

Meet the New Consumers

Under-30 patients are looking for a faster, smarter health care experience

By Joan Dentler

Six months after finishing college, a 22-year-old lands his first full-time job with health benefits. When he becomes ill, he sees a physician who is recommended by co-workers, friends and online reviews; covered by his insurance; and offers online appointment scheduling. He leaves the appointment with four prescriptions.

At the pharmacy, when he is ready to pay with his health savings account card, he learns that the total is more than \$100. He asks the pharmacist about each medication, how much it costs and if there is an over-the-counter alternative. At the end of the conversation, he goes against the physician's advice and leaves with only two of the four medications prescribed.

This is my son's experience, and he represents the new health care consumer. He cares about cost and efficiency as much as his well-being; is ready to ask questions about cost and potentially refuse care if he deems it too expensive; and looks for ways to save time by using technology. These traits are shared by his peer group



and are likely to follow him throughout his life.

Trustees and senior leaders need to shift their focus to these new consumers and stop looking in the rear-view mirror. They must adjust their approach to marketing and deliver care to patients for whom cost and convenience will have a major impact on their health care decisions.

Who Are They?

To understand how new consumers typically view and experience health care, it's important to consider the

consumers for whom your organization has cared for many years, and who shaped much of the care that is provided today.

Older consumers likely have a close relationship with their providers; they are loyal to them and will act on their advice. There is an unspoken assumption that providers "know what's best." They are accustomed to long waits as a prerequisite for receiving care. Most of these older consumers have never considered cost in making health care decisions. They have had the luxury of employer-sup-

plied health benefits that came with a small deductible and little, if any, out-of-pocket expense.

The new consumers exhibit the opposite traits. They use online reviews and social media to choose a provider, and they are willing to change providers if it benefits them. They take clinicians' advice with a grain of salt; they question the recommended care, and research online to determine whether it is appropriate. They expect convenience: an office or clinic close to work or home with evening and weekend hours and the ability to email questions and request medication refills through secure messaging. They do not want to wait to see a physician, and they expect a positive outcome from the care in which they invest. They are informal and direct, and they don't mind asking why or how much.

Catering to the New Consumer

As this picture of the new consumer comes together, it is critical for hospital leaders to understand that the approaches relied upon to serve the older consumer are becoming outdated. Hospitals must make significant changes to address the needs of their current and future patient population or risk rapidly declining volume and revenue. The good and bad news is these new approaches are not based on the intensive and high-reimbursement delivery system of the past.

Cost: The new consumers care a great deal about cost, and they are paying more of it out of their own pockets. They may have a good understanding of the cost of their care through close reviews of health savings account statements and explanations of benefits. This understanding influences their decision-making. They prefer to stay in-network to keep costs down, and don't give much thought to changing primary care physicians to do so.

Outpatient care: The new consumer embraces care performed outside of the hospital, and the migration of procedures to outpatient settings is increasing steadily. A 2010 Agency

for Healthcare Research and Quality brief reported that the percentage of surgical procedures performed on an outpatient basis grew 42 percent between 1980 and 2007. To capture the volume and revenue from these migrating services, hospitals need to invest in and provide these services themselves, either independently or through joint ventures with other providers.

These services can't be provided with an inpatient mentality, however; outpatient care must maintain high-quality, low-cost, efficient services. These benefits are maximized when hospitals focus on involving physicians in decisions, emphasizing patient and physician satisfaction, and locating facilities in suburban centers where consumers go for other reasons. Whenever possible, functions such as scheduling, IT, billing, and purchasing of equipment and supplies should operate as a freestanding facility rather than a department of the hospital.

Alternatives to traditional medical care: Along with outpatient care, hospitals may lose the new consumers to complementary and alternative medicine providers. They are willing to try new methods of healing, leading them to seek alternatives to traditional hospital inpatient care services. A 2007 National Health Interview Survey found that approximately 38 percent of adults use CAM. Hospitals should consider how these alternatives to inpatient care that promote wellness rather than treat disease can fit into the changing delivery system.

CAM therapies are potentially new revenue streams. But more importantly, they can help to reduce costs and capture new markets. CAM therapies can speed up a patient's recovery, require fewer interventions and lead to a faster discharge. These services also can serve as a point of entry into the system for patients who need more acute treatment.

The new consumers are not keen on expensive, intensive end-of-life care for themselves or their parents, whose care they may manage. They

are more likely to make decisions based on quality of life. All hospitals should have palliative care and hospice programs available within their continuum of care.

Technology: Hospitals need to focus on their customer-facing technology: the new consumers expect technology that will make their interactions with their providers more transparent and efficient.

Provider organizations can take many different approaches to improving their Internet presence. At a minimum, hospitals should offer online appointments, registration and bill pay on a website that is accessible by smart phones and tablets.

Organizations also should consider text messaging to confirm and remind patients about appointments. Consumers are more accustomed to using webcams and services like Skype to communicate, and hospitals should explore video chat options for addressing patient questions.

To reach and retain new consumers, hospitals should build up their social media presence. They should encourage patients to post reviews of their experience on sites like Healthgrades, Angie's List and Yelp. Providers also should explore whether to develop smart phone and tablet apps. All of these efforts will give a hospital a more powerful online presence, enhance the consumer's opinion of the organization, improve the patient experience and keep the hospital and its service lines top of mind as options for consumers to consider.

Get to Know Them

Trustees and senior leaders need to understand these new consumers and respond to them as any consumer product company would. Take a long look at your organization with a special focus on the needs and expectations of 30-and-younger consumers. They are your future. **T**

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