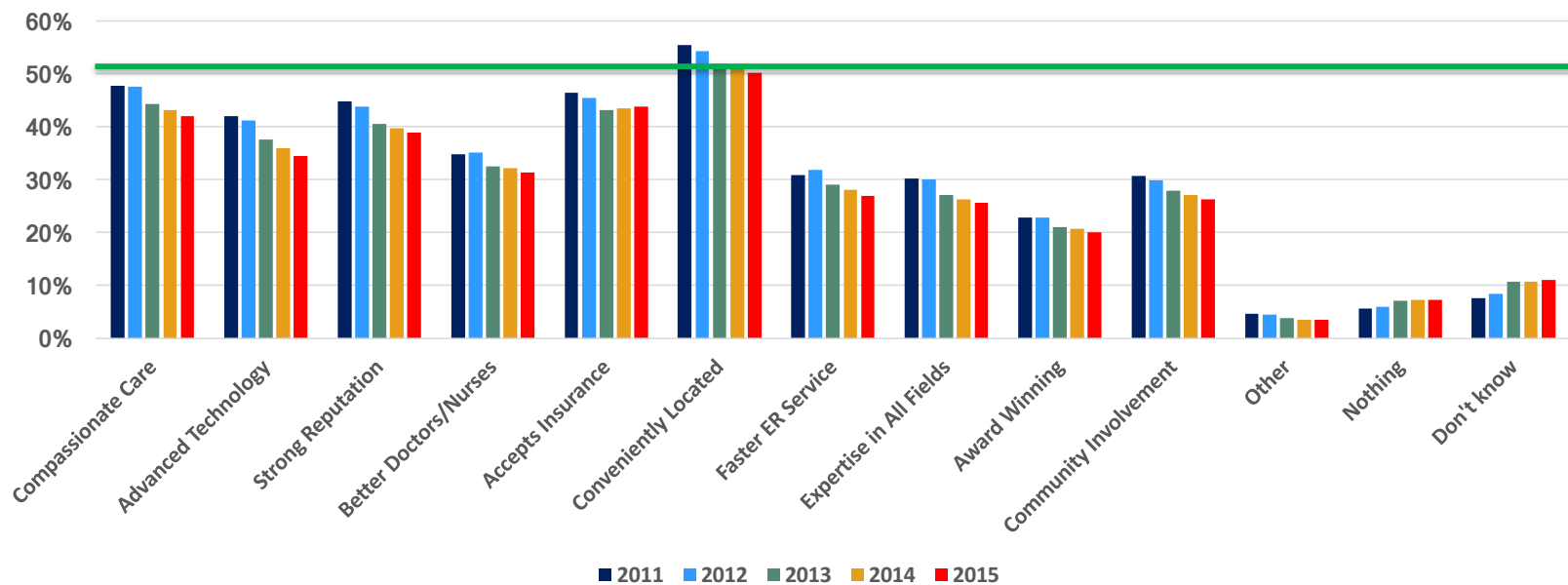
The Case of the **Confused** Consumer

- Healthcare is inherently challenging to everyday people.
 - In the average market, 3 in 5 consumers feel a lack of familiarity with their healthcare options (1 in 5 cannot name a local hospital).
- Consumers ideally see a dual role for health systems.
 - “Care for me when I’m sick, and care for me when I’m healthy.”
- Consumer engagement has never been more important.
 - 7 in 10 consumers want to be “in control” of their health.
- A record number of consumers are deferring healthcare.
 - **3 in 10 delaying necessary medical treatment** (previous high: 27% in ‘08).

SOURCE: NRC Health’s MARKET INSIGHTS study, 2008-2015, n sizes vary from 176 (qual) to 278,824 (quant).

The Case of the **Confused** Consumer

BrandArc Differentiation Index – National



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2015, average annual n sizes vary from 208 (qual) to 278,824 (quant).



♥ CVS Health

Cigarettes Out. Health In.

Cigarettes Out. Health In.

2

The Case of the Virtual Consumer

The Case of the **Virtual** Consumer

- Consumers open a virtual front door to healthcare long before they open a physical front door.
- Consumer expectation for easy access is at a fever pitch.
 - Other industries have significantly decreased consumer patience.
- **Web/social/mobile are the new front doors.**
 - 87 percent of consumers are online daily (39 percent visited WebMD).
 - 74 percent use social media Web sites (average age: 45 years old).
 - 27 percent use mobile devices to access health information.
 - 17 percent own a wearable health-tracking device.



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2015, average annual n sizes vary from 208 (qual) to 278,824 (quant).

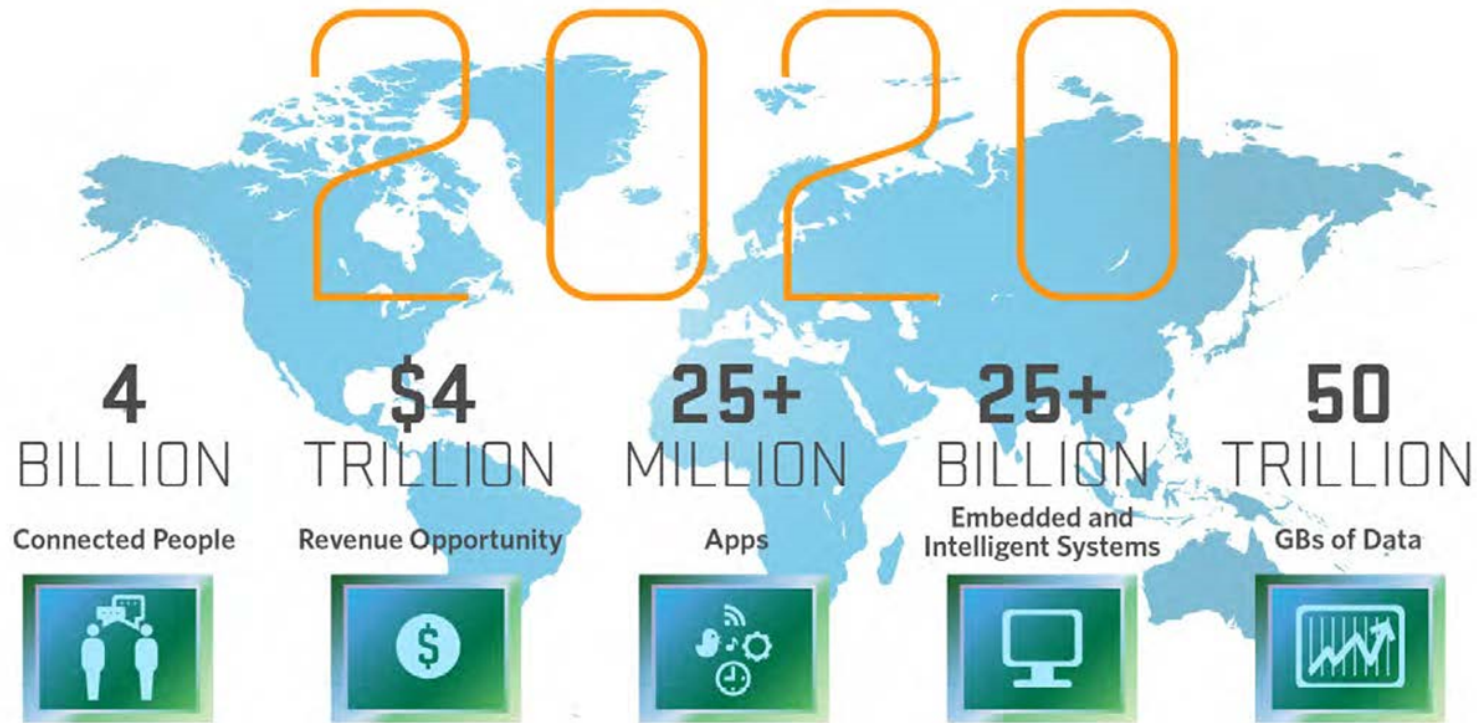
The Case of the **Virtual** Consumer



When it comes to service, consumers are expecting *you* to come to *them*:

- **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.
- Telehealth bridges physical gaps.

SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2015, average annual n sizes vary from 208 (qual) to 278,824 (quant).



Source: Mario Morales

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The Case of the Price-less Consumer



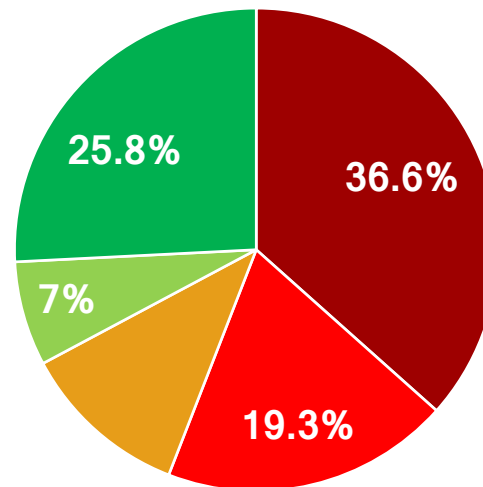
The Case of the **Price-less** Consumer

- 4 in 5 consumers find it difficult to find healthcare pricing before a healthcare experience.
 - 9 percent have visited a site or listing of prices.
- The higher the deductible, the harder the search.
 - 13 percent have visited Hospital Compare.
 - 74 percent of consumers with a \$3k+ deductible searched.
- Healthcare providers have not answered the call.
 - A search of 100 hospital websites turned up 2 “price info” features.
 - CMS isn’t getting the word out.

SOURCE: NRC Health’s MARKET INSIGHTS study, 2010-2015, average annual n sizes vary from 208 (qual) to 278,824 (quant); William Blair, Consumer-Centric Healthcare Report, 2016.

The Case of the Price-less Consumer

What amount is maximum amount your household could afford for emergency care?



■ Less than \$500 ■ \$500-\$1,000 ■ \$1,000-\$2,000 ■ \$2,001-\$3,000 ■ More than \$3,000

SOURCE: NRC Health's MARKET INSIGHTS study, 2016, n size = 25,068.

Consumer-Centric Tomorrow




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Your Recent Southwest Airlines Flight

 Southwest Airlines <surveys@southwest.magid.com> [Unsubscribe](#)
to me ▾



Hi RYAN,

We'd LUV to get your feedback about your Southwest experience from Albany to Omaha on 9/17/2016. Your responses will be used to help improve your next Southwest experience and will be strictly confidential.

How likely are you to recommend Southwest Airlines to your friends, family or colleagues based on your trip from Albany to Omaha on 9/17/2016?

Not at all likely			Somewhat likely				Very likely		
1	2	3	4	5	6	7	8	9	10

Si usted prefiere tomar la encuesta en español, por favor [haga clic aquí](#).

If the above links don't work copy and paste the following URL into your internet browser:
<https://southwest.magid.com/Survey/fwauFVauQ8owASW/509NmUsVCjm7cNu>.

Thanks in advance for taking the time to tell us about your Southwest experience!

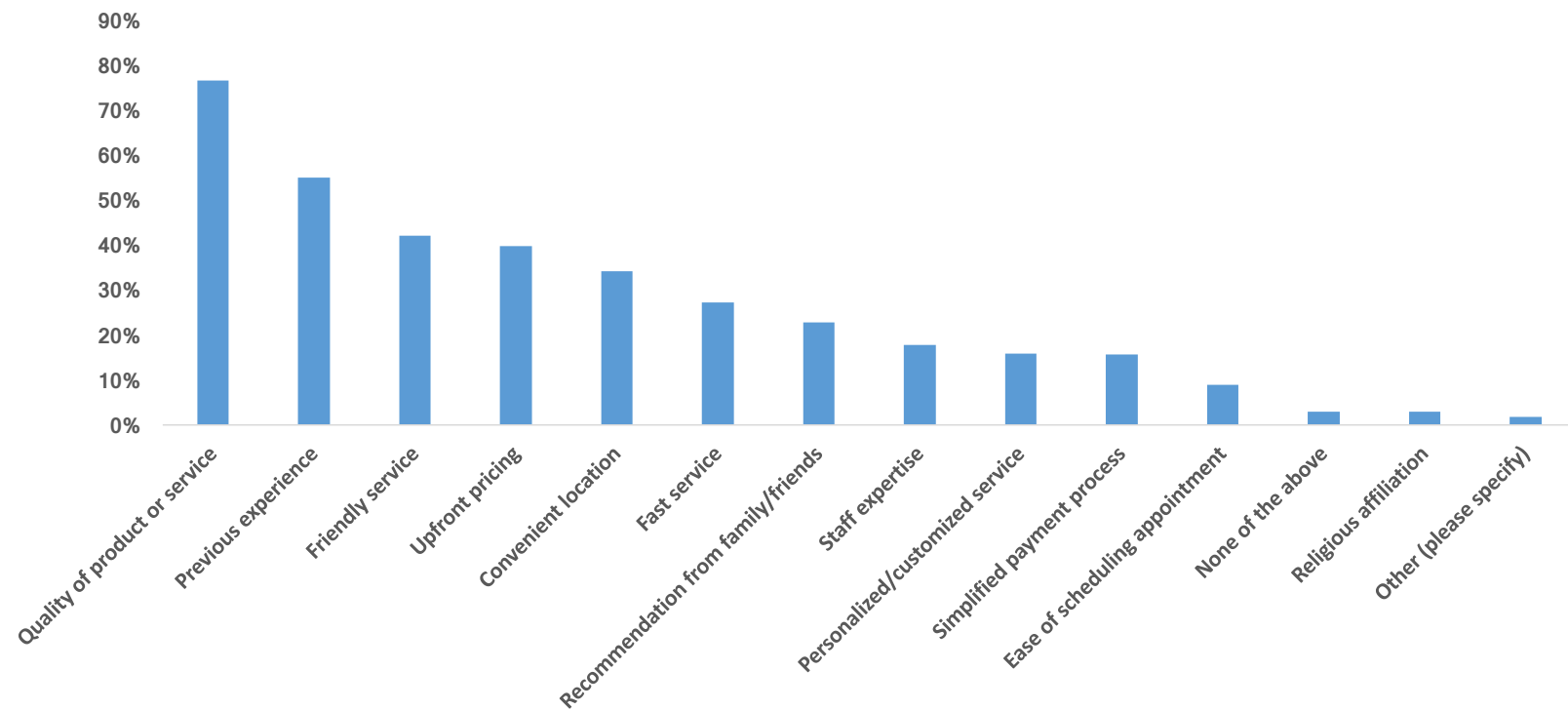
LUV,

Your friends at Southwest

The Long, Winding Road to Loyalty



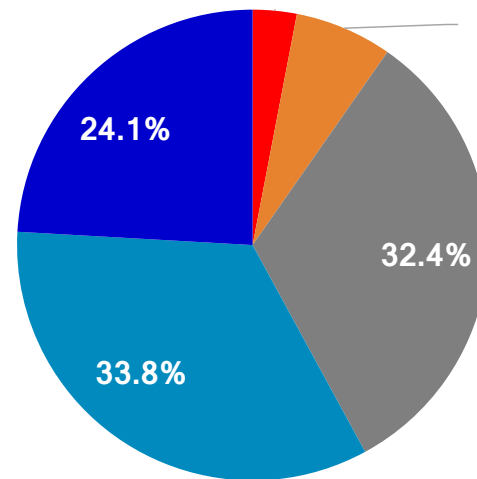
Which factors are most critical to maintain your loyalty?



Consumer Desire to be Loyal

“It is important for me to receive all my care and treatments from one overall care provider of healthcare organization instead of many different care providers or healthcare organizations.”

58 percent of consumers are loyal to a healthcare brand



28 percent of consumers who don't have a regular doctor are brand loyal

■ Strongly disagree ■ Somewhat disagree ■ Neither agree nor disagree ■ Somewhat agree ■ Strongly agree

SOURCE: NRC Health's "The New Payer" study, 2015, n size = 3,083.

Creating a New Front Door for the Consumer to Find Us



Richard Latin - Prostate Cancer

Prostate cancer at 40. Cancer-free at 42.

Watch His Story



Find a Physician

Let us help find the right physician or provider for you.



Find a Location

With an extensive network of locations, we're near where you live and work.



Find a Class

From prevention to support groups, our classes and events have you covered.

Quick Links

- Careers
- Chat with an Adviser
- Quality
- Find a Class or Event

Packaging & Positioning Brand Loyalty

- 1 in 3 consumers would choose a hospital that offers a loyalty program over one that does not.
- If benefits are clear and tangible, consumers would submit to certain health-based activities:
 - 52 percent would submit to a health screening.
 - 43 percent would attend a wellness event.
- Loyalty efforts are the cornerstone of a population health strategy.



SOURCE: NRC Health's "The New Payer" study, 2015, n size = 3,083 .

Pushing Resources Out to Consumers (Proactive Approach)



Healthcare Bluebook. Why Transparency? Solutions About Us


Healthcare Bluebook

NEVER OVERPAY FOR HEALTHCARE AGAIN

Join the Fair Price Revolution

CONSUMERS TRY OUR FREE FAIR PRICE SEARCH

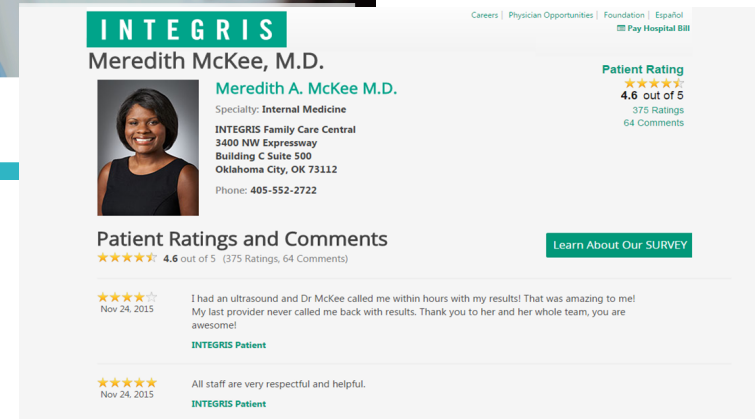
EMPLOYERS EXPLORE OUR PREMIUM SOLUTION



crowdclinical Ranking List

What are people saying about your hospital?

@OHSUNews I want to send a special thank you to my care providers as I prepare for my across America by bicycle.
<https://t.co/OGYicZJGKY>



Careers | Physician Opportunities | Foundation | Español | Pay Hospital Bill

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Patient Rating
4.6 out of 5
375 Ratings
64 Comments

Patient Ratings and Comments Learn About Our SURVEY

★★★★☆ 4.6 out of 5 (375 Ratings, 64 Comments)

Nov 24, 2015
I had an ultrasound and Dr McKee called me within hours with my results! That was amazing to me! My last provider never called me back with results. Thank you to her and her whole team, you are awesome!
INTEGRIS Patient

Nov 24, 2015
All staff are very respectful and helpful.
INTEGRIS Patient



Consumerism: 4 for the Road

- We must strongly consider, and internalize, the **consumer point of view**.
- We can offer a world-class experience, but if it's not **simple and consistent**, our brand will suffer.
- Meeting consumers in the middle and being **transparent** along the way is non-negotiable.
- Consumers are seeking a loyal **1:1 relationship**; be bold and seize the role.



Questions & Discussion



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