

**KaufmanHall**



**2022 State of the  
Healthcare Consumer Report:**

Who Will Help Consumers  
Put the Pieces Together?



## Introduction/Executive Summary

In the two and half years since the COVID-19 pandemic hit the United States in March 2020, consumer behavior has shifted dramatically—and potentially irreversibly—in every aspect of American life.

In 2021, [32% of employed Americans did no work at their workplace, up from 18% prior to the pandemic](#), according to the U.S. Bureau of Labor Statistics' American Time Use Survey. And the pandemic-induced lifestyle shifts have unleashed or accelerated dramatic changes in consumer preferences.

U.S. e-commerce retail sales are [projected to surpass \\$1 trillion in the third quarter of 2022](#), doubling their performance in 2018. And [consumer preference for online grocery orders](#)

### WHAT CONSUMERS THINK

**“I’m not just a number, I’m a unique individual.”**



has increased by 50% since the start of the pandemic. Interest in healthy eating has skyrocketed: 51% of U.S. consumers are [looking for food items that contribute to their metabolic health](#), while 18% of U.S. consumers bought their first plant-based protein product during the pandemic, according to research by Archer Daniels Midland.



## Key Findings



### KEY FINDING #1:

Consumers' health journeys are increasingly individualized—which can lead to a more fragmented experience

### KEY TAKEAWAY:

By fostering more continuous consumer engagement, healthcare organizations can create *relationships* with consumers



### KEY FINDING #2:

A disconnect exists between consumers' health management activity and their healthcare providers

### KEY TAKEAWAY:

Healthcare organizations have an opportunity to listen to consumers and create value by serving non-traditional patient health needs



### KEY FINDING #3:

Access to healthcare services is narrowing, and disparities in access to care persist

### KEY TAKEAWAY:

Healthcare organizations must effectively segment their value-creation strategies, while playing a foundational role in the health of the communities they serve

Consumers have also made dramatic changes to the ways in which they access and receive healthcare. According to Kaufman Hall research, urgent care visits have increased by nearly 25% since June 2019, while outpatient surgery is up nearly 4%. At the same time, hospital discharges have fallen 8%, and inpatient surgical cases are down 11.7%.

In addition, more Americans are seeking mental health treatment for anxiety and depression, with [one third of psychologists seeing more patients since the start of the pandemic](#), according to the American Psychological Association. According to Kaiser Family

Foundation research, [40% of mental health visits are now conducted via telehealth platforms](#).

This year's Kaufman Hall State of the Healthcare Consumer Report—featuring both findings from a survey of more than 3,500 Americans and interviews with healthcare leaders—explores the evolving ways in which consumers manage their health and access and receive healthcare, and how the healthcare industry accommodates them.

In some instances, the healthcare industry has struggled to engage with evolving consumer habits. For instance, while 31% of consumers surveyed for this report use fitness wearables often or always, 57% of consumers that use wearables do so without the direction of a provider.

“Consumers want to engage even more in the management of their health,” says Jennifer Bollinger, Senior Vice President and Chief Consumer Officer of Ochsner Health, a health system based in Louisiana and Mississippi. “[The healthcare industry] is struggling to meet that demand.”

This survey also explores the degree to which health and wellness activities are influenced by the insurance that consumers use to finance them. For instance, 38% of consumers who are employed and have commercial insurance are only offered one choice for a health plan, limiting their influence over how their plan and its services are made available and paid for. In turn, commercially insured patients participate in more health management activities than individuals with Medicaid.

The findings also illuminate disparities in access to health and healthcare services, at a moment when healthcare providers are increasingly expected to address inequities in care in the communities they serve.

Healthcare leaders interviewed for this year’s survey note that the field has made uneven progress in responding to the evolving preferences of consumers.

“Payers have a lot of data, and their ability to create a member-facing experience is easier,” says Lauren Brueggen, a partner with the Heritage Group private equity firm. “Health systems don’t always have that [information].”



Sal Gentile, CEO of Friday Health Plans—which launched in 2015 and targets individuals purchasing their own insurance—says healthcare companies must be prepared to deliver consumers the same access and convenience they have come to expect from other industries.

“We wanted the customer service phone call at 4 p.m. to get the same treatment as the 8 a.m. call,” Gentile says. “Or better yet, give our customers the ability to get the answers they need in a variety of ways, whether it’s an online chat, a mobile app or text. If we could accomplish that, we knew we could build a differentiated health plan. Right now, no one wakes up in the morning and says, I love my health plan, they treat me right.”

# Confronting Fragmentation as Consumer Health Management Grows

## KEY FINDING #1:

Consumers' health journeys are increasingly individualized—which can lead to a more fragmented experience

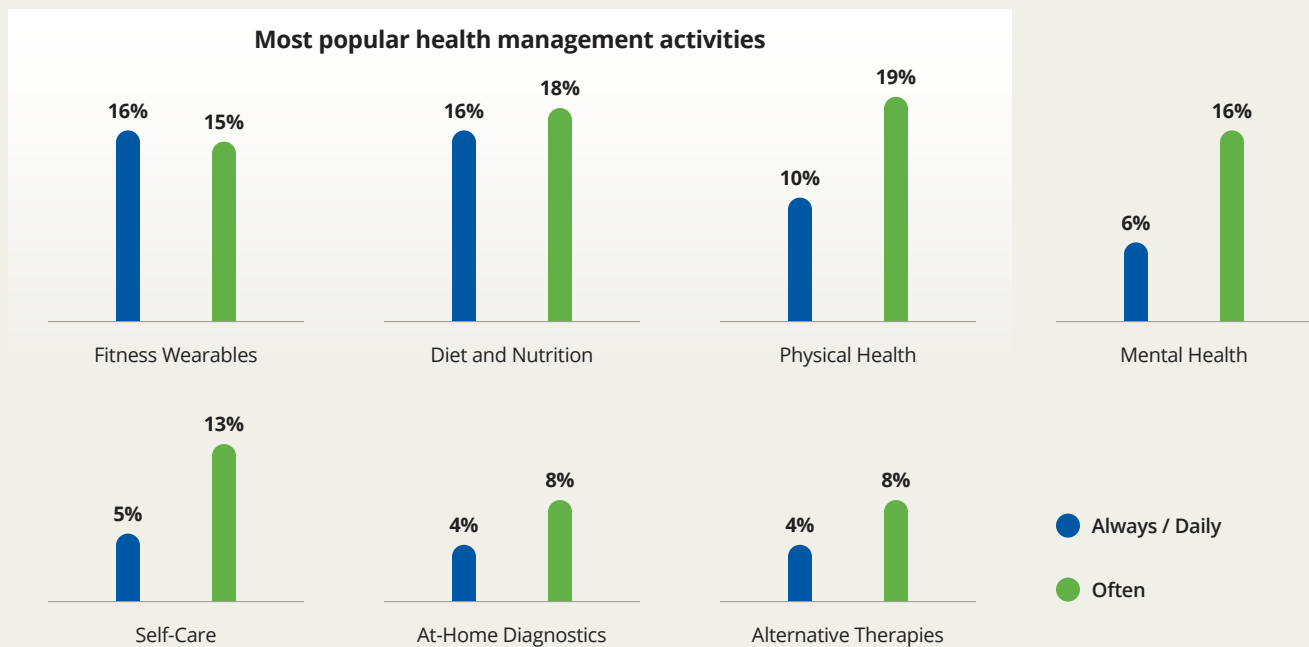
## KEY TAKEAWAY:

By fostering more continuous consumer engagement, healthcare organizations can create *relationships* with consumers

Consumer respondents to this year's survey regularly engaged in seven health management activities. The percent of consumers who engage in specific activities always or often ranges by activity (Figure 1), including managing diet and nutrition (34%), using fitness wearables (31%), engaging in physical health activities (29%), receiving mental health services (22%), practicing self-care activities (18%), using at-home diagnostics (12%), and using alternative therapies (12%).

Consumers under age 45 participate in 8 health management activities on average, while

**FIGURE 1. Consumers Frequently Use Daily Vitamins, Fitness Wearables, and Exercise to Manage Their Health**



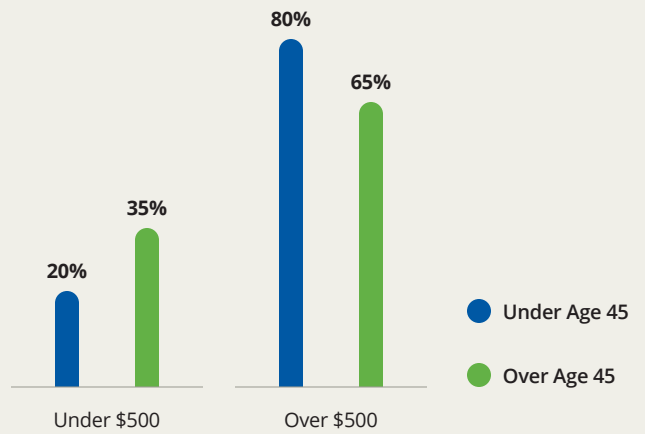
consumers over age 45 years old participate in 5 health management activities. Younger consumers also spend more on average than consumers over the age of 45 (Figure 2).

How consumer activities are financed varies widely; 55% of the time, consumers pay for fitness wearables out of pocket, compared to only 34% for mental health activities (Figure 3).

Consumer respondents use a variety of ways to finance health management activities, depending on the activity and their insurance status. Overall, financing ranged from 41%–45% of consumers paying fully out of pocket for those with commercial insurance and from 22%–29% paying fully out of pocket for Medicaid consumers.

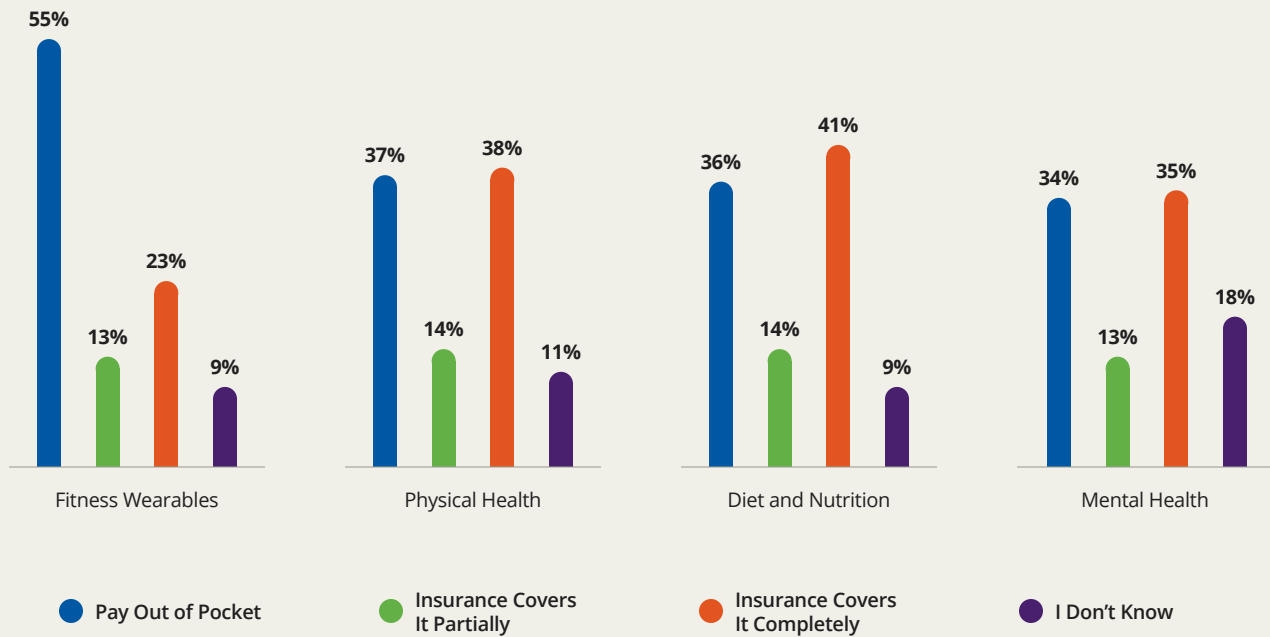
**FIGURE 2. Younger Consumers Engage and Spend More on Health Management Activities**

How much do you pay out-of-pocket each year for your health management activities in total?



**FIGURE 3. How Consumers Finance Health Management Activities**

How do you pay for these health management activities?



However, the health management activities that consumers frequently engage in are not always integrated into a medical visit. For example, while 59% of consumers that use mental health services do so at a provider’s direction, only 43% of consumers that use a wearable device do so at the direction of a physician/healthcare provider (Figure 4).

The frequency at which consumers engage in health and healthcare activities also varies widely. Across all demographics, a majority of respondents use medical services once every six months or less often. In comparison, consumers engage in many health management activities on a daily basis.

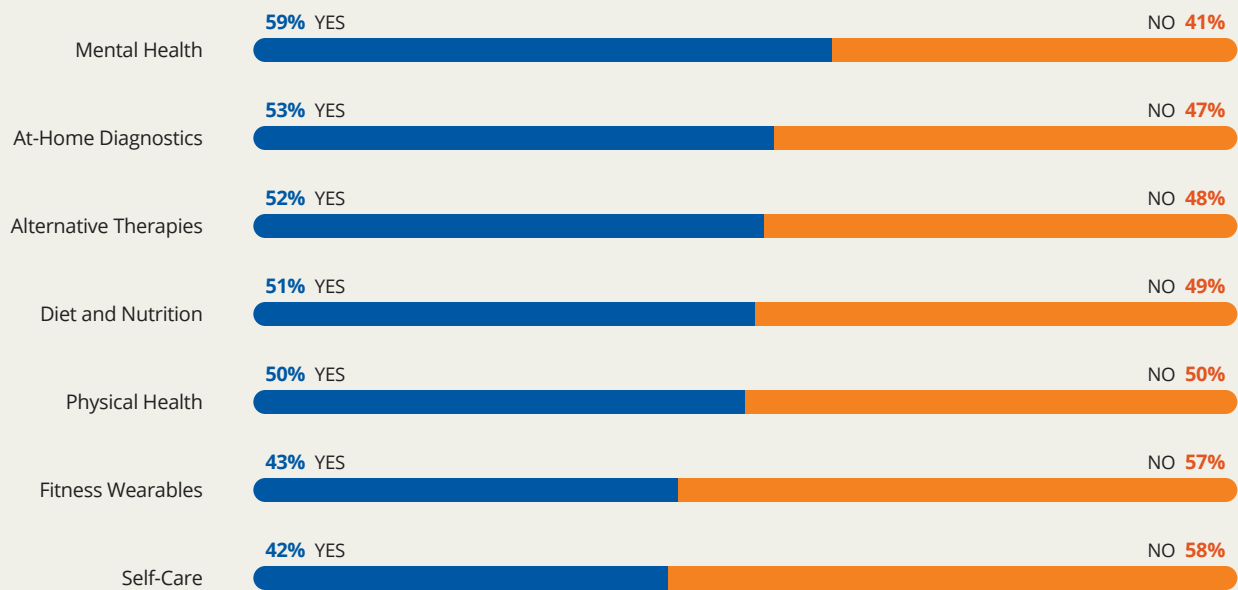
How often do you participate in health management activities?

- A majority of respondents participate in activities related to Diet and Nutrition and Fitness Wearables on a daily basis
- On average, respondents participate in Physical Health and Self-Care activities daily to 2-3 times a week across all demographics
- Respondents most often participate in Mental Health, Alternative Therapies, and At-Home Diagnostics activities every month or every few months



**FIGURE 4. Consumer Health Information Is Fragmented, Limiting Its Value for Clinician Decision-Making**

Do you practice these health management activities at the direction of a healthcare provider?



## Creating a Continuous Healthcare Experience— and a Better Consumer Relationship

Consumers tend to take a holistic approach to how they experience an interaction with a healthcare system, notes Evan Keyser, Senior Vice President and Chief Development Officer for LifePoint Health, a health system with 62 community hospital campuses in 29 states and a focus on non-urban healthcare.

“It’s all about continuity,” Keyser says. “The customer service experience sets the consumer’s expectation for the quality of care they receive.”

As a result, LifePoint is designing its consumer platform to encompass every step in the healthcare journey, partnering with multiple technology companies to create an integrated experience.

Once fully operationalized, a consumer in a market covered by LifePoint can use a solution to research healthcare options, schedule an appointment, and complete the patient registration process; throughout treatment, a solution from another LifePoint partner will aggregate EMR data across systems and utilize AI capabilities to inform care models; and post-care, remote patient monitoring technology will collect and analyze vitals while another solution will handle virtual follow-up visits.

“We are working to tie together many disparate processes to allow patients to go through one continuous and convenient



health journey,” Keyser says. “This doesn’t come together overnight. LifePoint is dedicating significant resources to build out these capabilities, and whereas, we are in the early innings, we are committed to advancing this innovative care delivery approach.”

The integrated platform has benefits far beyond the consumer experience, Keyser adds, noting that LifePoint, through its partnerships, will have the ability to unlock the power of the data to help inform operational strategic decisions.

“Consumer behaviors have shifted rapidly,” Keyser says, “but we are committed to adapting by investing in technology-enabled solutions that improve quality, access, and outcomes for our customers and help us advance our mission of Making Communities Healthier.”

# Rebuilding ‘Tragically Disconnected’ Relationships Between Healthcare Organizations and Consumers

Seventy percent of respondents report wanting health systems to be more actively involved in supporting their health management activities (Figure 5). The top 3 activities respondents report wanting health systems to be more involved in are healthy eating (41%), exercise equipment or programs (40%), and ability to ask about symptoms virtually through secure physician-to-patient communication (39%).

Grant Davies, CEO of Solis Mammography, notes that consumer health information in general is often fragmented, limiting its value in helping clinicians make decisions.

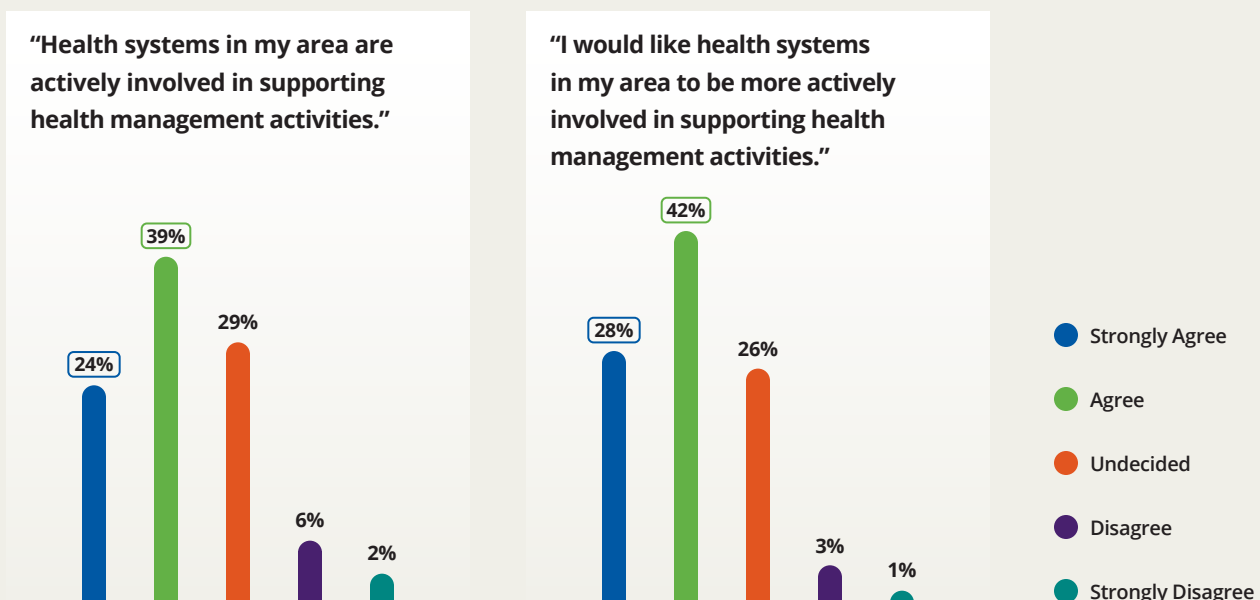
## KEY FINDING #2:

A disconnect exists between consumers’ health management activity and their healthcare providers

## KEY TAKEAWAY:

Healthcare organizations have an opportunity to listen to consumers and create value by serving non-traditional patient health needs

**FIGURE 5. Most Respondents Believe that Health Systems Support Health Management but Desire Even More Involvement**



“[Consumer healthcare activity] is tragically disconnected,” Davies notes. “There doesn’t seem to be a lot of traction around aggregating all this health information for an individual who may have cryotherapy, a virtual doctor visit, and a pharmaceutical prescription. How does that all come together with wearables and all the rest of the picture?”

Ochsner’s Bollinger agrees.

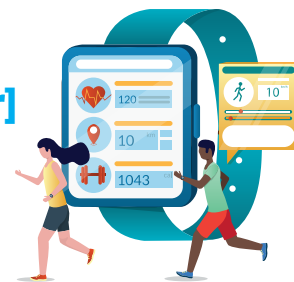
“Health systems need to be willing to ingest some of the data [from wearables and other consumer health devices],” Bollinger says.

“What’s our responsibility?”

This year’s survey also suggests that consumers are willing to visit a new medical group or

#### WHAT CONSUMERS THINK

**“I wish I could send [my provider] my data from my watch.”**



physician the next time they need care. On average, around 20% of consumer respondents said they are using a new medical group or physician since the last time they received care.

To address consumer needs, organizations have a variety of relationship-building opportunities, depending on the population segments they

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serve. Ochsner's Bollinger says providers can help simplify the processes consumers use throughout their healthcare journeys. Ochsner is redesigning the experience for pregnant patients to include features like online scheduling for regular appointments and referrals. The new services also include a bidirectional texting service between consumers and their care team, which experienced intense demand on the day it launched.

"So many patients wanted to use our texting service," Bollinger notes.

Davies notes that all healthcare providers must approach healthcare from a retail mindset. For instance, the company looks for locations near other businesses with a health and lifestyle

orientation that it anticipates its consumers will want to visit after they receive their mammograms, as opposed to medical office centers.

"You can't be in these traditional giant healthcare malls," Davies notes. "The experience matters more than anything."

Solis Mammography compiles roughly 1,000 Net Promoter Score surveys a day, to ensure they are tracking how consumers are experiencing care in real time.

"We believe the experience patients have, combined with the location, is a big deal for the mind state of the consumer," Davies says. "You have to bring the services closer to them, and the quality of the interaction has to be exceptionally high."

## As Access Narrows, Advancing Public Health Becomes Paramount

### KEY FINDING #3:

Access to healthcare services is narrowing, and disparities in access to care persist

### KEY TAKEAWAY:

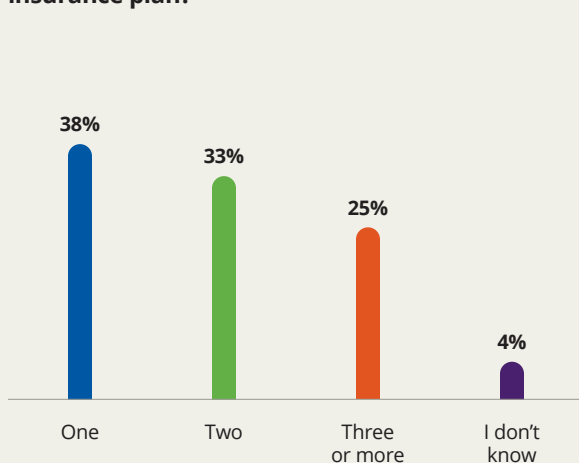
Healthcare organizations must effectively segment their value-creation strategies, while playing a foundational role in the health of the communities they serve

Before consumers ever engage in health-related services, they choose a health plan, which sets the foundation of how their healthcare will be financed. Thirty-eight percent of employed commercial consumers are only offered one option, while 33% are offered two options and 25% have three or more choices (Figure 6).

In particular, health plans play a key role in defining the types of services or the location of services where consumers can access them. For example, 27% of respondents said they are in relatively narrow networks, where only a few of their nearby hospitals are within their networks (Figure 7).

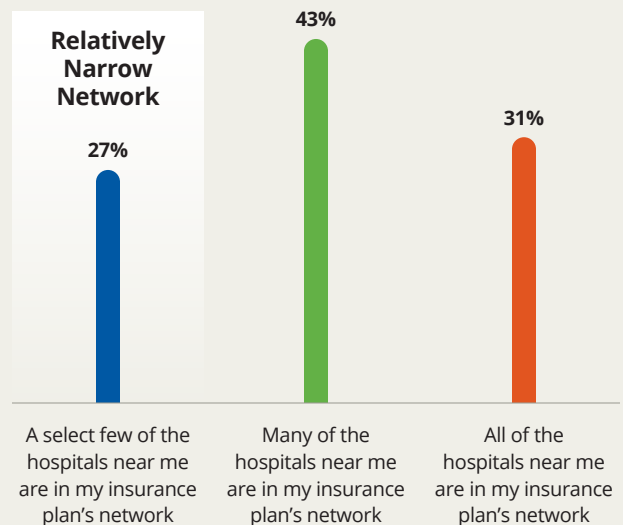
**FIGURE 6. Approximately 40% of Employed, Commercial Consumers Are Only Offered One Choice for a Health Plan**

How many health insurance plan options did your employer offer when you chose your health insurance plan?



**FIGURE 7. 27% Of Consumers Are in a Health Plan that Limits Where They Can Receive Care**

Which of the following best describes the coverage structure of your health insurance plan?



Many employers report an interest in providing narrow, high-performance network (HPN) health plans to employees, which limit employees' available care providers to a group of low-cost, high-quality, high-value clinicians. Employers report that [cost and quality are the top two considerations](#) in adopting an HPN, according to the 2020 Health Care Delivery Survey.

Friday Health Plans' Gentile says his company designed their health plan offering to be more selective at the facility and specialty level—given that most of their members don't intend to use those services—while offering broad options for services they use the most, which are at the primary care/OB GYN/pediatrician/therapist level.

#### WHAT CONSUMERS THINK

**“I wish that the wait times weren't that bad. I usually have to wait around an hour in the waiting room.”**



“80% of the population ignores their network except for their primary care network,” Gentile said. “...We want to be the easy button, so they don't have to drive by three offices to find a doctor.”

In recent months, Davies notes, inflationary pressures have made even insured patients sensitive to co-pays and deductibles.



“As patients are squeezed in their home budgets, it’s very real,” Davies says. “First dollar coverage of healthcare services is a big deal.”

Gentile says his company is focused on delivering value through services like unlimited \$0 primary care, mental health visits, and free generic drugs. Gentile says someone with a

minor infection may see a physician and receive generic drugs without incurring any costs.

“They’ll say, ‘I’m at zero dollars of my deductible and I have no copays and coinsurance.’ They’re getting true value from their health plan on day one. That’s a differentiated experience for the modern healthcare consumer.”

## Lifting the Health of Populations

The COVID-19 pandemic has laid bare longstanding inequities in healthcare, which often are related to disparities in access to health and healthcare services. A recent analysis by the Kaiser Family Foundation found that Black, Hispanic, American Indian or Alaska Native (AIAN), and Native Hawaiian or Other Pacific Islander (NHOPI) people [experienced higher rates of COVID-19 cases and deaths](#) compared to White Americans on an age-adjusted basis.

In addition to well-documented disparities in healthcare outcomes, this year’s survey also

highlights disparities in the overall use of health management services. Commercially insured consumers reported participating in eight health management activities on average, while people with Medicaid reported engaging in six health management activities on average.

Mission-oriented providers serving vulnerable communities are faced with the prospect of both increasing access to health and healthcare services and serving their historic role as critical local employees. Ultimately, sustainable health systems require vibrant communities and social structures.

## Conclusion

The challenge for the healthcare industry in the coming years is clear: finding ways to identify and meet evolving consumer needs in both healthcare and health management.

As health plan options narrow, consumers with commercial insurance will have fewer covered providers in their networks. At the same time, the proliferation of new healthcare entrants means that consumers have an increasing number of options to engage with to manage their health outside of their interactions with traditional providers.

### Consumer Insights: Patient Acuity Drives Consumer Expectations

#### LOW ACUITY:

Consumers Desire Easy Communication to Enhance Their Patient Experience

#### MEDIUM ACUITY:

Consumers Desire Streamlined Communication and Greater Price Transparency

#### HIGH ACUITY:

Consumers Getting High Acuity Care Desire a Greater Understanding of Out-of-Pocket Costs



**FIGURE 8. Put the Pieces Together: Move from Consumer Insights to Consumer Integration**



For providers – who may only have a small number of interactions with a given consumer in a single year—building sustainable relationships is paramount. Organizations must be able to reconsider the entire health and healthcare experience of modern healthcare consumers—and what the role of the healthcare provider is in that experience.

Integrating the voice of the consumer throughout a healthcare organization is not an overnight proposition. And embarking on organizational transformation requires a disciplined approach that breaks down what can sometimes feel like an overwhelming exercise into a series of practical steps, while also effectively using available resources.

Ultimately, by developing consumer insights and steadily elevating the consumer voice throughout their operations (Figure 8), healthcare organizations can adopt consumer-centric principles and build respectful, sustainable relationships with the individuals they serve.

**WHAT CONSUMERS THINK**

**“I [want my healthcare providers] to help me make proactive decisions to prevent future health problems, rather than waiting for them to become a problem.”**



## Methodology

Kaufman Hall surveyed approximately 3,500 healthcare consumers, reflecting a proportionate mix of age, gender, and geographic location. Respondents were also asked questions about their employment status, insurance coverage household income, physical

health, and chronic health conditions to ensure a proportionate mix. The chart below (Figure 9) provides context on how the specific health management activities and medical services that survey respondents were asked about were categorized for the purposes of this report.

**FIGURE 9. Health Management Activities and Medical Services**

### Health Management Activities

#### **Alternative therapies**

- Going to cryotherapy
- Seeing a chiropractor
- Getting massage therapy
- Getting acupuncture

#### **At-home diagnostics**

- Using at-home viral testing (e.g, Covid-19)
- Using at-home lab testing (e.g., genetic, fertility)

#### **Physical health**

- Exercising at home
- Exercising outside or at a gym
- Seeing a physical therapist
- Using fitness wearables or other devices to track health at home

#### **Diet and nutrition**

- Eating health foods
- Seeing a nutritionist
- Utilizing meal delivery/meal prep programs
- Taking daily supplements/vitamins

#### **Mental health**

- Seeing a mental health counselor/therapist

#### **Self-care**

- Using self-care, wellness, or meditation mobile apps
- Self-diagnosing health issues using websites like WebMD

### Medical Services

- Primary Care
- Retail Clinic
- Urgent Care
- Virtual Visit
- Labs
- Basic and Advanced imaging
- Emergency Room Visit
- Specialty Care
- Outpatient Procedures/Surgery
- Inpatient Surgery
- Inpatient Hospital Stays

## Report Author

Kaufman Hall Managing Director Dan Clarin



To learn more about engaging the modern healthcare consumer, contact Dan today at [DClarin@kaufmanhall.com](mailto:DClarin@kaufmanhall.com).

## Report Team

Rebecca Duffin, Vice President,  
[rduffin@kaufmanhall.com](mailto:rduffin@kaufmanhall.com)

Tom Prescott, Assistant Vice President,  
[tprescott@kaufmanhall.com](mailto:tprescott@kaufmanhall.com)

Claire Galligan, Senior Associate,  
[cgalligan@kaufmanhall.com](mailto:cgalligan@kaufmanhall.com)

Nina Leutz, Senior Associate,  
[nleutz@kaufmanhall.com](mailto:nleutz@kaufmanhall.com)

**For media inquiries,  
please contact Haydn Bush,  
[hbush@kaufmanhall.com](mailto:hbush@kaufmanhall.com).**

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For more information, please contact  
Kaufman Hall Managing Director Dan Clarin at  
[dclarin@kaufmanhall.com](mailto:dclarin@kaufmanhall.com)

***KaufmanHall***

Kaufman, Hall & Associates  
10 South Wacker Drive  
Suite 3375  
Chicago, IL 60606  
Phone 847.441.8780  
[kaufmanhall.com](http://kaufmanhall.com)