NEGLECTING TO MARKET TO MILLENNIALS IS A MISTAKE

STRATEGIC HEALTH SYSTEMS MUST REACH YOUNGER GENERATIONS BEFORE THEY AGE INTO CARE NEEDS
KEY TAKEAWAYS

• Millennials make up almost a quarter of the U.S. population.

• Marketing managers at hospitals and health systems should not ignore millennials. To position your organization for a successful future, millennials must be a target demographic.

• Although they likely need fewer intensive healthcare services today, this cohort is aging into care services that will expand over time.

• Millennials make multi-generational medical decisions that shape today’s patient volume.

• To attract and engage these individuals, consider investing further in social media and access points into your network via telehealth and retail sites.
Millennials — individuals born between 1981 and 1996\(^1\) — will be an essential target demographic for providers’ success moving forward.

This age cohort is not a primary target for many health systems, as millennials are often considered the “working well,” not the “aging sick.” Yet, millennials make up close to a quarter of the U.S. population and their care needs are growing.\(^2\)

Beyond their own care, millennials also increasingly manage the care received by their children, aging parents and spouses. Health systems have a particular opportunity to optimize obstetric, primary care and pediatric service lines to attract this population today and earn patients for life.

In addition, many millennials are moving up in their careers and making more money as they age. They are important in the workforce and employers need them to be healthy to stay productive. Keeping these employees healthy also helps stabilize commercial group health coverage rates.

As a key patient group today and in the future, millennial views on wellness and customer experience with brands in other industries should influence providers’ engagement practices. Millennials want to interact with healthcare on their own terms. Accessibility, convenience and digital optimization are critical.

Meeting the demands of these younger healthcare consumers — via convenient care, faster communication, transparent pricing, etc. — will not only put healthcare systems ahead of the curve relative to their peers, but will become a defining factor in system sustainability as well.
WHAT MATTERS TO MILLENNIALS

Healthcare is a human right, not a privilege

This generation became adults during the passage and implementation of the Affordable Care Act, which originally provided protections for lifetime healthcare spending, offered subsidies for lower-income individuals to afford health coverage and mandated that Americans get covered or face a financial penalty.

The landmark legislation lowered the rate of uninsured individuals and reshaped the nation’s healthcare landscape, but had an even more particular impact on millennial opinions of healthcare. Many millennials have never experienced firsthand many of the coverage restrictions that defined access for their parents; they have different and broader expectations of the healthcare system.

Millennials tend to view healthcare as a human right\(^3\) and are critical of what they see as a flawed healthcare system. They see wages staying relatively flat while inflation, deductibles and other healthcare costs all continue to rise. Millennials are skeptical of healthcare organizations, and many who do not urgently need healthcare services may put off going to the physician or ration prescriptions.

This view ultimately has business implications for providers, who must respond with agility to changing consumer perceptions. Providing a modern care experience will be crucial, as millennials want access to their medical records; seamless integration of their data between providers, payers and specialists; and ownership of that data through smart devices. Importantly, they want a system that works for everyone, regardless of class or political party allegiance.\(^4\)
A “health” brand, not a “healthcare” brand

As public perception of the business of healthcare has evolved, so have millennial attitudes regarding personal health, now synonymous with “wellness.” Many in younger generations believe that health and wellness is a journey, a means to looking better and feeling good in the long term. For example, according to Mintel, 53% of millennials defined well-being as “a work in progress.”

Unlike previous generations, millennials are less likely to look to physicians to improve their general health. Instead, they rely on casual, personal connections and informational guides and resources, including social media, for their health and wellness needs.

This generation is looking for advice from consumer-facing “health” brands and peer networks, not exclusionary “healthcare” brands. Adapting to this preference today can create a positive and lasting impression that will drive decision-making as these individuals face significant healthcare experiences — including pregnancy, childbirth and the onset of lifestyle-related chronic conditions.

To compete for millennial business, providers need to become a “health” brand that speaks as effectively to improving and maintaining wellness as it does to caring for the sick. “Brand messaging should not direct a single right way to stay healthy. Instead, sources can be used not to replace doctors but to connect self-reliant millennials with the resources, knowledge and tools to make better healthcare decisions that fit their needs,” reports Mintel.

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Convenience is critical

Younger consumers make purchase decisions differently from previous generations. When these individuals seek out healthcare services, convenience is a priority.

In a hyper-connected, always-working culture, many millennials value quick and easy access to healthcare services. Their decisions are influenced by the location of a healthcare provider in relation to their work or home or whether they can speak to or message a physician through their phone at their leisure.

Studies show that they lean on payers to find providers, are twice as likely as baby boomers to prefer retail clinics and acute care facilities because of their speed and ease of access and prioritize convenience over quality and cost in care decisions.\(^8\)\(^9\)

Additionally, many millennials don’t have a relationship with a primary care physician.\(^10\) To attract and engage younger generations, care providers need to think about new tools that they may have traditionally eschewed, such as online scheduling, telehealth and evening and weekend hours. Additionally, they need to think about what facilities — urgent care, retail clinics, etc. — are in their arsenal to care for these consumers as they begin to proceed more deeply into the care continuum.

CASE STUDY: CVS Caremark vs. Pill Club

If you want to find an example of how younger generations interact and engage with the healthcare industry, look no further than the summer of 2019 when Pill Club, a startup offering birth control delivery services online, feuded publicly on the internet with CVS Caremark, the prescription benefit subsidiary of CVS Health.

CVS Caremark had changed its rates for online pharmacies like Pill Club. Pill Club launched a public relations campaign during a negotiation period with CVS Health. The campaign targeted millennial women, asking them to tell CVS that the pharmacy benefit manager was limiting women’s choice and convenient access to birth control.

The campaign went viral. Individuals and influencers on Twitter tweeted their thoughts with the hashtag #BoycottCVS and #CVSDeniesCare.\(^11\) This case is particularly interesting because it shows millennials’ propensity to spread the word about healthcare issues they care about through social media and illustrates the need for health systems to optimize their online channels as a direct line to and from these consumers.
DIGITAL-FIRST HEALTHCARE

What does convenient, digitally driven healthcare look like? Let’s look at three companies creating new patient experiences that look very different from the care that hospitals and health systems are used to providing. These care models show that millennials want to schedule visits, receive care and order prescriptions in a way that mirrors the mobile-friendly experiences they’re used to having with other consumer brands.

Healthcare leaders can learn from these direct-to-consumer approaches and should keep an eye toward opportunities to partner with or develop patient-engagement solutions.

LEMONAID

This online doctor’s office and mail-order pharmacy provides web-based medical visits to patients nationwide. Through a short online questionnaire and video visit, consumers can sign up for monthly deliveries of birth control and other medications that treat everything from anxiety to urinary tract infections. Notably, Lemonaid directs patients to Quest Diagnostic sites and other facilities to obtain vital signs and blood work when necessary, representing a segment of digital care delivery that local providers might leverage.

SOLV

The “OpenTable” of urgent care, Solv allows consumers to book same-day urgent care and doctor’s appointments. For providers, the company touts increased patient attraction and better patient experiences through reduced wait times and optimized patient flow. Consumers can upload their benefits cards and create profiles that allow “two-tap” bookings, creating an experience akin to Starbucks mobile ordering or ride-share hailing.

KINDBODY

Kindbody’s on-demand fertility care, wellness coaching and membership-based OB/GYN demonstrate how care provided in a traditional office setting can still be modernized. With cash-pay list prices for counseling, egg-freezing and in-vitro fertilization, Kindbody recognizes that information is empowering for millennial patients. These consumers are interested in, and will pay for, health services that align with their overall wellness and lifestyle goals — but opaque pricing can discourage decision-making.
ATTRACTION AND ENGAGEMENT CONSIDERATIONS

The traits of this new generation of healthcare consumers require providers to rethink marketing activities to attract and engage them. Providers should consider the following:

1. **Don’t separate health from healthcare**
   Younger generations do not separate health from healthcare. They’re avid consumers of brands that tout health benefits like the plant-based Beyond Meat and Impossible Foods, which promote environmental advocacy through diet choices. Healthcare brands that focus on the “top of the funnel” and support addressing the community’s social determinants of health will win with millennials.

2. **Treat digital as a tool, not a toy**
   Millennials use their smartphones for everything. In a fax- and phone-dominated healthcare world, millennials will be confused and unsatisfied with a poor digital patient experience. Many of them have never used a fax machine, don’t know where to find one and are used to tweeting brands instead of calling them. For millennials, the digital experience associated with receiving care is nearly as important as the care itself. To meet their needs, health systems will need to upend current customer service and delivery models to attract, communicate with and treat these patients.

   Resist the temptation to develop all of your new technology or service lines yourself. While some needs can only be met internally, many can be met by outside partners. To streamline the process (and reduce headaches), identify your core needs before seeking outside help and invite only those with a clearly defined solution to your problem.

3. **Prioritize convenience in the patient experience**
   Uber, DoorDash, Netflix and Google are ways of life now. Remember that younger consumers care more about convenience than brand awareness when making care decisions. When considering potential partnerships and acquisitions, think about the non-traditional care venues or health services that these consumers use.
Create nurturing programs for patients
As millennials enter the healthcare system via urgent care, retail settings or through age-relevant service lines like obstetrics and gynecology, develop a pathway that communicates other areas of care, including orthopedics, primary care, etc., that they can access and benefit from after the initial care experience.

Gather input from your younger employees
Your employees are already largely millennial and your newest hires are probably members of the next generation, Gen Z. Include them in strategic conversations. Ask them for their input both from the standpoint of employees and consumers.
SOURCES AND SUPPLEMENTAL READING


10. The Washington Post: “For millennials, a regular visit to the doctor’s office is not a primary concern.” Published: Oct. 2018.

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Healthcare Intelligence Report

PAST ISSUES

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