



WHITE PAPER

The consumer confidence crisis

Confidence in healthcare is at an all-time low. What can you do to win it back?



For more than 35 years, NRC Health has been committed to achieving human understanding. We enable healthcare organizations to know the people they care for with greater clarity, immediacy, and depth. Our partners are able to illuminate and improve the key moments that define an experience and build trust. Guided by our uniquely empathic heritage, proprietary methods, skilled associates, and holistic approach, we help our partners design experiences that exceed expectations, inspire loyalty, and improve well-being among patients, residents, physicians, nurses, and staff.

The consumer confidence crisis

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Introduction

More than most sectors of the economy, America's healthcare has been slow to adapt to evolving consumer expectations. The embrace of the internet has been tentative. Many hospital systems lack basic online billing or appointment-setting services, and marketing departments are still working to embrace the digital age.

More troubling, important innovations can take a frustratingly long time to mature. New drugs and devices languish under the extraordinary burden of regulatory red tape. Even straightforward enterprise improvements can take years—ask any large hospital trying to implement a new electronic health-record system.

All of this makes healthcare in America appear slow and stagnant from an insider's point of view. But from the perspective of patients, changes to their experience of care have left them feeling bewildered.

From vitriolic policy battles to surging out-of-pocket costs and the constant re-shuffling of provider networks and models of care, consumers feel adrift in a healthcare system that moves without their input.

The confidence crisis

The fact that consumers have trouble understanding healthcare shouldn't be too surprising. Healthcare is the largest, most complex segment of the American economy. Even industry experts can't claim to understand every aspect of it.

Regardless of how much they understand about it, consumers ought to feel that they can trust the healthcare industry, considering how much is at stake for them. But research reveals that they don't. According to NRC Health data, consumers rate their confidence in the healthcare industry as a whole at just 65.5 out of 100 on average. Trust scores are even lower among people aged 18 to 34 (an average of 61.7), as well as among those earning under \$25,000 per year (59.3).

Consumer confidence looks even worse when it comes to the evaluation of physicians. A large proportion of healthcare consumers do not believe that doctors act in the patient's best interest: they give doctors an average confidence score of just 53.2 out of 100.

HEALTHCARE CONSUMER CONFIDENCE TRENDS

December 2017

Consumer confidence

65.5/100

Confidence in doctor

53.2/100

Healthcare innovation

61.4/100

Healthcare affordability

23.9/100

Healthcare experience

72.9/100

Healthcare deferment

23.2%

Uninsured consumers

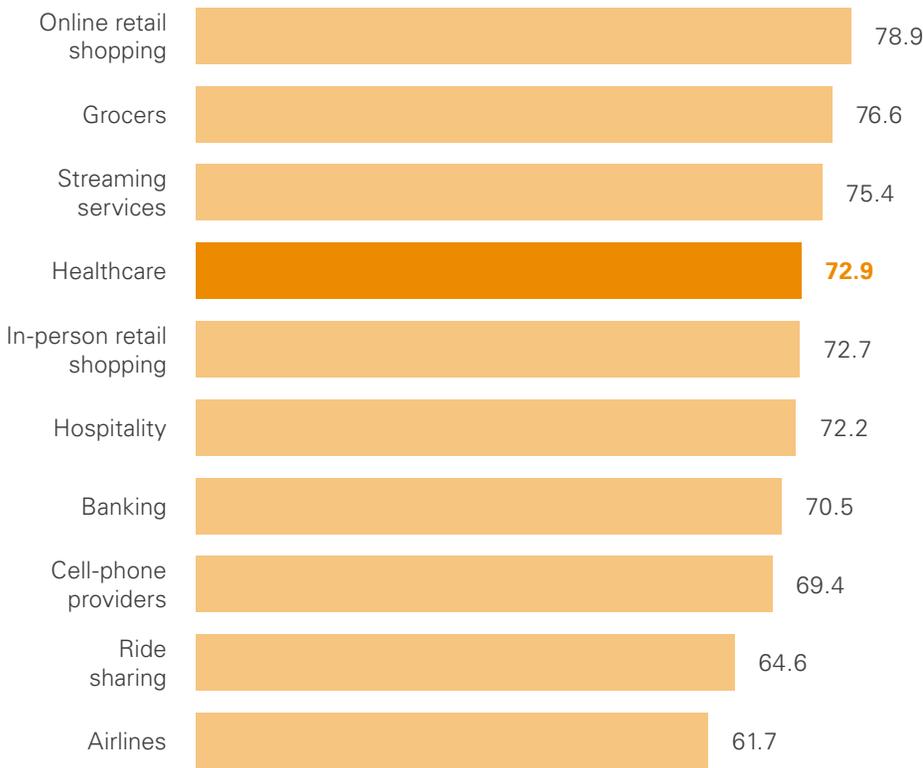
8.9%

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Figure 1

OVERALL QUALITY OF EXPERIENCE BY INDUSTRY



What’s especially startling about these figures is that patients actually rate their care experiences rather well, scoring them at 72.9 out of 100 on average. By comparison, this score beats out experiences with other service-oriented industries like hospitality and ride-sharing, and is tied with brick-and-mortar retail shops. The highest-rated industry segment, online retail shopping, scored just 78.9. (See figure 1)

Where does this disconnect come from? Why do patients mistrust physicians and the industry at large, while at the same time reporting high overall levels of satisfaction with their care experiences?

Trust, value, and price

ADDITIONAL NRC HEALTH DATA INSIGHTS MAY SHED SOME LIGHT ON THE DIVIDE.

One possible culprit may be a widespread perception of stagnation. Consumers overall give healthcare an average 61.4 out of 100 for innovation. This low score is problematic for an industry predicated on high-technology service. It may suggest that consumers believe healthcare organizations aren’t devoting enough resources to solving extant problems or meeting the needs of tomorrow.

61.4 /100

is the score consumers give healthcare’s innovation—suggesting it lacks

But the more likely source of consumer mistrust is the perception of price versus value. It will surely not surprise healthcare leaders to learn that American consumers rated healthcare's affordability at just 23.9 out of 100 on average.

The rise in uninsured patients compounds the problem. The enactment of the Affordable Care Act has driven a sharp decline in the proportion of uninsured patients—from 18.2% in 2010 to 8.9% in 2016. Recently, however, the number of patients without coverage has begun to rise again, reaching 9.5 percent in 2017. More patients are paying out of pocket for coverage, leaving them fully responsible for ever-increasing hospital bills.

Of course, not all of these patients can meet the expense. Sticker shock from healthcare costs often persuades them to defer care: a full 23.2 percent of consumers reported that they have delayed treatment within the last six months.

That troubling statistic should give healthcare leaders pause—and it may illuminate the root of consumer mistrust of the industry. Feeling priced out of care, patients grow resentful. High price tags also draw attention to the seemingly commercial ambitions of healthcare systems and, in turn, garner a cynical reaction from consumers. The overall effect of this is a pervasive atmosphere of confusion, mistrust, and alienation.

How to win back confidence from consumers

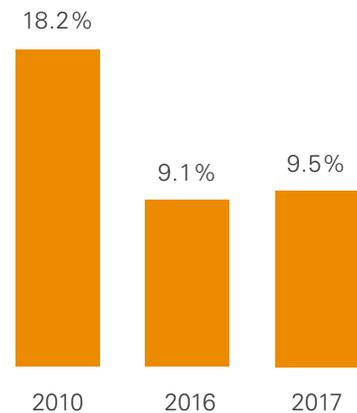
FACED WITH ESTRANGED CONSUMERS, WHAT SHOULD HEALTHCARE LEADERS DO?

For most organizations, dramatically cutting prices is not a realistic prospect. Health systems, by and large, do not enjoy wide enough profit margins to offer globally discounted services.

Instead, healthcare organizations should be focusing on enhancing the value they offer to patients. By finding new ways to connect with consumers, healthcare organizations can begin to earn back the trust that has been eroded over the last few decades.

This starts with pursuing a deep, holistic understanding of patients' wants and needs. By being able to understand each patient's complete care journey—from the moment an ailment arises until the months after discharge—healthcare systems can bring the state of service closer to what patients expect. Ultimately, that will restore consumer confidence in healthcare.

Figure 2
UNINSURED PATIENTS



23.9/100

is how consumers rate healthcare's affordability

23.2%

of consumers reported that they have delayed treatment within the last six months because of expense

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Hear the voice of your customers with real-time feedback

Traditional feedback methodologies don't reflect patient preferences. A simple way to earn back patient trust is to advance beyond those methodologies. Use modern, real-time feedback platforms to meet patients where they are and capture their opinions while the care experience is still fresh in their minds. Patients will appreciate your efforts.

They'll happily supply much more accurate feedback, and if something went wrong over the course of care, your organization will find out within hours, not weeks. That leaves plenty of time for service or clinical recovery, which was made cumbersome—and in some cases impossible—under traditional means of feedback collection.

Patients, after all, want to tell you how their care experience went. But an average of 43.8 percent of them say they'd prefer to give their feedback within a few days of the episode; 29.2 percent say they'd rather give it within a few minutes. Mail-in surveys, like the CMS-mandated HCAHPS survey, can take four to six weeks to arrive in a patient's mailbox. To many patients, these mail-in surveys are seen as outdated or inconvenient, and may discourage candid feedback. (That may explain why the average HCAHPS response rate is just 32 percent per year.)

43.8% of consumers prefer to give their feedback within a few days

29.2% of consumers prefer to give their feedback within a few minutes

By contrast, the NRC Health Real-time feedback platform reaches patients with the right questions, right when that matters most: before, during, or immediately after care. It contacts 100% of patients via email, SMS, or interactive voice response (IVR) technology.

These modern modes of communication present a friendlier, more intuitive feedback experience for the consumer—and can be an indispensable tool for improving your organization.

COMMUNITY INSIGHTS: KEEP THE CUSTOMER FRONT AND CENTER

Ochsner Health System is southeast Louisiana's largest nonprofit academic, multispecialty healthcare delivery system. They are driven by a mission to "Serve, Heal, Lead, Educate and Innovate." The health system sees more than 2,000,000 patients each year and has over 18,000 employees, including 1,100 physicians.

The flagship hospital, Ochsner Medical Center, is a 473-bed hospital located in Jefferson, Louisiana. For Ochsner Medical Center, Community Insights reliably delivers critical information about their market. Ochsner commissions NRC Health to survey its patient panels in **three unique studies every quarter**. These short, targeted surveys—each no more than 10 questions long—deliver high rates of response and return detailed data that can be put to immediate use.

One of these studies found, for instance, that Ochsner's patients would be willing to double their co-pay for specialty telemedicine—a terrific revenue opportunity that would otherwise have gone unnoticed.

Aside from a steady flow of intelligence, Community Insights also enables simple continuing engagement. For Ochsner, this means the distribution of a quarterly newsletter, along with a quarterly sweepstakes to thank patients for their contributions. These low-touch interactions **decreased Ochsner's panel attrition rate to under 10 percent**, ensuring that its panels will remain an enduring asset for the organization.

Tap into your best resource: your patient community

Ultimately, the best operational improvements spring from a spirit of service, and make meaningful efforts at meeting and exceeding patient expectations. The best way to discover precisely what patients want? Ask them.

Feedback surveys can help give a broad view of your organization's impact in your community. But for a more refined vision of what your patients expect, you'll have to delve into the details. There's no better tool for this than an engaged patient panel.

These panels open up a line of dialogue between your organization and your customers. Moving beyond rigid, standardized survey instruments, panels leave room for open-ended discussions. This facilitates a sincere exchange between provider and patient, where ideas can emerge organically.

NRC Health's Community Insights tool makes creating these panels automatic and effortless. Once you're reaching out to every patient in real time, you can invite them to join a panel of stakeholders who feel invested in improving the organization and overall patient care experience. This opt-in mechanism ensures that panels will attract enthusiastic and dedicated participants.

After deployment, Community Insights is always working, continuously building up your patient panel to make it bigger, smarter, and more representative of your patients. With no further input from your team, panels become well-honed instruments capable of sounding out the needs of your customers.

Your organization will get meaningful, in-depth insights within hours of posting a question. You'll be able to secure rapid feedback about strategic initiatives, pose detailed questions about minute aspects of the patient experience, and inform your direction for the future.

The path to rebuilding consumer confidence

In an industry fraught with instability, it's easy to see the appeal of a group of customers remaining engaged with your organization for the long haul.

That's because it's not just patients that feel the thrash of change. Entire health systems, too, can feel at the mercy of forces too large to manage. But with a little foresight and the right tools, healthcare leaders can orient their organizations around authentic service to patients, and thereby thrive in the consumerist future to come.

Setting up a Community Insights Panel is easy:



Use the NRC Health Real-time feedback solution to invite your patients to join the panel.



The patients who opt-in for panel participation are your enthusiastic and dedicated participants.



Community Insights continuously builds up your patient panel, making it more representative of your patient population.



At any time, you can pose a question to the panel and get immediate feedback.

HOW DOES YOUR BRAND MEASURE UP?

Would you like to know how much confidence consumers have in your organization? Our Loyalty Index can show you how your brand measures up in your community.

Visit nrchealth.com/loyalty.

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**NRC Health helps healthcare organizations
better understand the people they care for and
design experiences that inspire loyalty.**

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