A significant catalyst for change is an engaged and participatory patient or consumer who acts as an equal partner in their care experience.

In the next decade, the context of care will change profoundly – demanding a very different way of thinking. EY’s whitepaper, Health reimagined: a new participatory health paradigm suggests the future of health will be driven by digital technology, social media 2.0 and a maturing healthcare consumerism. As these forces become part of the core business of healthcare; new ways of thinking and transformative business models will become paramount.

What this means for the private hospital industry

Payers are shifting from ‘just paying the bills’ to being a player in the health conversation. Providers are shifting from being the ‘ship’s captain’ to ‘navigator’ or expert adviser. Central to this is the emergence of the patient or healthcare consumer as an equal and responsible partner. Greater consumer health and lifestyle awareness present opportunities to expand current business models to incorporate adjacent core specialties, such as chronic care management and prevention.
Private hospitals — not immune to rising consumerism

March 2016

To benefit from this new normal private hospital stakeholders should:

- **Prepare for a shift in focus from volume to value, and quality patient outcomes.** Accountability and transparency (value, costs and outcomes) will be key to success. Digital technologies allow players in the private hospital system to capture data, better analyse patterns and draw on predictive modelling to simulate and predict the behaviour of large and diverse populations of consumers and test the impact of future trends, product innovations and disruptive new technologies, products and services.

- **Expect referral patient sources will change significantly.** Private hospital systems will be given the opportunity to interact directly with consumers, and build opportunities to directly originate patient traffic.

- **Embrace consumers driving choices and decision-making.**

Participatory health foreshadows a disruptive change in the private hospitals landscape with new avenues for industry players. There will be winners and losers, however no matter where the strategic decisions lie, doing nothing is not an option.

---

**How EY can help**

It is time to begin the conversation about a radically different future. Here are three ways you can prepare your business:

1. **Build on analytics capabilities**
   - **Understand your customer segments:** Deep understandings of behaviours, attitudes, market segments and archetypes that cut across demographics can also drive highly targeted acquisition and retention strategies; as well as predictive insights into likely sources of referrals by understanding consumer physician choices and preferences.

2. **Deeply understand the customer of the future — shift from transactional to ongoing relationships with consumers**
   - **Consider your customer touchpoints:** make each touchpoint with consumers count as competition and differentiators such as brand and market positioning become increasingly important.

3. **Price v Value:** Consumer perceptions, decision-making and long-term relationships will hinge on notions of value, and influence loyalty and long-term relationships. For consumers, in addition to price, value will likely include quality of outcomes, interpersonal, service and the built-environment experiences, and tools that facilitate a participatory experience.

---

**Start the conversation with EY**

Milan Milosevic
Health & Provider Care Leader
Tel: +61 2 9248 5028
milan.milosevic@au.ey.com

---

How EY can help

It is time to begin the conversation about a radically different future. Here are three ways you can prepare your business:

1. **Build on analytics capabilities**
   - **Understand your customer segments:** Deep understandings of behaviours, attitudes, market segments and archetypes that cut across demographics can also drive highly targeted acquisition and retention strategies; as well as predictive insights into likely sources of referrals by understanding consumer physician choices and preferences.

2. **Deeply understand the customer of the future — shift from transactional to ongoing relationships with consumers**
   - **Consider your customer touchpoints:** make each touchpoint with consumers count as competition and differentiators such as brand and market positioning become increasingly important.

3. **Price v Value:** Consumer perceptions, decision-making and long-term relationships will hinge on notions of value, and influence loyalty and long-term relationships. For consumers, in addition to price, value will likely include quality of outcomes, interpersonal, service and the built-environment experiences, and tools that facilitate a participatory experience.

---

**Start the conversation with EY**

Milan Milosevic
Health & Provider Care Leader
Tel: +61 2 9248 5028
milan.milosevic@au.ey.com