



GENERATION HEALTHCARE: MILLENNIALS

What healthcare providers need to know about the U.S.'s largest demographic

There's a demographic shift happening in the U.S. as last year the millennial generation overtook Generation X to become the largest segment of the U.S. workforce. In response, companies are redesigning products and services to better meet the needs of millennials, consumers between the ages 16-35. For example, Marriott International recently announced it's updating many of its properties with trendier room décor and introducing amenities like concierge apps and smartphones as room keys to appeal to this generation.

What does the rise of millennials mean for healthcare providers? Historically, hospitals and physician practices haven't followed demographic trends as closely as companies in other industries because they didn't have to. Patients chose a provider based largely on who was in their health plan's network. But the consumerism trend is changing this. More patients are enrolling in high-deductible health plans, which require higher out-of-pocket costs. As patients pay more, they are approaching healthcare decisions in the same way they approach other purchases, focusing on cost, value, and the level of service they receive. For healthcare providers to adapt, they need to better understand how people make these decisions and what their expectations are. Monitoring demographic trends offers some insight.

While consumerism will change how people across all generations engage with providers, the impact millennials have will be significant because of their size and influence. With a population of more than 83.1 million, millennials will set trends that others follow in much the same way the baby boomer generation has done over the last 70 years.

So what do healthcare providers need to know about millennials? The following are characteristics of millennials and how they might influence their healthcare decisions.

As patients pay more, they are approaching healthcare decisions in the same way they approach other purchases, focusing on cost, value, and the level of service they receive.



Cost conscious

Two-thirds of millennials have at least one source of long-term debt outstanding (student loans, home mortgages, or car payments) and 30 percent have more than one. Among the college-educated, 81 percent have at least one source of long-term debt.¹ As a result of this debt, millennials don't have a lot of disposable income. They tend to be frugal and make purchase decisions only after long consideration, which means they are more likely to postpone both routine and major medical procedures.

¹ <http://blogs.wsj.com/experts/2015/10/05/the-alarming-facts-about-millennials-and-debt/>



Look for deals

Millennials grew up conducting online price comparisons on everything from airline tickets to electronics, and they expect to be able to do the same with healthcare. They are much more likely than boomers or Gen Xers to search online for deals, ask for discounts on medical care, and challenge medical bills.² This underscores the need for increased transparency among providers.

² PWC Health Research Institute, "Money matters: Billing and payment for a New Health Economy," May 2015.

Conduct online research

When it comes to making buying decisions, millennials do their homework. They read as many as 10 online reviews before making a purchase,³ and consult with others via social networks and online communities to share information. While healthcare providers are understandably concerned about review sites that rank hospitals and doctors, having an online presence where millennials can learn about them is increasingly important. Some hospitals, like Cleveland Clinic, are taking matters into their own hands and publishing reviews on their own website.



Prefer retail healthcare

Being young and in good health, millennials are less likely than those in older generations to visit a healthcare provider on a regular basis. But when they finally decide to get treated, they prefer retail clinics and urgent care facilities to primary care physicians.⁴ Providers see this as concerning because millennials may be missing out on preventative care. But seeing a different physician for every visit also means millennials are not establishing a patient history with a trusted physician, which can also have long-term health implications.

Expect a seamless experience

Seamless is defined as “the ability to deliver a consistently personalized, on-brand experience for each individual customer, at every touchpoint—anytime and anywhere.”⁵ Millennials expect interactions with service providers to go smoothly, and if there are issues, they expect them to be resolved quickly. Millennials, more so than older generations, judge healthcare organizations on their billing practices and are less tolerant of disjointed processes.



³ <http://www.bloomberg.com/news/articles/2016-04-01/why-millennials-are-crushing-the-dreams-of-marketing-directors>

⁴ <http://www.ibtimes.com/healthcare-2015-why-millennials-avoid-seeing-doctors-what-means-rising-healthcare-2065473>

⁵ Accenture, “Who are the millennial shoppers? And what do they really want?” (retrieved from <https://www.accenture.com/us-en/insight-outlook-who-are-millennial-shoppers-what-do-they-really-want-retail.aspx>)

WHAT'S NEXT?

The rise of consumerism is coinciding with the rise of the millennials, making it critically important for hospitals and physician practices to implement programs that meet changing expectations. With better insight into the trends that drive consumer behavior, healthcare organizations are better able to adapt to the changing healthcare landscape.

