OPTUM®

Invest in a more consumer-centric future:

Strategies for CFOs to compete in an upended market





Explore the incentives of consumer-centric strategies

The COVID-19 crisis has not so much upended the health care system as revealed the deep need to scale the innovation that already existed. While traditional strategies have been maintained, costs are going up, consumers are unsatisfied, and outcomes are not where they need to be. All of these factors align to make consumerism not just an industry trend, but a mandatory tool to compete.

Consumerism is a natural extension of the value-based approach — a model that has proven relatively resilient and stable through COVID-19. That's not to say there haven't been varied experiences as a result of COVID-19. Involvement with government or commercial lines of business plays a role in how resilient and stable this model has been for any particular organization. However, supporting and strengthening value-based care through consumer-centric strategies remains a wise investment to deal with both the immediate turbulence of the market and to set up your organization for long-term, sustainable growth. There is also more movement than ever among health care consumers — whether they are shifting in and out of coverage or experiencing changes to their financial dynamics — and the market is moving too. New entrants are coming in without the burden of legacy behaviors or processes to freely align with what the consumer wants. However, this presents an opportunity for health care organizations to step up and challenge assumed requirements, drive change and lower the total cost of care. This ultimately advances the fundamental mission to increase health equity for all.

To keep up with this rapidly evolving dynamic, health care CFOs can look at their strategic plan and assess how they should invest in consumer outreach, redesign more cost-effective products and services, and deliver quality at the lowest cost. But none of this is possible without first reconfirming the business problems your organization has committed to solve, and how technology can enable you to solve them. CFOs must apply their data, know their goals, and leverage the analytics necessary to meet their strategy. And while the current health care environment is new for everyone, the keys to success in building long-lasting relationships with consumers is not. The health organizations that double down on what we may already know to be true but have not yet fully realized, as well as the extraordinary strides already made, will reap the rewards of positive sentiment, increased engagement and strengthened bonds today and beyond.

In this article, we will discuss how CFOs can navigate forward toward a more financially sustainable and consumer-centric future by:

1. **Investing in outreach and a clear financial experience**
2. **Improving affordability through consumer segmentation**
3. **Redesigning products and services with consumer-centricity in mind**
4. **Utilizing both traditional and nontraditional measures of success**

NAVIGATING ***FORWARD***

Investing in consumer-centered experiences

Fifty-one percent of health care consumers believe convenience and access to care are the most important factors in their decision-making — above insurance, reputation and even quality.[1] That means the onus is on CFOs to find ways to invest in services that meet the consumer where they are. This can begin with simple outreach to guide them to channels they can trust and afford and help them prioritize preventive actions. This is a straightforward, early step to keep all consumers engaged and ensure that costs remain low.

The CFO needs to support the broader organizational shift while also improving the financial experience for each of their patients or members. There are few factors more important to the consumer than knowing the cost of care in advance of receiving treatment. Ninety-two percent say they would rather go to another clinic if they couldn't know the cost of their care before receiving the bill, while 38% would rather blindly pay $100 out of pocket for care to avoid a surprise bill.[2] CFOs can lead these efforts by bringing health plans and providers together to offer prior authorization and accurate cost estimation for everyone.

Know what different consumer segments can afford and what they are willing to pay for

Before your organization can address the wants and needs of the consumer, you must first understand who they are on clinical, financial and social levels. What services can the populations you serve afford — and what are they willing to pay for to stay well or manage a chronic condition? Are they high-volume users who value convenience most, or infrequent patients who only want to utilize the best services you offer? Thirty-two percent of consumers say they will adjust their spending on care because of COVID-19, while 30% say they either have or plan to skip an elective procedure.[3] More than ever, consumers are seeking affordable solutions to protect themselves from financial harm. If your organization doesn't offer this, the competition in your market will step up to fill the gap.

This consumer segmentation entails leveraging the power of big data to capture a holistic, lifetime view of the patient. Most of this data is already accessible through EMRs, claims, and the products and services that consumers already use, not to mention market and industry analysis from strategic partners. All of this information can help you identify the populations who most need support, coverage and care. For example, with the right analytics, your data can help identify high-risk patients who could benefit from preventive treatments like acute wellness visits, mammograms, colonoscopies and more. Focusing on preventive services ultimately limits the decline in the care of chronic diseases. In turn, this improves patients' health, improves quality of care and decreases costs.

Remain flexible with a combination of virtual health, in-home care and traditional channels

COVID-19 has rapidly accelerated the adoption of telehealth, virtual health and in-home care solutions. And while traditional health care providers have not reliably offered these services, consumers have embraced the change — and billions of



32%
of consumers

say they will adjust their spending on care because of COVID-19, while

30%

say they either have skipped or plan to skip an elective procedure.[3]

dollars of private equity have poured into the market to meet demand. But while it's important to redesign your products and services to provide modernized delivery, it's equally vital to combine these investments with your traditional channels to create a holistic strategy. Together, your health ecosystem can engage the consumer, improve outcomes and reduce the cost of care. The lower the cost, the more savings can be passed on to the consumer.

It's also important to lean on your segmentation to understand what consumers can pay and how they want to pay. When you redesign products and services with consumer-centricity in mind, you can provide easy and flexible payment options, long-term payment plans, discounts, early cost estimation and appropriate pricing. In the U.S., 47% of adults are more concerned about the cost of health care now than they were before the pandemic,[4] making these measures more important than ever to win both business and trust. And offering value at lower cost makes any organization more competitive.

Verify success and tell the story

After consumer-centric approaches have been implemented, health organizations can track their efficacy and verify their success. This can be achieved in both traditional and nontraditional ways:

1. Measure the adoption rate of new services and their effectiveness. Are you moving health outcomes at a population level? Is this reflected in your payment arrangements?
2. Employ consumer experience metrics such as a Net Promoter Score® and customer effort score. Are you able to see improvements in consumer feedback and in volume?
3. CFOs can measure the total cost of care and its impact on contract negotiations. Are you offering the highest value at the lowest cost? Do consumers experience that cost reduction too?
4. CFOs can also take a step back to assess a more holistic view of ROI when designing with the consumer in mind.



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In addition to these traditional, "harder" metrics, there are "softer" measures that can indicate success within a system. For instance, are you able to respond to sudden shifts in consumer demand? Are your populations adopting the new technologies and pathways? Looking at the end-to-end consumer journey is critical to identifying gaps where a need is not being met.

Invest in a more consumer-centric future

Creating a seamless experience for the consumer first requires investment and buy in from leadership. CFOs can lead the charge to coordinate an enterprise approach for modernizing delivery and establishing an infrastructure that will lower costs and improve quality. Cultivating a proactive, value-based approach now can lead to long-term and sustainable revenue to help your organization remain relevant.

Contributing experts



Robert Crossey, DO
President, Premier Medical Associates
Click here for bio



Keith Shah, PhD
Senior Vice President,
Strategy and Growth
Click here for bio



Dr. Omar Baker, MD, FAAP
Executive Vice President, Strategic Initiatives and Innovation for OptumHealth and Chief Medical Officer, Health Services



Craig Savage
Senior Vice President,
Payer Practice
Click here for bio



Kristi Henderson, DNP, NP-C, FAAN, FAEN
Senior Vice President Telehealth & Innovation,
Optum Health
Leader of the Center for Digital Health

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