

WHITE PAPER

Healthcare's Digital Transformation

How consumerism is reshaping the healthcare landscape—and how provider organizations should respond



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Introduction

From sending messages and streaming media to shopping online and paying bills, today's consumers use technology for just about everything. The internet has become a digital sales kiosk for making dinner reservations, booking plane tickets and checking into hotels. Grocery store self-checkout stations are more popular than ever, and ATMs are the norm at most banks. Indeed, technology has forged a new frontier for consumer-facing industries—and healthcare is beginning to follow suit.

The pandemic accelerated that shift overnight, forcing providers to quickly implement technologies that safely and efficiently put patients at the forefront of their care. Healthcare organizations that embraced consumer-focused digital solutions like telehealth, self-scheduling, mobile registration and contactless payments have outperformed their competitors, even as COVID-19 wiped out billions of dollars in hospital and health system revenue.¹

However, the rise of healthcare consumerism long predates the pandemic. Over the past decade, technological advances have given rise to mobile apps, wearable devices and online health services that put patients in the driver's seat. Nearly 9 in 10 Americans own a smartphone,² and they're comfortable using it for just about everything—working, shopping, banking, text messaging—even researching their health conditions.³ And as consumer-facing technologies become commonplace, patients are increasingly shopping for healthcare experiences that align with their digital behaviors and preferences.

This democratization of healthcare has given consumers—equipped with digital aptitude and a surplus of choice—more ownership of their care than ever before. Patients now expect providers to offer the modern, convenient features they're accustomed to using in retail—and organizations that don't embrace those features risk losing patients to their competitors.

For many healthcare organizations, focusing on consumerism can seem overwhelming—especially amid mounting pressures to improve clinical quality, control costs and adapt to new reimbursement models.

Yet all of those goals are inextricably linked. Making your organization more consumer-centric better engages patients in their care, which in turn helps improve clinical outcomes. And enhancing the care experience increases patient satisfaction and retention—ideally boosting performance in value-based care arrangements.

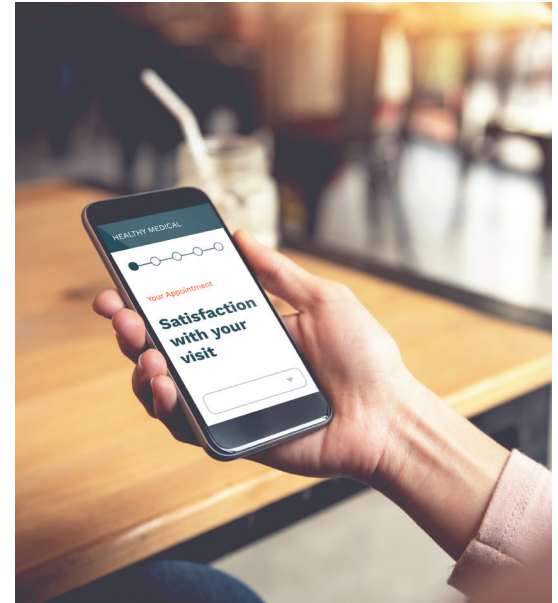
Put simply, provider organizations that seize the opportunity to better understand and respond to patients' changing preferences will have an enormous advantage as healthcare's digital transformation takes shape.

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ABOUT THIS WHITE PAPER

This white paper draws on results from a March 2022 Phreesia survey of patients who checked in for their appointments using the Phreesia platform. Of the 4,136 patients who completed the survey, 87% were between the ages of 18 and 64, and 75% had commercial insurance. Our goal with this paper is to shed light on the consumer-centric trends reshaping healthcare delivery, and to share best practices that healthcare organizations can employ to improve the patient experience, engage patients in their care, and boost loyalty and retention.



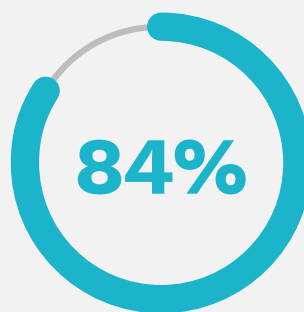
Keep Your Finger on The Pulse

As the healthcare industry strives to deliver more patient-centered care, it's taking a page from retail's book. Nearly half of the nation's biggest retailers are doubling down on their digital services, making mobile ordering and mobile applications their top two investment priorities.⁴

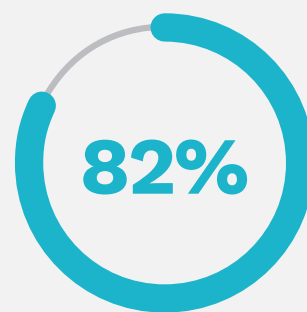
Not surprisingly, understanding how consumers already use technology will help healthcare organizations contextualize its use for patients. In our survey, the vast majority of patients said they would use digital tools to manage their appointments online, if given the option.

PATIENTS' DIGITAL DESIRES

Percent of patients who said they “definitely” or “probably” would do these online in 2022



Book appointments
(n=4,561)



Reschedule appointments
(n=4,561)

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ONLINE CHECK-IN

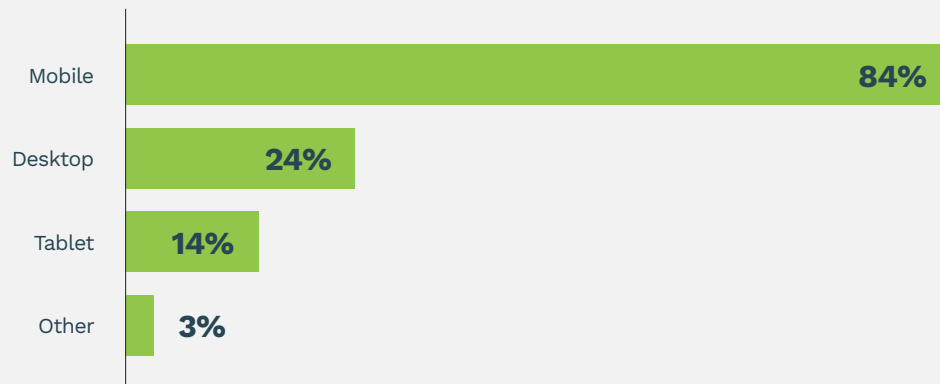
More than half of patients (54%) surveyed by Phreesia said they checked in for a healthcare appointment online in the past year, citing speed and convenience as their top reasons for doing so. An even larger share—64%—said they prefer healthcare organizations that offer online check-in, and 29% said they consider it a “must-have” when choosing a doctor. In fact, 1 in 6 patients said they would consider switching providers for that convenience alone.

ONLINE CHECK-IN: PATIENTS' EXPECTATIONS



HOW PATIENTS ARE CHECKING IN

Among those that checked in online for an appointment in the past 12 months (n=2,465)



Across the board, consumers have jumped on the opportunity to check in early—and for good reason. Online check-in has become airline travelers' preferred choice, allowing them to skip the queue and spend less time waiting in line. COVID-19 accelerated that shift by several years, with 58% of global customer interactions now taking place digitally.⁵

The same is true in healthcare. Before the pandemic, it wasn't uncommon to spend up to 20 minutes or more in a practice waiting room before an appointment.⁶ COVID-19 changed that, demonstrating the convenience of bypassing the waiting room—and patients are not eager to go back.

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CONTACTLESS PAYMENTS

Collecting patients' copays and balances at the time of service has never been easy. Even before the pandemic, one-third of patients whose balances exceeded \$200 did not pay them in full⁷—and the longer patients go without paying their bill, the less likely they are to ever pay it.

Flexible payment channels have certainly been a boon for other industries. According to McKinsey research, 82% of U.S. consumers made digital payments for online purchases, in-store checkout and person-to-person transactions in 2021 as tech-oriented billing habits moved further into the mainstream.⁸

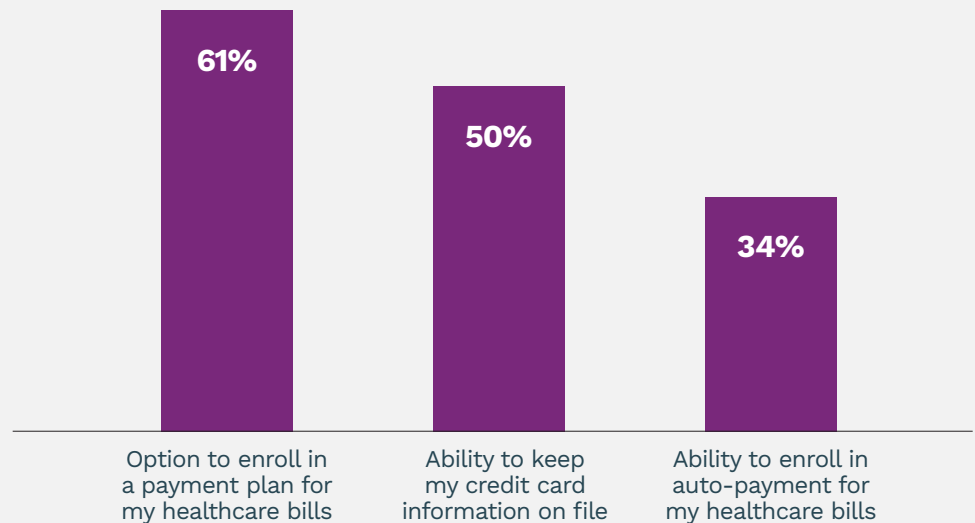
Even though healthcare's adoption of digital payment processes still lags the broader market, it's rising fast: 43% of Phreesia-surveyed patients said they paid medical bills online in the past 12 months, and nearly 1 in 4 patients (22%) said the ability to pay online is a "must-have" when choosing a doctor.

Among patients who didn't pay online in the past 12 months, 70% said they would likely do so if given the option. In fact, more than half of surveyed patients (56%) want their provider to offer at least one of the digital payment features listed in the survey—payment plans, automatic payments and the ability keep a credit card on file.

WHICH PAYMENT FEATURES DO PATIENTS WANT MOST?

Responses shown for respondents that chose at least one digital payment feature mentioned in the survey

(n=1,826)



Indeed, patients are readily embracing modern payment methods—and healthcare organizations that offer them are sure to benefit. Leveraging patients' existing bill-paying habits helps practices increase revenue, decrease hard costs and collect more at the time of service. That strategy also helps providers align with the financial experience most patients expect, as 18% of patients said they would contemplate switching providers for the ability to pay their medical bills online.

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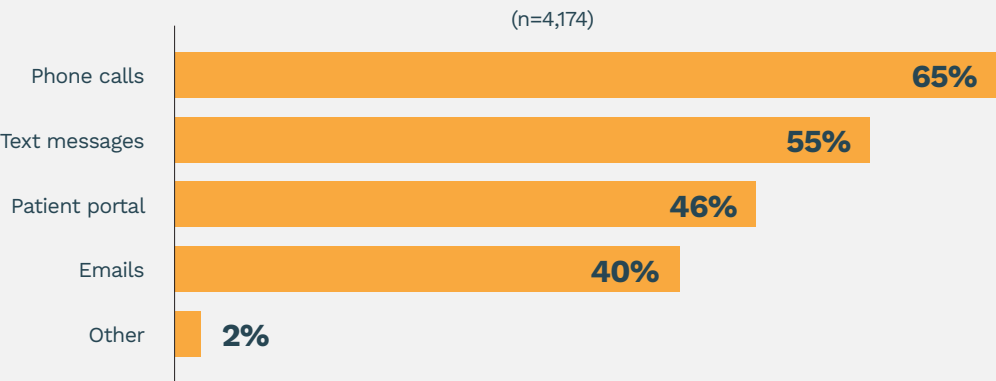
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DIGITAL ENGAGEMENT

Patients today want to be proactive in their care⁹—a marked shift from the traditional roles of the doctor as decision-maker and the patient as passive care recipient. For forward-looking healthcare organizations, that shift is great news—especially as the U.S. healthcare ecosystem moves toward value-based care.

But to effectively activate patients, healthcare organizations need to adopt the modern communication channels their patients already use. Among patients surveyed by Phreesia, 88% said they enjoy using digital messaging—like emails, text messages and online portals—to communicate with their providers, and 41% said the ability to do so is a “must-have.” Yet in the past year, less than one-third of patients (31%) said they used online tools to communicate with their doctor.

HOW PATIENTS PREFER TO COMMUNICATE WITH THEIR PROVIDERS



This disconnect presents a huge opportunity for healthcare providers. Communicating with patients before, during and after their appointments is vital to clinical outcomes, since engaged patients are often more proactive about managing their health.



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Meet Your Patients' Expectations

Throughout the pandemic, retailers have expanded their technology investments faster than ever before. Across North America, 65% of products and services were partially or fully digitized by July 2020, up from just 41% in December 2019.⁵

That transition is underway in healthcare, too. More than half of hospitals are ramping up their investments in digital solutions, citing customer experience and operational efficiencies as their top priorities.¹⁰ Patients today are digitally savvy, and their healthcare expectations are influenced by the same consumer-centric features—convenience, personalization, transparency, high-quality service—they're accustomed to experiencing in other industries.

Even so, a full commitment to consumerism requires a culture shift throughout an organization—one that puts patients at the center of care and prioritizes their needs in every decision.

INCREASE PATIENT ACCESS

Just as consumers expect convenience from retailers, patients expect it from their healthcare providers. In NRC Health's 2019 Healthcare Consumer Trends Report, 51% of patients ranked convenience and access to care as the most important factors in their healthcare decision-making—more important than insurance coverage, brand reputation or even quality of care.¹¹

There are many ways healthcare organizations can meet this expectation. Digital solutions like self-scheduling, online appointment requests and automated schedule management enable patients to book and receive care at times and locations that work best for them.

These self-service tools help provider organizations improve throughput, too. Allowing patients to schedule and check in for their appointments online can shorten wait times, minimize open slots and reduce overall costs. And when front-office staff aren't burdened with manual intake responsibilities, they have more time to focus on the patient experience.



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ACTIVATE PATIENTS

Prioritizing engagement benefits healthcare providers and patients alike. Medication adherence, better health outcomes and low care-coordination costs are all indicators of activated patients. And when patients are actively engaged in their care, their providers can more easily give them the comprehensive, consumer-centric care they expect.

Embracing technology can make patients more involved in their healthcare decisions. To create the most effective engagement strategy for your organization, consider these tips:

- ✔ **Send automated appointment reminders** to engage with patients before their visit and prevent no-shows
- ✔ **Implement two-way text messaging** to directly contact patients about their upcoming virtual or in-person visits
- ✔ **Encourage real-time feedback** by sending post-visit surveys via text message or email and prompting patients to share a review online

MAKE PAYMENTS EASIER

Healthcare has traditionally lagged other industries in providing flexible payment options, even though many of today's patients prefer the ease and convenience of paying online. The pandemic has accelerated that trend, driving an increase in e-commerce and point-of-service transactions as consumers shift toward more modern payment methods.

Offering online payments, automated payment plans and card-on-file opportunities can help healthcare organizations align with patients' changing preferences. These consumer-friendly options leverage patients' existing bill-paying habits, all while helping providers increase revenue and reduce overall billing costs. They also encourage patients to pay their copays and deductibles at the time of service, helping healthcare organizations increase collections at the point of care, as well as after patients leave the office.



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Invest in the 14%

Technology is now ingrained into the lifestyles of most consumers—patients included. In fact, the vast majority of patients surveyed by Phreesia said they're comfortable using technology to manage their healthcare needs. Still, a small subset—14%—reported the opposite sentiment, including 5% of patients who said they are “not comfortable at all.”

That's a problem for healthcare organizations. Digital-first strategies should be designed with the entire patient population in mind—not just the majority. If 14% of patients are uncomfortable with their healthcare experience, their overall satisfaction, engagement and willingness to seek care is liable to suffer.

Here's the good news: In the face of these challenges, there are proven, effective strategies to increase patients' comfort with modern technologies and deliver the streamlined, convenient experience they expect.

PRIVACY AND SECURITY

When patients schedule appointments, complete registration, make payments and discuss their care needs with their provider, they expect their personal health information to be kept safe. But digital technologies are inherently prone to cyberthreats—and many patients aren't willing to use them if it means putting their private data at risk.

Among surveyed patients who said they were uncomfortable using technology to manage their health, 41% said they would feel more comfortable if their provider had additional measures in place to protect their personal information. Data privacy is a legitimate concern: In 2020, ransomware attacks targeting healthcare organizations impacted more than 18 million patient records—a 470% increase over the prior year.¹² Without appropriate security safeguards, healthcare organizations could risk jeopardizing patients' data—and their trust.

For that reason, healthcare organizations are increasingly turning to third-party vendors that comply with strict regulatory standards to keep patients' health information secure. When evaluating technologies that handle patient payments, healthcare organizations should only consider PCI-validated solutions that use tokenization and encryption. In addition, organizations should ask technology vendors whether they're certified by comprehensive security compliance frameworks, such as HITRUST and SOC 2.



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PATIENT EXPERIENCE

Creating a digital front door isn't just about finding the right technologies. It's equally important—if not more so—to ensure that patients know how to use them.

According to Phreesia's survey, 29% of patients who said they feel uncomfortable using healthcare technologies said they would feel more comfortable if they had access to easier-to-use digital tools. Another 21% said their comfort level would increase if they received more instruction on how to use those technologies.

As providers shift away from clipboard-and-pencil intake processes, the patient journey should be top of mind. Digital tools like self-scheduling, mobile check-in and online payments should streamline and enhance the patient experience—not cause more complications and confusion. Bottom line, if patients don't understand how to navigate digital workflows, they're significantly less likely to seek care.

To successfully introduce patients to new technologies, healthcare organizations should consider these strategies:



Make it easy. Choose transparent, easy-to-understand technologies that leverage channels patients already use—like emails and text messages—rather than tools that require an app or a log-in page.



Train your trainers. Schedule adequate time for training and demonstrations to ensure that your staff understand how new technologies work and feel comfortable helping patients adopt them—and make sure that your technology provider can support you as you make those changes.



State the goals and benefits upfront. Use your website, newsletter or social media to announce new technologies to patients. Be sure to clearly highlight the value proposition—whether it means less time in the waiting room, more flexible scheduling options or easier ways to pay.

Conclusion

It may have taken a pandemic to get healthcare up to speed in adopting patient-facing technologies, but now that it's happened, there's no going back. Patient expectations have radically evolved—and for forward-thinking providers, the future of healthcare looks a lot like retail. By leaning into that shift and embracing consumer-centric digital tools, healthcare organizations can build a sustainable model to attract and retain patients, engage them in their care and deliver the flexible, convenient experience they truly want.

About Phreesia

Phreesia's software gives healthcare organizations a suite of applications to manage the patient intake process. Our innovative platform engages patients in their care and provides a modern, convenient experience, while enabling our clients to maximize profitability, optimize their staffing and enhance clinical care. To find out how Phreesia can give your organization the capacity for more, visit phreesia.com.

End notes

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