

Hospital Quality Comparisons Are Beginning to Influence Consumer Choice and Behavior



HealthShare Technology
Annual Consumer Study

Overview

The rise in consumer-driven health care reflects the converging interests of both consumers and health plans. Consumers, who have become increasingly comfortable and savvy searching for health care information on the Internet, are eager to play a more proactive role in their own care. Health plans want their members to make more informed and cost-conscious decisions about health care spending — in other words, to understand the economics of health care insurance as thoroughly as they understand auto or homeowner’s insurance.

A growing number of resources exist to help consumers evaluate their health care options, including online comparison tools of physicians and hospitals. A recent survey by Forrester Research, commissioned by HealthShare Technology, shows that the number of people who turn to the Internet to research hospital quality information is growing rapidly. More significantly, the information these “hospital quality seekers” receive is beginning to prompt a change in their health care choices and behavior.

The Number of People Using the Internet to Research Hospital Quality Is Substantial and Growing

To evaluate the influence of hospital quality comparisons on consumer choice and behavior, Forrester Research conducted an online survey of 5,000 adults in fall 2003 (margin of error +/- 1%). Respondents were polled from an existing benchmark survey of 60,000 individuals and weighted to reflect U.S. Census statistics.

The survey found that the number of consumers who use the Internet to research hospital quality more than tripled over 18 months, jumping from 3 percent to 11 percent between April 2002 and October 2003. This represents a dramatic upswing in utilization of hospital comparison data to analyze such factors as number of patients, complications, mortality rates, length-of-stay and costs.

NUMBER OF HOSPITAL QUALITY SEEKERS IS GROWING

“I have used the Internet to research or compare hospital quality”



Base: All respondents

Profile of Hospital Quality Seekers

According to the survey, 55 percent of hospital quality seekers hold a college degree, with 29 percent pursuing or having completed a postgraduate degree. Their average household income is \$71,889, approximately \$10,000 higher than non-hospital quality seekers.

These individuals also tend to be fairly experienced users of the Internet: 48 percent have been online for more than five years, compared to 37 percent of respondents who have not researched hospital quality online. Eighty-six percent of hospital quality seekers are online daily, and 70 percent refer to themselves as “technology optimists.”

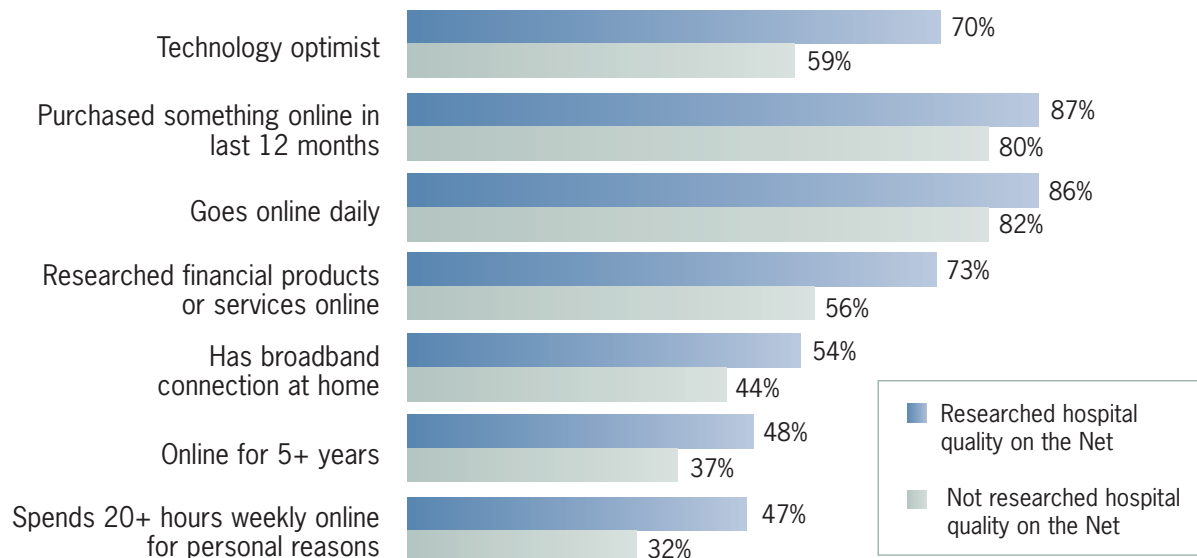


HOSPITAL QUALITY SEEKERS ARE WELL-EDUCATED

| | Researched hospital quality on the Net | Not researched, hospital quality on the Net |
|---|--|---|
| Male | 52% | 49% |
| Over 50 years old | 38% | 41% |
| Average HH income (US\$) | \$71, 889 | \$61,765 |
| Caucasian | 85% | 91% |
| Live alone | 12% | 15% |
| Have children under 18 in HH | 43% | 37% |
| Have college degree | 55% | 48% |
| Professional, managerial, or sales occupation | 50% | 43% |

Base: All respondents

HOSPITAL QUALITY SEEKERS ARE EXPERIENCED INTERNET USERS



Base: All respondents

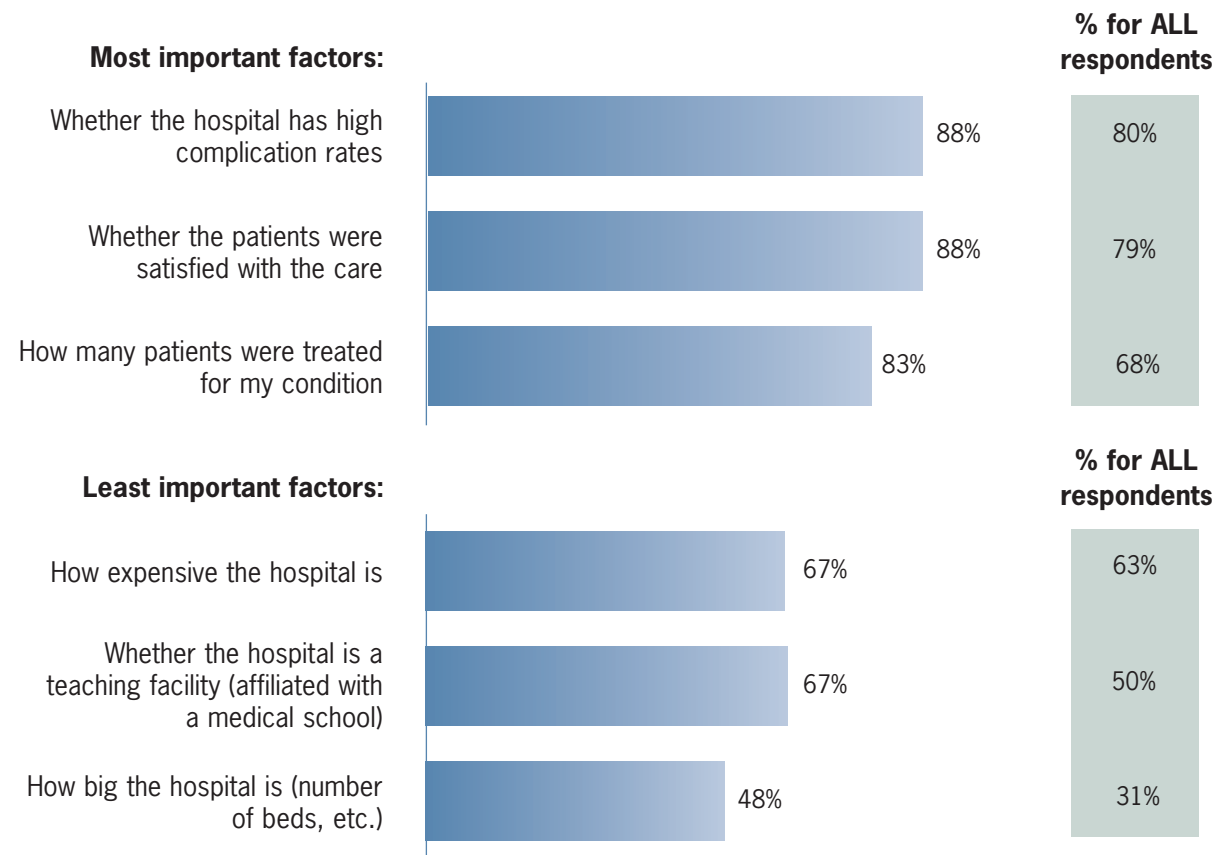


What Matters to Hospital Quality Seekers: Errors and Satisfaction Trump Cost and Size

When asked to rank the importance of various factors, survey respondents were primarily concerned with the quality of care provided. The two most important factors, selected by 88 percent of hospital quality seekers, were whether the hospital has a high complication rate and whether its patients were satisfied with the care they received. Experience ranked a close third, with 83 percent of respondents concerned about the number of patients treated for a given condition.

The least important factors for hospital quality seekers were how expensive a hospital is (67 percent), whether or not it is a teaching facility (67 percent), and how big it is (48 percent). Additional research conducted by HealthShare uncovers anecdotal evidence that medical necessity tends to drive a high level of sophistication in hospital quality seekers. Respondents spoke knowledgeably and in great detail about complicated conditions, indicating that they are well versed in the kind of information they need to make informed decisions about their health care.

MOST AND LEAST IMPORTANT FACTORS FOR HOSPITAL QUALITY SEEKERS



Base: All respondents who have used the Net to research hospital quality



Hospital Quality Comparisons Are Changing Consumer Behavior

Perhaps most important from a health care planning perspective, the survey found that hospital quality comparisons are beginning to influence consumers to make different choices or change their behavior when selecting hospitals.

Seventeen percent of respondents in this study considered changing hospitals based on the quality information they received, and 10 percent actually did change hospitals. These findings are consistent with HealthShare Technology’s ongoing collection of user feedback for its Select Quality Care® hospital comparison tool, in which 34 percent of users are reassured about their hospital after comparing it to others, 20 percent have concerns about the hospital they were planning to use, and 12 percent intend to change hospitals based on quality information.

QUALITY TOOLS ARE HAVING AN IMPACT

I (or someone you care for) considered changing hospitals based on quality information



I (or someone you care for) did change hospitals based on quality information



Base: All respondents

The Future

The consumer-driven movement shows no signs of abating, with the percentage of large employers offering consumer-driven health plans projected to double in 2004.¹ As consumers become more cost-conscious about their health care decisions, the number of people who research hospital quality on the Internet can be expected to continue its upward trajectory. More advanced comparison products, such as Web-based decision support tools, have already emerged to meet the demands of the market and will eventually become ubiquitous. Rather than relying on subjective hospital selection methods such as location or word-of-mouth, consumers will increasingly apply the same careful analysis to health care as they do when making any other significant purchase.

About HealthShare Technology

HealthShare Technology, Inc. is a provider of health care decision support tools that quickly and effectively analyze provider cost and quality. HealthShare is a privately held company with an impressive client roster of leading health plans, hospitals and health systems, employers, and consulting firms. Select Quality Care Consumer and Select Quality Care Professional are products of HealthShare Technology and are part of the Select Quality Care Decision Suite. Learn more at www.selectqualitycare.com.

¹ *Health Care Expectations: Future Strategy and Direction*, Hewitt Associates, December 2003.