WHITE PAPER

HEALTHCARE CONSUMERISM
OVER TEN YEARS IN THE MAKING
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Long gone are the days when patients abdicated responsibility for their care to a general practitioner or specialist. Although the trend of patients taking an increasingly active role in their healthcare has been maturing for more than a decade, there has been a dramatic uptick in the last few years. United Healthcare’s consumer survey for 2016 found that 32% of Americans comparison shop for health services—a 230% increase since 2012.1 In fact, patients are more eager than ever to partner with their primary care providers as active participants in their care. According to a Deloitte 2016 survey, “consumer engagement is trending upward in three important areas—partnering with providers, tapping online resources, and relying on technology.”2

The growing expectations of patients as consumers and new digital, connected health technologies are turning the paradigm of top-down care delivery on its head.

THE IMPATIENT PATIENT

Increasingly, patients are demanding the same levels of choice, service, and satisfaction from their healthcare experiences that they have had as retail consumers. To meet this demand, PwC’s Health Research Institute’s annual report advises, “Healthcare organizations must increase access to consumer-friendly services, while decreasing unit cost.”3

A rising portion of patient consumers are millennials, who grew up as “digital natives” and are tech savvy and cost-conscious with higher expectations of speed, convenience, and satisfaction in service-driven interfaces. Indeed, of those seeking healthcare in the US today, millennials clock in at 83.1 million, which is significantly more than either Gen Xers or baby boomers (61 million and 75 million, respectively).4

A number of factors are bolstering healthcare consumerism across all three generations. Increasing healthcare costs and the selection of high-deductible health plans (HDHPs), which are beginning to rival the selection of PPO plans, are making patients more cost-conscious. Government-mandated value-based care initiatives are helping to provide transparency and data that patients can use to compare quality as well as cost. All three groups are more open to alternatives to traditional provider-guided models of care than previous generations.

With the overall cost of healthcare now hitting 18% of GDP in the US,5 preventive health and wellness programs are becoming increasingly important. Preventive care is generally covered 100% under the Affordable Care Act (ACA) and most health plans, another incentive for patients to become more engaged in their healthcare as a means to maintain health. Increasing patient engagement and preventive care among patients with chronic conditions would go far in helping to mitigate the rising cost of care. A Deloitte survey that asked which incentive would influence changes in a patient’s lifestyle to increase health and well-being found financial incentives and information resources to be the biggest motivators for chronically ill patients.2

The Healthcare Triple Aim initiative is another factor that is propelling healthcare consumerism forward. With an effort to improve the patient experience, Triple Aim incorporates the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) scores for reimbursement under Medicare. This effort helps to drive connected health and better patient experience by pushing healthcare providers and patients to focus more on interaction with each other, giving visibility to the satisfaction and effectiveness of those interactions.

Consumerism in a free market is fueled by competition. In healthcare, the competitive landscape is starting to intensify—whether that be with telehealth organizations that break down geographical barriers or retail clinics that provide convenient, more affordable care. These competing factors give the patient more choices, causing providers to pay more careful attention to patient experience, quality of care and affordability.

Healthcare consumer priorities regarding provider choice and health plans have undergone a dramatic change in the last few years due to rising premiums and increasing out-of-pocket costs. According to a recent BCG survey, 72% said they would be willing to purchase a narrow-network plan with fewer choices in at least some circumstances to save up to 25% in out-of-pocket costs.6
The Role That Digital is Playing

Just as technology is the engine of human progress, it is also an engine of change. Today’s dawning digital era is really a fourth industrial revolution, transforming the way we live and work at an ever-increasing pace and creating a connected world—a source of greater data and insight.

Patients, payors, and providers are all undergoing significant role changes, and digital technology is at the heart of many of these redefined interactions.

Digital technology is empowering consumers to make smarter healthcare choices that are helping to redefine care delivery from the bottom up. Consumer mobile devices and applications, for instance, are enabling patients to interact with the healthcare system in a more continuous, less episodic manner.

As millennials become a larger portion of patient populations, the demand for digital services will drive providers to invest in the delivery of greater digital innovation and convenience. Today telehealth and retail clinics such as CVS MinuteClinic, Walgreens Healthcare Clinic, and ConvenientMD are leading the way with digital outreach. They conduct patient surveys and engage with patients through email, social media, and web portals, seeking to offer a positive overall patient experience.

Among traditional healthcare providers, however, there is a serious lag between patient preferences and digital engagement. The Deloitte Center for Health Solutions 2015 survey found that, while 72% of respondents were interested in engaging with their provider using email, text, or messaging, only 21% had experience in doing so. A first step for many healthcare providers is the patient portal, which grants direct and secure access to providers, to a patient’s own health records, educational materials, and tools for improving health literacy.

From the beginning, healthcare consumerism has been based on technology. With the founding of the website WebMD in 1996, followed shortly by the National Institutes of Health’s Medline Plus in 1998, patients have increasingly sought healthcare guidance and information from digital technology sources. The dawn of smartphones and mobile technology has exploded the possibilities, making such information more accessible and convenient. With the rise in digital technology has come growing patient expectation of 24-hour electronic access to providers through the device of their choosing.

The availability of smart device applications has expanded over the past decade to the point that there are now more than 250,000 medical applications—for everything from price comparisons for providers and drugs (Castlight, GoodRx, Fair Health, Vitals) to provider reviews (Healthgrades, ZocDoc, MDInsider), appointment setup (QueueDr), and most commonly, medical information on chronic disease and health and fitness.

Social Media and Wearable Medical Devices

Social media has also entered the healthcare theater in the form of social-networking platforms, blogs, microblogs, and wikis. Such platforms as Facebook and Twitter are helping patients seek public opinion about care options. More than 40% of consumers responding to a Pew Foundation survey said information they discovered on social media helped drive healthcare decisions.

Providers hoping to educate wider patient populations such as KevinMD and @MayoClinic are also taking advantage of platforms such as blogs and wikis. According to a study by the social media site QuantiaMD, 65% of medical professionals use social media to engage with peers for professional reasons.

Figure 1: Timeline of consumerism prompted by a digital evolution
In addition to new channels for medical data, digital technology has also opened up a new world of wearable medical devices. Revenues for wearable medical devices (excluding the nonmedical devices such as Fitbit that are not FDA-approved) are expected to reach $41 billion dollars by 2020. The ability to connect remote monitoring devices and wireless wearable devices to capture and transmit patient data opens new opportunities for assessment, treatment management, and vital signs monitoring.

Data dilemma
With digital interactions come new sources of data and opportunities for data analytics to improve individual care, population health, and the healthcare experience.

Tools, such as patient satisfaction surveys, social monitoring, physician and facility reviews, and individualized biometric sensors, are all generating huge volumes of data.

The science of data analytics to make meaningful use of all of the data, however, is still in its infancy. Challenges include silos of data, stringent standards to protect the privacy of patient health information, and the potential security risks of corrupted or stolen data. Additional considerations are the lack of interoperability and standardization and a scarcity of healthcare analysts and data scientists to help providers figure out how best to gather, analyze, and use vast stores of data, vetting what data to track, and how to help clinicians and others interpret data.

New data architecture and management models, such as data lakes capable of aggregating massive amounts of structured and unstructured data, promise to help simplify the challenges of data verification, integrity, and security—as well as accelerate the development of more user-friendly analytical tools. New FHIR standards are also making it easier to integrate data across different clinical systems.

A MATTER OF DEBATE

Despite developments in patient interfaces, data access, and digital technology, some believe patient choice should and always will be limited. Many healthcare professionals take the stance that the knowledge of the physician should always win out in determining care-based decisions.

Providers with this perspective cite the following reasons:

- The 80/20 rule of healthcare: The 20% of patients who account for 80% of all healthcare costs represent a population with serious illnesses, many of whom are forced to make healthcare decisions in moments of acute distress (e.g., suffering a heart attack, receiving a cancer diagnosis). The argument is that the majority of these patients are unlikely to shop on the basis of cost or convenience, citing that most want their provider or insurer to help them manage their care as they deal with the gravity of their illness.

- The majority of healthcare procedures are not “shoppable”: Data from a 2011 Health Care Cost Institute (HCCI) study showed that only 7% of healthcare services were deemed shoppable. Most of these procedures are in the areas of cosmetic procedures, routine outpatient care, and non-emergent elective procedures (such as knee and hip replacements, carpal tunnel procedures, and so forth).

On the other side of the debate, they argue that with improved data, education, and transparency, the great majority of patients will begin to make decisions—and ultimately better decisions—about their own care. Patient choice, they believe, will even play a role in urgent care. Although in times of urgent need a patient consumer may not have the time or attention to comparison shop, the school of thought is that previous experiences will influence choices going forward.

Evidence in support of this vision include:

- HCCI, a nonprofit organization, has been formed with a mission to give the patient consumer “insight into healthcare costs and quality, so you can be informed and get the most out of every dollar you spend.” The group’s website guroo.com was developed to offer greater transparency and choice to the consumer.

- Physician and futurist Eric Topol, M.D. predicts that the “bottom-up” approach will win out in his book, The Patient Will See You Now (2015, New York: Basic Books). Topol refers to this change in patient-provider role as the “Gutenberg moment”—likening the disruptive point in which the printing press opened the door for learning to all rather than just an elite few, to today, where we are witnessing how the mobile Internet is providing the patient with control over his or her own health.

- Healthcare providers and payors are working to move beyond elective and outpatient fee-for-services to create new kinds of bundled care services that cover all the services needed to treat a condition or illness.

- Medical tourism, where patient-consumers increasingly travel to other locations to undergo procedures either for cost savings or to seek out the best care or specialist for a specific procedure, is a valid indicator of the rise in healthcare consumerism. Although medical tourism might seem like a niche market, it is estimated at $45–70 billion, with a patient population worldwide of around 14 million—1.4 million of which are Americans traveling to other countries.

A recent McKinsey Consumer Health Insights (CHI) survey of 2,255 participants concluded that consumers want the same qualities in healthcare as they do in other non-healthcare
settings, including “great customer service...delivering on expectations, making life easier, and offering great value.”

However, healthcare faces a unique set of challenges that will long keep it from mirroring a pure retail model.

The primary obstacles include:

- Continued lack of transparency in pricing and quality
- Lock-in to health plans that limit choice
- Unique security and regulatory hurdles
- Undetermined ownership of patient data

Nevertheless, there are lessons that can be leveraged from retail consumerism. According to Jeff Gibson from MasterCard Advisors, there are three main criteria that help determine an industry’s adoption of new technology and way of doing business that the healthcare industry can leverage:

1. **Double the convenience**: The new method must be at least two times more convenient than the existing method.

2. **Multiple stakeholder benefits**: The technology must benefit more than one stakeholder group. For healthcare, groups include patient-consumers, providers, health systems, insurers, and more.

3. **Acceptance**: Build a strategy for garnering acceptance from those who benefit to urge others to investigate and adopt the new method.

**OFFERING THE PERSONALIZED EXPERIENCE**

While obstacles remain, providers and health systems can take steps now to position themselves to take advantage of the rising tide of healthcare consumerism. Initial steps include 1) creating a strategy that focuses on the patient experience, 2) adopting telehealth and mobility solutions, and 3) improving the digital environment.

**Focus on patient experience**

Effectively engaging the patient as consumer requires embracing technologies that will improve patient communication, experience, satisfaction, and outcomes. Based on their service experiences in other industries and the proliferation of wearables, smart phones, tablets, and other mobile devices, patients increasingly expect mobile applications that will enhance information flow and access and enable them to digitally accomplish things like accessing electronic medical records, scheduling appointments, reducing wait times, being reminded to take medications, and electronically requesting prescription refills.

No one approach will work for all providers. It must fit the goals and culture of the particular practice or system. Likewise, no one approach will work for all patient-consumers. Providers must not only understand their patients but also understand the different types of patients they serve. Only then can they meet patients where they are and devise the right approach for each type—from educating less savvy patient-consumers of their options to providing new payment methods and advanced services to proficient digital technology users.

Providers must also aim to address key operational deficiencies that play into patient satisfaction. A group at the VA Hospital in DC, for example, addressed a mounting issue in delayed OR start times by using mobile technology to improve information flow and access. The result was reduced wait times and an overall improvement in the patient experience.

Capturing and analyzing data from patients on their experiences and outcomes through feedback mechanisms such as surveys is another essential component in evaluating approaches and improving patient experience. Social media data can also be used to drive patient-consumer involvement and provide metrics on how patients engage with different approaches.
Adopt mobility and telehealth solutions

A number of patient-centric technologies and services can help improve the experience of patient-consumers. These include:

- **Self-registration kiosks**: Minimize or eliminate wait times at registration and for emergency services. Most patients can use kiosks to scan insurance cards, provide consent forms, verify insurance, and even make payments. Kiosks have been shown to increase patient satisfaction as well as reduce the number of patients who leave the ER or treatment facilities without being seen.

- **mHealth solutions**: Equip clinicians and patients with management tools and apps geared to a specific use case, such as enabling access to care plans.

- **Remote engagement and home health**: Continue the relationship with the patient after discharge using technology in combination with virtual care, remote monitoring, and home health to foster patient engagement and satisfaction (as well as aid in compliance with critical treatment regimens for diabetes, congestive heart failure, and other chronic conditions).

- **Telehealth**: Employ a more expansive model of telehealth to go beyond followup to assessment and diagnosis. For the patient, a typical face-to-face visit with a practitioner can take over two hours, while a virtual visit typically takes 15 to 20 minutes and can be done from the comfort of the patient’s home. Tablets and 2-in-1s equipped for video conferencing combined with portable medical devices (for remote monitoring) help establish and continue a patient-provider relationship outside the bounds of a specific geographical area. Companies such as Teladoc, American Well, MDLIVE, HealthNet Connect, NetMedicalExpress, and VSee are capitalizing on such technology advancements in telehealth to interact remotely with less mobile patients to avoid the stress and disruption of travel to and from a provider’s office for assessment—including the elderly with high acuity, pregnant patients on bedrest, heart transplant candidates with cardiomyopathy, and so forth.

Consider using virtual laboratory services as part of your telehealth offerings. Analyte and HealthTap, which partnered with Quest Diagnostics, are two of the larger telehealth organizations that offer a wide array of diagnostic testing services, such as in-home collection, digital reporting, and patient-directed concierge support.

Improve the digital environment

As patient engagement and healthcare delivery go digital, security and data protection are of the highest importance. Enhancements to the digital environment must include:

- Data encryption and advanced malware protection on endpoints
- Secure VPN-based access to datacenter resources
- Segmentation of datacenter resources to govern access to critical resources
- Integrated identity management, authentication, and authorization

Identifying technology gaps and consumer demand for services can be addressed only through technology that is adaptable and easily tailored to different uses. A platform for rapid development of apps to enable agile code development is a must for responding to identified needs and demands in a healthcare consumer market.

Likewise, modernizing your data center with converged infrastructure, all-flash technology, and hybrid cloud strategies, whether on-premises, hosted, or both, are measures you can take to help support the scalable networks, speed, and capacity on-demand digital healthcare demands.

Incorporating predictive care models and simplifying providers’ access to meaningful insights help drive patient-focused strategies and enhancements. Doing so often requires unlocking the silos of data that exist across your organization. Data lake storage technology accomplishes this task, providing a 360-degree holistic view of all data across your organization to better track and improve patient experiences and improve cross-organizational workflow and efficiencies.

Looking ahead

Healthcare consumerism and digital patient engagement are becoming the new norm in the healthcare industry. To compete, providers will need a digital technology strategy to meet the challenge of the patient-consumer’s expectation of service, satisfaction, convenience, and value.

Meeting those expectations while maintaining the standards of care, security, and privacy and complying with mandates and regulations is no small order. Providers need partners that can contribute the expertise (from patient outreach and engagement strategies to technologies, data analytics, and security) so that medical professionals can concentrate on what they do best and move forward to improve patient experiences and health outcomes.
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