

Pointing the Way

A look at new sources that are influencing
how your patients choose care



Geiger**Bevolo** Inc.

Introduction

Imagine you're a 56-year old woman whose tennis years are over, but whose knees ache constantly. Your doctor says it's time to think about joint replacement surgery. You have a high-deductible health plan, so the first \$7,000 of medical expenses comes out of your own pocket. Your doctor recommends the joint replacement center at his health system, and a surgeon he knows well. But you know you have choices. If you're in a small market with only one hospital, maybe there are three orthopedic surgeons to choose from. If you're in a large market, maybe there are 130 to choose from, not to mention a dozen hospitals and a dozen more same-day surgery centers.

This paper takes a look at the trend of outside influencers and their role in consumer healthcare decisions. The trend is so new that currently there are more questions than answers. So along the way, we pose key questions marketing leaders need to consider.

At the end of the paper, we share some next steps for considering outside influencers as part of your marketing strategies.

You obviously want a good surgeon, but you also care about location, and you want a decent place, not a run-down facility. And of course, you want to know how your \$7,000 will be spent. Where do you turn for information? Let's say our former tennis star lives in Minnesota. She could turn to the Minnesota Hospital Association, which offers a price check web site and quality reports. All of the major insurance companies offer comparison tools, such as Healthcare Facts from Blue Cross Blue Shield of Minnesota, or MainStreetMedica from Medica. And of course she could call each of the clinics or hospitals to request information, or go to their web sites (though many would not have quality or pricing information available there). Then there are all of the national resources and ratings services: HealthGrades, LeapFrog, Vimo, Subimo, WebMD, JCAHO, J.D. Power, docshop.com, doctorscorecard.com, drscore.com, and on and on. Some offer quality ratings, others safety ratings. Many offer pricing estimates, but most are generalized. Some are advertising sponsored, some are independent, and for some it's hard to tell. As our patient tries to sort through it all, she starts to get a headache to match the ache in her knee. Consumerism is supposed to help drive better healthcare decisions, but how is a consumer supposed to make sense of it all?

Consumers who are trying to make informed decisions about their healthcare face a blitz of resources and data points. As they are forced to consider the multitude of factors that go into making a healthcare decision, from pricing to quality outcomes to office wait times, consumers are turning to new sources for help. As a result, those responsible for marketing and branding at healthcare provider organizations should broaden their marketing scope beyond the traditional audiences of physicians and consumers.





Moving beyond marketing to consumers and physicians

The vast majority of marketing leaders for health systems, hospitals, clinics and other providers focus their marketing and branding efforts primarily on two core audiences: physicians and consumers. And with good reason, as these two constituencies have always been – and remain – the core decision-makers for how and where a patient receives care. A third audience, payers, also obviously plays a dominant role in a consumer's healthcare decision. Clearly, when managed care is in play, a patient's coverage network may be the primary factor in guiding that patient's care. However, outside of campaigns to sway choices during open-enrollment periods and payer negotiations, healthcare marketers are limited in affecting the choices patients face as a result of their insurance coverage.

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There are of course other audiences that are addressed, such as the media, employers and internal audiences. But healthcare marketers spend the majority of their time, energy, and resources wooing the dominant groups of physicians and consumers. Advertising campaigns, capabilities brochures, web site content, events, and most other marketing and branding efforts are all geared toward either convincing consumers to try your services, or to influence physicians to send patients your way.

However, as consumer-driven healthcare continues to spread, how consumers will make healthcare decisions will also change. As consumers are asked to spend more of their own money to receive care, they will naturally become more selective in how they spend that money. As with other expenditures, they will consider the entire spectrum of value, from access and expertise to service, convenience, and price. At least, that's the theory. Of course, for consumers to make informed decisions, they have to become informed. For the average consumer, that is a difficult task, to say the least.

The Information Firehose

When consumers look outside of their personal network of friends, family and physicians for healthcare advice, where do they turn? For starters, of course, the Internet. Every week, it seems a new web site is launched that is devoted to providing consumers with healthcare information. These resources provide data in the form of ratings, report cards, pricing comparisons, patient feedback, and more. Minnesota provides a great snapshot for the proliferation of these online sources. For example:

- The state's largest payer, Blue Cross and Blue Shield of Minnesota, introduced HealthCare Facts in 2005, a web-based comparison tool based on the model of the nutrition label. Visitors can find information on hospitals ranging from size and volume to general pricing levels.
- In 2006, the Minnesota Hospital Association began offering its own web-based comparison tool called the "Minnesota Hospital Price Check."
- Each year, the Minnesota Hospital Association, with the Minnesota Department of Health, releases data on patient errors, listing the amount and type of error that has occurred at each hospital in the state. This information is designed to show transparency across the system and be an information tool for consumers to determine if a certain hospital would be able to treat them or a loved one, and what the risk of error may be. The first of its kind in the country, this database of information was designed to show how hospitals are sharing data and information on errors to prevent similar situations from occurring at another site.
- Another insurer in Minnesota, Medica, recently introduced "MainStreetMedica," a web site devoted to offering pricing for area providers. According to the site, when considering the cost of a breast biopsy, Abbott Northwestern Hospital in Minneapolis fell into the low range of \$500 – 750 for the procedure, while the University of Minnesota Medical Center was listed in the high range, at \$1,061 – 2,300 for the same procedure.
- Every 18 months, *Minneapolis-St. Paul Magazine* releases its "Top Doctors" issue, which features the best physicians in various clinical areas, as rated by their peers. While this effort is often derided by area providers as a "popularity contest," it no doubt has some impact on consumers and their perceptions of healthcare choices in the Twin Cities.

- This year, Blue Cross and Blue Shield of Minnesota also introduced "TheHealthcareScoop.com," a web site that allows patients to share stories of their healthcare experiences. For example, a recent posting had this to say about a local clinic:

*"It just seems as though it's one thing after another. Slow, apathetic responses. The office staff doesn't seem to care, are slow to respond, snippy and snotty, and just plain don't care. Granted, I haven't felt great for about a year now, but it sure doesn't help to have to deal with clinic staff that doesn't seem to give a rip."*¹

Across the country, insurance companies, state and federal government entities such as the Centers for Medicare and Medicaid Services, state hospital associations and other entities add to the data onslaught. Nationally, some of the better-known information providers include:

- HealthGrades
- The Leapfrog Group
- Solucient's 100 Top Hospitals ratings (now part of Thomson Healthcare)
- J.D. Power
- WebMD
- *U.S. News and World Report's* annual "America's Best Hospital" rankings
- CMS' Hospital Compare site
- JHACO's qualitycheck.org
- RateMDs.com
- DoctorScorecard.com

In addition to these independent resources, providers themselves are offering quality, service and pricing data online.

As these resources proliferate, how does a consumer know which to use? Which web site provides the most accurate information? The most relevant? The most up-to-date? Do healthcare providers know how each resource is representing them, how a rating is given, and how information on their organizations is collected? Which resources are truly objective, and which might have ulterior motives that could conflict with the best interest of the provider, the patient, or both? What recourse do providers have to address wrong or outdated information or misguided ratings? How much influence do these resources have on patient decision making?



Take hospital web sites. Many providers express the desire for true transparency, showing the good with the bad. But does a consumer really know how to evaluate clinical data? Many would be inclined to take information “from the horse’s mouth” with a grain of salt.

Even with “independent” ratings sites, the question of objectivity needs to be considered. Would consumers look at HealthGrades, for example, as an objective rating service if they knew the company also had consulting relationships with many of the very providers they rate? With the HealthCare Facts site at Blue Cross and Blue Shield of Minnesota, visitors find comparison data on area hospitals. How many realize that the hospitals *themselves* are providing that information to HealthCare Facts, as opposed to Blue Cross gathering and qualifying the data?

What about the accuracy of ratings systems and report cards? In the financial world, many mutual funds tout their Morningstar rating, promoting “Five Star performance.” But Morningstar ratings are based on past performance, which savvy investors know is not necessarily an indicator of future performance. If a hospital receives five stars for its cardiac care, that’s good, right? But what if the best cardiac surgeon just left, or the unit is over-capacity, causing delays in scheduling surgeries or worse, has dropped in quality.

The point here is not to cast judgment on what any individual hospital may be doing to communicate its value, or on the value of services like HealthGrades or J.D. Power. The point is to show that from a consumer perspective, it’s clearly difficult to sort through and understand all the points of information.

Healthcare marketers should be asking...

- How is our organization reflected in these independent web sites?
- How often do we monitor the ratings, and other information about our organization provided on outside web sites?
- Do we have a process in place for monitoring patient feedback about our organization or physicians that might be posted on other web sites?
- How do you correct inaccurate or outdated information on external web sites?
- How well does the quality, pricing or other data on your web site align with what others’ sites say?

Making sense of it all – the role of advisors

With the plethora of health information available, how will consumers educate themselves? Some, such as those with chronic illnesses, may devote the many hours necessary to find information on their ailments and their choices, sorting through the piles of information and making their own value judgments. Most, however, won't have the time, understanding or inclination to wade through it all. To help serve this audience, a number of new consultative services are arriving on the scene.

Start with the growing sub-industry of “patient advocates.” These professionals help patients navigate their medical choices, understand and negotiate billing, even work with a physician to

schedule an appointment tomorrow, instead of next month. A recent *BusinessWeek* article notes how more and more employers, such as Home Depot and TIAA-CREF, are offering patient advocates to their employees.² These companies are trying to provide employees with assistance in how to best use the money available in their HSAs, HRAs or other high deductible accounts.

There are also web-based services that cater to consumers. Revolution Health, the new venture from über-entrepreneur Steve Case (former founder of America Online), has a mission of “*revolutionizing* health care.” With the Premium Membership, available through their web site for a \$125 annual fee, customers receive “personalized support and service.” This includes:

- finding physicians, hospitals, clinics and other providers
- appointment scheduling
- transportation facilitation
- the consolidation of testing schedules
- exploration of lower-cost prescription options
- navigating insurance preauthorization processes
- assisting with claims
- online medical records

The site also provides an area for patients to rate their physician and hospital experiences, and provides other tools.

Then there's Subimo, another web-based company, offering “My Healthcare Advisor,” a paid service that allows users to research their provider options and compare them on many levels. The service was primarily marketed through health plans to their members, but general consumers could also sign up for the service online. In 2006, Subimo was purchased by WebMD for the tidy sum of \$60 million, and is now called WebMD Health Services.



The rise of the patient broker?

Beyond the more clinically focused patient advocates, or web-based services such as RevolutionHealth.com, is there an opportunity for a new kind of advisor? Consider the world of financial investing to see how the idea of a “patient broker” might emerge.

Imagine it's time to sit down and get serious about investing for your retirement. You go to the bookstore to grab some investing books and the latest financial magazines and start studying your options. You quickly realize that your investment options are virtually unlimited – thousands of mutual funds, stocks, bonds, REITs and more. Where do you begin? If you're like the majority of people, you pick up the phone, call a financial planner, investment broker or some other professional, and ask for help. For most of us, it would be nearly impossible to keep up with all of the investment options available, not to mention what's hot, what's not, new tax laws, changing regulations, and so on. That's the job of a financial broker, who's educated in financial investments and has the time and inclination to keep up with the vast amount of constantly changing information. For many consumers, financial brokers are an essential partner in managing money and investments.

Does a similar situation currently exist in healthcare? There is far too much information to gather or understand for most consumers when it comes to healthcare. Could a “patient broker” serve the same role as a “financial broker” in helping patients make the best decisions? These patient brokers might not provide clinical advice, but instead healthcare shopping advice, helping patients make the right value choice when it comes to certain healthcare decisions. What are the options for a particular procedure, say joint replacement surgery, in a particular market? What are the costs associated with those procedures? What are the experiences like? What are the wait times to schedule surgery? Which surgeons have better reputations, quality records, safety records? Says who? Which information is accurate, up to date, and objective?

Patient brokers – like their financial brethren – would understand market options, keep up with changing information, and would provide the expertise consumers don't have the time or background to develop themselves. In addition, like their financial counterparts, patient brokers would help apply their market knowledge to an individual's unique needs and circumstances. How does your insurance plan limit your options? What is your risk tolerance? If this is related to a chronic situation, how important is building a relationship to you? How much are you willing to sacrifice cost for quality?

Local, local, local

One of the differences, however, between the financial broker model and the potential patient broker is the crucial role proximity plays. For the most part, investment options are the same whether you're in New York City or International Falls, Minnesota. A financial broker can understand the options from wherever she may be (real estate investments would be a key exception to that rule). But healthcare options are as varied as the cities and towns in which they're located (and that doesn't even consider international destinations). At this point, companies like Revolution Health and WebMD are offering nationally based services, and the output is understandably generalized. Can a nationally based service really understand and keep up with local healthcare options and the changes that occur? Perhaps there will be more locally based patient brokers, those who really understand the New York City market, the Chicago market, or the market in northwest Minnesota.

Whom can I trust?

As with information web sites, another factor to consider with patient brokers is objectivity. In the investing world, there are all sorts of choices when it comes to finding a broker. Some are paid on commission, some receive fee-based compensation from investment sources, and some charge consumers based on an hourly or project rate. While each of the options offers pros and cons, it's critical for an investor to understand how their advisor is compensated, so she can clearly understand the ramifications of the advice offered. Is the broker recommending selling a stock because it's in your best interest, or because he's eligible for a commission on the sale? The same factor holds true in understanding health information in comparing options.

Questions healthcare marketers should be asking...

- Do we know if any patients are coming to us through these outside advisors, either web sites like WebMD or personal patient advisors? If so, how many? What type of patients?
- Are there patient advocate businesses operating in our market? If so, who are they? Do we know how they value our organization?
- What services could we provide to help our patients better navigate their healthcare choices?



Employers step into the fray

Whether they visit a web site or hire a patient advocate, consumers have the means to seek help on their own for understanding their healthcare options. But increasingly, they also are receiving help from their employers. Primarily in an effort to help address ever-increasing healthcare costs, many employers, through a number of approaches, are seeking to influence how consumers choose their care.

Scotts Miracle-Gro leads the way

A 2007 *BusinessWeek* article tells the story of Scotts Miracle-Gro Co., the \$2.7 billion lawn-care company based in Marysville, Ohio, that has become fairly aggressive in managing the health of its employees.³ The company's goal, of course, is to improve the health and well-being of Scotts' employees in order to lower overall healthcare costs for the company (as well, it's noted, to improve the productivity of that work force). This strategy is part of a growing trend of employers taking a larger role in addressing the issue of ever-rising healthcare costs, as more companies introduce consumer-driven health plans such as HSAs and HRAs, tying premium levels to mandatory health assessments, annual testing and more. Scotts has arguably taken the strategy further than almost any other company in the U.S., building a 24,000 sq. ft., \$5 million medical and fitness center across the street from its headquarters, staffed by two full-time doctors, five nurses, a dietician, counselor, two physical therapists, a team of fitness coaches, and that even includes a drive-thru pharmacy for free prescription drugs. All to make it easier and less expensive for employees to take better care of their health. The facility



is run by Whole Health Management, one of many national firms with the mission of helping organizations run wellness and health programs. MinuteClinic and other mini-clinics have sprouted up in large corporate headquarters over the last couple of years, and companies like Whole Health Management help dozens of other companies operate on-site primary care offerings, fitness centers and wellness programs.

Health and wellness innovation in Minnesota

Minnesota again serves as an example for the rest of the nation in examining the emergence of a growing sub-industry of health and wellness firms like Whole Health Management who are playing a growing role in influencing consumers.

For example, Health Fitness Corporation, based in Minnesota, is a national leader in the industry, and works directly with companies to improve the health of their employees. Health Fitness Corporation has been around since 1975, providing a complete array of services to help employees stay fit and thus, reduce their company's healthcare costs. Among the corporate fitness programs offered by Health Fitness Corporation are:

- Needs assessment: looks at the goals and the philosophies of the organization to determine the course of action.
- Facility planning: strategic planning of the facility in conjunction with the organization's facility management.
- Health Risk Assessments: This assessment looks to help a company control costs by looking at the company's health population and "targeting actionable programs to address identified risks."

The company offers day seminars, nutrition and weight-loss programs, flu shots and more to help prevent illnesses and the like for the company. As its tagline says on the web site, Health Fitness Corporation wants to "help reduce workplace stress and injury while improving productivity."

In another example, RedBrick Health Corp, was founded in 2006 in Minneapolis by Kyle Roling and partner Abir Sen, to provide employees of client businesses advocacy in making healthcare decisions. Roling and Sen started Definity Health, a company that pioneered the concept of consumer-driven health plans. (Definity Health was sold to United Health Group and is now a part of Uniprise, a division of UnitedHealth Group. Uniprise also provides wellness solutions, global healthcare solutions, personal support and other services to business and

REDBRICK HEALTH



individuals seeking to control healthcare costs.) In a press release on RedBrick, CEO Roling said, "Over 50 percent of health care costs are a result of individual behavior. It's about time that we recognize this and take it head-on. The RedBrick Health solution provides a responsible transition from employer sponsored healthcare to consumer-owned health where all of the stakeholders win."

When employers use consumer-driven health plans, RedBrick will help employees take ownership of their own plan. The company plans to use financing tools and incentives to establish greater personal responsibility among clients, long-term lifestyle changes and substantial return on investment. In the article, Roling gives a telling quote on the future for consumer-driven healthcare: "What's needed is an independent advocate on behalf of consumers. An independent advocate that will help drive wellness in the consumer market place."

A Nebraska health system walks the walk

How far can employers go in influencing the healthcare decisions of their employees? Maybe it took a health system itself to show the potential impact of this trend.

Wayne Sensor, CEO of Alegent Health in Nebraska, was a recent keynote speaker at the Twelfth Annual Forum on Consumer Based Marketing Strategies in Orlando. In 2005, Alegent introduced a consumer-driven health program to its employees. Sensor pointed out that in order to get his staff involved in improving their own healthcare, he had to change the culture at his organization, not just "shove another new insurance plan down their throats." He gave his employees more power over their healthcare choices, instituting a type of health savings account plan, while also hiring healthcare advisors to help his people become healthier.

The first step was to build a cost-estimating tool on their Web site, designed first for consumers to learn what the cost of their particular type of care was going to be, but then to use for staff to find out how much tests and procedures were going to be.

Alegent Health

This is your healthcare



“It goes to an insurance database that validates the cost of a procedure versus your plan. It keeps track of your year-to-date co-pay, deductibles, etc.,” Sensor said.

Internally, efforts were made to help employees stop smoking, lose weight and exercise more. Healthcare advisors worked with staff who needed extra help. They were coaches who would call staff at home, at work, on odd hours and find out if they were sticking to their diet, to their workout or to their stop smoking program.

The end result was that Alegent Health saved millions a year on insurance costs, while the staff became healthier. Collectively, they lost thousands of pounds, dozens of people stopped smoking, and the staff felt more engaged in the work place.

“American consumers are fundamentally good shoppers. They will create their own value equation,” Sensor said.

Questions healthcare marketers should be asking...

- What corporations in our market offer on-site clinical services?
- What opportunities exist for partnering with those corporations for education, screenings or other programs?
- Do corporations or the health and fitness firms they work with have accurate and up-to-date information about our services?
- In what other ways can we engage corporations, health and wellness firms and other entities that are influencing employee healthcare decisions?

What does it all mean?

Currently, these outside influencers are having a minimal impact on consumer healthcare decisions. While consumer-driven health plans are on the rise, a recent study showed that only 20% of companies offered such a plan, and only 3% of employees elected such a plan.⁴ The true impact of consumer-driven health plans is still unclear. The spread of HSAs, HRAs, and other high-deductible plans is a gradual process—slowed, understandably, by pushback from consumers themselves. For the majority of patients, the traditional influences of their own experiences, word of mouth, insurance networks, proximity to care and physician referrals still dominate.

However, as these new outside influencers continue to grow in power, they could become key drivers of consumer healthcare decisions. Consider again the financial investing industry. Investment vehicles such as mutual funds certainly market to the end investor (you and me), but they also spend considerable energy and resources wooing the person in the middle—the broker. Could that reflect the future of healthcare marketing? Only time will tell. In the meantime, the savvy healthcare marketer will keep a close eye on these newer influencers and will begin to develop strategies for evaluating and engaging them.

Strategies for considering influencers

How should marketing leaders approach these new influencers in the market? First, start by understanding how information providers, patient advocates, health and wellness firms and others impact your market, both from a national and local perspective. For example:

- Sign up for services such as RevolutionHealth.com to track the latest offerings from these groups, and also to informally monitor how your organization and its physicians are being rated.
- Assign someone to catalog all of the sources covering or rating your organization and the information they provide, such as updated ratings and patient postings.
- Audit influencing audiences in your market: Are there top health and wellness firms present? Do any large corporations provide any level of healthcare on site? Which companies are providing patient advocacy services in your market?

- Conduct an informal poll of your call center staff, receptionists, nurses, even physicians: What are they hearing from patients about where they are finding information? What web sites or services do patients cite as resources?

Once you have a fundamental understanding of how these entities may be influencing your market, create strategies aimed at influencing the influencers. For example:

- Assign someone in your community relations, outreach or marketing department to begin developing relationships with local health and wellness firms. What are the opportunities for partnering? Can an education curriculum be developed for firm advisors? What information can you provide that would be helpful to these firms?
- Liaison with local patient advocates. Ask what their experience has been in dealing with your organization. What has gone well? Where have they encountered resistance or problems? What information or access can you provide to ensure they are providing their clients with accurate and up-to-date information on your services?
- Develop an action plan to respond if a negative rating or patient posting hits the news (or worse, lands on the desk of your top orthopedic surgeon!)

In the end, marketing to these influencer audiences will be different in many ways from marketing to consumers or physicians. However, one critical principle holds true when it comes to influencing information providers, health and wellness firms, patient advocates and others. The best way to affect where they direct patients is not through advertising spin, public relations efforts or slick collateral, but by providing the best experience, whether clinical, service-oriented or other. The better your experience, the more likely someone else will send a patient your way, no matter who they are.

About the Author



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Chris Bevolo serves as partner and director of client strategy for GeigerBevolo, Inc, a Twin Cities based healthcare branding firm. His 16 years of experience includes leading the development of brand strategies and campaigns, patient experience strategies, and marketing campaigns for healthcare clients such as Children's Hospitals & Clinics of Minnesota, Woodwinds Health Campus, North Memorial Health Care, Foote Health System, Hudson Hospital, Blue Cross and Blue Shield of Minnesota and the Minnesota Hospital Association. He has been a keynote speaker and featured presenter at conferences in Minnesota, Illinois, Iowa, Nebraska, South Dakota, Wisconsin, Florida and Texas. Chris has served as a judge in local and regional design and marketing competitions, and has published a number of articles and white papers. He is a member of the Minnesota Hospital Association, Minnesota Health Strategies and Communications Network, the Society for Healthcare Strategy & Market Development, and the International Association of Business Communicators. Chris received an M.B.A. at the University of St. Thomas in Minneapolis, and his bachelor's degree in journalism and mass communications at Iowa State University.

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End Notes

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