

Patient No Longer The Brave New World of Consumerism

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Roadmap

- Defining Healthcare Consumerism
- Exploring Consumerism + COVID-19
- The Hybrid [Branded] Experience
- Human Understanding

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Defining Healthcare Consumerism

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Sea Island, Georgia
March 6–8, 2022

What Exactly is Consumerism?

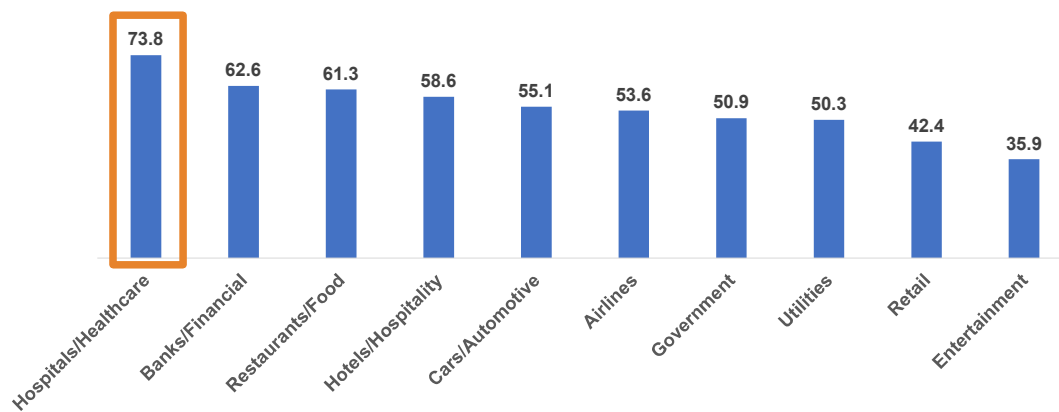
- Consumerism is the activation of people as decision makers for their care and influencers to others as they seek care
- Consumerism forces healthcare organizations to think outside their “four walls” to where people live their lives
- Embracing consumerism means respecting people as having a choice for care and deeming them worthy of developing a lasting relationship built on trust

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Expectations for Healthcare vs. Everywhere Else

Which of the following industries *should* meet or exceed your expectations as their customer?



SOURCE NRC Health's Market Insights special study of consumer expectations, 2020

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Consumers are the fastest growing payers of healthcare services



SOURCE: William Blair Consumer-Centric Healthcare Report

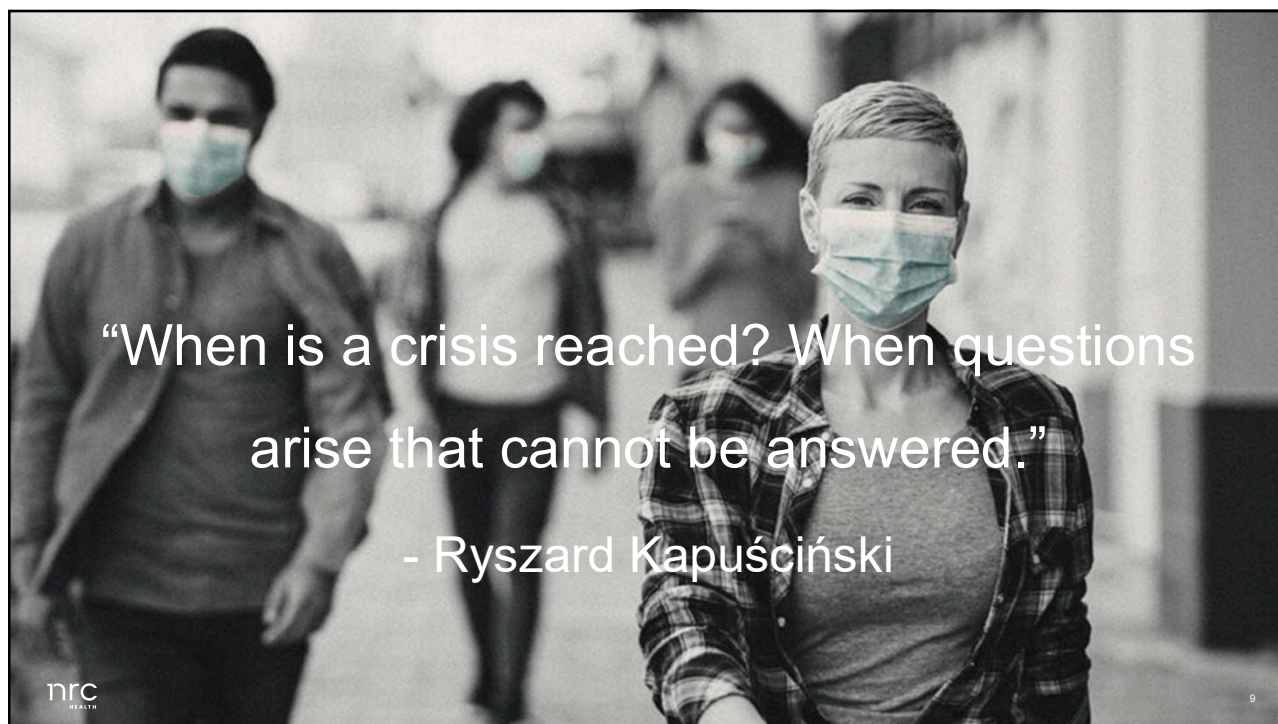
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Exploring Consumerism + COVID-19

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NRC Health's study of COVID-19 effects on consumers

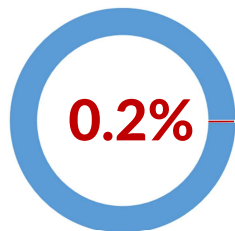
- 3 in 10 consumers delayed care since pandemic began
 - Dental, primary and specialty care most likely to be delayed
- 7 in 10 deferrers cited COVID-19 in delaying their treatment
 - Majority of the rest cite various financial concerns
- 1 in 3 consumers used virtual care/telehealth in 2020-21
- Of virtual patients: *more satisfied* than with physical visits

SOURCE: NRC Health's MARKET INSIGHTS study of healthcare consumers, 2020-2021, n size = 2,000

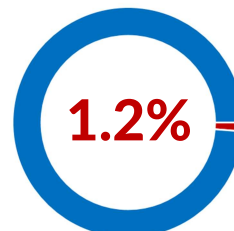
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We spend a sliver of time receiving 'traditional healthcare'



99.8% of life happens beyond the outpatient setting*



98.8% of life happens beyond the inpatient setting**

*16 waking hours/day x 365 days/year vs one 15-minute visit every week of the year
**365 days/year vs one hospital stay in a year at the national average LOS of 4.5 days

Source Greg Makoul, Human Understanding webinar prepared for The Governance Institute, 2021

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HEALTH

Companies Bet You're Ready to Test at Home for More Than Covid-19

Developers pursue rapid flu and strep-throat diagnostic products, as pandemic raises consumers' comfort level with monitoring own health



An at-home Covid-19 test from Cue Health uses an electronic reader.
PHOTO: CUE HEALTH

Source Wallstreet Journal, 2022. LetsGetChecked.com, 2022

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WHO DO CONSUMERS TRUST MOST DURING A PANDEMIC?

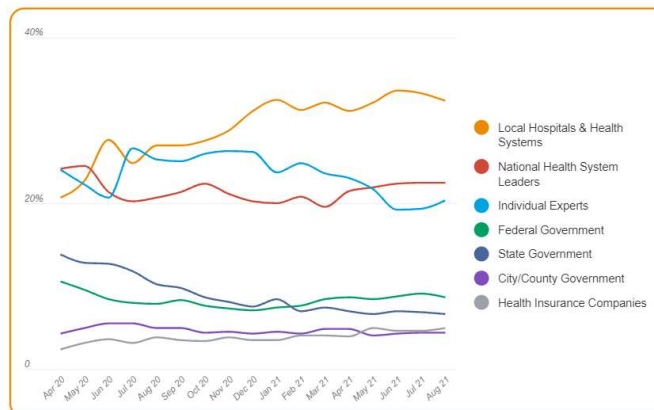
Who do you most trust to handle the COVID-19?

32.4%
Trust their local hospitals and health systems the most

▲ 11.7% since April 2020 (20.7% → 32.4%)

All forms of government are below 10%

N Size = **23,190**
National | August 2021



Updated: 10/11/2021

N = 23,190 (August 2021) | NRC Health: National Healthcare Consumer Survey



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The Hybrid [Branded] Experience

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The Hybrid Experience in Healthcare

- While virtual is desirable, most consumers understand there are large parts of care delivery that must remain physical
- Consumers don't want divided experiences - they want seamless experiences
- The hybrid experience is a designed journey of care
 - Pre-experience centers on easy access
 - Post-experience centers on feedback and recovery

SOURCE: NRC Health's MARKET INSIGHTS study of healthcare consumers, 2020-2021, n size = 2,000

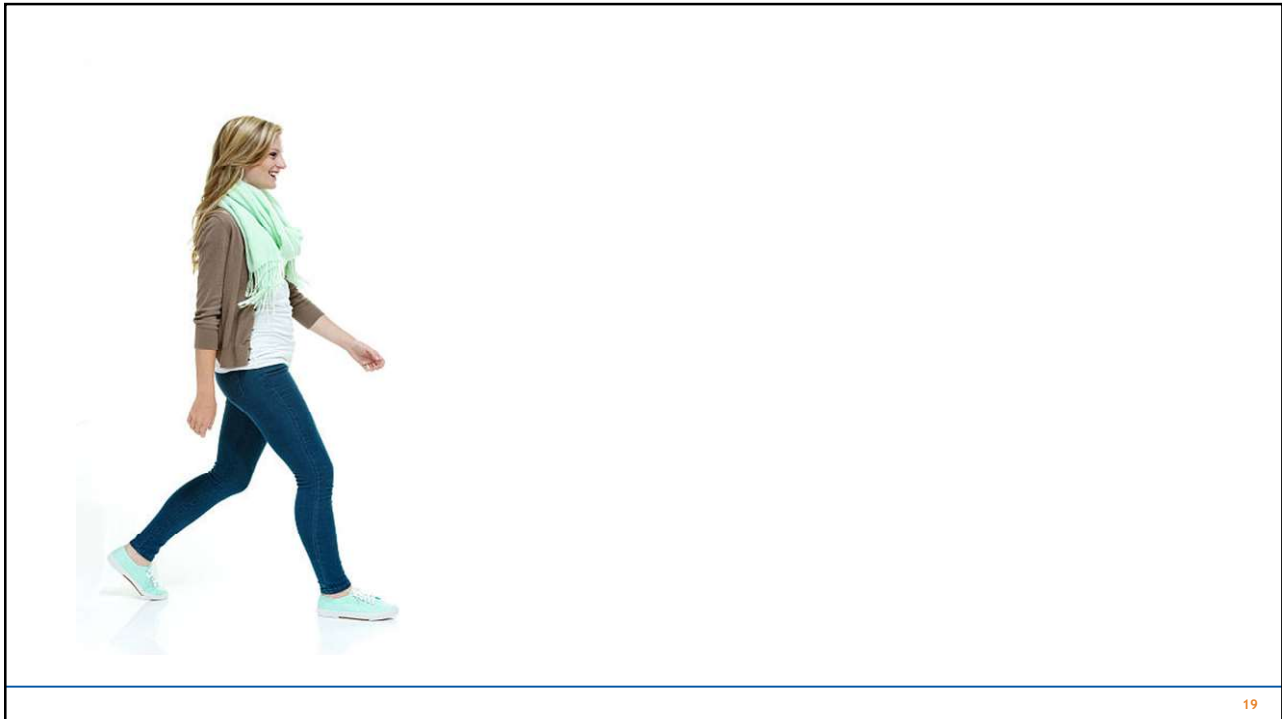
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Access: Telehealth aka “Return of the House Call”

When it comes to service - especially this year - consumers are now expecting *you* to come to *them*

- **35 percent** used telehealth services in 2020 (15 percent in 2019)
- **74 percent** were satisfied with visit
- **57 percent** are likely to schedule telemedicine in the future
 - 54 percent would see PA/NP
- **8 in 10** employers are now covering telehealth as a benefit



While telemedicine struggled with how reimbursement and logistics would work in years past, the widespread adoption of this technology has grabbed and is now holding consumer interest. Consumers' excitement for telehealth has hovered around **55%** throughout the pandemic, compared to the pre-pandemic average of 49.3% in Q1 2020. Consumers 35 to 44 years old are the most excited about telehealth (**68.1%**).



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2021, average annual n sizes vary from 208 (qual) to 278,824 (quant)

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"Loved virtual because I did not have to take time off work for driving and a waiting room. Very efficient and convenient."

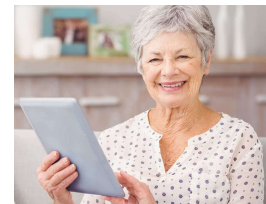
– Consumer in Indiana

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Healthcare Search Cross-Generational Force

- For consumers, screens are the new door
- In healthcare, consumers are seeing the growing possibilities of online information, education & **experiences**
- Older consumers are more active in digital health:
 - Ave. age of healthcare decision-maker is 48 years young
 - Same age as consumers who use social media for healthcare purposes (49 years young)
 - Roughly half of 65+ are aware of doctor ratings
- **Across all age groups, digital info is flourishing**



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2021, average annual n sizes vary from 208 (qual) to 278,824 (quant)

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Deferment is Waning and Patients are Returning

DELAYED CARE

6.3% ↓

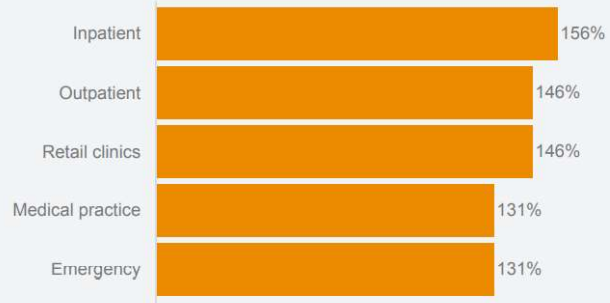
33% Q4 2020 | 26.7% Q4 2021

RESUMING SERVICES

132% ↑

All service lines | 2020–2021

SERVICE VOLUME GROWTH



Service volume as percentage of growth over 2020 volumes

Source NRC Health's 2022 Healthcare Consumer Trends Report

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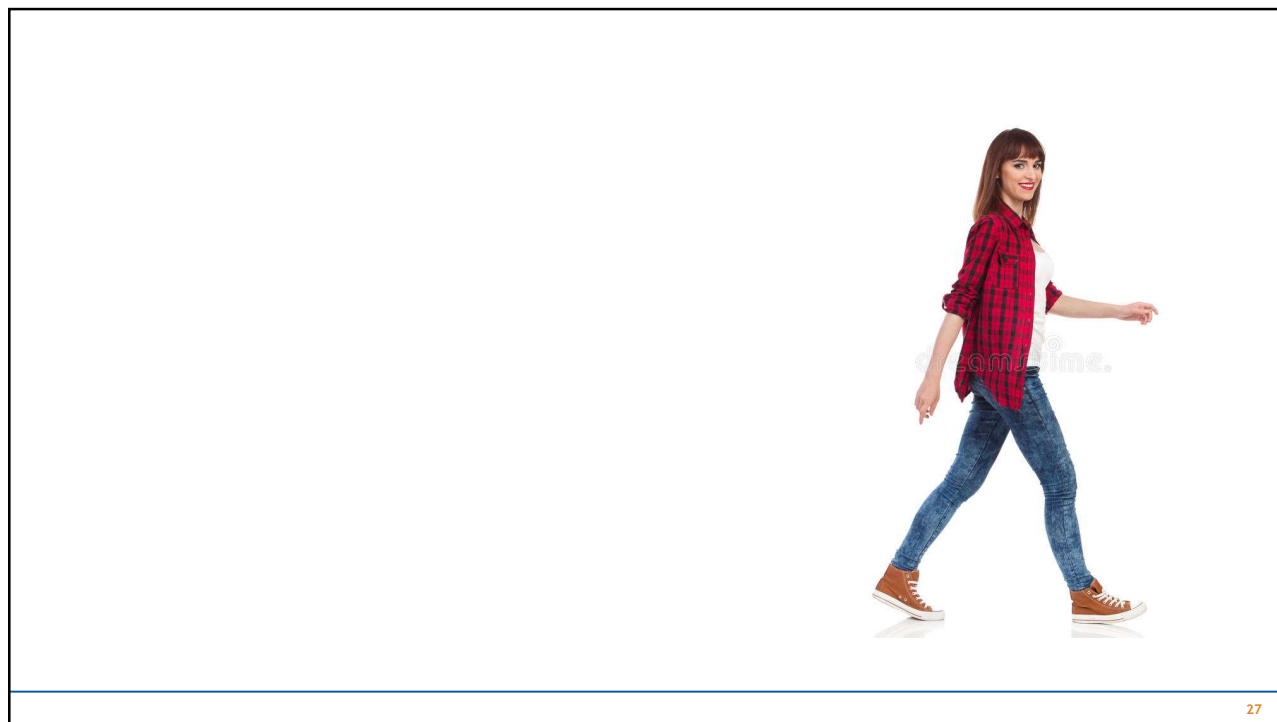
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"Good to be back in the office for visits. Very informative visit. It was so nice and comfortable to be with the doctor and nurses after such a long time with no physical contact."

- Consumer in Texas

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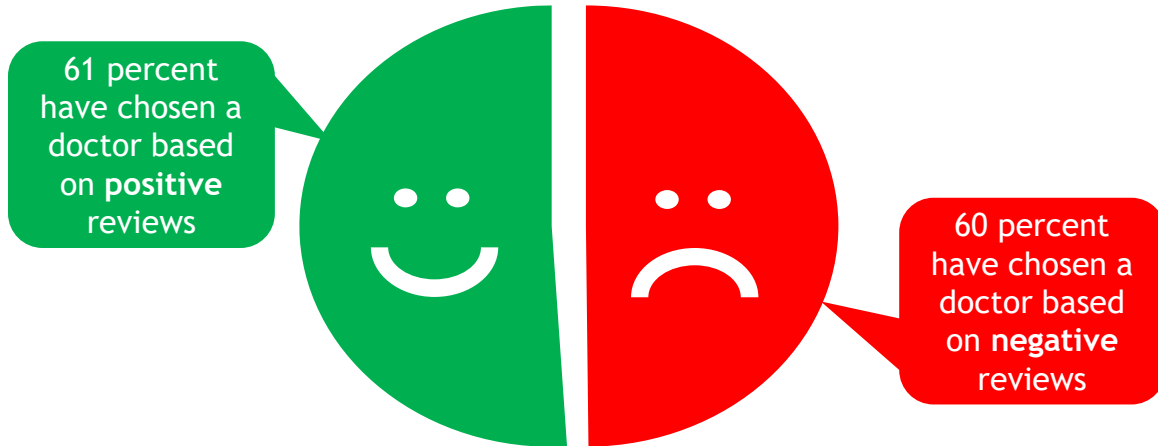
The Vital Role of Ratings/Reviews in Searching

- 52 percent of consumers have viewed the ratings and/or reviews of a physician online in their lifetime
 - Only 1 in 5 plan to never use ratings in the future
- 46 percent view ratings/reviews before scheduling an appointment with a doctor
- 1 in 4 consumers have rated a doctor or written a review for a doctor in their lifetime



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Positive vs. Negative: Which Review is More Powerful?



Source NRC Health's Market Insights survey of healthcare consumers, nationwide, December 2020, n size = 2,004

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Recommendations are Up; But Inpatient is Down



→ Traditional physical experiences have been battered by the pandemic; how do we plan to restore the experience?

Source NRC Health's 2022 Healthcare Consumer Trends Report

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The Last Touchpoint: Paying for Healthcare

- Half of consumers feel a *significant* burden paying for care
- 87% of consumers incur some level of difficulty in trying to understand their healthcare bill(s)
- 65% feel its important to be able to fully understand their bill
- 51% feel its important to receive a single bill
- Many dissatisfied patients describe paying for their care as one of the worst parts of the experience



Source NRC Health's Market Insights special study on price transparency, 2021. n size = 2,008

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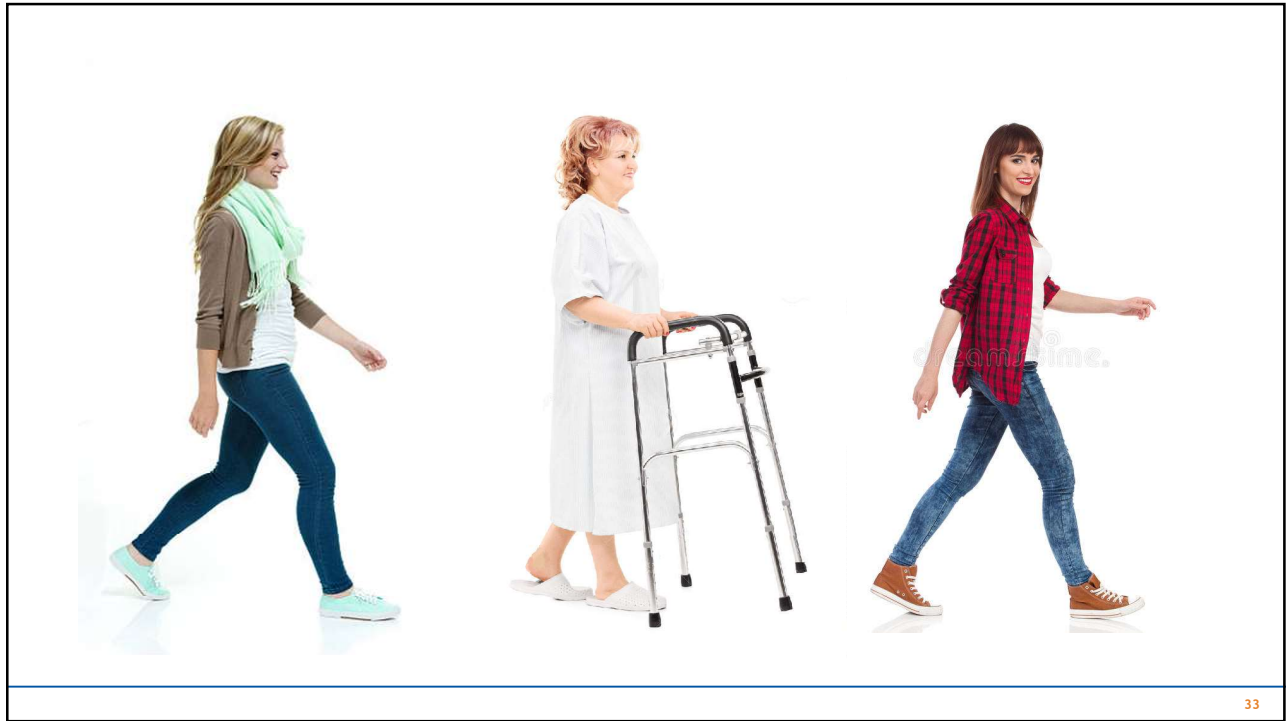
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"The doctor took the time to address all my priority questions, explore strategies to address particular concerns and most importantly, approached me as a unique person."

— Consumer in Colorado

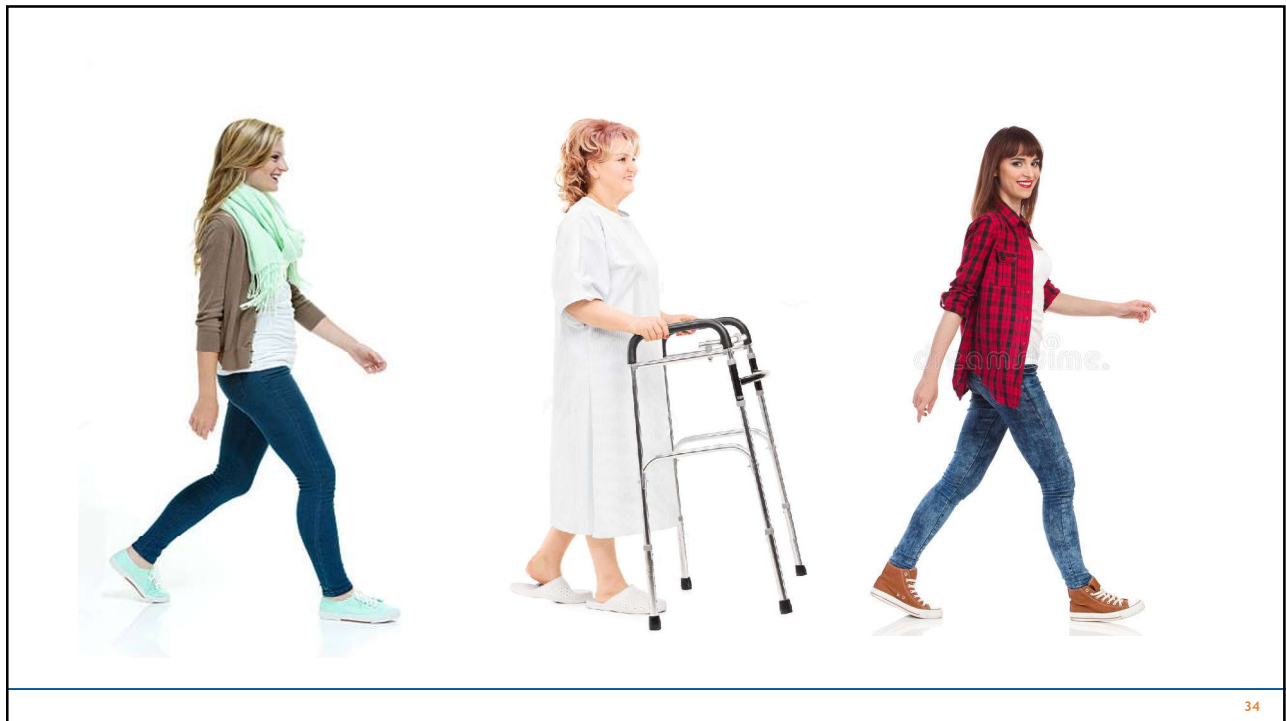
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In 2021, the percentage of consumers indicating **“no preference” for a health brand plateaued.**



**NO HEALTHCARE
BRAND PREFERENCE**

34.8%

-1.2% change | 36% Jan 2021

Consequently, healthcare organizations must strive for seamless connectivity between service recovery and missed patient expectations, driving caregiver recognition and positive comments on social media to enhance reputation. Now is the time for hospitals and health systems to use meaningful advertising and aim their messaging at patients in a personalized way that adds value to their life.

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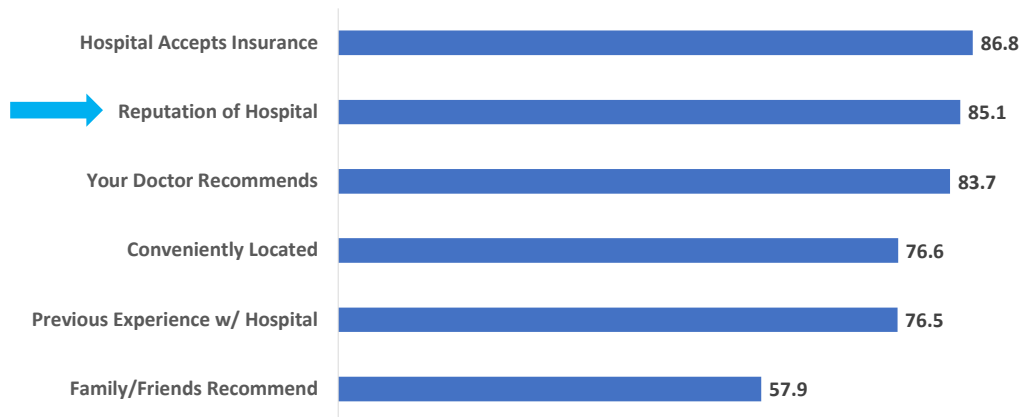
The Power of The Brand

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Reputation is a “Big Three” Selection Factor for Consumers

How important would the following factors be to you when selecting a facility?



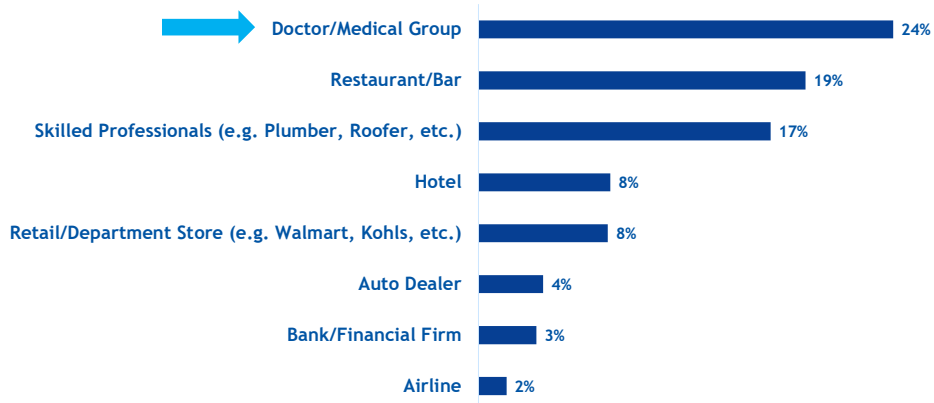
SOURCE NRC Health's Market Insights survey of consumers, 2020, national n size = 292,510

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When and Where Does Reputation Matter Most?

For which of the following business categories does the reputation of the business or service provider matter the most when choosing?



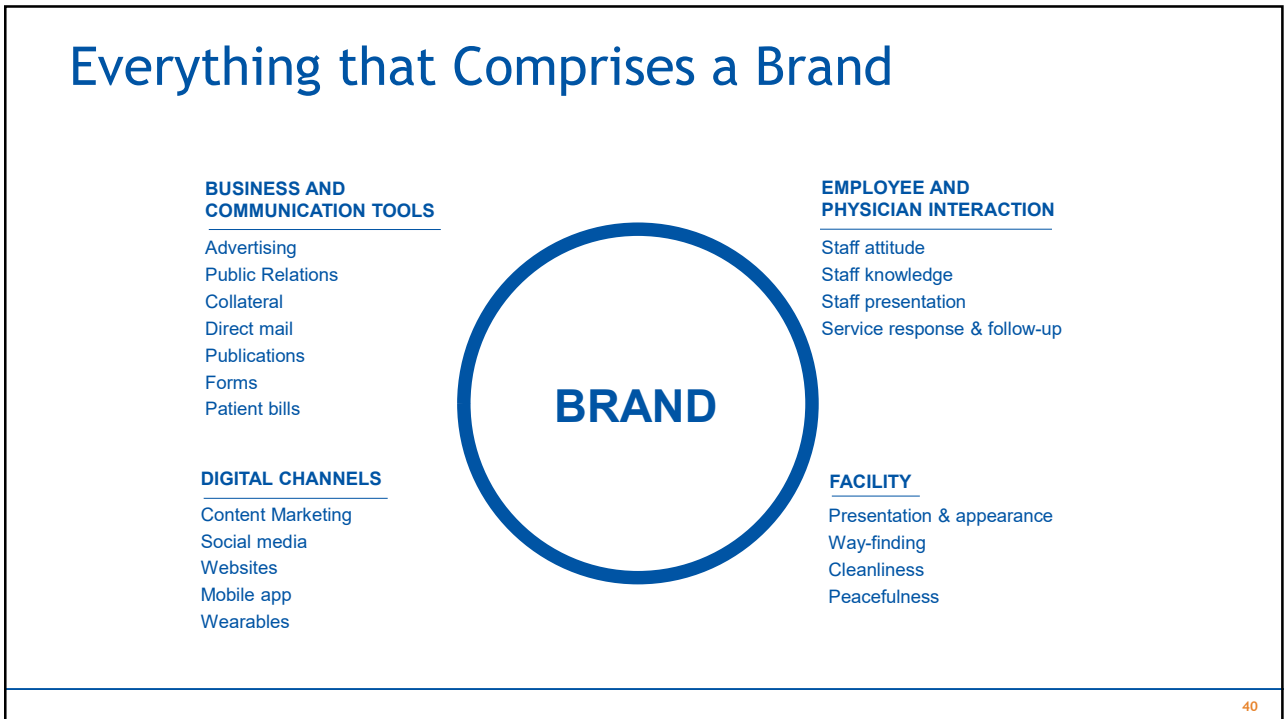
Source NRC Health's Market Insights survey of healthcare consumers, nationwide, December 2020, n size = 2,004

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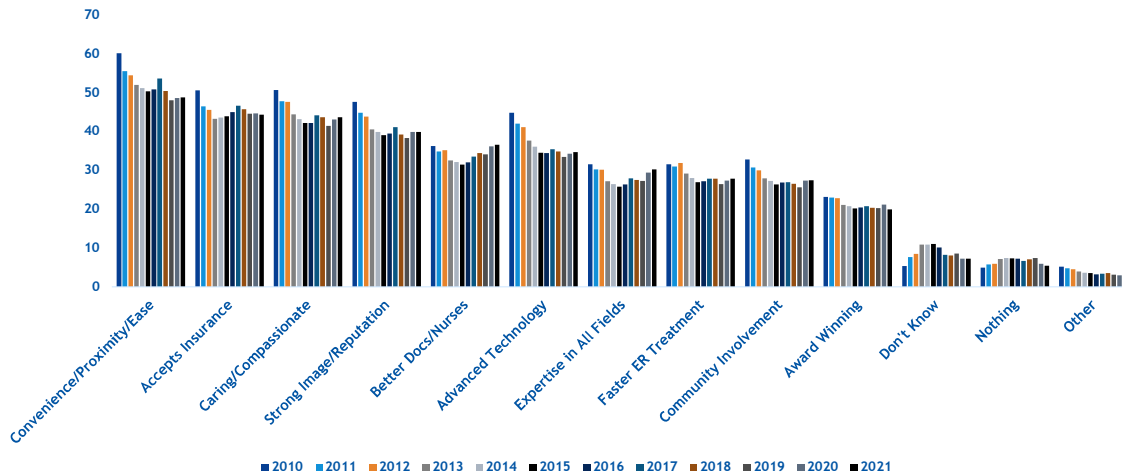


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National Comparison of Brand Differentiators



Source NRC Health's Market Insights, national market trend, 2010-2021, n = 284,111 (annual average)

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Human Understanding

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'Human Understanding' Measure

Disciplined process of scale development
generated a 1-item measure:

Did everyone treat you as a unique person?

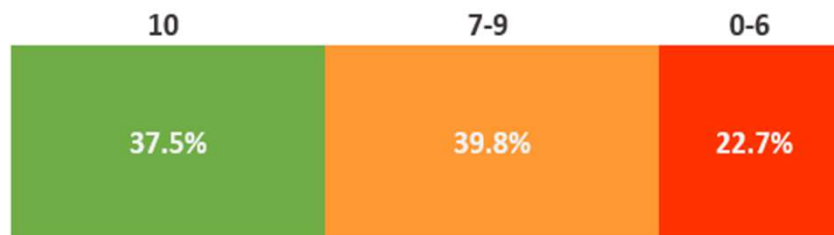
0 = no, no one did ... 10 = yes, everyone did

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Did everyone treat you as a unique person?

National Market – December 2021 (n = 14,994)



10 = yes, everyone did ... 0 = no, no one did

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How are you measuring
your mission?

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The image is a composite graphic. On the left, a computer monitor displays the ACHE website's 'Learning Center' page, featuring a book titled 'Patient No Longer: Why Healthcare Must Deliver the Care Experience That Consumers Want and Expect' by Ryan Donohue and Stephen Klesko, MD. To the right of the monitor is a Google search bar with the text 'Patient No Longer Donohue' and a mouse cursor pointing at it. Below the search bar is a vintage-style microphone. To the right of the microphone is a circular portrait of Ryan D. Donohue, a man with dark hair and a beard, wearing a suit. Below the portrait is the Twitter logo and the text 'Ryan D. Donohue @RyanDDonohue'. The text 'Patient No Longer Podcast' is written in orange below the microphone.