

Healthcare Systems & Services Practice

How COVID-19 has changed the way US consumers think about healthcare

Taking five actions can help US healthcare payers and providers improve their engagement with consumers.

by Jenny Cordina, Eric Levin, Andrew Ramish, and Nikhil Seshan



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The COVID-19 pandemic has changed consumer behavior. Based on McKinsey surveys of US consumers, many spent the past year trying new brands and channels, adopting in-home alternatives to out-of-home activities, and shifting to online and omnichannel engagement.¹ Many of the shifts could stick after the pandemic, potentially affecting the way that consumers approach healthcare. Consumers are reconsidering how they plan to address mental- and physical-health challenges, how they think about getting healthcare, how they will manage their care needs, and how they expect to do business with healthcare companies, according to McKinsey research based on multiple, nationally representative surveys of US consumers.

To support consumers in those changes, the healthcare ecosystem would likely benefit from accelerating the shift toward making care personal and convenient, using omnichannel methods to reach consumers when and how they want, and improving transparency to support decision making. In this article, we explore five actions that healthcare companies can consider to help improve their engagement with consumers:

- meeting the needs of the whole person
- enabling consumers to make better decisions by providing transparent, understandable information
- personalizing and enhancing engagement in healthcare
- delivering seamless customer experience across healthcare journeys and coverage transitions, starting with improved access to care
- integrating in-person and virtual healthcare solutions

While established healthcare players are moving to address these challenges, investors are also backing start-ups in search of innovative solutions. In fact, the first half of 2020 saw a record \$5.4 billion in venture funds flowing into digital-healthcare companies, with on-demand healthcare services and monitoring of disease as the top-funded value propositions.² Incumbent payers and providers can consider moves to support consumers in their search for high-quality healthcare. In doing so, they can potentially position themselves to reinforce and build their customer bases as the United States emerges from the pandemic.

How consumer healthcare demands are changing

The pandemic has influenced how consumers view and consume healthcare. We have observed several key changes.

Greater whole-person healthcare-related needs

Since the COVID-19 pandemic began, consumers have been experiencing worsening health. In a McKinsey survey, around one in five respondents reported lower physical wellness than before the pandemic, while around one in three reported lower emotional wellness.³ The economic and employment impact of the COVID-19 crisis has exacerbated that decrease in wellness. Among employees who reported a decrease in employment hours since the start of the pandemic, 32 percent indicated that they exercised less and 27 percent indicated that they gained weight. More than one in three individuals in the group also reported high levels of distress relating to the pandemic, which was nearly eight percentage points higher than the rest of the population.⁴

¹ Jenny Cordina, Eric Levin, and Andrew Ramish, "Helping US healthcare stakeholders understand the human side of the COVID-19 crisis: McKinsey Consumer Healthcare Insights," January 15, 2021, McKinsey.com; "Survey: US consumer sentiment during the coronavirus crisis," March 24, 2021, McKinsey.com.

² Nina Chiu, Alex Kramer, and Aditya Shah, *2020 midyear digital health market update: Unprecedented funding in an unprecedented time*, Rock Health, July 2020, rockhealth.com.

³ McKinsey COVID-19 Consumer Surveys, July 14, 2020, and October 30, 2021.

⁴ McKinsey COVID-19 Consumer Survey, July 14, 2020.

Changes in how and when consumers get the healthcare they need

In response to health concerns related to the COVID-19 crisis, more than one in three consumers have demonstrated that they are willing to delay healthcare if they do not feel that physical locations are safe.⁵ To allay their concerns, providers and payers can consider ways to provide seamless and integrated physical and virtual care. The COVID-19 pandemic has shifted attitudes toward telehealthcare across stakeholders, accelerating the trend toward virtual healthcare. In 2019, 3 percent of survey respondents reported having a telemedicine appointment.⁶

In February 2021, 24 percent of survey respondents reported that their latest medical appointment was conducted through telephonic or virtual means. Further, many consumers may prefer virtual healthcare for mental- and behavioral-healthcare appointments, with 47 percent of consumers reporting that they experienced their most recent appointments virtually and 25 percent reporting that they experienced their most recent appointments by phone.⁷ That trend is likely reinforced by the shifting attitudes and policies of other healthcare stakeholders, including providers, payers, and regulators. Before the COVID-19 pandemic, only 4 percent of providers reported that they used telemedicine technology for follow-up care—in part because of a lack of parity in reimbursement compared with in-person healthcare. Providers said in 2020 that they are now using telehealthcare methods more and viewing it more favorably.⁸ At the same time, healthcare reimbursement is changing to improve its economics and the care covered, both of which are critical to sustained provider use.

Consumer reconsideration of healthcare-insurance plans and providers

The COVID-19 crisis has had an impact on how consumers think about the healthcare plans they

are using and purchasing, with them reconsidering their options. The economic disruption caused by the crisis has resulted in many consumers losing healthcare-insurance coverage. Of that group, 39 percent had not yet determined if and how to get coverage.⁹ Further, 33 percent of previously uninsured respondents (70 percent of whom earn less than \$50,000 per year) reported that they were considering healthcare insurance because of the COVID-19 pandemic.¹⁰

Our research has found that the pandemic is influencing consumer decision making about which healthcare plans to select. Of respondents who were more likely than their peers to shop for a plan, 49 percent wanted a more affordable plan; 44 percent wanted better coverage, even if a new plan might be more expensive; and 11 percent felt dissatisfied with their insurer's response to the COVID-19 crisis.¹¹ While economic uncertainty may likely contribute to consumer demand for more affordable healthcare plans, the health crisis is also creating a need for better coverage and plans that are more responsive to the pandemic. That new demand illustrates how payers can consider improving the personalization of consumer interactions and product recommendations to match divergent consumer needs.

The COVID-19 pandemic also is a factor in consumer decision making related to their providers. Of the 20 percent of respondents without a primary-care provider (PCP), nearly one in three reported an increased interest in obtaining one. Among the 80 percent of respondents who reported having a PCP, 11 percent were considering changing their PCP, primarily because of dissatisfaction with their physicians' response to the pandemic, a lack of telemedicine appointments, and a lack of communication related to COVID-19.¹²

⁵ Ibid.

⁶ McKinsey COVID-19 Consumer Survey, September 7, 2020.

⁷ McKinsey COVID-19 Consumer Survey, February 19, 2021.

⁸ McKinsey Physician Survey, 2020.

⁹ McKinsey COVID-19 Consumer Survey, September 7, 2020.

¹⁰ McKinsey COVID-19 Consumer Survey, July 14, 2020.

¹¹ McKinsey COVID-19 Consumer Survey, June 8, 2020.

¹² Ibid.

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How healthcare companies can seek to improve the consumer experience

The COVID-19 pandemic is shaking up the healthcare landscape. Healthcare payers and providers have an opportunity to serve the changing needs of consumers while potentially setting themselves up for growth when the pandemic ends. They can consider five actions to pursue those opportunities.

Meet the needs of the whole person and address healthcare equity

Healthcare companies should consider the needs of the whole person.¹³ Both unmet social needs¹⁴ and poor mental health are linked to poor physical-health outcomes. Respondents who indicated high levels of unmet social needs, stress, and sleep deficiency were 1.5 to 1.8 times more likely than peers to report having visited an emergency room in the past year.¹⁵ Respondents with multiple unmet social needs and self-reported poor mental health were around 2.75 times as likely as those with no unmet social needs to indicate high healthcare utilization.¹⁶

The relationship between social needs and physical health is important, as more than two in five individuals have at least one unmet social need. The proportion varies by type of health insurance, with 65 percent of respondents with Medicaid coverage

reporting at least one unmet social need, compared with 31 percent of those with Medicare coverage.

Given the disproportionately high impact of unmet social needs on certain races and ethnicities, addressing basic needs will also be a critical step toward health equity. In the 2020 McKinsey Consumer Health Insights Survey, 51 percent and 53 percent of Black and Latino respondents, respectively, reported at least one unmet social need, compared with 39 percent of white respondents.¹⁷ Moreover, 70 percent of Latino and 63 percent of Black respondents said they were satisfied with their healthcare-insurance company, compared with 73 percent of white respondents, while 69 percent of Latino and 76 percent of Black respondents are satisfied with their PCPs, compared with 81 percent of white respondents.¹⁸

The COVID-19 pandemic has highlighted the need to focus on whole-person health and to address the behavioral, social, and economic vulnerabilities of the healthcare system. For instance, people with behavioral-health conditions make up 25 percent of the general population, but 47 percent of those are at risk for severe COVID-19.¹⁹ In addition, although only 15 percent of people live in areas with significant unmet social needs, 28 percent of COVID-19-related deaths occurred in those areas.²⁰

¹³ See Jenny Cordina, Danielle Feffer, Erica Hutchins Coe, and Seema Parmar, "Understanding the impact of unmet social needs on consumer health and healthcare," February 20, 2020, McKinsey.com.

¹⁴ An "unmet social need" is defined as the lack of a basic resource, such as food, safe housing, and transportation.

¹⁵ McKinsey Consumer Health Insights Survey, 2020.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ McKinsey COVID-19 Consumer Survey, September 2020.

¹⁹ Center for Societal Benefit through Healthcare by McKinsey, CSBH-Dashboard.McKinsey.com.

²⁰ Social determinants of health data, Algorex Health Technologies; Center for Societal Benefit through Healthcare by McKinsey, CSBH-Dashboard.McKinsey.com.

To address those issues, healthcare payers and providers could consider the following initiatives:

- optimizing healthcare offerings to meet broader needs by coordinating behavioral-, social-, and physical-healthcare services—for example, some payers are evaluating investments in affordable housing and technology tools that connect healthcare providers to community-health stakeholders
- expanding behavioral-health and social services, such as improved access points and broader offerings across the care continuum—for example, some payers are beginning to launch partnerships with retailers to improve screening for social determinants of health
- increasing awareness of behavioral health and social needs and expanding workplace supports for those needs for employees—our research has found that 23 percent of employers reported that they planned to start or increase wellness- or mindfulness-support services²¹

Leading healthcare payers, healthcare providers, and employers are investing in start-ups and partnering with innovative vendors to deliver complete healthcare solutions to consumers. Some examples of vendors include Cityblock Health, which offers community-based care for low-income consumers, and Quartet Health, which enables integrated care for patients with chronic medical and behavioral-health conditions.

Help consumers make better decisions by providing transparent, understandable information

One in four survey respondents reported that they were frustrated by higher-than-expected healthcare costs, despite many years of efforts toward improvement by healthcare companies. Higher-than-expected cost of service was the number-one frustration with payers and the

number-two frustration with providers. A perceived lack of cost transparency can potentially drive consumer behavior. Members of healthcare payers that are considered the best in class for consumer experience are 58 percent less likely to report postponing care because of a lack of information than are members of less-effective payers.²²

To help consumers make better decisions, healthcare companies can consider the following:

- incentivizing consumers to look up healthcare information and conduct research to see how much a service or visit would cost—only 40 percent of respondents reported conducting research on healthcare-service and -visit costs, representing a large opportunity for payers to promote better decision making²³
- making it easier for consumers to understand information, including total costs, through personalized and more straightforward navigation—among respondents who conducted research on healthcare services and visits, 15 percent were unable to find cost information²⁴
- collaborating across the ecosystem in sharing appropriate information—only 8 percent of physicians reported knowing what their patients' out-of-pocket costs were, and fewer than 15 percent of providers that wanted to know about their patients' out-of-pocket costs reported having access to that information²⁵

Personalize and enhance engagement in healthcare

Data strongly suggest that personalized healthcare improves the patient experience, with implications for both payers and providers.²⁶ For example, respondents with unplanned high-cost follow-up care are 2.2 times more likely to change their insurance plans than are respondents with routine follow-up care.²⁷

²¹ McKinsey COVID-19 Employer Health Benefits Survey, April 16, 2020.

²² See Jenny Cordina and Sarah Greenberg, "Consumer decision making in healthcare: The role of information transparency," July 13, 2020, McKinsey.com.

²³ McKinsey Payer Customer Experience Survey, 2019.

²⁴ Ibid.

²⁵ McKinsey Physician Survey, 2019.

²⁶ See Jenny Cordina, Greg Gilbert, Nevada Griffin, and Rohit Kumar, "Next-generation member engagement during the care journey," July 23, 2019, McKinsey.com.

²⁷ McKinsey Patient Engagement Survey, 2019.

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Personalized healthcare may also promote better outcomes by enabling patients to make the right decisions at the right time along their care journeys, taking into account their attitudes and holistic needs. For example, respondents who indicated that they received clear postdischarge instructions were less likely to report unplanned high-cost follow-up care than were their peers.²⁸ That correlation was particularly significant among respondents who indicated lower levels of health-conscious attitudes—a clear sign that those types of patients may benefit from engagement and the right models to get the right information to avoid poor health outcomes, potentially.

More than one in four survey respondents highlighted frustrations of not feeling listened to or not being able to meet administrative needs, such as scheduling appointments at convenient times.²⁹ Beyond tactical efforts to improve scheduling availability, the COVID-19 pandemic has also shown that both payers and providers could improve the empathetic nature of their consumer interactions through tactics such as coaching, knowledge sharing, and job aids that include questions designed to elicit consumer needs.

To deliver personalized care and better engage consumers through their care journeys, healthcare companies could consider renewing their commitment to the following:

- enabling patients to make the right decisions at the right time

- listening to and understanding consumers' needs and treating them with respect
- creating a safe physical environment that seamlessly integrates with a patient's care ecosystem—a concern that is particularly relevant in the wake of the COVID-19 pandemic

Deliver seamless customer experience across healthcare journeys and coverage transitions, starting with access to care

As many consumers are already experiencing or expecting to experience transitions in healthcare coverage because of the COVID-19 pandemic, they are increasingly considering their options when it comes to choosing a healthcare-insurance plan or selecting where to get care. By supporting consumers in making those decisions and transitions, healthcare companies could empower customers while potentially improving retention and spurring growth.

Members who reported being satisfied with their insurance-shopping or -renewal experience were 40 to 75 percentage points more likely to consider that insurer (Exhibit 1).³⁰ Based on an analysis of survey responses, the most important factors underpinning respondent satisfaction with their shopping or renewal experiences were convenience, easy comparison of options, and transparency of out-of-pocket costs. Surprisingly, just two in five members who switched health-insurance plans reported being contacted by their original insurers about plan renewal.³¹

²⁸ Ibid.

²⁹ McKinsey Consumer Health Insights Survey, 2020.

³⁰ McKinsey Government Markets Survey, 2020.

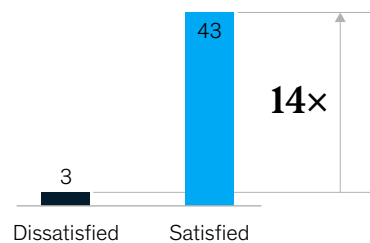
³¹ McKinsey Government Markets Survey, 2019.

Exhibit 1

Customer satisfaction drives repeat business for healthcare insurers.

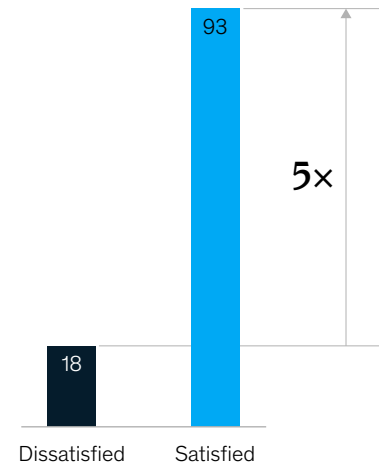
Share of respondents likely to consider future use of healthcare insurer by satisfaction level with shopping experience

% (n = 983 for dissatisfied; n = 3,914 for satisfied)



Share of respondents likely to renew healthcare-insurance policy by satisfaction level with overall experience

% (n = 319 for dissatisfied; n = 6,701 for satisfied)



Source: McKinsey Government Markets Survey, 2020; McKinsey Payer Customer Experience Survey, 2019

Healthcare payers could consider taking actions to make those moves as seamless as possible by helping consumers transition into the products that best fit their needs. Such actions will likely require a step change in engagement both in the analytics (to understand likely consumer needs and preferences) and the tactical engagement across channels. Specifically, healthcare companies could consider the following:

- providing personalized, easy-to-understand information—for instance, clear explanations regarding any change in benefit design
- delivering information that is relevant to the decision—for example, the number-one request of survey respondents was for providers to offer greater availability of appointments to enable consumers to be seen when, how, and with whom they wanted³²

- enhancing the ease of navigation and functionality of websites and apps, making it easier for consumers to engage with healthcare companies across channels

Integrate in-person and virtual healthcare solutions

Consumers increasingly prefer digital channels across all healthcare-related activities, ranging from choosing a health plan, provider, and pharmacy to receiving the care they need and managing administrative actions and finances.³³ In 2016, just over one-half to two-thirds of survey respondents preferred digital solutions to many of the activities they were doing across their healthcare journeys. In 2020, 70 to 80 percent of respondents reported looking to do those same activities digitally.³⁴ The trend toward digital is not limited to younger consumers. Baby boomers, for instance, reported preferring digital healthcare at higher rates than the general population did.³⁵

³² McKinsey Consumer Health Insights Survey, 2020.

³³ See Oleg Bestsennyy, Greg Gilbert, Alex Harris, and Jennifer Rost, "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?," May 29, 2020, McKinsey.com.

³⁴ McKinsey Consumer Health Insights Survey, 2020.

³⁵ Ibid.

In healthcare, digital use is still far lower than is consumer demand (Exhibit 2). In fact, 42 percent of respondents indicated that there weren't any healthcare websites or applications that currently did a good job.³⁶ Some of the largest opportunities to increase digital use include monitoring health metrics, searching for healthcare-provider costs, and scheduling appointments online. The COVID-19 pandemic has revealed a unique opportunity for healthcare companies to expand virtual healthcare solutions and offer integrated care.

To integrate in-person and virtual healthcare further, healthcare companies could consider the following:

- creating consumer-centric digital solutions that will encourage digital engagement; the solutions may need to be tailored by type of consumer—

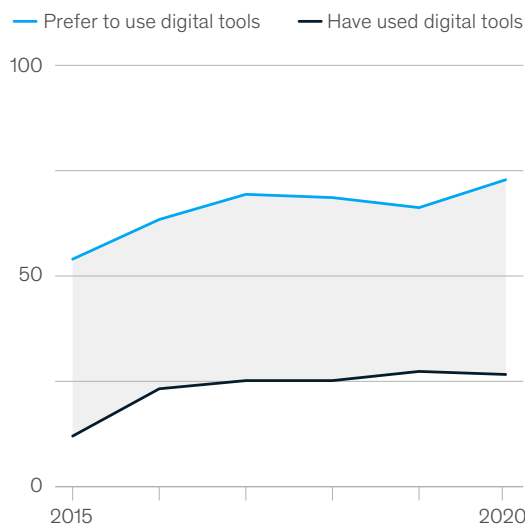
for instance, older respondents observed that website graphics were hard for them to read and were complicated to navigate³⁷

- delivering care in a cohesive and integrated way as part of an integrated care plan—consumers are open to this integration, with 51 percent of respondents indicating that they had interest in using a digital tool to track their health information and share with their doctors,³⁸ and providers could have a role to play in ensuring that the integration takes place
- considering reimbursement changes and structural modifications to support new ways of delivering care across virtual services, new retail-oriented models, and traditional-care pathways—because of the COVID-19 pandemic,

Exhibit 2

Although three-quarters of healthcare consumers say they prefer digital tools, just one-quarter report currently using them.

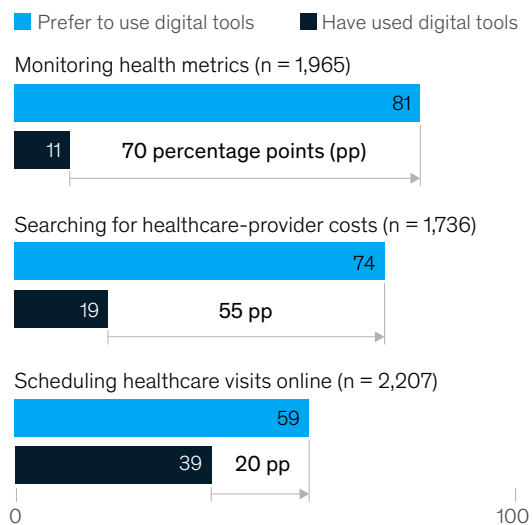
% of respondents (n = 4,713)



Source: McKinsey Consumer Health Insights Survey, 2020

McKinsey
& Company

% of respondents



³⁶ Ibid.

³⁷ McKinsey Government Markets Survey, 2019.

³⁸ McKinsey Consumer Health Insights Survey, 2020.

many payers have committed to expanding their coverage of and reimbursement for telehealthcare services, which will likely be an important enabler of their greater adoption among providers and consumers

their healthcare providers, with more expectations of higher levels of personalization and engagement. Healthcare players across the value chain have an opportunity to engage and support consumers better to ensure that they continue to receive high-quality care. Healthcare companies that live up to that higher bar may not only satisfy their customers and create improved healthcare outcomes but also be best positioned to retain and increase their customer bases as the pandemic ebbs.

The COVID-19 pandemic has reset the way many consumers feel about, think about, and interact with

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