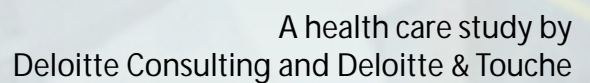


Deloitte Research



# The emergence of the E-HEALTH CONSUMER



A health care study by  
Deloitte Consulting and Deloitte & Touche



***E-Health consumers are set to radically transform the health care industry.***

What is driving it? What will be the impact? What choices, value-added services and control will e-Health consumers expect? What will be the critical success factors for health care organizations in this new consumer-driven environment?

To address these questions, we launched a comprehensive, nationwide research effort in 1999. Our research partner in this effort is Cyber Dialogue, a leader in providing Internet database-marketing solutions. In the pages that follow, we present our analysis of the first phase of our research: the interplay among key forces accelerating the evolution of the e-Health consumer.

The next phase of our ongoing research program addresses the perceptions and needs of employers, physicians and health care organizations in the evolving e-Health environment. We are currently engaging in primary research with these groups, conducting in-depth, structured interviews and hosting candid roundtable discussions to delve into the heart of the issues.

We will release the full results of this study in Spring 2000. In the interim, we will profile our research in cities across the United States, as a sponsor of the *e-Healthcare Tour*. In addition, we will publish a series of perspectives highlighting our research to date.

Our goal is ambitious: to create a knowledge base on which health care executives can build successful strategies for the emerging e-Health environment. Our research convinces us that those who anticipate the e-Health consumer wave—by addressing consumers' new demands for decision-making, value-add services and convenience—will emerge as winners in the new e-Health world.

We are eager to share with you the insights we have gained from this groundbreaking research project.

Deloitte Research

# Are You Ready for the Next Wave in Health Care?

Who are your most influential customers? How do they behave?  
What do they expect?

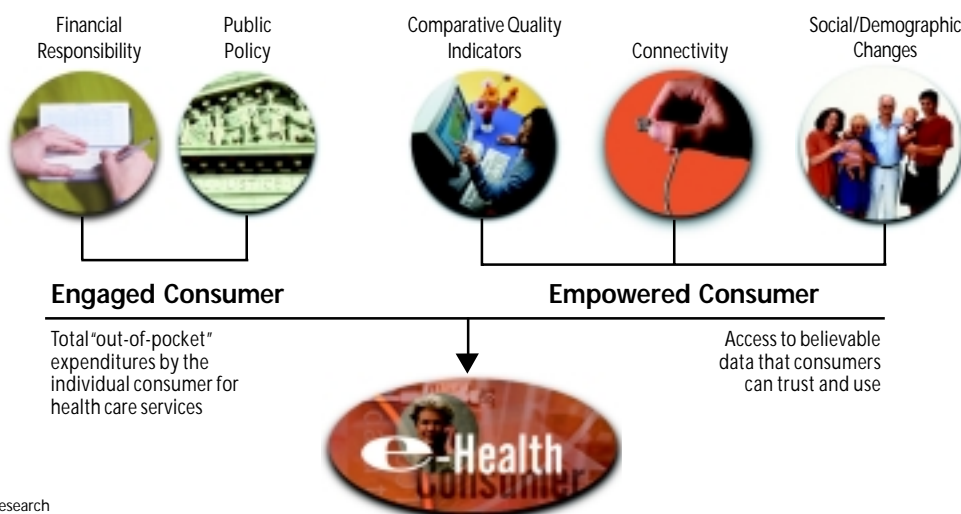
If you haven't asked yourself those questions lately, you're past due, and you may be in for a shock. Not all of today's health care beneficiaries are the traditionally passive, compliant "patients," or "clients" you once knew. As you read this, health care consumers are undergoing a radical metamorphosis: *They are becoming engaged, empowered, energized e-Health consumers. They represent a vast force that is about to transform the health care world. And any health care business that is unprepared to deal with this force risks being left behind in its wake.*

The evolution of this powerful new class of health care consumers is a logical development, considering the forces at play. Across the board, consumers' expectations are on the rise. They're booking airline reservations, hotels, and cruises over the Internet. They're banking on-line. And they are bringing the lessons they've learned and the skills they've developed through interactions with other industries to their health care expectations. "If I can shop for a new home or apartment by taking a virtual tour at a Web site," goes the new consumer thinking, "why can't I evaluate a doctor, or a health plan, or the effectiveness of a particular medical procedure on-line, as well?"

While it may be old news to other industries, the emergence of this new consumer behavior in health care is nothing short of a revolution. Health care consumers are beginning to wake up to their power, and they are on the brink of toppling traditions and shaking up the industry in ways previously unimaginable.

These emerging e-Health consumers know more, expect more, and demand more—all along the health care continuum. Required to pay an increasing proportion of health care services out of their own pockets, consumers are empowering themselves with information from many sources, and they are approaching health care services and providers with a new attitude. They're arriving at doctors' offices armed with direct-to-consumer ads from pharmaceutical companies. They've researched their symptoms in libraries, consumer health magazines, Web sites, and on-line chat rooms. They know how much their friends' health plans cover for the procedures they're undergoing and the prescription medicines they're taking. They're looking at information about clinical outcomes and financial performance previously available only to insiders. They're asserting their right to know. They expect to be included in the decision-making and to be regarded as partners in their health care. And they're exercising their power to choose.

FIGURE 1 THE DRIVING FORCES OF THE E-HEALTH CONSUMER BOOM



Source: Deloitte Research

The notion of this highly influential e-Health consumer is not a theory. Although this phenomenon is in its formative phase, the e-Health genie is clearly out of the bottle, and the trend is irreversible.

Will the e-Health consumer change the way you do business? Without a doubt. The question is: Who will understand e-Health consumers best, react to them most effectively, and embrace e-Health consumer readiness as a strategic advantage?

The population and influence of e-Health consumers is poised for massive growth. Here's why: The vanguard of e-Health consumers is already making its presence known in the market. Currently, these early phase e-Health consumers are mostly limited to information retrieval. Internet accessibility, in particular, has whet the American health care consumer's appetite for information and active participation in health care decision-making. But demand still far outstrips supply.

Nonetheless, first movers have already cracked open the door to e-Health activities. Their current numbers and range of activities are just the beginning. All around them, strong forces are coalescing—driving consumers toward increasing financial responsibility for health care, and empowering them to act on their own behalf (Figure 1). The degree to which each of these influences grows will affect the speed at which today's information seekers evolve into tomorrow's e-Health consumers.

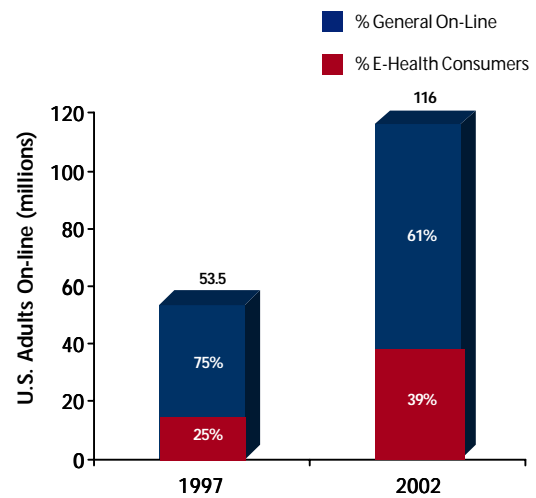
## Connectivity



A leading catalyst is connectivity, a trend whose growth is already well documented. While it took television 26 years to achieve mass penetration among American consumers, the Internet has reached mass penetration in only seven. Signed on and hungry for reliable information from trusted sources, e-Health consumers are discovering an ever widening universe of useful health information (Figure 2).

One need only look to advertising for a bellwether. On-line health-related ad spending quintupled between 1998 and 1999, and is projected to rise to as much as \$265 million by 2002.<sup>1</sup> A significant portion of the increase will come from direct-to-consumer advertising by pharmaceutical companies and other health organizations, such as hospitals

**FIGURE 2 E-HEALTH USAGE IS GROWING TWICE AS FAST AS GENERAL ON-LINE USAGE**



Source: Cyber Dialogue, Cybercitizen Health

and manufacturers of medical devices. These ads don't just describe a product. Typically, they encourage consumers to take action.

That approach is working. According to a 1998 study published in *Prevention Magazine*, 163 million adult Americans have seen or heard a direct-to-consumer drug ad, and one-third of them spoke to their doctors about the medication. *Three-quarters of consumers feel that these ads enable them to become more involved with their own health care and increase their tendency to challenge their physicians.*<sup>2</sup>

Another indicator is the volume of venture capital flowing into health information companies. Established health care powerhouses and venture capitalists are demonstrating their belief that the information revolution has arrived in health care.

Already by September 1999, the number of venture capital deals involving health-related Internet companies exceeded the total number of deals in 1998 by 26 percent.<sup>3</sup> In addition, the equity raised for e-Health companies in the public market went from a standstill in 1998 to a sprint in 1999. According to Wit Capital, e-Health companies have already raised over \$1 billion so far in the public market in 1999. Institutional and individual investors "get it" too. Drkoop.com's June 1999 IPO raised \$84.4 million and nearly doubled after two days.

The supply pipeline for health information and on-line services is expanding at warp speed. The emerging picture is one in which health “portals” will provide consumers with personalized, value-added services.

First mover “infomediaries” are already staking out the territory. Early phase initiatives offer one-way communications—primarily news reports and information about drugs and diseases. Further along the continuum, interactive health portals are beginning to offer information searches, e-mail, and communication between physicians and the community. The most advanced offer value-added transactions, such as electronic personal medical records and interactive disease management programs.

Players in this new arena are rapidly forming partnerships to develop health portals and search engine capabilities. To establish credibility and to solidify their positions, several first movers have joined forces with prestigious medical organizations. For example, IntelliHealth is a joint venture between Aetna U.S. Healthcare and Johns Hopkins University and Health System. Health information suppliers also are partnering with Internet search engines to attain users and build brands.

Not only is the supply of health information growing, so is its quality and credibility. Search engines and specialized health portals are taking on a stronger editorial voice. Many are compiling and indexing health information. A small number of trusted services have begun rating the quality of health care information sites. Also, with growing regularity, health infomediaries are supplying health care report cards, consumer reports, and ratings.

Each of these developments will continue to raise the e-Health consumer’s expectations.

## Increased Financial Responsibility



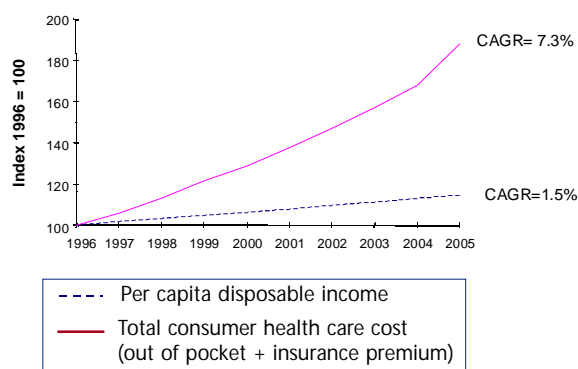
Money talks. The message that health care users are getting is that their share of health care costs is going up. The message they are sending back is that, the more they pay, the more they have to say.

*Trends in health care financing make it clear that consumers are going to assume a greater share of the economic burden of health care. And as consumers become more financially accountable for their health care, they are likely to demand more information in order to make better decisions (Figure 3).*

Employers report that their 1999 health coverage costs were an average of 8.7 percent higher than those of 1998. These cost increases varied by plan design and by the level of cost containment or managed care. HMO costs rose 7.5 percent. PPO costs rose 10.6 percent. Point-of-service costs rose 7.4 percent, and indemnity costs rose 9.1 percent.<sup>4</sup>

These dramatic increases are putting enormous pressure on the budgets of employers and government payers. First priority typically goes to cost control, and employers approach this need in a variety of ways. The most popular is to make changes in plan design, which usually means shifting to managed care, limiting the choices of plans offered to employees, and limiting coverage or covered services. Roughly 50 percent of employers report adopting this strategy.<sup>5</sup>

**FIGURE 3 CONSUMERS WILL ASSUME A GREATER SHARE OF THE ECONOMIC BURDEN OF HEALTH CARE**



Note: Forward looking disposable income estimates are based on historical growth rate. CAGR is the compound annual growth rate. Disposable income is U.S. average. Out-of-pocket expenditures are average for total U.S. population. Health insurance premium contribution is average for individuals with employer based health insurance. Source: Congressional Budget Office, U.S. Statistical Abstract

Nationwide, there has been rapid movement away from more costly indemnity plans and toward various forms of managed care. The trade-off, frequently, comes in the form of restricted access to care for employees. And, as has been widely reported, consumers in general are not happy with the access and quality of care they are receiving. The 1999 Environmental Assessment, published by Deloitte & Touche and VHA Inc., found that 42 percent of consumers give HMOs a negative rating for service.<sup>6</sup>

Still, virtually every employer has adopted some form of cost sharing. A popular strategy is to shift more of the benefit cost to employees. Many employers favor cost shifts that hit only employees who use health care services, and only at the time of use. A more direct hit to the wallet comes when companies raise employees' contributions. This strategy is steadily gaining ground, with 19 percent of employers reporting that they adopted some form of employee contribution increase in 1998.<sup>7</sup>

All of this cost shifting and cost saving will engender dramatic growth in the e-Health consumer population. The logical conclusion is that, required to shoulder more costs, consumers will begin focusing on judging value for themselves, rather than relying on an employer to select value for them. Consumers will also push for more information about their health plans, in order to assess the value they are receiving. Paying more means paying more attention. Research already illustrates this trend: 74 percent of self-insured individuals say that it's very important to stay informed about relevant treatments and medications.<sup>8</sup>

## Changes in America's Social Fabric



Politicians may talk about "traditional values," but in health care, tradition is out. The era of the passively compliant patient is coming to an end, not only because of the burgeoning information flow, but also as a result of fundamental changes in the social fabric of America.

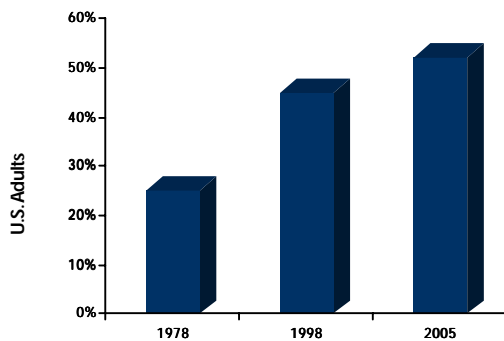
*The vocabulary and behavior of the emerging e-Health consumer centers on words like "self-reliance" and "empowerment." Factors contributing to this shift have been in motion for decades—but their impact may have been underestimated by the health care industry until now.*

Changing demographics are among the strongest forces driving the evolution of the e-Health consumer. For example, the number of self-employed workers has increased and is likely to continue increasing. According to the American Home Business Association, 40 million Americans work from home today, a number which has doubled in the last ten years.<sup>9</sup> The Association's president also estimates that over 3,000 Americans are establishing a home-based, self-employed business every day—a number that is growing by 15-20 percent annually. The impact of this trend on health care is enormous: Because self-employed workers have greater accountability for their health care purchasing decisions, they also are likely to be more self-reliant in making decisions regarding their care.

The aging of the Baby Boomer generation is another major factor. Today, there are about 78 million Baby Boomers. The first wave is approaching retirement, and their use of health care services is likely to increase. Baby Boomers tend to have greater analytical sophistication, disposable income and information technology experience. They are more likely than older or younger adults to own computers and to use them daily.

These factors add up: This influential and fast-growing population is primed to challenge the traditions of health care. Baby Boomers entering their retirement years will—by their sheer volume—change the landscape of health care forever. They

**FIGURE 4 U.S. ADULTS WHO ARE COLLEGE EDUCATED, COMPUTER LITERATE AND HAVE A HIGH DISPOSABLE INCOME WILL DRIVE THE E-HEALTH CONSUMER BOOM**



Source: Institute for the Future

will bring to bear their education, info-tech literacy, and economic and political clout. They'll bring heightened expectations for personalized and high quality service fueled by mass customization in other industries. They will set the standards and become the role models for other e-Health consumers.

Baby Boomers are not the only group with this profile. According to the *Institute for the Future*, 45 percent of the population fits this profile today, a group expected to grow to over 50 percent by 2005<sup>10</sup> (Figure 4). This group, too, is information hungry, actively engaged in health care decision-making and demanding of choice, convenience, customization and service.

Another interesting twist in the social scenario is the sense among consumers that in today's health care system, they have less access to physicians. They are not imagining this: According to a 1998 survey published in *Managed Care*, 30 percent of family physicians were no longer accepting new patients, versus 17 percent in 1997. In addition, the survey reported that the average wait to see a family physician for a non-emergency problem increased from two days in 1997 to six days in 1998.<sup>11</sup>

Frustration generated by this phenomenon is driving consumers to other sources for support in managing their health—non-traditional sources, such as Internet health sites, on-line support groups, and publications. They come away feeling self-reliant, more in control of their own health, less dependent on traditional sources, empowered to challenge their physicians, and confident in their ability to manage their own care.

The result, not surprisingly, is an emerging breakdown in the traditional physician-patient relationship—a phenomenon that shows no signs of abating. Nearly nine out of ten doctors say that they have felt the impact of patients' accessing health information via the Internet.<sup>12</sup> In a 1998 survey of consumer behavior, nearly 50 percent of respondents said that in considering treatment from a specialist, they would seek information about treatment options in order to decide for themselves.<sup>13</sup>

This breakdown in the physician-patient relationship also contributes to consumers' growing view of physicians as vendors, rather than as authorities. Consumers are bombarded with health information on many fronts: broadcast and print media, libraries, community-based organizations and television shows. In this barrage, they also are seeing an upswing in negative media coverage of physicians and health care. They regularly receive news reports about medical mistakes—a phenomenon that adds to consumers' declining faith in the infallible image of doctors. All of this information has the effect of compromising and challenging the physician's traditional authority.

*This new skepticism and loss of trust translates into diminished loyalty, a turn toward non-traditional alternatives, and rising demand for choice.* Consumers are disappointed with their doctors' inability to cure every ailment, so they are becoming more proactive about making their own health care decisions. According to a 1999 Cyber Dialogue survey, 75 percent of American adults believe that people should take more responsibility for their own health.<sup>14</sup>

Evidence of this behavioral swing is everywhere. Twenty-five percent of consumers report changing physicians during the past two years. In 1997, an estimated 80 million people used at least one alternative therapy—up from 60 million in 1990. Research also indicates that consumers turn to alternative medicines because they believe that conventional treatment has not worked for them. In addition, consumers cite having a choice of physicians as one of the top three criteria they use in selecting a health plan.<sup>15</sup>

Clearly, the social climate is ripe for the emergence of the e-Health consumer.

## Emergence of Comparative Quality and Performance Indicators



As consumers become more sophisticated in their ability to connect to health information, they also are becoming more discriminating about the types and quality of information they are receiving. Behind this trend is a widely recognized need to decrease the variability in medical care and to empower health care users to make better decisions.

Still more art than science, medical care today is rising to a new level of scientific precision. The supply of standardized data—meaning performance measures, and clinical guidelines and protocols—is on the upswing. As these standards and systematic measures of quality become increasingly reliable, they will further accelerate the e-Health consumer's expectations.

Health care quality measurement, though, remains an imperfect science. Purveyors of this information readily concede that no current health care quality measure is without flaws, and that any combination of measures is still incomplete. But while this science is still evolving, the measurement sets currently available offer health care consumers more data than has ever been available before.

Consumers are eager to gain access to scientific information that will help them make informed choices regarding their care. Active e-Health consumers are already pushing the quality/performance information envelope. As a first step toward accepting formal information about quality and performance, e-Health consumers are looking to informal channels—Web sites, newsgroups, forums, real time chat groups, and on-line physicians services—for this information. The leap to accepting information provided through more formal channels—government agencies, managed care organizations, pharmaceutical companies, and provider and health plan report cards—is just over the horizon.

The supply side is beginning to address this demand by creating consumer friendly versions of scientific data. A number of information sources have recently begun offering Web sites that provide comparative data on hospitals, physicians and treatment options. HealthGrades.com and TheHealthPages.com, for example, supply information about the quality of health care provided by individual hospitals, physicians, and health plans.

In addition, Caredata.com gathers data from managed care firms, drugmakers, and physicians and publicizes consumer satisfaction ratings of HMOs, utilization and cost of medical procedures, and physician qualification profiles. Another emerging company, Cancerfacts.com provides subscribers with detailed information about relevant treatment options, risk tolerance, and side effects, based on scientific data from medical studies. The company plans to expand its site to include heart disease, Alzheimer's, infertility and other major health conditions and issues.

For more than a decade, virtually everyone has been hoping for and working toward a way of measuring quality in health care. That wait may be almost over. But even if the "new science" of medicine develops at a less than ideal pace, the data will continue to improve and to be more user-friendly than ever. *And even if information is not perfect, e-Health consumers are ready to use credible, at-hand data to make decisions.* The strategic advantage may belong to first movers who are able to merge content and connectivity.

# Developments in Public Policy



Legislation and regulations have the potential to be powerful enablers in the e-Health revolution. Politicians and regulators read the polls, and they are responding to the public's dissatisfaction with the existing health care system.

Recently passed laws and regulations reflect growing expectations among e-Health consumers. Almost every state has passed at least one consumer protection law. Forty-seven states ban gag clauses, which prohibit providers from discussing treatment options with patients. Thirty-six states provide women direct access to ob-gyn services. And 34 states have enacted some form of "any willing provider" legislation. At the national level, the hotly debated Patients' Bill of Rights is a congressional acknowledgment of consumer demands for more access to care, more open communication with their physicians, and more choice in health care decision-making. The ultimate fate and impact of this bill remains open to debate.

Nevertheless, Congress is currently considering bills that represent the most sweeping legislation to impact the health care industry in more than 30 years. Nearly everyone in health care will be affected—payers, employers, providers, clearinghouses, vendors of health care information systems, billing agents, and service organizations.

Many proposed bills deal with information privacy. Most prominent among them is the Health Insurance Portability and Accountability Act (HIPAA). While the most publicized aspect of this bill is its assurance of health insurance portability, it also contains key provisions designed to guarantee the security and privacy of health information and to enforce standards for electronically transmitted health information. HIPAA's regulations apply to all health plans, clearinghouses and providers that electronically store

and transmit any health information. HIPAA's standards are broad reaching. They apply to all individually identifiable information that relates to health conditions, treatment or payment for treatment, as well as demographic data.

Because privacy is a top priority among health care consumers, enactment of HIPAA's privacy standards promises to remove one of the final barriers to e-Health activities. Many companies are already on board with some HIPAA regulations, adopting its standards for coverage and claims processing procedures. Changes in the regulatory arena also may clear a more broad path for e-Health activities. The Health Care Financing Administration (HCFA), for example, now permits states to reimburse for telemedicine services provided to Medicaid recipients—a move that may help bridge some health care service gaps in rural areas, and may also hint at an expanding role for telemedicine in the future. Eleven states already participate in this program.

The impact and direction of future actions in the public policy arena remain an open question. Indeed, as the e-Health environment changes, entirely new sets of previously unimaginable issues may come into play. It remains to be seen whether public policy moves will advance or hinder the e-Health consumer movement, and whether legislators and policymakers will be proactive or reactive in addressing these issues.

# Who is the E-Health Consumer? And What Does He/She Want?



You already know e-Health consumers. She's a 44-year-old paralegal with diabetes, who worries about losing her vision as a result of her chronic disease. He's a 27-year-old computer programmer who wants to monitor and manage his health benefits package from his personal computer. She's a 38-year-old college professor whose 72-year-old mother has just been diagnosed with Alzheimer's disease. These are not strangers, nor are they people with unusual or extreme needs. These e-Health consumers are people you know and with whom you do business. What is new about them is the way they behave, what they expect from the health care establishment, and the collective impact that these new behaviors will have on the health care industry.

*The demographic profile of the e-Health consumer population reveals a significant population group with economic clout, informational sophistication, and technological familiarity. E-Health consumers are more likely to be younger, college educated, familiar with a personal computer, and more affluent than the general population (Figure 5).*

About 49 percent are between 30 and 49 years old, and another 22 percent are between 18 and 29. As the primary purchasers of health care, women represent more than half of e-Health consumers. And while about 22 percent of the overall population has a college degree, about 41 percent of e-Health consumers have graduated from college.

E-Health consumers span the health spectrum, from fit to acutely ill. Among current and soon to be users of on-line health information sites, 31 percent regard themselves as healthy, 25 percent call themselves "worried well," 27 percent have chronic illnesses, and 15 percent are experiencing acute episodes of illness or disease.<sup>16</sup>

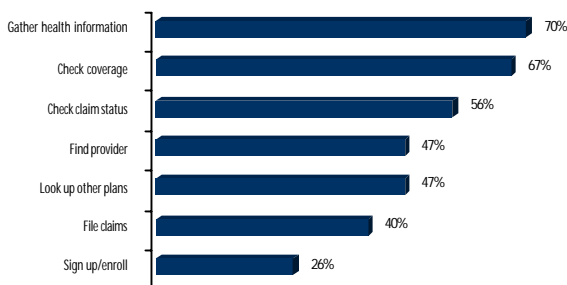
On-line demographics also indicate that Baby Boomers (currently aged 35 to 54) represent a hefty portion of health information seekers. In 1999, about one-third of U.S. adults between 35 and 44 report that they currently use the Internet for health information, or are likely to use it in the next 12 months. Among adults between 45 and 54, 32 percent are using or plan to use the Internet as a source for health information.<sup>17</sup>

**FIGURE 5 COMPARATIVE DEMOGRAPHICS OF E-HEALTH CONSUMERS**

	US Adults	US On-Line	E-Health
Population (millions)	197.5	65.4	23.6
Male/Female Ratio	48/52	54/46	46/54
Mean Age (years)	44.4	39.4	40.9
Mean Income (\$/thousands)	46.1	59.3	61.7
College Graduate (%)	22	39	41
On-Line before 1996 (%)	8.6	26	34

Source: Cyber Dialogue/ Find SVP, The On-Line Mandate to Change

**FIGURE 6 PERCENT OF INSURED ON-LINE USER INTERESTED IN USING SERVICES THAT PROVIDE INCREASED CONVENIENCE**



Source: Cyber Dialogue, Cybercitizen Health

**FIGURE 7 PERCENT OF E-HEALTH CONSUMERS INTERESTED IN SERVICES TO AID DECISION-MAKING**



Source: Cyber Dialogue, Cybercitizen Health

**FIGURE 8 PERCENT OF E-HEALTH CONSUMERS INTERESTED IN CUSTOMIZED ON-LINE SERVICES**



Source: Cyber Dialogue, Cybercitizen Health

With these statistics as background, it is clear that as the Baby Boom generation ages and moves through the health care system, seniors will become a highly influential and demanding sector of e-Health consumers. In fact, they are already even more influential than might appear at first glance. Caring both for their children and for their own aging parents, Baby Boomers make health care purchasing decisions that span the generations, yielding a significant effect on the system.

As to how e-Health consumers behave, they are not merely downloading information; they are using it to make decisions and to take action. A 1999 Cyber Dialogue survey documents this trend: After visiting Internet health sites, 21 percent of respondents reported increased compliance with prescriptions; 30 percent said that they visited a doctor; 42 percent made a treatment decision; 43 percent asked their doctors about a prescription; and 47 percent urged a family member to visit a health care provider.

But e-Health consumers want even more, especially from traditional health care players. Fifty-eight percent said that they would like to be able to get on-line information and services from a Web site offered by their local hospital; 46 percent would use information provided by a health plan Internet site; and 62 percent indicated interest in information provided by their doctor's Web site.<sup>18</sup> Beyond seeking information, e-Health consumers are eager to get health services on-line (Figure 6, 7, and 8). Consumers want the functionality of handling benefits on-line, the ability to evaluate providers based on quality measurements and access to personalized medical records. These and other value-added services allow for increased convenience, enhanced decision-making and customization of care management.

Current statistics paint a clear picture: The e-Health consumer is a force that cannot be ignored or merely observed from the sidelines. But this phenomenon, in its current form, is only the beginning.

## Where Do We Go From Here?

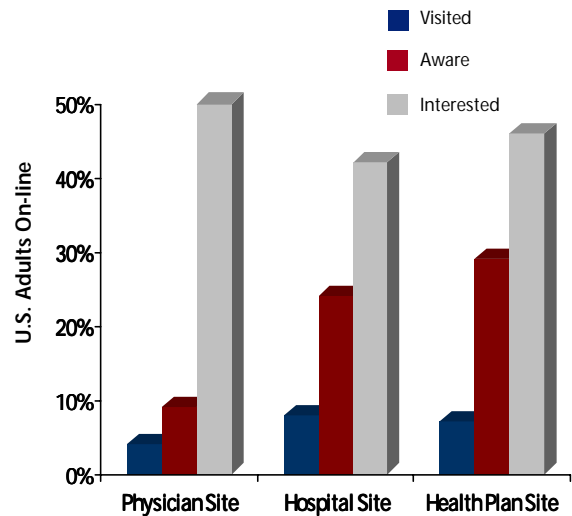
As social, economic, technological, scientific and regulatory forces converge to clear a path for the new e-Health attitude, dramatic changes are on the horizon.

So far, though, the health care industry doesn't seem to "get it." Health care—where traditions die hard—has been slow to pick up on the gathering momentum of e-Health consumers. Recent surveys indicate that only three percent of doctors use e-mail to communicate with patients on a regular basis. According to Healthcon's May 1999 Survey of Medicine, only a third of medical practices even have a Web site.<sup>19</sup>

Health plans also lag far behind other industries in developing consumer empowering strategies. In an information market in which consumers log onto health resource Web sites at a rate of millions of hits per month, most health plans still offer only basic information capabilities. Most use the Internet as a marketing tool with static content and one-way information. Only a few have advanced into using Internet capabilities for health management. And almost none have adopted information and consumer empowerment—in any form—as a strategic initiative.

There is an enormous gap between what e-Health consumers want and what they're able to get, and there is a tremendous opportunity for those who can bridge it. Research indicates that 46 percent of on-line adults would use a meaningful Internet site offered by a health plan—but only seven percent actually do. Fifty percent say that they are interested in getting information from a doctor's office—but only four percent do. And 42 percent say they would welcome useful information from a hospital site—but, again, only eight percent report finding what they want (Figure 9). Indeed, there is significant risk for health care organizations that do not attempt to capture this demand. Traditional health care organizations have lost their monopoly on trust. As consumers increasingly turn to new sources for information and guidance, slow to move institutions risk losing not only marketshare, but also mindshare.

FIGURE 9 E-HEALTH CONSUMERS WANT ON-LINE INFORMATION SERVICES FROM TRADITIONAL HEALTH CARE PLAYERS YET THERE IS MINIMAL USAGE OR AWARENESS



Source: Cyber Dialogue, Cybercitizen Health

Furthermore, e-Health consumers are ready to make moves based on these new expectations. Twenty-one percent of on-line adults say that they would be likely to switch to a doctor's office that has a Web site. Nineteen percent would move to a doctor who uses e-mail with patients. And 17 percent of on-line adults would switch to a health plan in order to manage their benefits on-line. These figures hint at the potential increase in the e-Health customer base.

Companies that acknowledge, understand and adapt quickly and most effectively to the emerging e-Health consumer movement will gain the advantage. That goal, however, cannot be achieved merely by going on-line with a graphically appealing Web site. Becoming a consumer ready organization means engaging in tradition-breaking thinking. It could mean altering your products, entering into new partnerships, revamping administrative functions, and even changing the way you approach your market. The key will be to anticipate the e-Health consumer wave in your market. *Those who acknowledge this new reality—by addressing the e-Health consumer's expectations for information, empowerment, customization and convenience—will emerge as winners.*

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- 14 Analysis based on data from *Cybercitizen Health Data*, New York, NY: Cyber Dialogue, 1999.
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- 16 Analysis based on data from *Cybercitizen Health Data*, New York, NY: Cyber Dialogue, 1999. "Worried well" consumers are individuals that regard themselves as healthy, yet they are worried about their health status over the next few years.
- 17 *ibid.*
- 18 *op. cit.*
- 19 *1999 Survey of Medicine*, Santa Clara, CA: Healthcon, May 1999.

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