

The Era of the Healthcare Consumer

Why Consumer Centricity is the Secret to
Healthcare Transformation



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The saying that customers come first has never been truer in healthcare. Transformation rests on the industry's ability to put healthcare consumers at the center of everything they do. This will break down traditional health system barriers for a novel whole-person approach that will reshape patient, provider and health plan experiences.

Welcome to a whole new world

The new normal in healthcare is not surprising to those who follow the industry. It is sweeping change that is reinventing how healthcare is bought, sold and delivered.

The surprise is that this change has ushered in the era of the healthcare consumer. Healthcare reform is a key driver. In the United States alone, healthcare rolls will expand by more than 30 million members in 2014. As decision spending authority moves from employers to consumers, health plans are rapidly moving from business-to-business to business-to-consumer models. In addition, employer philosophies around 'health as a benefit' are changing, moving from a 'defined benefit' to a 'defined contribution' philosophy. This change is similar to what has been occurring over the past 20 years where employers shifted retirement benefits from 'pension' to a defined contribution, '401K' philosophy. Combined, health reform and shifting employer philosophies will drive a majority of decision control for purchasing healthcare to the individual consumer.

'Connected health' and other emerging technologies are also putting consumers first. Mobile and home monitoring technologies combined with new analytic techniques permit health providers to 'sense and respond' to changes in consumer health status. Behind the scenes, cloud-based data services provide the cost effective and secure data flow necessary to support these new technologies. The electronic flow of health information across the continuum of care and the analytics techniques this enables make for customized, data-into-insight healthcare. New health IT solutions and trends such as remote wireless monitoring, telemedicine, mobile medicine and hospital-at-home options allow providers to meet patients where they are for reimagined and personalized care.

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Ready, set, go: change has already begun

A look across today's healthcare landscape reveals that the push for consumer centricity has already begun in more than just isolated industry pockets.

Courting insights from the retail sector

There is no better place to learn about consumer centricity than the retail sector. First-mover health plans are already deeply engaged in repurposing retail practices to improve customer focus. These health plans understand they must move from selling to employee benefits directors and groups to selling to individuals and their families. Consumers have unique needs, behaviors and loyalty triggers that health plans must understand and act on for differentiation in an increasingly competitive market.

Health plans are using retail-inspired customer segmentation practices. This way, they develop psychographic consumer profiles around health behaviors and preferences to engage people and build tailored products that create consumer intimacy and lifetime loyalty. Packaged customer relationship management tools are driving new relationship building tactics and touchpoints between health plans and consumers. Health plans are selling individualized plans in storefronts with face-to-face interactions and wellness activities. Others are investing in branding campaigns to become more relevant to consumers.

Creating incentives for consumers

The healthcare industry is resetting around pay-for-performance models that privilege clinical quality over quantity. While there has been much discussion around the role of provider incentives, the debate often loses sight of a key stakeholder group—

patients. Consumer engagement is critical to the long-term success of pay-for-performance models. That is why companies like RedBrick Health are developing innovative solutions to reward consumers by tying healthy behaviors to financial incentives that have a meaningful and direct impact on out-of-pocket health insurance expenses.

Realizing personalized medicine for the masses

Emerging technology is meeting the personal touch of yesterday's small town doctors for a new breed of consumer-centric healthcare that can be delivered at scale. The focus of Navigenics is an excellent example. The company provides consumers with genetic testing, analysis and clinical counsel so they can understand their predisposition to certain genetic conditions and change behaviors to reduce risk.

Creating a buzz among high-tech investors

The fact that high-tech pioneers like General Electric and Microsoft are investing in the consumer healthcare marketplace is a bellwether for the healthcare industry. These innovators have 'bought in'—in some cases, literally—to the longevity of consumer-centered healthcare. They are taking actions to become the de facto standard in specific areas of the landscape.

For example, Microsoft's HealthVault provides consumers with a means of storing health information electronically as the industry pushes toward a day when digital personal health records are commonplace. Health organizations would do well to watch these technology leaders for validation of what might be the differentiating consumer health tools.

Toward whole person healthcare

As consumer-centered trends like these take shape, the healthcare system will no longer be about two mutually-exclusive worlds—one of 'being sick' and the other of 'being well.' The barriers will be gone and the healthcare industry will focus on the whole person, making for exciting inroads in the era of the healthcare consumer.

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