

Rising Demands of the Modern Healthcare Consumer

By Brian Wynne, NRC Health

As leaders at many healthcare organizations will attest, the consumerist revolution isn't coming for healthcare—it has already arrived.

Where hospitals and health systems of years past could rely on a stable body of customers to draw in revenues, today's customers have proved to be much less reliable. According to research from NRC Health, nearly 40 percent of healthcare consumers report *no* loyalty to their healthcare providers,¹ and 80 percent of them are willing to switch providers over convenience factors alone.²

If hospitals and health systems are to generate sustainable loyalty from their customers, they must not only respond to the emerging trends of consumerism, but also *anticipate* the consumer evolution that has yet to come. Much of that effort begins in the boardroom.

These trends should not be mistaken for fickleness. They instead reflect a savvier, more empowered, and far more discriminating customer base—one that healthcare leaders need to attract and retain to secure their organizations' financial futures. If hospitals and health systems are to generate sustainable loyalty from their customers, they must not only respond to the emerging trends of consumerism, but also *anticipate* the consumer evolution that has yet to come. Much of that effort begins in the boardroom.

Drawing from NRC Health's 2020 Consumer Trends Report,³ this article reviews the emergent demands of the modern healthcare consumer, including 1) the

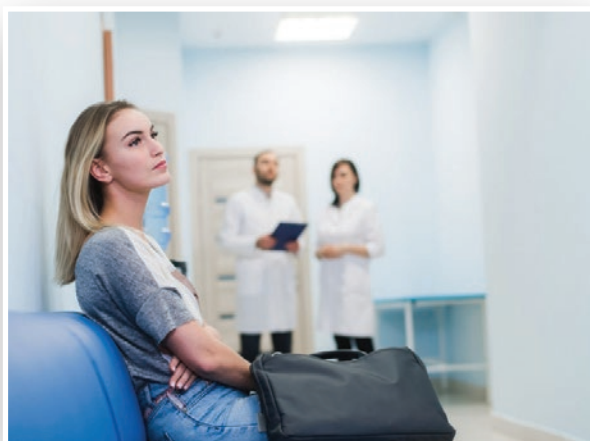
urgency of access concerns, 2) the generational divide in service preferences, and 3) the importance of well-executed follow-up after care encounters.

The Primacy of Access

Access to care is a pre-eminent byword both in public-policy discussions and among organizational leadership. Though they seldom use the phrase, healthcare consumers are concerned about access, too.

Among the concerns raised within NRC Health's database of more than two million patient comments, issues related to access are some of the most frequently cited. More than 60 percent of patient comments mention some kind of access issue—whether that involves appointment availability, registration and check-in, or wait times.

Such “front-door” encounters set the tone for a customer's experience with a hospital or health system. They often represent the organization's only opportunity to make a first impression, and they can be a major contributor to patients' opinions of the experience as a whole. As such, these early moments of the care experience can be tremendously influential in future decision making: 51 percent of consumers believe convenient access is



Key Board Takeaways

- **Ask about access.** Focus on the first impression your organization makes on consumers, and consider every avenue in which that impression is made. How long do patients have to wait for their appointments? In the waiting room, how long must patients wait before seeing a provider? Are there redundancies in the check-in paperwork? Are digital appointment-setting tools available, easy to find, and accessible? Answers to these questions play an outsized role in consumers' evaluation of their providers.
- **Meet every generation.** Carefully consider the demographic mix of your organization's patient population. Is your hospital/health system equipped to meet the digital-first demands of younger consumers? Are non-digital modes of access similarly robust?
- **Follow up.** How does your organization handle discharge? Is every patient receiving a post-discharge call? Does your organization have the capacity to manage that process? The more your organization can do to clarify next steps for the consumer, the more satisfied your patients will be with the discharge experience.

the single most important factor driving their care decisions.⁴

The converse is also true. Statistical analyses of patients' comments reveal that positive sentiments about access strongly correlate with future consumer loyalty. If a patient leaves a positive comment about admission or registration, they're 46 times more likely to be a promoter for a healthcare brand, compared with patients who leave a negative comment.

However, one major impediment to access remains intractable for consumers and healthcare organizations alike: the cost. In fact, 28 percent of patients have deferred a necessary care appointment because they couldn't afford it—up from 22 percent in 2018. Rising relative costs are likely to put more pressure on the quality of the care encounter. As consumers shoulder a higher price-burden for services, they will be even less likely to tolerate experiences that fall below their expectations.

1 NRC Health, *2020 Healthcare Consumer Trends Report* (available at <https://nrchealth.com/resource/2020-healthcare-consumer-trends>).

2 Sara Lehman Laskey and Steve Jackson, *Effortless Care Experiences*, NRC Health, October 18, 2018.

3 NRC Health, *2020 Healthcare Consumer Trends Report*.

4 Les Masterson, “Convenience More Important to Patients Than Quality of Care, Survey Finds,” *Healthcare Dive*, January 7, 2019.



A Challenging Generation Gap

Today's organizations can expect to cater to, at the least, five distinct generations of adult healthcare consumers. In any industry, this world-historic breadth for a customer base would present tensions. In healthcare, those tensions are particularly acute.

First, consider modes of healthcare consumption. For younger generations, digital and telehealth services are appealing avenues for receiving care. In fact, 69 percent of millennial and Generation Z consumers are likely to choose a provider based on the availability of digital services, while 61 percent of them will switch providers over a subpar digital experience.

At first, the cost-effectiveness, scalability, and convenience of digital delivery might seem like ideal solutions for every healthcare system. However, that leaves older generations out: only 4 percent of older adults have ever used telehealth services, and a full 80 percent of them express misgivings about doing so.

More discrepancies arise when we consider how generations feel about different aspects of the care experience. For instance, 63 percent of baby boomers' comments about billing are positive, while 65 percent of millennial and Generation Z billing comments are negative; similarly, 75 percent of boomers' comments about appointment scheduling are positive, while only 50 percent of millennial and Generation Z consumers feel the same.

These generation gaps give conflicting signals about where hospitals and health systems should prioritize their resources. The right allotment will depend on the generational distribution of a given organization's patient mix. However, as demographics shift, millennials will soon emerge as the

single largest generation of healthcare consumers—and healthcare leaders should plan their futures accordingly.

Take the Experience as a Whole

Though generations can clash on their specific expectations from healthcare organizations, on certain points they starkly align.

One point in which all demographics agree is in a broad satisfaction with their providers. In 2019, 85 percent of consumers' clinician-related comments were positive. That should be heart-warming news for leaders concerned with loyalty, since 56 percent of consumers believe that a "good previous experience" is the most important driver of continued patronage of a health system.

Just as universal, however, is dissatisfaction with another aspect of the healthcare encounter: discharge. Only a minority of patients, of any age, expressed satisfaction with the

discharge process. (Millennials and Generation Z consumers appear to feel this most acutely, with 70 percent of their discharge-related comments being negative.) Consumers in every demographic report complaints with discharge. Issues include confusion about medication, inability to schedule follow-up appointments, and struggles to follow post-discharge instructions. As a *final* impression from health systems, it appears that discharge leaves much to be desired.

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Further, if discharge (or any other part of the care experience) goes wrong, healthcare organizations have only an extremely narrow window of opportunity within which to recover from a service error. A full 75 percent of consumers expect to hear from providers within *two days* of a service problem; after just one week, 66 percent of consumers say that any unaddressed issues are "irreparable."

Rising to the Challenge

Healthcare consumers' demands may seem imposing and sometimes even contradictory, but they present considerable opportunity for forward-thinking leadership. When empowered consumers raise their expectations, standards of service will (and should) follow, and those organizations that rise to meet those standards will emerge as all the more valuable to their customers.

In healthcare, as in every business, understanding and fulfilling consumer demands is the singular, enduring advantage. Board members would do well to bear that in mind as they continue to steward their organizations into healthcare's consumerist future.

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