

# COMPLEXITY AND OPPORTUNITY: HEALTH CONSUMER WORRIES AND WANTS

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# What do consumers want?

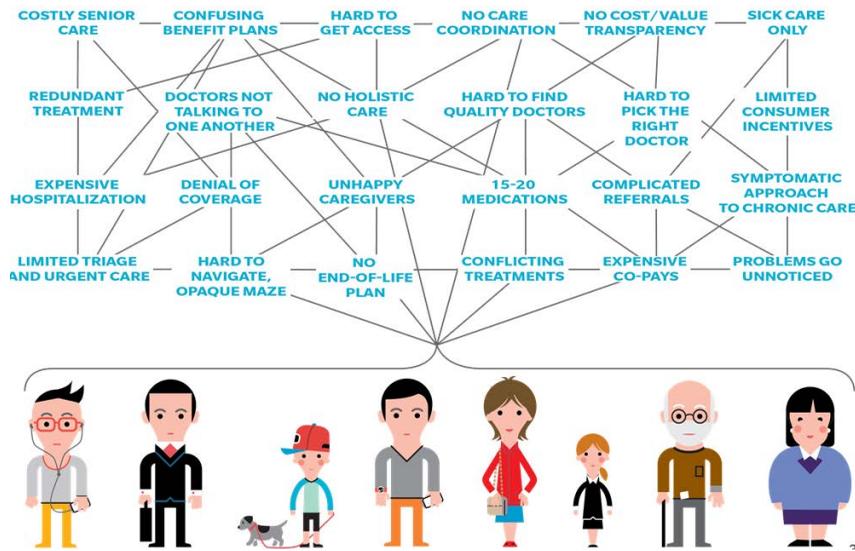
## Healthcare is shifting from a pedestal...

- Absolute trust in clinicians
- Acceptance of limited options and flexibility of interaction models
- Opaque payment system

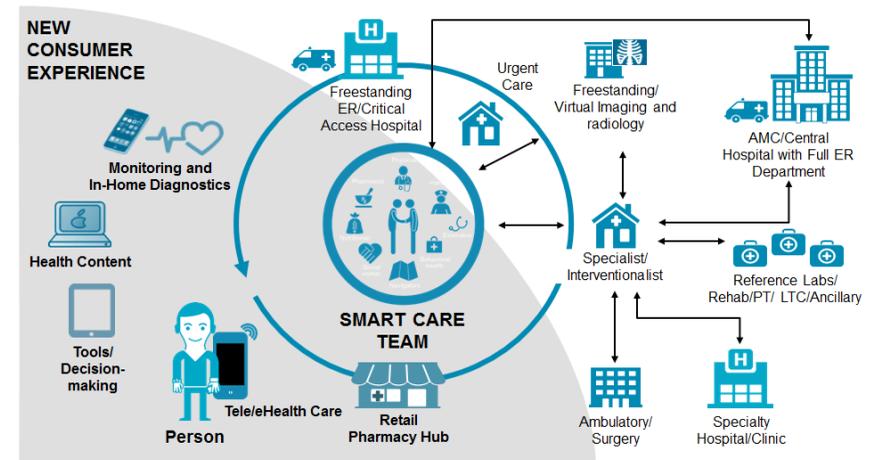
## ...to a place in the normal consumer ecosystem

- Increasing reliance on self-gathered information
- Expectation of a variety of tailored interaction models and access points
- Cost transparency

## This renders the old familiar hassles increasingly unacceptable



A web of hassles...



...or a consumer-centric, seamless model

# First, a moment

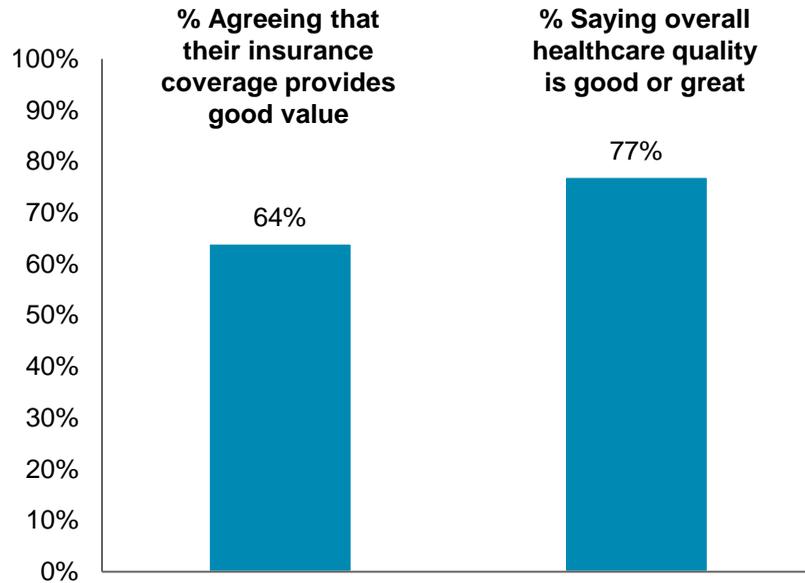


## FORTUNE research: Background

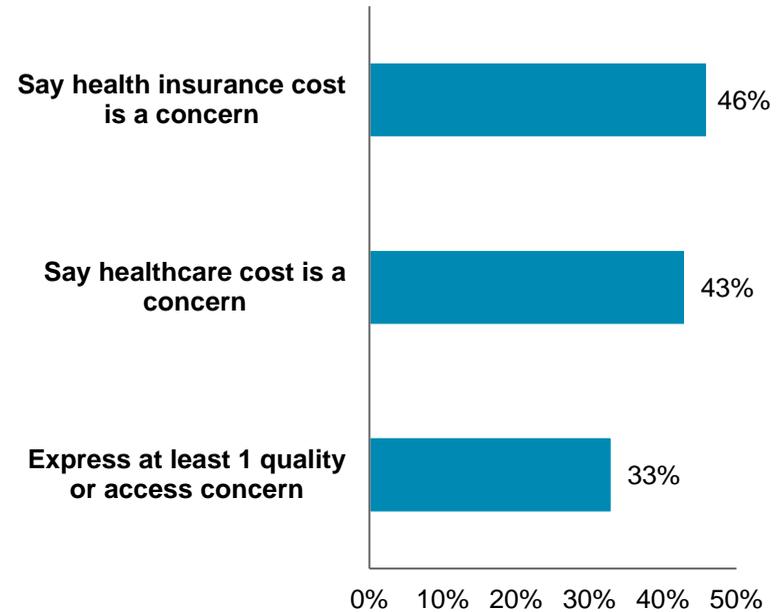
- Collaboration between Oliver Wyman and FORTUNE Knowledge Group
- 2,016 respondents, all with insurance coverage, ranging from government programs such as Medicare and Medicaid to those who are self-insured or insured through an employer or union
- Cross-section of key dimensions
  - Age: 25% Millennials, 26% Gen-X, 40% Baby Boomers, 10% born in 1945 or earlier
  - Income: A third of the respondents live in households with annual income of \$75,000 and above. Twenty-three percent have household income of \$50,000 to \$75,000
  - Health status: 37% have a chronic health condition that requires regular treatment
  - Caregiver status: 54% are caregivers for family members
  - Experience with the healthcare system: 75% say they had visited a primary care practitioner, 64% had taken a prescription drug, and 47% had seen a medical specialist in the past year

# The status quo seems great, until you start to peek under the hood

Satisfaction rates are good at a high level...



...but specific questions reveal concerns

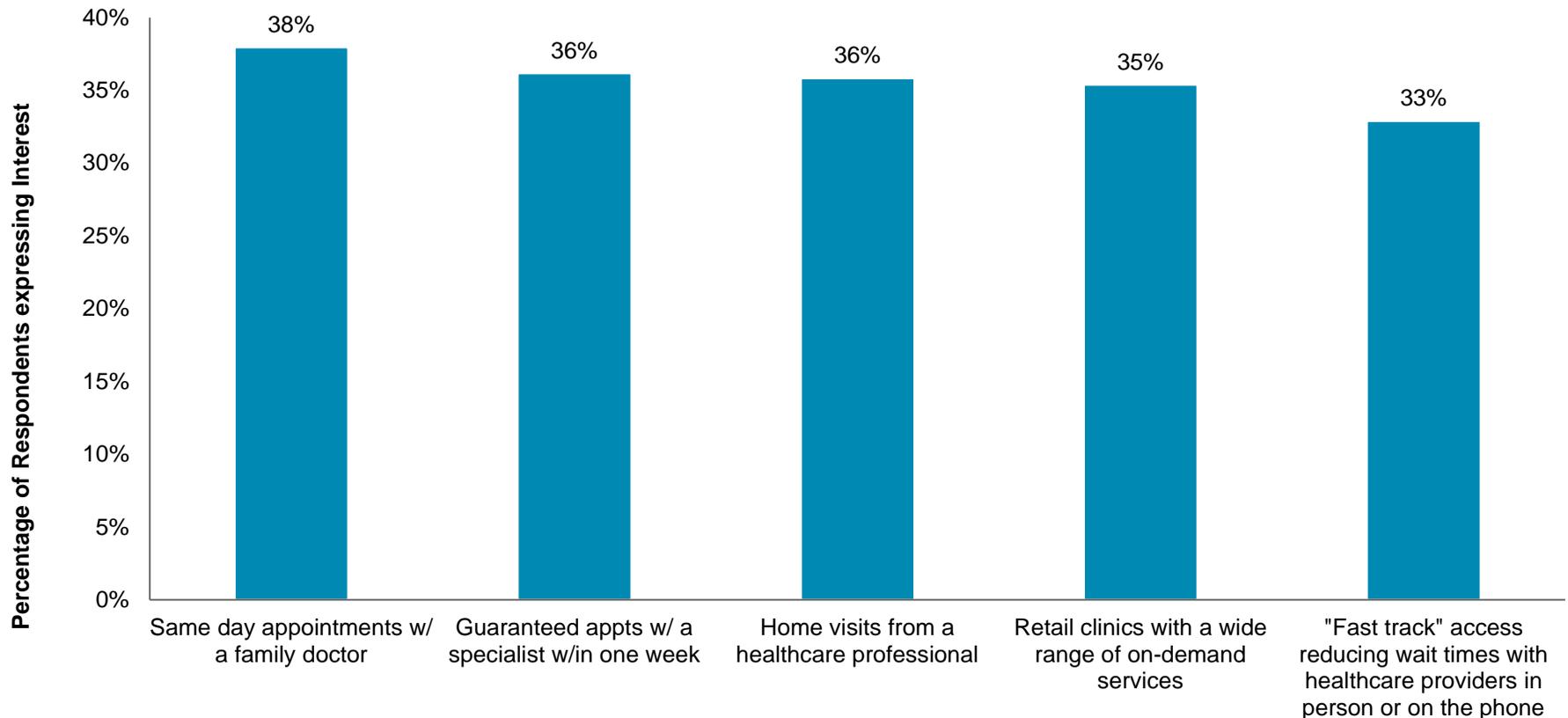


## Quality/access concerns

- Lack of timely access to care
- Restrictive networks
- Few available insurance plans
- Inability to determine which medical professionals will provide high quality care

# Consumer cost concerns may dampen their enthusiasm for additional or premium services, but there is still appreciable interest in these offerings

**A significant portions of the population is interested in new or premium health-related services**  
Top 5 services by overall interest level



Convenient access was a common theme among the most popular offers

# Not all consumers are alike

A number of easily observable dimension affect preferences and behaviors

## Generation



### Younger

- See healthcare as a shoppable service
- Willing to interact through new channels and technologies

## Health Status



### Healthy

- Little meaningful interaction with the healthcare system today
- Struggling to see the value of healthcare today

## Family Status



### Single

- Seeking a more tailored, personalized approach to receiving healthcare



### Older

- More traditionalist view of how healthcare should feel
- More worries about their future, in terms of both health and finance



### Chronic

- Caught in a confusing, sometimes unfriendly system
- Struggling to balance healthcare finance with their other responsibilities



### Responsible for Other's Care

- Convenience and coordination across different family member's needs is critical

# There are opportunities in serving the population across each of these dimensions

## Opportunity

### Millennials

Build committed, long-term relationships and begin influencing health behaviors early in life

### Baby Boomers

Form connections to a cohort with significant spending capacity and growing healthcare needs

### Care Givers

Develop capabilities to serve a growing portion of the population, while building loyalty across full family units

### Single Consumers

Gain access to a greater share of wallet by offering a broader range of services to individuals with relatively high disposable income

### Chronic Disease Suffers

Form tight connections with unhealthy individuals and meaningfully impact their outcomes and associated medical spend

### Healthy

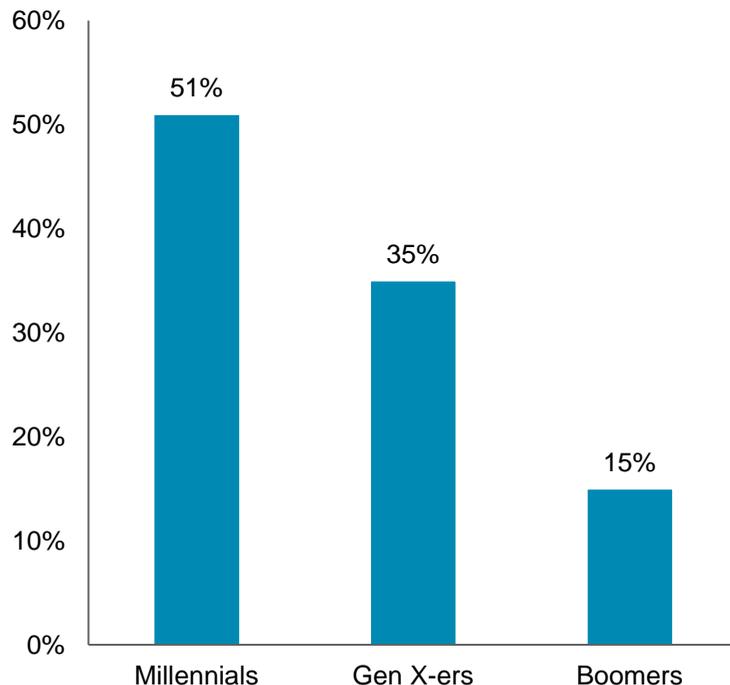
Involve individuals in their own care and focus on wellness and prevention, rather than intervention

# Millennials

This generation is by far the most interested in additional or premium healthcare services

## Nearly half have a high degree of interest in new services overall

% expressing high interest in new service offerings



## Don't just think "tech"— Millennials have a broader set of needs

*Compared to Boomers, Millennial interest spikes for several categories of offers*

### Advice and guidance

- Financial navigation & planning services: **4X boomer interest**
- Consultation w/ patient advocates: **3X boomer interest**

### Social

- Access to reports from similar patients: **>4X boomer interest**

### And, okay, tech too

- Website / mobile app for specialists: **4X boomer interest**
- Remote monitoring devices: **3X boomer interest**
- Online access to fill med records: **3X boomer interest**

As millennials age and have increasing contact with the healthcare system, they will form connections with the organizations that provide the right offerings and support

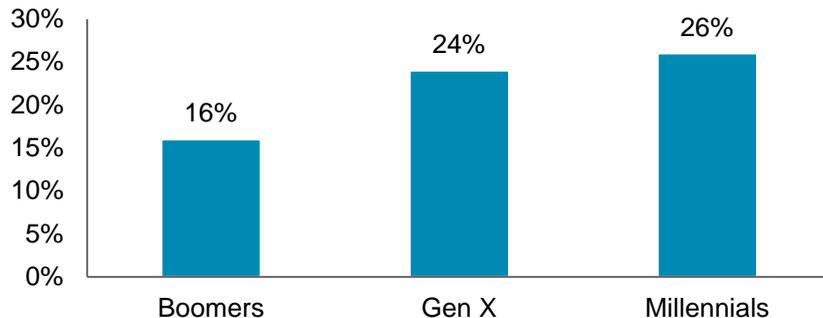
# Boomers

They profess satisfaction with their healthcare but anxiety about the future

## Boomers are happy with the status quo...

They are the least likely to find fault with the healthcare system today

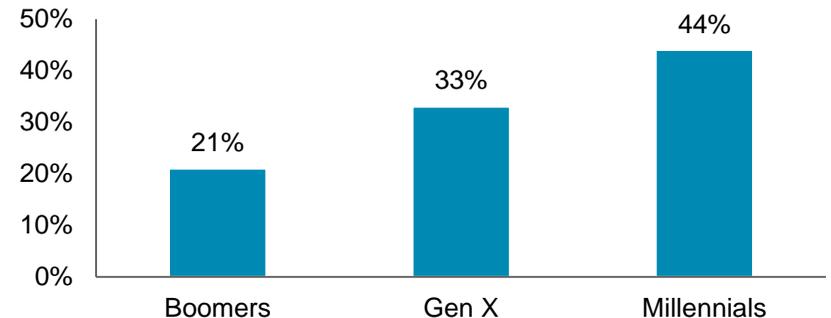
% Rating their healthcare experience as “fair/poor”



## ...but worried about what’s next

They are the least likely to think their care will improve in the future

% saying their care will become better or much better over the next 5 years



## They are financially more secure

**82%** Say a hospital stay will be covered mostly or completely by insurance, compared to **55%** of Millennials

## And they are concerned that their own health is deteriorating

**28%** Say that “Lessening strength and mobility” are primary health concerns compared to **13%** of Millennials and **12%** of Gen X-ers

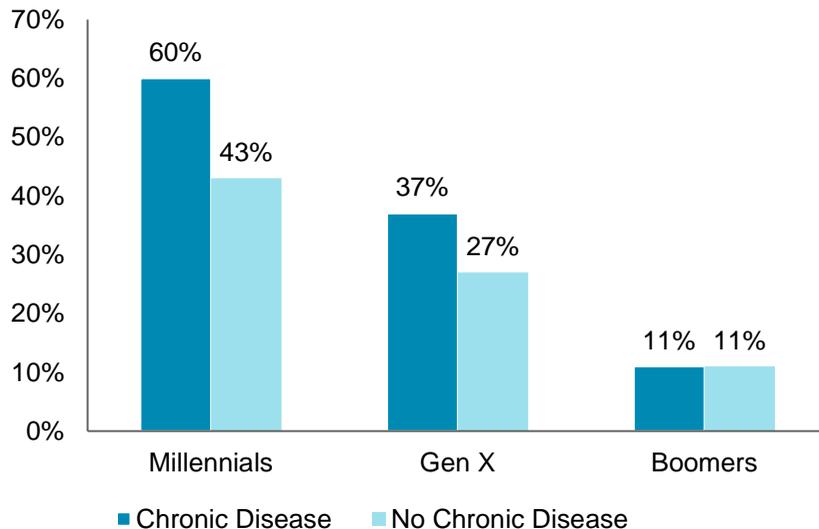
Boomers display an interesting mix of complacency and worry– organizations that can communicate the right value story could gain the loyalty of this generation

# Chronic Disease patients

Suffering from a chronic disease influences behavior differently depending on generation

**Young chronic disease sufferers want a variety of additional services-- older ones want the status quo**

**% expressing high interest in new service offerings**



**This shapes the design of chronic care approaches today and going forward**

- Chronic care may need to be a more modular, tailored experience for younger generations
  - Core clinical pathways and services remain the same
  - But patients can choose additional features that are particularly useful to them, e.g. social programs, access to alternative therapies
- The population interested in this approach to chronic care may be small at first, but will grow as Millennials and Gen-Xers age
- And don't give up on Boomers-- the right approach may convince them that additional services are valuable

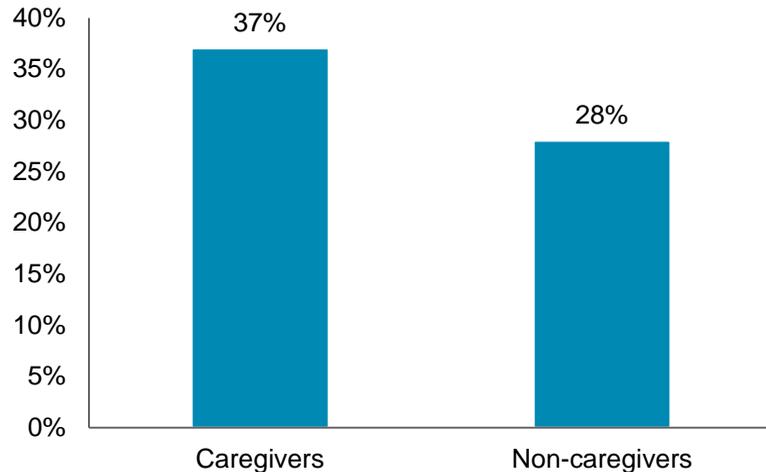
As Millennials and Gen-Xers age and become a larger proportion of the chronic population, expectations for chronic care will become broader and more complex

# Family Caregivers

Individuals responsible for the care of others are looking for new services to help them navigate their complicated lives

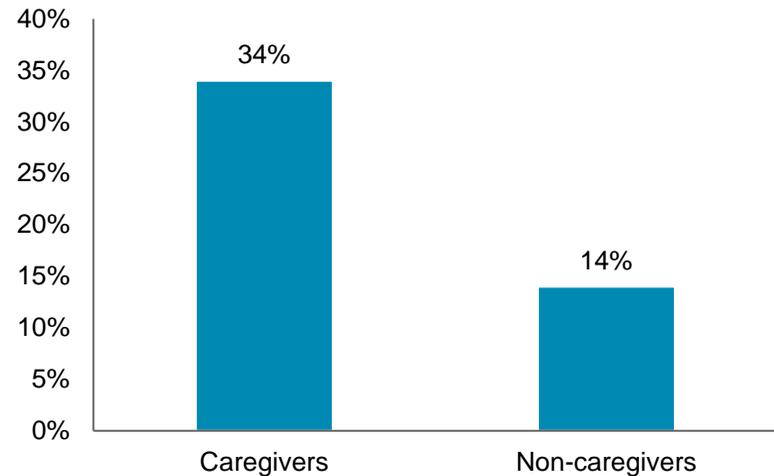
**Caregivers are more likely to have concerns related the healthcare quality or access**

% expressing at least 1 quality/access concern



**Caregivers are also more interested in new healthcare offerings**

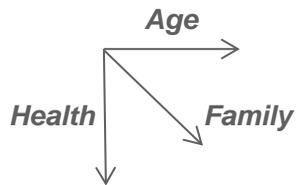
% expressing high interest in new service offerings



*Specific new services caregivers express interest are heavily skewed toward convenience, including fast-track or same day appointments, convenient access options*

There are 43M family caregivers in the United States; many are struggling and looking for help, providing an opportunity for organizations with the right solutions

These categories can't be considered in isolation; they combine to form a number of different archetypical healthcare consumers



*For example...*

### **The Invincible Millennial**

*Younger individuals with no traditional reason to engage the healthcare system*

Wants to stay healthy, active, and socially connected. Traditional healthcare organizations are not the first place they will turn, but the right value proposition can attract them

### **The Overwhelmed Gen-Xer**

*Managing the care of children, aging parents, and the beginnings of their own chronic health issues*

Control, customization, and convenience are key. These individuals have a life outside of the healthcare system, but it risks being overwhelmed without a services that streamline their experience

### **The Millennial Healthcare Consumer**

*Younger individuals with more healthcare engagement, related to illness or other life events (e.g. maternity)*

Less confident in their ability to navigate the system than their older counterparts, but more willing to entertain a variety of solutions, particularly those involving technological or social elements

### **The Aging Boomer**

*Healthcare is becoming a bigger part of these individuals lives, and they aren't sure how to manage that*

Healthcare traditionalists without much initial interest in innovative options, but they worry about the financial and clinical sustainability of their current path and will accept guidance

# What are the right solutions for these diverse consumers?

## **The Invincible Millennial**

- Expand the brand to encompass social sports leagues, marathon training programs, healthy cooking clubs
- Create loyalty programs that motivate invincibles to develop healthy habits around healthcare early

## **The Overwhelmed Gen-Xer**

- Integrate adult daycare and transportation services into caregivers' existing health benefits
- Aggressively promote remote tracking technology that connects both to clinicians and caregivers

## **The Millennial Healthcare Consumer**

- Integrate social media tools around specific conditions (“the Facebook of asthma”)
- Dedicate certain clinicians, hours, or even locations to younger patients, making them feel less out of place

## **The Aging Boomer**

- Offer advisory services to develop long term plans for care and finance to make boomers feel more secure as they progress through the aging process

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