

Consumers Needing Hospital Care Arm Themselves With Quality Data

Overview

As healthcare costs climb upward and medical errors continue to make the news, consumers are increasingly looking for ways to evaluate and compare their healthcare providers. A number of recent research reports illustrate this trend:

- According to a November 2004 survey by the Henry J. Kaiser Family Foundation, the U.S. Agency for Healthcare Research and Quality and the Harvard School of Public Health, consumers say that information on medical errors (70 percent) and how many times a hospital has performed a particular test or surgery (65 percent) tells them “a lot” about quality¹.
- A November 2004 survey of 1,233 insured adults conducted by the disease management firm American Healthways found that 80 percent said they would like to be able to choose doctors using “Consumer Reports”- style quality ratings².
- According to a November 2004 survey by America’s Health Insurance Plans, 93 percent of Americans believe the public has a right to know the results of evaluations of performance measures for hospitals, physicians and nursing homes³.

As consumers seek to access this type of information, many are turning to online tools to research hospital quality and costs. A new survey by WebMD Quality Services (formerly HealthShare Technology) shows that nearly a quarter of respondents that needed hospital care have used an online hospital comparison tool. Rather than focusing on the percentage of the general population that researched hospital quality, this study is one of the first to research the connection between people who actually needed hospital care compared to how many have researched and used quality information in their decision.

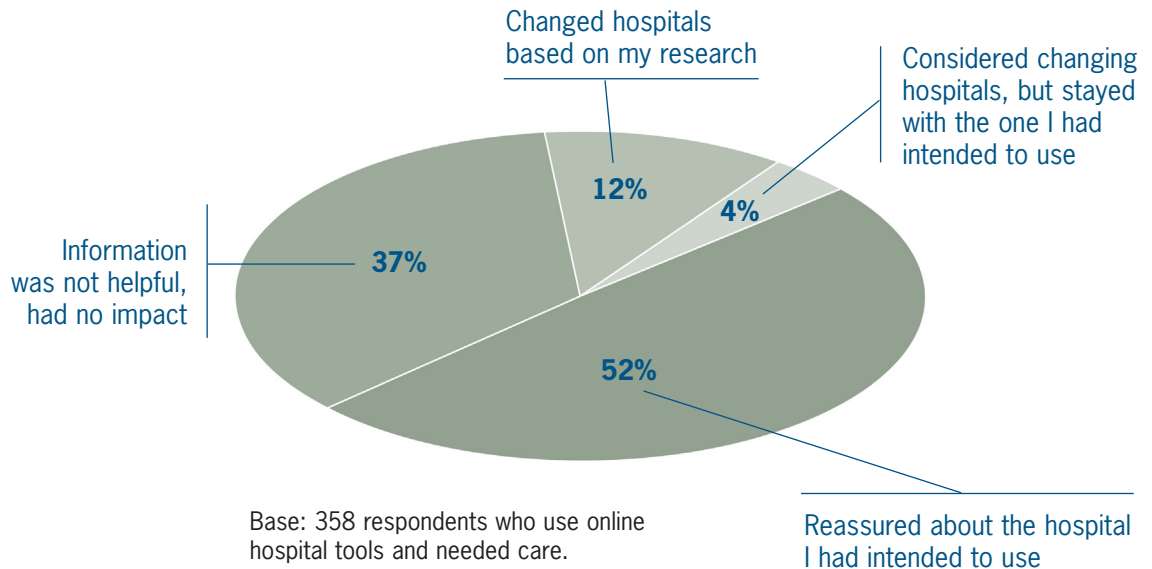
About The Survey

To evaluate consumer usage of hospital comparison tools, WebMD Quality Services commissioned Forrester Research to conduct an online survey of 4,957 adults in November 2004. Of the 4,957 adults surveyed, 1,591 reported that they or someone they care for needed hospital care in the last 12 months. Analyses were conducted with this base.

The 4,957 adults who participated in this survey were part of an online survey of 5,136 U.S. respondents that are members of Forrester Research’s Survey Sampling online panel. Forrester Research weighted the data by age, sex, income, education, household size, online tenure, and technology adoption to demographically represent the adult United States population. For results based on a randomly chosen sample of this size (N=5,136), there is 95 percent confidence that the results have a statistical precision of plus or minus 1.4 percent of what they would be if the entire adult population of North American adults had been polled. The sample used by Survey Sampling is not a random sample; while individuals have been randomly sampled from Survey Sampling’s panel for this survey, they have previously chosen to take part in the Survey Sampling online panel.

IMPACT OF ONLINE HOSPITAL TOOLS ON HOSPITAL DECISION

What impact did your research have on your decision?



Hospital Quality Information Influences Decision-Making

The survey found that 23 percent of respondents that needed hospital care used a hospital comparison tool on either their health plan's Web site or their employer's Web site. Such tools allow consumers to compare hospitals based on a variety of factors, including mortality, length-of-stay, complications, cost, and how frequently the hospital performs specific procedures.

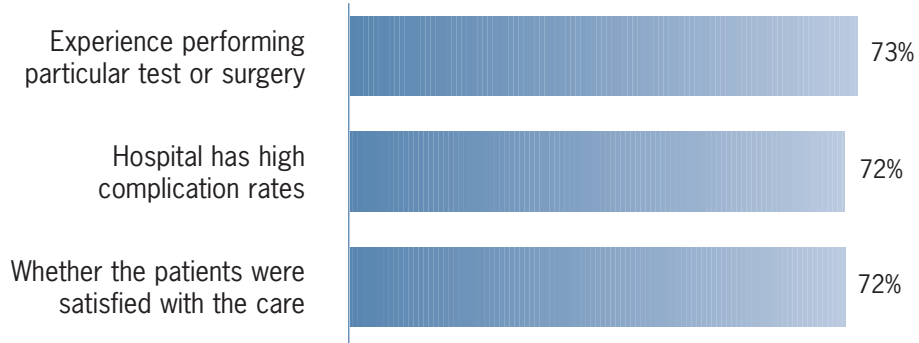
After conducting this research, 52 percent were reassured about the hospital they intended to use. Sixteen percent considered changing hospitals based on their research, and 12 percent actually did. These findings are consistent with WebMD Quality Services' 2004 Consumer Study, in which 12 percent of respondents intended to change hospitals based on hospital quality information.

The research also noted that 37 percent of respondents said the information had no impact on their decision. The Henry J. Kaiser Family Foundation, U.S. Agency for Healthcare Research and Quality and Harvard School of Public Health study⁴ referenced on the previous page suggests that users who did not use quality information when selecting hospitals cited "the quality information wasn't specific to their personal condition or concerns" (53 percent) and "the information they saw didn't cover the specific hospital they need to know about" (34 percent). Less of an issue was "the information they saw was confusing or difficult to understand" (10 percent) which suggests that more information and detail is needed, not less.

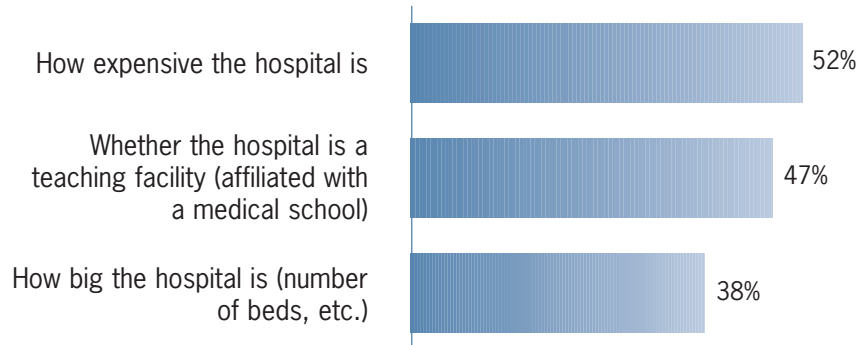
All respondents that needed hospital care reported that they also performed some sort of offline research. The majority (66 percent) asked their doctor about their options, indicating that hospital comparison tools complement, rather than replace, physician consultation. Forty-five percent asked friends or family members, while only 4 percent used magazine rankings such as *U.S. News & World Report*.

MOST AND LEAST IMPORTANT FACTORS FOR HOSPITAL QUALITY SEEKERS

Most important factors:



Least important factors:



Base: 358 respondents who use online hospital tools and needed care.

What Matters Most to Hospital Quality Seekers: Experience, Complication Rates and Patient Satisfaction

When it comes to selecting a hospital, experience and quality count most for consumers. In ranking the importance of various factors, 73 percent of respondents said they were most interested in knowing a hospital's experience in performing a particular test or surgery. Ranked a close second, by 72 percent of respondents, were whether the hospital has high complication rates and whether its patients were satisfied with the care they received.

While a hospital's experience and complication rate information is made publicly available, there is little information made publicly available about patient satisfaction. This gap will likely be filled over time by HCAHPS, a standard survey instrument developed by The Centers for Medicare and Medicaid Services (CMS) and the Agency for Healthcare Research and Quality (AHRQ). Patient experience data will begin to be collected in 2005 with public reporting beginning in 2006.

The least important factors for hospital quality seekers were whether a hospital is ranked "the best" by a local newspaper/magazine (38 percent), whether the hospital is a teaching facility (47 percent), and the general public perception of quality (52 percent).

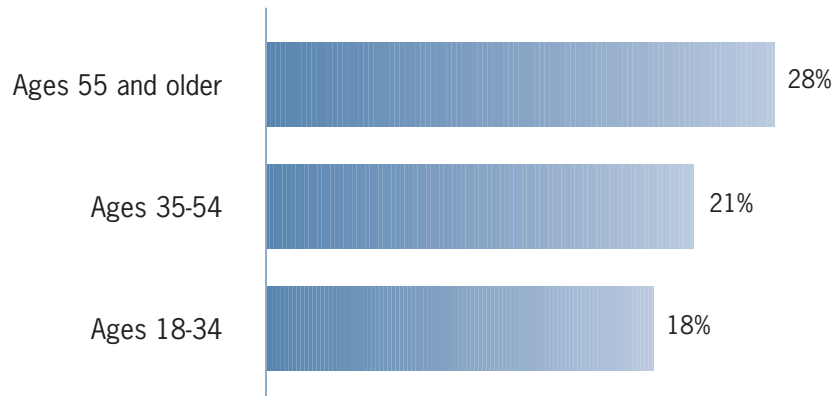
PROFILE OF ONLINE HOSPITAL TOOL USERS

	Use Hospital Tools and Needed Care	Required Hospital Care
Median HH Income	55K	45K
% College Degree	52%	44%
Like to Shop Around Before Purchase	75%	69%
Online Tenure	5.5 Years	4.5 Years

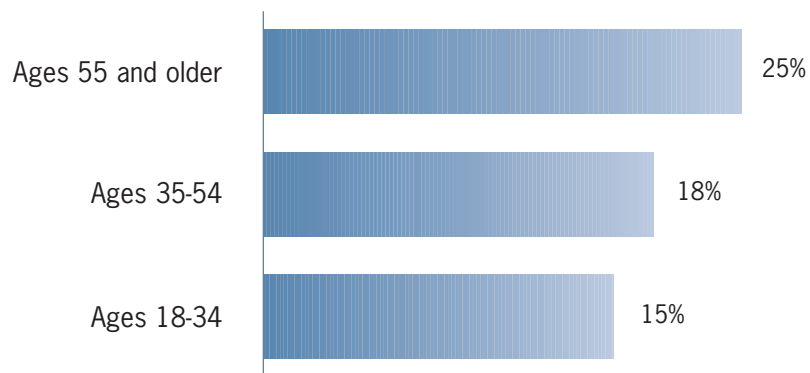
Base: 1591 respondents who required hospital care.

AGES 55 AND OLDER MOST LIKELY TO USE HOSPITAL TOOLS

Respondents most likely to use online hospital tools:



Respondents more likely to access a hospital tool on their health plan's Web site:



Base: 1591 respondents who required hospital care.

Online Hospital Tool Users: Demographics and Characteristics

According to the survey, respondents that use online hospital tools and needed care were, in comparison to all respondents who needed hospital care, more likely to be college educated (52 percent vs. 44 percent), have a higher annual income (earning \$10,000 more) and have a longer online tenure (by one year).

Respondents who need care and use online hospital tools see value in comparison shopping in general. Seventy-five percent of them agreed with the statement “I like to shop around before making a purchase” compared to 68 percent of respondents who needed care but did not use hospital tools.

Respondents in the 55 and older age group were the most likely to use online hospital tools, with 28 percent reporting usage compared to 18 percent of people aged 18-34 and 21 percent of people aged 35-54. People aged 55 and older were also more likely to access a hospital tool on their health plan’s Web site (25 percent) compared to people aged 18-34 (15 percent) and people aged 35-54 (18 percent).

Those who use hospital selection tools also appear comfortable using online financial services. For example, these individuals are more likely than respondents who do not use hospital tools to receive and review bills online (74 percent vs. 68 percent), research financial products and services online (60 percent vs. 58 percent) and pay bills at the biller’s site (58 percent vs. 54 percent).

The survey found some gender differences when it comes to conducting online hospital research. Men were more likely to change a decision (15 percent changed hospitals based on their research, vs. 8 percent of women), while women were more likely to be reassured about the hospital they intended to use (62 percent vs. 42 percent of men).

When asked about the factors involved in their selection of a hospital, women rated all reasons at a higher level of importance than men did. For example, women were more interested in the experience the hospital has performing a test or surgery (79 percent vs. 71 percent), whether the hospital has high complication rates (76 percent vs. 68 percent), the mortality rate for their condition (60 percent vs. 44 percent), whether patients were satisfied with the care (75 percent vs. 67 percent), and how expensive the hospital is overall (58 percent vs. 48 percent).

Conclusion

The need for greater transparency concerning the cost and quality of health services has become one of the most critical issues in healthcare. Many health plans are moving toward a “consumer-driven” model in which consumers take on increased responsibility for managing their own healthcare. Forrester Research projects that enrollment in consumer-driven health plans will increase from about 1.2 million people in 2004 to about 2.7 million in 2005.⁵

As people become more active stewards of their own healthcare and that of their families, they need access to decision support solutions, such as online hospital comparison tools, that help them make informed choices. A new analysis by Manhattan Research found that 18.5 million consumers report that they would be very likely to use an online evaluation of hospitals. The analysis also found that 26.8 million report they would be somewhat likely to use such an evaluation, for a total of 45.3 million consumers with an interest in taking advantage of online evaluations for hospitals.⁶ With the continued growth in consumer-driven health, this number can only be expected to increase.

About WebMD Quality Services

WebMD Quality Services, formerly HealthShare Technology, is a leader in delivering robust decision support tools that help hospitals, health plans, employers and consumers make more informed and confident health care decisions. WebMD Quality Services offers a consistent approach to analyzing and comparing healthcare performance data to improve the quality of care while lowering costs. Learn more at www.selectqualitycare.com or www.webmd.com.

About WebMD

WebMD Corporation provides services that help physicians, consumers, providers and health plans navigate the complexity of the healthcare system. Our products and services streamline administrative and clinical processes, promote efficiency and reduce costs by facilitating information exchange, communication and electronic transactions between healthcare participants.

WebMD Health is a leading provider of online information, educational services and communities, and decision support tools for physicians, consumers, payers and employers. WebMD Practice Services is a leading provider of administrative, financial and clinical software and related services to the nation's medical practices. WebMD Business Services is a leader in payer and healthcare provider transaction processing and reimbursement cycle management services.

- ¹ *"The National Survey on Consumers' Experiences with Patient Safety and Quality Information."* The Kaiser Family Foundation, the Agency for Healthcare Research and Quality, and the Harvard School of Public Health, November 2004.
- ² *"Outcomes-Based Compensation: Pay-for-Performance Design Principles."* American Healthways, November 2004.
- ³ *"2004 National Post-Election Survey Regarding Health Care Issues."* Conducted by Ayres, McHenry & Associates, Inc. for America's Health Insurance Plans, November 3-4, 2004.
- ⁴ *"The National Survey on Consumers' Experiences with Patient Safety and Quality Information."* The Kaiser Family Foundation, the Agency for Healthcare Research and Quality, and the Harvard School of Public Health, November 2004.
- ⁵ *"Trends 2005: Health Plans."* Forrester Research, October 26, 2004.
- ⁶ *"The Future of Digital Medicine."* Manhattan Research, June 2005.