

The Business of Healthcare. Delivered.

eBook

Shifting Forward: Consumerism is the new driver in healthcare

Advancements in Consumerism are improving the customer experience while challenging the healthcare ecosystem to meet the new demand.

INTRODUCTION

Healthcare Consumers Are in the Driver's Seat

In today's dynamic healthcare environment, consumers are spending more time in the driver's seat. With increasing choices around site of service, provider selection and ways to manage their health, consumers are asking more – and getting more – from their healthcare experiences.



To keep up with shifts in patient consumerism and to remain competitive in an evolving marketplace, payers, providers and health services companies need to adapt to a changing landscape.

What Is Healthcare Consumerism?

Healthcare consumerism is the movement that empowers individuals to take ownership of their healthcare decisions using knowledge attained through their own research. Healthcare consumerism allows control over their health, make informed choices about their care and be more involved in their healthcare journeys.

In 2024, medical care costs for an average American family increased **119.2%** since 2000

Healthcare consumers are no longer passive recipients of care services. They actively participate in their care plans and expect more autonomy, transparency and efficiency. Consumers are also spending more money on healthcare than ever before. In 2024, medical care costs for an average American family increased 119.2% since 2000 – far more than costs for other goods and services, which increased by 85%.¹

With greater responsibility come greater expectations. While consumer spending on healthcare has risen, so has the desire for more personalized and convenient care.

Consumer expectations around care mirror their customer experiences in other industries. Retail, banking, entertainment and travel verticals have successfully harnessed the power of cohesive omnichannel communications, innovative digital experiences, applied preferences and customization. With healthcare spending becoming an increasingly substantial part of a household budget, healthcare consumers expect the same level of customer service and personalization in their healthcare journeys they enjoy when making a purchase, depositing a check, engaging with a streaming service or booking a trip.

To maintain loyalty and provide high-quality care, payers, providers and health service systems need to embrace a new model of healthcare that puts the needs and desires of consumer first.

Paving the Way to the Future of Healthcare

Placing customer experience at the center of healthcare journey means higher satisfaction and better care. Acknowledging the need for new technologies to create a personalized and responsive healthcare journey for each consumer will allow healthcare companies to create cost efficiencies and discover new avenues for achieving success.

The rising tide of healthcare consumerism is poised to lift every participant by improving outcomes.

EXPANDED CONSUMER CHOICE

Healthcare consumerism has increased healthcare options, offering consumers broader choice and accessibility. Because consumers no longer receive medical information exclusively at the doctor's office, other resources meet their needs. Retail-based clinics such as CVS MinuteClinic, Target Clinic, Amazon One Medical and Walgreens Healthcare Clinic are widely available. Expanded same-day and pharmacy services are transforming how and where consumers receive healthcare.

A consumer now has a wider range of options for accessing healthcare 24/7 without making costly visits to an emergency room. National urgent care locations such as Carbon Health, CityMD and MedExpress are available for acute walk-in care at all hours.

Providers and pharmacists at these locations offer a trusted source of healthcare and counseling for consumers outside of the traditional doctor's office. New healthcare models such as these offer insight into behavior that, when applied to traditional healthcare settings, can improve outcomes and disrupt outdated practices itching to innovate.

ADVANCEMENTS IN TECHNOLOGY, AUTOMATION AND EFFICIENCY

Digital tools and technologies have increased health literacy and consumer engagement in health activities. Fitness trackers, health apps and web-based resources are widely available for consumers looking for low-cost and accessible ways to manage their health and access health content.

Online appointment schedulers have made it easier for consumers to make – and keep – appointments with providers. Automated tools connect consumers to care, reducing the need for a receptionist or contact center

to complete the task. Instead, health systems can rely on data journeys and automation to provide consumers appointments at their convenience. These efficiencies have created a streamlined healthcare experience for consumers.

PERSONALIZED AND CONVENIENT CARE

Virtual care, which experienced explosive growth during 2019 and 2020, continues to be a preferred option for consumers seeking mental health and primary care.² While reducing costs, virtual care provides convenience for consumers.

Options for at-home care, an extension of virtual care, are also rising, offering consumers access to convenient and personalized healthcare experiences. Wearable devices allow healthcare consumers to monitor their health from home. Remote patient monitoring has made a patient's transition to home after a procedure easier and safer. For example, the BioIntelliSense BioButton® allows patients to watch and track their vital signs. It creates a data trail they and their doctors can use to personalize and inform a path toward better health outcomes.

With more wearables on the market, consumers can work with their providers to tailor their activities and care plans to meet their goals. Providers can optimize face-to-face time with their patients. Health services companies can develop feedback loops to better serve patient needs. Payers can personalize communications based on member data and preferences, improving the patient experience and reducing overhead.

IMPROVED QUALITY OF CARE

Potentially the most influential factor in a consumer's health journey, quality of care also reaps the benefits of a consumer-driven healthcare landscape. Provider performance is no longer evaluated strictly on the number of patients a doctor sees in a day. Quality ratings, feedback surveys and patient reviews – some of which are publicly available – influence physician assessments.

These ratings and an increasingly competitive landscape allow consumers more choice over who they visit for care. To match patient expectations, providers must meet a higher standard of care quality and consequently, shift their care model towards value-based care. When care quality increases, the customer experience in healthcare improves. Patient health also improves – a goal shared by every party involved.



LOWER COSTS, MORE TRANSPARENCY

Expanded choices have also enabled consumers to defend themselves against increasing costs of care. Year over year, healthcare costs continue to rise. Premiums, for instance, increased by 7% between 2022 and 2023 – two points higher than the inflation rate. Experts predict an even bigger jump in 2024.³ A saturated healthcare market paired with more accessible health information means consumers can seek more affordable and transparent options.

Retail clinics, telemedicine providers and direct-to-consumer (DTC) drug companies are challenging traditional healthcare models by offering more cost-effective services. Consumers, in turn, expect more transparency around the cost of care. For instance, the meteoric success of Mark Cuban's Cost Plus Drug Company proves that healthcare consumers have an appetite for understanding how manufacturers price prescription drugs and how that impacts their out-of-pocket costs.

Disruptors don't necessarily mean bad news for healthcare service providers – as long as they are willing to stay agile. Startups and DTC companies stand to improve offerings across the entire healthcare system by challenging the status quo. Only companies that choose to ignore the signs of the times, and the changing behavior of the informed consumer, risk getting left behind.

Rocky Road and Uncertain Territory

As consumers exert more authority over their healthcare, challenges will arise. Even as consumer behavior disrupts traditional healthcare models in favor of a more democratic healthcare ecosystem, consumers and healthcare systems may feel some growing pains.

DECENTRALIZED CARE

Increases in provider options have caused brand loyalty in healthcare to decline. With so many choices and sources of information, consumers often divide their care among different providers. Health systems will need to find new ways to remain competitive. Putting customer experience first can help. Implementing online appointment schedulers, expanded care options, chat support and AI-powered engines, for example, can help healthcare systems foster patient loyalty.

Fragmented care also makes comprehensive record-keeping a challenge. Without a single source of medical records, providers receive incomplete information about a patient's health. In the upcoming years, health systems will need to develop a centralized healthcare record management system to provide fully informed, holistic care plans and improve health outcomes.

DISJOINTED CONSUMER EXPERIENCE

Seeking care from multiple sources can also decrease the quality of a patient's healthcare experience. Consumers may miss out on simplified or cost-saving recommendations often available from a single source of care. By using touchpoints customized to a patient's healthcare journey, health systems can leverage behavioral analysis and personalization to increase patient loyalty and improve the overall customer experience.

Patient retention and a 360-degree view of each individual's healthcare journey will become increasingly important as time goes on, because a limited understanding of consumer behavior poses negative consequences for patients and health systems. Data-driven behavior modeling can render only an incomplete picture. Predictive models – and, consequently, customer experience – may suffer. The lack of understanding of actual customer behavior and the ensuing loss of behavioral insights can be costly for payers and health systems, and detrimental to patients.

POTENTIAL FOR MISCOMMUNICATION

Patients must shoulder most of the burden of bridging the gap caused by a disjointed healthcare experience. Educating every new provider about their health history, current medications and treatments can be onerous for a patient.

Patients also have more ways to contact their providers. An abundance of communication paths creates more touchpoints for health systems to maintain and monitor. Text, email and virtual outreaches have created a need for providers to develop foolproof multi-channel CRM systems to ensure effective communication, care coordination and data retention, regardless of location.

Key areas that providers, payers, and health services need to focus on to achieve profitability and remain relevant.

- Combatting rising costs of personnel, products and systems
- Increasing care accessibility for patients
- Minimizing low reimbursement rates
- Utilizing technologies while balancing high technology costs and change resistance

MAINTAINING PROFITABILITY AND RELEVANCE

Adjusting to a competitive landscape is a new challenge for healthcare companies. As consumers take increasing ownership of their health, providers, payers and health services will need to focus on key areas to achieve profits and remain relevant. These areas include:

- Combatting rising costs of personnel, products and systems
- Increasing care accessibility for patients
- Minimizing low reimbursement rates
- Utilizing technologies while balancing high technology costs and change resistance

Already, the market proves that provider sustainability can't be taken for granted. Walmart Health's exit from the primary care market may be a wake-up call to health systems reluctant to acknowledge the new trajectory of consumerism in healthcare.

Steering Toward the Future

Contemporary shifts in healthcare are undeniable. Payers, providers and health service systems are at a crossroads: continue with the status quo and risk losing patient interest or embrace change and stay ahead of the curve.

Offering consumer channel choice, focusing on consumer experience and adopting new technologies are three of many ways that healthcare systems can respond to change.

At Carenet Health, we're committed to empowering healthcare organizations to navigate the complexities of healthcare consumerism and activate the business of healthcare. By putting the patient experience first, health systems can attain the downstream effects of improved patient outcomes and fiscal benefits. Through data-driven solutions, we can help you improve customer service, identify automated solutions, recapture revenue and raise your bottom line.

ABOUT CARENET HEALTH

Caret Health helps organizations enable the business of healthcare through our people, technology and data-driven insights globally. With hundreds of licensed clinicians and health advisors, Carenet supports more than 600 premier health plans, providers and health systems in reimagining population health and putting the consumer and patient at the center of health care decisions. Through personalization, innovation and consultation, Carenet fuels growth seamlessly for their clients while improving care – supporting healthcare organizations as they grow and evolve their offerings.

[Contact us](#) today to find out how our innovative and results-driven healthcare engagement strategies can help you thrive in this evolving landscape.



How can we help
your organization?

Email us today at

marketing@carenethealth.com, call 800.809.7000

or learn more at [carenethealth.com](https://www.carethealth.com)

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