Individuals have long made choices about where and how to engage with healthcare services. Yet, with rapidly changing incentives, information availability, and options, the role of the individual is transforming from a passive patient to an active healthcare consumer who is exercising ever greater choice. As consumers navigate and foot an increasing portion of the bill for their healthcare choices, expectations related to healthcare access, price, and quality are increasing.¹

To get ready for activated consumers who shop for healthcare as they would other goods and services, healthcare providers must understand consumer preferences and needs—particularly unmet needs in the increasing set of “shoppable” service lines and venues. Fulfilling those needs and expectations will drive choice of provider and venue, and influence customer “stickiness” or loyalty in both fee-for-service and value-based delivery models.

You don’t know until you ask

The most important starting point for providers is an understanding of what’s going on inside the consumer’s head. This foundational information, including attitudes and motivations, can be obtained through a variety of consumer insight techniques and applications.

Many tools are available to gain deep insight about consumer preferences, behavior, and experience (Figure 1). Suffice it to say that the encounter-based patient data that hospitals and health systems typically use for clinical and administrative purposes is very different than consumer-based information that provides insights about what drives healthcare purchasing decisions.

Understanding the Consumer Healthcare Path to Purchase™

The reality is that consumers navigate a complex “path to purchase” moving through stages of decision making that vary by service, need, health state, and available alternatives (Figure 2).

A clear understanding of what occurs along that path sheds light on consumer preferences that shape decisions. Such insights enable organizations to develop models, offerings, and strategies directly informed by local consumer preferences and behavior.

The consumer's path to purchase might include selection of a health plan, primary care physician (or not), preferred hospital/health system, service, and venue for a given healthcare need. Furthermore, the consumer's experience with each interaction factors into future decisions.

The path-to-purchase analysis entails inquiry for each decision along the path. As one example, Figure 3 identifies inquiries to be made to understand the consumer's choice of a primary care provider. Each decision point along the path requires a similar level and thoroughness of understanding.
Implications for providers

Knowledge about a consumer’s path to purchase enables hospitals and health systems to make better strategic decisions related to:

- Health plans and what consumers value most when selecting them
- Provider network features, choices, and overall design, which are relevant in a fee-for-service world, a value-based care environment, or in both (the position that many providers find themselves in at the moment)
- Ambulatory/outpatient access choices, and how they vary by incident and circumstances
- Patient experience factors, and how these affect downstream or subsequent incident choices
- And multiple other factors

For example, one health system was considering the development of a health plan with a provider network that would include only its own hospitals and physicians. The system surveyed consumers in its market to learn about their expectations related to the provider network. Path-to-purchase analysis indicated that more than 50 percent of respondents preferred much broader network choices. If willing to choose a narrow network, the narrow-network choice would need to save consumers a great deal of money annually ($3,000 or more). More than 40 percent of respondents said they would not choose a narrow network at any level of cost savings.

Does this mean that the example provider should not offer narrow or tiered networks? It is difficult to imagine sufficiently answering that question without relevant consumer insights. Providers can make much more informed decisions relative to their own offerings when armed with insights about how and why consumers are choosing a plan, network, and other aspects related to their health and care. In this new world, consumer-informed decision making is better decision making.

How to learn more

To help healthcare providers meet the changing needs of healthcare consumers, Kaufman Hall has partnered with Cadent Consulting Group, a leading consumer research and consulting firm with deep experience in the consumer products space. Our combined team of experienced healthcare, consumer marketing, and retail experts work together to deliver consumer-based solutions to healthcare.

For more information about understanding the consumer patient and gaining consumer preference insights, please contact David Crosswhite (dcrosswhite@kaufmanhall.com) at 847.441.8780 or Paul Crnkovich (paul.crnkovich@cadentcg.com) at 847.441.2607.