

THIS WEEK



What it will take to win the consumerism challenge?

If hospitals and health systems are to compete effectively in the battle for consumer loyalty with outside mega disruptors in outpatient care, they must bridge a widening gap between their organizational priorities and capabilities. This extends to all sorts of consumerism initiatives — from improving the customer experience to offering more convenient access to care to providing price transparency and using digital tools to engage consumers.

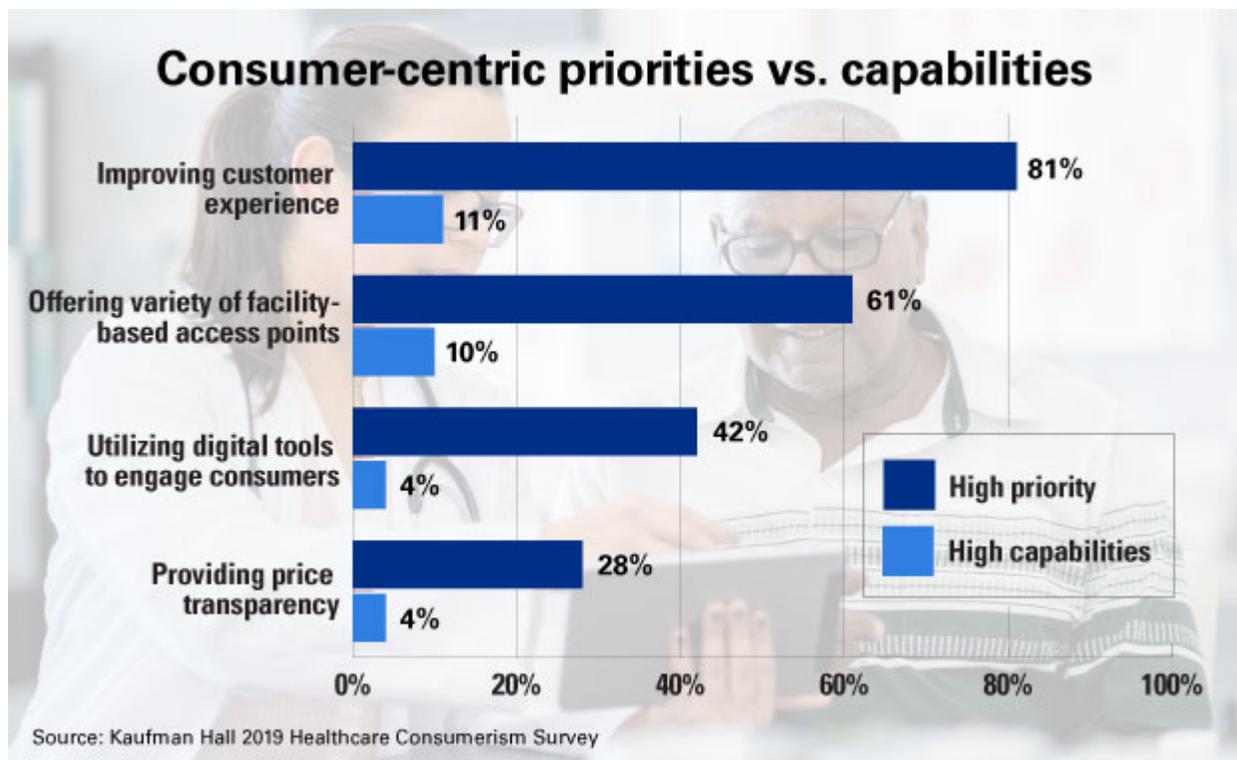
The rising bar of consumer expectations in these and other areas has left many health care executives uneasy about their current organizational capabilities. Findings from Kaufman Hall's recently released fourth annual [State of Consumerism in Health Care](#) survey highlight these concerns, among others:

- Nearly 90% of health care executives believe their organizations are vulnerable to consumer-friendly offerings from non-hospital competitors.

- Roughly two out of three believe their organizations will face a “strong” or “extreme” competitive threat over the next five years from UnitedHealth Group/Optum or CVS Health/Aetna; 56% say the same about Amazon.
- Only 2% believe their organizations can provide a consumer digital experience comparable to that of Amazon.

The consumerism conundrum for health care leaders is further revealed when examining organizational priorities and capabilities. More than 80% of health care executives rank improving the customer experience as a high priority while only 11% believe their organizations have high capabilities in this area. The gap between high priorities and high capabilities is similar in other areas, including employing digital tools to engage consumers, using consumer learning to guide strategy and offering a variety of access points to virtual care.

And while many legacy providers are making a concerted effort to meet consumer demands, Kaufman Hall’s consumerism ratings show that only 8% are considered “best in class” — defined as having a dedicated focus and resources to build a consumer-centric infrastructure, offering a strong consumer experience, strategic pricing and price transparency. About one in four are taking a “thoughtful approach” to consumerism by investing in infrastructure and initiatives that are being expanded systemwide. The remainder are either still planning their consumerism strategy (39%) or lack one entirely (29%).



As for how to respond in this environment, Kaufman Hall urges providers to expand virtual-access initiatives and use digital tools to streamline care and improve patient satisfaction and engagement. Wide-scale adoption of real-time consumer experience products, which would allow providers to address patient needs as they occur, also would help, the report notes.

In the end, many providers may opt to partner with their larger retail and technology competitors to build a more consumer-centric hospital or health system. Keith Figlioli, general partner at the health care venture firm LRVHealth, recently told [Healthcare Dive](#) that he expects “massive

proliferation of partnership announcements” over the next five to 10 years as providers vie for position along large distribution chains.

Figlioli encourages health systems to think first about long-term viability beyond digital access points and telehealth and to develop partnership models with new entrants on a local level to keep up with traditional competitors.

For more on how to lead the charge for disruptive innovation, read this [AHA Market Insights report](#).

7 STEPS TO ACHIEVE ORGANIZATIONAL WELL-BEING



With nearly half of all U.S. physicians experiencing burnout, along with nurses and other care team members, the financial costs to the field are mounting. A recent study in the [Annals of Internal Medicine](#) pegged physician burnout costs to the field at between \$2.6 billion and \$6.3 billion a year — with a calculated baseline of about \$4.6 billion. These costs are associated with factors like turnover and reduced productivity.

The study further noted that health care organizations can achieve “substantial economic value” by investing the time and resources needed to reduce stress on doctors.

A new [AHA Physician Alliance Well-Being Playbook](#) offers a step-by-step plan to help hospitals and health systems reduce these costs and create a sustainable culture of well-being. The playbook highlights seven key steps, such as how to create an infrastructure for well-being, engaging your team, measuring well-being and designing interventions and implementing programs. Case studies are provided throughout the playbook that illustrate progress being made in the field.

CONSUMERS READY TO TRADE HEALTH DEVICE DATA FOR REWARDS

Consumers who use wearable devices to capture their health-related data have a message for health insurers who would love access to that information: Make us an offer. A recent Aite Group [survey](#) found that 62% of consumers are interested in sharing their connected-device data with payers if their plan offers incentives to do so.



Interestingly, for survey respondents, it’s not all about the money. Aite, a global research and advisory firm, found that 45% of respondents were moderately, very or extremely interested in trading personal data for targeted advice or information about health and safety. And 90% said they would be interested in learning more about incentive-based offerings from their health insurer — higher than for auto, home and life insurance.

A couple of big caveats surfaced, however. Nearly 60% of respondents are concerned about whether their data would be hacked or stolen and more than 40% have reservations about how

payers would manage and use their information.

The explosive growth of internet-connected devices and wearable health devices has led health insurers and providers to explore the many ways data from these tools could be used to better understand the health and habits of large populations. Some plans, including Aetna, UnitedHealthcare, Humana and Blue Cross Blue Shield, now offer mobile apps to help users set health and activity goals.

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