
The U.S. Healthcare industry today faces a more demanding healthcare consumer who, saddled with a larger personal financial burden, is shopping their business and choosing the providers that deliver better information and more choices. This is unfamiliar territory to many healthcare providers, but a customer-first retail model offers many helpful strategies for success in an increasingly consumer-driven healthcare marketplace.

LAFAYETTE, Calif. (PRWEB) November 27, 2018 -- Let’s be clear. We at Loyale Healthcare do not believe that hospitals or health systems will ever offer half-off knee replacements on the day after Thanksgiving. But the retail industry’s classic, customer-first model offers some helpful direction for providers that find it increasingly difficult to attract patients and the all-important revenue those patients direct.

The Black Friday phenomenon can be broken down into three parts: Value + Enticement + Urgency. Value represents the product being offered, its attractiveness and discounted price. Enticement represents the methods retailers use to make people aware of - and excited by - the opportunity to buy. Urgency is created by a limited window of availability. In this article, we’ll take a look at how the same dynamics affect consumers of healthcare and ways healthcare providers can deliver more appealing “products” to the markets they serve (and hope to serve).

Providers are Embracing Retail-like Patient Experiences

When high-deductible health plans were first introduced, it was predicted that patients who had more personal financial responsibility would be more judicious about the care they sought. That was 12-years ago, and the patient consumerism these plans were designed to help stimulate is at last becoming a reality. The results are only just beginning to impact the industry, inviting disruption and encouraging innovation in ways that few could have predicted just a few short years ago.

This phenomenon is noted in an article written for Becker’s Healthcare by Jonathan L. Manis, Senior Vice President and CIO for Sutter Health titled “Let’s Stop Talking About Digital Disruption”. In it, Mr. Manis points out that “the healthcare industry is being disrupted by consumer-centric organizations that offer retail-like health and wellness services specifically designed to meet and exceed the expectations of today’s healthcare consumers.” He goes on to observe that, “The disruptors leverage digital tools and technologies to provide that enhanced customer experience”. He concludes his introduction with “disruption is being caused by their commitment to a superior customer experience, not by their commitment to digital technology. It’s a mindset issue. It’s a structural, cultural, behavioral issue. And it’s a critically important distinction.”

Mr. Manis goes on to describe a “clear and present danger” he calls Delight Disruption, which is defined as “any customer-centric venture that offers traditional medical diagnosis and treatment services specifically designed to enhance the customer experience and delight the consumer…when, where and how it is most convenient for you (the customer).”

Demonstrating Value: Adaptive Patient Experiences for Healthcare’s New Retail Paradigm
How does a healthcare provider position itself and its services to attract the interest and enthusiasm of consumers in the market it serves? Of course, the first consideration is the quality and reputation of its clinical care. But that’s not enough anymore. Today, consumers expect providers to personalize every dimension of the experience, adapting to deliver relevant information and options to help each patient understand their care and its costs.

Patients are demanding something most healthcare providers may not have prepared for, exceptional experiences at every touch point throughout the care journey. This includes consumer-friendly financial experiences. Why financial? Because cost is fundamental to any informed purchase decision. And when the cost is high, options to make the purchase affordable are at least as important.

Consumers’ tastes and behaviors were molded by their experiences with modern retail companies. Armed with information gathered online, reviews from their friends and ratings from a growing variety of sources, consumers can find better prices, better services and faster turnarounds without so much as a phone call. This Amazon-inspired universe is the new reality for the healthcare marketplace.

Until very recently, the healthcare industry thought it was immune to these market forces. The old, payor-paid systems were too deeply engrained and the information power balance too favorable to the providers. But the power balance has shifted, even as providers’ dependence on patient revenue has increased. Patients’ “I don’t care how much it costs” attitudes have been overridden by high personal costs for healthcare coverage and care – affecting patients and their providers in ways that demand transformation.

The truth is, Black Friday-like inducements already affect the market, attracting a few patients to offshore facilities whose prices for certain procedures are a fraction of the cost offered by American institutions. From a patient-as-consumer perspective, these medical tourists’ trips to Mexico or India for their hip or knee replacements represent the tip of an approaching consumerism iceberg.

Analytics-Driven Enticements to Attract Would Be Patients

The retail industry, online and storefront, is renowned for its use of analytics to understand and respond to consumer sentiment and behavior. Healthcare providers have an opportunity to drive better financial outcomes by embracing these customer-centric principles. This begins by scrutinizing every stage in the customer experience or “journey”, then using technology to deliver more personal experiences. Experiences that engage and delight.

Amazon became the most valuable company in the world by delivering personal experiences that make it easy to shop, compare and buy. Leveraging an astonishingly rich database, they seem to read our minds. By adapting our user experiences based on past purchases, online behavior, demographic information and more, they know us better than we know ourselves – statistically speaking.

Similarly, healthcare providers today have access to consumer data with the power to enable personalized experiences before a diagnosis is ever made, then to continually refine the patient’s experience through treatment and recovery – until the patient’s care episode has concluded and their financial obligation is fulfilled.

The retail industry fans the flames of consumer interest with investments in marketing and communications.
Growth orientated healthcare providers should too. By understanding their various markets (chronic, acute, senior, family, etc.) and leveraging their value differentiators (price transparency, award-winning clinicians, payment plans), providers can apply modern marketing principles to connect with their markets, drive demand and build their brands.

Leveraging Latent Urgency: It’s All About Affordability

Unlike conventional retail sales, the need for healthcare services are not seasonal and usually not discretionary, with varying amounts of urgency depending on the seriousness of the symptoms. Nevertheless, many patients are avoiding care because, regardless of the severity of their condition, they do not believe they can afford their portion of the bill. By addressing this issue, one of the most formidable obstacles to care can be removed or reduced.

Without question, one of the most important elements in any patient’s care experience is affordability. Depending on the research source you trust, nearly half of prospective patients in the U.S. are avoiding or delaying care because of concerns about out-of-pocket costs. No metric exists for the financial anxiety experienced by those who do seek care, but it is reasonable to assume that some, if not most, are concerned or very concerned about the personal cost of their care.

Technology makes it possible for healthcare providers to deliver reliable cost and out-of-pocket estimates prior to treatment. Then, using analytics to segment patients by payer style, providers can offer nondiscriminatory payment plans designed to fit into the patient’s household budget. These payment plans might include provider-funded, low- or no-interest loans as well as third party financing. At last, providers have the opportunity to remove cost as an obstacle to care.

Value + Enticement + Urgency: Healthcare’s Retail Growth Strategy

Healthcare providers can mimic retail’s successful growth strategies by
- Demonstrating compelling, personally relevant value by adapting their systems and processes to deliver more rewarding personal experiences
- Enticing would-be patients with an attractive, affordable product (with estimates and payment plans before treatment); and investments in marketing and branding to appeal to the unique sensibilities of patient segments in their respective marketplaces, then using data to continually examine and refine patient experiences to drive enthusiastic word-of-mouth
- Leveraging the latent urgency represented by would-be patients who are delaying or avoiding care and to engage patients with suboptimal payment behavior

The healthcare industry is at a crossroad. But we at Loyale Healthcare are optimistic. We believe that providers are fully capable of meeting the demands of the modern healthcare consumer. We’re seeing first-hand the possibilities that exist for providers who embrace the industry’s new retail model. By acknowledging the responsibility to delight patients in every dimension of the care experience, it is becoming increasingly clear that digital tools will indeed “enhance the customer experience and delight the consumer”.

Kevin Fleming is the CEO of Loyale Healthcare

About Loyale
Loyale Patient Financial Manager™ is a comprehensive patient financial engagement technology platform leveraging a suite of configurable solution components including predictive analytics, intelligent workflows, multiple patient financing vehicles, communications, payments, portals and other key capabilities.

Loyale Healthcare is committed to a mission of turning patient responsibility into lasting loyalty for its healthcare provider customers. Based in Lafayette, California, Loyale and its leadership team bring 27 years of expertise delivering leading financial engagement solutions for complex business environments. Loyale currently serves approximately 2,000 healthcare providers across 48 states. Loyale recently announced an Enterprise level strategic partnership with Parallon including deployment of its industry leading technology to all HCA hospitals and Physician Groups nationwide.
Contact Information
Michael Morrison
Loyale Healthcare, LLC
http://www.loyale.us/
+1 (406) 868-9179

Online Web 2.0 Version
You can read the online version of this press release here.