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Healthcare consumerism is here to stay—*are you ready?*

Healthcare consumerism: What does it really look like?

Steve Jackson, *President, NRC Health*

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With CVS's acquisition of Aetna and recent news that Amazon, Berkshire Hathaway, and JPMorgan Chase have formed a new healthcare company and that Apple will launch a network of medical clinics, there's no denying that healthcare consumerism is poised to disrupt the industry like never before.

Today's healthcare consumers are forced to deal with high-deductible plans, greater out-of-pocket costs, and new financial obligations. With more access to information, they also have more opportunities to research their options, evaluate their providers, and decide where—and from whom—they want to receive care.

Yet healthcare consumers don't expect customer service alone. They demand a personalized, transparent, and unrivaled experience.

While hospitals and healthcare systems agree that healthcare consumerism is a strategy to lower costs, provide greater access to care, and improve outcomes, a universal definition—as well as what a comprehensive implementation strategy actually looks like—remains uncertain.

WHAT IS HEALTHCARE CONSUMERISM?

Although the idea of healthcare consumerism has been infiltrating the industry for about a decade, experts have yet to come to a consensus on the definition.

According to *Modern Healthcare's* CEO Power Panel survey,¹ CEOs define healthcare consumerism as:

- Increased attention to customer satisfaction and feedback
- Improved convenience
- Higher-quality transparency
- Design of facilities or technology offerings
- Price transparency

The healthcare industry has traditionally been provider-centric: physicians and health systems controlled the policies, procedures, and prices. Despite efforts to move towards a more patient-centered model, however, physicians still drive most of the decisions they think are in the best interest of their patients.

While older generations solely trusted providers with their care, baby boomers and Millennials now demand more. Only 17 percent of consumers feel comfortable trusting their providers with decisions about their healthcare, according to data from NRC Health.²

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—Kevin R. Gwin, Chief Patient Experience Officer, University of Missouri Health Care

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“Consumerism is patient experience,” according to Kevin R. Gwin, Chief Patient Experience Officer at University of Missouri Health Care. Gwin says healthcare systems need to recognize that like other industries, they are becoming more like a retail business, so where one patient may see an expected practice or outcome, another may find fault.

When looking at their choices, consumers think:

- Is this in my best interest?
- What can I really afford?
- Which choice will give me the best outcome?
- Do I trust this provider?
- Do they respect me?
- Do we have a connection?

Therefore, healthcare consumerism isn't shifting the model simply from provider-centric to patient-centric but, to a model where relationships come first. When organizations prioritize relationships, providers know their patients, they take the time to understand their needs, and they continue to engage and support them throughout their healthcare journeys.

With this new focus, providers should ask themselves:

- Have we learned something new about this patient?
- Are we building a bond with this patient?
- Do we have a strong rapport?
- With each new interaction, is the delivery of care improving?

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WHY HEALTHCARE CONSUMERISM IS MORE IMPORTANT THAN EVER BEFORE

Consumers are demanding more control of their healthcare experience, including improved ease of access, increased value, and cost savings. Consumers also want more control of their healthcare choices. In fact, seven in 10 say they feel personally responsible for managing their health.³

Today's healthcare consumers demand that their experiences measure up to other brands that make the effort to engage and build relationships with them.

“What has changed is, our customers are much more verbal and vocal about what's not working for them, and they're asking questions and they're asking us to be different,” Gwin says. “Consumerism is real to us because we're feeling the impact, the questions, and sometimes the anger.”

Lack of loyalty is another reason why healthcare consumerism is more relevant than ever before. One in three consumers is willing to find another, more affordable provider if they don't feel valued by their current providers.⁴

PATIENT FEEDBACK ISN'T HEALTHCARE CONSUMERISM

Many healthcare organizations equate healthcare consumerism with patient feedback. Although HCAHPS provides insight and is still relevant, it's the least valuable tool to gather patient feedback. For starters, the national average response rate is only 32 percent each year, according to a study in the journal *Health Services Research*.⁵ The questions in HCAHPS also fail to address the quality of care customers receive, and only include individual care episodes.

Of course, kiosks, online surveys, and online reviews provide patient feedback data as well, but healthcare consumerism is more than simply soliciting and gathering feedback and resolving complaints. It's a proactive approach and takes satisfaction to the next level.

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In the same way that companies like Amazon, Uber, and Netflix wow their consumers, healthcare systems must make personalization and delight their goal. Consumerism is about designing an ideal experience rather than trying to fix something that went wrong.

WHAT DOES HEALTHCARE CONSUMERISM LOOK LIKE?

Healthcare consumerism involves more than evaluating the patient experience and responding. It's anticipating your consumers' needs and desires and crafting an individualized and personalized experience with targeted insight for each individual.

For example, receiving a customer complaint about long wait times offers valuable insight. But why not take it a step further and target the customer with personalized messaging about an e-visit? Or, rather than have a customer walk out of a visit confused about how to take a new medication, offer to record voice instructions together on the patient's mobile device?

Using real-time patient feedback and a simple measure for loyalty like the Net Promoter Score® (NPS®), healthcare systems can identify unsatisfied customers who threaten outmigration, and turn them into loyalists.

At University of Missouri Health Care, Gwin says his team is committed to aligning the organization with their customers' preferences where it is appropriate, and looking at access of care through their customers' eyes. For

example, they place a greater focus on virtual visits, online scheduling, and responding to portal messages in a timely manner. Social media and other channels are making it easier for patients to provide feedback, too.

Gathering and analyzing data is also an important part of their consumerism strategy. In addition to surveys, kiosks, and an internal system that captures feedback, Gwin's team can look at a specific clinic, set of exam rooms, or time of day to understand where they may be falling short. Then, they can use patients as focus groups or go before a patient-and-family council to create and test solutions. "Our data is so much better today that now I can pinpoint where we are letting people down and where we are really knocking it out of the ballpark, so we can recognize and retain our super producers," Gwin says.

What's more, healthcare consumerism isn't only about what happens in the exam room, but how insurance and payments are handled at the end of the visit. If costs drive loyalty—56 percent of consumers say a provider who accepts their insurance is top of mind⁶—a consumerism strategy requires that consumers understand their financial obligations as well.

HOW TO PREPARE FOR A HEALTHCARE CONSUMERISM STRATEGY

Research shows that regardless of how important hospitals and healthcare systems think consumerism is, they're not ready.

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According to the same *Modern Healthcare* survey, 83 percent of healthcare executives said 25 percent of their strategic plan is focused on consumerism. Within the next three to five years, 75 percent said they expect 50 percent or more of their strategic plan to include consumerism.

Another report found that while 66 percent of hospitals and health systems say consumerism is a priority, only 23 percent have the strategic insights to take action, and only 16 percent have the means to implement those strategies.⁷

So how can healthcare organizations get prepared? Here are some first steps.

01 TAKE A 360-DEGREE VIEW

A healthcare consumerism strategy must first start at the board and executive levels and identify a single metric across all care settings and service lines for evaluating if the organization is consumer-friendly. One of the best ways to do so is to understand the drivers of loyalty. Ask questions like:

- ➔ What is it about your brand and organization that customers are attracted to?
- ➔ Do we know who our customers are and what they expect from us?
- ➔ What fosters ongoing relationships?

With the right insight, organizations can determine if what they offer matches the needs of their consumers.

02 BUILD A STRONG TEAM

Traditional silos that separate the customer journey into marketing ownership and experience ownership are standing in the way of true consumer-centric strategy. With a role like chief consumer officer at the helm, the organization as a whole can make consumerism a priority with every interaction and touch point.

03 LOOK OUTSIDE OF HEALTHCARE

Perhaps one of the biggest obstacles is ensuring that every employee—from the front desk to the front lines—is committed to consumerism. "When you make a judgment about a restaurant on one interaction, that's what they're doing to us," according to Gwin. "That's the level of scrutiny that we're encountering, and it's new to us."

To understand why healthcare consumerism is important and what customers expect, simply look to companies in other industries that provide that "wow" factor.

04 BE STEADFAST

Although consumerism should be a primary goal for all healthcare systems, it's important to realize that change doesn't happen overnight and ruthless prioritization around the most pressing needs is key. The current models of care were created over a long period of time, and they will not necessarily pivot as quickly as we would like them to.

- 1 <http://www.modernhealthcare.com/article/20171209/NEWS/171209866>
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