

A Look Outside The Lines from Strategy Advantage

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OUTSIDE **THE** LINES

WHAT HEALTHCARE CONSUMERS WANT

July 27, 2017

This is the 1st issue in a 4-part series titled: Pushing the Boundaries: Healthcare's Front Doors. This series features healthcare leaders who are making progress toward the goals of addressing the healthcare consumer, access, care coordination and care experiences. Click [here](#) to access the entire series or to review other Outside the Lines series we've published.

In 2008 – during the Presidential election when Americans were deciding between Barack Obama vs. John McCain – the *Journal of Healthcare Management* published an article titled: [“What Do Consumers Want?”](#) Here we are now, nearly a decade later – with Congress and America toiling through Obamacare repeal and replace (or not) – and we are far from resolving what *the* individual, what *the* “healthcare consumer,” wants.

This week's *Outside the Lines* starts a new series titled “*Pushing the Boundaries: Healthcare's Front Doors.*” In it, we will touch on four topics: the consumer, access, care coordination and care experiences. We will feature healthcare leaders who are pushing the boundaries and making progress toward these goals.

It's interesting, in the 2008 article referenced above, the author writes: “when consumers pay more out of pocket, they make better choices, and this could have a big effect on the industry.” But she further notes that (back then) consumers were “paying less out of pocket than ever.” What a difference a decade makes. Comparably, in HFMA's Health Care 2020 [Consumerism report](#), the authors start the paper with this: “Consumers are paying more out of pocket for their healthcare and that changes everything.”

It's true that the relevancy of “the consumer” in healthcare has caught on. Most leading health system CEOs and other executives are driving major initiatives in their organizations around “the consumer journey.” In fact, in a study of Chief Strategy and Chief Marketing

officers we conducted earlier this year, health systems like Henry Ford, Piedmont Healthcare, Texas Health Resources and others shared details of the extensive projects underway. As examples, they said:

- “We are running a massive customer journey effort here, leading a steering team that is multi-functional including people from Operations, Patient Experience, Legal, Marketing, Business Development and other departments. The priority is to understand what the consumers want. We are reorganizing and readjusting everything so that the consumer is first.”
- “Healthcare is the ultimate consumer business. Putting consumers at the center of our enterprise strategy means that the consumer is pervasive in everything we do. Thinking about the consumer is the lens through which every decision is being run. For each of these decisions, we are looking at the clinical workflows and, as well, the consumer workflows.”

So what do healthcare consumers want? It’s an open question, with dozens and dozens of different takes on it. Much is yet to learn as our industry processes through it, but a few answers are clear:

- Consumers want [personalized](#) care. They want to be heard, understood and given clear directions – tailored to their individual needs – by their doctors.
- Consumers want choices. One industry writer highlights “the phenomenon of [Chipotlification](#),” referring to the Chipotle restaurant chain and how its customers first choose a burrito or a rice bowl, and then they pass through a line choosing the toppings they desire. Think of the applications for healthcare, especially as it relates to your organization’s primary care or other front doors.
- Consumers want convenience. The HFMA 2020 [Consumerism report](#) notes that “consumers have been trained by Amazon, Open Table, Expedia and other innovators that convenience can be the norm.”
- Consumers want [digital](#). According to a physician executive client of ours, she said “everything that can be done virtually ... should be done virtually.” A recent Nielsen survey reported that 78% of consumers say they would be interested in receiving virtual health, but only 1 in 5 has had that opportunity.

In every hospital, health system and medical group we know, the mission statement is to serve the people and patients in their communities. Today, that means to serve individuals, seriously and thoughtfully, as consumers. We like what one leader from Texas Health Resources recommends (this was shared during his presentation at the Forum for Healthcare Strategists conference in May 2017). He said: “Stop thinking only (mostly) about ‘the patient.’ Start thinking about ‘the consumer.’ Yes, focus on your patients, but also focus on the 90% of people in our communities who are not patients in our hospitals.”

Always looking ahead,

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DO YOU KNOW...

Ten years ago, during the Obama vs. McCain presidential election, both had [proposals](#) to reform the U.S. health insurance system, including [ideas](#) to improve quality and reduce costs of care. Their Democratic vs. Republican approaches are still at the center of what Congress is addressing today, with former President Obama and Senator McCain very prominent in what is unfolding. What a difference a decade makes ... or not.

DO YOU KNOW ABOUT...

Value-based insurance design (V-BID) is a new health plan model that is evolving to address reform and market changes, or as the [New York Times notes](#), “to nudge patients to do the right thing.” The model is designed to reduce costs for consumers by structuring plan design elements to encourage members to consume those clinical services that have the highest, evidence-based potential to positively impact their health. V-BID plans offer more generous coverage of high-value care, but less generous coverage of services that provide little or no health benefit. V-BID was introduced as a concept 20 years ago by Dr. Mark Fendrick, a physician and professor at the University of Michigan, and Michael Chernew, a Harvard economist. Starting in January 2017, [CMS initiated](#) a V-BID model for Medicare Advantage members with certain chronic conditions. This is being tested for five years in seven states: Arizona, Indiana, Iowa, Massachusetts, Oregon, Pennsylvania and Tennessee. Beginning in 2018, CMS will also test the model in Alabama, Michigan and Texas.

A "LEADING" LEADER IN HEALTHCARE ...

One healthcare leader, Aetna CEO Mark Bertolini, has an [interesting perspective](#) on how to change healthcare so that it works better for people, patients and communities. Based on his and his son’s personal experiences, his take is that “the healthcare system fixes what’s broken,” but does not focus enough on the whole human being in ways that are productive and useful. As a result, Bertolini and Aetna are building a health plan that, in his words, “takes a more holistic approach to healthcare.” The focus is on building programs to fill the holes in the healthcare system, beyond acute care. As inspiration, he points to the 1948 definition of health, [defined by the World Health Organization](#), as a “state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”



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