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COLLABORATION HEALTH CARE

ALIGNING IDEAS WITH COLLABORATION TO IMPROVE HEALTH CARE TODAY



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Keeping an Eye on the Health Care Consumer

The Deloitte Center for Health Solutions has recently put together some good information to use when evaluating the changes taking place in the various segments in our health care marketplace. One of the segments that is changing most rapidly and is only now starting to get more attention is that of the individual health care consumer.

Our industry is changing and it is going to continue to need to change in order to sustain itself in the future. It's going to be more important to evaluate and understand how these changes are impacting the individual consumer than it has ever before. Any good marketing firm will tell you of the importance of "knowing your customer" when setting your strategy. This industry is no different.

We're all familiar with the current buzz words of the industry; consumer-directed, transparency, retail medicine, medical home, pay-for-performance, and all the rest. Our question is, "has the introduction of these concepts changed the face of the individual health care consumer?"

Deloitte's 2008 Survey of Health Care Consumers is an attempt to answer this question and many more. Based upon the results of this project- we believe the face of the consumer has changed dramatically and many business strategies and ideas geared to engaging the individual consumer to participate in their health and the health care system itself may need to change as well.

The Different Segments of Health Care Consumers

The health care consumer of today is much different than the consumer of 10 or 20 years ago. In the past, we relied almost exclusively on the system to tell us where we could go, what to do, and how to get it paid for. Our "cost" was the copay and very rarely did we receive a bill or understand the true cost of the services we were receiving. When we did get an Explanation of Benefits (EOB) we didn't understand them anyway so unless there was a problem, we didn't spend much time with them. The system generally insulated the individual from needing to be involved.

That's all changing today. Most of the stakeholders now realize that the consumer needs to be much more involved than they have been in the past. The industry has recognized that the consumer segment is one area where a tremendous opportunity lies to make some radical changes in the health of the population and ultimately make some positive changes to the system in total.

(Continued on Page 2)

THIS NEWSLETTER

Keeping an Eye on the Health Care Consumer	1
Some Other Interesting Findings	1
Different Health Care Consumer Segments	1-2
Think About It	2

Some Other Interesting Findings From Deloitte's 2008 Survey of Health Care Consumers

This is a fascinating study and we'd highly recommend taking some time to familiarize yourself with some of the findings. While in some respects the results may highlight how far the health care system has to go- we think the results highlight the opportunities that are available to establish strategies and engage the consumer to be a more active participant in the health care system of tomorrow.

- Consumers are satisfied with their doctors and hospitals but want better service and improved value
- Consumers want programs and tools to help them improve their health- over 66% are interested, and 20% will pay more for it.
- 93% are insecure about their ability to pay for future health care needs
- Only 52% say they understand their health insurance coverage- and less than 10% are confident they understand their coverage well.
- 14% have delayed a recommended treatment and 13% decided not to pursue a course of care altogether

IssueSources: 2008 Survey of Health Care Consumers; Deloitte Center for Health Solutions;
www.deloitte.com/centerforhealthsolutions

Consumer Segments (con't)

As a result, we are expecting the individual to take a much more active role in the process (by sharing the costs and in taking more responsibility for their health care decisions) but still need to provide the tools and resources to help them do so.

In 2007, Deloitte's Center for Health Solutions gathered information from a sample of over 3,000 adults to develop a "profile" of today's health care consumer. Not surprisingly, this study found today's consumer was much different than the one described earlier. Today's health care consumer space consists of separate and unique segments- each with its own preferences, perceptions, and needs. Health care organizations will need to acknowledge the existence of these segments when developing programs, strategies, and products directed to the health care consumer market.

We agree with Deloitte's assertion in this study that health care is a consumer/retail market. The health care industry is going to need to integrate some of the basic business strategies and approaches used in other consumer-related industries (retail, technology, entertainment) to reach, connect, and engage the various segments that exist today.

Deloitte's study looked at five primary "Domains of Health Care Consumer Activity" when analyzing the results and in determining the ultimate characteristics of the consumer segments. These included:

- Use of traditional health services from medical professionals and hospitals
- Use of alternative and non-conventional approaches to care
- Self-directed care
- Information-seeking
- Financing

By analyzing the data related to these domains, the study uncovered 6 different separate and unique consumer categories existing in today's health care marketplace. Each of these segments possesses different expectations, needs, and perceptions. Each will require a different strategy to reach and engage.

Content and Compliant: 29%: This group is very similar to the traditional health care consumer described earlier. They use traditional medical professionals and hospitals and generally follow the directions prescribed by their physician.

Casual and Cautious: 28%: This group doesn't access the system very frequently and, as a result, continues to be disengaged. When they do use the system, they will lean to more conventional approaches and tend to rely on self-care for most day-to-day needs.

Sick and Savy: 24%: This group uses the health care system most frequently and much more receptive to self-care approaches. The group tends to use traditional medical approaches and is very interested in receiving information

and performing research when required.

Out and About: 9%; These are the independents who will use both traditional and non-traditional approaches when receiving medical care. They use the internet frequently and are open to new ideas and approaches.

Online and Onboard: 8%; This group uses the health care system frequently and lean more to self-management. This group uses the internet frequently and uses both traditional and non-traditional approaches to health care services.

Shop and Save: 2%; This group is very open to new ideas and looking for the best "value" for their services. They lean to more traditional services, but are open to new approaches and disruptive innovations if it saves money.

The study concluded that consumer attitudes (no matter what they are) are derived from personal experience rather than a "studied" view of the system, and vary widely as a result. The system continues to be complex and difficult to navigate for many, and the perceptions consumers have are largely a result of their personal experiences.

The conclusions reached aren't new or surprising, but could be a wake-up call for some organizations and may require a different way to look at things:

1. Health care is a consumer market
2. The consumer market is not homogeneous
3. Consumers want to make their own decisions and they want the tools to help them do this. The source for these tools is up for grabs.
4. Consumers are embracing innovations that are "disruptive" to stakeholders who provide traditional health services and health plans.

As we set our strategies and approaches to facilitate change in today's health care environment, this study points out the significance of listening to the customer- the consumer- as an important part of the process. We have asked the consumer to take a more active role- let's listen and start providing them with the tools and resources to let them be able to do it.

Think About It:

"Winners have simply formed the habit of doing things losers don't like to do"

Albert Gray

"Great teamwork is the only way we create the breakthroughs that define our careers"

Pat Riley

"Continuous learning is the minimum requirement for success in any field"

Dennis Waitley