

**The Health Management Academy**

## Strategic Survey Q3 2019: Consumer Engagement

**October 2019**

# Consumer Engagement

## Introduction

The healthcare consumer landscape is rapidly changing, with patients seeking the convenience and transparency found in other industries. In response to this evolution, Leading Health Systems (LHS) are invested in more fully understanding consumer needs in order to personalize the patient experience and maintain their market share amidst growing consumer demands.

In this report, The Health Management Academy (The Academy) explores the various focus areas of consumer research, loyalty and satisfaction measurement tools, and price transparency resources LHS are leveraging to strengthen their consumer strategies.

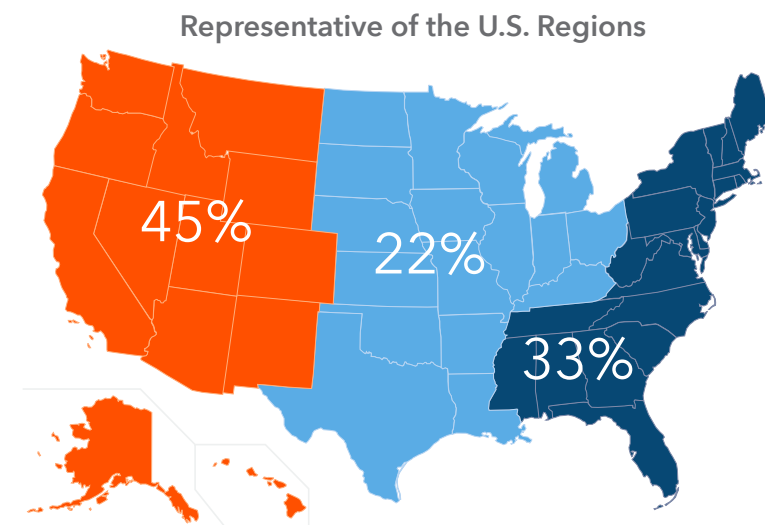
## Methodology

In July and August 2019, The Academy conducted the twentieth round of phone interviews for its quarterly strategic survey among LHS 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**  
\$3.6  
BILLION

OWN OR OPERATE  
**215 HOSPITALS**  
WITH **45,067 BEDS**

SINGLE-STATE SYSTEMS: **67%**  
MULTI-STATE SYSTEMS: **33%**

# Key Findings

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## Consumer Research

All health systems conduct consumer research, with marketing/branding (89%), member/patient satisfaction (89%), and access (83%) being the most common areas of focus.

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## Measurement Tools

Health systems leverage numerous measurement tools to assess consumer loyalty and satisfaction, most commonly Press Ganey surveys (78%) and the Hospital Consumer Assessment of Healthcare Providers and Systems (72%).

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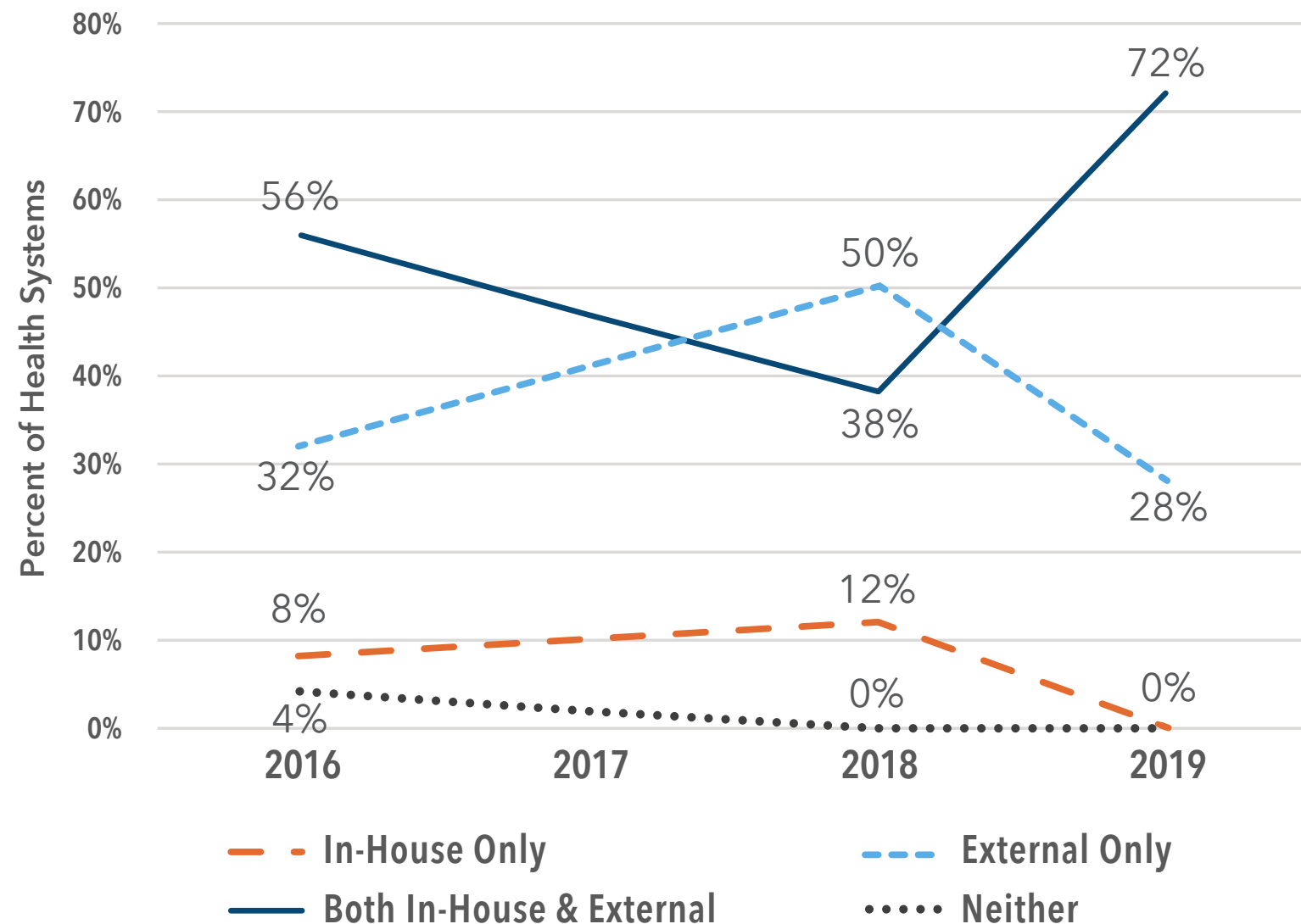
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## Price Transparency

A majority of health systems (53%) perceive their level of price transparency to be average, recognizing further research and additional resources are required to improve the patient financial experience.

# All Health Systems Conduct Consumer Research

## Consumer Research Over Time



Note: Data was not collected for this question in 2017.

## Increasing Use of Both In-House and External Partners for Research

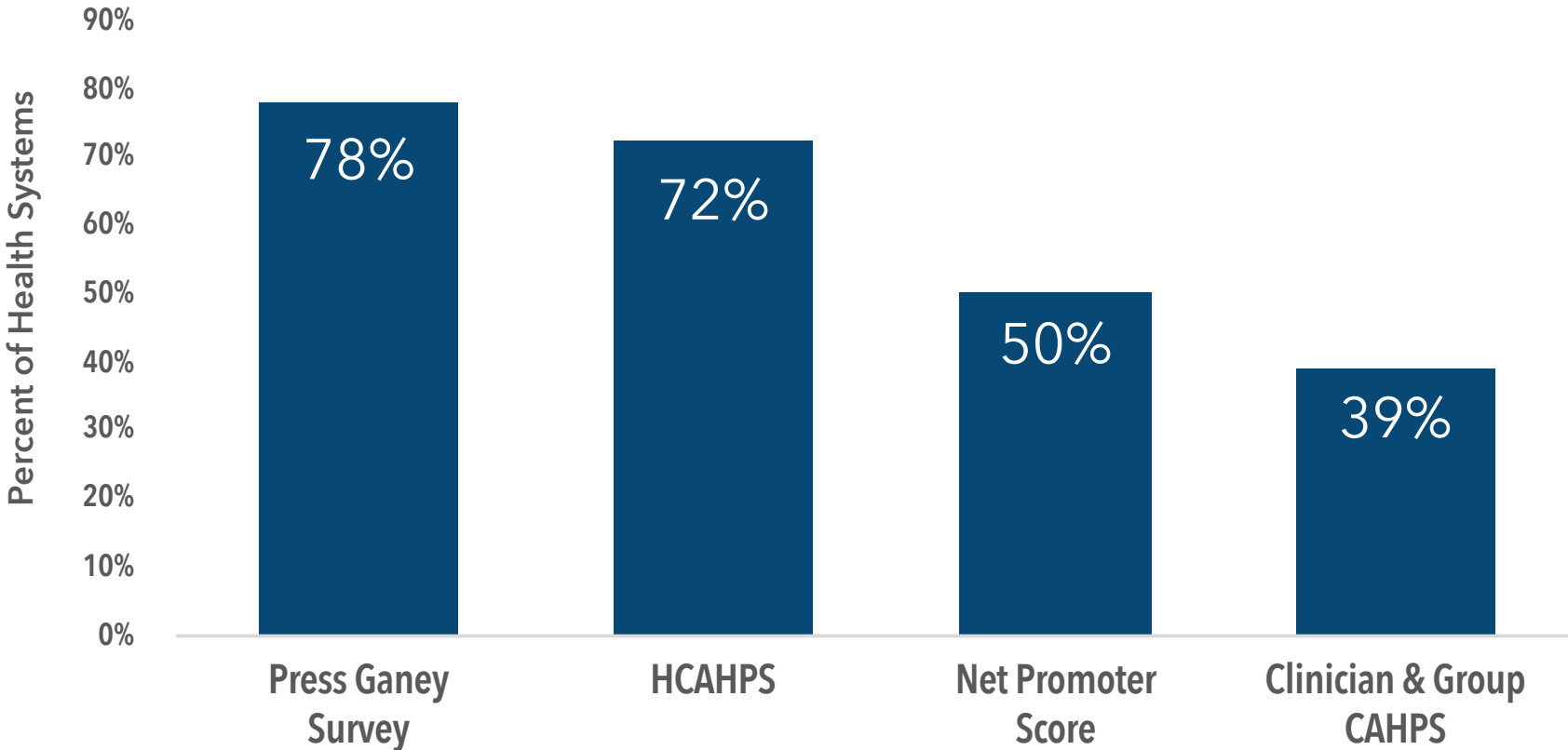
All health systems surveyed conduct some type of consumer research. A majority of these health systems leverage both external and in-house resources to conduct consumer research (72%), whereas 28% only outsource. Compared to 2018, the number of health systems conducting consumer research through both internal resources and external partners has drastically increased.

## Marketing and Brand Awareness is a New Top Area of Focus

The top three areas in which health systems focus consumer research include marketing/branding (89%), member/patient satisfaction (89%), and access (83%). This has slightly shifted since 2018 when the top three areas were member/patient satisfaction (60%), access (60%), and patient/consumer convenience (60%). As health systems look to increase public awareness of their services, a higher priority is now being placed on marketing and branding than before. Conversely, fewer health systems have prioritized consumer research focused on pricing and price transparency despite increased attention on issues surrounding affordability and patient billing.

# Loyalty and Satisfaction Measured in Various Ways

## Consumer Loyalty and Satisfaction Measurement Tools



Note: These tools are not mutually exclusive of one another (e.g., Press Ganey can serve to implement other surveys including HCAHPS, CG-CAHPS, and NPS).

### Patient Satisfaction Most Commonly Measured by Press Ganey and HCAHPS

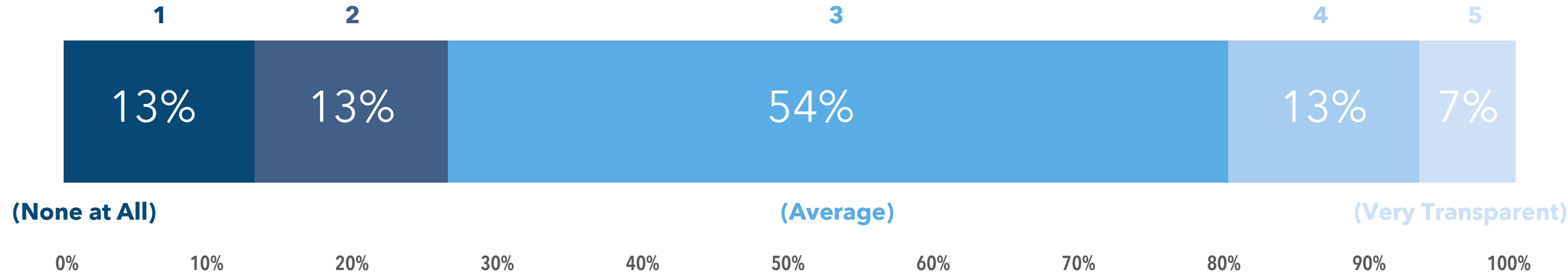
The most commonly used tools to measure consumer loyalty and satisfaction include the Press Ganey survey (78%), the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey (72%), Net Promoter Score (50%), and the Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CG-CAHPS) survey (39%). Thirty-five percent of health systems surveyed use all of these tools, but the majority of health systems (59%) only use one or two. Health systems reported using Net Promoter Score and Press Ganey to assess overall patient satisfaction, whereas HCAHPS and CG-CAHPS are used to assess satisfaction in specific clinical settings. Health systems report switching between these assessment tools over the years and experimenting with the measurements needed to meet their specific needs and questions.

Other consumer loyalty and satisfaction measurement tools mentioned include NRC Picker, Google, website/social media star ratings, and in-house and external focus groups.

**“We use outside services to help with surveys and evaluation criteria. We want to know how we compare absolutely and relative to others. We ask members directly about satisfaction and also use outside assessments. This gives folks the opportunity to share feedback with us directly and indirectly through third-party assessments.” – CFO**

# Most LHS Report an Average Level of Price Transparency

Perceived Level of Price Transparency

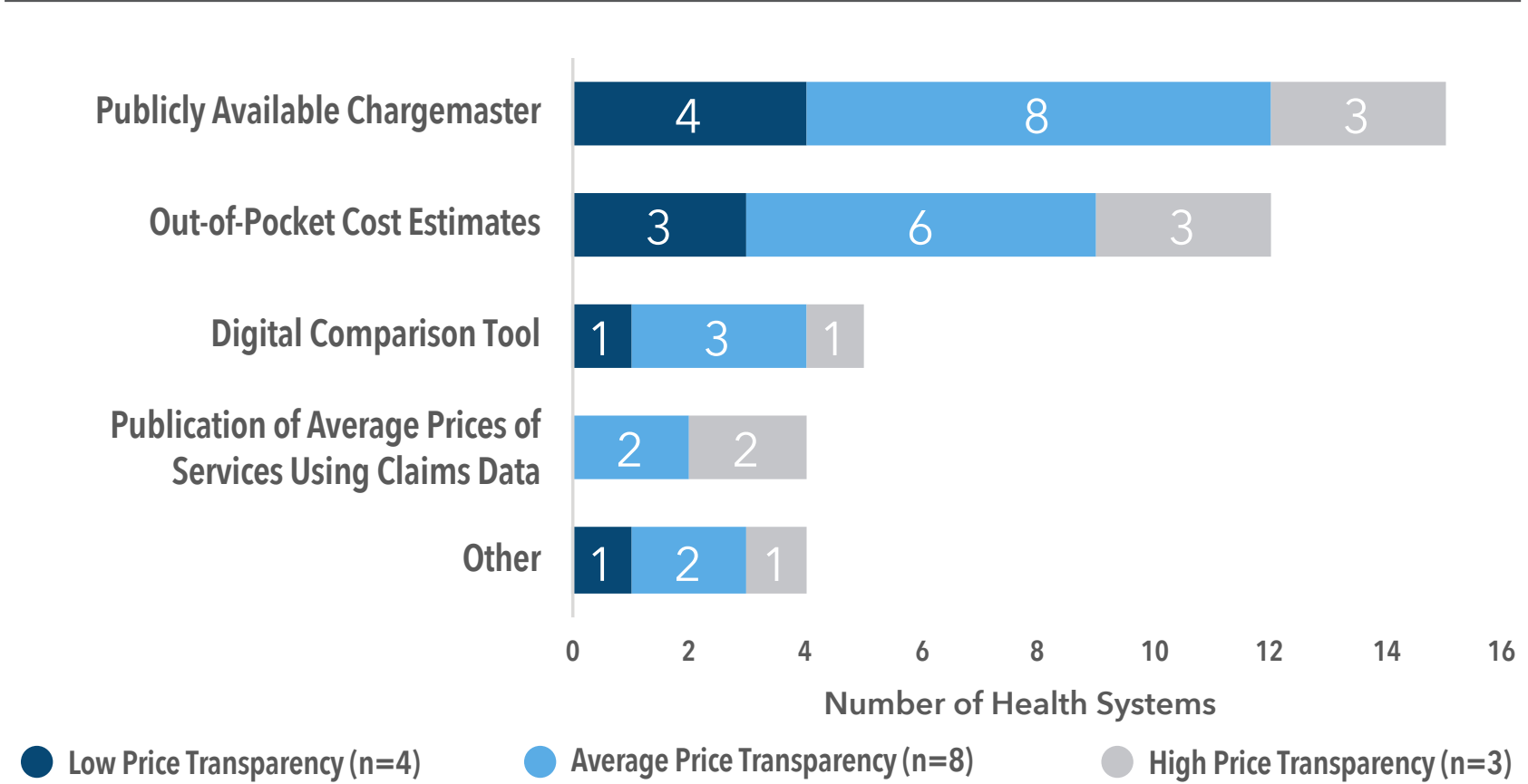


Most health systems surveyed (54%) perceive their level of price transparency to be average (3), whereas low (1-2) and high (4-5) ratings were 27% and 20%, respectively. This trend may be reflective of the relatively lower focus of consumer research on pricing and price transparency. Additionally, health system executives acknowledge that their perceived ratings may be different than the scores patients would give.

Over the next 12 months, 54% of health systems anticipate their price transparency levels improving, whereas 46% anticipate them remaining the same. Among health systems that anticipate no change, these systems generally indicate they have already reached a sufficient level of transparency. Strategies health systems leverage to improve price transparency include forming partnerships with payers, creating an environment that does not depend on the unreliable prices of the chargemaster, collecting prospective payments from patients when possible, and designing better price transparency tools for patients.

# Despite Complexity, Cost Estimation Viewed as Helpful

Resources Provided to Help Patients Navigate Healthcare Pricing



## Chargemaster Ultimately Not Seen as Helpful for Patients

The most common resources health systems provide to assist patients in navigating healthcare pricing are publicly available chargemasters (100%) and out-of-pocket cost estimates (80%). Despite all health systems having a publicly available chargemaster, they do not find this resource helpful, as it does not accurately report the actual cost of care to patients. Rather, out-of-pocket cost estimates and digital comparison tools are perceived as more useful to patients. Notably, health systems with high perceived price transparency offer more pricing resources compared to systems with perceived low or average price transparency.

## Executives Recognize the Complexity of Price Estimation

No health system currently requires clinicians to communicate cost information to patients at the point of care. However, many executives recognize the importance of making cost information available to physicians to allow for better patient-provider dialogue and more informed provider decision-making regarding cost.

Overall, executives recognize that pricing can be complex but acknowledge that the cost of some services is easier to estimate than others (e.g., pharmaceuticals compared to surgeries). Health systems hope to provide both patients and providers with better resources in the future to address patient expectations around price transparency.

**“It’s not just a matter of posting a price, but what if you have a comorbid condition that moves you away from the path that you think you’re going to be on price-wise? What happens if other things occur? It’s not an exact science, so we need to educate the consumer on why it’s not an exact science.” – COO**

# 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 [hmacademy.com](http://hmacademy.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. 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. For the past eight years, Lumeris with Essence Healthcare, its inaugural client with more than 63,000 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](http://www.lumeris.com).

**The Health Management Academy extends its appreciation  
to Lumeris for the financial support for this project.**

