

The U.S. Health Care Market:
A Strategic View of Consumer Segmentation
Deloitte Center for Health Solutions



Introduction

Since 2008, the Deloitte Center for Health Solutions has surveyed consumers in the U.S. to assess their views about their own health and how they navigate their systems of care. Individuals navigate the system in several different ways – what patterns of behaviors and attitudes portray consumers’ unique views of the health care market? The result was a behavioral and attitudinal segmentation scheme we’ve monitored since 2008.

In the U.S. market, we identified six segments: “content and compliant,” “sick and savvy,” “casual and cautious,” “online and onboard,” “shop and save,” and “out and about.” The “content and compliant” and “sick and savvy” tend to behave like “patients,” not particularly inclined to challenge a professional’s recommendation and query clinicians. The “casual and cautious” are simply not engaged because they don’t see the need. The other three segments show characteristics of activism, often disruptive to a system more comfortable with patients than consumers. “Out and about” actively seek and use alternative, non-Western medicine, often without the knowledge of their clinicians; “online and onboard” use online tools and mobile applications to assess providers and compare treatment options and provider competence; and “shop and save” is the value purchaser and is not content with paying more than necessary under any non-emergency scenario.

Segmentation offers insights into health care consumers’ behaviors and attitudes – critical information in an environment where health care is moving rapidly towards patient-centered care which is premised upon individuals becoming more active participants in managing their health care.

- Awareness of consumers’ preferences and styles needs to be taken into consideration and strategies to encourage and support consumer engagement in health care are important for providers, health plans, and bio-pharma companies
- Increased access to health information can help consumers make better and more informed decisions leading to better quality of care, health outcomes, and satisfaction with care
- Providing consumers with more information may change their behavior in a way that reduces health costs
- Segments give valuable ‘clues’ as to how health care organizations may more specifically target and personalize products and services for health care consumers

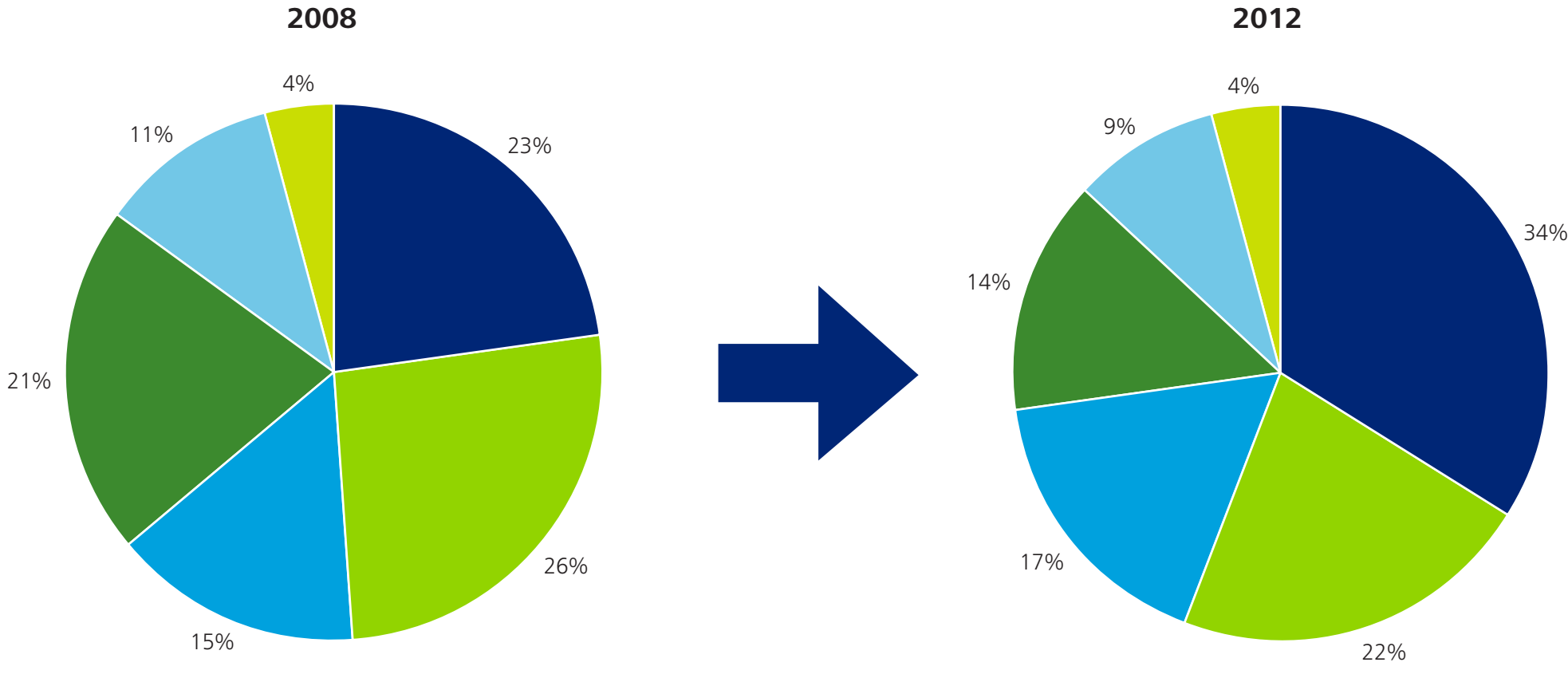
Methodology

This report covers information gathered in an online survey on attitudes and then behaviors with respect to consumers’ views on the health care system, use of health care services, satisfaction/attitudes toward health care providers, information sources, payment systems, use of information technology, and views on health care policy. In 2012, a nationally representative sample of 4,012 U.S. adults, aged 18 and older, was surveyed in February, using a web-based questionnaire. The sampling frame was based upon quotas reflective of the 2010 U.S. Census to ensure proportional representation of the nation’s adult population with respect to age, gender, race/ethnicity, income, geography, insurance status (insured or uninsured), and primary insurance source (employer, direct purchase, Medicare, Medicaid, and other). The initial segmentation analysis in 2008 involved factor and clustering analyses and was based on 4,000 U.S. consumers’ views. Subsequent segmentation analyses were conducted in 2009 (4,000 respondents) and 2012 (4,012 respondents) polling adults 18 years and older, that were nationally representative of U.S. population. This report contrasts results from the 2008 and 2012 segmentation analyses and profiles the six consumer segments using the 2012 data.

More information about the study methodology can be found in the *Deloitte 2012 Survey of U.S. Health Care Consumers: Five Year Look Back* and an *INFOBriefs* series that presents key findings about consumers and health information technology, social media and online resources; utilization of health care services; life sciences products and innovations; consumers and health plans. For more information and additional reports visit www.deloitte.com/us/consumerstudies.

Deloitte has identified six unique segments that comprise the health care consumer market – each segment approaches decisions about health, health care, and health insurance in a distinctive way

- One in three are currently disengaged, reporting less need for care, preventive action, interest in resources, and financial preparation (Casual & Cautious).
- One in two follow a “passive patient” approach, relying on doctors for decisions, preferring standard care, and adhering to treatment (Content & Compliant and Casual & Cautious).
- Two in five are more “active” in managing their health and navigating the health care system (Online & Onboard, Sick & Savvy, Out & About, Shop & Save).



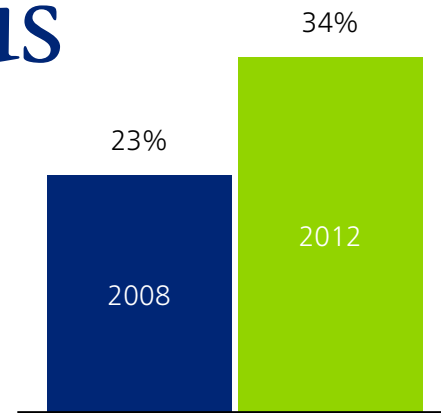
5 YEAR TRENDS

- Substantial growth among the disengaged Casual & Cautious (23% to 34%)
- Slight growth in the active segment of Online & Onboard (15% to 17%)
- Slight decrease in the active segment of Out & About (11% to 9%)
- Slight decrease in the disengaged Content & Compliant (26% to 22%)

■ Casual & Cautious
 ■ Content & Compliant
 ■ Online & Onboard
 ■ Sick & Savvy
 ■ Out & About
 ■ Shop & Save

Casual & Cautious

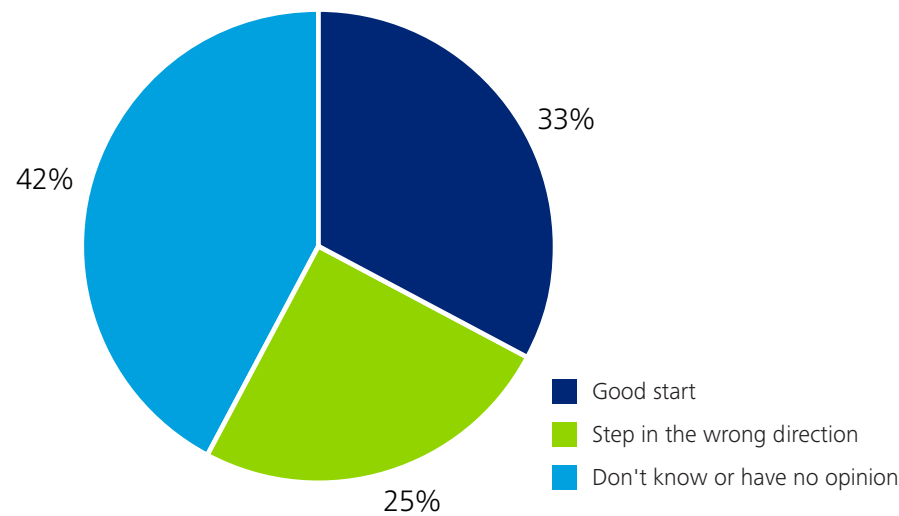
“My health doesn’t worry me, so I’m not as engaged with the system, focused on prevention, or interested in online resources as others. I’m cost-conscious, think that the health care system could improve, and am generally just not interested right now.”



Unfavorable views of the system & more uncertain about reform than other segments

- 70% think 50% or more of health care spending is wasted (above average)
- 35% say the health care system is meeting their needs (lowest)
- 24% give the system an “A” or “B” for overall performance (2nd lowest)
- 17% feel the system gets the best value for money spent (lowest)
- 13% are satisfied with the overall performance of the system (2nd lowest)

View of the Health Reform Law



Least prepared financially

- 71% say economic slowdown had an impact on their health care spending (average is 66%)
- 37% are falling behind financially (2nd highest)
- Only 8% feel ready financially to handle their household’s future health care costs
- 23% have an advance medical directive

Least insured & least satisfied

- Least likely to have insurance (66% insured)
- Least satisfied with health plan if insured (24%)
- Less interested in shopping for insurance on own (31%) or customizing a health plan (56%)
- Strong preference for lower cost plans with smaller networks (69%) vs. larger network plans at higher cost

Lowest use of health information technology & online resources

Due more to lack of current need than concerns about privacy, but trust is also low

- Lowest levels of trust in doctors, health plans, government, and websites to provide reliable information
- Lowest use of online resources to look for information about health problems/treatment options (30%)
- Least interested in using price and quality information to compare health plans, providers, and treatments
- Low use of electronic personal health records (5%); 29% are concerned about privacy/security
- Least interested in video conferencing with doctors (31%), using self-monitoring devices that could send information electronically to doctor (28%), or using health improvement tracking apps (19%)

Demographic profile

- Younger than average (41 vs. 46 years nationally)
- More Millennials (30%) than all but one other segment (Shop & Save)
- Evenly split by gender (51% men, 49% women)
- More racially and ethnically diverse than most segments
- 70% have some college/college diploma (lowest of the segments)

Economic profile

- 61% are working, 15% are looking for work (highest of the segments)
- Lowest income (59% of households earn < \$50K)
- 34% uninsured (highest of the segments)

Health status

- 51% say they are in excellent/very good health
- 29% have one or more chronic conditions (lowest of the segments)

Lowest rates of prevention & recognition of individual responsibility

- In the last 12 months, 60% improved or maintained a healthy diet, 50% increased or maintained a healthy level of exercise, 38% had a well visit, 21% received a flu shot, and 6% participated in wellness programs; 45% currently take vitamins
- Least willing to complete a yearly health screening even if received a financial incentive (42%)
- Least likely to believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on costs (34%)

Lowest use of health care and low satisfaction

- 61% have a primary care provider (58% satisfied)
- Least likely to feel a nurse practitioner or physician assistant can provide primary care comparable in quality to care provided by a primary care doctor (45%)
- 25% visited a doctor for illness or injury in the past year
- 14% received care in an ER (41% satisfied); 5% stayed overnight (55% satisfied)
- Low use of retail clinics (5%) and providers of alternative medicine (3%)
- Lowest rates of traveling out of local area (2%) or the U.S. (<1%) for care

Care preferences

- Lean towards preferring doctors who take a traditional/conventional approach based on standard medical practices vs. doctors who use alternative, non-conventional, or non-standard approaches – (57 on a 100 point scale)
- Tend to prefer making treatment decisions on their own vs. relying on their doctor to make decisions for them – (56 on a 100 point scale)

Tests & treatment – low interest, use, compliance

- 47% would be willing to take a test that could predict likelihood of developing certain diseases (lowest)
- 34% would choose a standard treatment with 75% chance of working vs. a less tested innovation with a greater chance (30%)
- 39% were prescribed one or more medications in the last year (lowest); 25% are currently taking one or more medications
- Among medication users, below average use of mail order/online pharmacies (6%), requests for generics (25%), reliance on pharmacists for information (14%), and switching medications (7%)

I almost never follow treatment plan exactly as doctor orders

65 on 100 point scale ↓ (low)

I almost always follow treatment plan exactly as doctor orders

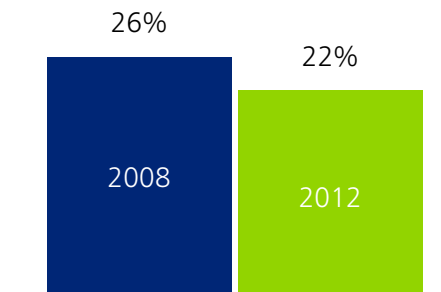
I almost never take medications strictly according to label

73 on 100 point scale ↓ (lowest)

I almost always take medications strictly according to label

Content & Compliant

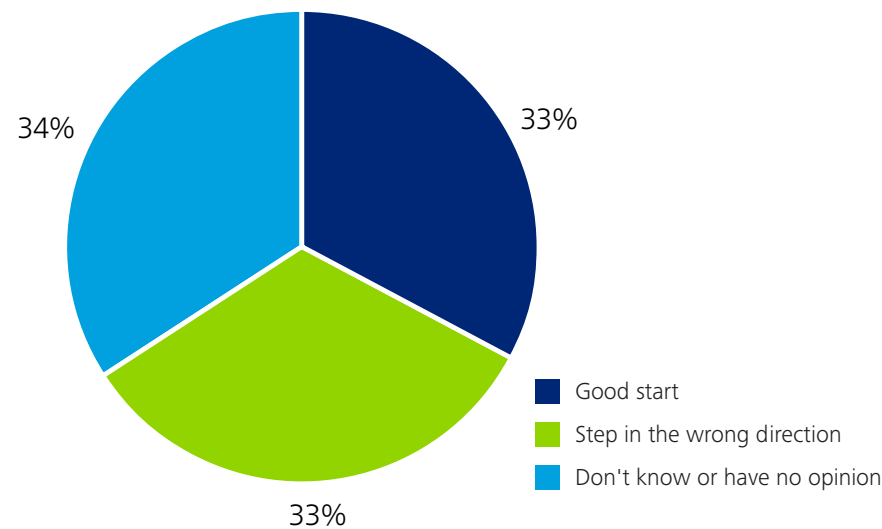
“I’m happy with my health plan, hospitals, and doctors and see no reason to compare or switch. I trust my doctors to tell me what I need to know and make good treatment decisions for me. I follow-through with what my doctors recommend and I try to take good care of myself.”



Most favorable views of system/split on reform

- 71% say the system meets their needs (twice the Casual & Cautious rate)
- Half (51%) think 50% or more of health care spending is wasted (lowest)
- Half (50%) give the system an “A” or “B” for overall performance (highest)
- Nearly 2 in 5 are satisfied with the system’s overall performance (highest)
- 37% feel the health care system gets the best value for money (highest) performance of the system (highest)

View of the Health Reform Law



Most prepared financially

- 51% say economic slowdown had an impact on their health care spending (lowest)
- 24% are falling behind financially (lowest)
- Most prepared financially to handle future health care costs (but only 27% feel prepared)
- 36% have an advance medical directive

Satisfied with health plan

- 87% have health insurance
- 90% of insured feel adequately or well insured
- 2 in 3 are satisfied with their plan (highest)
- Least interested in shopping for insurance on own (30%) or customizing a health plan (50%)
- 54% would prefer a lower cost plan with a smaller network vs. a larger network plan at higher cost

Low use of health information technology & online resources

Rely more on providers for information, but also concerned about security

- Lower level of trust in websites, but higher level of trust in doctors, health plans, and government sources to provide reliable information
- Low use of online resources to look for information about health problems and treatment options (33%)
- Less interested in using price and quality information to compare health plans, providers, and treatments
- Lowest use of electronic personal health records (4%); highest concern about privacy and security (38%)
- Less interested in video conferencing with doctors (42%), using self-monitoring devices that could send information electronically to doctor (36%), or using health improvement tracking apps (21%)

Demographic profile

- 2nd oldest (52 vs. 46 years nationally)
- More Seniors (23%) than any other segment
- More men (53%) than women (47%)
- Less racially and ethnically diverse than most segments
- 73% have some college/college diploma (2nd lowest of the segments)

Economic profile

- 48% are working (lowest of the segments), 32% are retired (2nd highest of the segments)
- 47% earn < \$50K, 17% earn > \$100K (average of the segments)
- 87% insured (26% in Medicare – 2nd highest of the segments)

Health status

- 53% say they are in excellent/very good health
- 59% have one or more chronic conditions

Above average effort with wellness & prevention

- In the last 12 months, 80% had a well visit, 71% improved or maintained a healthy diet, 53% increased or maintained a healthy level of exercise, 47% received a flu shot, and 9% participated in wellness programs; 51% currently take vitamins
- 58% would be willing to complete a yearly health screening if they were given a financial incentive (average is 55%)
- Less than half (47%) believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on costs

Highest satisfaction with providers, little use of other settings

- 88% have a primary care provider (the most satisfied – 91%)
- Most likely to wait to get care from their doctor rather than go anywhere else (47%)
- Least likely to feel a nurse practitioner or physician assistant can provide primary care comparable in quality to care provided by a primary care doctor (45%)
- 1 in 5 received care in an ER (most satisfied – 74%)
- 1 in 9 stayed overnight in a hospital as an inpatient (most satisfied – 83%)
- Low use of retail clinics (7%) and providers of alternative medicine (1%)
- Lowest rates of traveling out of local area (2%) or the U.S. (<1%) for care

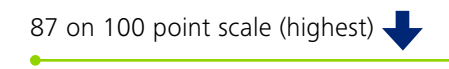
Care preferences

- Strongly prefer doctors who take a traditional/conventional approach based on standard medical practices vs. doctors who use alternative, non-conventional, or non-standard approaches – (83 on a 100 point scale)
- Strongly prefer to have their doctor make treatment decisions for them vs. making treatment decisions for themselves – (34 on a 100 point scale, where 0 = rely on doctor)

Testing & treatment – high interest, use, adherence

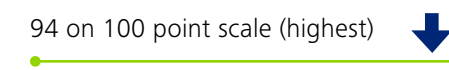
- 64% would be willing to take a test that could predict likelihood of developing certain diseases
- 47% would choose a standard treatment with 75% chance of working vs. a less tested innovation with a greater chance (27%)
- 72% were prescribed one or more medications in the last year; 64% are currently taking one or more medications
- Among medication users, 15% ordered through mail order/online pharmacies, 31% asked doctor to prescribe generics, 14% asked pharmacist for an opinion, and 10% switched medications

I almost never follow treatment plan exactly as doctor orders



I almost always follow treatment plan exactly as doctor orders

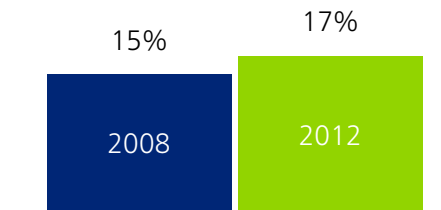
I almost never take medications strictly according to label



I almost always take medications strictly according to label

Online & Onboard

“I like to learn as much as I can online and am very interested in innovative health technologies. I am generally happy with the care I get from my doctor, but am also open to alternative providers and different care settings. Making smart, informed health decisions is important to me”



Mixed views of the health care system

- 59% say the health care system meets their needs (above average)
- 58% think 50% or more of health care spending is wasted (below average)
- 38% give overall system performance an “A” or “B” (above average)
- 28% feel the system gets the best value for money spent (average)
- 25% are satisfied with the system’s overall performance (average)

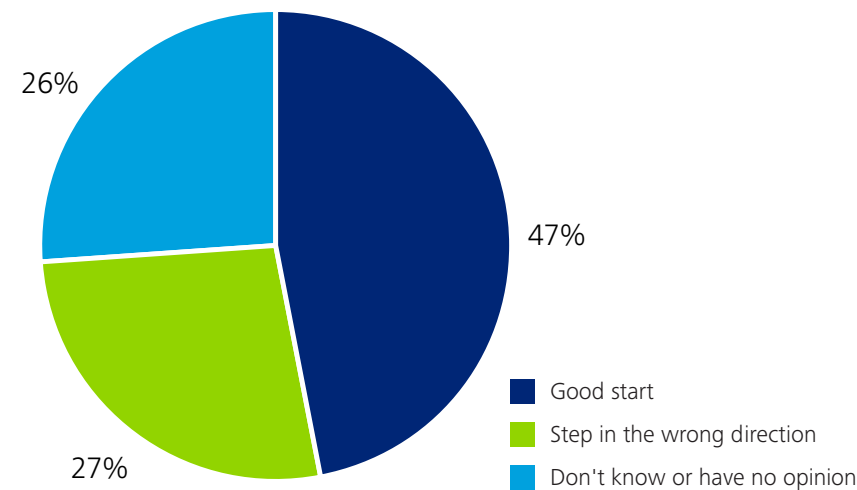
More prepared than average

- 68% say economic slowdown had an impact on their health care spending (average)
- 26% are falling behind financially (low)
- 22% feel financially prepared to handle future health care costs (above average)
- 43% have an advance medical directive (2nd highest)

Wants to customize health plan

- 87% have health insurance
- 89% of insured feel adequately or well insured, 53% are satisfied with their plan, and 25% switched plans in the last year
- 32% are interested in shopping for insurance on own and 63% would like to customize their plan
- 55% would prefer a lower cost plan with a smaller network vs. a larger network plan at higher cost

View of the Health Reform Law



Heaviest users of health information technology & online resources

- Highest levels of trust in websites to provide reliable information
- High use of online resources to look for information about health problems and treatment options (63%)
- Interested in using price and quality information to compare health plans, providers, and treatments
- Highest use of electronic personal health records (29%) and concern about privacy and security (38%)
- Most interested in video conferencing with doctors (57%), using self-monitoring devices that could send information electronically to doctor (56%), and using health improvement tracking apps (42%)

Demographic profile

- Average age (44 vs. 46 years nationally)
- Slightly more Millennials (25%) and Gen X (33%), and slightly fewer Boomers (31%) and Seniors (11%), compared to U.S. averages
- More women (56%) than men (44%)
- Race/ethnicity similar to U.S. distribution
- 86% have some college/college diploma (highest of the segments)

Economic profile

- 62% are working (2nd highest of the segments), 17% are retired
- Highest income (25% of households earn >\$100K)
- 87% insured (57% with employer plan – 2nd highest of the segments)

Health status

- 54% say they are in excellent/very good health
- 60% have one or more chronic conditions

Above average effort with wellness & prevention

- In the last 12 months, 78% had a well visit, 74% improved or maintained a healthy diet, 63% increased or maintained a healthy level of exercise, 47% received a flu shot, and 15% participated in wellness programs; 72% currently take vitamins
- 68% would be willing to complete a yearly health screening if they were given a financial incentive (highest)
- More than half (54%) believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on major influence on costs

Satisfied with providers, open to alternatives

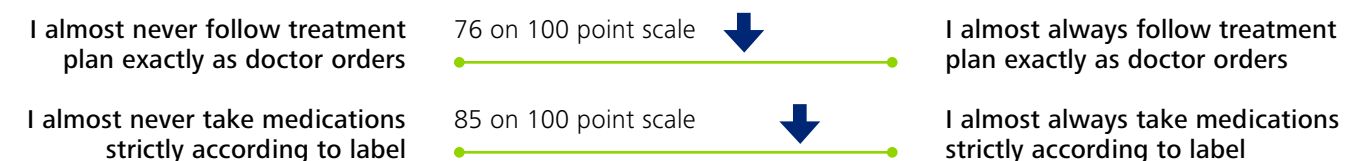
- 87% have a primary care provider (above average satisfaction – 83%)
- 23% received care in an ER (above average satisfaction – 66%)
- 15% stayed overnight in a hospital as an inpatient (above average satisfaction – 76%)
- More likely to feel a nurse practitioner or physician assistant can provide primary care comparable in quality to care provided by a primary care doctor (58%)
- Above average use of retail clinics (11%) and providers of alternative medicine (11%)
- 8% traveled out of their local area and <1% traveled outside the U.S. for care

Care preferences

- Prefer doctors who take a traditional/conventional approach based on standard medical practices (64 on a 100 point scale), but are open to using doctors who use alternative, non-conventional, or non-standard approaches (11% use is above average)
- Lean towards preferring to make treatment decisions for themselves vs. relying on their doctor to make decisions for them – (53 on a 100 point scale)

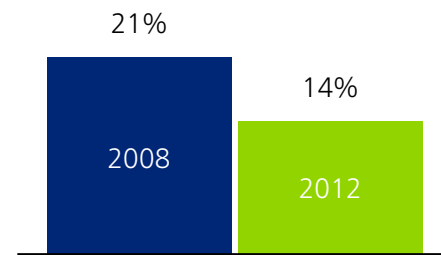
Testing & treatment – above average interest, use, adherence

- 64% would take a test that could predict likelihood of developing certain diseases
- 45% would choose a standard treatment with 75% chance of working vs. a less tested innovation with a greater chance (37%)
- 76% were prescribed one or more medications in the last year; 62% are currently taking one or more medications
- 12% treated a health problem with an alternative approach or natural therapy in the last year (above average)
- Among medication users, 25% ordered through mail order/online pharmacies, 35% asked doctor to prescribe generics, 23% asked pharmacist for an opinion, and 17% switched medications



Sick & Savvy

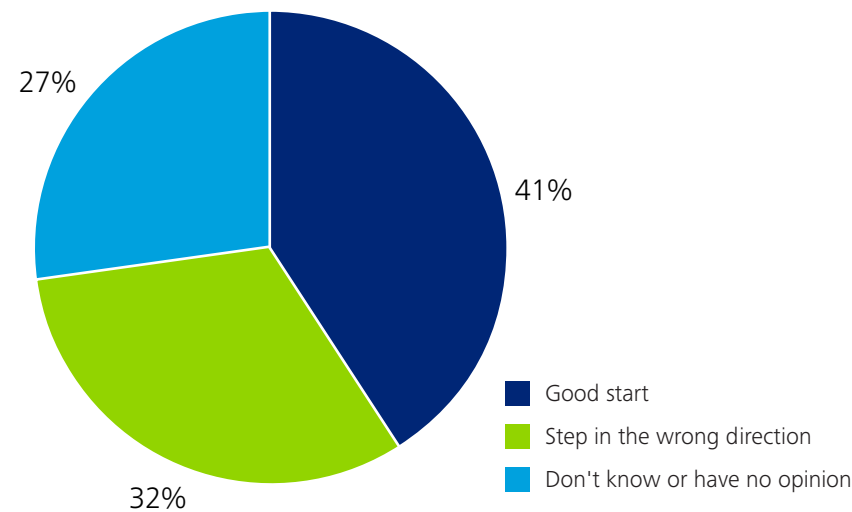
“Taking care of my health is a priority for me – I use a lot of health care services and products, try to make informed decisions in partnership with my doctor, and do my best to adhere to treatment plans. I am highly informed through using online information and tools.”



System meets the needs of nearly 2 in 3

- 64% say the health care system meets their needs (2nd highest)
- 59% think 50% or more of health care spending is wasted (average)
- 39% give the system an “A” or “B” for overall performance (above average)
- 24% feel the system gets the best value for money spent (average)
- 1 in 4 are satisfied with the system’s overall performance (average)

View of the Health Reform Law



More prepared than most

- 63% say economic slowdown had an impact on their health care spending (average = 66%)
- 24% are falling behind financially (lowest)
- 23% feel financially prepared to handle future health care costs (above average)
- 42% have an advance medical directive (3rd highest)

9 in 10 have insurance

- 92% have health insurance (2nd highest)
- 85% of insured feel adequately or well insured, 53% are satisfied with their plan, 20% switched plans in the last year
- 34% are interested in shopping for insurance on own and 59% would like to customize their plan
- 56% would prefer a lower cost plan with a smaller network vs. a larger network plan at higher cost

High use of health information technology & online resources

- Above average levels of trust in websites, doctors, health plans, and government to provide information
- High use of online resources to look for information about health problems and treatment options (61%)
- Interested in using price and quality information to compare health plans, providers, and treatments
- Low use of electronic personal health records (6%); average concern about privacy and security (36%)
- Interested in video conferencing with doctors (55%), using self-monitoring devices that could send information electronically to doctor (50%); and using health improvement tracking apps (25%)

Demographic profile

- Oldest (54 vs. 46 years nationally)
- More Boomers (45%) and Seniors (22%) than other segments
- More women (59%) than men (41%)
- Least racially and ethnically diverse of the segments
- 85% have some college/college diploma (2nd highest of the segments)

Economic profile

- 49% are working, 35% are retired (highest of the segments)
- Higher income (23% of households earn > \$100K)
- 92% insured (27% in Medicare – highest of the segments)

Health status

- 47% are in excellent/very good health (2nd lowest of the segments)
- 80% have one or more chronic conditions (highest of the segments)

Best effort with wellness & prevention

- In the last 12 months, 89% had a well visit, 80% improved or maintained a healthy diet, 63% increased or maintained a healthy level of exercise, 58% received a flu shot, and 16% participated in wellness programs; 87% currently take vitamins
- 66% would be willing to complete a yearly health screening if they were given a financial incentive (2nd highest)
- 58% (highest) believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on costs

Engaged & satisfied with primary care providers

- 94% have a primary care provider (89% satisfied – 2nd highest)
- 18% received care in an ER (59% satisfied)
- 17% stayed overnight in a hospital as an inpatient (65% satisfied)
- More likely to feel a nurse practitioner or physician assistant can provide primary care comparable in quality to care provided by a primary care doctor (56%)
- Above average use of retail clinics (11%)
- Average rates of using providers of alternative medicine (7%), traveling out of local area (7%), and traveling out of the U.S. (<1%) for care

Care preferences

- Prefer doctors who take a traditional/conventional approach based on standard medical practices (63 on a 100 point scale), but are open to using doctors who use alternative, non-conventional, or non-standard approaches (7% use is average)
- Lean towards preferring to make treatment decisions for themselves vs. relying on their doctor to make decisions for them – (59 on a 100 point scale)

Testing & treatment – high interest, use, adherence

- 67% would be willing to take a test that could predict likelihood of developing certain diseases (highest)
- 41% would choose a standard treatment with 75% chance of working vs. a less tested innovation with a greater chance (35%)
- 87% were prescribed one or more medications in the last year; 85% are currently taking one or more medications (highest)
- Among medication users, 37% ordered through mail order/online pharmacies (highest), 39% asked doctor to prescribe generics, 18% asked pharmacist for an opinion, and 14% switched medications

I almost never follow treatment plan exactly as doctor orders

82 on 100 point scale



I almost always follow treatment plan exactly as doctor orders

I almost never take medications strictly according to label

91 on 100 point scale

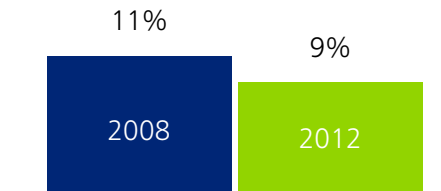


I almost always take medications strictly according to label

Comparative data points illustrate response differences between the segments

Out & About

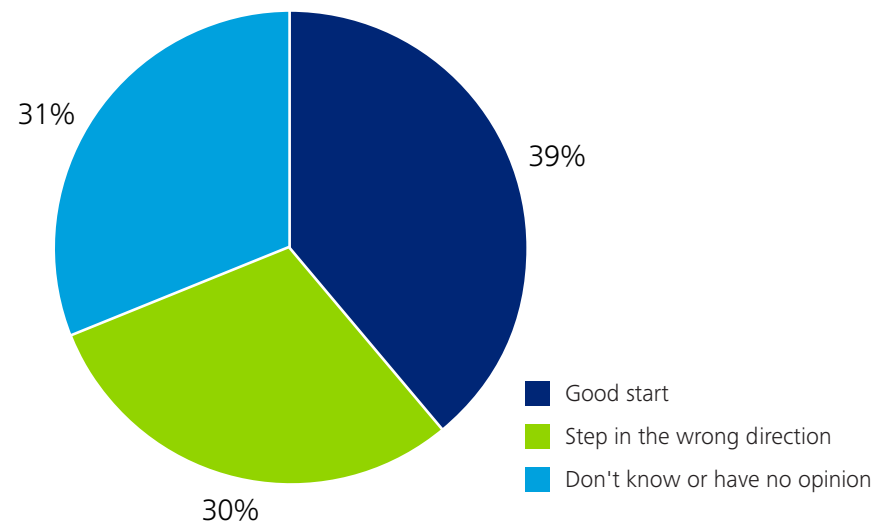
“I’m independent – I like to make decisions on my own, prefer doctors who use alternative approaches/natural therapies, and switch medicines more often than most. I’m not very satisfied with the doctors, hospitals, and health plan I’ve used. I’d like to customize my own plan.”



Most are dissatisfied with the system

- 70% think 50% or more of health care spending is wasted (above average)
- 38% say the health care system meets their needs (2nd lowest)
- 23% give the system an “A” or “B” for overall performance (lowest)
- 18% feel the system gets the best value for money spent (2nd lowest)
- 11% are satisfied with the system’s overall performance (lowest)

View of the Health Reform Law



Dissatisfied with insurance – wants to shop for on own and to customize

- 76% have health insurance (2nd lowest)
- 3 in 4 insured feel adequately or well insured, but only 1 in 4 are satisfied with their plan (below average); 25% switched plans in the last year
- Most interested in shopping for insurance on own (37%) and customizing a health plan (64%)
- 66% would prefer a lower cost plan with a smaller network vs. a larger network plan at higher cost

Financially unprepared

- 78% say economic slowdown had an impact on their health care spending (2nd highest)
- 44% are falling behind financially (highest)
- 9% feel financially prepared to handle their household’s future health care costs
- 31% have an advance medical directive

Health information technology & online resources

High interest and use, but low trust in reliability

- Below average levels of trust in websites, doctors, health plans, and government sources for information
- High use of online resources to look for information about health problems and treatment options (69%)
- Interested in using price and quality information to compare health plans, providers, and treatments
- Low use of electronic personal health records (7%); average concern about privacy and security (37%)
- Interested in video conferencing with doctors (50%), using self-monitoring devices that could send information electronically to doctor (46%), and using health improvement tracking apps (26%)

Demographic profile

- Average age (45 vs. 46 years nationally)
- Slightly more Gen X (33%) and Boomers (37%), and slightly fewer Millennials (21%) and Seniors (9%), compared to U.S. averages
- More women (63%) than men (37%)
- Race/ethnicity similar to U.S. distribution
- 81% have some college/college diploma (3rd highest of the segments)

Economic profile

- 57% working, 14% retired, 13% are looking for work
- 2nd lowest income of the segments (58% of households earn < \$50K)
- 24% uninsured (2nd highest of the segments)

Health status

- 42% are in excellent/very good health (lowest of the segments)
- 61% have one or more chronic conditions

Mixed effort with wellness & prevention

- In the last 12 months, 78% improved or maintained a healthy diet, 66% had a well visit, and 62% increased or maintained a healthy level of exercise, but only 23% received a flu shot and 11% participated in wellness programs; 79% currently take vitamins
- 59% would be willing to complete a yearly health screening if they were given a financial incentive (average is 55%)
- More than half (54%) believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on costs

Least satisfied with providers, greatest use of alternatives

- 72% have a primary care provider (least satisfied – 55%)
- 21% received care in an ER (least satisfied – 29%)
- 7% stayed overnight in a hospital as an inpatient (least satisfied – 38%)
- Most likely to feel a nurse practitioner or physician assistant can provide primary care comparable in quality to care provided by a primary care doctor (59%)
- Highest use of providers of alternative medicine (24%); average use of retail clinics (9%)
- 14% traveled out of area (above average) and 1% left the U.S. (average) for care

Care preferences

- Strongly prefer doctors who use alternative, non-conventional, or non-standard approaches (35 on a 100 point scale, where 0 = prefer alternative)
- Prefer to make treatment decisions for themselves – (66 on a 100 point scale)

High use of natural therapies & generics, low adherence to recommended treatment

- 64% would be willing to take a test that could predict likelihood of developing certain diseases
- 41% would choose a less tested innovation with a greater chance of working vs. a standard treatment with 75% chance (33%)
- 65% were prescribed one or more medications in the last year; 50% are currently taking one or more medications
- 32% treated a health problem with an alternative approach or natural therapy in the last year (highest)
- Among medication users, 13% ordered through mail order/online pharmacies (below average), 43% asked doctor to prescribe generics (highest), 29% asked pharmacist for an opinion (highest), and 20% switched medications (highest)

I almost never follow treatment plan exactly as doctor orders

63 on 100 point scale ↓ (lowest)

I almost always follow treatment plan exactly as doctor orders

I almost never take medications strictly according to label

75 on 100 point scale ↓ (low)

I almost always take medications strictly according to label

Shop & Save

“In pursuit of good value – I switch health plans and doctors, use retail clinics, order medications online, and travel for care more often than most. I am cost-conscious and improving or maintaining my health is a priority. I am open to alternatives.”



Strong perception of wasted spending

- 70% think 50% or more of health care spending is wasted (above average)
- 54% say the health care system meets their needs (average)
- 35% give the system an “A” or “B” for overall performance (average)
- 30% feel the system gets the best value for money spent (average)
- 21% are satisfied with the system’s overall performance (average)

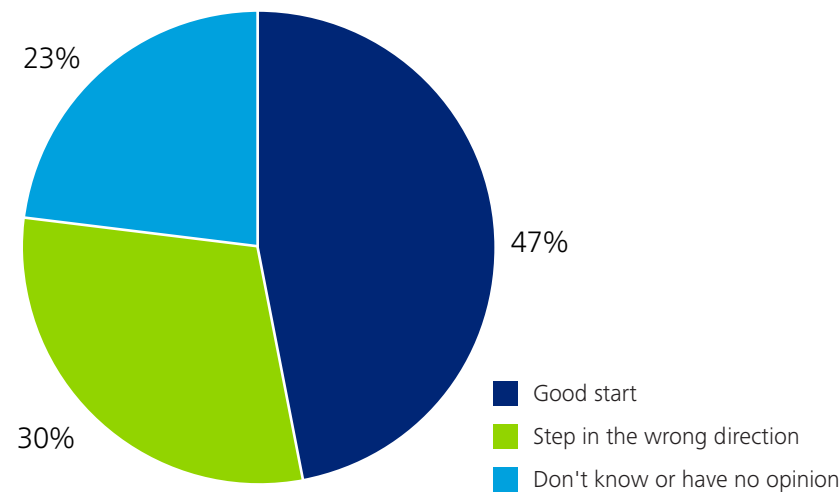
Active in making changes to insurance

- 93% have health insurance (highest)
- All in this segment reported switching plans last year
- 77% of insured feel adequately or well insured, but only 25% are satisfied with their current plan
- Most interested in shopping for insurance on own (37%) and customizing a health plan (66%)
- 61% would prefer a lower cost plan with a smaller network vs. a larger network plan at higher cost

Financially sensitive

- 83% say economic slowdown had an impact on their health care spending (highest)
- 26% are falling behind financially (low)
- 22% feel financially prepared to handle future health care costs (above average)
- 47% have an advance medical directive (highest)

View of the Health Reform Law



Average users of health information technology & online resources

- Average levels of trust in websites, doctors, health plans, and government sources to provide information
- 52% looked online for information about health problems and treatment options (average)
- Interested in using price and quality information to compare health plans, providers, and treatments
- 23% have electronic personal health records; 36% are concerned about privacy and security of info
- Interested in video conferencing with doctors (48%), using self-monitoring devices that could send information electronically to doctor (43%), and using health improvement tracking apps (32%)

Demographic profile

- Youngest (39 vs. 46 years nationally)
- More Millennials (39%) than any other segment
- More men (56%) than women (44%)
- Most racially and ethnically diverse of the segments
- 79% have some college/college diploma

Economic profile

- 73% are working (highest of the segments), 11% are retired
- Higher income (24% of households earn > \$100K)
- 93% insured (59% with employer plan – highest of the segments)

Health status

- 53% say they are in excellent/very good health
- 57% have one or more chronic conditions

Average to above average effort with wellness & prevention

- In the last 12 months, 71% improved or maintained a healthy diet, 65% had a well visit, 63% increased or maintained a healthy level of exercise, 32% received a flu shot, and 19% participated in wellness programs; 58% currently take vitamins
- 53% would be willing to complete a yearly health screening if they were given a financial incentive (average is 55%)
- 4 in 10 believe that consumer behavior, such as unhealthy lifestyles that lead to obesity, have a major influence on costs (2nd lowest)

Low satisfaction with providers, open to other settings

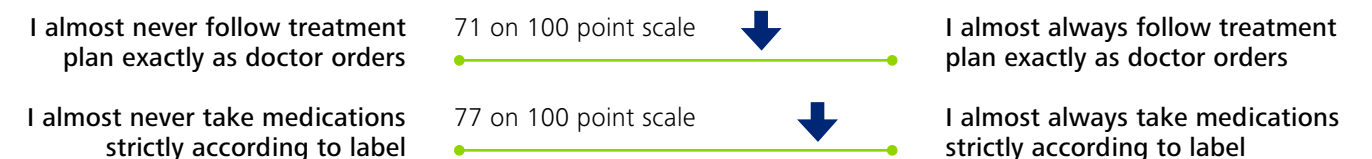
- 91% have a primary care provider (57% satisfied)
- 16% reported switching doctors in the last year (highest)
- 36% received care in an ER (46% satisfied)
- 20% stayed overnight in a hospital as an inpatient (48% satisfied)
- Highest use of retail clinics (18%) and high use of alternative providers (16%)
- 16% traveled out of area (highest) and 3% left the U.S. (highest) for care

Care preferences

- Prefer doctors who take a traditional/conventional approach based on standard medical practices (62 on a 100 point scale), but are open to using doctors who use alternative, non-conventional, or non-standard approaches (16% use is above average)
- Lean towards preferring to make treatment decisions for themselves vs. relying on their doctor to make decisions for them – (51 on a 100 point scale)

Testing & treatment – actively seek value

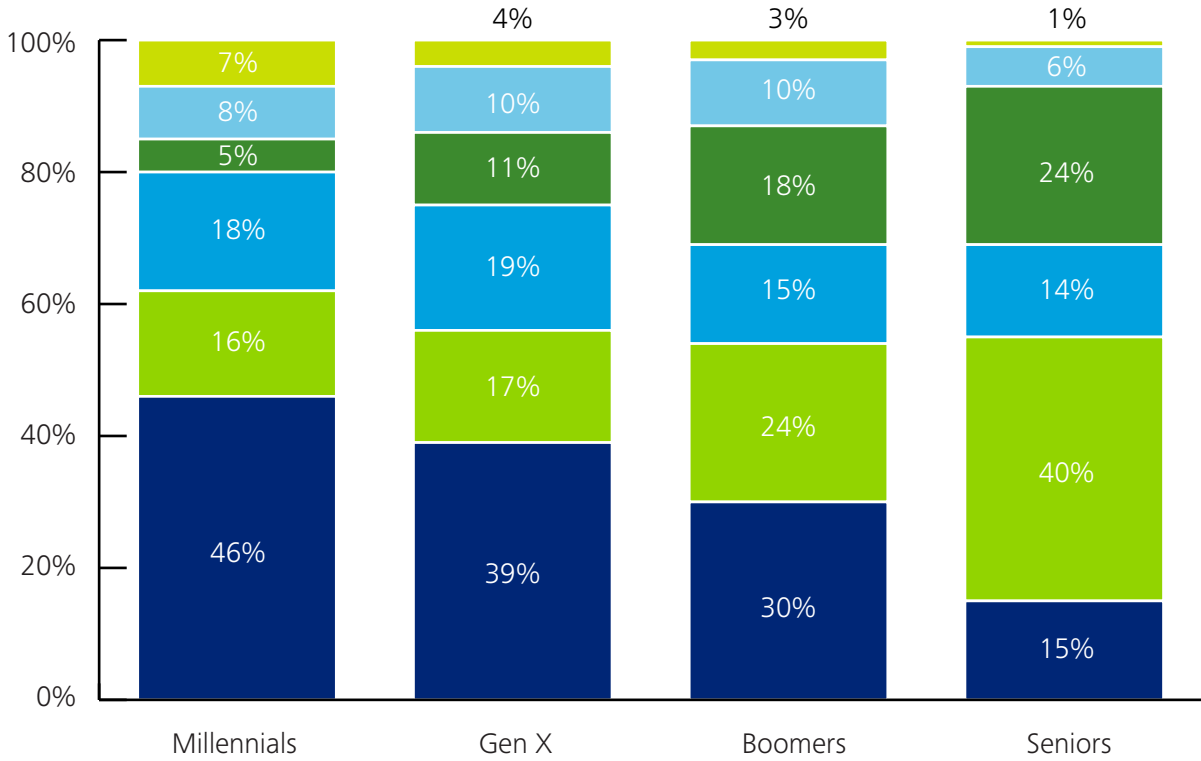
- 51% would take a test that could predict likelihood of developing certain diseases
- 47% would choose a standard treatment with 75% chance of working vs. a less tested innovation with a greater chance (34%)
- 79% were prescribed one or more medications in the last year; 52% are currently taking one or more medications
- 16% treated a health problem with an alternative approach or natural therapy in the last year (above average)
- Among medication users, 30% ordered through mail order/online pharmacies (2nd highest), 13% bought medications from a source outside the U.S. (highest), 35% asked doctor to prescribe generics, 20% asked pharmacist for an opinion, and 18% switched medications



Comparative data points illustrate response differences between the segments

Demographics influence – but do not define – the six health care consumer segments. Health care consumers are not homogenous – each demographic group has a unique segment profile. For example...

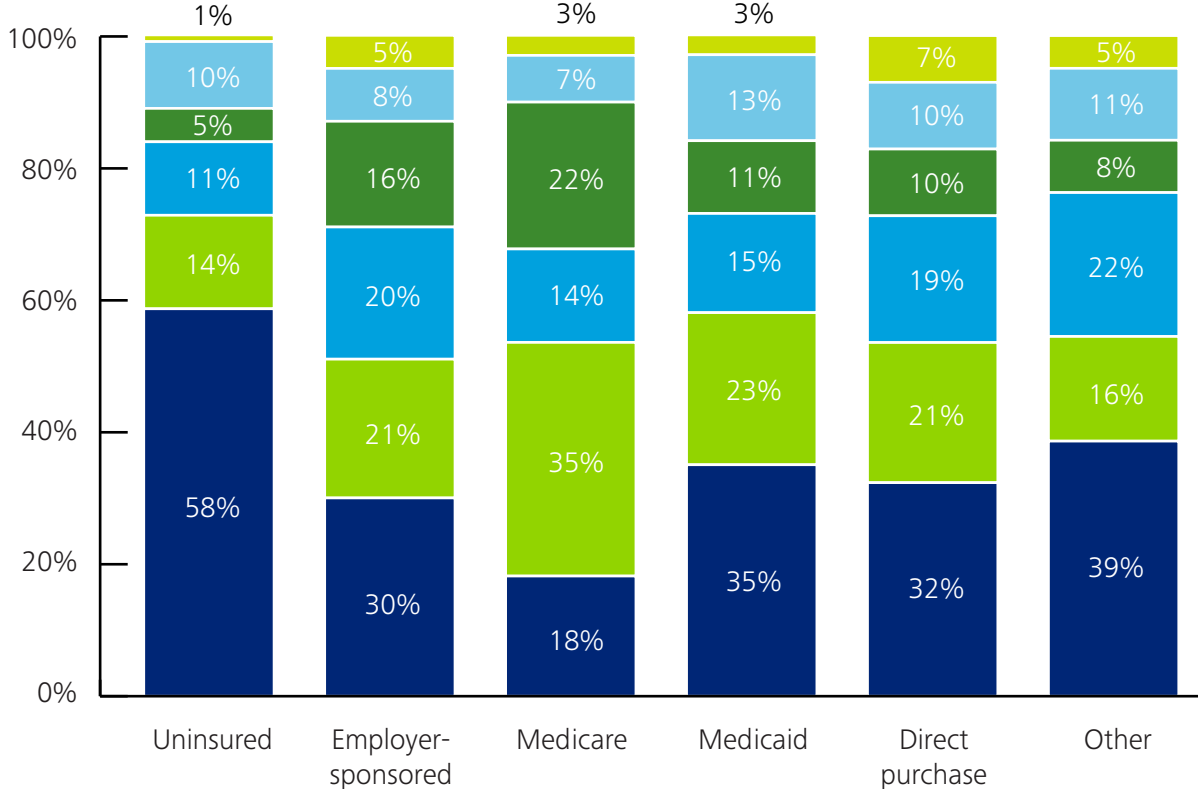
Segments by generation



- Casual & Cautious
- Content & Compliant
- Online & Onboard
- Sick & Savvy
- Out & About
- Shop & Save

- Less than half of all Millennials are Casual & Cautious – the youngest generation includes the highest percentage of Shop & Save, suggesting that the value-seeking segment may grow as Millennials grow older and need more health care services
- While the largest segment among Seniors is Content & Compliant, considerable proportions are Sick & Savvy and Online & Onboard

Segments by source of insurance



- Casual & Cautious
- Content & Compliant
- Online & Onboard
- Sick & Savvy
- Out & About
- Shop & Save

- Nearly 7 in 10 uninsured consumers are currently Casual & Cautious
- Enrollees in employer plans are generally more active consumers than enrollees in Medicare and Medicaid, but each of those government programs includes sizeable proportions of Sick & Savvy, Online & Onboard, and Out & About consumers
- Direct purchasers include the highest percentage of Shop & Save consumers

Insights about consumer activism in health care

Deloitte has identified six health care consumer segments that navigate the health care system in very different ways. These segments, based on surveyed patterns of behaviors and attitudes, portray a unique view of the health care market, one that differs from other segmentations based on demographics, insurance status, and health measures. Looking at the health care market through this lens reveals that typical markers such as age and insurance status do not represent homogenous groups of consumers.

While the “passive” Content & Compliant group has declined over the past five years, this study has revealed only a small increase in one of the four activist segments (Online & Onboard) over the time period. Instead, the most disengaged segment (Casual & Cautious) saw the biggest increase. Why might this be? Given market conditions, why has “consumer activism” in health care shown only a modest increase?

Our take

Many consumers are motivated to activism based on individual circumstances – experience with a new medical problem, loss of employer-sponsored coverage, or their inability to obtain effective medical treatment due to cost or denial of coverage. As these circumstances increase across the population, and as health costs force many to go without insurance, it is expected that consumer activist segments will increase.

Activism is also positively correlated to education and cultural perspectives about what constitutes health and health care: as the workforce expands to include a wider diversity of workers from different backgrounds and cultures, it is likely activism will increase as traditional providers will be pressured to integrate non-traditional methods of treatment in their plans.

And consumer activism will be positively impacted by the Affordable Care Act and changes in employer insurance coverage. Significant enrollment of individuals in insurance programs (Medicare Advantage, health exchanges) coupled with increased use of narrow networks and high deductible insurance programs offered through employers will lead individuals to higher levels of price sensitivity and potentially, a more active involvement in their treatment decisions.

Implications for industry stakeholders

A health care organization – pharmaceutical company, medical device manufacturer, health insurance plan, hospital, medical practice, retail pharmacy – is likely to interact with each of the six health care consumer segments in its customer/user/member/patient base. Meeting the preferences, needs, and demands of each segment may require innovative and tailored products and services, marketing approaches, business strategies, and new customer service models. To achieve the expected benefits of consumerism (i.e., more satisfied consumers, greater adherence to treatment choices, improved health outcomes, and reduced overall health care spending) stakeholders will need to develop highly-targeted, consumer-oriented products, service offerings, and online supports to reach each type of consumer and propel them forward into greater engagement and self-management. In part, this may be achieved by considering the following:

- In what ways must product and service offerings expand or evolve to meet the needs and preferences of the different segments in the market?
- How do individual segments define and act on the stakeholder organization’s value proposition?
- How do consumers in each segment get information upon which they act? How best can stakeholders leverage online resources and social media to educate, inform, and advise consumers about product and service offerings? How can stakeholders increase transparency around quality and cost so consumers can assess options, make decisions that align well with their needs and preferences, and determine best value?
- How do regulatory and advocacy platforms in each stakeholder sector need to change to embrace consumerism?

We believe consumerism in health care is not a fad; it is a transformative trend.

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