

Perceptions of Consumer-Centricity Amongst Physician and Consumer Executives

Quick-Hit Survey Results

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Introduction & Methodology

As health systems continue to prioritize improving the patient experience and consumer engagement, organizations are developing consumer strategies, organizational structures, and initiatives to better compete in their markets. To understand the current prioritization and organizational alignment around this topic, The Health Management Academy (The Academy) conducted a quantitative assessment of consumer executives and physician leaders regarding their perspectives on consumerism.

Methodology

In April 2019, The Academy conducted a quantitative assessment of Leading Health System executives regarding their perspectives on their organization’s priorities, alignment, and structure around consumerism.

The survey responses include perspectives from both physician leaders (e.g., Director of Medical Affairs, Clinical Director, Chief Medical Officer) and consumer executives (e.g., Director of Patient Experience, Communications Director, Chief Marketing Officer). The 38 respondents represent 15 Leading Health Systems. This report explores executives’ perceptions regarding the patient experience, role of providers in consumerism, organizational strategy, and the ownership of the consumer function.

Profile of Participating Health Systems

**AVERAGE
REVENUE**
\$5.1
BILLION

OWN OR OPERATE
151 HOSPITALS

2 Million Annual Admissions

Consumer Executives: **55%**
Physician Executives: **45%**

Key Findings

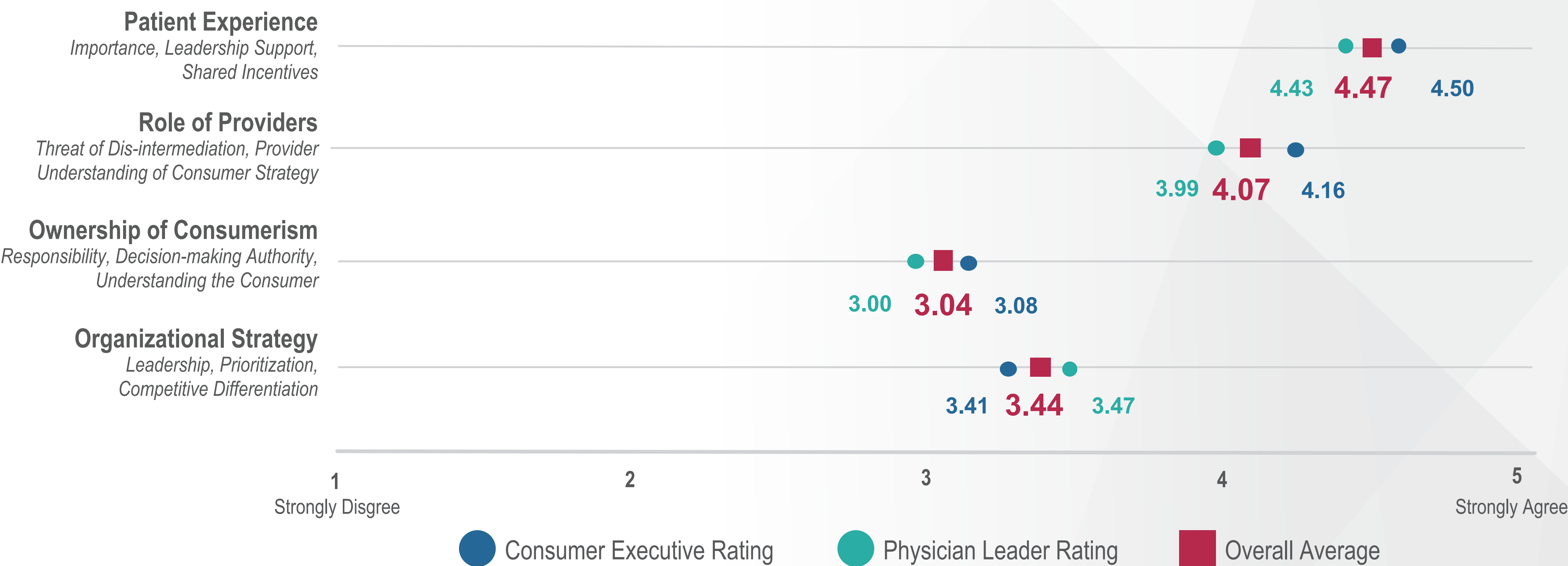
1 On average, **there is relative alignment** amongst consumer executives and physician leaders regarding their perceptions of the consumer-centricity of their organization.

2 Executives most strongly agree that a focus on a great **patient experience is critical to the long-term success** of the organization.

3 Leaders at health systems with shared incentives around the patient experience are more likely to agree that their organization **understands the consumer and has a competitive advantage** in the market.

Perspectives Relatively Aligned Amongst Consumer and Physician Executives

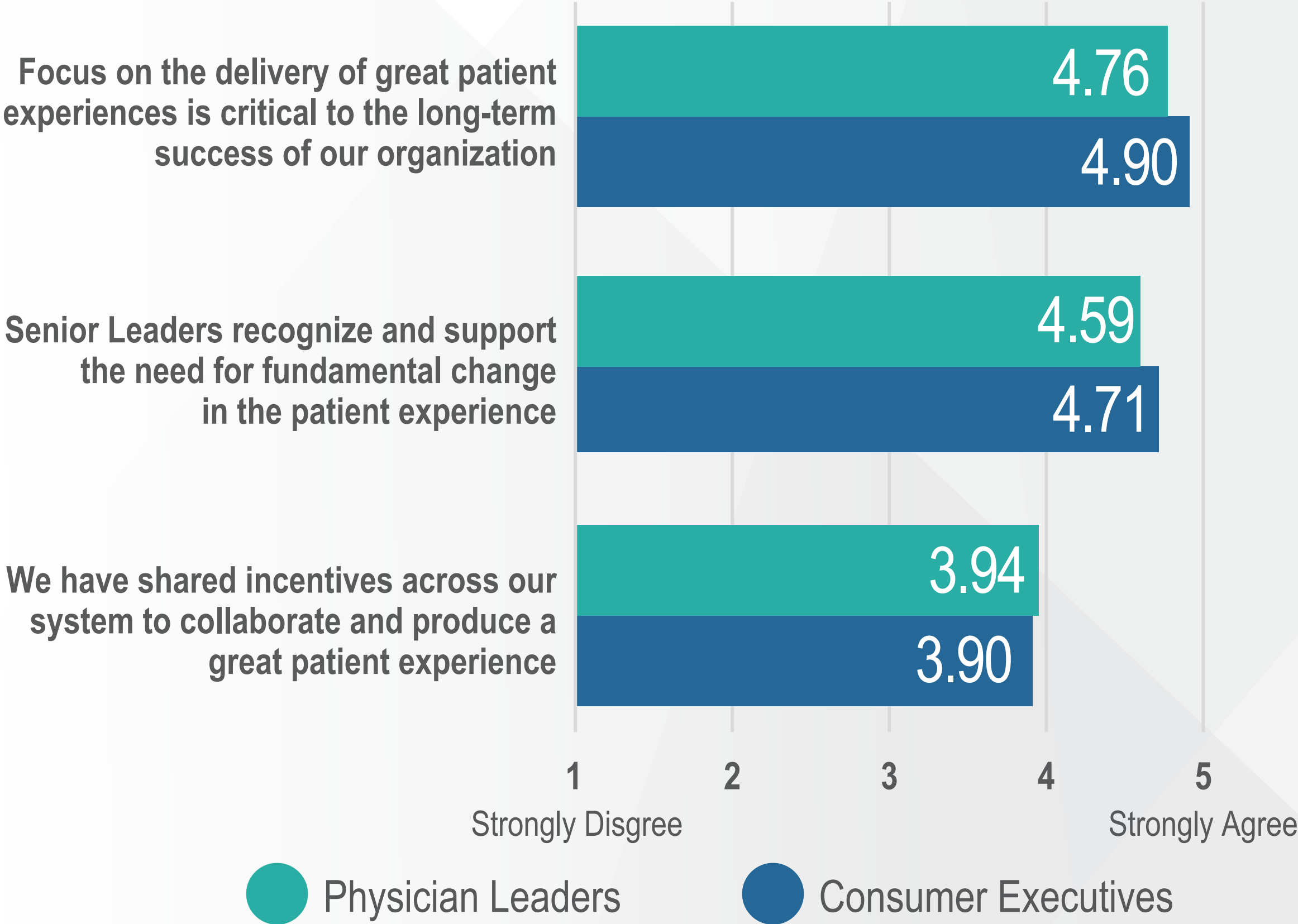
Overall, consumer executives and physician leaders are aligned in their perspectives on consumerism at their organization, with executives most strongly agreeing on the importance of the patient experience. While the majority of executives are in alignment around these topics, there is commonly variation within individual health systems and across roles in how leaders view their organization’s consumer engagement priorities and strategies.



Strong Consensus around the Importance of the Patient Experience

- Consumer executives and physician leaders are generally aligned in their views on the patient experience, expressing strong agreement in recognizing the importance of patient experience to the success of the organization. Executives across health systems generally feel they are receiving support from senior leadership.
- Additionally, executives agree that their health systems have shared incentives to collaborate and improve the patient experience. However, the slightly lower level of agreement indicates that although there is support from senior leadership for patient experience transformations, what may be lacking is a strong shared incentive to collaborate.
- Ultimately, executives' alignment indicates health system leadership sees improving the patient experience as a priority.

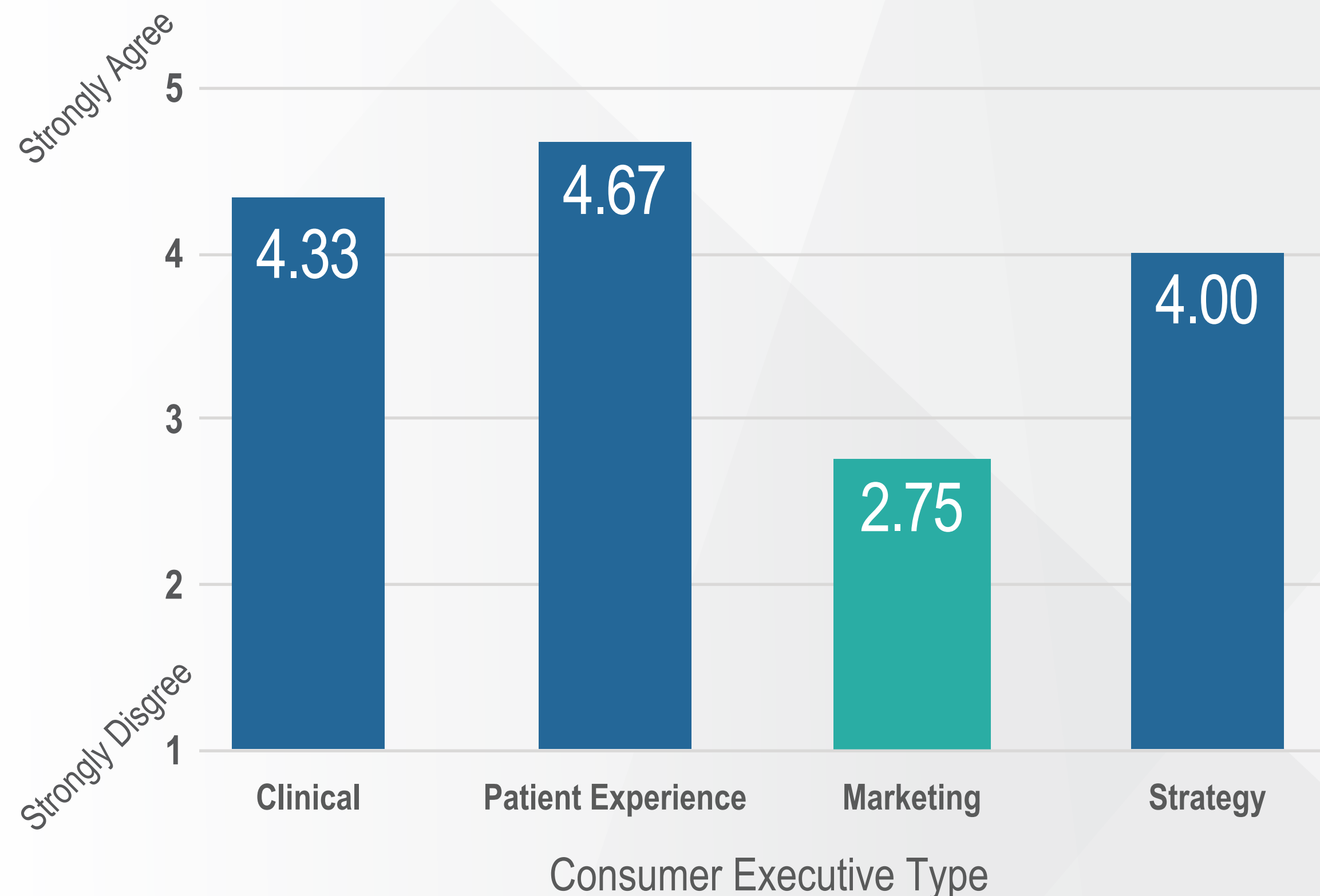
Prioritization of the Patient Experience



Marketing Executives Less Aligned around Shared Incentives

- Although consumer executives are all focused on developing and implementing a strong consumer strategy across the organization, there is diversity in the functional backgrounds and expertise of these executives. These executives have varying focus areas within the consumer function, including strategy, marketing, clinical, and patient experience.
- Interestingly, there is notable variation among consumer executives around organizations' shared incentives. On average, marketing executives do not agree that their health systems have shared incentives across the health system to collaborate and produce a great patient experience. However, clinical, patient experience, and strategy executives strongly agreed with this point.
- With an average consumer agreement of 3.9, marketing executives were 1.15 points lower than the rest of the consumer group.

Variation in Consumer Executive Perspectives around Shared Organizational Incentives to Collaborate

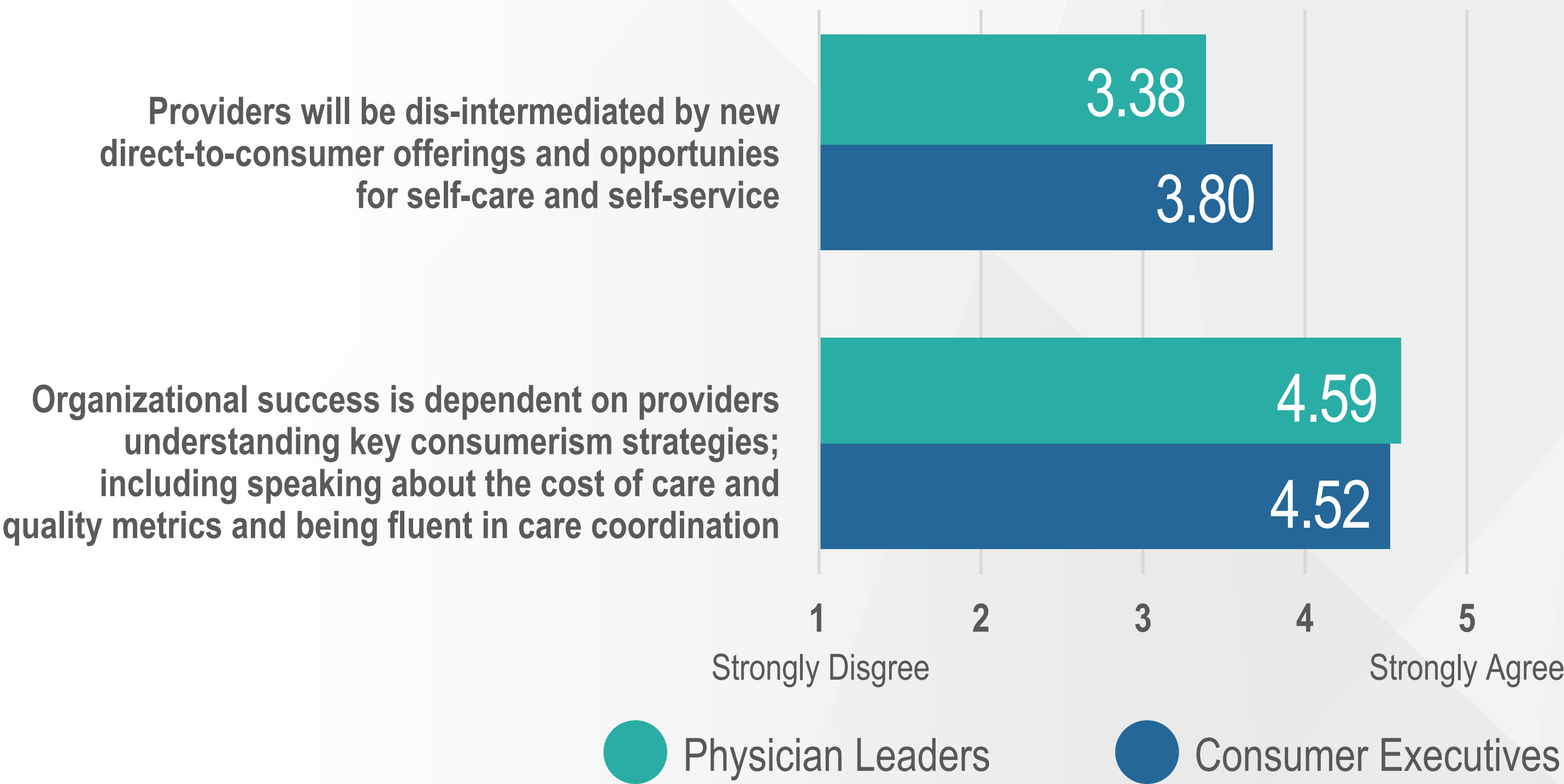


Consumer and Physician Leaders Split on Role of Providers in Consumerism

- Physician leaders were more neutral on the notion that providers will be dis-intermediated by new direct-to-consumer offerings compared to consumer executives.
- Reflective of this potential threat, consumer executives and physician leaders both agree that providers must understand key consumerism strategies to ensure organizational success.

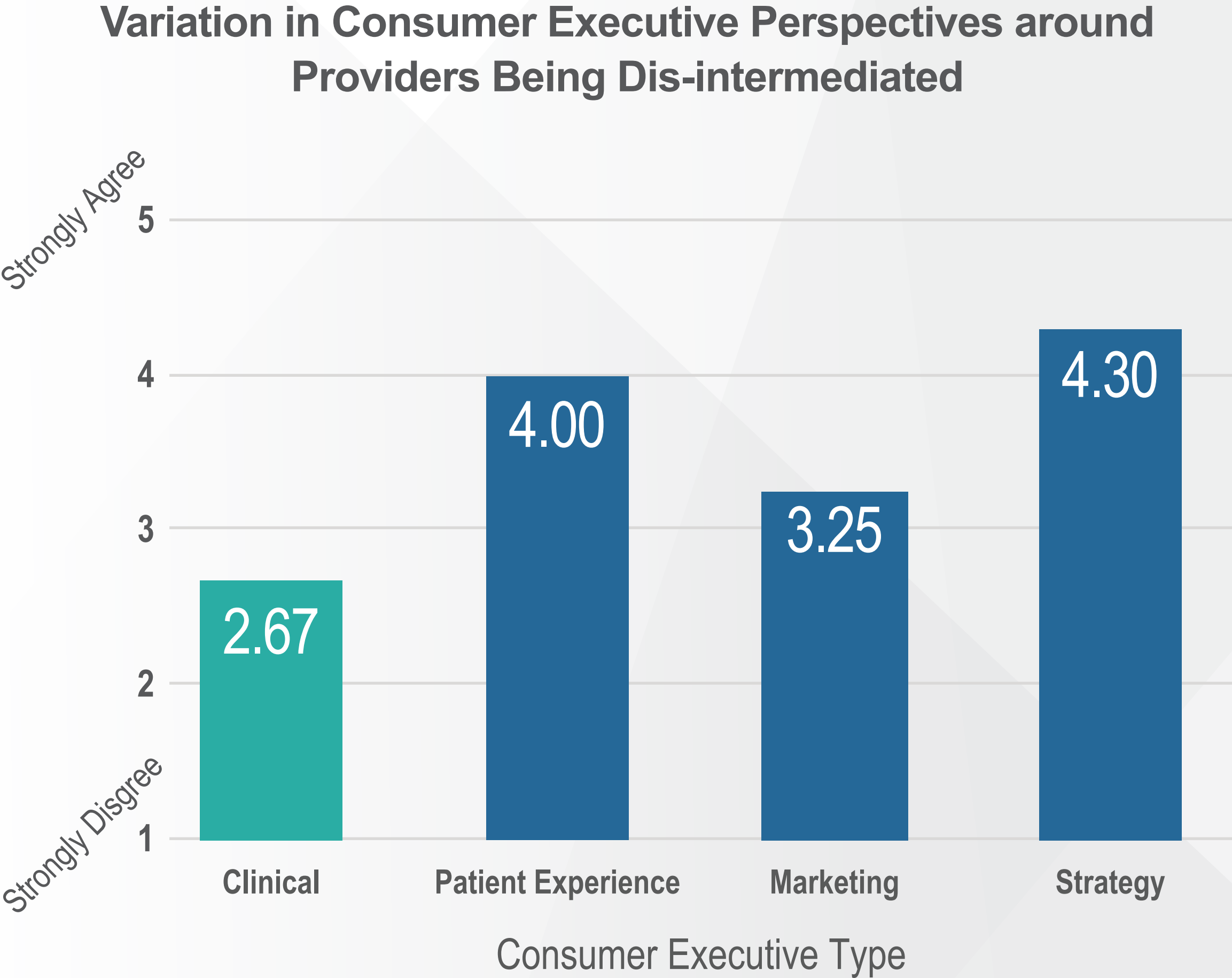
The idea of telehealth on the surface does appear to threaten the direct physician-patient relationship. Helping physicians to see the rationale in the marketplace on transformational thinking of our patients as consumers and not just patients seems like a very uphill battle and counterintuitive to one's medical training/day-to-day practice.”
– **Physician Executive**

Role of Providers in Consumerism



Clinical Executives Disagree that Providers Will Be Dis-intermediated

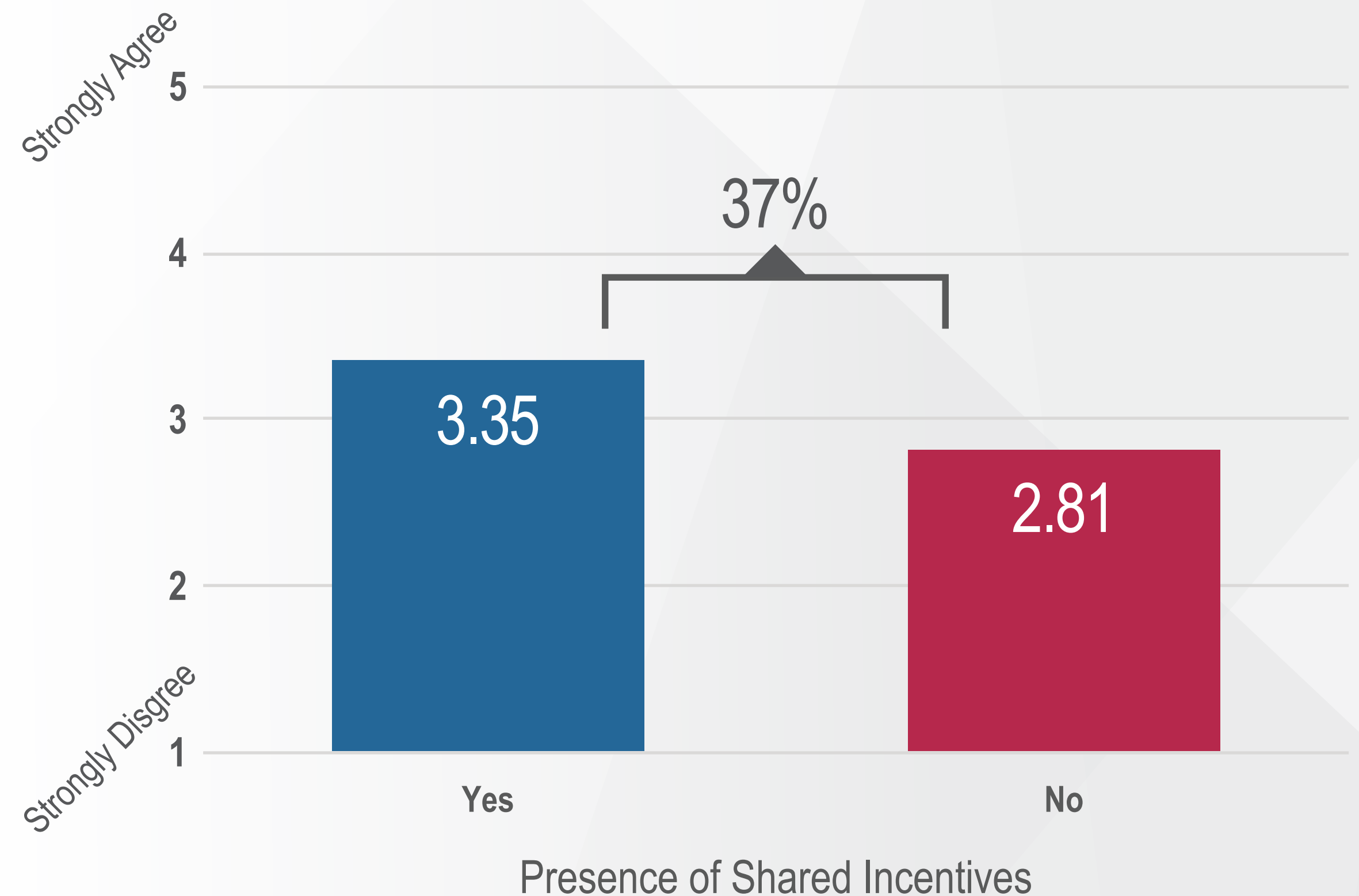
- Although consumer executives more strongly agreed that providers will be dis-intermediated by new direct-to-consumer offerings, there was notable variation across consumer functions.
- Among consumer executives, those with a clinical function disagree most that providers will be dis-intermediated by new direct-to-consumer offerings. This is aligned with the perspective of the physician leaders.
- With an overall average of 3.8 for all consumer executives, clinical executives were 1.13 points lower than the average.
- Clinical consumer executives are commonly practicing physicians, and are therefore less eager to agree that providers will be dis-intermediated by disruptive consumer offerings.



Collaboration Associated with a Better Understanding of Patient Perspective

- Health systems that have shared incentives to collaborate and produce a great patient experience were more likely to share an understanding of their customers.
- Executives at health systems with shared incentives had a 37% higher agreement level around understanding the consumer perspective than those who do not have shared incentives to produce a great patient experience.
- By implementing shared incentives to collaborate and create a great patient experience, physicians and consumer members alike can leverage their shared expertise to ultimately gain a better understanding of the patients.

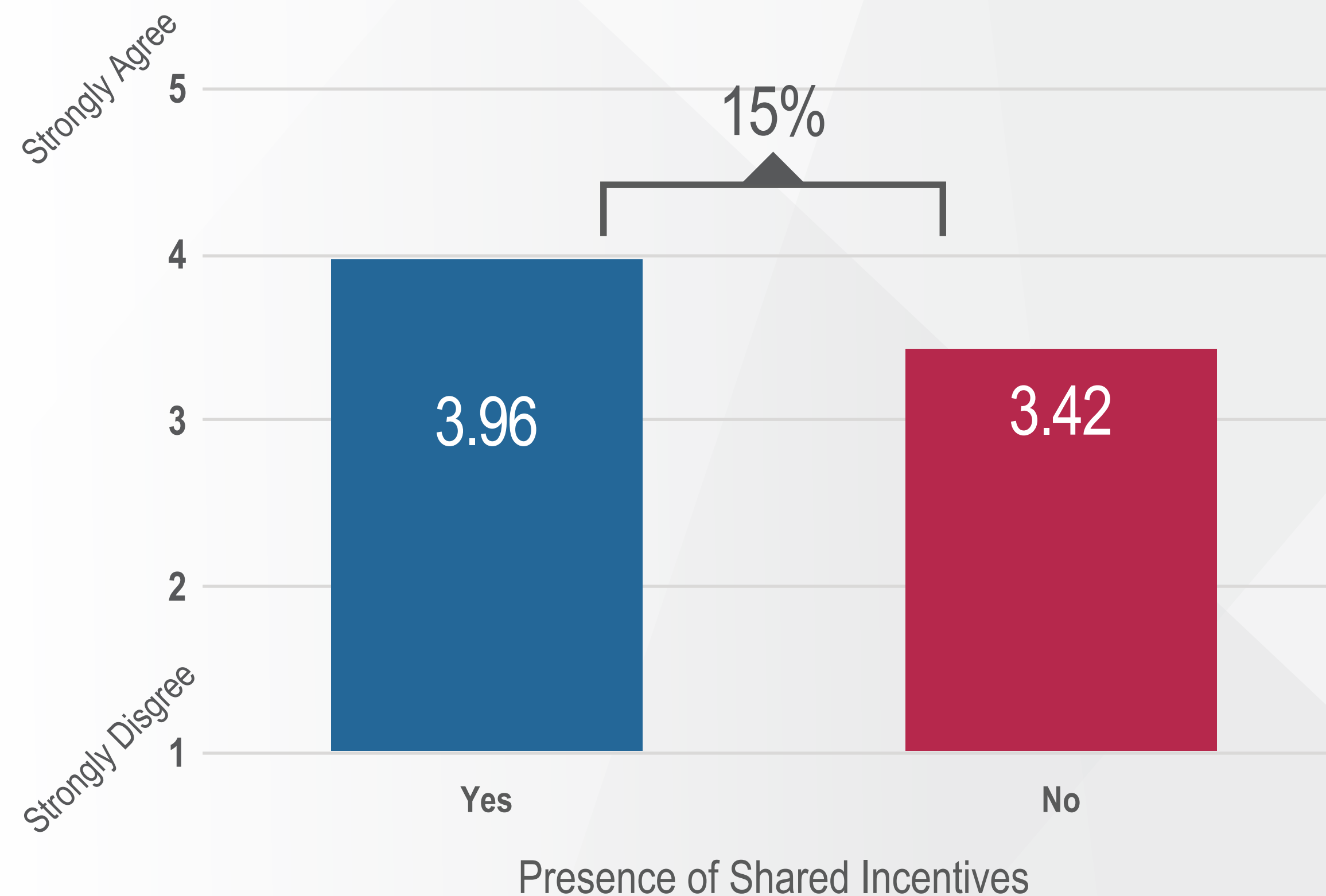
Mean Agreement with “Across the organization, we share an understanding of our customers, what they value, how they think, and how they feel”



Collaboration is Key to Market Differentiation

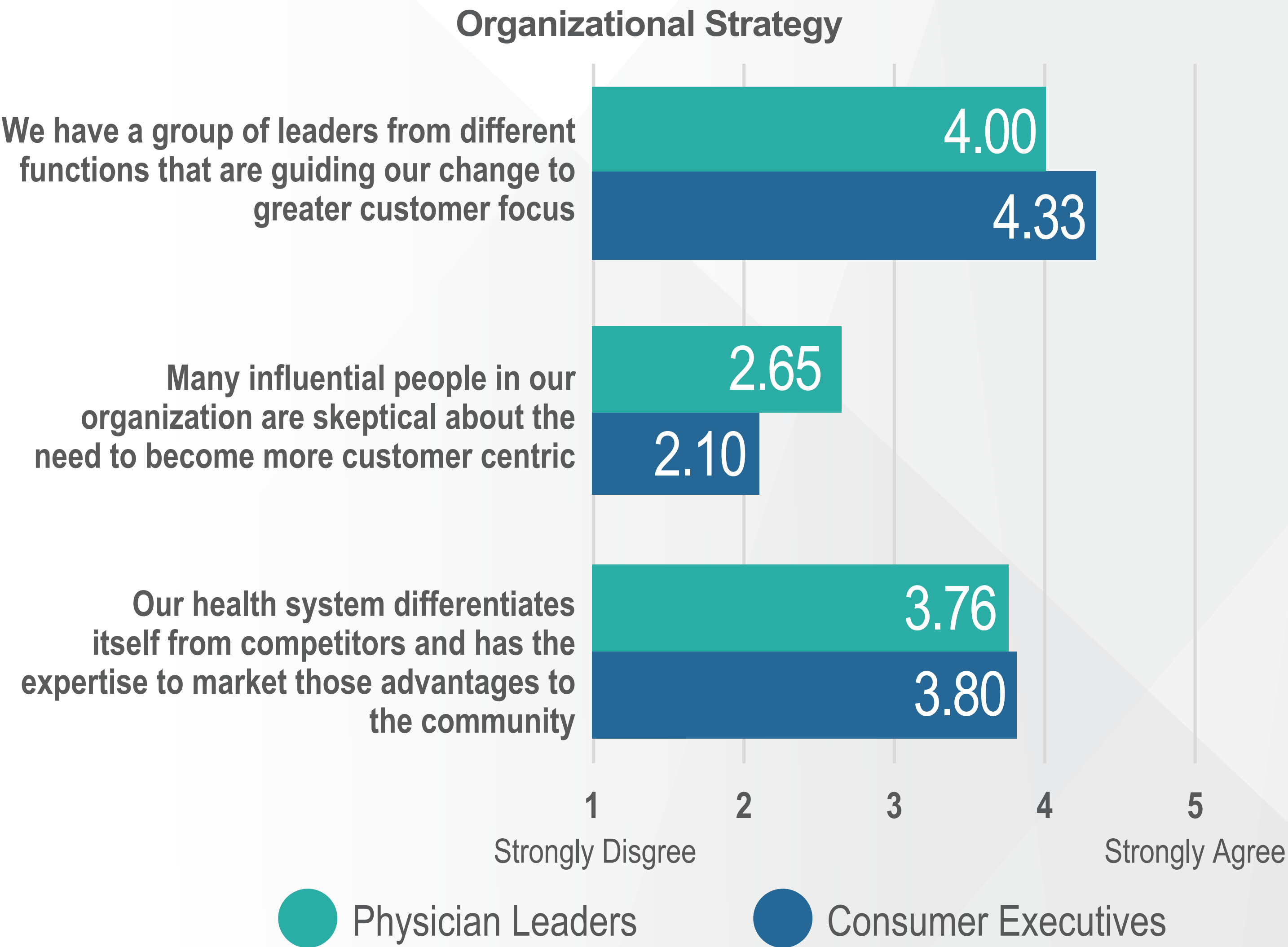
- Executives at health systems with shared incentives to collaborate and produce a great patient experience were more likely to differentiate themselves from their competitors and have the expertise to market those advantages to the community.
- On average, among health systems with shared incentives, agreement around the health system's competitive advantage and ability to differentiate itself in the market was 15% higher than those who do not have shared incentives to produce a great patient experience.
- Both consumer executives and physician leaders can leverage collaboration to more effectively compete for the consumers in their markets.

Mean Agreement with “Our health system differentiates itself from competitors and has the expertise to market those advantages to the community.”



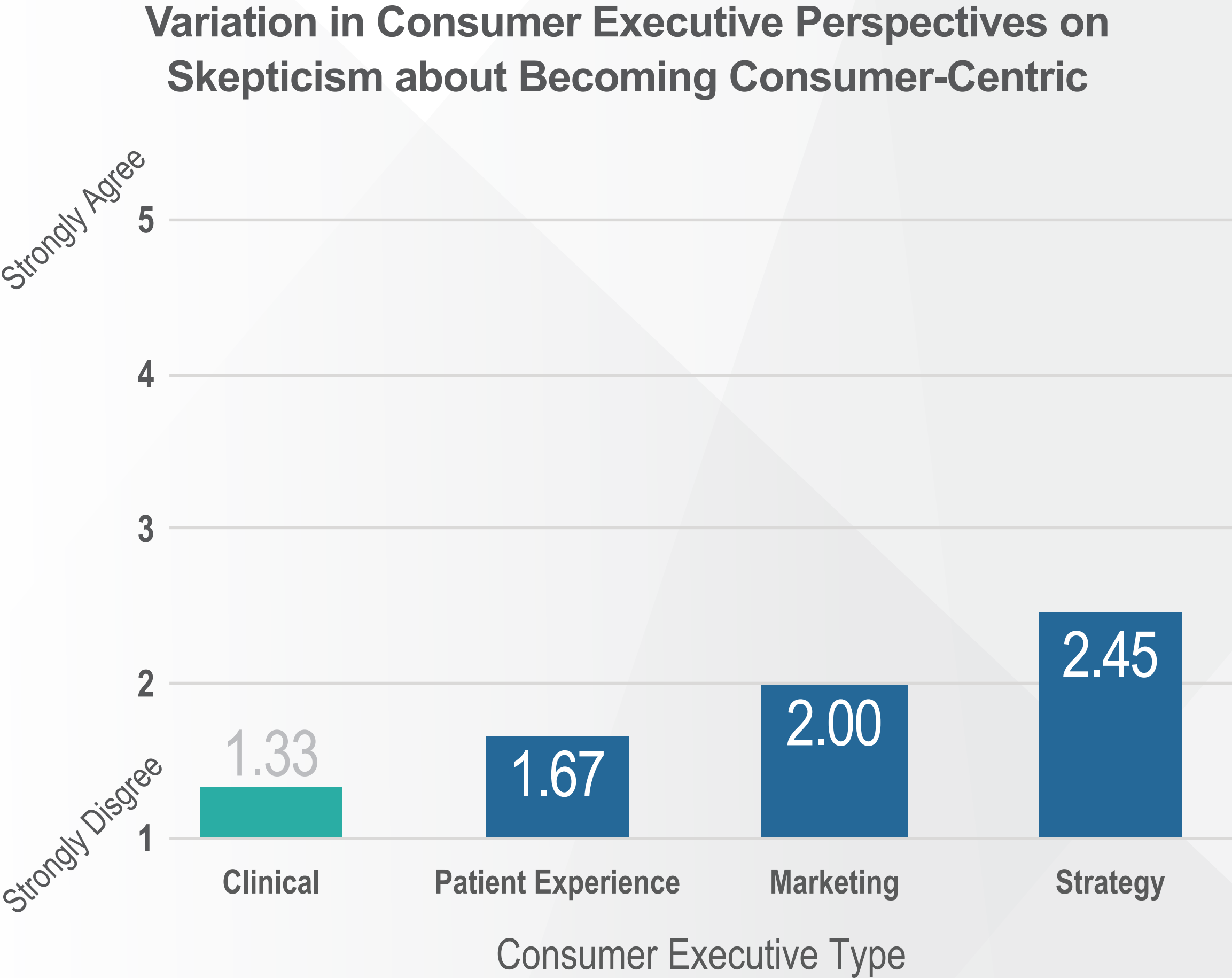
Both Agree Their Organizations Have Strong Leadership around Consumerism

- Consumer executives and physician leaders are in agreement that their health systems have leaders from different functions guiding the organization toward a greater consumer focus.
- Physician leaders are more likely to agree with the notion that some in their health systems are resistant to becoming more consumer-centric. While both groups disagree that leaders are skeptical of the need to become more consumer-centric, consumer executives are stronger in their disagreement.
- Both groups agree that their health systems differentiate themselves from competitors. However, as the average agreement is approximately 3.8, there is still progress to be made.



Clinical Consumer Executives Strongly Disagree on Skepticism about Consumerism

- Interestingly, although physician leaders generally agreed more that individuals in their organizations are skeptical about the need to be more consumer-centric, clinical consumer executives disagreed with that point most strongly.
- While the other consumer executive groups disagree with this question as well, clinical executives had the strongest response.
- On average, consumer executives rated their agreement as 2.1, making clinical consumer executives' rating 0.77 points lower than the average.



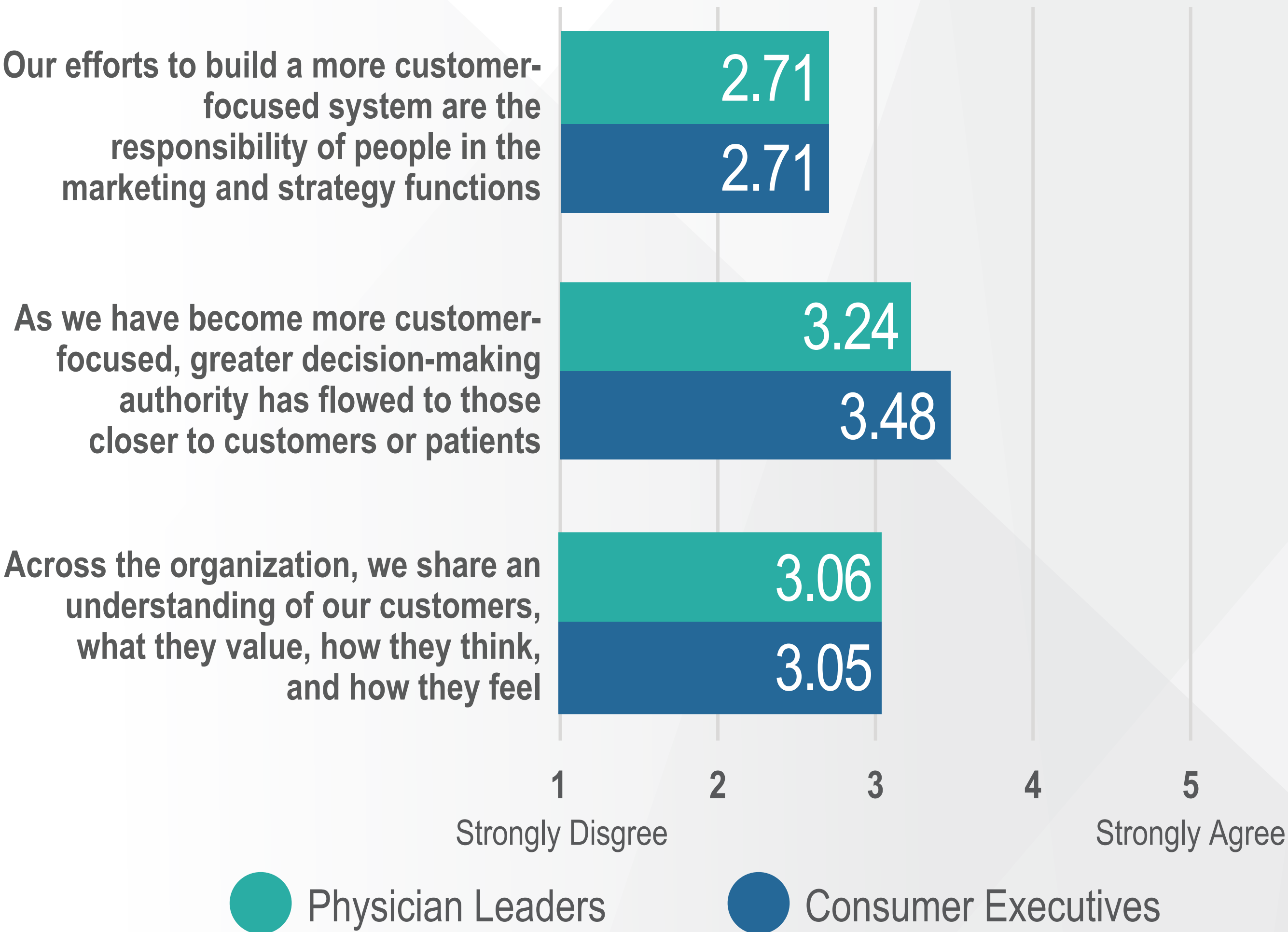
Executive Perspectives are Neutral on Consumerism Ownership

- Responses were generally neutral from both consumer and physician executives on ownership of the consumerism function. Overall, executives are consistent in their perspectives on this topic.
- Consumer executives and physician leaders slightly disagree that building a consumer-focused system is the responsibility of marketing and strategy functions.
- Although both groups think broader perspectives should be involved in building a consumer-centric system, they only slightly agree that decision-making authority has flowed closer to those working closely with patients.
- Both groups are neutral on the idea that their health systems understand their customers' values, thoughts, and feelings.

Our system is starting to think about consumerism and how to bring the care directly to the patient but have not mastered exactly how best to do that.”

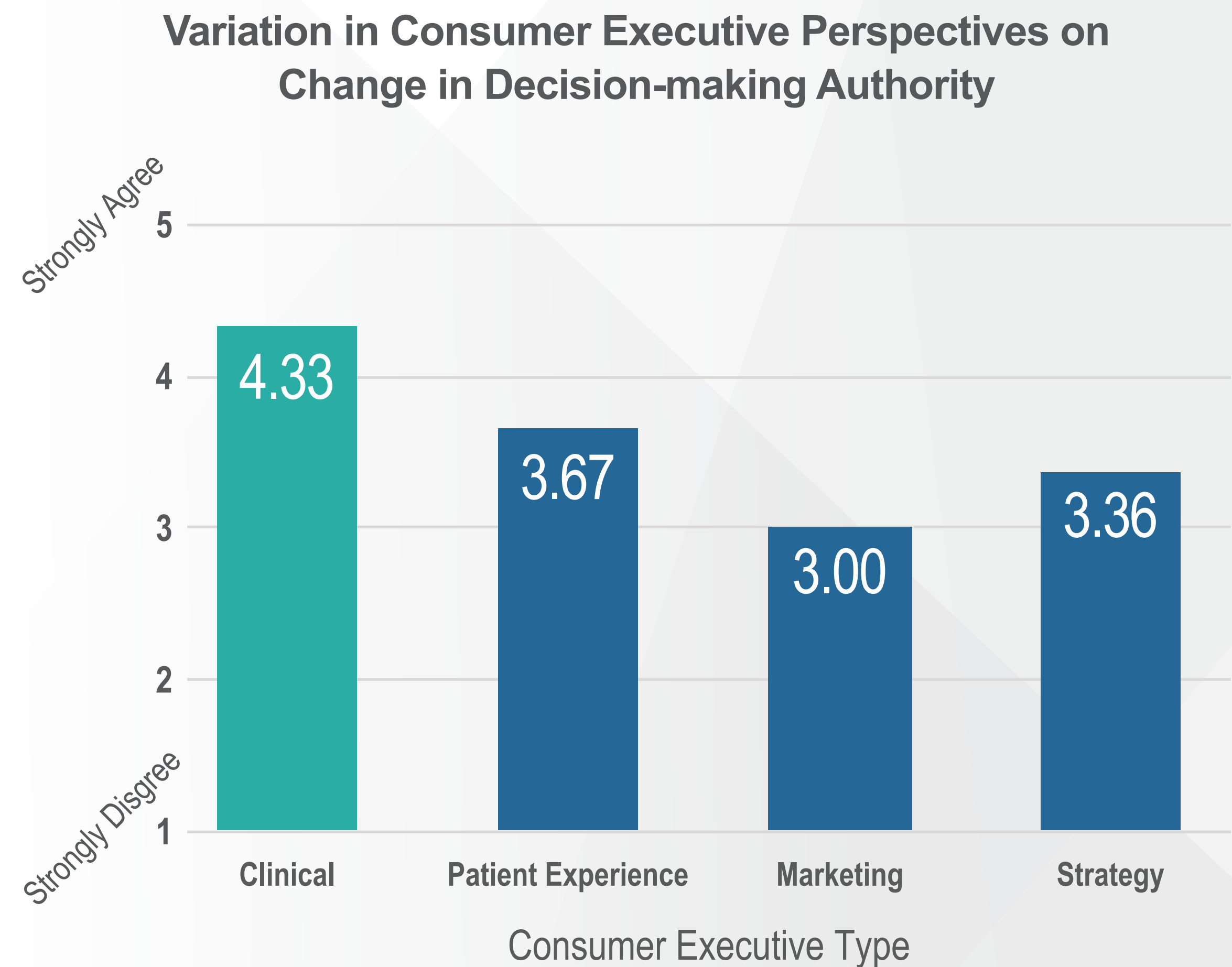
– Physician Executive

Ownership of the Consumerism Function



Clinical Executives Agree on Decision-making Authority

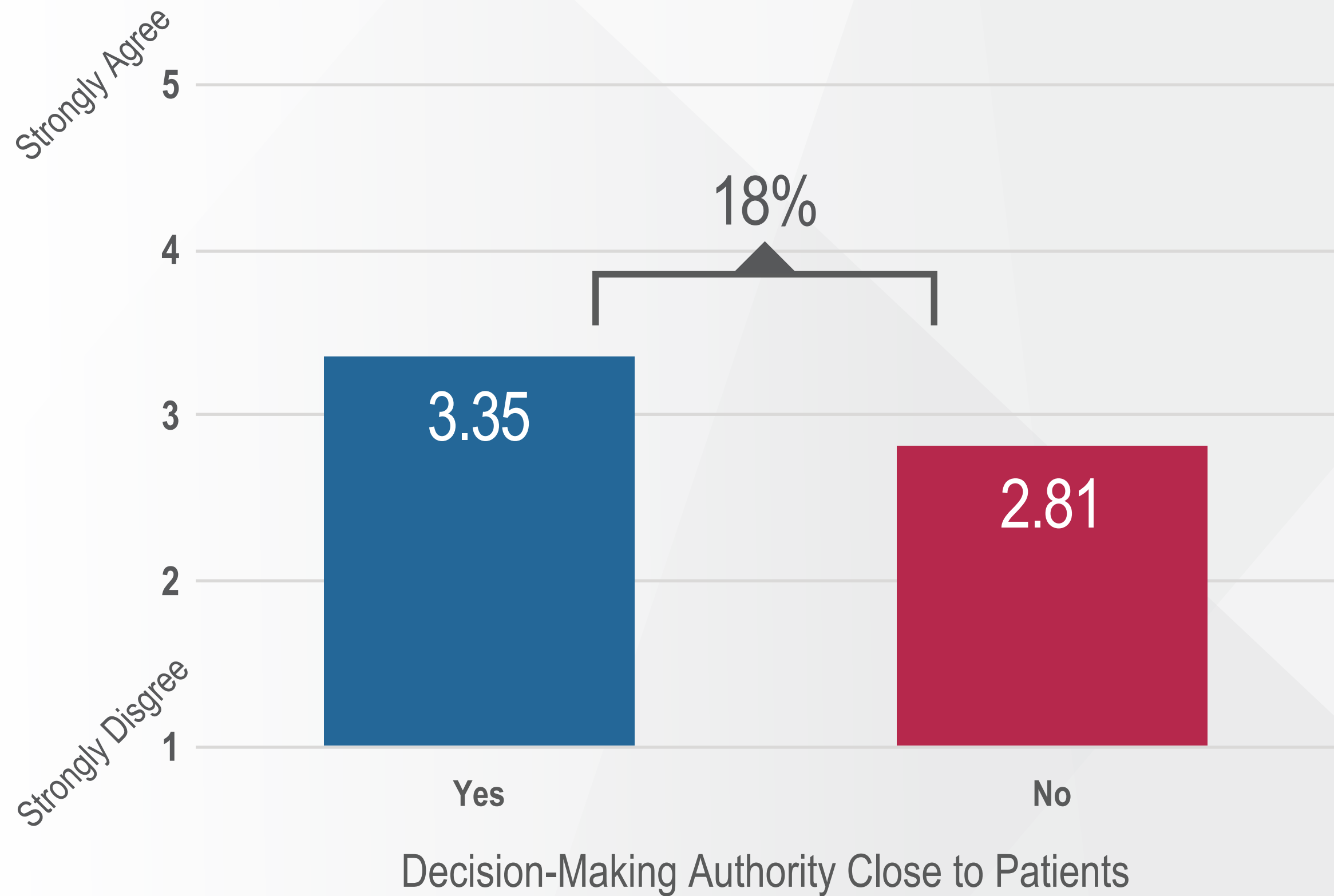
- Amongst consumer executives, clinical consumer executives highly agree that greater decision-making authority has flowed to those closer to customers or patients.
- Overall, consumer executives' average rating on the movement of decision-making authority is 3.47, while the clinical consumer executive average is 0.86 rating points higher at 4.33.
- Because clinical consumer executives are relatively closer to patients, they are more likely to observe the shift in decision-making authority compared to other consumer executive groups.



Decision-makers Closer to Patients Yield Advantages

- Executives who have seen decision-making authority flow to those closer to patients are more likely to note their health system shares an understanding of their customers.
- These health systems' mean agreement score to “Across the organization, we share an understanding of our customers, what they value, how they think, and how they feel” was 18% higher than the mean agreement score of those who have not seen decision-making authority move toward the patient.
- Although executives displayed only mild agreement around the change in decision-making authority, health systems where this is occurring are more likely to understand the values, thoughts, and feelings of patients.

Average Agreement with “Across the organization, we share an understanding of our customers, what they value, how they think, and how they feel.”



Some Variation within Individual Health Systems

- To explore the alignment of executives from the same health systems, the average standard deviation across all 11 questions was calculated.
- Most health system executives were aligned with others at their health system in their responses, indicated by the lower standard deviation for the health system.
- Only 3 health systems had a higher relative level of variation in responses, indicating lower levels of alignment across the various roles in the organization.

