

# Consumerism and its Effects on Traditional Health Care Providers

Texas Hospital Association  
THA Leadership Fellows Program

***Ryan D. Donohue***  
***Strategic Advisor, NRC Health***  
**[rdonohue@nrchealth.com](mailto:rdonohue@nrchealth.com)**

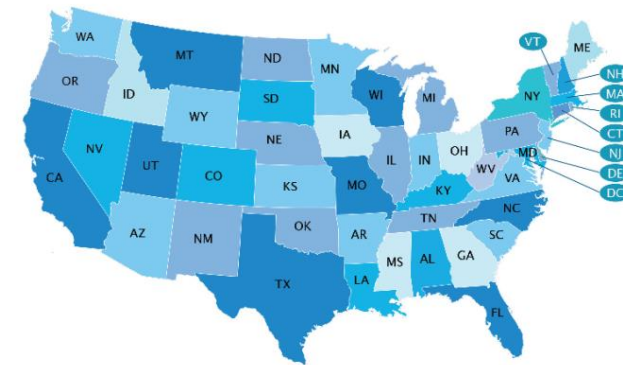
# Session Roadmap

- “The Blue Sky Exercise”
- Triple Aim: Consumer Edition
- Consumer-Centric Tomorrow
- Discussion



# Coast-to-Coast Research

- Since 2012, a “blue sky exercise” has been conducted to qualitatively and quantitatively research the **consumer** view of healthcare
- 300+ consumers in 48 states participated in face-to-face interviews
- 500,000+ consumers polled via NRC Health survey tools
- 100+ CEOs interviewed via TGI



Consumers want  
healthcare organizations  
**to stop acting like**  
**healthcare organizations.**



# What's **Wrong** w/ Healthcare?

- Consumers lack familiarity with healthcare options
  - In the average market, 3 in 5 consumers claim little to no knowledge of their providers, 1 in 5 cannot name a hospital
- Consumer engagement remains challenging
  - Consumers do not respond to traditional 'sick care' ads
- Healthcare experiences are disorienting
  - 7 in 10 consumers felt they had 'no control' during care
- Out-of-pocket costs have hit consumers hard
  - Only 26 percent of households can cover up to deductible
  - 3 in 10 consumers delayed medical treatment in 2018

*SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)*





# The Experience Problem

An alarming **81%** of consumers are unsatisfied with their healthcare experience – and the happiest consumers are those who interact with the system the least

75% of frequent healthcare consumers are frustrated

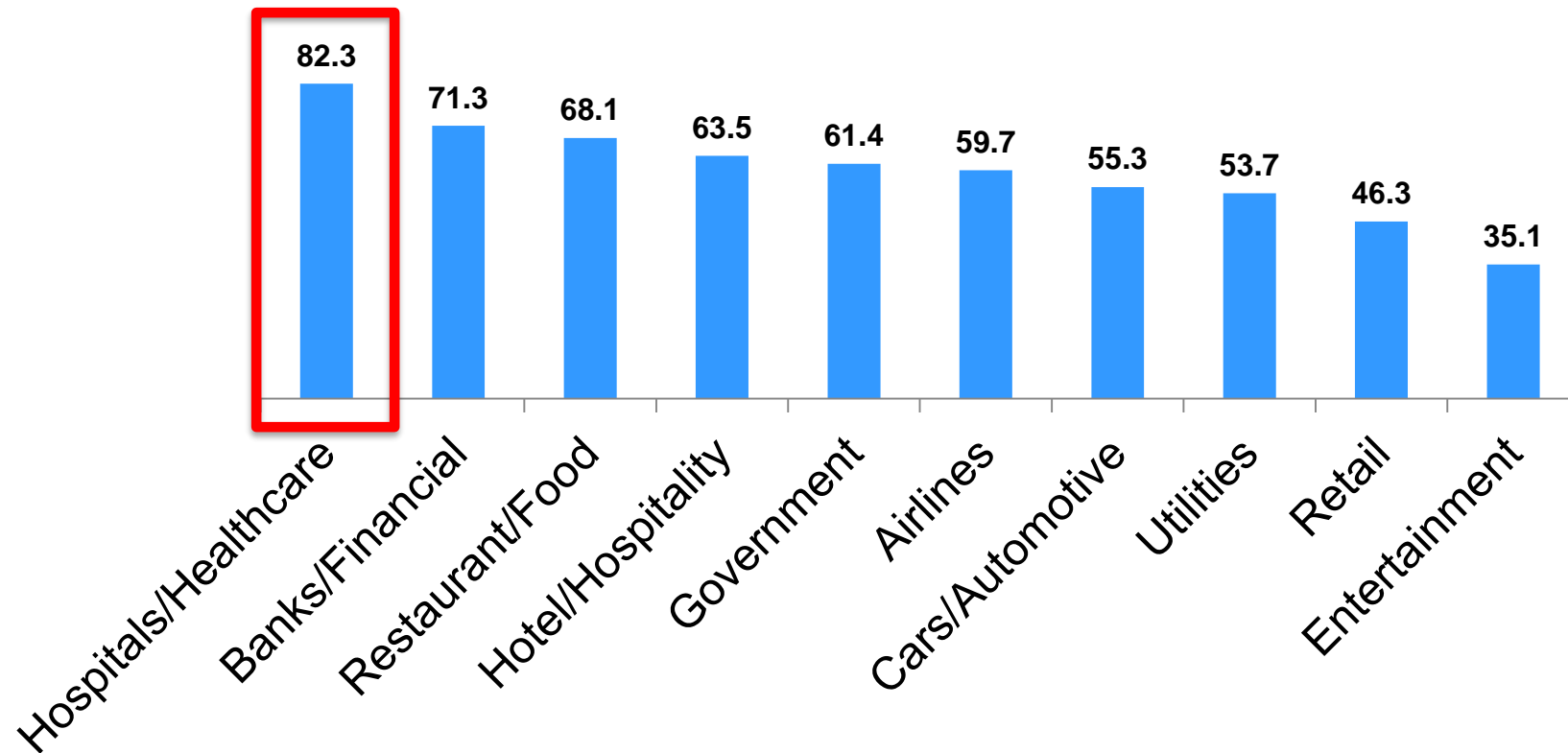
48% of all other healthcare consumers are frustrated



*SOURCE: Camden Group*

# Expectations Across Industries

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



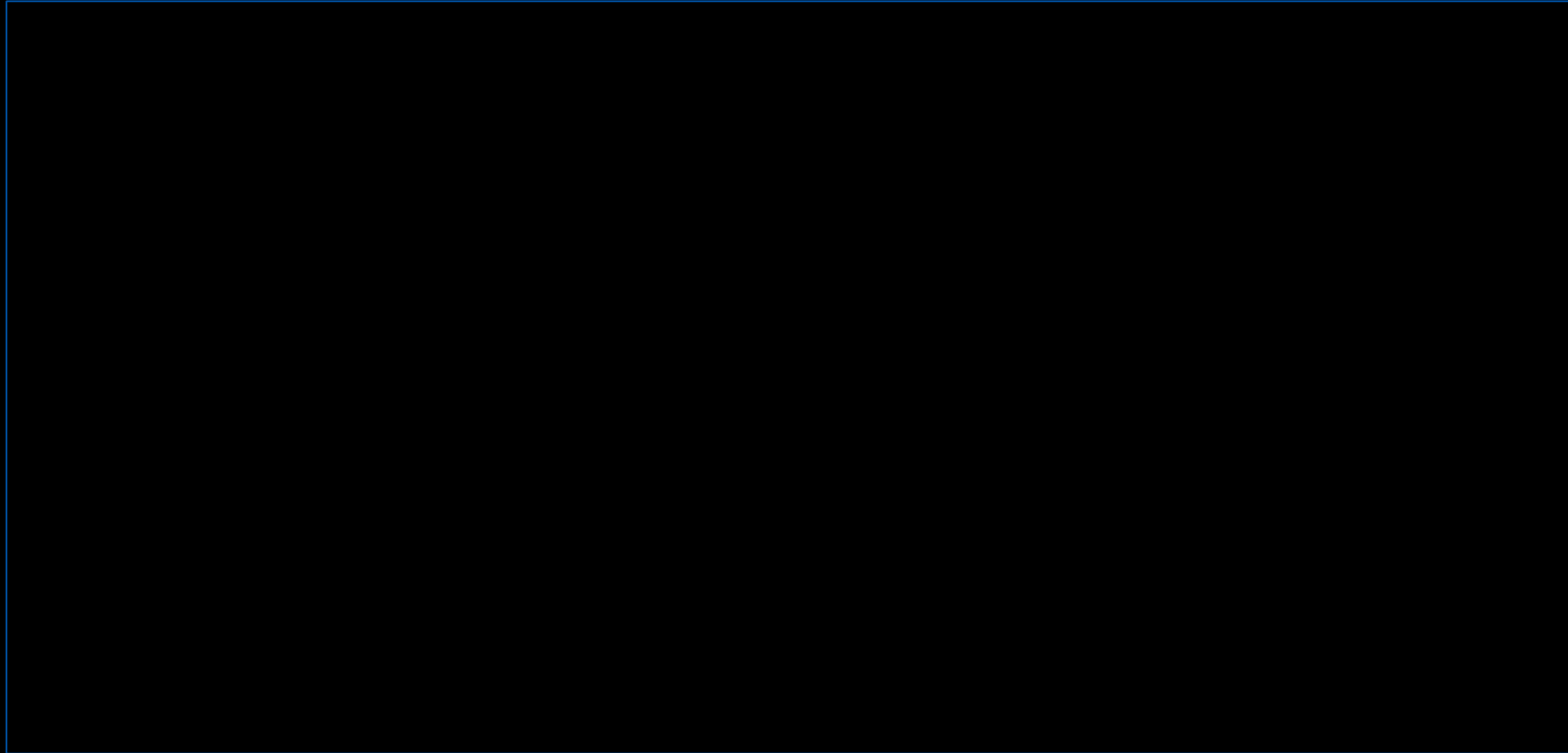
SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

Consumers are the  
**fastest growing payer**  
of healthcare services

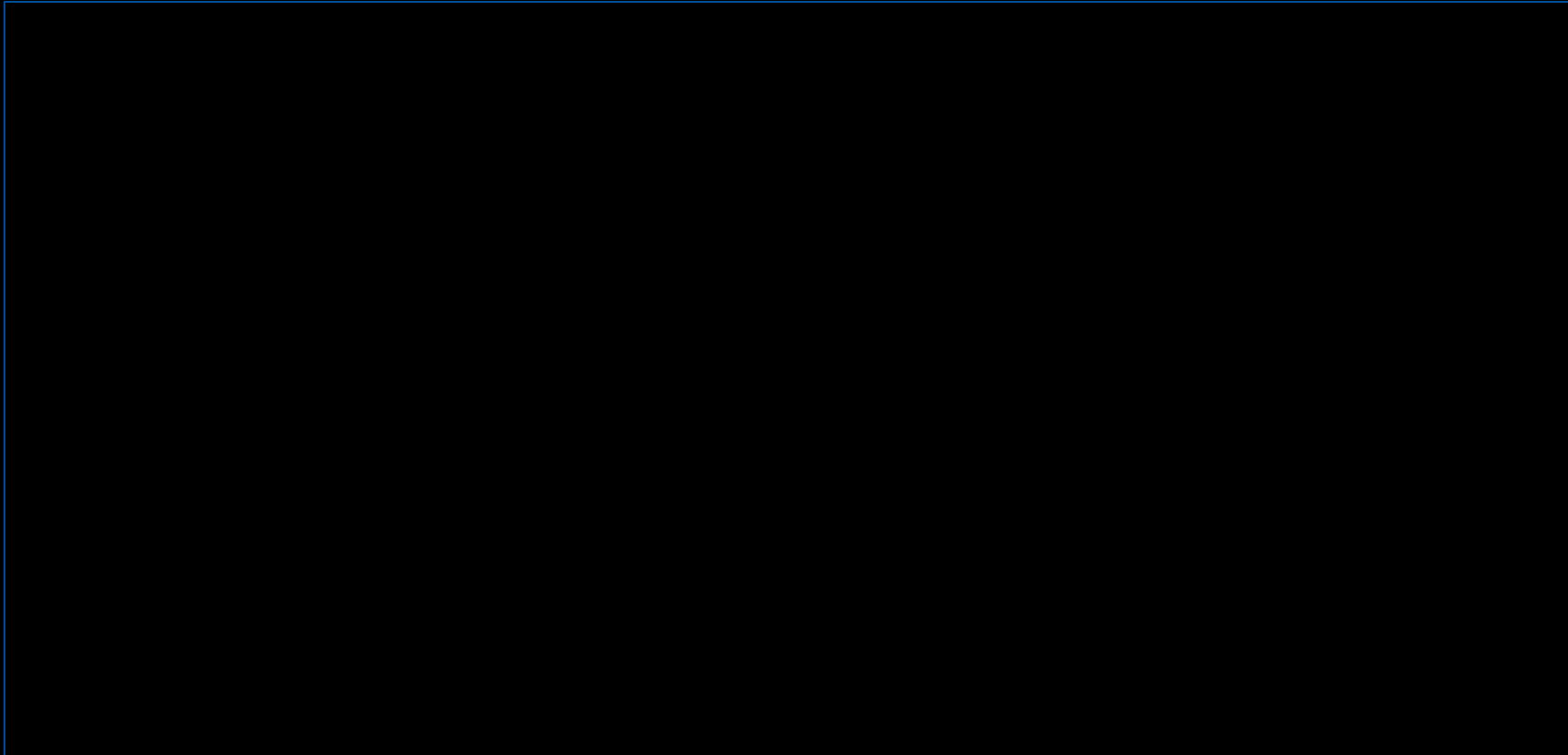


# Outside Healthcare

# Which Industry is Most Similar to Healthcare?



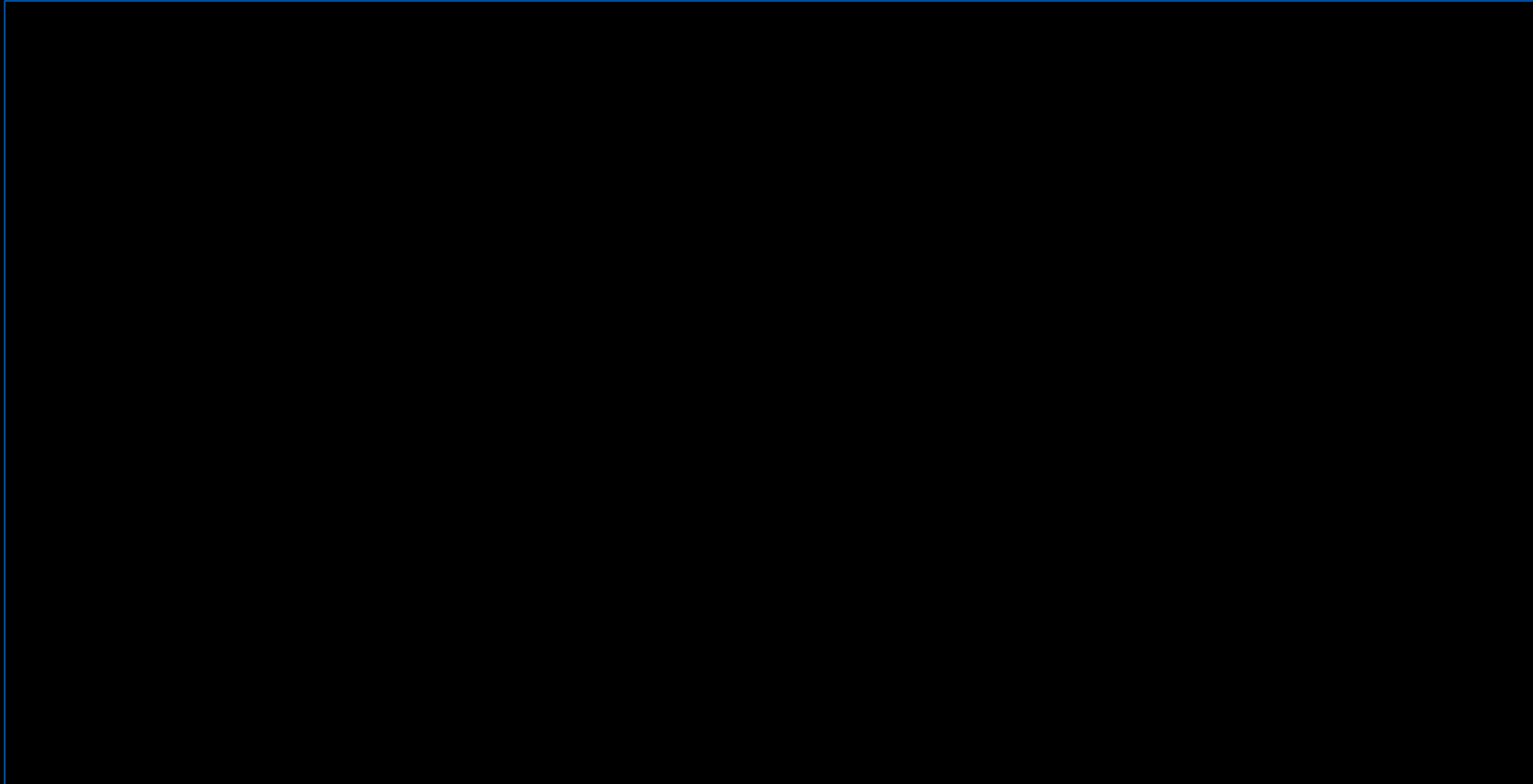
# Healthcare's Hero: Who Will Save Healthcare?



# 14 Values

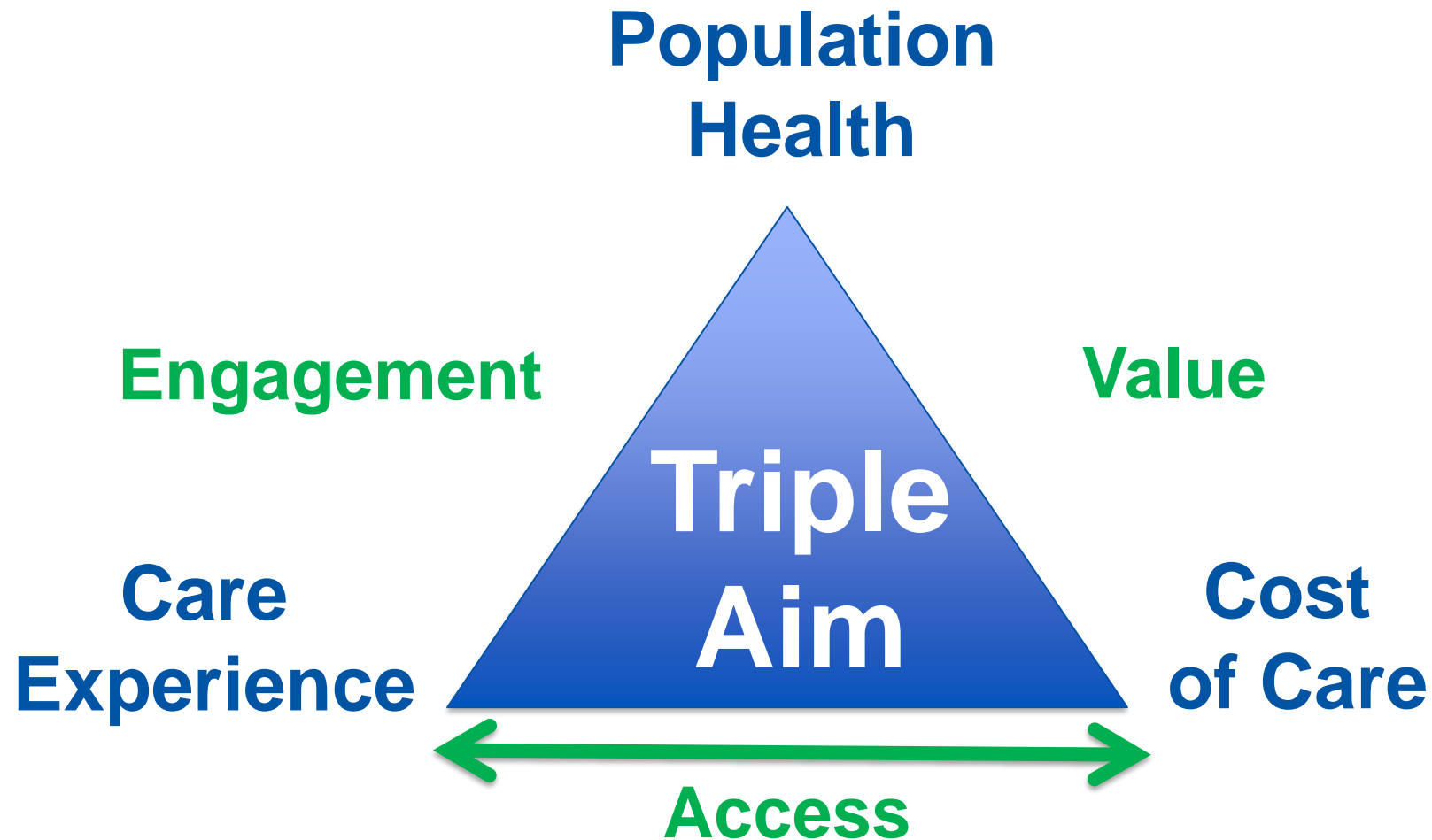
1. Customer Obsession
2. Ownership
3. Invent & Simplify
4. Are Right, A Lot
5. Learn & Be Curious
6. Hire & Develop the Best
7. Insist on the Highest Standards
8. Think Big
9. Bias for Action
10. Frugality
11. Earn Trust
12. Dive Deep
13. Have Backbone
14. Deliver Results

# The New Faces of Healthcare Reform



# **Triple Aim:** **Consumer Edition**

# Triple Aim: Consumer Edition



# Consumers RE: Access

- Access is no longer simply about scheduling, capacity, or existing physician referral networks
- Traditional communication is giving way to digital:
  - 87 percent of Americans use the internet regularly
    - 1 in 5 visited a local health system website last year
  - 74 percent use social media websites regularly
    - 1 in 3 searched for healthcare info (average age: 45)
    - 31 percent likely to prefer a health system after positive interaction
  - 27 percent used a mobile device to access health info
    - 1 in 3 anticipate doing so next year
- Rural consumers had higher concern about access to care

*SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)*

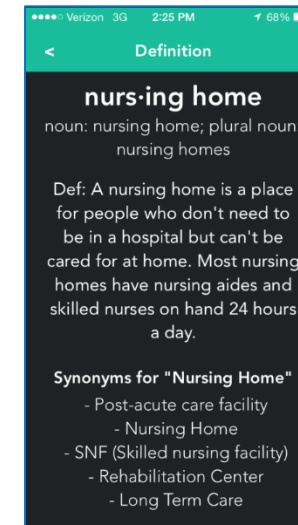
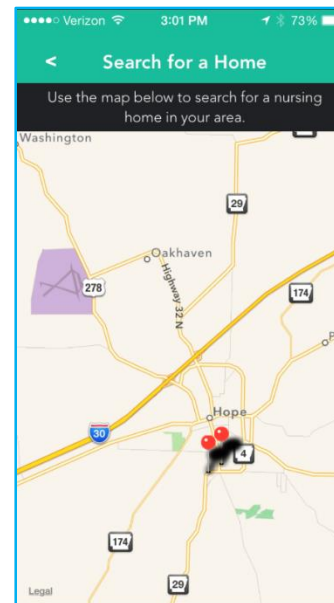
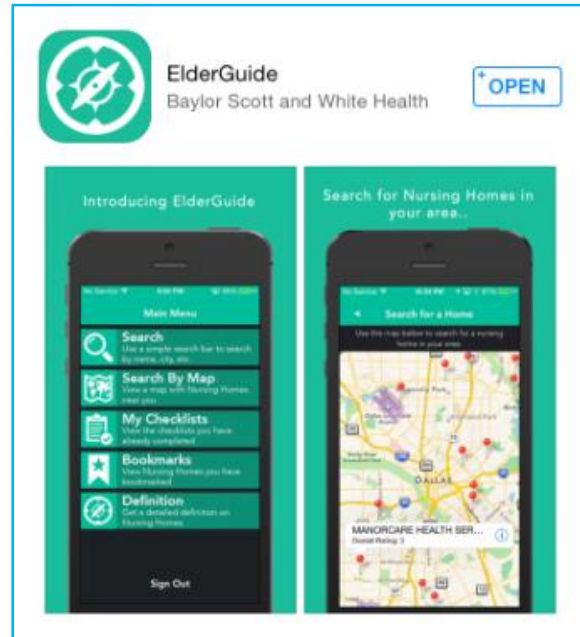
# Consumers RE: Access

- Access in the future will be decided where virtual and physical experiences meet
- Innovative, digital-friendly services are inverting the physical model of healthcare delivery:
  - **15 percent** used telehealth services last year
  - **48 percent** are likely or very likely to schedule virtual health services when the option is available
  - **48 percent** of employers will offer telehealth benefits this year

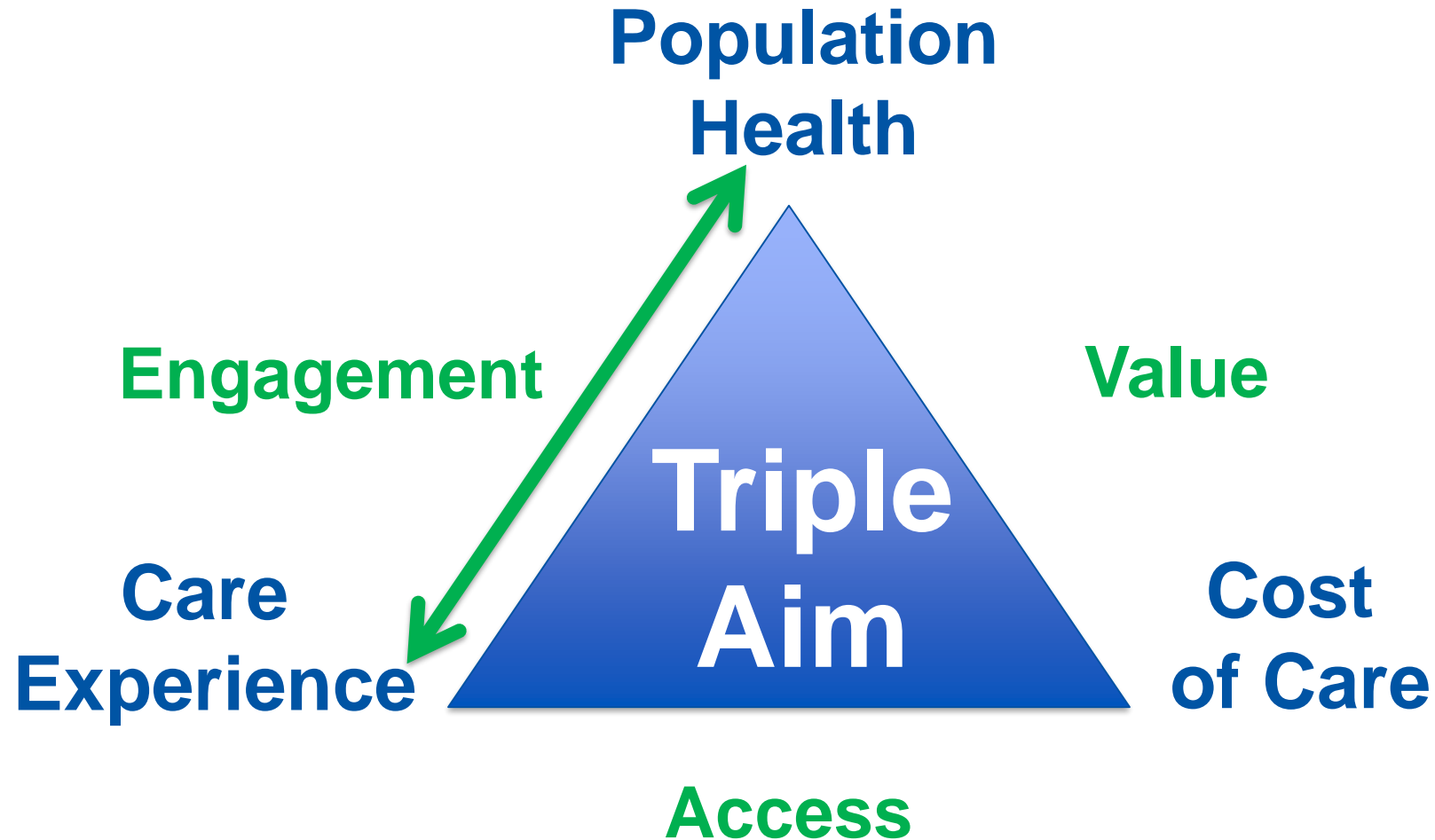


*SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)*

# Access Case Example



# Triple Aim: Consumer Edition





# Consumers RE: Engagement

- The future health system will have a dual purpose to the consumer: care for the sick and the healthy
- Consumers will assess health systems based on their ability to provide *health* and *healthcare*
- Health systems must embrace self-health:
  - 7 in 10 consumers feel they are **personally responsible** for managing their own health
  - The 1:1 relationship must feel like an equal partnership built on mutual understanding and trust

SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

# Consumers RE: Engagement

- Well-known, quasi-health brands are entering the traditional healthcare mix
- Consumers are remarkably open to change:
  - For preventative or routine care services, many consumers wouldn't hesitate to visit **Walgreens** (48%) or **Walmart** (51%)
  - For more serious procedures (MRI), many consumers would *still* visit **Walgreens** (40%) or **Walmart** (38%)
- Our biggest threat is the idea we still have time to adapt

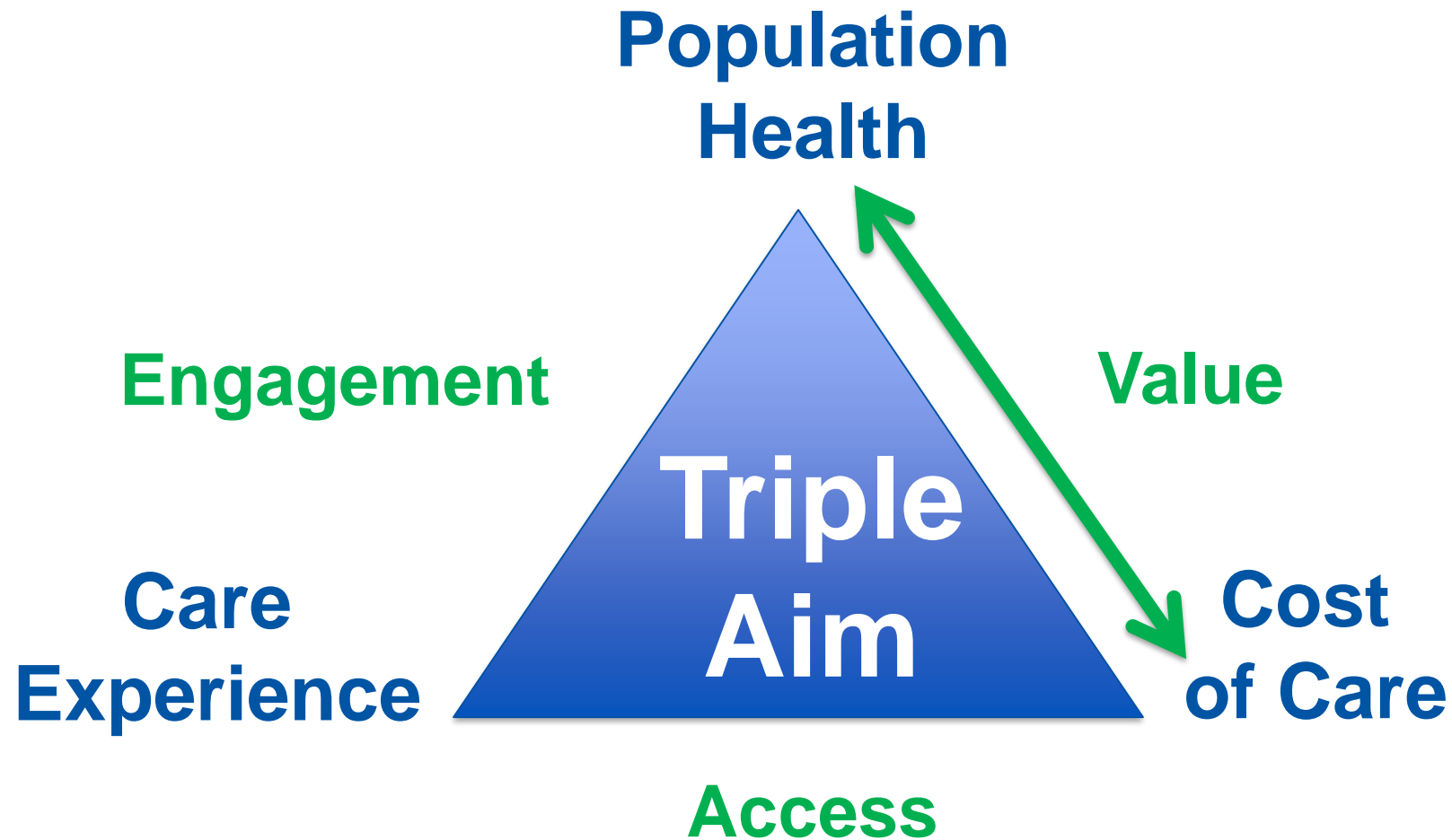
*Walgreens*  
AT THE CORNER OF **HAPPY** & **HEALTHY**™



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

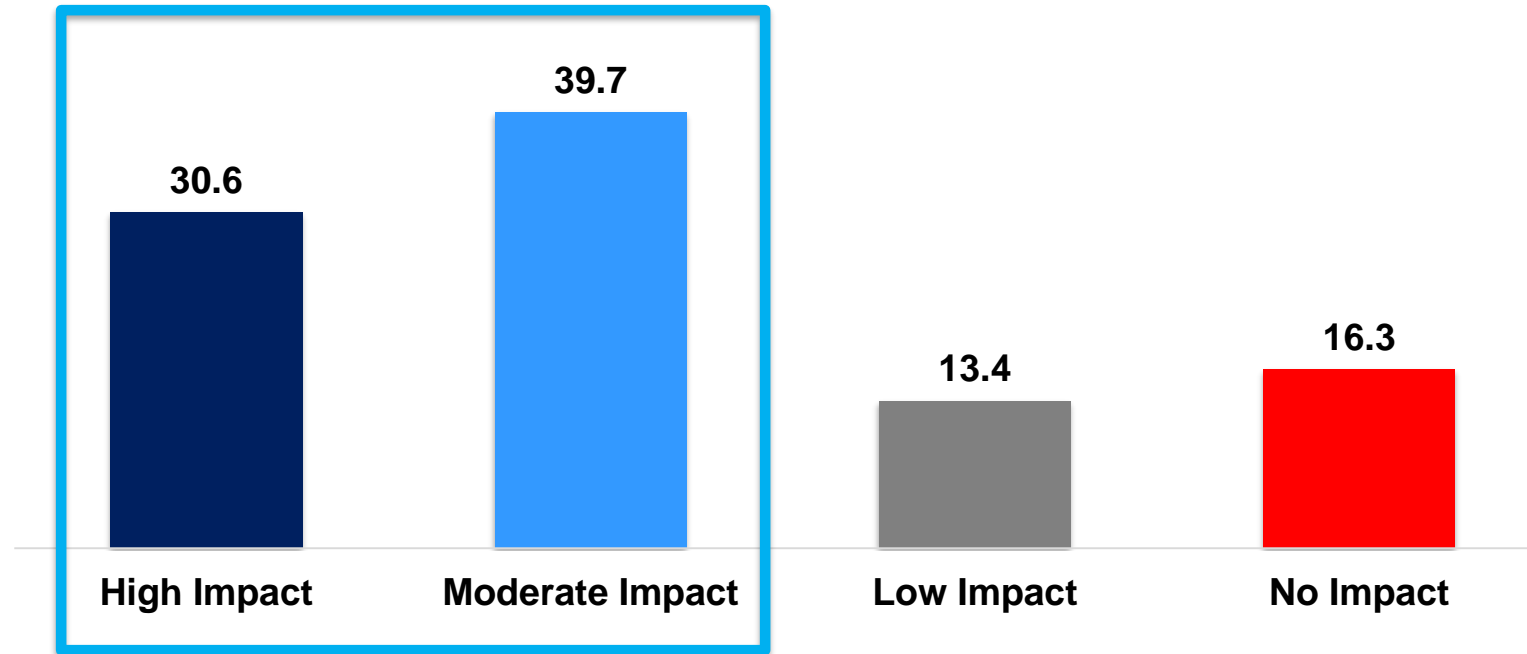


# Triple Aim: Consumer Edition



# Consumers RE: Value

What is the impact of cost on your selection of hospitals and health systems?



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

# Consumers RE: Value

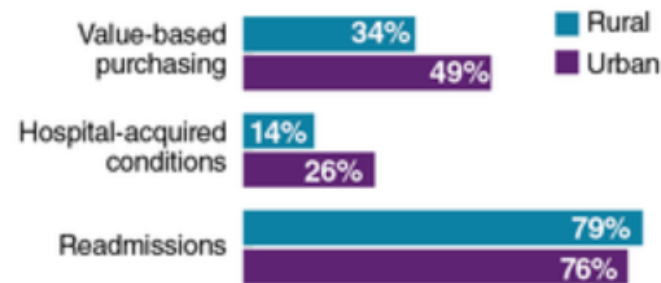
## Rural hospitals often beat urban hospitals on quality

VIRGIL DICKSON



### Rural versus urban on Medicare's value-based programs

Percentage of participating hospitals penalized in 2015



Source: HHS Office of the Assistant Secretary for Planning and Evaluation

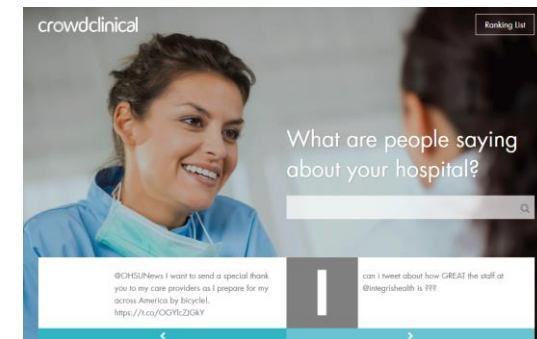
Rural hospitals on average have done better at avoiding the spread of hospital-acquired conditions and have scored higher in Medicare's **value-based purchasing** program than their urban counterparts.

Last year only 288, or 34% of rural hospitals participating in the hospital value-based purchasing program, faced financial penalties compared to 1,040 or 49% of urban hospitals, according to **a new report released Wednesday**.

SOURCE: Modern Healthcare, 2016

# Consumers RE: Value

- 4 in 5 consumers find it difficult to find pricing information before an experience
  - 9 percent have visited a site or listing of prices
- Quality data remains equally elusive:
  - 13 percent visited Hospital Compare
- 56 percent of consumers attempted to find cost/quality data together
  - 74 percent had \$3k+ deductible
- Market forces will play key role in race to 'value transparency'



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

# Value Case Example

[Careers](#) | [Physician Opportunities](#) | [Foundation](#) | [Español](#)  
[Pay Hospital Bill](#)

**INTEGRIS**  
**Meredith McKee, M.D.**



**Meredith A. McKee M.D.**  
Specialty: **Internal Medicine**  
**INTEGRIS Family Care Central**  
3400 NW Expressway  
Building C Suite 500  
Oklahoma City, OK 73112  
Phone: 405-552-2722

**Patient Rating**  
★★★★☆  
4.6 out of 5  
375 Ratings  
64 Comments

**Patient Ratings and Comments**  
★★★★☆ 4.6 out of 5 (375 Ratings, 64 Comments)  
[Learn About Our SURVEY](#)

★★★★☆  
Nov 24, 2015

I had an ultrasound and Dr McKee called me within hours with my results! That was amazing to me! My last provider never called me back with results. Thank you to her and her whole team, you are awesome!

**INTEGRIS Patient**

★★★★★  
Nov 24, 2015

All staff are very respectful and helpful.

**INTEGRIS Patient**

# Value Case Example



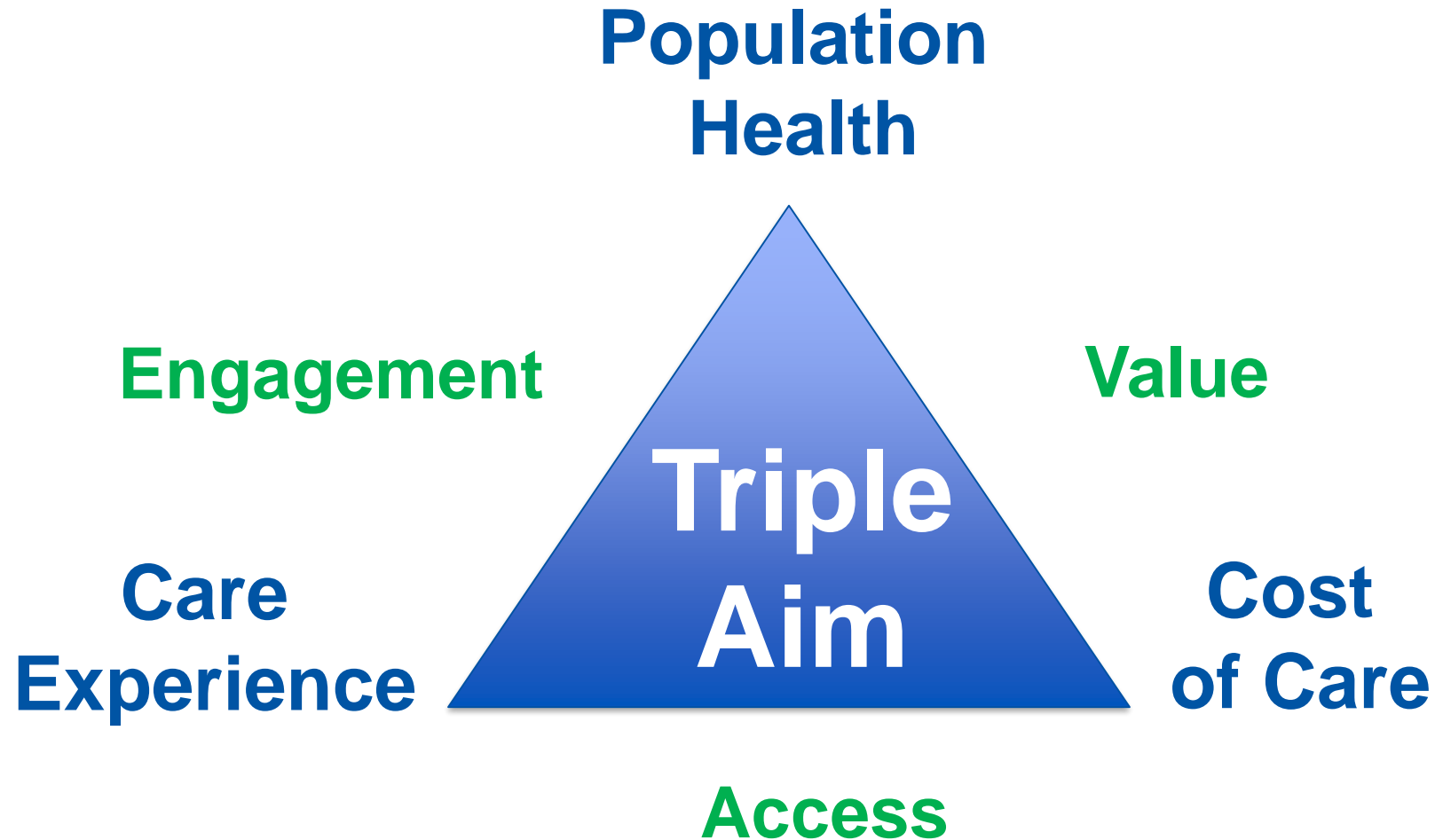
The screenshot shows the top portion of the St. Luke's PRICECHECKER website. The header is a dark blue bar with the St. Luke's logo (a star) and the word "PRICECHECKER" in green and white, followed by a red apple icon with a white dollar sign. To the right of the header, the text "sluhn.org" and "1-844-SLPRICE" are displayed. Below the header, there are four navigation links: "Pricing for Procedures", "Pricing for Imaging", "Quality", and "Questions?". The main content area features two large, overlapping images. The left image shows a surgeon in a blue scrub suit and mask, with a blue overlay box containing the text "Pricing for Procedures". The right image shows a smiling woman, with a white overlay box containing the text "Pricing for Imaging". Below these images, a white box contains the following text:

Welcome to St. Luke's PRICECHECKER

**Are you worried about your health plan's deductible? Are you worried about your upcoming procedure or test and what the cost might be?**

At St. Luke's our goal is to keep you healthy in mind, body and wallet. We understand the last thing you want to worry about is an unexpected bill. As an informed patient you will be able to anticipate costs and let St. Luke's help you along the way. Pricing is just a phone call ([1-844-SLPRICE](tel:1-844-SLPRICE)) or click

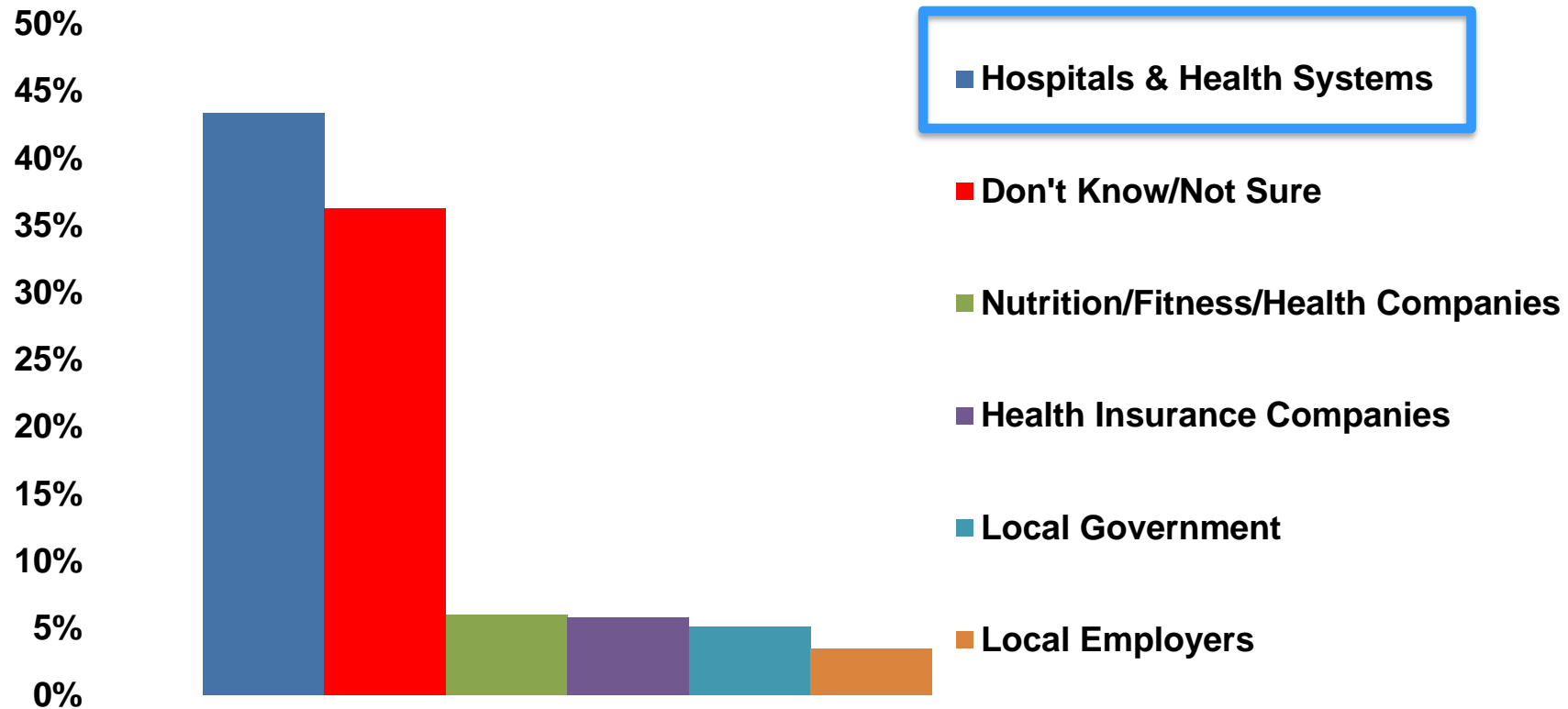
# Triple Aim: Consumer Edition



# **A Consumer-Centric Tomorrow**

# Perception of Responsibility

If you had to select one of the following to be primarily responsible for the health of your community, who would you select?



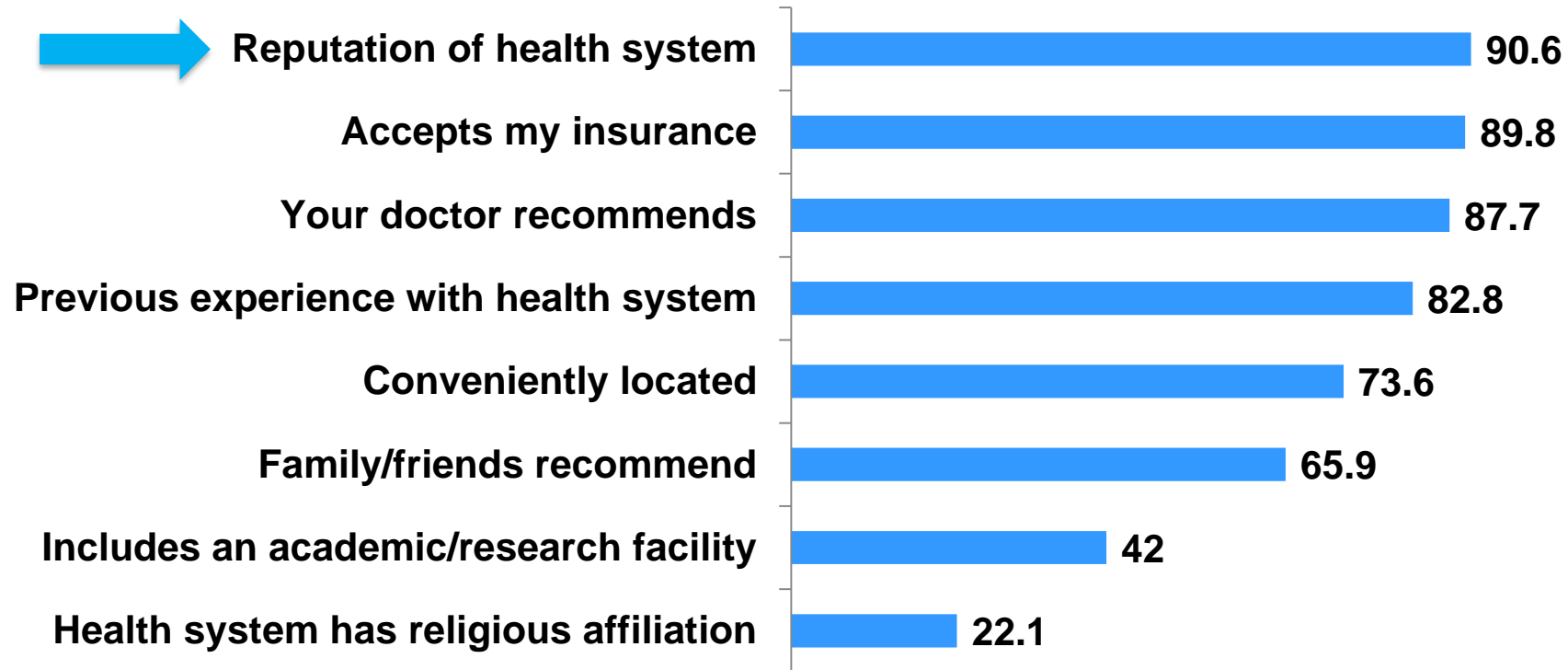
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# Visible Collaboration

- Health systems are in a long-term battle for the minds of healthcare consumers
- The ‘collective provider’ mindset lends itself to cooperation now in order to reap benefits later
- Consumers find collaborative innovation delightful:
  - ACOs and multi-hospital partnerships test favorably
- Health systems must transcend ‘healthcare’ to form a true **1:1 relationship** with consumers
- If we lose sight of them – they’ll lose sight of us

# A Valuable Reputation is #1

How important are the following factors  
in selecting a health system?



SOURCE: NRC Health's MARKET INSIGHTS study, 2010-2019, annual n sizes vary from 176 (qual) to 278,824 (quant)

# Consumerism: Four for the Road

- 1 We must strongly consider – and internalize – the **consumer point of view**
- 2 We can offer a world-class experience but if it's not **simple and clear** our brand will suffer
- 3 Meeting consumers in the middle and being **transparent** along the way is non-negotiable
- 4 Consumers are seeking a trusting, lasting **1:1 relationship** – be bold and seize the role



# The Empty Chair

