



Is Healthcare Marketing a Supplement or a Side Effect to Good Healthcare?

How to Align Consumer-Driven Healthcare with Healthy Patient Outcomes

In the simpler days of “doctor knows best,” healthcare providers didn’t market directly to patients. To do so was considered unseemly: the medical equivalent of lawyers pitching in television ads with memorable 1-800 numbers. Propriety aside, marketing to patients was also unnecessary.

General practitioners acquired new patients by word of mouth or handed down by senior or retiring doctors. They referred their patients to specialists, clinics, and hospitals in their referral network based on reputations and relationships within the medical community. Doctors prescribed the medicines they were taught about in medical school and those they learned of in medical journals.

These doctors cared about their patients and made the decisions they believed were best for them. They did not typically consult their patients in making those decisions. Patients didn’t have access to much information that would allow them to form their own opinions, nor any expectation that their preferences would be sought. They mostly went where and took what they were told.

In the new age of consumer-driven healthcare, the preferences and opinions of patients are beginning to matter more, and direct-to-consumer healthcare marketing has grown rapidly to influence their choices. This has rightly raised important ethical concerns. It has provoked worries about the return of modern galvanism machines and patent medicines that could unduly influence people without the scientific training of a medical professional.

So is healthcare marketing an unpleasant, dubious, and even dangerous side effect of patient choice? Or can we align healthcare marketing with the medical community’s mission to help patients live healthier lives?

Empowered Patients

We are in the midst of reformulating the doctor-patient relationship. Doctors remain highly respected and trusted, but patients today know more and ask more than ever before about their health choices. They compare costs, evaluate their options, and examine their doctors’ recommendations. They are engaged and active partners in making their healthcare decisions.

This paradigm shift is enshrined in the Patient Bill of Rights¹ adopted in 1990 by the Association of American Physicians and Surgeons (AAPS) and in the Patient Self-Determination Act of 1990,² both of which affirm the right of patients to be well informed about their conditions and treatment options, to accept or refuse recommended treatment, and to have their advanced directives honored.

Patients were also given greater power of the purse through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003,³ which created tax-deductible Health Savings Accounts (HSAs). HSAs gave patients a financial incentive to shop around and make cost-conscious decisions about their healthcare.

This all seems, on balance, like a good idea: educated and empowered patients taking control of their own health. In theory, consumer-driven healthcare leads to healthier outcomes and lower costs, the invisible hand of the free market leading patients to the right tests and treatments at the most reasonable prices.

But how do healthcare providers attract the business of these empowered patients, these cost-conscious consumers who will no longer come along just because a doctor said so?

Competing for Healthcare Consumers

Under the old model of healthcare delivery, specialists competed for referrals, shaping their services and facilities to what the referring doctors wanted. Pharmaceutical companies competed to convince well educated doctors to prescribe their medicines. And while some community hospitals had communications departments and sponsored local events, the preferences of pliant patients weren’t particularly important.

¹ Patient Bill of Rights. (n.d.). Retrieved November 10, 2017, from <https://aapsonline.org/patient-bill-rights/>

² Patient Self Determination Act of 1990. (April 3, 1990). Retrieved November 10, 2017, from <https://www.congress.gov/bill/101st-congress/house-bill/4449>

³ Medicare Prescription Drug, Improvement, and Modernization Act of 2003. (December 8, 2003). Retrieved November 10, 2017, from <https://www.gpo.gov/fdsys/pkg/PLAW-108publ173/content-detail.html>

Referrals still drive a majority of healthcare business today, but empowered patients may do their own research into clinics and specialists. Outside of emergency services, they may choose a hospital not merely because it's nearby but because it has good brand positioning in the type of medical intervention they need. They may investigate their prescription alternatives. In the era of consumer-driven healthcare, providers must pay attention to what their patients want.

Today, healthcare providers compete for patients in part by providing medically sound (or superior) treatment, achieving better healthcare outcomes, and offering it all at a reasonable price. This kind of competition is precisely what the relevant legislation intends.

Providers also compete by creating a better overall experience, in response to what patients say they want. They offer birthing suites that are comfortable and aesthetically pleasing, and of course the mother's co-parent is encouraged to attend. They build state-of-the-art wellness centers and offer free classes in exercise and nutrition. They schedule procedures with more patient input. They paint their walls in pleasing colors and play better music over their sound systems. They are open late and on weekends, and even consider the convenience of patient parking.

This focus on the patient experience is not driven by doctor preferences or medical necessity, although some studies do suggest a link between a better experience and a better health outcome. These changes are motivated primarily by the need to attract and retain patients who know that they have options.

Healthcare is becoming an increasingly consumer-driven business, and such businesses must convince consumers that they are the better choice. It's not enough — though it is necessary — to have superior health outcomes or a better patient experience. Potential patients must know about a provider's superior outcomes and experience in order to include these benefits in their decision-making process, and most don't read JAMA or consult NIH databases. Instead, they watch TV, listen to the radio, search for their symptoms at patient education websites, and interact with social media.

Consumer-driven businesses in other industries rely on marketing to convince consumers to choose them over their competitors. Healthcare marketing is how providers speak directly to empowered patients, competing to provide the services those patients need or want.

Rapid Growth in Healthcare Marketing

Marketing pharmaceuticals has been big business since the FDA deregulated direct-to-consumer advertising⁴ of prescription medicines in the late 1980s and '90s. This was in part a response to patient rights movements in the 1970s, which asserted that patients had a right to more information about their treatment options. The general political shift toward deregulation bolstered the trend.

More recently, clinical care providers have dramatically increased their spending. A 2016 white paper⁵ by Advertising Age found that the healthcare industry spent a record \$9.7 billion on U.S. direct-to-consumer (DTC) advertising in 2015, an 11% increase over 2014. In 2021, market research company WARC projected that annual DTC healthcare advertising spending had increased to \$11.1 billion, making it “the fifth-largest ad category in the US.”⁶ Meanwhile, market research company IMARC⁷ projected a compound annual growth rate (CAGR) in all healthcare advertising of 6.1% from 2021-2026.

⁴ Donohue, Julie. A History of Drug Advertising: The Evolving Roles of Consumers and Consumer Protection. (December 2006). Retrieved November 9, 2017 from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2690298/>

⁵ Advertising Age. Healthcare Marketing. (October 17, 2016). Retrieved November 9, 2017 from http://gaia.adage.com/images/bin/pdf/KantarHCwhitepaper_complete.pdf

⁶ WARC. From Telehealth to Expanding Equity: How the Pandemic has Changed US Healthcare Marketing. (May 21, 2021). Retrieved January 17, 2022 from https://www.warc.com/newsandopinion/opinion/From_telehealth_to_expanding_equity_How_the_pandemic_has_changed_US_healthcare_marketing/4230

⁷ IMARC. US Healthcare Advertising Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026. (2020). Retrieved January 17, 2022 from <https://www.imarcgroup.com/us-healthcare-advertising-market>

Pharmaceutical company advertising is still a slim majority of this spending, about \$6 billion in 2019 according to Harvard Health.⁸ But the most dramatic growth is in advertising by hospitals, integrated healthcare systems, and clinics, which rose by 41% between 2011 and 2015,⁹ and in 2021 accounted for approximately 46% of total DTC healthcare advertising dollars.¹⁰

Advertising is only a portion of a healthcare provider's total marketing budget, but increasingly, providers are investing heavily in branding and brand awareness, inbound marketing, digital, and direct marketing too.

This is a big shift, in only a few decades, away from the days when marketing to patients was eschewed as undignified and, in some cases, illegal. Information and messaging that once passed to patients only through the curation of the doctor-patient relationship can now leap over the gatekeepers and speak directly to the patient-as-consumer.

But in bypassing doctors, does direct-to-consumer marketing compromise medicine? Does it manipulate patients away from scientific truth? Does it encourage patients to get treatment they don't actually need? Is it done in the service of profits over patients?

Marketing in the Age of Accountable Care

One potential answer is given by the Affordable Care Act (ACA) of 2010 and the general trend it intends to amplify toward accountable care models of medicine. The old fee-for-service models provided a financial incentive to healthcare providers to give patients many tests and treatments. Compensation was based on services delivered, not outcomes achieved.

But under accountable care models, healthy patient outcomes and cost savings are rewarded. This is intended to create a subtler mission for healthcare marketing: to encourage patients to choose a given accountable care organization (ACO) or other integrated delivery network (IDN), but then to utilize the provider's services in the most effective and cost-conscious way.

This is not rampant consumerism, with marketing urging people to always buy more, have more, consume more, more, more. The promise of ACOs is that providers should have no incentive to encourage patients to use services they don't need. Rather, they should compete based on keeping their patients healthier, while having a good experience, all at a reasonable cost.

Under the ACA, providers should want patients to take healthy eating classes and exercise regularly at their wellness center, which cost comparatively little to provide and can prevent many serious and expensive health problems. Wherever possible, prevention is far better for patient and accountable care provider alike than heart surgeries or a lifetime of insulin injections. That said, when patients need more serious medical interventions, providers also have incentives to make sure they get it and return to wellness.

Where empowered patients and accountable care meet, healthcare and healthcare marketing should have a noble mission: to educate people about their options and persuade them to make choices that will keep them healthier while controlling costs.

Wants, Needs, and Really Wants

A central quandary of ethical healthcare marketing arises from a fundamental human truth: people don't always want what they really need.

Healthcare providers have a professional mission, now reinforced by accountable care models of reimbursement, to give patients the care and treatment they need to be healthier. But in a healthcare system that is also consumer-driven, providers must respond to what their empowered patients want. So how do providers resolve those situations where what a patient wants and what they need are in conflict?

⁸ Shmerling, Robert H., M.D., Harvard Health Ad Watch: What You Should Know About Direct-to-Consumer Ads. Harvard Health Publishing. (November 25, 2019).

⁹ Advertising Age. Healthcare Marketing. (October 17, 2016). Retrieved November 9, 2017 from http://gaia.adage.com/images/bin/pdf/KantarHCwhitepaper_complete.pdf

¹⁰ Estimated based on 2021 WARC estimate of \$11.1 billion total and 2019 Harvard Health estimate of \$6 billion by pharmaceutical companies.

Often the answer lies in looking for what the patient really wants.

If an overweight patient says they want a bariatric bypass surgery, then unchecked consumerism would urge a provider to give them that surgery as long as they are healthy enough to undergo it.

But a provider focused on healthy outcomes will dig deeper to what a patient really wants: to reach and maintain a healthy weight. For some patients, bypass surgery may indeed be the best choice for better health. But many patients can lose weight with far less risk and cost through exercise classes and diet changes.

If a patient says he wants a testosterone boosting supplement, what he really wants is probably to feel strong and energetic again. Does he genuinely need testosterone supplements, or might weight training and a smoking cessation program be a better choice?

And if a patient requests an expensive new medication that she heard about in a television advertisement, what she really wants is an effective treatment. She simply might not know that a well-established and inexpensive medication may work just as well for her condition, perhaps even with fewer side effects.

Good doctors are the experts in what patients need in order to get to the health they really want. They have the knowledge and the ability to judge what's best. They are the scientists and the arbiters of medical truth.

However, in the age of empowered patients, providers cannot simply tell patients what to do and trust that it will be done. In truth, even in the benevolent paternalism days of "doctor knows best," simply telling patients what to do was often not enough. Education is often insufficient when what we want conflicts with what we need.

Patients need more than information. They need persuasion and reinforcement. And expert persuasion is not in the domain of medicine. It is, rather, the core competency of marketing.

Aligning Healthcare Marketing with Healthy Outcomes

Here is where ethical healthcare marketing can work to supplement accountable healthcare providers. Providers have the information and judgement that patients need to make well informed choices about their healthcare. Healthcare marketers are experts in communication and persuasion. Working together, they can more effectively educate patients and persuade them to make the choices that will lead to better health outcomes.

How can patients reduce their risk of contracting Type II diabetes? Providers know the answers to this, and marketers can help them educate and persuade their patients to make the necessary lifestyle changes. For those who develop Type II diabetes, doctors and marketers, working together, can help patients manage their blood-sugar levels and reduce the side effects of the disease.

How can families and friends spot a stroke early and get a patient to emergency care before more extensive damage is done? Doctors and nurses know the signs, and marketers can help them educate their community.

How can providers fill their wellness center classes in yoga, Tai Chi, spinning, and weight training? Providers build and staff the center, and they know the wealth of benefits regular exercise will bring: from better cardiovascular health and mobility to greater bone density. Marketers can help brand the wellness center as a cool place to be and attract patients to the latest new classes.

The key here is that healthcare providers, marketers, and patients are all aligned to the same goal: healthy outcomes for the patients. This gives marketing all the more reason and opportunity to support what's best for the patient.

But it's not enough to get patients to join a particular service provider. Getting them in the door the first time is the smallest first step. Healthcare providers and marketers then have to work to keep them coming back, not for the most care but for the right care, the cost-effective care, the care that will lead to healthy outcomes.

Aligned with healthy outcomes, healthcare marketing is not some unpleasant necessity of healthcare corrupted by consumerism. Rather, ethical healthcare marketing joins medicine in its highest mission. Together, healthcare providers and marketers can help patients live healthier lives.

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