Loyale Healthcare Introduces its Healthcare Industry Self-Assessment Tool: Creating the Frictionless Healthcare Platform: A Provider Readiness Checklist

Faced with shrinking margins, the rise of patient consumerism and the emergence of potent new competitors, the American healthcare industry appears to be ready to embrace a platform business model. This self-assessment is for healthcare leaders preparing for success in the new healthcare economy.

LAFAYETTE, Calif. (PRWEB) January 22, 2019 -- At this year’s JP Morgan healthcare conference Dan Michelson, CEO of Strata Decision Technology, writing for Becker’s Hospital Review, summarized his experience at the event as follows: The No.1 takeaway from the 2019 JP Morgan Healthcare Conference: It’s the platform Stupid.

As a platform company focused on patient financial engagement, we at Loyale Healthcare couldn’t agree more. Again and again at this year’s event, healthcare and solution providers described their plans for embracing a business model that is better suited to meeting the demand for consumer-centric innovation. Among others announcing or confirming their intention to adopt a platform model, Cerner CEO Brent Shafer noted that his company was “moving from being an EHR-centric company to a platform organization”, that will “move innovation to scale”.

In his summary, Mr. Michelson distinguishes the platform concept by comparing it to a more conventional “product” strategy. Blackberry (cell phone) is described as a product. The iPhone and other smart phones represent the platform model. Other examples of companies operating platform models include Facebook, Netflix, Google, Apple and Starbucks. Think Apple and their App store, which has become a highly profitable business platform or Amazon with their expansion into web services and the cloud. Hospitals in the past have provided largely acute medical services and have only recently thought of themselves as platforms for better health.

The difference is easy to discern. Products are limited in scope and utility. Platforms are adaptable, able to incorporate and sell complementary products and services that a company’s customers value. Today’s most successful companies operate platform business models, leveraging data-driven customer insights to deliver more and better products and services – growing and diversifying revenue while making their brands more valuable and their customer relationships more enduring.

For healthcare providers and their partners, a platform model represents the best (probably only) path to success in today’s increasingly competitive, consumer-driven healthcare marketplace. But getting there will require a shift in focus for healthcare executives accustomed to thinking of their businesses as physical facilities where healthcare is delivered to consumers in the same geographic area. Breaking out of that mindset can be a challenge, so we’ve developed a platform checklist to help healthcare executives assess their readiness to adopt a platform model.

There are four key dimensions to the creation of a high-performance, frictionless patient engagement platform asset that should be approached with the intensity and seriousness of an in depth audit and analysis including:
1. Brand Audit: In Healthcare, brand matters more than ever

With few exceptions such as the Mayo Clinic, the Cleveland Clinic and St. Jude, most hospitals and other providers have not differentiated their services based on brand reputation and as such, have not given a lot of thought to their brand; how it’s perceived by consumers, whether they would return and recommend them to others, whether they would consider turning to them for other services, whether they feel recognized and respected. Companies like Disney, Apple and Google invest a lot of time, energy and money into making sure their brands deliver what their customers want, when they want it, the way they want it. And because they’ve won their customers’ trust, they’re continually developing new ways to add more value and earn more money.

For health systems and hospitals, brand-building offers several critical benefits. First, it leverages existing capabilities and the good will providers already enjoy among their current and former patients. Second, it opens the door for the development of other services that are less capital intensive than opening or buying additional facilities (think telemedicine). Third, it grows the most powerful business-building asset a healthcare provider owns - patient relationships. Apple doesn’t sell the cheapest computers (not even close), but most users would tell you they would never buy from anyone else. That’s the power of a brand.

2. Asset Audit: Are you recognizing, optimizing and monetizing all your assets?

In the JP Morgan Healthcare Conference summary referenced above, the last decade’s consolidation in the healthcare industry is considered “The Single Biggest Change in Healthcare We May Ever See Has Already Happened”. The beauty of this consolidation from a platform readiness perspective is that many providers now have wider operating footprints and vastly expanded clinical and technical capabilities. Not to mention the vast amount of data available to drive critical, business-building business decisions.

This is where delivery channels and technology come into play. Are there new or existing services or treatments you can deliver more frequently and at lower cost digitally? Is there an opportunity to leverage excess capacity by partnering with other providers or solution providers? In a recent issue of FastCompany magazine, a prediction was made that Apple would emerge as a major player in the digital space by pursuing technology applications for blood pressure management, diabetes management and sleep science using Apple watch applications. How will innovations like these and many other new technologies affect hospitals and medical providers? Will medical facilities be available at the corner drugstore? (CVS/Aetna merger).

3. Patient Experience Audit: Are you eliminating friction to build lasting patient relationships?

As one might expect, patients generally acknowledge that competent, even exceptional clinical experiences are a given. And in recent years, patients’ satisfaction with that care has affected Medicare payment reimbursements. But a patient’s experience is bigger than clinical and it lasts a lot longer.

Patients begin making judgements about potential healthcare providers well before seeking care. Checking with friends and family, comparing web sites and, lately, trying to figure out what their care will cost – especially how much it will cost them personally. Not only do patient experiences begin before treatment, they continue well beyond treatment – usually until their financial obligation is fulfilled.

When studying each touch point in a patient’s personal healthcare experience, it becomes clear that the financial dimension represents the biggest stumbling block to delivering an exceptional patient experience. The sad truth is that patient-centered financial transparency in healthcare is virtually nonexistent. This is the friction
referred to in the title of this article and it’s more impactful than many people recognize.

A new rule from the Center for Medicare and Medicaid Services (CMS) requiring hospitals to post prices on their websites is a step in the right direction, but according to a Kaiser Health News report patients still don’t have access to the information they need to make an informed decision about whether and where to seek care. Consequently, according to research from westhealth institute and NORC at the University of Chicago, as many as 44% of patients avoid or delay care because of concerns about their personal cost. Providers who merely comply with the rule run the risk of reducing patient demand once the prospective patient sees the “retail” price for the service and not the actual heavily-discounted price that the insurance company (and the patient) pays?

The financial “friction” affecting patient experiences is dampening demand; frustrating population health initiatives; depressing revenues; irritating patients, clinicians and staff; and damaging a healthcare brand’s ability to achieve its full potential.

4. Financial Performance Audit: Are you prepared to prosper in the modern healthcare market?

In any industry, a tension exists between the buyer’s expectation for good value and the seller’s need to make a profit or, in the nonprofit arena, to sustain its operations. This simple formula is complicated in healthcare because the buyer may be the government, an employer, an insurer, the patient, or any combination of these payers.

Among these payers, the patient is becoming the most influential. CMS itself, in guidance issued along with its price transparency rule, has noted that the rule is just the first step in a process intended to “make it possible for patients to be active consumers of healthcare.” Someday soon, patients will shop, compare and decide for themselves where they go for healthcare. All other payers will follow. This historical shift puts the power in the hands of the stakeholder seeking the best value.

This competitive scenario represents an exciting opportunity for healthcare providers that embrace the platform model and commit to building a consumer-centric brand, where value is not always determined solely by price.

- The ability to offer higher-margin services over lower cost channels to a wider market area
- Expansion into adjacent, revenue generating services related to health and healthcare
- Reduced costs, leveraging data and technology to improve productivity, optimize capacity and develop new and better consumer health and healthcare products
- Referral revenue from partners whose brands have compatible value propositions and high consumer trust
- Better operating performance as the direct product of patients who are better informed and engaged; who understand what they’re buying – what it costs – and know in advance how they’re going to pay

Making Healthcare More Like Amazon

Ready or not, this is where the industry is headed. Sure, it’s daunting. But the good news is that many of the building blocks are already in place. Consolidation enables providers to aggregate and analyze data from across their larger enterprises. It also empowers them to design and deliver consistent, superior consumer experiences in every setting.

Technology will be central to the effort. The “Digital Front Door” will be the channel patients will trust to evaluate, choose and interact with their healthcare providers. In many instances, elements of care will actually
be delivered over this channel. Consequently, care will be easier to get, cheaper to deliver and more affordable. Stakeholder friction including the patients experience will be minimal.

It’s time for healthcare providers to think bigger about their value propositions and their relationships with their patients and their communities. By reimagining their organizations as the trusted hub for all health and healthcare related products and services, they’ll diversify revenues, burnish their brands, manage costs and thrive at the expense of those that don’t.

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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, digital front doors 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 practices nationwide.
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