

THE ACADEMY LUMERIS STRATEGIC TRACKING SURVEY

Q2-Q3 2018 TRACKING: CONSUMER ENGAGEMENT

SEPTEMBER 2018

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TRACKING CONSUMER ENGAGEMENT

INTRODUCTION

As the traditional role of the patient in health care has expanded to that of a unique, informed consumer with increased decision-making capabilities, consumer engagement and loyalty have become topics of increasing focus for Leading Health Systems. Reflective of this prioritization, health systems are implementing uniform, data-driven strategies for consumer engagement across their organizations.

In Q2 and Q3 of 2018, The Academy Lumeris Strategic Tracking Survey assessed health system consumer engagement strategies. This report discusses the results of these surveys.

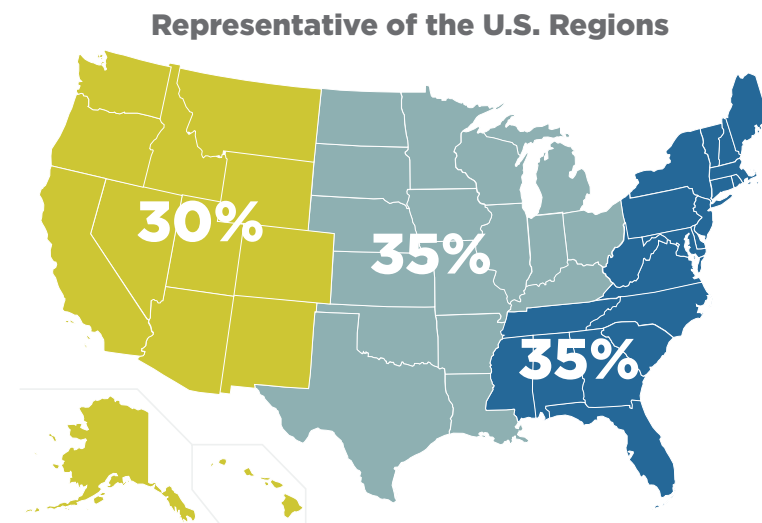
METHODOLOGY

From May to August 2018, The Health Management Academy (The Academy) conducted the fifteenth and sixteenth round of phone interviews for its quarterly strategic survey among Leading Health System executives, including: CEOs, COOs, CFOs, CMOs, CNOs, and CSOs.

The survey for the interview consisted of:

1. A tracking section that provides insight into trends around primary strategic areas; and
2. A special topic area that allows for an in-depth look into a timely developing issue.

PROFILE OF PARTICIPATING HEALTH SYSTEMS



**MEDIAN
REVENUE**
\$4.4
BILLION

OWN OR OPERATE
280 HOSPITALS
WITH **51,442 BEDS**

SINGLE-STATE SYSTEMS: **60%**
MULTI-STATE SYSTEMS: **40%**

KEY FINDINGS

1. Most responding health systems (80%) have a dedicated executive responsible for developing and leading a consumer engagement strategy at their organizations, most of whom report to the CEO or COO.
2. All health systems utilize in-house and/or external resources to conduct consumer research, primarily focused on access (60%), member/patient satisfaction (60%), and patient/consumer convenience (60%).
3. While most health systems have not developed a formal definition for consumer loyalty, many utilize metrics such as the Net Promoter Score and brand recognition to measure loyalty.

CONSUMER ENGAGEMENT LEADERSHIP

Most responding health systems (80%) have a dedicated executive responsible for developing and leading the consumer engagement strategy at their organizations, most commonly housed under the Marketing department.

Some health systems indicated having a team of executives managing consumer engagement, commonly including strategy, marketing, and patient experience executives.

The majority (54%) of consumer engagement executives report directly to the CEO, with some reporting to the Chief Operating Officer (23%). Other oversight roles include Chief Marketing Officer, President, or Chief Strategy & Growth Officer.

Executive Responsible for Consumer Engagement

Chief Marketing Officer

- » Chief Business Development / Marketing Officer
- » Chief Marketing and Strategy Officer
- » Chief Marketing and Communications Officer

Chief Experience Officer

Chief Consumer Officer

SVP of National Delivery System Strategy

VP for Consumer Solutions

Patient Experience Director

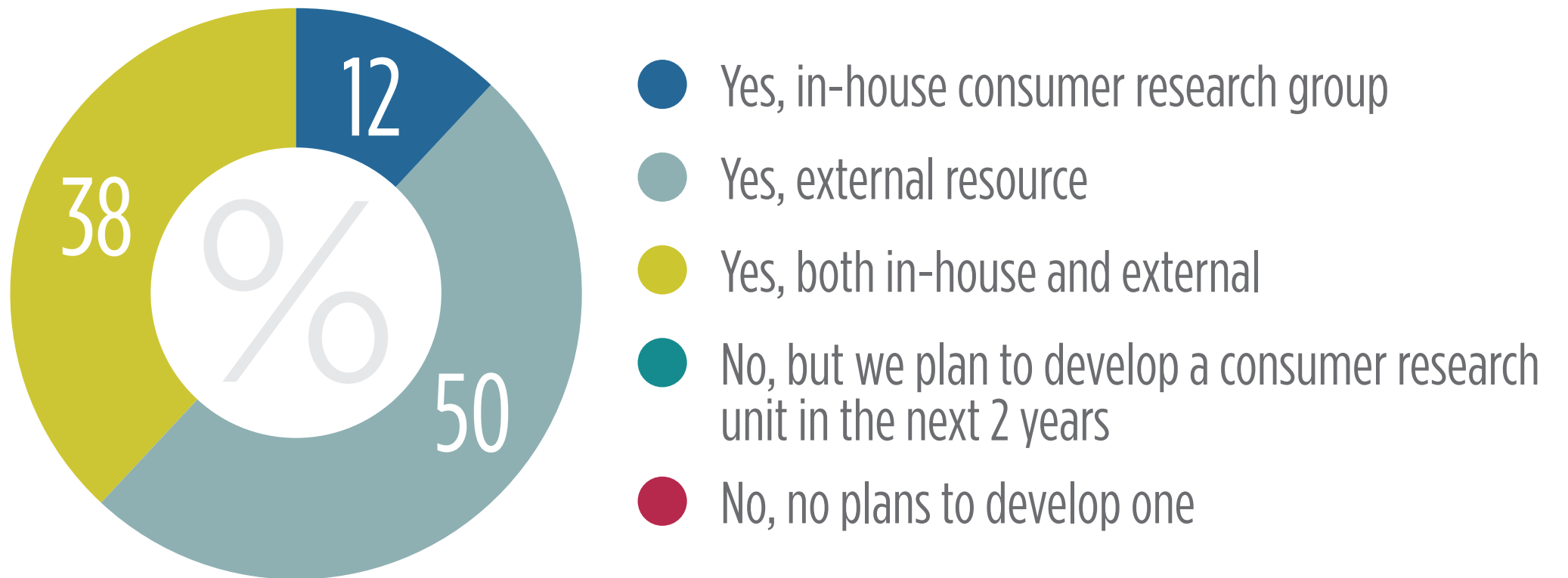
CONSUMER RESEARCH AREAS

All responding health systems conduct consumer research at their organization. Few organizations (12%) utilize an entirely in-house research group. Most organizations leverage an external resource for conducting consumer research, with some health systems solely contracting with an external resource (50%) or in combination with their in-house efforts (38%).

Health systems are focused on a variety of strategic areas in their consumer research:

- Access (e.g., call centers, walk-ins) (60%)
- Member/patient satisfaction (excluding HCAHPS) (60%)
- Patient/consumer convenience (60%)
- Marketing/branding (56%)
- Digital platforms (e.g., website, apps, telehealth) (56%)
- Price transparency (36%)
- Pricing/costs (36%)

DOES YOUR HEALTH SYSTEM CONDUCT CONSUMER RESEARCH?



We have an in-house consumer research group, but it's still unclear how effective they are and we may need to contract with external groups. The reality is that most places do not have the internal expertise to do it all." (CMO)

PRIORITIZING CONSUMER LOYALTY

Most health systems have not developed a formal definition for consumer loyalty at their organization, however many track consumer loyalty through a variety of metrics commonly collected through patient surveys.

- “The way we have defined consumer loyalty is focusing on PCP engagement. We’re measuring how attributed lives are engaging with us through our PCP growth strategy.” (CFO)
- “We have a brand preference monitor that we use. Goes back to willingness to recommend and net preference indicator – we want that to be positive.” (CEO)
- “We define consumer loyalty as the number of touchpoints. Once a consumer becomes a patient, the number of times they interface with the organization across the continuum. We have a consumer intelligence team in the marketing division.” (CSO)

The collection of consumer loyalty metrics and data is usually the responsibility of the marketing team, often with involvement from IT, operations, and strategy. Some health systems also involve clinical functions such as the Medical Group Leader or Quality department in the process as well.

Health system executives emphasize the need for ongoing communication among front-line clinicians and staff around how consumer engagement strategies support the mission, values, and goals of the organization as a crucial component of successful implementation and alignment.

“Consumer loyalty means that we are the preferred provider of choice for healthcare services, but also that we are first in a consumer’s mind when it comes to healthcare. We want to be thought of as the number one expert, but also as a partner in their care. To do that, we need to be friendly, easy to use, efficient and ensure that every experience is a positive one.” (CEO)

WHAT METRICS DOES YOUR HEALTH SYSTEM UTILIZE TO MEASURE CONSUMER LOYALTY?



ABOUT THE ACADEMY

The Health Management Academy (The Academy) is a membership organization exclusively for executives from the country's Top-100 Health Systems and most innovative healthcare companies. The Academy's learning model identifies top priorities of health system leaders; develops rich content based on those priorities; and addresses them by convening members to exchange ideas, best practices, and information. The Academy is the definitive trusted source for peer-to-peer learning in healthcare delivery with a material record of research and policy analysis. Offerings include C-suite executive peer forums, issues-based collaboratives, leadership development programs, research, advisory, and media services. The Academy is an accredited CE provider. More information is available at www.academynet.com.



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ABOUT LUMERIS

Lumeris is a value-based care managed services operator for health systems and providers seeking extraordinary clinical and financial outcomes. Recognized nationally by KLAS in 2018 for Value-Based Care Managed Services, Lumeris aligns providers and payers across populations with technologies, processes, behaviors and information to achieve high-quality, cost-effective care with satisfied consumers — and engaged physicians. It was the third straight year Lumeris received the distinguished Best in KLAS award. For the past seven years, Lumeris with Essence Healthcare, its inaugural client and learning laboratory with more than 65,000 Medicare members in Missouri and Illinois, has received 4.5- to 5-Star Ratings from the CMS and produced the highest consumer and physician satisfaction scores in the industry along with significantly better clinical outcomes and lower costs. For more information, go to www.lumeris.com.

**THE HEALTH MANAGEMENT ACADEMY EXTENDS ITS APPRECIATION
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