

New Voices: Consumerism in Health Care

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A problem within the healthcare industry is that one-seventh of the gross domestic product is spent on healthcare, while the focus on the consumer is missing. This is a unique phenomenon not found in other industries.

KPMG administered a consumerism survey to 70 premier healthcare organizations, including academic medical centers, health systems, long-term care facilities, payors, suppliers, and physician organizations. In addition, 321 executives were surveyed, along with 1,812 households. The results of the survey found that while consumers are finding a voice, it is confused.

Survey hypothesis:

The individual consumer's new predominance in the health care marketplace is increasingly influencing policy, strategy, operations, and investment decisions of health care organizations within all segments of the industry.

Survey premises that health care organizations will:

- Provide education and readily accessible data to encourage and empower consumers to be direct purchasers of health care;
- Become more actively engaged in the legislative and/or regulatory arenas to promote consumer-focused initiatives in health care;
- Develop new products, offer more choices, and provide service enhancements to respond directly to consumer preferences; and
- Increasingly invest in feedback mechanisms to assure they are "in touch" with consumer needs and are meeting expectations.

The implications and challenges of the consumerism movement mean major changes in:

- Branding;
- Information availability;
- Electronic commerce;
- Geographic boundaries;
- Product introduction cycle time; and
- Consumer focus.

Leaders in the health care industry will:

- Use branding to influence choices and earn loyalty;
- Use information to demonstrate superior performance and services will be support-focused;
- Customer's problems can now be solved in real time;
 - Technology eradicates geo-boundaries; and
 - Product cycle times will be shortened and products will enter the market at a faster pace.

Today, many obstacles impede consumer focus in health care. These include cost constraints and funding, regulatory requirements, and employee attitudes.

Wherein today's partnerships are "intra-industry," future partnerships will be "inter-industry." This situation will serve to create better products, identify consumer needs, and fill these needs.

The layer of insulation is dissolving between the consumer and the health care organization. The customer must be considered in all decisions made by the organization. Listen to the consumer to be successful in the future.