



Transforming Care for Patients as Consumers

Sponsored by the Johnson & Johnson Medical Devices Companies

Abstract

Patients are increasingly behaving like consumers in a healthcare setting. As a result, consumers expect enhanced services and experiences when engaging with providers and health systems. How can health systems engage patients in an integrated effort that aligns with strategic goals to improve patient outcomes, improve efficiencies, reduce costs and enhance patient satisfaction?

This white paper examines important conditions and trends driving consumerism, evidence of the economic and reputational value of a positive consumer experience, examples of health systems successfully improving the patient experience, and a Johnson & Johnson Medical Devices Companies approach to working with health systems to embrace the new era of consumerism.

What is healthcare consumerism and why does it matter in healthcare?

Consumerism is an important trend that is increasingly impacting all aspects of healthcare.

Healthcare consumerism is a cultural transformation which recognizes that people are active consumers of care in search of better experiences and outcomes in an evolving and interactive healthcare environment.

There are many factors driving this megatrend:

Expectations

There is a rise in consumer experience expectations, driven by increased service and experience in healthcare and comparisons with other industries, such as airlines, banks, online retailers and apps.ⁱ

Financial

With the rise in patient co-payments, higher deductibles and higher healthcare costs, greater financial responsibility is being transferred to consumers.ⁱⁱ

Transparency

There is a growing consensus about the value of transparency as a key tool for improving the quality of care and lowering costs. Transparency can improve value by two key pathways: engaging providers to improve their performance and informing consumer choice.ⁱⁱⁱ

Physician influence

The influence by physicians over patients and the growth of new primary care options (retail and walk-in clinics) and the foray of new disruptive forces in healthcare, such as Amazon, Walmart and others, have begun to undermine traditional consumer relations with providers.^{iv}

Brand loyalty and equity are major influencers. Healthcare consumers have access to more information on the details, costs and quality of medical procedures than ever before. But their decisions and thought processes are equally as influenced by positive interactions and experiences with brands that they trust. Health systems have the opportunity and imperative to engender the same type of loyalty created by major brands in healthcare and other industries.

The “shopper experience” in all parts of society is providing people with increased options and choice, and it impacts the patient who increasingly behaves like a consumer, particularly when shopping for surgical options. A recent survey showed that surgical shoppers are extremely price sensitive and that price (53.2 percent) and travel (19.8 percent) top consumers’ surgical care priorities, even beating quality of the surgeon (4.9 percent).^v

Why should consumerism matter to health systems?

As patients are demanding more consumer-friendly healthcare, the economic and reputational value to health systems cannot be understated. Recent analyses have shown that over three years a patient who is retained accounts for six times more revenue than a patient who does not return.^{vi}

A positive patient experience drives loyalty: 60 percent of the top 10 loyalty drivers for primary care physicians are related to experience, rather than cost or clinical quality. Unsurprisingly, organizations that commit to the customer experience typically enjoy a 25 percent increase in customer retention. The financial benefit is clear: a five percent increase in customer retention can lead to a predicted 25 percent increase in profits.^{vii}

Hospitals with better patient-reported experience have also been shown to perform better financially, according to a Deloitte report.^{viii} Improving the patient experience can help a hospital improve its financial performance by strengthening customer loyalty, building reputation and brand, and boosting utilization of hospital services through increased referrals to family and friends.

Patient experience and improved health outcomes

Emerging evidence suggests that a positive patient experience is linked to improved health outcomes.

While there is growing consensus and evidence about the positive impact of a good patient experience on the economic performance of a health system, the impact on the quality of care and health outcomes has been debated in medical literature.

Intuitively, patients who are better informed, more educated about their care, adherent, and engaged in their own care, are also more likely to have better outcomes.

Positive patient experience drives loyalty:

60%

of the top 10 loyalty drivers for primary care physicians are related to experience, rather than cost or clinical quality

25%

increase in customer retention among organizations that commit to the customer experience

However, some critics claim that patient-experience measures have no relation to the quality of care delivered, as patient satisfaction surveys often reflect non-care related aspects of the patient experience, such as room features, meals and interactions with administrative staff.

Nevertheless, despite some of the existing challenges for measuring and interpreting patient experiences, there is a growing amount of evidence suggesting that the patient experience, when measured through meaningful and comprehensive patient-reported quality measures, is a distinctive indicator of healthcare quality.^{ix}

Recognizing that traditional measures of patient satisfaction fail to represent the full breadth of the patient experience, there is also growing recognition in the medical and healthcare community that patient-reported outcomes measures (PROMs) are a critical component of assessing whether clinicians and health systems are improving the health of patients.^x

Transformation toward consumerism is accelerating, but gaps remain

The transformation towards healthcare consumerism is gaining momentum. Findings from Kaufman Hall's 2018 State of Consumerism in Healthcare report show broad awareness among hospitals and health systems that consumer expectations are changing and that hospitals need to focus on meeting those expectations to stay competitive.^{xi}

The survey also indicates an increasing level of activities designed to fulfill consumer expectations, particularly related to access and experience. Ninety percent of respondents say improving consumer experience is a top priority.

Yet, despite the growing efforts by hospitals and health systems to meet the rapidly changing expectations of today's healthcare consumers, there is still significant room for improvement:

- Only 8 percent of hospitals and health systems demonstrate strong consumer-centric performance
- 70 percent of organizations either have not begun, or are in the very early stages of their consumerism efforts
- Around 24 percent of hospitals have a chief consumer or patient experience officer.^{xii}

There is still significant room for improvement at hospitals and health systems:

8%

of hospitals and health systems demonstrate strong consumer-centric performance

70%

of organizations either have not begun, or are in the very early stages of their consumerism efforts

24%

of hospitals have a chief consumer or patient experience officer

Kaufman Hall concludes that, “the increased level of activity has not coalesced into a consistent strategic march toward exceeding customer expectations and building consumer loyalty.”



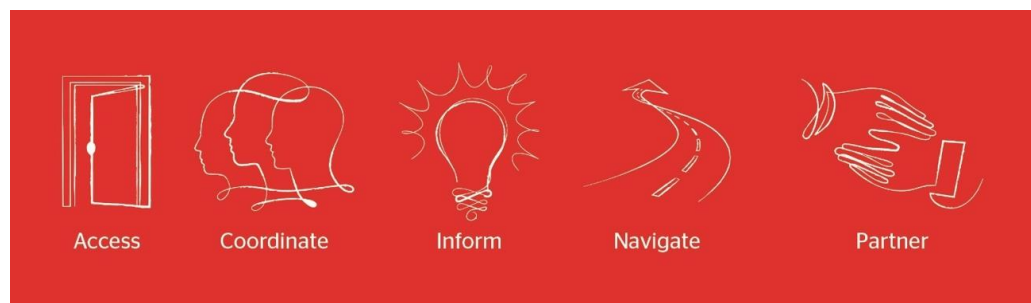
To be successful, consumerism initiatives require a strategic and cultural transformation of how healthcare provider organizations and health systems operate. All internal stakeholders – from executives to clinicians and supporting staff – must be empowered to embrace a new world where the patient’s experience matters beyond outcomes.

Five principles to help health systems navigate consumerism

The Johnson & Johnson Medical Devices Companies (JJMDC) collaborate closely with health systems through the CareAdvantage approach to address individualized needs from supply chain challenges to better customer engagement, and has developed a framework to help health systems navigate consumerism.

The principles are not a fixed template for addressing consumerism, but rather a framework that can help the individual health system identify where it can enhance the patient experience and drive better outcomes based on its own unique situation and opportunities.

The five principles include:



Access

Provide me with access to the best care – in person or virtually – to meet me where I work, live and play

Coordinate

Connect me with a care team to seamlessly coordinate my care throughout my life

Inform

Give me simple and clear information to help me make choices that are right for me

Navigate

Chart my path so I can better navigate today with my preferred future in mind

Partner

Treat me as a partner so I feel empowered and supported

A great patient experience requires access, choice and transparency

It's critical for healthcare organizations to consider the key attributes of a great "shopper" experience and how those aspects can be applied to provider organizations.

Consumer expectations about what constitutes a great experience have changed dramatically in the age of digital commerce, particularly in the retail sector.

A recent survey of U.S. online shoppers, "Connecting with Shoppers in the Age of Choice," suggested that:^{xiii}

- Retailers must put their customers at the center of everything
- Shoppers want more information and more options
- Inspiring loyalty must be an integral part of the entire shopping experience

These factors should be considered alongside healthcare-specific findings to help hospitals advance their consumerism efforts.

In healthcare, studies have shown that access and transparency are critical attributes of a positive consumer experience:^{xiv}

Access

Enhancing access to care and clinicians through various means, such as retail clinics, easy-to-find contact information, virtual visits, online self-scheduling, extended hours, and patient-provider messaging.

Transparency

Providing pricing transparency through cost estimators on the health system's landing page as well as wait times for emergency and urgent care and/or check-in services.



How innovative health systems are embracing consumerism

Despite some healthcare organizations facing challenges when it comes to embracing consumerism in practice, some health systems have taken innovative steps.

For example, one health system introduced a program to refund patients who reported a poor healthcare experience. While the initiative has been disruptive, it has also helped reorient the patient at the center of the enterprise.^{xv}

Several health systems are driving the consumer experience through enhanced consumer experiences, patient-centered care, consumer connectivity, connected ecosystems, and consumer behavior influencing and predicting.

Consumerism is also inspiring health systems to explore multiple models for building consumer loyalty from hospital-based to community-based outpatient care models. Outpatient care, including ambulatory surgery, is the fastest growing sector in healthcare.^{xvi} In 1990, 50 percent of all procedures occurred in ambulatory surgery centers (ASCs), while today 66 percent of procedures take place in ASCs.

Mapping the surgical patient journey

One of the major opportunities for health systems to improve the patient experience is to perform a structured, end-to-end mapping of the surgical patient journey.

A patient going through surgery, particularly elective surgery, travels through a number of well-defined stages *before*, *during* and *after* surgery. There is significant evidence showing that an integrated journey can yield benefits in terms of improved patient outcomes, reduced complications, decreased costs, fewer readmissions, and a better patient experience.

JJMDc has deep expertise and a broad range of connected capabilities helping to improve the patient experience from the beginning to the end of the surgical journey. As we focus more holistically on the health of the patient, we look beyond the surgical event in context of the overall care pathway – from education to recovery.



We apply proven techniques from our Johnson & Johnson Health and Wellness Solutions, Inc. and Consumer businesses and combine this with our deep understanding of the OR/clinical environment and the surgical journey.

Well-being before surgery

Where behavior science and data analytics can help understand the patient mindset and expectations and how to best tap into the individual's drive to stay healthy.

Decision about surgery

Where consumer psychology and demographics provide important insights to guide considerations for making decisions in partnership with the surgeon.

Preparation for surgery

Where personal and caregiver insights can facilitate the process of getting ready for the procedure.

Surgery

Where digital surgical data, analytics and the experience from the OR can help optimize the procedure and outcomes.

Recovery

Where behavioral science and data analytics help the clinical team support the patient to more quickly get back to normal life after the procedure.

Well-being after surgery

Where consumer and psycho/demographics provide insights on how to restore well-being after surgery.

Revolutionizing care path management with digital tools

Digital tools are gaining momentum as health systems implement activities in consumerism. According to one survey, nearly two-thirds of all health systems and hospitals stated that developing digital tools was a high priority.^{xvii}

Digital platforms and tools can help facilitate a better patient experience across all dimensions: expand access, improve coordination, elevate information, streamline navigation, and enhance partnership with clinicians and other caregivers.

Technology combined with behavior science can help health systems with more effective interventions that are actionable, connected and science-based.

Understanding consumer behavior can lead to improved health outcomes, and this is made possible through new technology and digital tools. The ability to capture and analyze behavioral data at multiple points in a consumer's healthcare journey can influence positive health behavior change and allow health systems to tailor experiences to individual needs.

To meet the needs of health systems seeking digital tools to enhance the patient experience, the Johnson & Johnson Health and Wellness Solutions, Inc. developed **Health Partner**, a platform aimed at changing the process of preparing for, and recovering from, knee, hip or weight loss surgery, by tapping into an individual's motivation and underlying drive to get and stay healthy.^{xviii}

Health Partner aims to revolutionize care path engagement to fuel better health outcomes for patients and health systems using the science of behavior change to energize and empower patients on a personal and meaningful level throughout their treatment – with the goal of improving adherence and delivering better health outcomes.

Consumerism is a winning path for health systems

The transformation toward healthcare consumerism is gaining momentum and will most likely accelerate, so organizations need to be prepared for this new reality that will impact all aspects of healthcare delivery.

Although consumerism strategies are still in the early stages for many health systems, embracing consumerism and implementing related programs can help health systems:

- Generate a positive consumer experience, engagement and satisfaction
- Improve patient care and population health
- Achieve improved outcomes
- Enhance operational efficiency, lower per capita costs and revenue growth
- Sustain consumer loyalty and retention

Johnson & Johnson MEDICAL DEVICES COMPANIES

To learn more please visit www.CareAdvantageJJMDC.com or email CareAdvantageJJMDC@its.jnj.com.

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