

# REVENUE CYCLE STRATEGIST

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## Millennials Set Pace for Healthcare and Revenue Cycle Management

*Millennials embody the new patient as consumer.*

Today, healthcare is focused on the challenge of caring for aging baby boomers, the vast cohort born between 1946 and 1964 who are reaching retirement age and beyond. But the group to watch—the one that will set the pace for much of the future of healthcare—is millennials.

In 2015, the 83.1 million Americans aged 18 to 34 surpassed baby boomers, who number 75.2 million, to become the single largest cohort, representing one in every four people, according to the U.S. Census. In addition, millennials now account for the largest group of employees, representing more than one in three people in the U.S. workforce, Pew Research Center analysis found. They not only outnumber other generations but they are more diverse, with 44.2 percent being part of a minority race or ethnic group, according to the Census Bureau.

This generation, most of whom do not remember a world without the Internet or cell phones, are looking to hospitals for a different kind of healthcare experience than their parents and grandparents. Coming of age just as the paradigm of consumer-directed healthcare takes hold, millennials embody the patient as consumer—the emerging healthcare power shopper.



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## What Millennials Want

For millennials, it's all about the experience. They want convenient on-site locations as well as virtual consults. In addition to clinical engagement, financial engagement is important to them.

Millennials are less likely than other generations to follow "doctors' orders." They more frequently question care recommendations and tend to self-diagnose. They want more control over their care and spending, and they want to use technology to achieve that, just as they use it in every other aspect of their lives.

Almost three fourths of millennials want their provider to offer mobile apps so they can actively manage preventive care, health records, and appointments, according to Salesforce's 2015 *State of the Connected Patient*. A PNC Healthcare survey found tech-savvy millennials favor speedy delivery of care and word-of-mouth marketing, and they want online insurance availability and up-front cost estimates. In fact, 41 percent of millennials are likely to request estimates before undergoing treatment compared to only 21 percent of boomers.

While clinical quality and safety will always be important, millennials see them as table stakes. The differentiators increasingly are nonclinical services and interactions with an emphasis on convenience and price. From patient access to billing, the revenue cycle often has more touch-points with patients than the clinical team has, leading to make-or-break consumer experiences.

## Money Matters and Millennials

Cost-conscious millennials are more likely than the general population to judge healthcare organizations based on their billing practices, according to PwC's 2015 report *Money Matters: Billing and Payment for a New Health Economy*. They also are more likely to challenge medical bills, search for better pricing, and make value-based decisions.

Patients who are 19 to 34 years old led all age groups in wanting to know total cost of care and payment options before receiving medical services, according to a recent CarePayment survey. Knowing costs also affected their selection of providers, whether they would return to providers for additional care, and whether they would recommend providers. For example, 86 percent of patients who are 19 to 34 said it was very important to understand payment options before receiving medical care, compared to 73 percent of those who are 51 to 70 years old.

Millennials worry about money matters for good reasons. Many are carrying heavy student debt, combined with just launching their careers. More than 60 percent of millennials employed fulltime, year-round earn less than the U.S. median income of \$46,480, according to analysis of U.S. Census data by *The Wall Street Journal*. More than half had less than \$1,000 to tap for unexpected medical expenses, and 28 percent had less than \$500 saved, according to the 2015 *Aflac WorkForces Report*.

Not surprisingly, millennials beat all other adult age groups in delaying care because of cost. More than half of millennials, versus 37 percent of boomers, postponed or skipped treatment, according to PNC.

## Catering to Millennials

Because millennials and their children will make up the vast majority of patients in years to come, it's imperative that hospitals and health systems deliver the services and capabilities that this generation is seeking. The track record so far shows considerable room for improvement, with healthcare apps serving as a timely lesson.

Although two thirds of the 100 largest U.S. hospitals offer mobile apps, only 11 percent of providers address at least one of consumers' three most desired functions: to access medical records; to request prescription refills; and to manage appointments, according to Accenture's report *Losing Patience: Why Healthcare Providers Need to Up Their Mobile Game*. As a result, only 2 percent of patients are using the apps.

Clearly, there is a central role for revenue cycle teams in delivering the personalized healthcare experience that millennials want. Whether virtual or in person, healthcare financial interactions have the power to attract millennials as patients in the first place and then contribute to building lasting, productive relationships. •

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