

The Patient as Healthcare Consumer: Implications and Opportunities for the Clinician-Patient Relationship

Abstract

Objective: To determine the effects of and clinician opportunities from the advent of the new “market-driven” patient.

Methods: Research and descriptive review of current literature describing healthcare consumerism and e-communications.

Results: Based on the literature review, three significant dynamics appear to be influencing the market-driven patient. Specifically, patients are seeking to self-educate about medical issues, demanding new types of access to their providers, and becoming more financially accountable for their healthcare.

Conclusions: Each of these developments carries implications for the physician-patient relationship. Providers can choose to wait out these market changes, incrementally evolve, or take the lead and adapt to thrive in the new healthcare environment.

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Introduction

One of the leading proposals for reforming America’s troubled healthcare system concerns the creation of a new type of healthcare consumer – the patient. The leading purchasers of healthcare, employers and the leaders in federal government agencies, are advocating for a “free market” remedy that holds patients more financially accountable and empowers them more actively to choose their care providers and services.

At the same time, two transformative social trends are externally driving this evolution to a patient-as-consumer phenomenon. First, the “democratization” of medical information brought about by the web has exposed patients to a vast supply of educational resources of varying quality, creating the recent emergence of patients equipped with medical citations and views on their diagnosis and appropriate therapies. Second, the self-actualized, consumer-savvy Baby Boomer cohort is entering the medical marketplace at a

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new level of intensity, as they face major medical illnesses associated with the later phases of life.

Thus, the clinical provider is beginning to encounter a substantial change in the role and expectations of the patient. This trend is likely to continue to grow in intensity in the next few years.

This paper explores the major drivers and manifestations of this new patient-as-consumer role, the effect this may have on the clinician-patient relationship, and the ways the clinician might consider reacting or adapting.

Methods

This paper represents a composite review of 23 publications in the peer-reviewed and industry literature. Articles were identified and included based on their relevance to the following topics:

- Patients’ use of the Internet for medical information
- Patients’ demand for electronic access to their providers
- Consumer-driven healthcare plan adoption
- Implications of these trends on the clinician-patient relationship

Because of the rapidly changing nature of Internet use by patients for health-care-related information and the desire to provide a review of the most current information available, selection was limited to papers published within the last four years.

Findings: Patients seeking to medically self-educate using the Internet

A number of factors are driving patients to seek medical information on the Internet. Modern patients increasingly need to be involved in clinical decision making, and need to be an “informed patient” to do so. As Woolf et al describe, “...Deeper engagement in decision making is increasing for several reasons: increased patient autonomy, broader access to information,

expanding clinical options, rising costs, ascendancy of chronic illness, complex tradeoffs, and greater accommodation of personal values” (Woolf et al).

Patients are not satisfied with traditional medical information sources or with the information that they typically receive from physicians. The current care delivery model does not encourage, and many argue that it in fact discourages, clinicians from supplying sufficient medical information to patients to support these new levels of involvement. McMullan described the limited time that patients have during physician visits as a major source of patient dissatisfaction with the level of information received (McMullan). In fact, one study found that 33 percent of patients reported leaving their physician’s office without answers to vital questions about their own healthcare (Woolf et al).

At the same time, American consumers have now broadly embraced the Internet as a leading source of information. The majority of people under the age of 70 are Internet users, and under the age of 60 usage is “near universal,” according to the latest data from the Pew Internet & American Life Project. Even majority shares of demographic groups believed to be “late technology adopters” were online by 2005 – 65 percent of rural dwellers and 54 percent of those earning less than \$30K (Pew, December 2005).

Thus it is not surprising that the Internet is serving medical self-education needs. An estimated 79 percent of online consumers, or 95 million Americans, are regularly seeking health information on the web. According to 2004 research by Pew, two-thirds of Internet users have searched for information on a specific medical condition, and just over half have searched on a specific treatment (Pew, May 2005). Hesse et al describe the magnitude of this trend: “The Health Information National Trends Survey data portray a tectonic shift in the ways in which patients consume health and medical information, with more

patients looking for information online before talking with their physicians.”

Despite the fact that consumers are using the Internet as a source for medical self-education, many are not satisfied with the process or results. For 75 percent, the information was found to be too basic or insufficiently detailed (McMullan). Search engines generate “data dumps” that are difficult to navigate (Vascellaro). Finally, there is general uncertainty regarding the accuracy or credibility of the source. For all of these reasons, patients would like their providers to guide them in their information searches and self-care.

Implications and opportunities for providers

In terms of opportunities for clinicians, providing patients with Internet tools for self-education and self-care can satisfy patients, improve outcomes, align the practice with consumer trends, and strengthen the physician-patient relationship. On the other hand, some observers warn that consumers may increasingly select providers based in part on their provision to patients of clinical information services or support.

A recent Cochrane review assessed the benefits of computer applications that provided chronic-condition patients with medical information and support (Murray et al). The review found that these mostly

Internet-based applications had a significantly positive effect on patient knowledge and clinical outcomes. Furthermore, these tools benefited patients by improving self-efficacy (a person’s belief in their capacity to carry out a specific action) and behavioral outcomes.

Supporting patients’ medical information needs can rejuvenate the patient-physician relationship by enhancing patient trust through provision of objective, understandable content that reinforces in-person discussions. Also, patients often express gratitude for their provider’s stewardship and respect, which in turn empowers them to participate in decision making.

Biermann et al point out the clinician productivity advantages resulting from proactively providing patients with online medical information. They write, “Patient education via Internet resources offers the advantage of providing detailed information and advice using minimal staff time . . . Online medical information may be a useful adjunct to traditional physician-patient interaction . . . A clinical encounter may then be efficiently spent refining information and answering specific questions.”

In summary, there are three alternative provider approaches to the “Internet-informed” patient. A provider may adopt a professional-centered strategy whereby one asserts an expert opinion and recommends that action with minimal discussion of the patient’s proposals. This has the advantage of ensuring that encounters are not overly extended, but may result in the loss of engaged, self-activated patients. Secondly, a provider might interact in a collaborative and patient-centered mode by discussing and interpreting patient-identified information. This is likely to be satisfying to patients, but can be time-consuming. Finally, providers can be prescriptive and offer guidance by directing patients to reliable, accurate, and detailed information specific to their condition on the Internet. This may provide a mutually satisfying solution, but requires that the

Medical Self-Education on the Internet

95 million Americans regularly seek health info on the Internet
82% interested in online personalized disease information

Reasons to Seek Online Info

60% of online consumers forget to ask all questions during physician visit

29% of online consumers frustrated by not having enough time with physician

Broad Access to Internet

71% of 50-64 year-olds

83% of 30-49 year-olds

65% of rural adults

54% of households with incomes below \$30K

“70 to 90 percent of surveyed adults with e-mail access say they would like to communicate with their providers online.”

practice maintain trustworthy and updated web-based information.

Findings: Patients seeking electronic access to providers

The emerging healthcare consumer has new expectations regarding online communications with their providers. Within just the past few years, consumers have become accustomed to using the Internet for most personal services and transactions (e.g., shopping, banking, and travel), and thus are expecting similar levels of customer service and convenience in all aspects of life.

Market research reflects this high consumer demand for e-communications with healthcare providers: 70 to 90 percent of surveyed adults with e-mail access say they would like to communicate with their providers online. These electronic access demands are projected to increase substantially as the “silver tsunami” of Baby Boomers begins to manage the healthcare of their elderly parents and develop chronic illnesses themselves. Forkner-Dunn writes that Baby Boomers “demand immediate, convenient access to a high level of personalized health care: they want it their way, and they want it now” (Forkner-Dunn).

Clinician users credit online communications between provider and pa-

tient with generating multiple benefits, including stronger relationships, improved clinician and office productivity, increased revenues, and better continuity of care (Patt; Liederman).

Relationship benefits

The additional channel provided by online communications creates further opportunities for patients to connect with their physicians and thus a stronger bond between provider and patient. Studies have also found that patients are better able to communicate sensitive issues in writing to their clinicians through secure online services. Finally, patient surrogates utilize this channel to communicate relevant information that patients are reluctant to discuss.

Productivity and financial gains

Common administrative communications between office staff and patients, such as appointment scheduling, refill requests, and registration information, are being very effectively transferred through secure online channels. This generates several sources of savings for practice operations:

- A decrease in total patient message volume (telephone plus electronic) saves providers’ time and generates administrative savings

Growing Adoption of Online Communication with Patients		
27% of large practices (over 50 clinicians) 22% of mid-sized practices (10 to 49 clinicians)		
High Patient Demand	Minimal Adoption Challenges	Benefits to Practices
90% onliners want to e-communicate with physician 77% want to ask physicians questions online when no visit is necessary	Manageable e-message volume ~ 1-2 messages per day per 100 enrolled patients Typical time to answer ~ 3 minutes	Reimbursed ~ \$25-\$30 per message Increased physician visits/day and RVU/day ~ 10% more in one study

“We’ve found that providing [secure online communication] satisfies patients and increases productivity, particularly because the Baby Boomers are driving demand for this method of communication. Efficiency is improved through lower message volume. We believe we’ve substantially reduced liability risk. We’ve clearly generated new revenue, which is a real pleaser for our physicians.”

- Lower telephonic traffic improves on-hold times and saves office staff labor costs
- Pre-visit online intake lowers mailing costs and streamlines patient processing so that waiting room delays are mitigated
- Reduced no-show rates from patient engagement through online practice communications increase revenue generating visits

Clinically oriented online communications directed to the provider also result in improvements in productivity and even revenue gains. Reports from physician users describe this service as more convenient, productive, and efficient than other types of patient communication channels. Typical statistics regarding online clinical inquiries directed to the physician indicate a minimal time commitment – about 1 to 2 messages per day per 100 patients, with each message requiring about 3 to 5 minutes of the clinician’s time.

In one study, UC Davis medical clinic users actually quantified the increase in clinician productivity: Their online communications services resulted in an 11 percent increase of visits per day, totaling 508 more visits per physician per year. This increase in total visits represented an incremental annual physician revenue of \$18,000 for clinicians using online communications.

Furthermore, many providers are earning revenues from either payer coverage or patient payment for online clinical consultations. Payers who are piloting coverage of online medical evaluations (using a temporary CPT code of 0074T) are paying about \$20 to \$35 per consultation. Practices that offer “e-visits” in exchange for a patient fee are typically charging about \$25 for each consultation (Liederman). Market research studies have estimated that 20 to 40 percent of patients are willing to pay for online communications with their providers (Taylor; Lin).

Continuity and quality of care

The Institute of Medicine and American College of Physicians have both publicly advocated for the use of secure Internet provider-patient communications between face-to-face encounters as a means for linking episodic visits into a continuous relationship.

Physicians with online patient communication experience confirm the effectiveness of this application for managing chronic care patients (Patt). Users describe the improved continuity of care that results from pre-visit clinical information gathering and post-visit follow-up.

Liederman summarizes the experiences of an internal medicine clinic: “We’ve found that providing [secure online communication] satisfies patients and increases productivity, particularly because the Baby Boomers are driving demand for this method of communication. Efficiency is improved through lower message volume. We believe we’ve substantially reduced liability risk. We’ve clearly generated new revenue, which is a real pleaser for our physicians.”

Implications and opportunities for providers

As patients become increasingly engaged as consumers of their healthcare services, they will likely decide which clinician to see based on the availability of highly valued services such as Internet communications. Taylor and Leitman wrote in a 2002 publication:

“It seems safe to predict that within a fairly short space of time many doctors will be communicating with their patients on the Internet. This will happen because some doctors and health plans will use this as a way to differentiate themselves from their competitors. Some doctors will embrace this as an opportunity to grow their practice. Some health plans will require, or incent, physicians to be accessible online. It is only a question of how quickly this will happen.”

A growing number of practices have already begun to adopt online communication with patients: 27 percent of large practices (more than 50 physicians) and 22 percent of mid-sized practices (10 to 49 physicians) provide this service, according to one recent study (Brooks).

There would seem to be an opportunity for providers to differentiate their practice to patients and referring clinicians by offering a number of “high access, high quality” care services such as online communications. Furthermore, if published experience with these services is applicable in broader settings, providers may find that “electronic care delivery” expands their ability to provide services in a way that improves productivity and revenues.

Findings: Patients becoming healthcare consumers

There is a broad consensus among corporate “purchasers,” government leaders, and policy makers that the leading solution for reforming the U.S. healthcare system is to create a consumer-driven healthcare market, with financially accountable and engaged consumers and transparency re-

garding provider performance and service costs.

One of the most popular mechanisms for driving this transformation is a new type of healthcare coverage plan, or a “consumer-directed health plan” (CDHP). These tax-advantaged, high-deductible plans most often employ recently created “Health Savings Accounts” (HSAs) from which consumers pay for healthcare services until a deductible limit has been met.

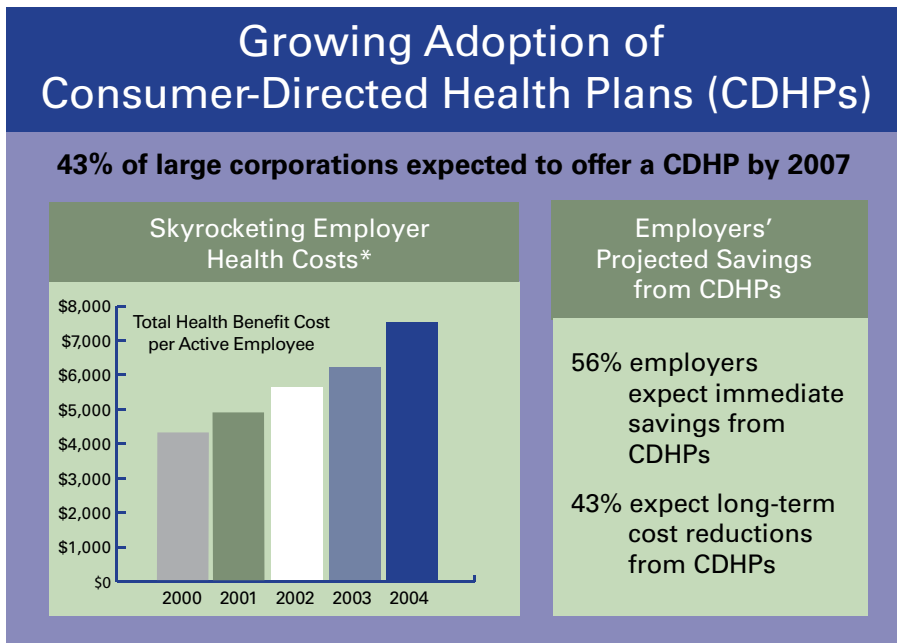
Damberg of the RAND Corporation explains, “Employers hope that by providing consumers with informational tools and financial incentives, this approach will work to contain the growth in health care costs by inducing consumers to eliminate unnecessary care and to seek lower cost, higher quality providers.”

Early experience with these plans has been positive. Employers report significant savings, typically about 10 percent, compared to expected spending on premiums (Damberg). According to some analyses, consumers also are financially advantaged under CDHPs.

Adoption of consumer-directed health plans is occurring rapidly, especially among large and small employers. A recent employer survey found that 22 percent of large employers are currently offering an HSA, and that 43 percent are expected to do so by 2007 (Deloitte).

Tim Kotas, vice president for product development for Lumenos, recently stated, “Whether HSAs, HRAs and other consumer-driven plans will solve health care’s problems, no one can say for sure. What is clear, however, is that the patient is becoming the payer. The products themselves may vary, but that’s not the point. The point is that the relationships and the funding of health care are changing. I don’t think anyone can argue with that” (White).

Even more significantly for providers is the drive for “transparency” regarding the quality and prices of healthcare services accompanying this consumerism



*Source: Mercer's 2003 National Survey of Employer-Sponsored Health Plans and William Blair & Company, LLC estimates

“The emergence of an actual consumer-directed healthcare market may have profound implications for providers, creating both new opportunities and operational challenges.”

movement. Coalitions of major corporations and federal government leaders are demanding that insurers and providers begin publicly reporting prices and various quality measures so that consumers can make informed choices regarding where they receive care.

Implications and opportunities for providers

The emergence of an actual consumer-directed healthcare market may have profound implications for providers, creating both new opportunities and operational challenges.

The operational implications of patients who are more financially invested in their healthcare include managing patient payment and accounts receivable issues, as well as reviewing and revamping customer service aspects of office visits. An entirely new “medical banking” industry is emerging as financial services corporations develop new products for the new healthcare consumer. Thus, newly created medical debit and credit cards tied to HSA accounts will likely solve practice problems related to patient payment collections.

In terms of customer service issues, practices are being urged to assess phone and office wait times, professionalism and attitudes of office staff, and efficiency of administrative and clinical exchanges. Adapting to a new environment in which the patient directly purchases services means that the quality of the customer experience increases in importance.

In terms of opportunities, if a provider’s local healthcare market is fairly competitive in terms of attracting patients, then this new consumer dynamic will likely drive efforts to differentiate clinical services and patient experiences from the status quo market. Providers may choose to promote their practice as high quality in terms of expertise and outcomes by reporting on quality initiative programs and results of performance measures. Others may opt to position their practice

as “high tech and/or high touch” in terms of the quality of the patient’s experience and level of convenience. Finally, a practice might offer value-focused, lower cost services such as electronic encounters or group visits.

Engaged patient consumers may seek closer relationships with their clinicians, be more adherent to treatment recommendations, and desire new offerings from their providers. For example, self-activated types of patients may want to purchase “information rich,” self-care management programs for chronic conditions. Others might find value in prevention or wellness offerings delivered through a trusted clinician.

As Singh et al provocatively propose, “The role of the provider needs to change in the face of consumerism . . . providers are going to have to evolve from being care providers to being health and wellness brokers and advisors. They also need to offer a suite of services, not just to patients but also to well consumers in their communities. It is clear that a role exists for a trusted intermediary and advisor.”

Conclusions

Although it may not yet be evident to the community practitioner, the healthcare market has begun undergoing a major transformation driven by corporate and government purchasers of healthcare that are alarmed at unsustainable levels of spending.

As employers continue to cost-shift health benefits to employees through various methods, and patients become more engaged consumers of clinical care, providers must choose how to respond. In general, three main strategic alternatives can be considered – waiting it out, incrementally evolving, or proactively taking a market-leader approach.

In evaluating which of these alternatives is the best fit, a practice might assess the relative risks and benefits of each path,

given expectations regarding future growth versus retirement, local competition for patients and services, demographics and socioeconomic status of patient population, and the practice's financial vitality. For those providers seeking to grow their practice and with a long-term perspective, the optimal strategy is likely taking an aggressive, market-leading approach to differentiating their practice for this new consumer market.

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