

5 Must-Have Upgrades for the Consumer-Focused Health System

Failing to prepare for a consumer-driven market is a risky strategy in any market. High-deductible health plans (HDHPs) continue to proliferate across the country. More recently, the improvement of price transparency tools, the emergence of meaningful alternatives to traditional care sites, and the weakening of the traditional patient-physician relationship have accelerated the growth of a consumer market. Health systems that do not build real consumer loyalty are in danger of losing substantial share to new competitors. Hospitals and health systems that hope to grow must build long-term durable relationships with their customers.

STATUS QUO

User-Unfriendly

Patients experience too much difficulty finding a doctor and transferring records, let alone getting a timely appointment. The frustration level is unsustainable among patients with choice.

One-Size-Fits-All

Need an appointment or referral? Be ready to wait. Feeling sick, but not finding any choices? The ED is your only option. For annoying chronic conditions and or even just a basic medical need, access to care is too often subpar.

Lack of Attention to Service Quality

Many health systems focus on quality scores that, while meaningful, minimize the implications of service breakdowns. Today's social media and online ratings expand the reach of a negative review.

Premium Pricing Across the Board

Lack of price transparency and sensitivity mean most systems have not needed to compete on price. Consumers wanting to visit a health system-affiliated site will pay a premium, even for basic services like imaging.

Relationships Purely Transactional

Today's health care consumers demonstrate relatively low levels of loyalty compared to other industries. In general, consumers do not perceive many advantages or rewards to staying within a single health care system.



MUST-HAVE UPGRADE

Frictionless Transactions

Those organizations that make the transactional elements of care as painless as possible stand to attract new consumers and drive repeat business.

KEY FEATURES

- ▶ Automated price estimation platform
- ▶ Digital transaction system

Transparency Impacts Choice

84%

of consumers say that price estimates have an impact on choosing a provider

Multimodal Access Network

Convenience is a top driver of preference across the board—for both primary and specialty care. As same-day access for primary care becomes baseline, systems must ensure they can meet that bar and look for opportunities to differentiate on access to specialty services.

KEY FEATURES

- ▶ Integrated urgent care network
- ▶ Same-day consults for high-worry conditions
- ▶ Fully controlled retail assets
- ▶ Diversified primary care network

Access a Major Decision Factor

6 of the top 10

decision drivers are related to access and convenience, when choosing a primary care physician

42%

of consumers report "short travel distance" as a top-three driver when choosing a specialty care provider

High-Reliability Production Model

Ensuring a high-quality experience is key to ensuring repeat business. Consistently delivering high-quality clinical care will become a crucial piece of securing up-front business as well.

KEY FEATURES

- ▶ Consistent service standards
- ▶ Enterprise platform for care standardization
- ▶ Customer-driven quality dashboard

Service and Clinical Quality Increasingly Important

60%

of the top five loyalty drivers for specialists are related to service or clinical quality

80%

of patients say a doctor's experience with a medical procedure (information readily available online) is an extremely or very important factor in their choice

Competitive Price Point

Although price sensitivity is strongest in areas like imaging today, consumers are beginning to show signs of sensitivity for services like surgery as well. As consumers become savvier about the relationship between cost and quality (or lack thereof), systems must be prepared to offer lower-cost alternatives.

KEY FEATURES

- ▶ Low-cost alternatives to high-cost services
- ▶ Rightsized fixed-cost structure

Patients Will Go to Great Lengths for Lowest Price

73%

of consumers believe that a three-hour flight or a four-hour drive is worth \$4,000 in savings

6x

more imaging respondents say low out-of-pocket cost is more important for choosing site of care than physician recommendation

Loyalty Reward Platform

From the moment they first contact the system, patients should experience the customization and personalization possible in an integrated system.

KEY FEATURES

- ▶ New-member onboarding process
- ▶ Technology-enabled personalization
- ▶ System-wide coordination platform
- ▶ Formal membership program

Most Patients Aren't Loyal

47%

of consumers are not "highly loyal" to their current PCP and may switch providers in the next 12 months