

REPORT

2020 Healthcare Consumer Trends Report



Contents

Good news for today's health systems: patients love their healthcare providers. Among the more than two million comments gleaned from NRC Health's Real-time Feedback partners, more than 85% of patient sentiment toward clinicians reflected warmth, positivity, and respect.

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However, while patients report fond feelings for clinicians, as will be discussed below, other parts of the care encounter tend to disappoint. These aspects lag behind the expectations—for speed, convenience, and ease—set by today's customer-service companies.

For healthcare's leaders, of course, this is no surprise. In fact, an overwhelming majority of them agree that healthcare organizations can learn a lot about engagement from other consumer-facing industries.¹ But it remains a challenge to move from this kind of broad strategic insight to the specific tactics that will make it meaningful.

The best ways forward for health systems will be as endlessly varied as the patient populations they serve. To come closer to meeting these patients' expectations, then, health systems should start by understanding exactly who these patients are. On that front, **NRC Health's 2020 Healthcare Consumer Trends Report** brings some clarity.

Any exploration of healthcare's customers must begin by understanding them both as *patients* and as *consumers*. That's why, for the first time, this year's Trends Report will draw from two different datasets that will inform a holistic view of today's customers.

The patients' perspective emerges from NRC Health's database of **more than two million feedback comments**, collected over the past 24 months. Consumer data, meanwhile, is gleaned from Market Insights, the largest consumer database of its kind in the country, with **more than 310,000 respondents reporting from 300 different markets**.

ANALYZED TOGETHER, THESE DATASETS UNCOVER:

- What healthcare customers are asking for
- How expectations shift across demographics
- Where health systems should focus their efforts in order to maximize their impact
- Actionable insights from prominent healthcare leaders for operationalizing the journey toward consumerism

This report explores some of the broader influences on healthcare customer decision-making. The results illuminate central concerns that dominate patients' thoughts as they choose a provider. The themes raised here provide an incisive start for more in-depth research.

01

The importance of access

The issues raised in the boardroom aren't always the ones on patients' minds. But on one subject, consumers and leaders are starkly aligned: they're both concerned about access.

Health-system CEOs report that access to care is today's predominant concern for healthcare leaders.² Consumers seem to share that opinion. More than 60% of the comments in NRC Health's Real-time Feedback data-set mention ancillary parts of the care experience, including issues related to access.

Access, then, is a clear priority for consumers. And it's one of the main drivers of patient decision-making as they select a provider.³ Previous research from NRC Health has found that up to 51% of consumers believe convenient access is the single-most important factor driving their healthcare decisions⁴—and that up to 80% of patients are willing to switch providers for “convenience factors” alone.⁵

This desire for convenience likely explains consumers' growing appetite for access innovation. For example, 62% of consumers are open to digital channels of care delivery, if it means more expedient access to care.⁶ In the same vein, a third of patients say they'd prefer to book their own appointments online⁷—more than ever before.

Developing such capabilities is clearly in health systems' best interest. Streamlining access will not only improve an organization's ability to attract new consumers—NRC Health's research has found it will also prove an increasingly vital component of consumer *retention*. A statistical examination of patients' comments reveals a startling correlation between positive comments about access and long-term consumer loyalty.

Streamlining access is key to attracting consumers and retaining patients

Research showed that if a patient leaves a positive comment about admission or registration, they are **46 times more likely** to be a promoter for a healthcare brand, compared to similar patients who leave negative comments about these features. Comments about wait times show a similar effect: consumers with positive comments about wait times are **20 times more likely** to be promoters than patients who leave negative comments about wait times.

Patients who indicate a positive admission experience are 46 times more likely to be a brand promoter

51%

of consumers believe convenient access is the single-most important factor driving their care decisions

Alleviating friction is the best tactic for attracting and retaining patients

These indications show that, for health systems looking to maximize both immediate and long-term appeal to consumers, **alleviating points of friction within the process may be one of the most important tactics to pursue.**

“If we want the privilege to serve, we have to be chosen.”

JENNIFER MCCLEAN

VP of strategic initiatives and patient experience, Mercy Health

A healthcare vocation can be difficult to square with the demands of the marketplace and the emerging nature of consumer-centric choice. But Jennifer McClean, VP of strategic initiatives and patient experience at Mercy Health, elegantly brings them together.

“As healthcare providers, we’re called to serve and we want to provide healing, in the many ways that can be offered,” she says. “But in order to do that, we have to first be chosen from among many options, digital and traditional, in the market today.”

Jennifer believes that providers who can’t attract consumers will have less opportunity to carry out their call to serve than those who develop strong patient-centered practice standards and a reputation for personalized, compassionate care. Appealing to the consumer’s sensibilities, she says, is an important part of serving a community—

and increasingly, **the larger part of consumer preferences boils down to one essential trait: ease.**

“Think about the consumer and the frustration they have with their choices in the marketplace,” Jennifer says. “Our job is to make those choices easier—to smooth the path for them to reach us.”

An essential part of this work is understanding the early phases of a consumer’s care journey—the moments between when a health need arises and when the patient arrives in an exam room, and the coordination of steps that follows. Jennifer argues for simplifying these steps as much as possible.

Many providers, though, operate under the assumption that they’ve already streamlined the appointment-setting and arrival process, and that things are already as simple as they could be.

“It’s easy for us, as providers, to have the self-perception that we’re really doing well,” Jennifer says, “but unless we look carefully at the decisions available to the consumer, that confidence is misplaced.”

Jennifer’s advice for providers who want to better understand the consumer’s journey? It’s simple—walk in the footsteps of consumers in the market, and consider looking *outside* the patient population you’re currently serving, toward those who have not yet chosen your organization.

“You learn just as much, or even more, from the consumers who *don’t* choose you,” she says. “Examining your market as a whole is a great place to start.”

02

Meeting multigenerational expectations

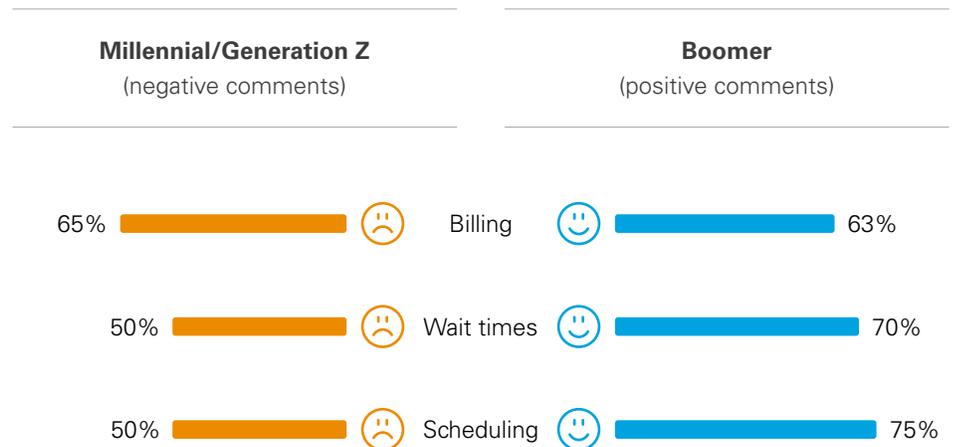
One of the major accomplishments of modern medicine has been the general increase in Americans’ lifespans. But that achievement has also made serving American communities more complicated. Today’s health systems must attend to a range of patient age groups that’s broader than any other in history.

Predictably, this creates some challenges. Each generation of patients brings unique expectations to bear on their healthcare providers—and some of these expectations can be difficult to meet.

Patients older than 65, for instance, implicitly trust their providers. They’re far more likely than younger patients to say that physicians and nurses “always” listen to them and “always” show the

patient appropriate respect.⁸ But these older patients’ trust comes less readily to digital innovations in healthcare. Only 4% of older adults have ever used telehealth services, and 80% of them express misgivings about doing so.⁹ Meanwhile, 69% of Millennial and Generation Z consumers are likely to choose providers based on the availability of digital services,¹⁰ and 61% of them are willing to switch providers over a subpar digital experience.¹¹

Nor are these the only domains in which generations disagree. NRC Health’s research has unearthed stark contrasts between older and younger generations’ comments on various aspects of the patient experience:



Failing to cater to the demands of Millennials and Generation Z will result in dissatisfaction and outmigration

These contrasts can make it difficult for organizations to identify the best places to marshal their resources. Should they focus on in-person encounters, or digital tools? On better invoicing, or smoother scheduling?

Answers to these questions will depend on an organization's patient mix. Regardless of a given community's age makeup, however, demography only moves in one direction: forward. As consumers age, Millennial and Generation Z consumers will eventually come to predominance in every health system's patient-cohort groups. Failing to cater to their expectations will put health systems at risk of incurring substantial losses from outmigration, and significant decreases in experience scores.

To find solutions, health systems may be tempted to tidily divide their customer base along generational lines. "Millennial" can be shorthand for "tech-savvy"; "Silent Generation" can be synonymous with "old-fashioned." But Brian believes that customers' desires are a little more nuanced than that.

"You can't just chalk up generational differences to cultural identities," Brian says. "So much of it has to do with the particulars of each customer's situation."

Each generation's phase of life circumscribes what they want from their health systems. Baby Boomers, for instance, are easing into their retirement years, while those from Generation X are reaching the peak of their work-related responsibilities. Meanwhile, Millennials are having children, and Generation Z is entering the workforce for the first time.

"These groups each want slightly different things, just because their lives are so different," Brian says.

Removing friction, then, starts with a deep consideration for what's happening elsewhere in the customer's life, and involves designing targeted interventions to make their lives easier—at least as far as their healthcare's concerned.

"It's something that transcends generations, this need for ease," Brian says. "Gen X, Boomers, Millennials, we're all stressed out. We all want things to be more convenient. If an organization can create that feeling of frictionless ease, no matter what the demographic of the customer, it'll make them happy."

"No matter how old we are, we all want ease."

BRIAN CURTISS

Marketing director, BayCare Health System

Each generation has its own set of expectations for healthcare systems. However, according to Brian Curtiss, marketing director at BayCare Health System in west-central Florida, a universal desire undergirds them all: the desire for convenience.

"At every point in healthcare, there's so much friction. Customers have a terrible time navigating the system," Brian says. "You take that friction away, and you make everyone happy."

According to Brian, generations differ primarily in *where* they tend to find that friction, and *how* health systems can best remove it for them.



Consumer experience comes first

85%

of consumers' provider-related comments are positive

The last few years have seen a surge in non-traditional players moving into the healthcare sector. Health-system leaders have taken notice: 88% of healthcare executives agree that their organization is vulnerable to disruption from non-traditional companies.¹²

Whatever innovation comes, it will be extremely unlikely to unseat the primacy of the provider encounter for consumers. NRC Health's research shows that, on the whole, consumers have overwhelmingly positive feelings about their interactions with providers—**85% of patients' provider-related comments are positive.**

Instead, traditional providers' vulnerabilities are likely to lie where the industry lags behind: on ancillary parts of the encounter like access, billing, and wait times. Only a minority of patients, no matter what their age cohort, report feeling satisfied with these aspects

of their care. This may be because healthcare is unable to move as nimbly as its start-up contemporaries; the industry cannot streamline its administrative functions in the vein of Amazon or Netflix.

Billing, invoicing, and cost present particularly strong misalignments between consumer expectations and health-system practice. According to the Beryl Institute, 89% of consumers believe that a clear and comprehensible billing process is essential to a good experience.¹³ Yet a majority (61%) of patients are unable to understand their bill when it arrives in their mailbox.¹⁴

Comprehending the invoice is far from the end of consumers' problematic relationship with bills. All too often, the figure on the invoice is also beyond their ability to pay. This is likely why, according to NRC Health's research, 27.6% of patients have deferred a necessary care treatment—up from 22.1% in 2018.



27.6% of patients have deferred a necessary care treatment—up from 22.1% in 2018

Billing-related issues remain a consistent source of frustration for consumers. Enduring customer loyalty will, in large part, depend on healthcare organizations' efforts to resolve them. The closer healthcare encounters come to frictionless experiences,¹⁵ the better patient perceptions will be.

These positive experiences are the gateway to enduring loyalty from healthcare consumers. They're by no means sufficient to secure consumer loyalty,¹⁶ but without a robustly positive experience, organizations have little hope of ensuring that customers will come back.

accountability in place, there's no structure to actually help our people be successful."

The foremost aspect of introducing this accountability, Abhishek believes, is data. It's not enough for health leaders to proselytize empathic care to the workforce. They have to set measurable, evidence-backed goals—and that starts with the numbers.

"By showing care teams experience data every day, we send the message that leadership is invested in their work—we show our teammates that their contributions are meaningful in a real, measurable way," Abhishek says. "It's a compelling way to bring the mission statement to life."

Paying such keen attention to the data, furthermore, offers unique opportunities for improvement. Importantly, Abhishek emphasizes, it's not just about correcting missteps—it's about finding new ways to help staff re-engage with their work.

"In analyzing feedback, it can be a temptation to focus on the negatives," he says, "but it's just as important, maybe even more important, that you underscore the positives, too. Celebrate progress. Recognize people all the time, even for little things. If you praise the little things, the big things come."

"The right intentions are not enough. You need structure and rigor, too."

ABHISHEK DOSI

CEO, Sutter Solano Medical Center

Abhishek Dosi, CEO of Sutter Solano Medical Center, knows that most providers are passionate about serving their patients. But he also recognizes that passion alone won't deliver the outcomes that health organizations are looking for.

"Our people are caregivers," he says. "They're showing up every day to do their best and help people. But if you don't have that daily rigor and

04

Follow-up matters

Easing access to care, and perfecting the care experience once a patient has arrived, are two important steps to winning consumer loyalty. These initial phases of a care encounter, however, are far from a complete reckoning of a patient's relationship with their provider. NRC Health's research has uncovered that what happens *after* a care experience may be nearly as important as what happens in a facility—

that the mode, means, and timing of post-discharge interactions all weigh heavily on consumers' impression of an organization.

Consider first the impact of a provider's discharge practices. It's well documented that a poorly managed discharge process comes with a clinical cost. This is why post-discharge calls can substantially decrease the risk of readmissions.¹⁷



What may go underappreciated, however, is the impact that a mishandled discharge has on the overall patient experience. Though patients' opinions on the clinical experience diverge across demographic groups, on one point they all agree: **they're all dissatisfied with the discharge process.** The majority of patient comments, across all age groups, express dissatisfaction with what happens when patients leave an organization.

With 70% of their discharge-related comments being negative, Millennial and Generation Z consumers appear to feel this dissatisfaction most acutely. This shouldn't be too surprising, as younger consumers have come to expect "high-touch" service interactions from every segment of the economy: 65% of Millennial and Generation Z consumers are eager to accept daily check-ins from their providers,¹⁸ and 70% of them are likely to prefer providers who can follow up with them via text message.¹⁹

Another consequence of consumerism's hold on the economy is that the timeline for service resolution has been remarkably compressed. All of the preferences presume an encounter that has gone smoothly; expectations sharply increase in the event of a service mishap. According to NRC Health's research, 74.8% of consumers expect follow-up within two days of a service problem. After just one week, 66.29% of consumers say that unaddressed service issues are "irreparable."

These statistics underscore the expansiveness of the consumer-provider relationship. The definition of an encounter has expanded well past what happens in a facility, and a disappointing post-care encounter can be just as consequential as a mishandled moment in the exam room.

70%

of consumers under 37 are dissatisfied with discharge

74.8%

of consumers expect follow-up within 48 hours

05

Expert recommendations

01

To position your organization with customers, understand their decision-making process.

JENNIFER MCCLEAN

VP of patient experience, Mercy Health

As alternative models of care emerge to meet consumers' needs, it becomes all the more important that health systems learn to distinguish themselves. They'll struggle to do that, unless they achieve a firm understanding of how consumers make their care decisions.

Even as they've amassed clinical expertise and streamlined their services, too many organizations still struggle with positioning. Their customers' care journeys—the string of choices made between the emergence of a health need and when they make their first appointment—are still opaque to them.

Illuminating these care journeys demands a shift in perspective. Organizations must be able to adopt the consumer's point of view as they weigh their options in the marketplace. To do that, they should consider data and market intelligence that falls outside of the traditional purview of patient satisfaction.

Gaining broad-based insights into the market, assessing why consumers choose competing organizations, tracing the footprint of non-traditional providers in their communities—all of these will help health-system leaders grasp where they stand. This, in turn, will help them better position their organizations to attract more customers.

02

Everyone wants ease. But be careful—consumers perceive ease differently.

BRIAN CURTISS

Marketing director, BayCare Health System

Friction is a consistent bugbear for healthcare consumers.

There's no escaping the fact that compared with what they experience elsewhere, consumers in healthcare experience far more frustration in procuring what they need. Easing the path to care, then, stands out as a clear opportunity for intervention. But the means to achieve that ease are far less clear.

No doubt, part of the issue stems from the complexity of healthcare transactions. Even the simplest medical service is orders of magnitude more complicated than the service provided by a ride-sharing app.

Complicating matters further is the range of customers involved. Health systems have a mandate to serve *everyone*. Each customer brings their own expectations to bear on healthcare organizations, and encounters a slightly different facet of the organization once they arrive.

This means that every customer will also have a different sense of what ease should feel like. A digital appointment-setting system will feel like a breath of fresh air for tech-savvy Millennials—but a serious hurdle for members of the Silent Generation.

“Ease,” then, is in the mind of the beholder—a fact that organizations should consider as they plan interventions to make their offerings more convenient.

Who benefits from this change? Who might be alienated? Might we be deterring more customers than we attract? Organizations ignore questions like these at their peril.

03

High aspirations are good. Consistency is better.

ABHISHEK DOSI

CEO, Sutter Solano Medical Center

Creating better customer experiences is a fixture in health organizations’ strategic plans, and rightly so. A smooth, seamless

customer experience not only leads to better business outcomes, but can improve clinical outcomes as well.

Leaders, therefore, encourage staff to reach for higher levels of performance, to deliver care at the very peak of their capabilities. Such steps should be celebrated—so long as they don’t come at the expense of *consistency*.

Many organizations, in their exuberance for experiential improvement, try to operate along too many axes at once: working on perfecting the post-discharge transition, for instance, and simultaneously pushing a new initiative on rounding, all the while chipping away at wait times in the interim.

Institutions, like individuals, have only a finite reserve of energy to apply to any given strategic goal. Too many conflicting priorities can scatter the attentions of the people involved. Chasing two initiatives, organizations often end up fulfilling none.

A sober, incremental approach can be more effective. Consistently reinforcing the basics is the better way to make a meaningful impression on clinicians. If backed by regular data-sharing, it shows that leadership is investing in a global experiential improvement—which in turn inspires confidence, and competence, among health-system staff.

The solution is understanding



Today's healthcare systems face challenges on all fronts.

Just as mounting costs have made volumes more important than ever, consumers' appetite for convenience has made them much more selective about their choice in providers. A once-in-a-generation demographic shift has upended the accepted models of customer engagement. Consumers' expectations are rising at a pace that nearly outstrips providers' ability to satisfy them.

Daunting as these challenges can seem, they also represent opportunities—and forward-thinking organizations may yet learn how to seize them. Early adopters of a consumer-driven model of care will be well-rewarded by their differentiated position in the marketplace.

There are, however, no ready answers for how health systems can best achieve this differentiation. Just as no patient should accept a one-size-fits-all model for their care, health systems cannot expect a single solution to address the complications of consumerism. The broader trends illuminated in this report can be a helpful guide for further research and in-depth studies that will draw health systems toward a deeper understanding of their customers.

Such work will be a defining responsibility for the health systems of the future. Though the particulars of consumers' expectations have changed, the fundamental mission for healthcare organizations has not. The bedrock purpose of this industry remains a spirit of service for the customer—and those organizations that understand the customer will be the ones best equipped to fulfill it.

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**NRC Health helps healthcare organizations
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