



# Mending Healthcare In America 2020

Consumers + Costs

# Mending Healthcare

## Key Takeaways

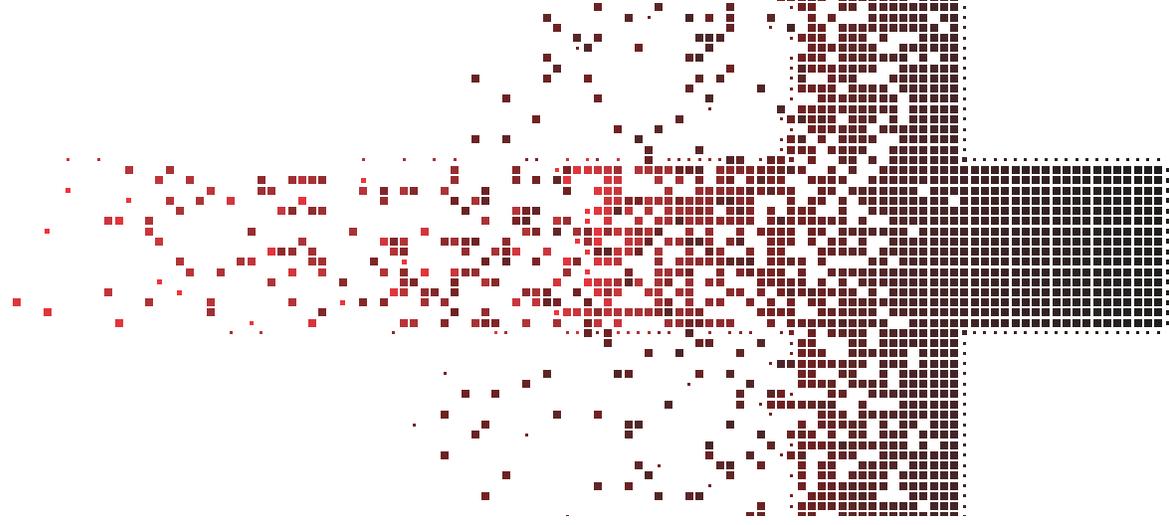
### **As Paying Customers, Patients Demand More**

#### **THE SURVEY FINDS THAT CONSUMERS HAVE SIMPLE DEMANDS**

and a very clear priority for hospitals of the future (or at least 2020-2023). Their demands center on better connections across care teams and a reduction in the costs of care, particularly the costs of medications. Those vying for consumers' business should be laser focused on that demand. However, results of the survey reveal they are not.

Overall, the survey also finds that consumers have become savvier about healthcare: they see differences in their healthcare, they know care and medications may cost more, and they believe variations have a number of causes—but mainly result from lack of collaboration across care teams or the system.

# Mending Healthcare



# The True Price of Fragmented Care

**H**EALTHCARE CONTINUES TO BE ELEVATED TO THE NATIONAL STAGE. Hospital leaders, those on the front lines of care, and consumers are assessing their priorities in the coming year and beyond in light of shifting healthcare policies and rising costs.

Providers and payers are preparing for a cadre of tougher policies on everything from sharing patient data across a broader network of healthcare players to more pricing transparency, including real-time pricing information about medications. Hospital leaders are making tough decisions on how to squeeze further costs out of the system and more effectively manage care over the next few years. And, consumers are contemplating the best ways to manage their own health under the burden of higher costs, new models of care, and rules on benefits and coverage.

## Analyzing the Cracks in the System

TO LEARN MORE about peoples' attitudes on breakdowns in the healthcare system, the risks created by inconsistencies in care and cost, and priorities for improvement, an independent survey of nearly 2,000 consumers, hospital executives, nurses and physicians in the United States was commissioned by Wolters Kluwer.

### THE CARE/COST CHASM

**63%** of consumers don't believe they would pay the same for a treatment or condition regardless of where they receive care.

**98%** of all those surveyed agree that there are substantial differences in costs and how care is delivered, making this a national problem.

The first step toward curbing costs and improving care is to recognize that they are deeply interconnected.

**73%**

of all survey respondents say the issue of healthcare will be a main factor when they vote for a presidential candidate.



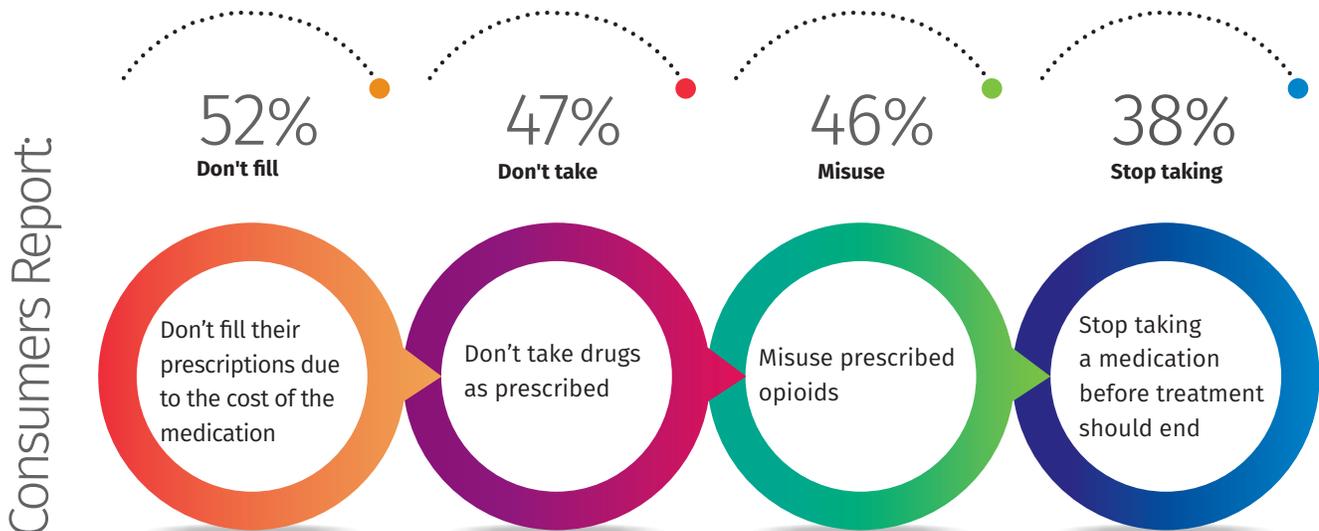
# Survey Results

## Care and Cost Differences: A National Epidemic

A MAJORITY OF consumers, hospital executives, physicians and nurses agree (98%) there are substantial differences in costs and in the ways that healthcare

is delivered. Whether they are among the haves or the have nots, live near hubs of medical academia or in rural areas, there was neither relief nor exception to the variations that people see. When differences exist, risks increase.

### TOP RISKS TO CONSUMERS WHEN CLINICIANS PRESCRIBE MEDICATIONS



Source: Wolters Kluwer Survey: Mending Healthcare in America 2020

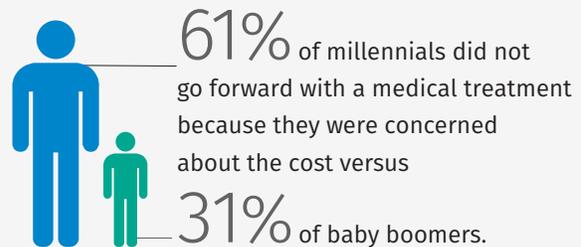
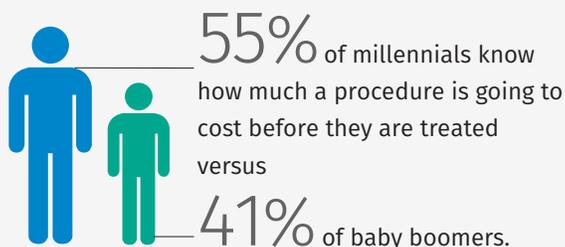
## Not What the Doctor Ordered

**IN RESPONSE**, clinicians and consumers alike are approaching healthcare decisions differently. While clinicians have little visibility into what someone will pay with or without insurance, their experience with what payers will approve may guide their recommendations. Consumers are pushing back on rising costs by taking matters into their own hands: they are willing to go against doctor's orders and seek care (potentially somewhere else) when there are

pricing differences or where care is perceived to be more reputable. The charge in that direction is being led by millennials who are putting cost above care considerations.

Meanwhile, because they understand the risks of nonadherence, clinicians prescribe medications or recommend care they think their patients can afford. While driving out clinical variation is a priority, most physicians and nurses say cost affects the treatment options they may recommend to consumers.

### MILLENNIALS ARE COST-SAVVY HEALTHCARE CONSUMERS



Source: Wolters Kluwer Survey: Mending Healthcare in America 2020

### When Care Differs: Greatest Risks

WHEN PEOPLE WORKING inside the healthcare system were asked about their awareness of differences in care and cost, and then asked to rank the greatest risks posed by variations, here is what topped the list.

#### TOP RISKS TO THE PATIENT + THE HEALTH SYSTEM WHEN CARE DIFFERS



#### Risks to patients

All respondents

- 1 Suboptimal treatment based on where they live (43%).
- 2 Wrong treatment and/or wrong medications due to incomplete or incorrect information (38%).
- 3 Care team members are not aligned on the best care approach or management for the patient (36%).

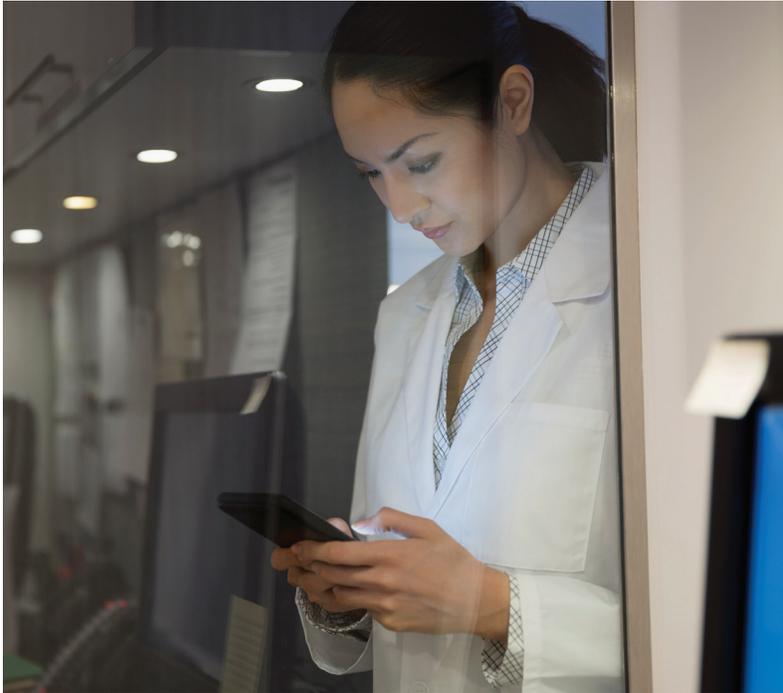


#### Risks to the health system\*\*

All respondents agree the same three risks rise to the top for the healthcare system: the wrong treatment (36%), suboptimal treatment (30%), and lack of care team alignment (26%). Additionally:

- 1 Patient experience is negatively impacted (30%).
- 2 Different patient outcomes for the same procedure or treatment (22%).
- 3 Wasteful spending (20%).

\*Top 3 answers out of 10 options.  
\*\*Top answers out of 16 options after top 3.



#### AWARENESS OF DIFFERENCES IN COST AND CARE

##### 1. Cost differences for the same medicines



##### 2. Cost differences for the same care (same treatments or procedures)



##### 3. Care differences (not delivered the same way across care settings or departments in the hospital)



Source: Wolters Kluwer Survey: Mending Healthcare in America 2020

# Consumers + Healthcare Preferences

## Consumers Prepared to Vote with their Wallets

IN THE 2020 ELECTION SEASON, the issue of healthcare is a main focus for candidates. And for good reason. Strong majorities in all four respondent groups say the issue of healthcare will be a main factor when they choose a presidential candidate. Similar majorities say they will vote for the candidate who has a plan to respond to rising healthcare premiums and high deductibles.

### THE ROLE OF HEALTHCARE IN THE 2020 ELECTION

#### A System in Flux

89% of consumers say they believe the healthcare system needs an overhaul.

#### Healthcare's Influence

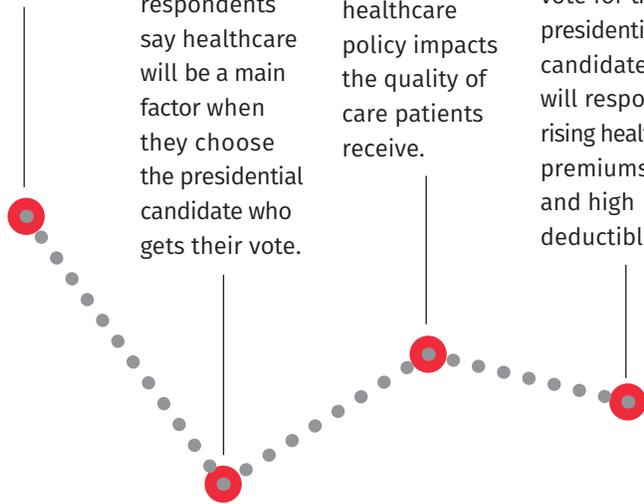
73% of all the respondents say healthcare will be a main factor when they choose the presidential candidate who gets their vote.

#### Election Jitters

81% of consumers say they believe uncertainty surrounding healthcare policy impacts the quality of care patients receive.

#### Voting for Healthcare

78% of all the respondents say they will vote for the presidential candidate who will respond to rising healthcare premiums and high deductibles.



Source: Wolters Kluwer Survey: Mending Healthcare in America 2020

“As hospitals and providers are squeezed with tighter margins, costs move downstream and get passed on to consumers. The risk to patients is they have to make hard choices which may mean rationing medications or not taking them at all.”

STEVE RIDDLE, DIRECTOR OF CLINICAL DEVELOPMENT FOR CLINICAL SURVEILLANCE & COMPLIANCE, WOLTERS KLUWER, HEALTH

### Less Coverage, Bigger Risks

IN THE “NEW NORMAL” of healthcare cost shifting to consumers, 71% of all responding groups report shouldering more of the cost and all groups expect more price transparency on procedures and medications. An increasing number of the “intermediaries”—the physicians, nurses and hospital executives—want to know the extent of the drug costs passed on to a patient.

With the abundance of data available in nearly every other aspect of consumer purchasing, people expect to know the price of procedures and medications—in advance—so they can make decisions accordingly. The survey finds that consumers are far more willing to defer care or forego it altogether—a concerning trend that impacts the health and experience of the patient and the outcomes upon which providers are measured in a value-based system.

CONSUMERISM IS CHANGING HEALTHCARE BUYER + SELLER BEHAVIORS



55%

of consumers don't know how much a treatment is going to cost, yet almost 9 in 10 (87%) say they understand how to get ready for procedures.



66%

of consumers surveyed do not believe they would get the same quality treatment or procedure regardless of where they live.



43%

of respondents have not moved forward with medical treatment because they were concerned about the cost to them.



79%

of physicians and nurses say the cost to the patient influences treatment options they choose or recommend for patients.

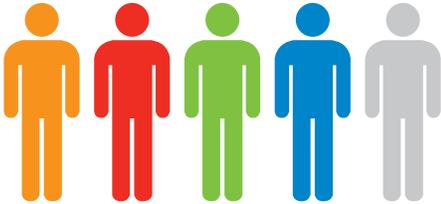
Source: Wolters Kluwer Survey: Mending Healthcare in America 2020

**ON THE FRONT LINES**, clinicians see the risks when patients leave the clinic, hospital, doctor's office or pharmacy and do not follow healthcare recommendations. While they don't know drug costs, clinicians do have experience with payer denials, leading them to recommend alternatives and lean on tools to support clinical decisions, keep patients safe and avoid costly surprises to consumers down the road.

**The Rise of the Commuter Patient**

**CONSUMERS RECOGNIZE** that care may not be delivered the same way across hospitals and that costs may vary across care settings, so they're willing to travel farther to a provider that might have a better reputation.

CONSUMERS ARE WILLING TO COMMUTE FOR BETTER CARE



**4 in 5** are likely to travel past the hospital closest to them to one farther away that has a better reputation (78%).





## HOSPITALS OF THE FUTURE

### Consumers want action: Tame Rx costs

40%

of consumers say a top priority for hospitals over the next few years is to respond to medication cost increases.



### Hospital leaders aren't aligned

13%

of hospital executives agree that control of medication costs is important, but it ranks nearly last out of the 12 hospital priorities in the next few years.



**CONSUMERS AND HOSPITAL EXECUTIVES** are at odds when it comes to the importance of reigning in medication costs. Consumers ranked medication costs in their top

two, after keeping care teams aligned and current on the latest clinical guidance (43%), while hospital executives put it near the bottom of the list of hospital priorities.

## Government Push for Pricing Transparency

**THE PROMISE OF COST CONTROL** through consumer empowerment has made transparency a key goal among policymakers. The president issued an executive order on healthcare pricing and quality transparency with the goal of helping consumers understand the prices and quality of goods or services in order to make informed decisions about their healthcare.

The moves come amid efforts from the federal government and Congress to push the healthcare industry to address patient anger over high prices, particularly with regard to medical bills they can expect to receive.

The advancement in policy holds great promise, but all of the survey respondents say they would like to see more action from Washington.

### Does anyone know the cost?

87%

of all respondents agree there is a lack of transparency in the pricing of healthcare services, including those who are recommending care or medications.

### Health system improvements won't necessarily fix transparency

82%

express doubt saying it's not likely or somewhat likely that even if the healthcare system tackled some of these challenges, there would be more transparency.

### Respondents want Washington to fix price transparency

88%

agree price transparency in health services and medications should be a priority for the next presidential administration.

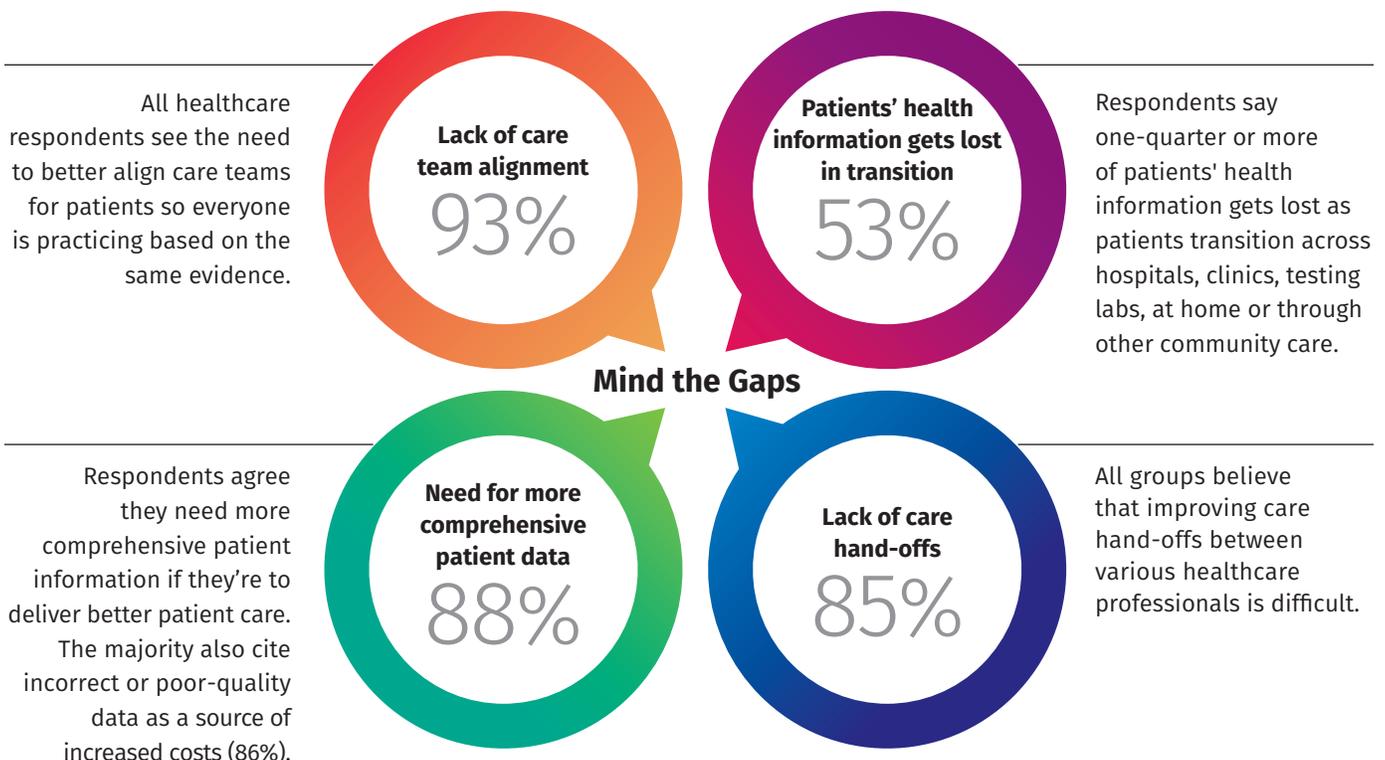
## What's Behind Care Breakdowns and Soaring Costs

WHILE RISING MEDICATION COSTS are the punching bag today, an estimated \$1 trillion in healthcare cost comes from waste.<sup>1</sup> Variations in care caused by loss, omission or failure to share patient information lead to mistakes in treatment and medications, and costly misalignment of the care “team” on the best approach. Moreover, lack of adherence to evidence-based treatment—as a result of misinformation or gaps in information—guarantees a range of patient outcomes for the same condition.

Ironically, consumers are the last to know that all the data that’s been collected on their health is not available at point of care. Medical errors, especially those caused by a failure to communicate, are a pervasive problem in today’s healthcare organizations.

“Drug costs are the punching bag, but it’s not the thing that is driving up overall consumer costs. It’s unfair that patients get different care randomly—depending on where they go. It’s this that enormously drives up costs and demands new approaches to ensure consistent care and cost.”

DR. PETER BONIS, CHIEF MEDICAL OFFICER OF CLINICAL EFFECTIVENESS, WOLTERS KLUWER, HEALTH



Source: Wolters Kluwer Survey: Mending Healthcare in America 2020



## Healthcare Leaders Bullish on Artificial Intelligence

**THE HOSPITAL C-SUITE** has a unique vantage point of the care divide across the hospital or health system. A majority of hospital executives (79%) believe the use of artificial intelligence (AI) in healthcare and technology advances will help providers get the information they need to make care decisions.

They recognize that there are price differences for care and believe technology will fill some of the gaps. They attribute differences to stemming from a lack of care team collaboration (87%) to protocols and best practices

### Consumers Mixed on AI for Health

**Hospital executives are prioritizing artificial intelligence, but consumers aren't sure if they feel comfortable. Just under one half (49%) saying they wouldn't be comfortable having AI play a role in their diagnosis and/or health monitoring.**

that guide care delivery (83%) to the patient information providers can access (81%).

Technologies and the use of AI offer solutions to the industry's most persistent challenges.

### Leaders technology-focused strategic priorities in the next few years:

- 1 Increase clinician productivity through the use of tools and resources (41%).
- 2 Keep up with technology and technological advances such as artificial intelligence (38%).

## Technology the Main Factor in Improvements

**ALL RESPONDENTS** view technology as positive for healthcare. More than 3 in 4 respondents believe the availability of data will contribute to better care overall. The majority of stakeholders believe technology that connects disparate patient data and enables evidence-based decision making will yield better outcomes and lower costs.

### TECHNOLOGY IS THE REASON CARE IS BETTER TODAY

46% hospital executives

43% physicians

43% nurses

Among those who say healthcare is getting better, technology was cited as the main reason. In fact, respondents say they believe that if hospitals fully integrated technological advances, they could make better care decisions and reduce costs.

### CAN TECHNOLOGY IMPACT COSTS AND CARE?

**COSTS** A primary motivator for a hospital to fully integrate technological advances into patient care would be cost savings.

34% hospital execs.

31% physicians

31% nurses

**CARE** The more technology there is in medicine, the better it is for care overall.

82% hospital executives

67% physicians

73% nurses

78% consumers

# Mending Healthcare In America

## Survey Methodology

IN JUNE 2019, Wolters Kluwer commissioned Regina Corso Consulting to conduct the only cross-stakeholder survey of its kind looking across many facets of care. This online survey of various stakeholder groups was done in order to learn how these groups feel about variability and risk in healthcare today compared to the past and the future.

The survey comprised 1,837 respondents in total: 1,000 consumers, 18 years or older who are U.S. residents, 232 of whom were in a hospital for a stay or a procedure in the past year; 352 nurses, 100 of whom are nurse practitioners, 50 of whom are chief nursing officers or nursing directors, and 202 of whom are general nurses; 302 physicians; and 150 hospital vice presidents or higher. For the consumer group, the sample was balanced by age, gender, and region.

# Healthcare Survey

*Contact information:*

Wolters Kluwer  
230 Third Avenue  
Waltham, MA 02451

Please visit [www.wolterskluwer.com](http://www.wolterskluwer.com)  
for more information.





# Mending Healthcare In America 2020

## Consumers + Costs