

# Next-generation Human Understanding:

A playbook for healthcare experience management



**nrc**  
HEALTH

Human Understanding®

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# Executive Summary

As if the current challenges we face in healthcare weren't enough, our consumers, patients, and employee populations are undergoing significant demographic changes as well. At the heart of these changes are generational differences in attitudes, beliefs, and behaviors. Delivering quality care now and in the future requires that we keep individual needs at the forefront of the care experience while also minding the gaps in care generated by macro-level differences in generational expectations. Next-generation Human Understanding is an awareness of these differences and a call to act now, plan for the near term, and prepare for what's next. This paper highlights five key points:

- 01 The current challenges of healthcare may be exacerbated by generational influences among patients and employees, which carry with them shifts in expectations and behaviors.
- 02 Healthcare organizations currently serve six generations of patients and employ predominantly four generations—yet it isn't always clear if/how we are designing patient/employee experiences with generation-based expectations in mind.
- 03 Healthcare is a results-driven industry, but the fact that new market entrants like Amazon and CVS are experience-forward competitors requires us to expand our focus and think of experience as the foundation of achieving results—especially since younger patients appear to be more apt to make choices that are disruptive to traditional care models.
- 04 Holistic experience management is a core leadership capability/responsibility that requires:
  - Assessing an organization's experience maturity
  - Developing modern ROI analyses and reporting
  - Building the best experience toolkit possible (e.g., listening to patients differently, asking new questions of our data, using new technologies like generative AI to uncover actionable insights, and creating achievable improvement plans that employees can buy into)
- 05 Next-generation Human Understanding addresses these concerns (and more) within the framework:
  - Act now—equip and empower teams to deliver the best experiences today
  - Plan for the near term—co-design experiences with key stakeholders, to be implemented in the next year or two
  - Prepare for what's next—develop innovative, system-level strategies to anticipate and meet the needs of future healthcare workers and consumers

# The experience gap

It's been a busy few months for Diane, a woman in her eighties navigating an intense time in her life due to a significant health challenge. A hospitalization for COVID-induced pneumonia several months back revealed a secondary lung infection, caused by mold spores.

Upon her discharge—her calendar filled with doctor appointments, tests, related logistical concerns, and a medication regimen that required precise dosing times—the regular chiming of an alarm as a reminder became a way of life.

In addition to not feeling well, Diane found herself navigating a confusing and disconnected healthcare system that regularly left her feeling frustrated and overwhelmed.

She tried to reach out for guidance between visits, but it was hard to connect with a live person on most days. She spent many hours on the phone to gain clarity and close communication gaps between her PCP, her two specialists, and her pharmacy.

Diane began to feel that the healthcare system was forcing her to use technology she didn't want to use. She felt more exhausted from the process of navigating healthcare to get better than she did from her actual illness. In short, she did not feel seen or heard.



Similarly, Lucy, a woman in her twenties, was struggling with her own healthcare experience, but for different reasons. Since receiving a Type1 diabetes diagnosis several years earlier, she had been on a mission not to let her diagnosis define her. But she became increasingly frustrated with a system that focused more on her illness than on helping her maintain the level of wellness she desired *while* managing her illness.

Lucy grew tired of the traditional healthcare model, which felt both inconvenient to navigate and focused only on her diagnosis. As a result, she sought out a membership-based wellness clinic.

After consulting with her endocrinologist, reviewing labs together, and aligning on next steps, Lucy was given a new regimen that included a lifestyle wellness plan. Her new clinic is now at her fingertips: she can easily access relevant information or chat with the clinical team, including a nutritionist, through a convenient microapp. Her new medical home feels miles away from the traditional healthcare system where she, too, wasn't feeling seen or heard.

Lucy and Diane are **real** people, dealing with the complexities of a healthcare system that often leaves patients and their families feeling overwhelmed, overlooked, and lost.

It's a painful truth: healthcare in America can be very challenging. We all know it. Consumers and patients experience it in real time. Members of the healthcare workforce try hard daily to overcome those complexities to care for consumers, patients, and the communities we serve. Executives and boards, too, are faced with an exceptionally challenging landscape with thin margins, a need for growth with limited resources, workforce burnout, market competition, rising AI adoption, and other concerns.

The obstacles we face are only exacerbated by the fact that today, as an industry, **we are serving six generations of humans**, from the Silent Generation to Gen Alpha. Despite a 60-year age gap, Lucy and Diane are both differently frustrated with the healthcare system—due partly to generational differences in values and expectations.



Diane wants to speak to a live person, while Lucy likes the convenience of her new clinic and the connectivity that her app provides to clinicians and her wellness plan. But both are dissatisfied with a system that has been slow to evolve over time.

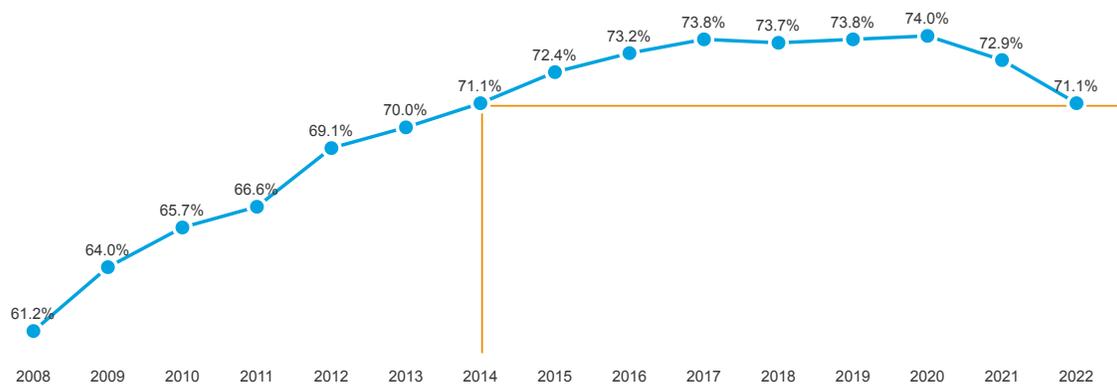
Ask anyone who has had a recent patient experience, and it's clear there hasn't been enough progress.

Publicly reported HCAHPS Overall Rating scores increased by about 7 percentage points from 2008 to 2015 (Papanicolas et al., 2017). Similarly, [NRC Health data shows](#) that Overall Rating scores increased by 10 percentage points from 2008 to 2015.

But both CMS and NRC data show that by 2014, progress had begun to slow, and nationally starting around 2017, patient experience as measured by HCAHPS surveys had flatlined.

Then the COVID-19 pandemic hit. NRC Health data show that the average overall rating score in 2022 (71.1%) was at a level not seen since 2014, indicating that the pandemic set HCAHPS scores back almost a decade.

### HCAHPS Overall Rating: Average across organizations



NRC Health HCAHPS Benchmark Data | January 2008–December 2022, n = 30 million

Adding to the challenges of post-pandemic care, a 2024 [NRC Health Market Insights](#) study revealed that **47% of healthcare consumers find healthcare “very confusing” to “extremely confusing”** to navigate.

And in 2022, **46% of healthcare workers said they often feel burned out, up from 32% in 2018**, according to the Centers for Disease Control and Prevention.

A lack of personalization, fragmented communication, and complex, repetitive processes can frustrate patients and erode their sense of trust and autonomy. Ignoring generational differences in patient interaction preferences further complicates the relationship between health systems and their patients, consumers, and employees.

## A shift in expectations

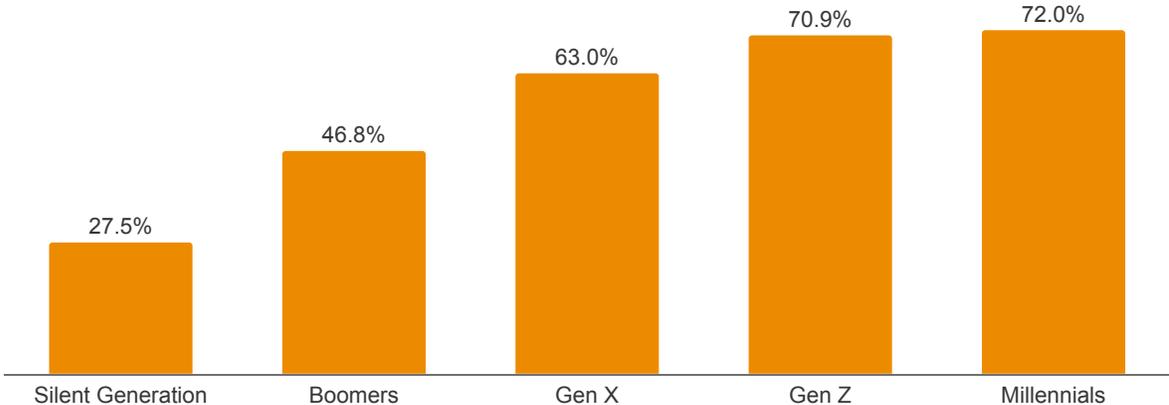
There is a clear gap between the reality of today’s healthcare experiences and the evolving expectations of those delivering and consuming them. At the heart of this experience gap are individuals who recognize that healthcare is at a tipping point.

As we look at data from our workforce and patient populations and stratify it by age, it becomes apparent that we face a potentially seismic shift in expectations, fueled largely by differences in generational attitudes and behaviors.

When we look more closely at the data, we can see how age-related influences have exerted changes in healthcare behaviors. For example, in a recent NRC Health Market Insights study, **more than 70% of Millennials and Gen Z respondents reported using a handheld mobile device to access healthcare information.**

By comparison, **less than half of Boomers and Silent Gen respondents** said they use phones or tablets to interact with care providers and health systems. What are the implications, and what questions arise from these data, when we think about designing, say, a digital front door for our facilities and clinics?

**Use of handheld device to access healthcare information**



Market Insights National Survey | Jan 2023–Present | n = 176,771

“Younger generations, for example, want their healthcare experiences to be quicker and more transactional, so it’s no surprise that 60% of Millennials support the use of telehealth options to eliminate in-person visits. The challenge here is ensuring that critical information is not lost during these swift transactions.”  
—Dr. Geeta Nayyar, MD, MBA, Chief Medical Officer, Author

Using mobile technologies to access information is just one example of a shifting healthcare landscape; there are plenty more. **Awareness and action with respect to these shifts is next-generation Human Understanding.**

## The desire for individualism

According to [Dr. Jean Twenge in her book \*Generations\*](#), the movement toward individualism, which started with the Silent Generation, has increased with every generation thereafter. The way people express this desire also changes over time—driven in part by changes in cultural values that exert influence on how people interact with an ever-changing world.

Take, for example, how a 34-year-old approached the world in 1982 versus how a 34-year-old approaches the world today. These two people might have profoundly different expectations about navigating the world, because the world has changed dramatically in the intervening years. Likewise, how they use technology, find information, consume goods and services, and interact socially is likely very different as well.

To deliver high-quality care in 2024 and beyond, we *must* be able to personalize healthcare at the individual level. But we also must do so while keeping one eye fixed on macro-trends within entire groups of people as we anticipate and design the future of healthcare with both systems *and* individuals in mind.

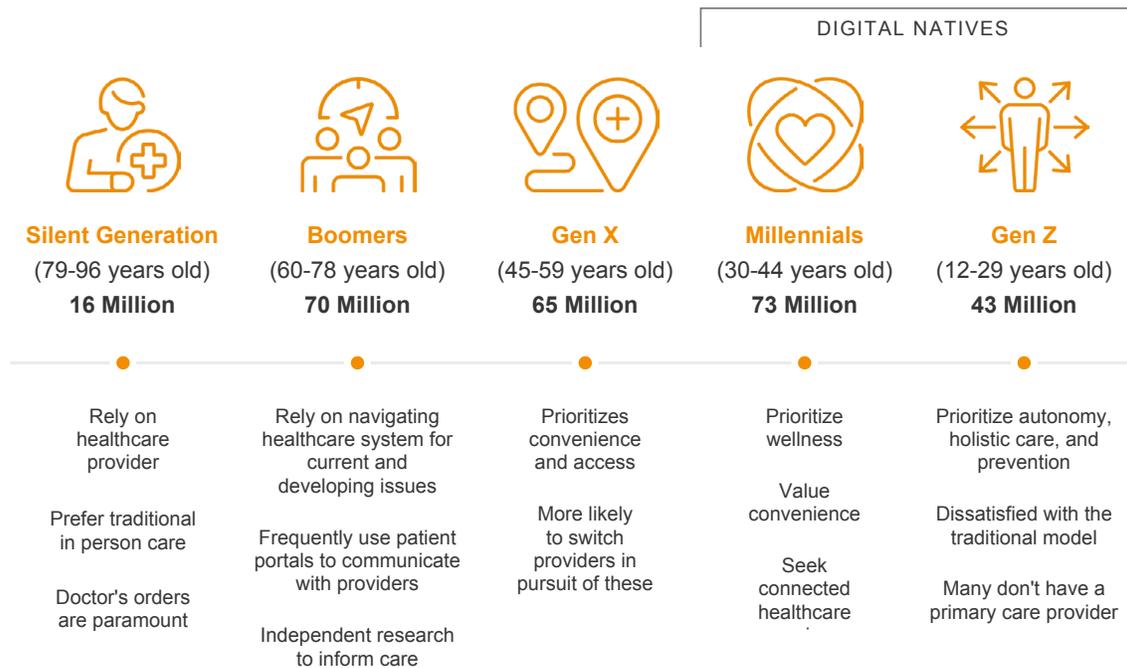
The question is, how can we harness data to better anticipate the beliefs, attitudes, expectations, and behaviors of younger consumers, patients, and employees, alongside those of the older generations who are currently the largest group of healthcare workers and consumers? The answer: **act now, plan for the near term, and prepare for what's next.**

Acting now means ensuring that teams are equipped and empowered to provide the best individualized experiences in the moment, today. Planning for the near term means actively co-designing new experiences at the business-unit level that will be implemented within the coming year or two. And preparing for what's next means developing thoughtful and innovative strategies at the system level to meet the needs of the future healthcare consumer—who, in today's fast-paced world, is coming along more quickly than we think.

## Distinguishing features of generational cohorts

When we look at research on generational cohorts, patterns of influence emerge. We can see continuous shifts in the desire for independence and autonomy with each generation. Silent Gen-ers and Boomers primarily think of healthcare when they're sick, while younger healthcare consumers seek holistic care that prioritizes a partnership in wellness and prevention. In addition, loyalty appears to begin to fade with Gen X patients as convenience and ease emerge as primary expectations.

## Generational Influences on Healthcare Expectations of Patients<sup>1</sup>



Recent NRC Health Market Insights data shows that **31%—almost one-third—of healthcare consumers in the United States do not have a preferred healthcare provider brand.**

The stakes are high, because research shows that younger generations value things like wellness, convenience, and autonomy. They also express dissatisfaction with the conventional healthcare model, and many don't have a primary care provider.

NRC Health research indicates that 48% of consumers say that they would use a retail clinic like Walgreens or CVS for doctor visits and testing.

We often view new healthcare-space entrants like CVS or Amazon as disruptors, but the reality is that younger consumers are apt to make disruptive choices as they clamor for change—and these companies are listening.

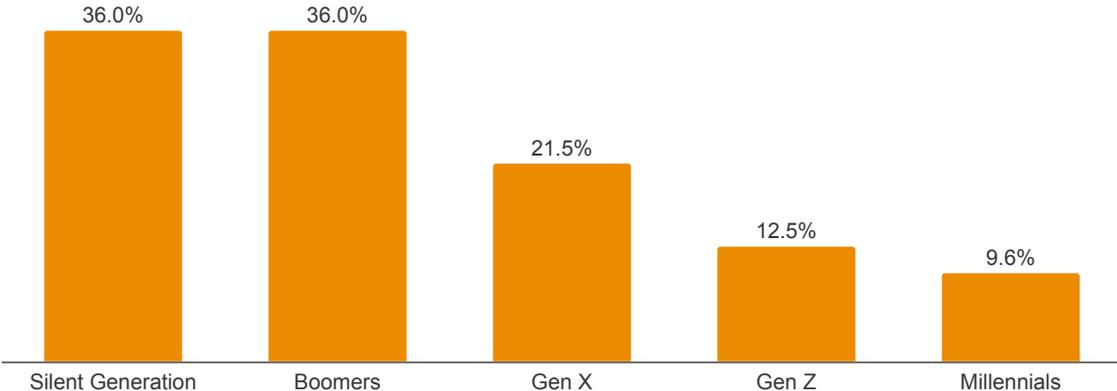
Regardless, there is a lot of room to design experiences that set a new bar for healthcare delivery outside of the traditional model.

# Defining the problem with data

The feedback being utilized by many health systems is heavily skewed toward older generations. How we capture feedback matters with respect to whose voices we capture. Survey response data shows a significant age-related decline in feedback rates provided by patients utilizing current survey tools.

For example, overall response rates for both Silent Gen-ers and Boomers are just over 36% each; Gen X drops to 21.5%, Millennials to 12.5%, and Gen Z to just 9.6%. The data makes it clear that we must diversify how we listen and consume feedback across generations, because most survey responses are generated by only two of the six generations we serve.

### Overall Response Rate

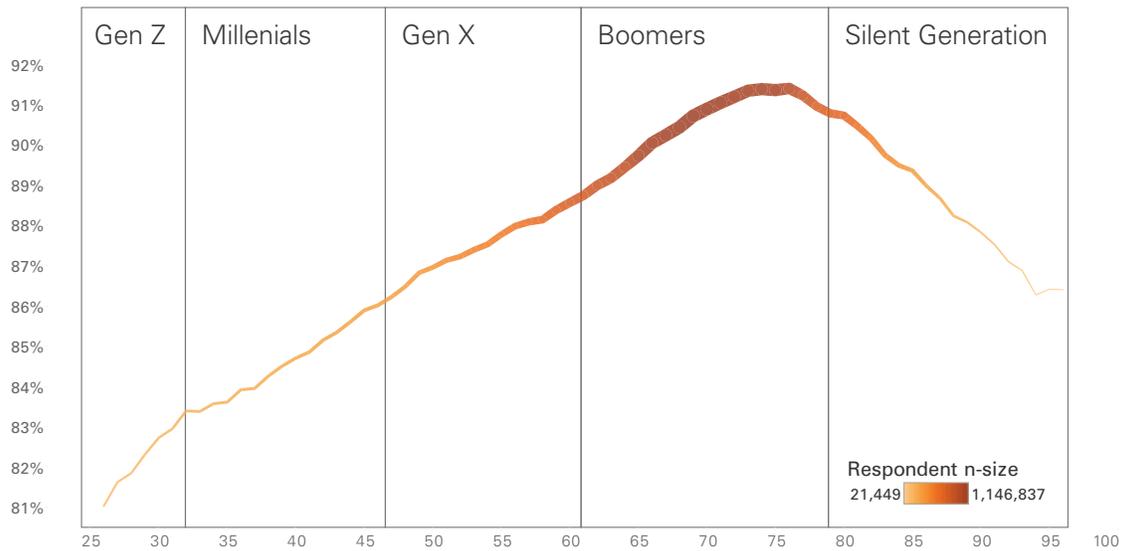


NRC Health Experience Data | January 2023–December 2023, n = 107,531,477

In addition, most Patient Family Advisory Councils lack diversity—including generational diversity. It’s clear we are [missing the voices](#) of key populations. Consequently, at the macro-level, we may be designing healthcare improvement initiatives based on the feedback predominantly given by Boomer and Silent Generation patients.

This matters because, as the chart below shows, a patient’s age is a powerful predictor of their likelihood to recommend a provider or facility. The most positivity (y-axis), as well as the bulk of responses (thickness/color of the line), comes from Boomers.

## Age/Generation as a Predictor of Likelihood to Recommend



NRC Health Patient Experience Data | Medical Practice | Jan 2022–Present, n = 35+ million

While on the one hand, it isn't surprising that Boomers constitute most survey returns—they are the largest group of healthcare consumers—it is troubling that they are much more likely to report a positive experience than are Gen Z or Millennial patients.

Next-generation Human Understanding requires awareness of demographically based gaps in care experiences and is a call to action to remedy them.

## Healthcare experiences of the future

A June 2024 NRC Market Insights Explore Trends report surfaces the growing importance of seamless experiences to healthcare consumers. The report reveals reliability, competence, and respect as the top three drivers of trust.

As shown in the infographic below, younger generations lean further into respect as the top driver, showing yet another divergent data point between generational cohorts.

## Drivers of Trust Shift by Generation

Silent Generation	Boomers	Gen X	Millennials	Gen Z
Reliability	Reliability	Reliability	Reliability	Respect
Competence	Competence	Competence	Respect	Reliability
Respect	Respect	Respect	Competence	Competence

Market Insights National Survey | May 2024 | n = 24,569

Disconnected experiences do not send signals of reliability, competence, or respect to our patients and consumers. As an industry, we lean heavily on the power of the patient-provider relationship to overcome an otherwise challenging system. How will we meet these growing consumer expectations if our experiences continue to be siloed and inconsistent? How would your organization score if you were measuring these three drivers across touchpoints?

Whether you're a patient or a consumer, seamless healthcare across the continuum is the healthcare experience of the future.

Delivering seamless experiences isn't possible without an empowered workforce. And our workforce is undergoing its own transformation.

"People development is a cultural trait of high-performing organizations in every industry. It's a path to achieving goals while giving people a chance to grow and ascend. Particularly for the newer generation, if we don't give them a chance to grow and ascend on what's next, the ability to retain is going to be radically diminished." —Stephen Beeson, MD, founder and CEO, Practicing Excellence

## Generational impact on the healthcare workforce

Scientific medical advancements have continuously redefined clinical practices and care pathways. But research suggests that healthcare is on the verge of another seismic shift based not on advancements in medical technologies, but rather on changes in employee demographics and the shift in preferences those changes bring.

Just as generational influences shape patient behaviors and expectations, these forces are also manifesting within our workforce. As an example, when we look at broad research on the five generations that primarily make up our workforce today, we can see continuous shifts in what is valued in interactions with colleagues and patients.

Some members of our workforce value order and hierarchy, while others place a high value on working in an environment that supports teamwork and collaboration. The newest entrants to the workforce, our Gen Z colleagues, place a high value on working for an organization that is community-focused and supports social causes they feel are important.

We also see diverse communication preferences, from face-to-face communications to a high desire for digital communication and everything in between. And career-development opportunities that support both career growth and the human experiences of family, friends, and hobbies outside of work are paramount to younger generations.

**Generational Influences on Expectations of the Healthcare Workforce<sup>2</sup>**



It’s critical that we feel comfortable bringing our whole selves to work, as that allows us to build more inclusion among our diverse teams.

However, **56% of employees** say their company rarely solicits feedback on their employee experience, asking only once or twice a year. And **64% of employees** say their company rarely acts on their feedback.

**56%** of employees say their company rarely solicits feedback on their employee experience



**64%** of employees say their company rarely acts on their feedback



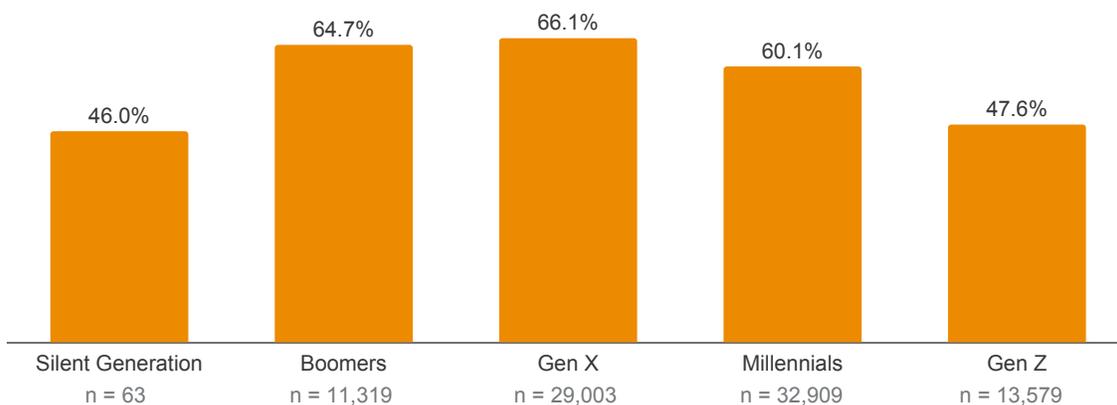
Medallia, Inc. | The Definitive Guide to Healthcare EX

And similarly to patient survey data, evidence suggests that when it comes to employee survey response rates, younger employees are less likely to respond than older ones.

Our most recent NRC Health data shows that Gen Z responds less frequently (47.6%) to employee engagement surveys, while older generations tend to respond more frequently.

Furthermore, as we've seen with patients, older generations are less likely to use digital technologies, and since employee surveys are primarily administered via email, response rates for Boomers are also starting to decline.

### Employee engagement survey response rate



NRC Health Employee Experience Data | January–December 2023, n = 86,873

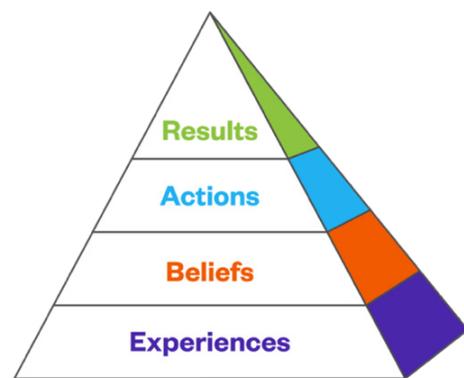
This is problematic for organizations that are interested in designing better care experiences for the future, because the very people being asked to implement changes are not fully represented in our employee feedback data.

## Experience as the foundation

How would we reframe our work if we understood how much our experiences drive the results we get? If experiences are the foundation of successful implementation, why wouldn't we invest in them more intentionally?

In the book *How Did That Happen?* by Roger Connors and Tom Smith, the authors provide a framework called **the results pyramid**. The results pyramid was developed by Partners in Leadership to help organizations build more accountable cultures; through this framework, Partners in Leadership (now Culture Partners) concludes that experiences ultimately drive results.

The process happens in a logical way we can all personalize and understand: the experiences we have drive our beliefs, our beliefs in turn drive our actions, and our actions ultimately drive the results we get. According to the authors, when leaders start at the bottom of the results pyramid and work their way up, results are achieved faster, more efficiently, and most importantly, sustainably.



Partners in Leadership, LLC d/b/a Culture Partners | The Results Pyramid

Perhaps we have been overlooking the most obvious solution to our problem. A more intentional focus on experience management across the continuum could be the superpower we have been missing.

## Holistic experience management as a core leadership capability

Successful initiatives frequently unravel for myriad reasons, not the least of which is how well leadership creates employee buy-in. An otherwise successful patient experience intervention may be destined to fail if leaders don't include employees in the process and equally consider their experiences.

Many initiatives fail to achieve desired results because the team responsible for implementing them has too many competing priorities. Leaders frequently launch initiatives within their specific area of oversight without collaborating with peers. These often good but siloed

initiatives lead to disconnected and confusing experiences for employees as they juggle multiple initiatives at once.

The preparedness and flexibility of healthcare leadership is paramount. [Leadership is changing in the modern world](#)—and part of the reason it's changing is because our work teams, patients, and consumers are changing.

Many leaders struggle to prioritize managing the experiences of the people they lead and the consumers and patients their teams touch each day. Just as fiscal management is a leadership expectation, experience management should be a fundamental capability and expectation.

Today, experience management is an under-represented concern across leadership teams in many healthcare organizations. It has largely been left to small teams to manage across siloed structures, severely constraining influence. So much more could be accomplished if experience teams could provide the tools, frameworks, and coaching to equip every leader to be an experience leader.

**At its core, experience management is about seeing existing work through an experience-focused lens. It's not about adding more work to an already overcrowded plate.**

Many of the challenges we are facing have long plays to find solutions. Experience management is something we can make happen **right now** to improve current and design better future experiences.

But how does an organization create a path forward to succeed in building experience management as a fundamental capability?

We recommend **three steps** for getting started in building your experience management muscle and maturing your organization to respond to these complexities and withstand the winds of time.

- **Assess your experience management maturity.** A relatively quick assessment of your organization across six evidence-based capabilities will provide you with a roadmap for maturing into an experience-focused organization. Getting broad feedback from across your organization about leadership, culture, how well you listen to understand people, operational consistency, measurement, and governance can provide you with an honest understanding of your strengths and gaps. You can then, in turn, develop a roadmap for closing gaps and weaving experience management into the fabric of your organization.

- **Develop a modern experience ROI.** Historically, patient experience has been evaluated against a narrow focus on at-risk dollars. While these dollars are important, this approach undermines the impact of the work.

By far, the biggest financial benefits from patient-experience improvements stem from increases in market share rather than higher VBP payments.

NRC Health modeled the finances of a hospital system with over 1,000 inpatient beds and approximately \$1.3 billion in net patient revenues. For this system, a one percent increase in patient volume due to improvements in patient experience/loyalty yields roughly \$13 million in incremental revenues, while a five percent increase yields over \$66 million. An analysis of Medicare facility revenues from the same system found that only about \$928,000 was “at risk” under the patient-experience component of Medicare’s VBP program.

Furthermore, NRC Health has conducted a series of ROI studies performed for more than a dozen organizations and consistently found a significant relationship between a patient’s initial Net Promoter Score (NPS) and future utilization patterns.

Specifically, if a patient decided to leave a 0 or 1 on the NPS question for their initial survey return, those patients reutilized at a rate of anywhere from 66 to 77 percent, whereas respondents who gave a 9 or 10 as their first NPS score returned at a rate of 77 to 87 percent. At every interval increase of NPS score, reutilization increased by an average of about one percent.

Related contribution margin ranged from \$6 million to \$13 million, depending on health system.

This modern ROI evaluation captures patients across the continuum, as opposed to in a specific care setting. It also provides a more holistic valuation of investing in experience management.

- **Build the best toolbox.** Experience management is a practiced capability. As with anything that is practiced, you need the right tools to assist you in your ability to act now, plan near, and prepare next.

## Tools that enable you to **act now**

**Easily accessible, real-time patient and consumer feedback:** In this digital age where nearly instantaneous responses are expected, it is important to ensure your leaders have easy-to-access actionable feedback, as close to the experience as possible.

Build your toolbox with an [AI-enabled platform](#) that includes tools that go beyond the traditional survey and captures both structured and unstructured data.

This allows patients, families, employees, and community members to engage through modern, sophisticated listening and co-design methods utilizing modes that are personalized to each individual's preference.

**Employee understanding:** It isn't enough to have tools that allow easily accessible, real-time feedback. It is also crucial to [leverage real-time employee feedback](#) to uncover insights, generate ideas from those who are closest to the work, and take meaningful steps forward.

Capturing employee feedback shouldn't be a once-a-year exercise, but rather a dynamic and ongoing dialogue that surfaces pain points and brings good ideas to life.

By integrating real-time listening and best-in-class rounding tools into daily operations, you can create a workplace that is approachable and real. Prioritizing employee experience is not just beneficial for business; it has a profound impact on your relationship with the people who have chosen to work for your organization.

Feedback is a gift! Make it easy to use. Equip and train all leaders to access and incorporate both patient and employee feedback into formal and informal recognition, organizational decision-making, coaching, goal-setting, daily huddles, and improvement initiatives.

This will ensure that your strategies are not only innovative and forward-thinking, but also credible and grounded in genuine next-generation Human Understanding.

## Tools that enable you to [plan for near-term](#) innovation

**Community Insights:** Build and leverage [consumer, patient, and employee feedback](#) communities that enable you to capture ideas and input on key initiatives.

Creating a system that allows you to co-design experiences with a diverse set of key stakeholders ensures that you're making informed decisions and implementing the most meaningful improvements from the start.

A feedback community can also foster a sense of belonging and organizational loyalty as members of these communities see their ideas put into action.

## Tools that enable you to **prepare for what's next**

**Market Insights:** Keeping a **steady eye on your market** and the shifting expectations of consumers in that market enables you to be proactive and agile in terms of both short- and long-term planning. Utilizing macro-level data to surface current trends and stay ahead of what's coming can help guide both strategies and tactics.

## The bottom line

Our patients and workforces are changing demographically. Frontline leaders, executives, and board members must have the right knowledge and tools to plan for the near future and prepare for the next evolution.

It makes sense to start asking questions like: How do we design experiences at scale, while not losing sight of personalized care at the point of delivery? How do we listen differently (more widely and deeply) to individual patients, while keeping an eye on macro-trends within and between groups of people? How do we place experience at the heart of our organization's mission while being realistic and pragmatic about the ROI of PX programs?

Answering these questions and many more is the goal of next-generation Human Understanding. It is a call to action within the framework of "act now, plan for the near term, prepare for the future." It is also a reimagining of the healthcare experience in broader and more holistic terms (from patients, to consumers, to employees, to the C-suite) while at the same time honoring the mantra "n = 1."

The future is now, and so is the time to act—and **NRC Health** has the tools and knowledge to help.

### **Suggested citation for this report:**

Baron J, England W, Gorley T, Donohue R, Fryda S. 2024 Next-generation Human Understanding. NRC Health. <https://nrchealth.com/resources> (Accessed mm/dd/yyyy).

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<sup>1</sup> Generational influences on healthcare expectations of patients, Microsoft Copilot, July 28, 2024., ISPO.com, *Supplements Buzz: How Gen Z and Millennials are Shaping Consumer Healthcare.*, O'Connor Vos, Lynn, STAT.com, *Look to Generation Z to See the Future of Healthcare*, April 2017., Abrams Kaplan, Deborah, *Talking About the Generations: The Health and Healthcare of Boomers, Gen Xers, Millennials and Gen Zers, Part 2*, Managed Healthcare Executive April 2024., Twenge, Jean, *Generations, The Real Differences Between Gen Z, Millennials, Gen X, Boomers, and Silents—and What They Mean for America's Future*, New York: Atria Books, 2023.

<sup>2</sup> Harvey Castro, MD, *Generational Differences in Medical Practice*, KevinMD.com., Human Resource Executive, *Engaging the Workforce Across Generations*, sponsored by Workday.



Huey™

**Healthcare's first and most advanced AI engine for healthcare experiences.**

Meet Huey, healthcare's first AI engine built for Human Understanding®. Huey is your healthcare experience management companion. It's embedded in a whole new suite of advanced solutions from NRC Health on healthcare's most integrated experience platform. At every turn Huey is there to make healthcare a more intentional and human experience for you, your team, and your patients.

**AI THAT'S ENGINEERED EXCLUSIVELY FOR HEALTHCARE:**



Powerful, secure, and private



Responsible and ethical



A more human way to collect, analyze, and deliver feedback