COMPETING WITH THE CONSUMER-CENTRIC PROS

Lessons Learned in the Battle for Customer Loyalty

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Session Goals

1. How do we better innovate service and customer experiences to meet changing consumer service expectations?

2. What are some innovative responses to big retail brands that have worked for other hospitals and provider groups?
To Better Innovate

- Change the Lens Through Which You Look at the Market
- Reframe the Question That Drives Innovation Efforts
How We Think About Customers

<table>
<thead>
<tr>
<th>Utilization by Line of Business in a FFS Payment Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescriptions</td>
</tr>
<tr>
<td>Inpatient</td>
</tr>
<tr>
<td>Outpatient</td>
</tr>
<tr>
<td>Professional Services</td>
</tr>
</tbody>
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<table>
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<tr>
<th>Risk Stratification in a Population Health Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% High Cost</td>
</tr>
<tr>
<td>20% Rising Risk</td>
</tr>
<tr>
<td>40% At Risk</td>
</tr>
<tr>
<td>35% Healthy</td>
</tr>
</tbody>
</table>
How Customers Think About Us

- Innovators: 2.5%
  - I am curious about this new procedure
- Early Adopters: 13.5%
  - This might solve for a problem I have
- Early Majority: 34%
  - I hear others are being helped by this
- Late Majority: 34%
  - I’m skeptical but it seems to be the way to go
- Laggards: 16%
  - Only if I have to; and, what is the rush
Changing Customer Behaviors

### Shop

<table>
<thead>
<tr>
<th>Group</th>
<th>Innovators</th>
<th>Early Adopters</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>I shop around for health care providers and services.</td>
<td>89.3%</td>
<td>76.3%</td>
<td>45.3%</td>
</tr>
</tbody>
</table>

### Self-Serve

<table>
<thead>
<tr>
<th>Group</th>
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<th>Early Adopters</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>I use self-service health care options.</td>
<td>87.6%</td>
<td>81.7%</td>
<td>57.2%</td>
</tr>
</tbody>
</table>

### Self-Manage

<table>
<thead>
<tr>
<th>Group</th>
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</tr>
</thead>
<tbody>
<tr>
<td>I self-manage my own care or another member of my family.</td>
<td>94.2%</td>
<td>87.0%</td>
<td>66.7%</td>
</tr>
</tbody>
</table>
Primary Care Utilization
Innovators and Early Adopters

If the goal is to grow primary care, the greatest ROI is with Innovators and Early Adopters. Though they self-describe as healthy they have the highest primary care utilization rates.

- 22% More Well-Care Visits to a PCP
- 50% More Sick Visits to a PCP
- 33% More Total Visits to a PCP

Source: 2017 BVK Consumer Survey of 4001 U.S. Adults
If the goal is to grow specialty care and hospital admissions, Innovators and Early Adopters will drive business growth.

If the goal is to reduce TME, it is critical to identify Innovators and Early Adopters because they are driving utilization and cost.

30% More Visits to a Medical Specialist

- Innovators and Early Adopters
- Rest of the Market

125% More Medical Procedures

- Innovators and Early Adopters
- Rest of the Market

85% More Overnight Hospital Stays

- Innovators and Early Adopters
- Rest of the Market

Source: 2017 BVK Consumer Survey of 4001 U.S. Adults
How is the Customer Doing

“How is the Customer Doing?

“Rather Than Ask How We Are Doing, Ask How the Customer is Doing.”

“I DON’T WANT TO WAIT”
• Utilize same-day, on-time-start scheduling models to eliminate physician office waits – rather than invest in upgrades to make the wait more pleasant

“PARKING IS A PROBLEM”
• Fund free valet or door-to-door ride-hailing services for patients – rather than investing in parking ramps or added surface lots

“IT’S A LONG DRIVE TO THE CLINIC”
• Invest in virtual primary, preventive and behavioral health services – rather than trying to stretch scarce capital to launch new clinics in outlying markets
To Respond to Retail Giants

• Innovate to Deliver Distinctive Service Experiences

• Design-Build to Close Gaps, Not Just Replicate Retail Offerings
Retail is Learning Health Care Faster Than Health Care is Learning Retail

Rob Klein
Klein & Partners
Wave Forces
The Long-View on Change in Health Care

Mission
Resources for a Charitable Mission

Production
Hospital Control of Production

Knowledge
Accelerated Clinical Advances

Logistics
Logistics for Fast, Efficient Distribution

Experiences
Experiences that Change Outcomes

The Shift Rural Health Must Make
Radical Experience Design
Responding to Changing Behaviors and Preferences

Retail is Learning Health Care Faster Than Health Care is Learning Retail.

The Consumer Experience
- Self-Service Scheduling and Registration
- Virtual and In-person Care Options
- Same-Day Appointments / On-Time Starts
- Guided Navigation to Specialty Consults

The Primary Care Clinician Experience
- Feeling Connected to Colleagues
- Real-Time (Interoperable) Data Access
- Fewer, But Longer Visits with Patients
- Professional Satisfaction from Strong Outcomes
Emergence of the Ecosystem Business Model

DESIGN BUILD TO CLOSE GAPS
Intentional Design of a System of Care and Resource Allocations

Community vision to help people move naturally, eat better, develop healthy social circles and live with purpose
Questions?

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