



Healthcare Consumerism 2.0: Rethinking How Health Systems Can Be More Consumer-Responsive

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Dan Miers – *Chief Strategy Officer, SPM Group*



Outline/Agenda

Our thesis: “Healthcare Consumerism” is a misnomer, and the big idea got bugged as a result.

1. What Healthcare Consumerism 1.0 Got Wrong, and Right
2. The 5 Habits of Consumer-Responsive Businesses
3. Consumer-Responsive Habits at Work at Kaiser Permanente

How Real is Healthcare Consumerism?

Gregory A. Freeman, April 4, 2016



It's real enough to drive changes in how the healthcare industry communicates costs and quality, but still a long way from true consumer shopping.



9 Consumerism Trends That Will Dominate Health Care Marketing in 2018

THE WALL STREET JOURNAL.

U.S. Edition | May 4, 2018 | Today's Paper | Video

HEALTH | JOURNAL REPORTS: HEALTH CARE

Can Consumers Be Smart Health-Care Shoppers?

Harvard Business Review

INNOVATION

What Health Care Can Learn from the Transformation of Financial Services

by Yuhgo Yamaguchi

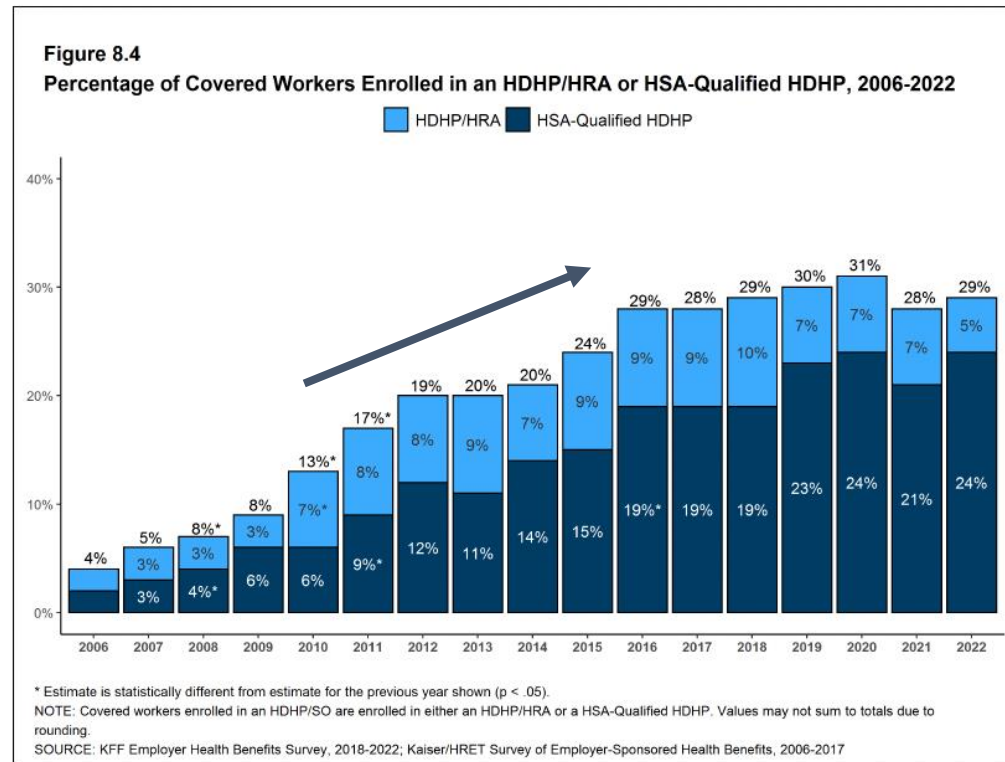
DECEMBER 16, 2016



"You can't list your iPhone as your primary-care physician."

2016: “Value” is the buzzword

“People who have a choice in their healthcare options, [are going to make] the best decisions for quality and cost, just like they do with any other commodity.”

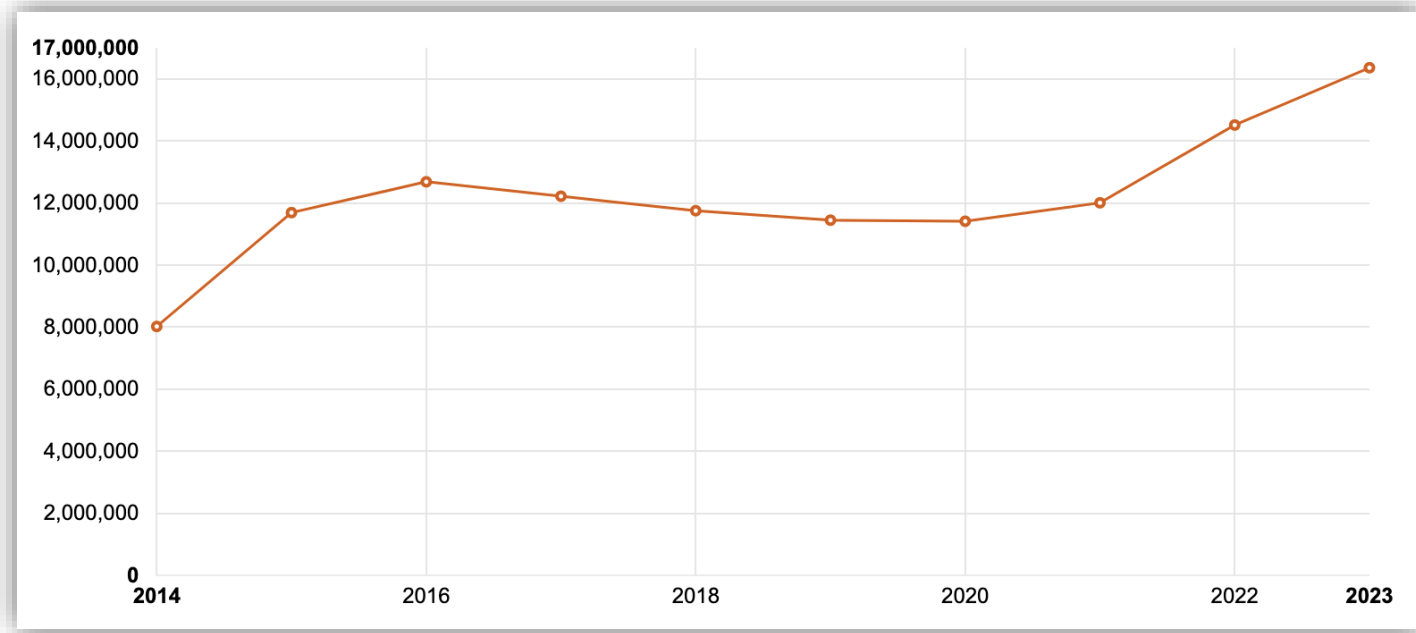


- Wider availability beginning 2011
- Consistently, **≈ 29%** of firms offer HDHPs since 2014

2016: “Value” is the buzzword

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Number of Individuals Who Selected a Marketplace Plan








Source: Kaiser Family Foundation (kff.org) State Health Facts

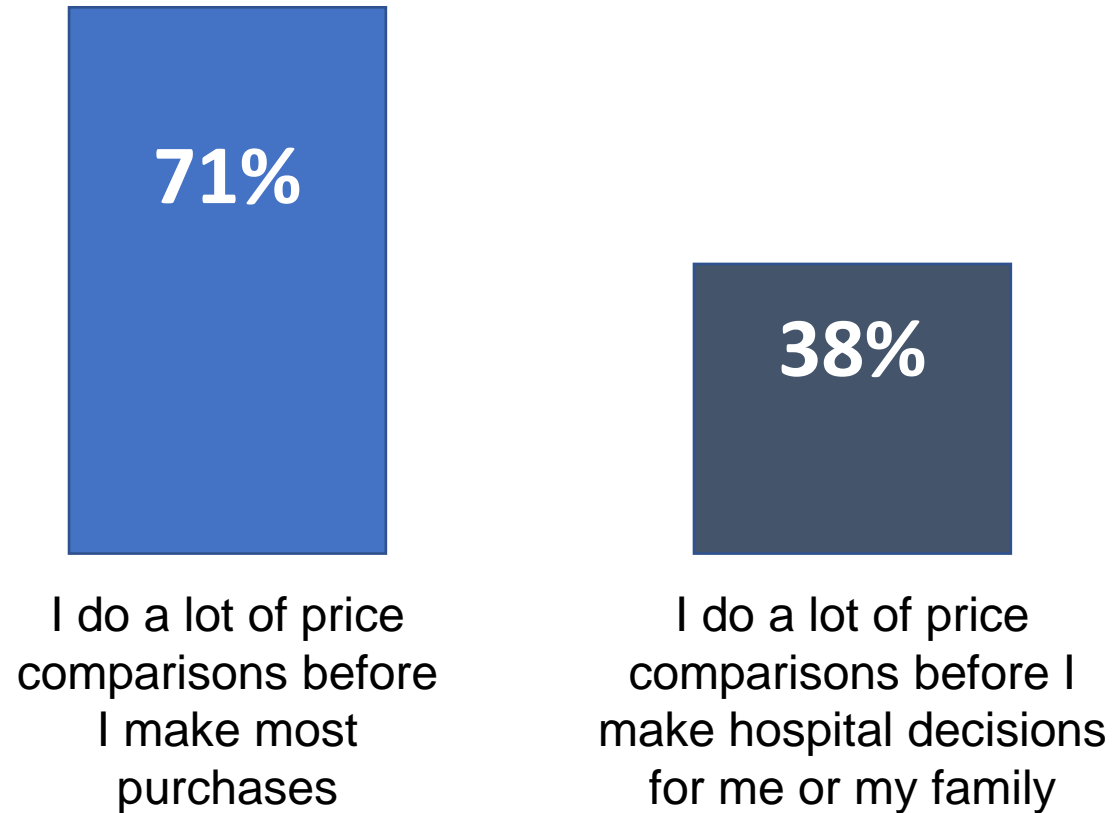
Turns out, health care is not a commodity



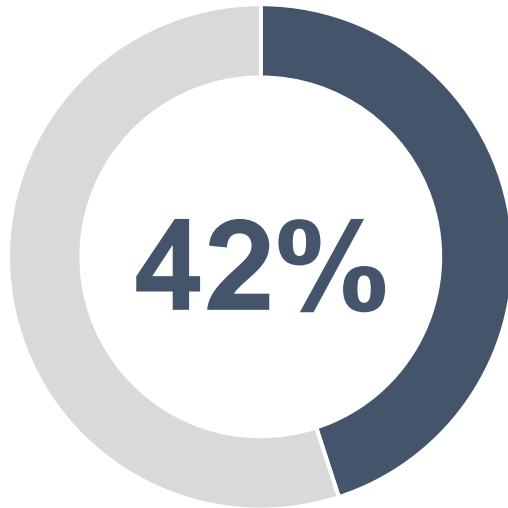
Necessary conditions for consumer shopping in health care

CONDITION	DESCRIPTION	CURRENT STATE
 Options to select	Meaningful differences in price and/or quality across providers	✓ Significant variation across new and existing players
 Awareness of choice	Consumer knows the moment they are making a decision	✗ Most services are presented as a default next step
 Transparent information	Ability to accurately compare between available options	? Price data still messy and quality metrics remain elusive
 Financial impact	Consumer has a personal financial stake in specific purchasing process	✗ Incentive to shop limited to services under deductible; coinsurance impact limited
 Willingness to self-refer	Consumer feels calm and confident in making a choice for their health issue	✗ Majority of services are for urgent, complex, or undiagnosed conditions

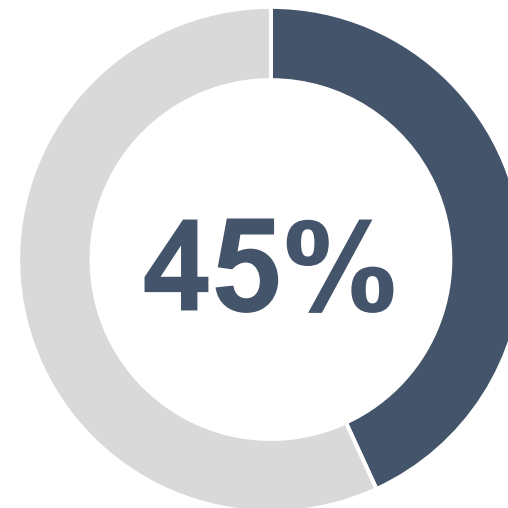
2023: Price is not the driver it was expected to be



2023: Despite transparency, skepticism abounds.



Believe there's no easy way to find a good doctor



Believe the quality of care at hospitals is "more or less the same"

2023: Most consumers aren't eager to jump into the driver's seat.



- Only **29%** of consumers believe, “When it comes to my health, I know better than my doctor what’s the right thing to do.”
- **61% agree**, “I am not reluctant to challenge my doctor’s advice.”
- **60% agree**, “I would only go to a specialist my doctor recommends.”

“Consumerism” doesn’t capture what’s going on.



Consumerism (or Consumer Driven)

Patients weighing a host of variables when considering a hospital or doctor—***emphasizes “shopping” at a moment of choice.***

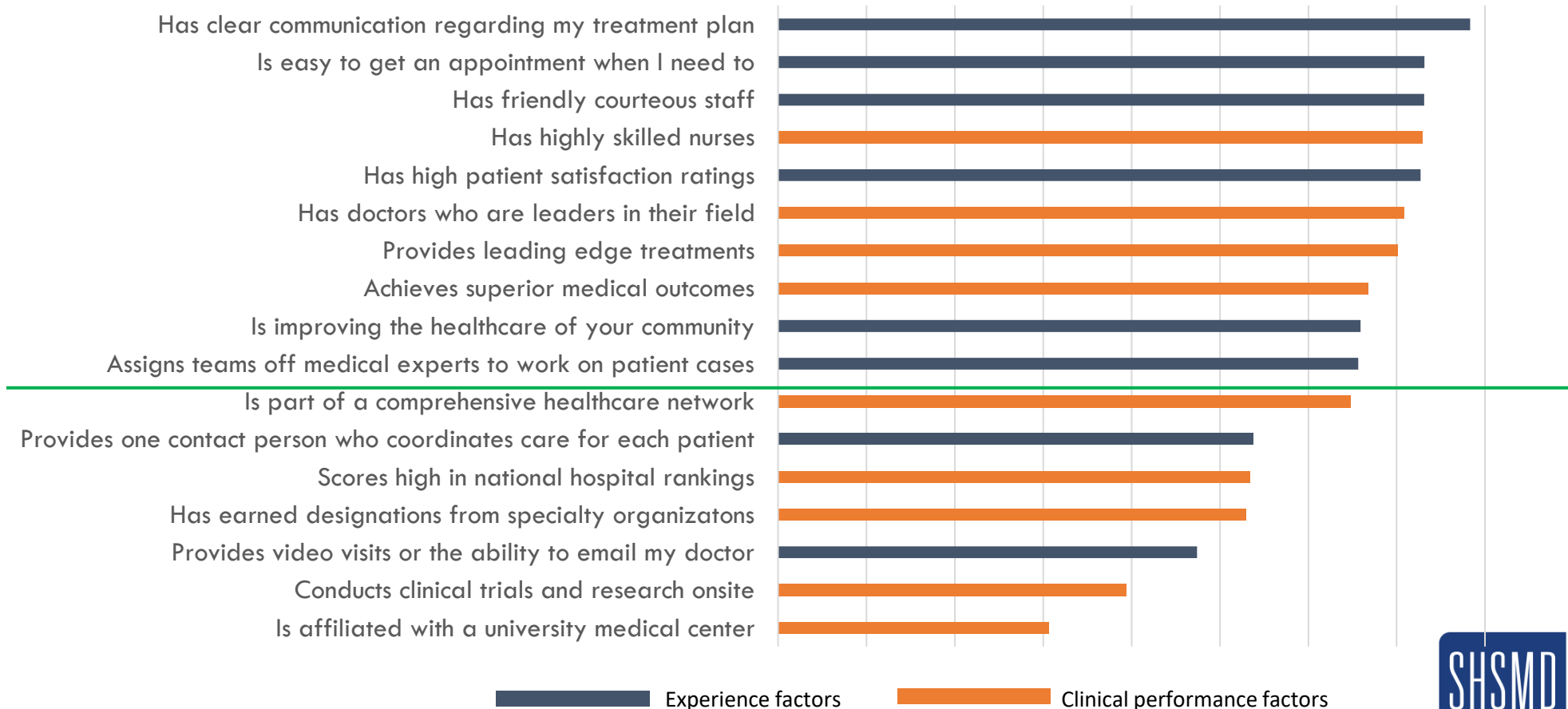
Consumer Responsive

Acknowledging how health behaviors and needs intersect with people’s everyday lives—***emphasizes empathy & understanding on a journey.***

Consumer responsive is experience & expertise.



If you had to pick a hospital/health system today, what would be most important (top 2 box of 6)?



Mindful of a person's everyday health (& life) needs.

76%

I am interested in learning how diet, nutrition and lifestyle changes can prevent illness¹

60%

I'm interested in using wearable devices (e.g., Apple Watch, Fitbit, Garmin, etc.) to monitor and track my health and wellness¹

70%

Want health systems to be more actively involved in supporting their health management activities²

28%

Patients surveyed who switched providers due to a poor digital experience³

1. SPM Consumer Compass 2022
2. KaufmanHall 2022 State of the Healthcare Consumer Report
3. Cedar Consumer Experience Study 2021



5 guiding principles of consumer-responsive healthcare.



Principles in Action at KP

Consumer Expectations Are Everything



350,000+
digital healthcare apps



360% market growth
Hybrid and on-demand health services



Social equity
widely visible

Technology Is Everywhere



VC funding for 2022 reached
\$15.3B



Care at home through wearables,
and smart home devices



Data and AI accelerating
personalized, preventative, and
predictive medicine

Competition Is Everyone

Retail giants expanding healthcare services



Traditional players transforming models



Big Tech, in the health space



Design principles informed key decisions from team formation through journey design and execution



Additive & Aligned

Builds upon existing KP Digital work and expands it to be end-to-end and across all points of interaction



Consumer-Centric

Base designs on explicit understanding of consumers, tasks, and environments; involve consumer in the process



Value-Driven Approach

Empower and reward risk-taking in service of providing long-term value for our consumers



Empowered & Autonomous

Leadership defines purpose; empowers teams to decide how best to achieve goals



Lean & Nimble

Squad as team, multidisciplinary teams responsible for E2E consumer journey



Progress Over Perfection

Iterative approach ensures project success through early feedback, accelerating value delivery



Become more efficient by breaking down 'Cylinders of Excellence' and eliminating 'Bureaucratic Norms'

Empathy First //

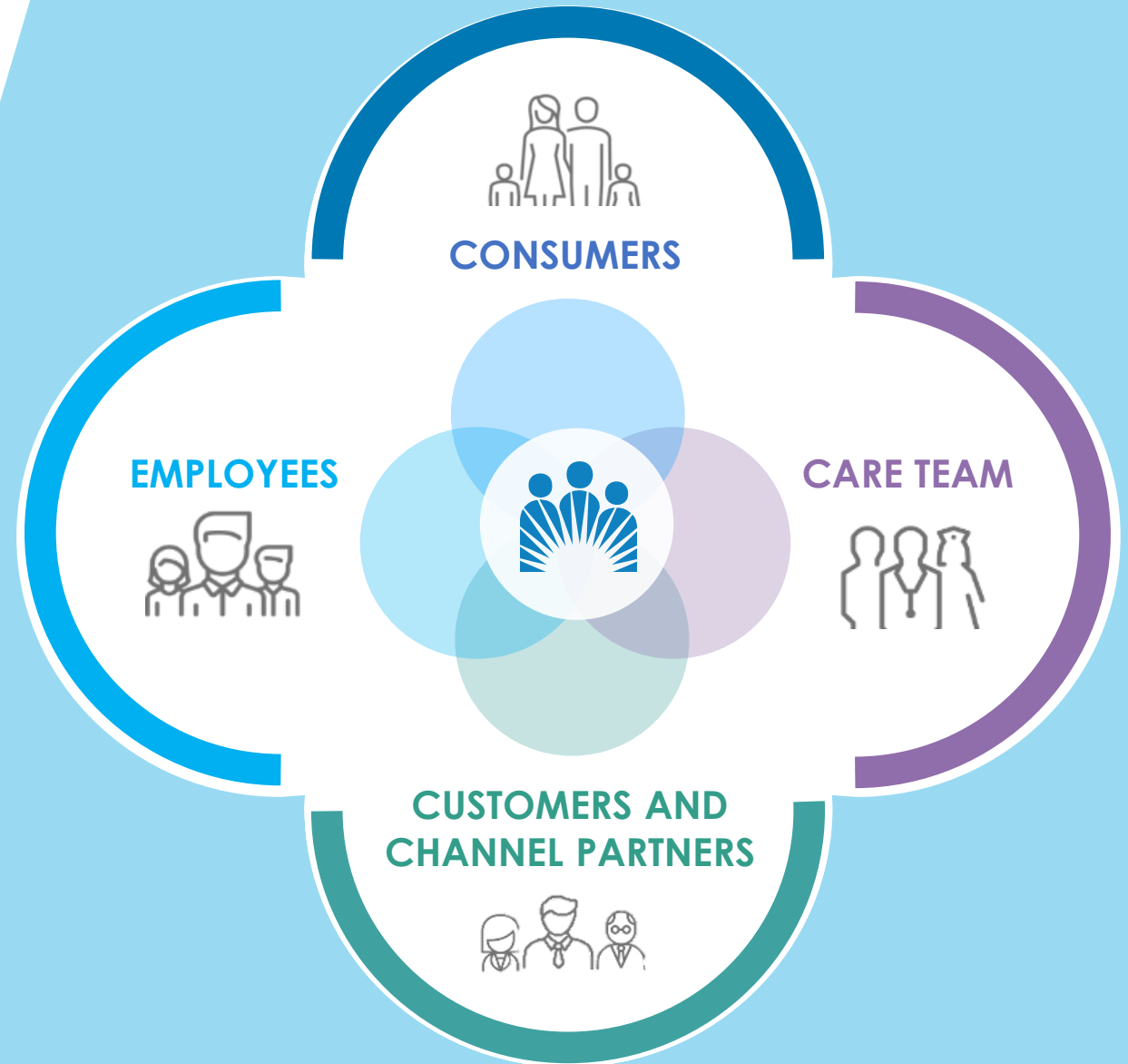
Deeply Understanding Consumer / Customer / Member / Patient* Need Through A Disciplined Process Is Foundational





Digital First is Consumer First

A digital-first, integrated experience
where physical and digital
interactions merge



The Future is Physgital //

Best-in-Class Experiences Unify Three Domains Consistently



The Future is Physgital //

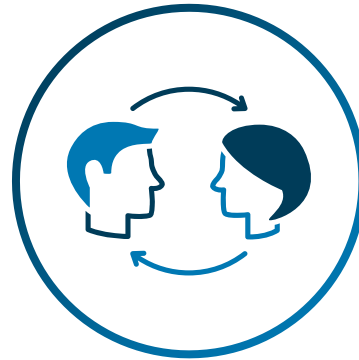
Best-in-Class Experiences Unify Three Domains Consistently

3D



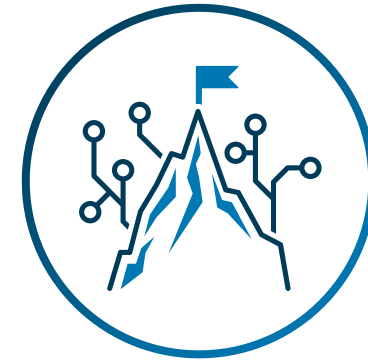
How does KP reflect its brand in the physical spaces where consumer engagement takes place such as the hospital, clinic, or community?

XD



What is the service experience during a direct interaction with a KP healthcare provider or other team member in any location?

DD



How do consumers experience engagement with KP through digital platforms and channels for care and other consumer needs (e.g., billing)?

Align operating model and performance metrics to our strategic vision

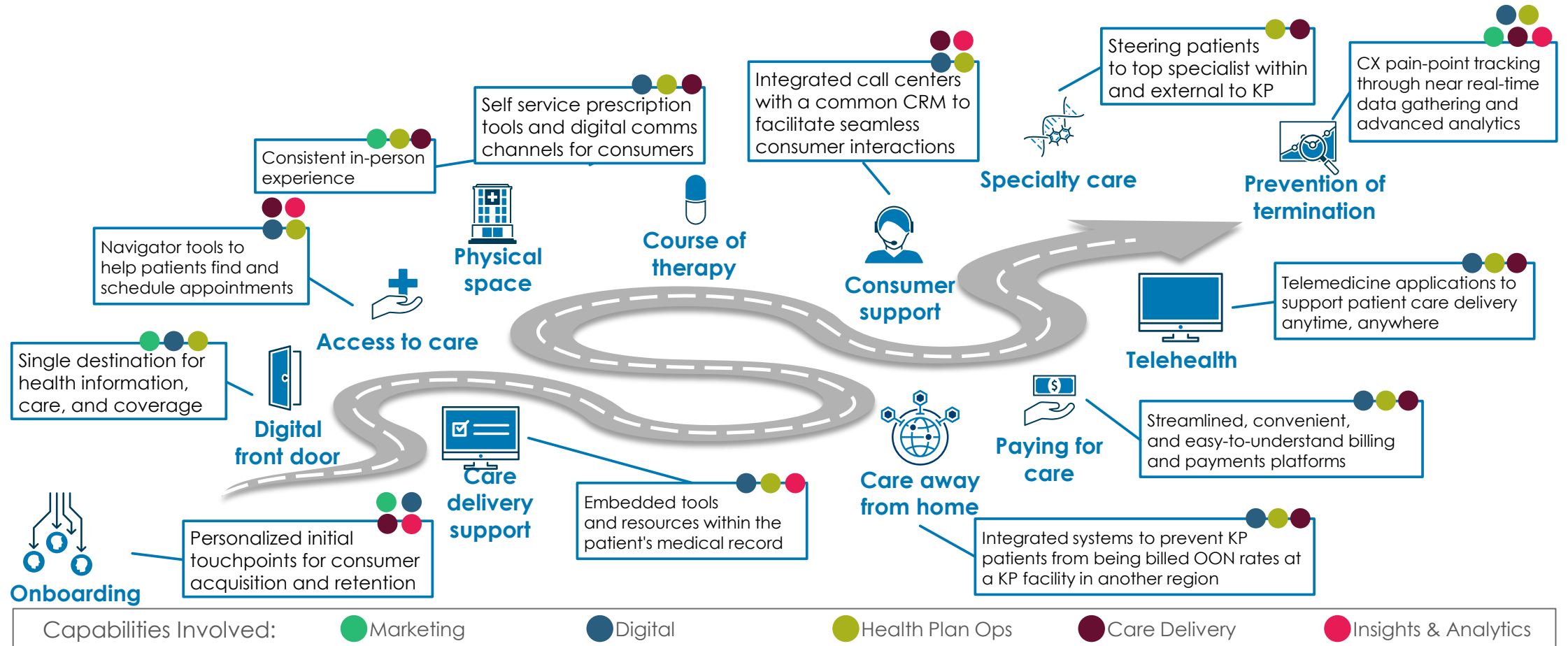
No Dead-Ends //

A Journey-Based Approach to Consumer Experience



No Dead-Ends //

A Journey-Based Approach to Consumer Experience



Reducing costly hospitalizations with home-based cardiac rehab

Patients who participated in home-based rehab were **21% less likely to be hospitalized than** patients who got hospital-based cardiac rehabilitation following a cardiac issue such as heart attack or heart surgery.



Kaiser Permanente's 8-week, home-based program includes weekly nurse calls, education, and unsupervised exercise monitored with a smart watch.

Source: Kaiser Permanente Southern California





Fund Outcomes, Not Projects //

Our 'Eureka' Moment in Weaving Cx into Our Organizational DNA

Closing thoughts

- Consumerism emphasizes purchasing transactions; Consumer-responsiveness emphasizes **empathy**, **understanding**, and appreciating **the broader picture** of a person's health management needs.
- People want health systems to take the **lead** in their **health management**, but they won't wait forever.
- Informed by a broad view of consumers' emotional and rational needs, **prioritize** consumer and relationship **outcomes** over discreet projects.



Questions?

Please be sure to complete the session evaluation!





David Grandy

*Vice President, Innovation
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David's contributions to healthcare span more than 25 years, beginning with a progression of health system leadership positions, followed by a career in management consulting focused on innovation.

David's work as a thinker, teacher, explorer and partner has taken him to five continents as a strategic advisor in board rooms and cabinet rooms alike. He has worked with world-renowned organizations like Google, GE, MD Anderson, the American Medical Association, the American Hospital Association and the US Department of Defense, as well as with various international healthcare entities like numerous Canadian Ministries of Health, Jordan's Royal Medical Service, and the National Health Service of Trinidad and Tobago. David also serves on the SHSMD Advisory Board.

At KP, David works to transform our delivery system. His team's work includes efforts to address food security, adverse childhood events, personalized digital health, digital equity, care in the home, excellence in cancer care and other enterprise-wide initiatives. During the COVID-19 pandemic, David led KP's alternative PPE production initiative, design and implementation of a Home Prevention Program, and a vaccine confidence research effort picked up by the White House and CDC. He previously co-led the Innovation Workstream for Governor Newsom's statewide Testing Task Force. Today, David is a key contributor to Risant Health, KP's value based care venture.



Dan Miers

Chief Strategy Officer
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Dan leads healthcare strategy and insights for SPM Group, ensuring the teams' solutions reflect and align with the latest issues in consumer health, health policy, health economics, and business strategy.

SPM Group is a premier, full-service, “through-the-funnel” strategic marketing agency specializing in health and healthcare, with core expertise in branding, marketing, and advertising, digital experience development, performance/conversion marketing, and content.

In his 20-year SPM career, Dan has led strategy development for more than 100 hospitals and health systems nationwide, from multi-state academic systems, to national for-profit providers, regional community systems, major teaching hospitals, faculty practice plans, and critical access hospitals. Additionally, Dan has led strategy efforts for medical device, healthcare technology, healthcare B2B, health plans, and professional & trade association clients.

Dan started his career in academic medicine, working in business strategy, planning, and service line growth at Rush University Medical Center and Northwestern Memorial Hospital. He also did a stint as a policy fellow at the Illinois Hospital Association.

Dan is a member of the SHSMD Advisory Board, a regular speaker at national and state-level healthcare marketing and strategy conferences, and guest lecturer in university healthcare and marketing classrooms. He has authored numerous articles and white papers and, in 2021, co-authored *Don't You Forget About Gen X – One Generation's Crucial Role in Healthcare*, with Dean Browell and Alan Shoebridge.