

WIXCORP ANALYSIS

Consumerism in a Post-COVID-19 World



Contents

| 3. A Message in Response to COVID-19

| 4. A Patient's Perspective

| 8. Challenges Providers are Facing

| 12. CX Trends During a Pandemic

| 16. CX Needs for 2021

A Message in Response to COVID-19



We, as an industry, have never seen a more uncertain or unsettling time. A time of near-universal stress and anxiety that is global in reach. A time that is tearing at the very fabric of our society.

As a partner to healthcare providers, Wixcorp has been in a unique position to observe the pain and passion our partners face each day. We salute your courage and thank you for your service to our families and communities.

As we've helped our client partners navigate these turbulent times, we've learned a lot about consumer behavior in times of crisis. While some trends were anticipated, others were not.

It is our sincere hope that by sharing these trends and observations, we may be able to help healthcare institutions understand their patient's needs better and start taking the necessary steps towards providing a truly engaging patient experience.

A handwritten signature in black ink, appearing to read 'Eric Wixom'.

Eric Wixom

Co-founder and CEO, Wixcorp

A Patient's Perspective

It's Complicated...

Today's consumer, nearly regardless of age, race, or sex – is a digital consumer. We are living in the age of Amazon, Uber, Netflix, and a never-ending parade of IoT gadgets. **Consumers expect a digital solution that is easy to understand and self-service.**

However, the healthcare industry is lagging in nearly every measurable outcome in regards to consumer engagement, virtual store-fronts, and consumer-facing solutions. While there is a complex array of third-party platforms filling this void, most are segmented solutions with limited functionality creating a confusing and inconsistent patient experience.

93% of consumers failed to accurately define terms such as plan premium, deductible, co-insurance and out-of-pocket maximum.*



Only 4% of patient complaints are related to Quality of Care, 96% are from Customer Service.*

* JAMA – Out-of-Pocket Spending for Hospitalizations Among Nonelderly Adults

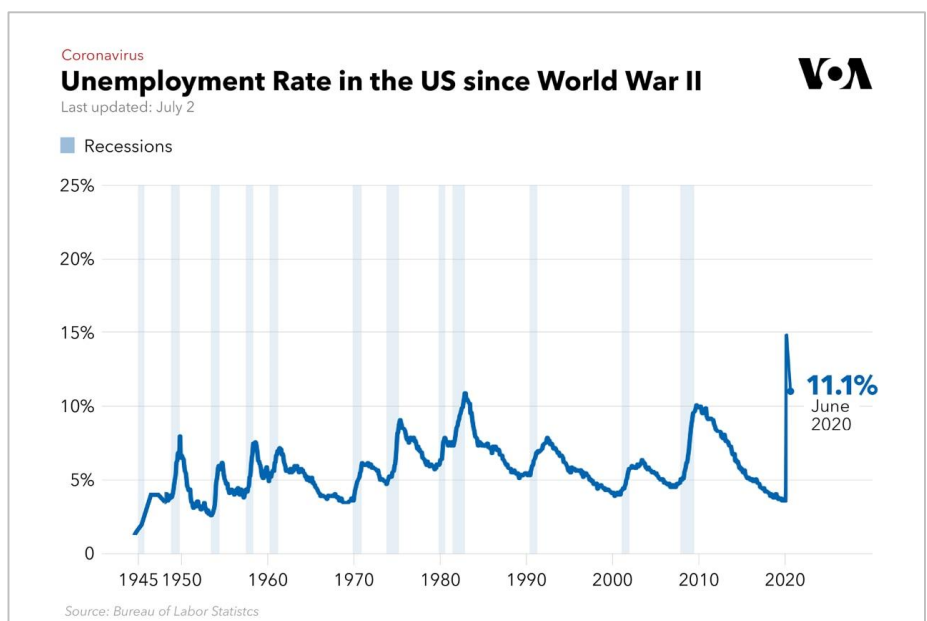
...and Getting Harder

It used to be that the patient's emotional journey throughout their healthcare experience spanned a broad spectrum of emotions, from concerned and anxious to satisfied and grateful. However, many of those emotions are expected and can be planned for in advance. The patients' emotional journey below illustrates a typical journey patient's experience.

	Patient Need / Search for Solution	Check-in and Registration	Receive Care	Discharge	Payment
Emotion	<ul style="list-style-type: none"> • Stressed • Worried 	<ul style="list-style-type: none"> • Anxious • Hopeful • Curious 	<ul style="list-style-type: none"> • Concerned • Hopeful 	<ul style="list-style-type: none"> • Relieved • Satisfied • Grateful 	<ul style="list-style-type: none"> • Confused • Frustrated • Sense of Accomplishment

However, in the current environment, we are seeing an added layer of fear and stress across the entire patient journey. Sources of this stress and fear are being attributed to things like fear of contracting the virus, stress from social/political issues, concern over finances/job-loss, and inability to access care due to temporary restrictions on non-emergency procedures.*

That's understandably so in many cases. Consumer debt is skyrocketing,^β **27 million individuals have lost insurance coverage since the start of the pandemic,^f** and as the graph to the right shows, unemployment is at its highest levels since WWII.



* Bloomberg – “Dozens of City Governments Declare Racism a Public Health Crisis”
The Hill – “US ill-prepared for coronavirus-fueled mental health crisis”
Pharmacy Times – “Concerns about medication adherence grow amid COVID-19 pandemic”
β New York Federal Reserve – Consumer debt reaches a new-high of \$14.3 trillion
f KFF – “27 Million new uninsured from March to May 2020”

Digital Patient Ecosystem

Do you have any payment options?

Yes! Call Billing.

Ugh... can't I just pay online?

Sure. Just use your easy pay access code: 159SFA49GS173VS496...

STOP.



The pandemic has shown just how well-positioned digital platforms are to meet the current restrictions. Platforms like Zoom and Slack have shown how cloud-based platforms can facilitate remote workforces. Netflix, Disney+, and Amazon Prime Video have filled an entertainment gap. Transportation, finance, and retail, every industry has had to adapt in some fashion to the current existence of social distancing, furloughs/layoffs, and virtual interactions.

For healthcare, that's meant a massive jump in telehealth use. However, many institutions did not have a robust telehealth platform before the pandemic, so they built/expanded their services quickly. The result is a fractured experience for the patient.

Regardless, the need is so great that patients are more willing than ever to use telehealth. A recent study found that consumer interest in using telehealth increased from 11% in 2019, to 76% today. ^B

^B McKinsey "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?"

A Unified Patient Experience

Regardless of the industry, tools, or function, **consumers are looking for a unified, omni-channel, experience that allows them to self-service** their way through the process. Retailers, banks, and most other industries made these investments over the last thirty years, but healthcare didn't.

Although there has been significant improvements made to the patient experience in the last thirty years, COVID-19 has exposed the gaps and shortcomings in our patient-facing capabilities. Patients are demanding change; they are demanding what they can get from other industries.

76% of US consumers expect a company website to include a self-service application.[~]



73% of customers want to solve product or service issues on their own.*

9 in 10 consumers want absolute omnichannel service – they expect a seamless experience when moving from one communication method to another, such as phone to text.^β



~ Steven Van Belleghem

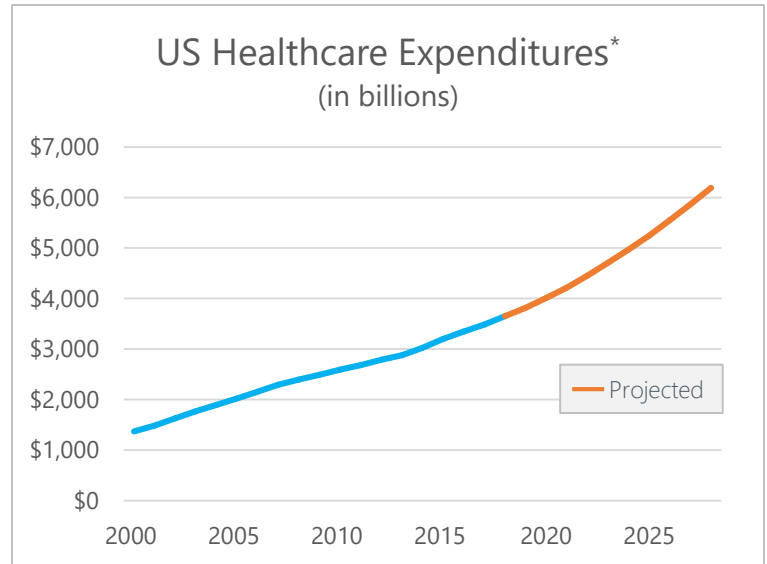
* Aspect Software – "Poor customer service pushes consumers away"

β Nice inContact

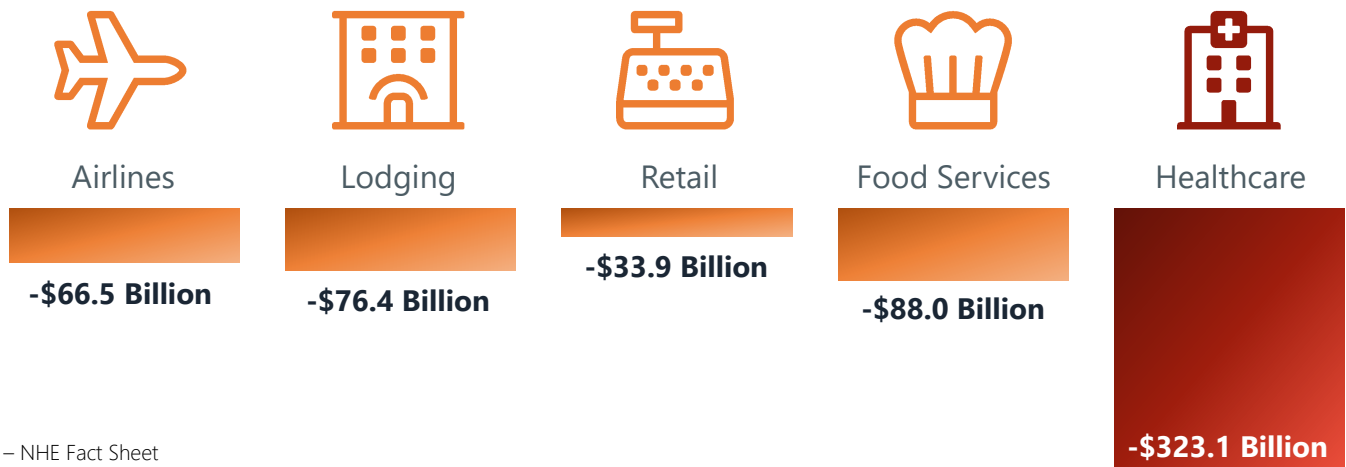
Challenges Providers are Facing

Healthcare Finally Meets Its Kryptonite

Healthcare has often been referred to as the only 'Recession-Proof' industry. In many regards, that is true. US Healthcare expenditures are steadily growing every year* seemingly independent of other external forces that impact other industries like financial recessions, legislation, or technological improvements.



However, in just four months, the pandemic cost the entire US healthcare industry \$202 billion in losses.^β **By year-end, losses are expected to hit \$323.1 Billion.** A similar study found the impact on rural hospitals to be disproportionately high, with half expecting to take significant losses despite the Government Assistance provided in the CARES Act.[~] When compared to other industries, healthcare is losing in months what other industries are forecasted to lose across the entire year.^f



* CMS – NHE Fact Sheet

β AHA "Hospitals and Health Systems Continue to Face Unprecedented Financial Challenges due to COVID-19"

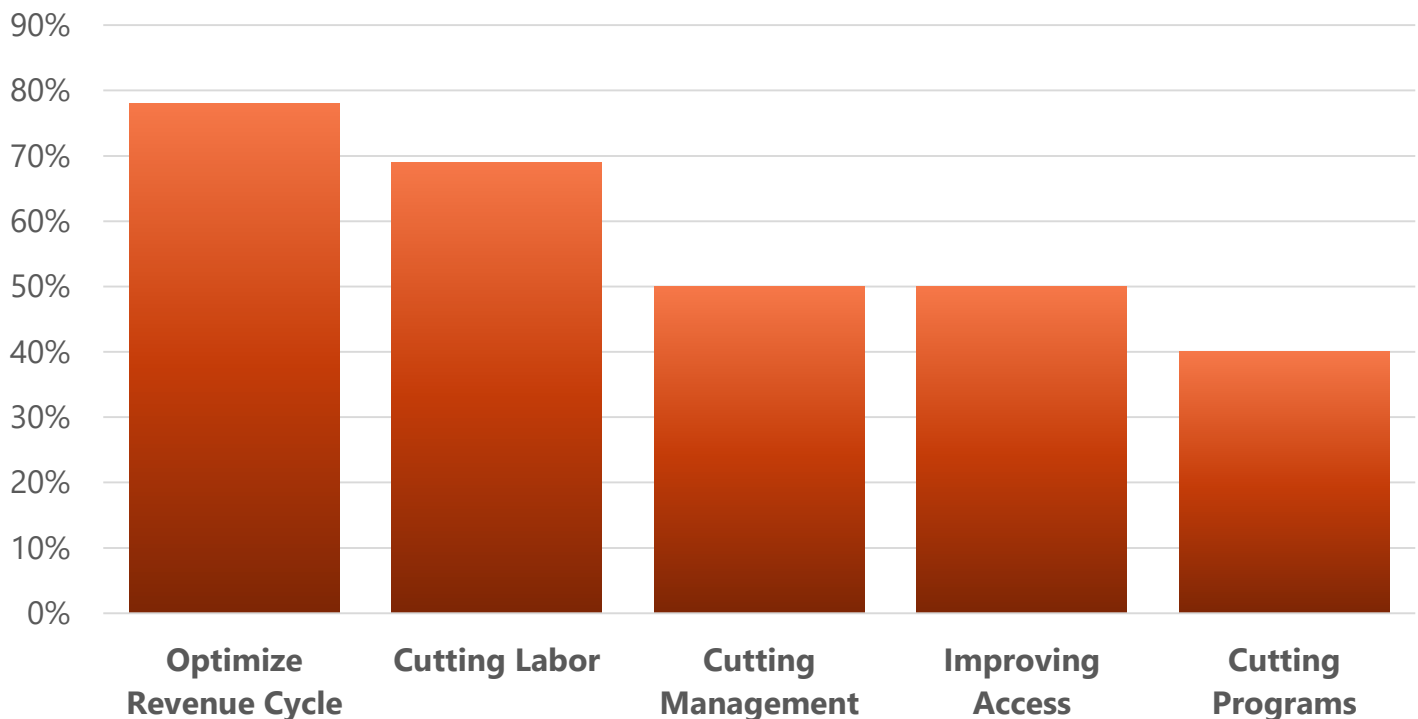
~ AHA "The Effect of COVID-19 on Hospital Financial Health"

f Global Business Travel Association "Coronavirus Poll Results – March 24, 2020"

A Desperate Effort to Improve Margins

In response to the mounting losses, health systems across the country are focusing on improving their margins. According to a recent study by The Chartis Group, **85% of executives identified cost reduction as one of their top priorities** for addressing the impact of COVID-19 on their organizations. The majority are looking to achieve a roughly 10% cost reduction over the next 6-12 months.*

With such aggressive cuts over such a short period of time, there is increasing concern of what the long-term impacts of these cost reducing initiatives will be. When asked what areas of focus executives were targeting for these cost cutting initiatives, their top responses were:



Any one of these initiatives would normally require significant planning, focus, and resources to tackle. Managing them within such an aggressive timeframe in the middle of an ongoing pandemic is going to be especially challenging. The likelihood of unintended collateral damage is high.

* The Chartis Group "Health Systems and Financial Recovery: Survey Finds a Challenging Balancing Act Ahead"

Managing a Remote Workforce

On top of the revenue losses and cost-reducing initiatives, the industry has already gone through one of the most far-reaching and impactful changes it's seen in decades, moving to a remote workforce.

COVID-19 forced health systems to move many of their non-clinical employees to work from home with little existing infrastructure in place. A typical scenario we've seen starts when an employee is diagnosed with COVID-19, so management has to quickly respond by moving their entire department to work from; often with less than a 24-hour notice.

Here's just a sampling of some of the conversations we've been having with managers and executives across the US over the last few months.

“While the technology exists for us to enable our team to work from home, we lacked the business processes and operational procedures to ensure they were all compliant working from home.”

“We had to send 400 billers home one day to begin working from home for the foreseeable future. The logistics and technological challenges of getting them access and set up to work from home took way more effort than anticipated.”

“Our phone system won't work from employee's homes, so patient communications have become a real struggle.”

“We had to move our patient financial team to work from home, but we didn't have a secure way for them to take payments from home.”

Logistical Nightmares

Although every hospital and clinic is required to have an emergency response plan for scenarios like those caused by COVID-19, most have never been tested. In the wake of COVID-19, many health systems have found their policies and procedures wholly inadequate to deal with a global pandemic. Here are a few vignettes on some of the lessons learned:

“Our Infection Control Policies stated that in a viral outbreak, any pen used by a patient was to be either disinfected between uses or thrown out. For the first few weeks, we were disinfecting them between uses. But when our supply of disinfecting wipes ran low, we had to start throwing them away. Within days we ran out of pens. We are now updating our policies and re-evaluating our stock levels and supply chain.”

~University Health System

“Our supply chain for PPE was sourcing primarily from overseas. When the pandemic hit, our supply of PPE, especially N-95 masks, quickly dried up. We looked to US-based producers, but they were out of stock as well. In response to this, we are working to build a more redundant supply chain with a greater portion of supplies being US-based. We’ve also purchased machinery to produce our own supply of N-95 masks going forward.

~Multi-State Health System

“As a pediatric group, the majority of our patients are very young and highly susceptible to airborne illnesses. To mitigate exposure, we closed our waiting rooms and asked patients to contact us from the parking lot when they arrived so we could screen them and bring them directly to a room. However, this process often overwhelmed our phone system, and our texting capabilities are very limited. Going forward, we are looking to improve our texting and registration platforms.”

~ Pediatric Medical Group

CX Trends During a Pandemic

Telehealth is Here to Stay

A recent study released by the Kaiser Family Foundation found that over the course of just a few months, healthcare providers saw an **increase in telehealth visits from 2.3% in 2018 to 23% as of May 2020.**[~] A similar study from McKinsey found that the increased utilization helped 57% of providers to view telehealth visits more favorably than they did prior to COVID-19. The study also found an estimated \$250 billion could potentially be virtualized down the road. That's a massive increase from the ~\$3 billion in visits being done virtually prior to the pandemic.^β

The current situation has all the markings of being a transformative event in the way healthcare delivery will take place. Patients and providers have been forced to increase their telehealth use, and although the experience has been mixed, the technology has shown to be functionally stable.

However, a recent survey found that **92% of Providers with a current Telehealth solution did not plan to stay with that platform long term.**^{*}

The primary reason for the change is that the telehealth platforms deployed in response to COVID-19 were quickly put in place as a stop-gap solution. Once the current crisis has passed, institutions are planning to take the time to either build or purchase telehealth solutions to seamlessly integrated with the rest of their digital ecosystem.



[~] KFF – “Opportunities and Barriers for Telemedicine in the U.S. During the COVID-19 Emergency and Beyond”

^β McKinsey “Telehealth: A quarter-trillion-dollar post-COVID-19 reality?”

^{*} SR Health survey May 2020

📱 Patient Communication Centered on Mobile

While communicating with patients has always been a struggle in even the best of times, the pandemic has created a surge in communication needs that has severely strained traditional communication channels. Going forward, the ability to quickly communicate custom messaging with your entire patient population will be essential – and that means connecting with patient’s mobile devices.

It is important to acknowledge here that patients have been engaging with companies through their phones for over a decade now, so their expectations are high. While they’ve seen flashes of hope with telehealth and other online platforms, they will not be satisfied with minimalistic patient portals or mobile applications. **Today’s patient expects an immersive and intuitive digital experience.**

89% of people are likely to recommend a brand after a positive experience on Mobile.*



People who have a negative brand experience on mobile are 62% less likely to purchase from that brand in the future.*

* Google Research, 2017

Adapting to an Ever-Changing Market

Many healthcare institutions update their patient engagement channels every few years. However, today's marketplace demands a constantly evolving response. As one industry leader put it "...to create a positive impact on customer experience, the customer must find each moment in their journey to be both relevant and contain perceivable value."*

As an example, in response to the impacts from COVID-19 (rising unemployment, furloughs, income reductions, etc.), many patients were unable or unwilling to pay as much towards their medical bills as they used to. For institutions using traditional mailed statements as their primary channel of communication, this meant patients stopped paying.

However, at institutions with a high level of patient self-servicing capabilities in their billing processes, **the majority of patients who could no longer pay off their bill opted into payment plans instead.** Below is an example from a critical access hospital using Wixcorp's patient interaction engine, Redde.

**March – May
Payment Shift**

One-Time
Payments
↓ 10.4%

Payment Plans
↑ 9.4%

This shift happened organically without any changes from the patient billing team. As one executive from the institution summarized it,

"Our patients are very concerned about their loss of income, or potential future loss of income. So it makes sense that they are opting in to payment plans more often. I'm just grateful that they could make that transition on their own without any new incentives or additional initiatives being deployed."

* Forrester "The Customer Imperative - How personalization must solve customer and marketer needs together"

β Influencer Marketing Hub "Coronavirus Marketing Ad Spend Report"

Creating an Omni-Channel Experience

In today's digital economy, customers are channel agnostic, they expect companies to not only meet their expectations across all digital touchpoints, but they also expect each touchpoint to be simple to access, intuitive to use, and engaging to interact with.

The execution of that kind of digital strategy requires a personalized omni-channel approach where all touchpoints are consistent and familiar. That means your website, emails, texts, mailings, phone, and in-person experiences are coordinated and digitally connected. **For real patient engagement, companies need to create interdependent digital channels that are constantly evolving with the patient's needs.**

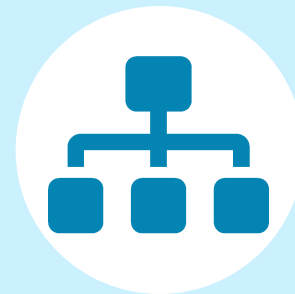
As you look to create these omni-channel experiences, keep in mind the heightened focus in the industry right now. Investment in these solutions will be critical to maintaining relevancy in the post-COVID-19 marketplace.



Organizations that lead in CX outperformed laggards on the S&P 500 index by nearly 80%.[~]



77% of individuals have chosen, recommended, or paid more for a brand that provides a personalized service or experience.^β



Companies with omnichannel customer engagement strategies retain on average 89% of their customers.^f

[~] Qualtrics – “Forrester Study: Economic Impact of Qualtrics CustomerXM”

^β Forrester “The Customer Imperative - How personalization must solve customer and marketer needs together”

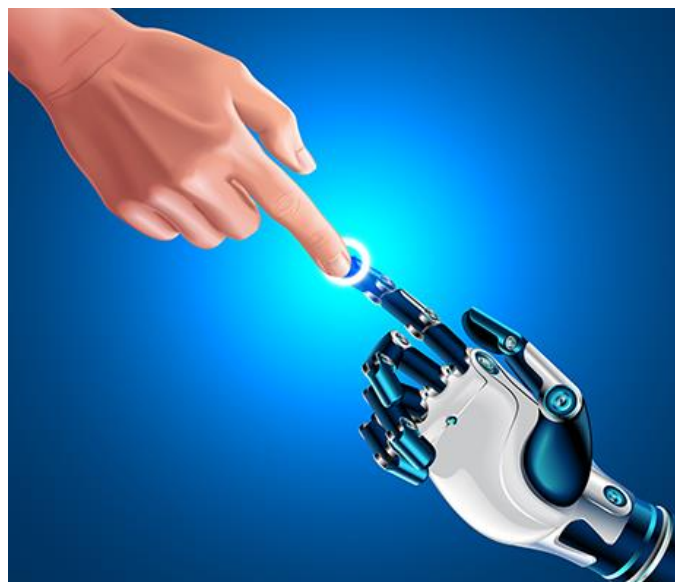
^f Invespcro “The State of Omnichannel Shopping – Statistics and Trends”

CX Needs for 2021

Looking ahead to 2021 and beyond, there are four key trends healthcare institutions need to begin to prepare for now, so they are ready to meet the needs of tomorrow's consumers.

#1 Bring Human Authenticity to Digital Channels

The Point: Don't assume technology makes customers happy. Always provide human experiences (supported by technology) when customers need them.



#2 Telehealth and Remote Care Will Change...A Lot

The Point: Don't get comfortable with your current digital engagement and telehealth channels. As the industry refines these channels, they will change dramatically. You should also prepare now for new engagement channels to emerge.



CX Needs for 2021

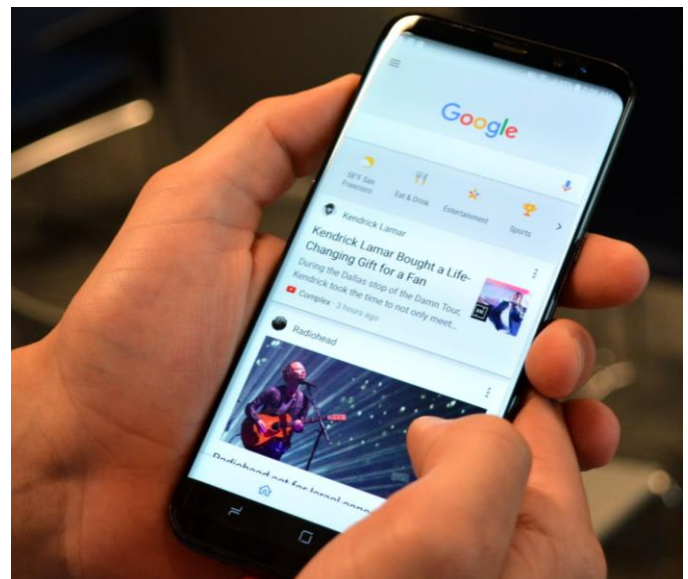
#3 Customers expect increasing personalization

The Point: Customers want to see what's important to them with less tolerance for one-size-fits-all solutions. Always ask their preferences, and then use them across all engagement channels.



#4 Micro-moments will grow in importance

The Point: Consumer touchpoints must offer the right information at the right time. So be sure your brand presence is consistent across all digital channels, especially online and with virtual assistance (Siri, Alexi, Google).



As you prepare your patient engagement projects for 2021, you may not be able to tackle all four of these initiatives; or even one or two of them. That's ok. At a minimum, incorporating these and the other concepts covered in this report into your strategic vision for your digital patient ecosystem will help start you along the right path towards an engaging omni-channel patient experience.

WIXCORP ANALYSIS

Consumerism in a Post-COVID-19 World



Wixcorp is a patient engagement and experience company. If you would like some help understanding what your patients' experience is like, contact us below to schedule a free Patient Journey Mapping session.

✉ Information@Wixcorp.com  [Wixcorp](#)

☎ (855) WIXCORP (949-2677)  www.wixcorp.com