

Patient Experience Management in an Era of Healthcare Consumerization

Meet the needs of digital consumers in the era of healthcare consumerization & improve your bottom line

In this white paper, learn why healthcare organizations need a fresh perspective on the patient experience. The paper includes:

1. Modern Patient and the Hospitals: The Changing Dynamics
 - 1.1 The Shifting Expectations of Patients
 - 1.2 The Hospital Approach & the New Challenges
2. The Latest Trends In Value-based Care
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MODERN PATIENT AND THE HOSPITALS: THE CHANGING DYNAMICS

Modern patients have become active stakeholders in their own healthcare and are better informed than ever when choosing a care provider. This shift in patient inclinations, behavior, and demands around healthcare services are intimidating hospitals' bottom lines. In the short-term, hospital management may come to believe that they can save themselves from the disruption and continue the way they are but somewhere deep inside they must surely find themselves asking, "Are they missing the boat?"

The answer is a reverberating 'Yes'.

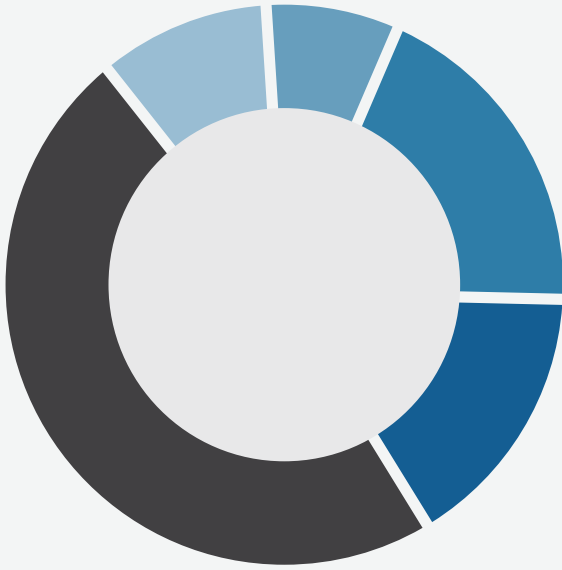
The healthcare industry is dealing with the unavoidable effects of rapid technological advances, millennials taking over baby boomers, and changing patient needs and expectations, posing a perfect storm of things to create pressure for change. This simply means that if the healthcare providers do not adapt, which isn't going to be long enough- maybe five years down the road- the business performance is going to take a big hit.

So, the change needs to happen now. First, it's important to understand what exactly has changed in the patient realm and what is the approach of the hospitals?

THE SHIFTING EXPECTATIONS OF PATIENTS

Patient experience is not just one thing, it's a complete package, and healthcare providers are making some big changes to woo their patients, keeping in mind that increasingly decisions are being made by mobile-friendly millennials and younger demographics.

As millennials are taking a front seat in healthcare decision making, they are driving healthcare organizations towards technology.



81% With **81%** of Americans now owning smartphones, it's important that *all the touchpoints should be accessible via phone*. For millennials, this figure is **93%**.

33% **33 percent** of millennials did not have a regular doctor, *they don't seem to follow the concept of loyalty. Millennials strive for better prices, better review, speedy services, and more convenient applications.*

41% With out-of-pocket costs on the rise, millennials are more inclined (**41%**) to request and receive estimates before undergoing treatment. *Cost transparency and getting estimates beforehand* is becoming an important factor in delivering value-based care.

10
US Adults According to a Pew Research Center Survey, about three in 10 US adults say they are 'almost constantly' online. This indicates that *even the baby boomers are adapting, they are looking online and reading about the doctors, checking reviews and so on.*



Check out some patient experience trends that clearly display how *value-based care and digitization are transforming the healthcare experience.*

30% of patients have *left a doctor's appointment because of wait time*

(Source: 9th Annual Vitals Wait Time Report)

78% of patients say they have used a patient portal

(Source: MGMA Research & Analysis Report)

50% of millennials and 52 percent of Generation X-ers *checked online information about their insurance options* during their last enrollment period compared to 25 percent of seniors.

(Source: PRNewswire)

50% of millennials and Gen-Xers *use online reviews to select care providers*, in comparison to 40% baby boomers and 28% seniors

(Source: PRNewswire)

59% of GenY patients say they would *switch doctors for one with better online access*

(Source-Healthcare Check-up survey, Intuit Health)



When we speak of digital trends, it's not merely providing a digital patient portal rather it also involves offering services beyond the portal, like text messages, email reminders, and engaging with patients throughout their care in a consistent way. *Some patients may not be using the portal so engaging with them in a customized way to help them understand the uses of the portal and guiding them the right way is also important.*

Hence, it's important to leverage both offline and online channels to woo the modern patient, but is that an easy task? Can hospitals bring about these changes comfortably?

THE HOSPITAL APPROACH & THE NEW CHALLENGES

Traditionally, hospital benchmarking implied using a range of standard indicators like death rates, length of stay and so on, however, *in the contemporary world, the benchmarking inclines towards the 'continuum of care'- the patient experience from the first phone call to the patient being discharged.* It's a complete overhaul; the hospital management needs to shift their focus from solely methodical or clinical quality to understanding the patient preferences, their experiences and their overall experiences.

This poses a number of challenges that hospitals need to overcome, and while it may not be easy, but is more of a necessity than an option in this era of healthcare consumerization.

Let's check out some of the major challenges that are preventing healthcare organizations from becoming part of a connected digital healthcare ecosystem:

1 *Most hospital processes are built as per their own convenience* - to excel at clinical quality, to be efficient and cost-effective - rather than what would be useful for the patient. There is hardly any alignment with patient preferences.

2 *With a number of things required by the regulatory agencies,* it's difficult to focus solely on individualized personal experiences of the patients.

3 Shifting the focus on the consumer journey *needs a change in mindset, which implies dealing with burnouts and making staff more resilient.* This change implies implementing advanced and well-connected administrative systems, training the staff, and ensuring consistency in each patient interaction.

4 Finally, *when we speak of flawless patient experiences and connected healthcare in this digital era, we cannot forget that technology platforms cost money,* which isn't a spare resource for many organizations. Programming, bug fixes, project development, training- all costs money.

These challenges are real, but so are the benefits. If modern patients are looking for convenience, speed, reliable services and engaging experiences throughout their care journey; providing these can directly impact the hospital's bottom line by fostering satisfaction, loyalty, and volume. Therefore, it's important to understand and follow the current trends to stay competitive and relevant in the market.

Let's check out the current trends in the healthcare industry, based on the changing patient experience dynamics.



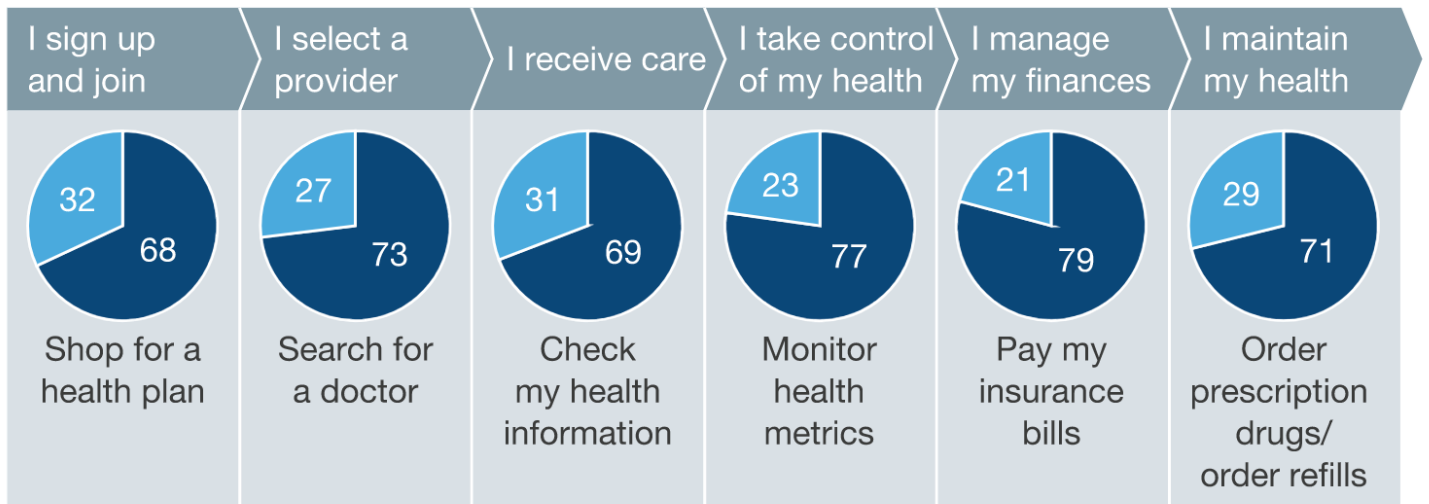
THE LATEST TRENDS IN VALUE-BASED CARE

1. Rise of Digital Healthcare: According to a recent [MarketResearch figure](#), analysts *expect advanced wearable technologies*, smart home and health sensors, and powerful analytics platforms to generate a digital healthcare market of \$117 billion by the year 2020. A majority of consumers today look for digital solutions as a vital component of healthcare delivery, and 2017 McKinsey survey reinforces the increasing consumer demand for digital solutions.

Respondents who prefer digital solutions to phone/in-person solutions for their health needs

Consumer journey, %

■ Phone/in-person is preferred ■ Digital solution is preferred



Source: McKinsey 2017 Consumer Health Insights Survey

Therefore, it's apt to say that digitally enabled care is no longer nice to have, it's a vital component for reaching out to the patients and delivering high quality care.

2. A Decline in Care Continuity: According to McKinsey's Consumer Health Insights survey, the percentage of respondents who reported having primary care providers (PCP) has been gradually dropping, from 87% in 2011 to 79% in 2017. A large number of respondents said they were willing to receive care at a retail clinic. Modern patients are flocking to online review sites to choose which doctor to see and are missing hospital visits in favor of a health clinic in their local CVS. This simply points out the increasing significance of convenience, efficiency and cost-effectiveness in comparison to staying loyal to a particular provider.

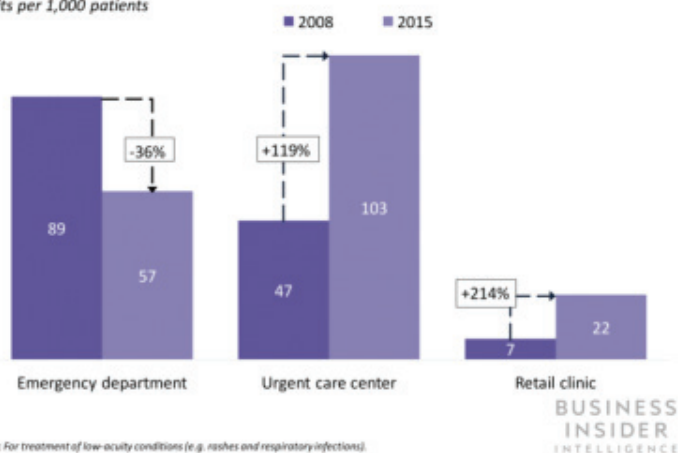
3. Increased Focus on Convenience: New models in primary care start-ups like One Medical and 98point6 offer patients on-demand access to healthcare providers through mobile apps at convenient locations, taking them away from obligatory health systems. These models help in expanding the reach of quality medical care—engaging the hard to reach consumers, delivering an earlier medical intervention, and reducing costs while improving patient satisfaction.

Telehealth is one of the top healthcare industry trends. Patients are connected to care in a convenient way, allowing patients to meet the providers from their homes or from a clinic that is centrally located. A [2017 survey](#) conducted by HIMSS Analytics, revealed that 70 percent of patients would prefer a telehealth visit over an in-person visit.

4. A Rise in On-Demand Urgent & Retail Health Clinics: With urgent care and retail health clinics like Target offering alternative treatment facilities to patients outside their primary care clinic's stipulated time schedule, the need to step into emergency departments has reduced substantially. Moreover, these facilities have a smaller financial footprint, and hence, can offer healthcare services at a lower cost for patients, which is making them a lucrative option.

US Patients Are Foregoing Traditional Hospital Services For Urgent And Retail Care Clinics

Visits per 1,000 patients



Note: For treatment of low-acuity conditions (e.g. rashes and respiratory infections).
Source: JAMA, n=20.6 million visits, 2018

5. Decision-Making Based on Data Transparency: Considering the increasing out-of-pocket healthcare expenses, the modern patients are more wary of the costs incurred and they need a clear understanding of basic medical costs, whether a treatment would be covered or not, and a clear understanding of the bill details. **75% of Patients** now look at Price Transparency Ahead of Care Access, and 62% of patients said that knowing their estimated out-of-pocket costs can influence whether or not they will access healthcare. Affordability has become a big factor, and consumers prefer a health plan that allows them to pay a low monthly premium, or offers the best value, and ensures low out-of-pocket costs.

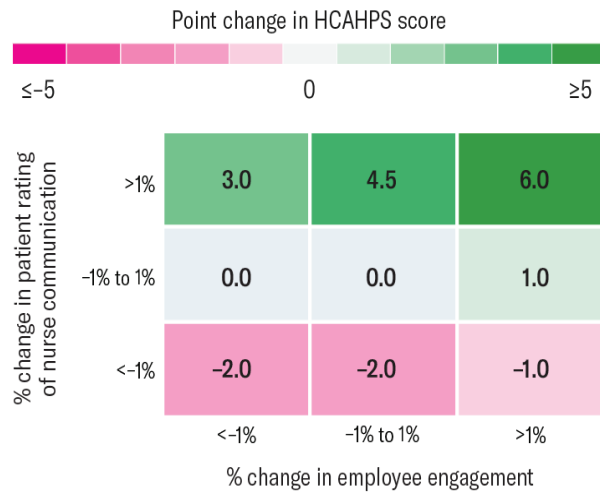
These changes are taking place really fast and to pace up, hospitals must adapt. The question some of the hospital CEOs still find themselves asking is 'What's in it for our organization and what's the urgency?'. *One of the major issues is insufficient commitment to technological evolution based on lack of clarity on the end goal or what is required, sometimes compounded by the belief that it can be put on the back burner until other more demanding corporate matters are taken care of.* It's important that these healthcare organizations move fast or they will be forced to change, and will not be able to claim the dividends that offering a contemporary patient experience can pay.

Now, as we understand the modern patient expectations and trends in value-based care, let's also *see how the numbers correlate patient experiences to the organization's Bottom Line.*

HOW PXM CAN PAY DIVIDENDS TO HEALTHCARE PROVIDERS

Hospital Ratings and Profits Climb with Better Employee Engagement and Nurse Communication

Each five-point increase in HCAHPS “rate the hospital” score is associated with a 1% increase in net profit margin.



Note: HCAHPS is the standardized Hospital Consumer Assessment of Healthcare Providers and Systems survey.
Source: Press Ganey analysis of 2017 HCAHPS data



1. Good Reputation & Improved Profits: The data collected by Press Ganey reflects that better patient experience and employee engagement have a positive association with hospital profits- for every one-point increase in hospital rating, a 0.2% increase in net operating profit margin was observed.

Similarly, another set of statistics reveal that for every 10% increase in the number of patients giving a hospital a “top box” HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) scores, there is an increase in net margin of 1.4% in comparison to hospitals receiving a “bottom box score”.

2. Increased Patient Loyalty: Patients retain or change providers based upon experience, and hence, relationship quality is a good predictor of patient loyalty. A study found *patients reporting the poorest-quality relationships with their physicians were three times more likely to voluntarily leave the physician's practice* than patients with the highest-quality relationships. Estimates depict that the lifetime value of a patient is placed at approximately \$1.4million – which implies that when a patient switches the care, the money goes with the patient in addition to influencing others through the negative publicity/negative reviews. Hence, enhance the patient experience to attain patient loyalty and get the bottom line right

3. Higher Revenue & Reimbursements: Insurance payers are increasingly considering patient experience as an important metric to assess the care quality a healthcare organization is offering and accordingly set up the contractual agreements, which ultimately impacts the healthcare organization’s bottom line. Hence, superior patient experiences can positively impact reimbursements and can lead to better patient retention. *The providers that are not equipping themselves with processes and technologies that address the needs of a digital consumer are at the risk of losing patients than those who are well equipped.*

Another point to remember here is that regulators, both at the state and federal level are keeping a close watch on healthcare consumerization and patient experience. *If providers at this point falter or do not implement digital to bring about transparency and better care, they may be asked to do so.*

Given these trends, where do you find yourself on the patient experience continuum? Are you falling short of your patient’s expectations? What are the exact ingredients of an excellent patient experience?

Let’s try to answer these questions based on the above facts and figures. *Let’s see the typical patient experience that the healthcare industry strives for and the changes that providers can introduce to offer pleasant patient experiences.*



HOW TO MEET THE SHIFTING EXPECTATIONS OF PATIENTS

Time, costs and convenience constitute the top priorities for a modern healthcare consumer and this type of healthcare encounter encompasses several factors - easy appointment scheduling and cancellation, nearby location, price transparency, online payment systems and short wait times.

But before embarking on the PXM journey, providers should keep these factors in mind:

Healthcare organizations can begin by digitizing their systems to offer speedy, convenient healthcare, keeping in mind that any consumer experience will be built on existing workflows and technology stacks your organization already has. It's essential that data can be passed back and forth freely from the system, so the information is easily accessible to different departments for their use, and can be updated for all. Hence, while digitization is important, it's equally essential to leverage your organization's core competencies than to implement a system that's completely alien.

Second, it's important to learn from the digital success of other industries. If we look at the aviation industry, there are solutions for online ticketing and online check-in, making it easy for all the consumers, saving their time and money. In healthcare, providers can simulate these experiences by borrowing insights from different industries, by understanding how the next-gen technologies used in other industries can be applied to healthcare to meet the needs of patients/healthcare consumers.

Third, it is vital to leverage data to orchestrate personalized patient journeys. Each patient is unique and it's important that patient data stored in the system is up-to-date, consistent and easily accessible to the authorized people. Patients must be kept well-informed about the prescriptions, upcoming tests or surgeries, and current and estimated bills and other expenses, so they can make informed decisions. They can be automatically informed and reminded about their appointments, and so on. Similarly, practitioners can also make better decisions if they are able to easily access complete patient history within seconds, helping patients get the right medication.

Based on the above, healthcare organizations can design future-proof digital solutions for contemporary customers.

Keeping the above factors in mind, here's how providers can begin their digital journey to offer excellent patient experiences.

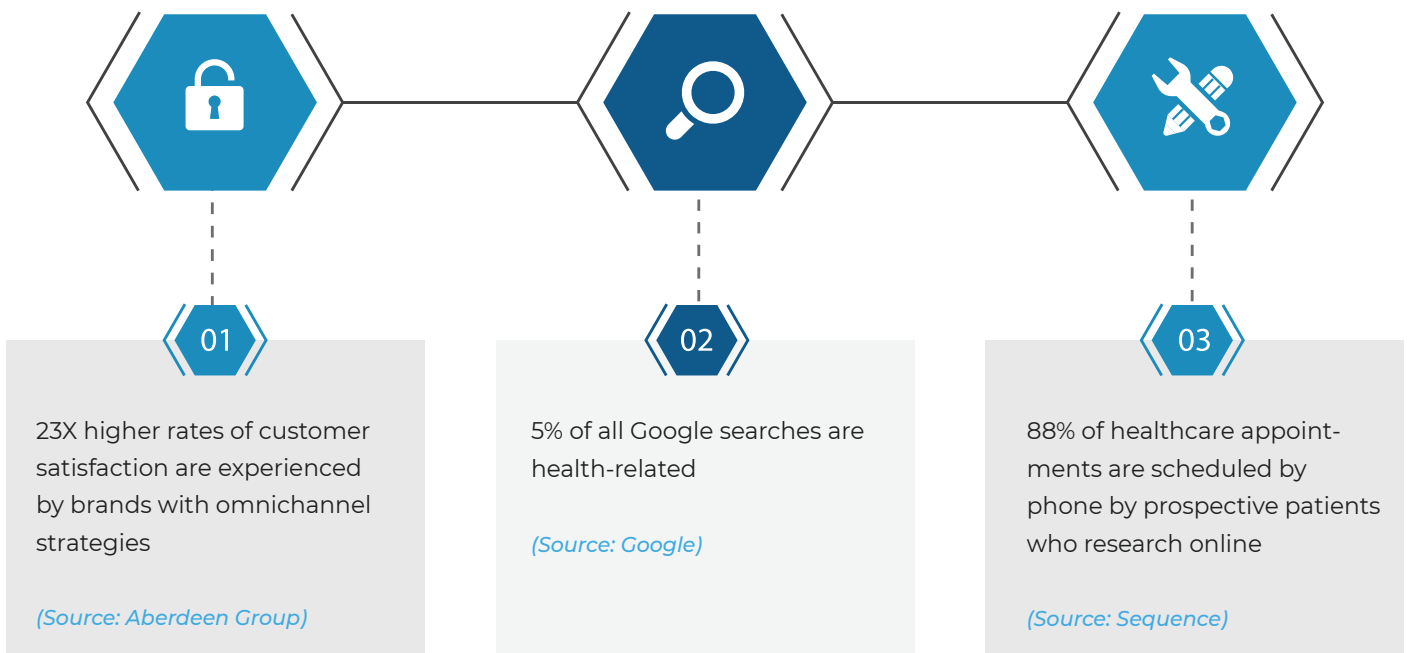


CORNERSTONES OF A TRUE CONSUMER HEALTHCARE EXPERIENCE

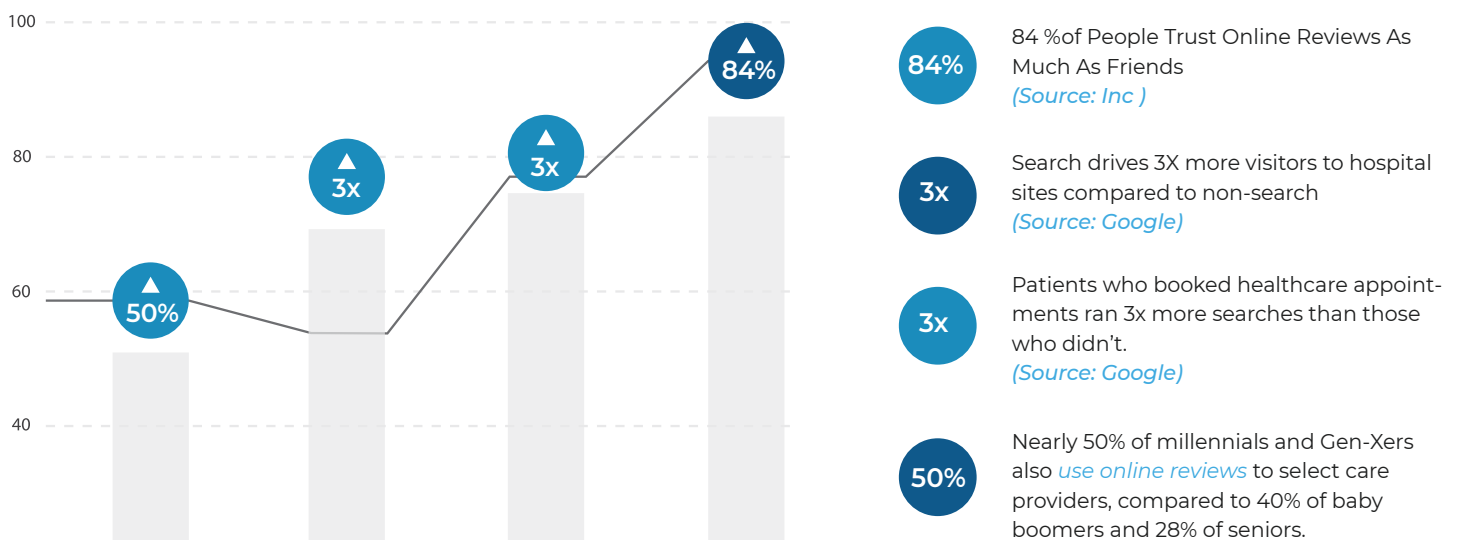
Before the providers begin, they should have a clear understanding of the typical needs and preferences of the consumer segment their clinic/hospital/practice is serving. They can conduct surveys, meet and ask patients what they expect, understand their needs, and accordingly create strategies and implement changes to personalize the patient experiences.

Let's see what are the cornerstones of a true consumer healthcare experience and what a typical provider should strive for.

Omnichannel Experience: Meet your consumers both online and offline to streamline their care journeys from searching about your care to appointment scheduling & booking till they return for follow-ups. Their search for physician probably starts from Google, but it doesn't end there. They may initially use smartphones to book appointments, and may later use their smartwatches and devices to monitor their health using the provider's wellness program, once they have received the care. Hence, leverage channels like mobile apps, emails, call centers, in-person meetings, and text messages to offer a seamless experience.



Online Presence, Reviews & Ratings: Make sure your online presence, reviews, and ratings make you easily searchable and accessible. The majority of healthcare consumers begin their journey by finding and comparing providers online, commonly through searches. Hence, it's important to have an online presence, as well as good branding, for a large number of prospects trust online ratings and reviews.



<https://www.dialogtech.com/blog/health-care-marketing-statistics/>

Seamless Convenient Experiences: Healthcare organizations should aim to deliver the ease of the eCommerce experience relevant to healthcare and distinct patient needs, right from offering them an understanding of the price dynamics to booking an appointment and paying for the product/services. It should all be seamless with proper notifications or CTA's embedded throughout the journey, keeping patients well informed.



Price Transparency

Cost and coverage estimates can help enhance the patient experience, and drive volume.

Appointment scheduling

Cost and coverage estimates can help enhance the patient experience, and drive volume.

Payments

Omnichannel payment options can lead to better collections and timely payments.

Connected Healthcare - A connected healthcare system would typically mean the use of devices and IoT to offer patients a medium to manage their health condition, reducing hospital admissions and emergency situations, as the devices can remind people to take medications, and diagnose common illnesses based on symptoms, and so on. This can offer an excellent patient experience. With connected healthcare, follow-up care can be made quite efficient, for example, chronic illness patients can be monitored remotely freeing-up doctor's time and reducing the effort to visit the doctor personally. Organizations must try to integrate the best of breed consumer technologies within a single platform, like a mobile app, for convenience and easy accessibility.



By 2020, 40% of *IoT technology* will be health-related



In 2016, 52% of hospitals globally were using *three or more* connected health technologies

Personalized Experiences: With connected devices, it is vital that organizations have the ability to flawlessly integrate multiple data sources to ensure the highest level of personalization and predict forthcoming actions. Massage the data that comes from all the channels throughout the patient journey, collate this data and apply analytics. Based on this, embed personalization across patient access, clinical and financial workflows. This will allow patients to receive the most proactive and efficient care possible.

CONCLUSION

In a Nutshell, Digitization is the need of the hour, however, it's important to begin by first understanding how your consumer wants that experience, the channels they use, the quality for which they are ready to pay for, the way these solutions will touch-base with your consumers while working within the constraints of your IT and business team resources.

Accordingly, anticipate customer needs, choose channels and design connected solutions to drive their behavior. Use analytics to collate data and offer personalized patient journeys – from initial access to clinical and financial workflows. Conduct intermittent patient surveys, and ask for patient ratings and reviews, making it easy for the patients to efficiently and efficiently receive care, thus imbibing loyalty and impacting the bottom line.

About Agnos

Agnos was established in 2012 with a mission to empower businesses with next-gen, end-to-end agile software development services. We combine human creativity with cutting-edge technologies to benefit society and shape an accountable business. Take a look at the [industries](#) we serve and the [IT services](#) we offer.

Agnos Value Proposition: Agnos has Top-Gun IT resources from across the globe and across industries that deliver the highest quality software quickly, at an extremely affordable price.

Our Competitive Differentiation: Our “secret sauce” is our hand-picked global team of technologists and consultants that are simply the “best” at what they do. Through our global partnerships, we now have an army of over 20,000 (our bench) worldwide, from the United States to Argentina to India to Ukraine and beyond. We can truly offer a *“follow the sun” software engineering delivery platform.*

Our Core Values: Agility, Trust and Quality. As our customers will attest, we are obsessed with relentlessly pursuing the projects we undertake in a timely fashion, maintaining the highest quality standards, and keeping the trust of our customers, employees, and partners.

Learn how Agnos helps clients lead with digital at www.agnos.io or follow us @Agnosinc

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