

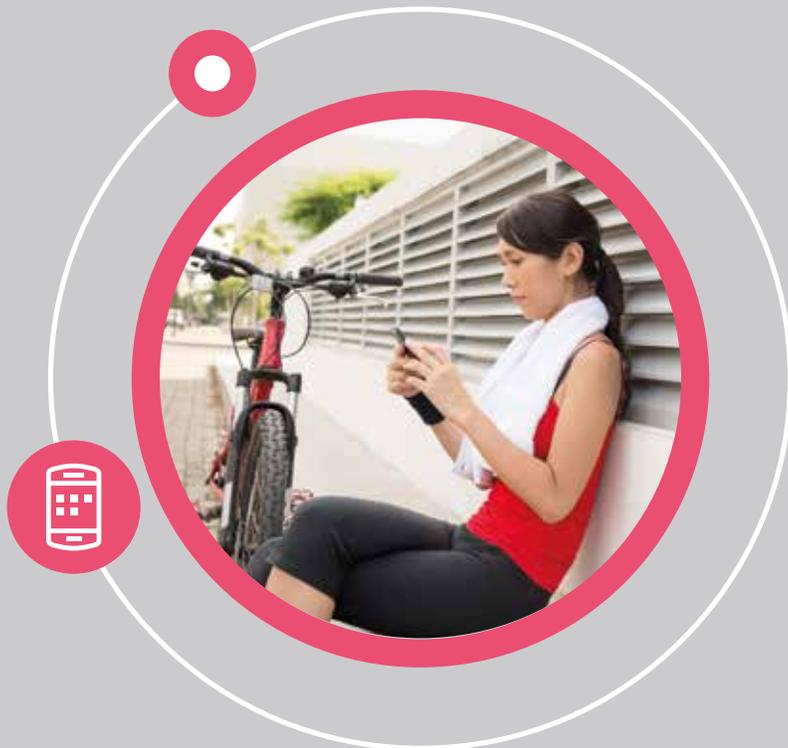
## Insight Driven Health

### Losing Patience: Why Healthcare Providers Need to Up Their Mobile Game

Hospitals have only engaged less than 2 percent of their patients using mobile apps.

Healthcare providers that do not meet consumers' growing desire for mobile patient engagement are at risk of losing customers – and revenue.

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Mobile health app usage has grown rapidly over the past three years<sup>1</sup> and more than half of health consumers (54 percent) would like to use their smartphones more to interact with healthcare providers<sup>2</sup>. However, the response from healthcare providers has been woefully inadequate. Consumers complain of poor user experience with providers' proprietary apps and mobile functionality that often fails to meet their individual needs.

The problem is exacerbated by a marketing sea change called "liquid expectations<sup>3</sup>," when consumer experiences seep over from one industry into another, creating an expectations chasm. Disruptor healthcare apps are increasingly meeting consumer's unmet needs and closing that chasm.

As digital patient engagement becomes the norm and consumers grow discontent with their providers' lack of mobile services, they could decide to flee to competitors. Providers need to meet consumer expectations by going mobile and creating user experiences unique to the mobile touchpoint to close the growing gap between what's being delivered and consumers' ever evolving expectations.

## Hospitals struggle to create an effortless mobile experience

Healthcare providers must move quickly to address their mobile shortcomings. Accenture found that 66 percent of the largest 100 US hospitals have mobile apps for consumers. Less than 40 percent of that subset have built proprietary apps. Accenture analysis shows that hospitals are reaching just 2 percent of their patient populations through mobile applications.

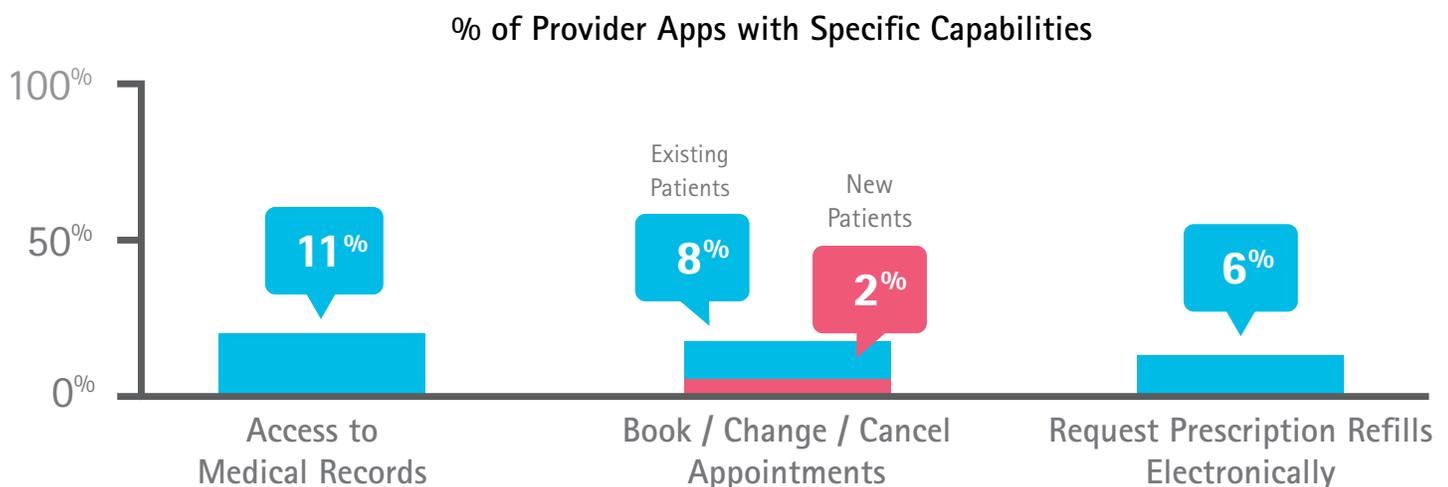
But merely having a mobile app is not enough. Healthcare providers with apps are failing to engage consumers through mobile means for two reasons: Poor user experience and poor functionality. Patient-centered apps published by digital health disruptors are gaining traction in the market by filling the expectations chasm where provider apps fall short. Disruptor apps offer focused functionality aligned to patient's needs, and cutting-edge design and user experience. (These apps also benefit from networks of users across patient populations.)

The functionality offered by healthcare providers' apps is not aligned with consumer wants and needs. According to Accenture analysis of proprietary provider mobile health apps and independent digital health disruptor mobile health apps available via Google Play and iTunes app stores, only 11 percent of providers have proprietary apps that satisfy at least one of the **three digital health capabilities that consumers want the most**<sup>4</sup>: Access to electronic medical records (EMR); the ability to book, change or cancel appointments; and prescription refill requests (Figure 1).

Accenture analysis revealed that provider apps average a 3.6 rating (out of 5) and ~7,000 downloads while digital health disruptor apps' ratings and downloads are significantly higher. For example, ZocDoc (for patient scheduling) has an average rating of 4.5 and ~300,000 downloads, and iTriage (for symptom and health questions support) has an average rating of 4.5 and ~1,000,000 downloads (Figure 2).

### Figure 1. Provider mobile apps are not meeting consumers' needs

Less than 11% of providers offer proprietary apps that have at least one of the three functions that consumers want the most.



Sources: Accenture analysis, 2013 Accenture Consumer Survey on Patient Engagement, Google Play, iTunes

<sup>1</sup> Manhattan Research Annual Cybercitizen Health US study, October 2013

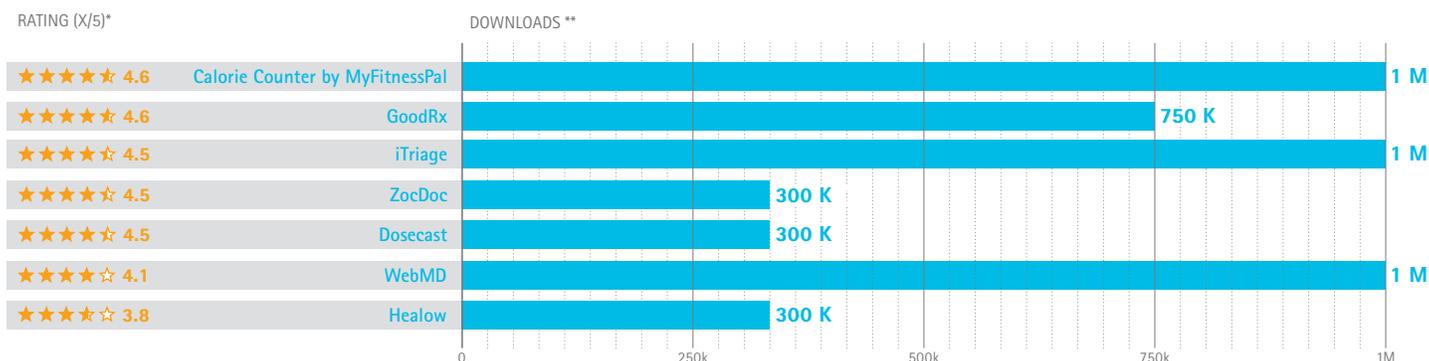
<sup>2</sup> FICO Global Survey, June 2014

<sup>3</sup> The Era of Living Services, Accenture, June 2015

<sup>4</sup> Accenture 2013 Consumer Survey on Patient Engagement

## Figure 2. Fewer downloads, lower ratings: Providers need to up their mobile game

Users consistently rate provider apps lower than healthcare apps from independent digital health disruptors.



Sources: Accenture analysis, Google Play, iTunes

\*Average of Google Play and iTunes Store

\*\* Midpoint of Google Play Store range (iTunes does not disclose download volumes)

### Mobile laggards pay the ultimate price

For those providers that do get it right, the rewards are clear. According to a survey by RBC Capital Markets, between 55 and 69 percent of respondents who frequently use online health tools reported increased satisfaction<sup>5</sup>. Today's consumers place more expectations on their providers to interact digitally, driven by the customer experiences they have had with services in other industries, and most providers are letting them down. Thus in the increasingly competitive healthcare market, providers that ignore the mobility needs of today's always-on patients could lose them to competitors.

Accenture research shows that **approximately 7 percent of patients have switched healthcare providers due to poor customer experience**<sup>6</sup>. This is the same level of customer dissatisfaction seen with hotels and home telephone service providers. According to Accenture analysis, this switching could translate to a loss of more than \$100 million in annual revenue per hospital. As consumers bring their service expectations from other industries into healthcare, providers are likely to see higher switching rates, on par with the mobile phone industry (9 percent), cable TV providers (11 percent) or even retail (30 percent)<sup>7</sup>.

### Mobile engagement is integral to the patient experience strategy

Recent Accenture research shows that **delivering better inpatient experience can also lead to better financial performance**<sup>8</sup>. Inpatient

experience and mobile engagement are both part of the holistic patient experience that can lead to customer satisfaction/retention or switching. Therefore, the overall patient experience strategy should optimise all touchpoints with the patient – including mobile – thereby leading to increased patient engagement, reduced switching, higher margins and, ideally, healthier patients.

Mobile presence and capabilities can help providers succeed in an era of individualised healthcare, where patients are empowered to help manage their own care. Moreover, by not having solid mobile engagement strategies, providers are ceding a portion of the patient experience – and potential revenue streams – to digital health disruptors that increasingly offer competing products and services.

To improve their mobile strategies, providers should look to create a better user experience that is more tailored to the functionality demanded by patients. One option is to partner with digital health disruptors to create a mobile platform that is tailored to their specific patient demands. For example, partner with ZocDoc for appointment scheduling and/or InstaMed Go for bill payments.

Providers that follow this path may more quickly meet patient needs in the mobile space, but should also be wary of the long-term impacts to their business as disruptors look to expand their service offerings. Providers should enter agreements that protect referral patterns, telemedicine, etc. from being disrupted by an outside entity. In doing so, they will engage with their patients, retain their loyalty and protect revenues.

<sup>5</sup> RBC Capital Markets Consumer Health & Information Technology Survey, December 2014

<sup>6</sup> Accenture 2014 Global Consumer Pulse Research

<sup>7</sup> Ibid.

<sup>8</sup> Happy Patients, Healthy Margins, Accenture, October 2015

## Methodology

Accenture analysed proprietary mobile health apps offered by the top 100 US hospitals (by bed count, as certified by Medicare) and mobile health apps from independent vendors available in Google Play and iTunes app stores. For data on consumer usage of and attitudes towards electronic, online and mobile health tools, Accenture referred to Accenture 2014 Global Consumer Pulse Research, Accenture 2013 Consumer Survey on Patient Engagement, RBC Capital Markets 2014 Consumer Health & Information Technology Survey, Manhattan Research 2013 Annual Cybercitizen Health US Study, and FICO 2014 Global Survey.

To gauge hospital patient population usage of mobile apps, Accenture referred to data from HIMSS Analytics, CDC 2012 National Hospital Discharge Survey and App Annie Q3 2014 Market Data. Accenture based its lost revenue analysis on findings from Accenture 2014 Global Consumer Pulse Research and US healthcare expenditures projections published in Health Affairs ("Out-of-Pocket Health Care Expenditures, By Insurance Status, 2007-10," Catlin, et al, January 16, 2015).

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