

EXPANDING MEANINGS OF HEALTH

Institute for the Future
Health Horizons Program
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ABOUT HEALTH HORIZONS

The Health Horizons Program identifies and evaluates trends and discontinuities in the broad health industry landscape and then forecasts what these mean for health care and health-oriented companies over the next 3 to 10 years. We combine a deep understanding of the health care delivery system, consumer behavior, health technologies, and societal forces to identify where to play and how to win in the emerging health economy. Specifically, our research identifies sources of value that will shape the products and services consumers will seek to support their health in the future.

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CONTENTS

List of Figures and Tables	v
Executive Summary	vii
Introduction	ix
1. Expanding Meanings of Health	1
2. Forecast: Market Fragmentation and a Growing Burden of Empowerment	9
3. The Consumer Response: Three New Bellwether Behaviors	17
4. Health Management Strategies	25
5. Business Challenges and Opportunities	33
Appendix: A Spectrum of Health Management Strategies	41

LIST OF FIGURES AND TABLES

Figure 1–1	Converging Drivers: The Shifting Landscape of Consumer Health	.1
Figure 1–2	Meaning of Health	.2
Figure 1–3	Health Risk Is Multidimensional	.3
Table 1–1	Health Consumers Rely on a Range of Information Sources	.5
Figure 1–4	The Emerging Health Economy	.6
Table 2–1	Implications of Market Fragmentation	.10
Figure 2–1	Consumers See the Importance of Health Benefits	.11
Table 2–2	Physicians Are One of Many Points of Contact for Health Information	.13
Figure 2–2	The Cycle of Care: The Old Rules of Engagement	.15
Figure 2–3	The New Cycle of Care: The New Rules for Engagement	.15
Figure 3–1	Engaged Consumers Show Three Bellwether Behaviors	.17
Table 3–1	Self-Agency Is Redefining the Doctor–Patient Relationship	.19
Figure 3–2	Some Consumers Self-Customize Their Treatment Plans	.21
Figure 3–3	Most Important Indicators of Quality of Physicians	.23
Figure 4–1	The Spectrum of Health Management Strategies	.25
Figure 4–2	A Big Shift Toward Healthy Lifestylers	.26
Figure 4–3	Engagement Increases Demand for Health Care Resources	.27
Table 4–1	Characteristics of Health Management Strategies	.28
Figure 4–4	Health-Focused Strategies Less Compliant	.31
Table A–1	Who Is Using a Mainstream Strategy?	.43
Table A–2	Mainstreamers	.44
Table A–3	Who Is Using an Allopathic Self-Care Strategy?	.46
Table A–4	Allopaths	.47
Table A–5	Who Is Using a Maximizing Strategy?	.49
Table A–6	Maximizers	.50
Table A–7	Who Is Using a Nutritionist Strategy?	.52
Table A–8	Nutritionists	.53
Table A–9	Who Is Using a Naturalist Strategy?	.55
Table A–10	Naturalists	.56
Table A–11	Who Is Using an Integrating Strategy?	.58
Table A–12	Integrators	.59
Table A–13	Who Is Using a Holistic Strategy?	.61
Table A–14	Holistics	.62
Table A–15	Who Is Using a Healthy Lifestyle Strategy?	.64
Table A–16	Healthy Lifestylers	.65

EXECUTIVE SUMMARY



In this report, *Expanding Meanings of Health*, we consider the business implications of key changes in the consumer health landscape. This landscape comprises the information, technologies, products, and services **within and outside** the health care delivery system, as well as the strategies and practices consumers use to manage their health, interact with the health care delivery system, and make decisions.

Several trends are transforming the consumer health landscape. Increasing health care costs and greater cost shifting to consumers are among the most important, but so is the fact that the definition of health is expanding. Expanding meanings of health will shape consumer perceptions of health risk and the way they use information, and will drive demand in the emerging health economy.

These trends will fragment the health market, creating smaller and smaller segments with different definitions of health, different needs, and different expectations of care. This shift will dramatically increase the amount of work that health care patients must do to manage their health. As a consequence, a new cycle of care will emerge, with new rules of engagement and standards for health care providers and consumers. These new rules will translate to an increasing *burden of empowerment* for the consumer, as successfully managing their health will require complex new practices of information work, risk mitigation, and decision making.

Engaged health care consumers—those consumers who have “take charge” attitudes and behaviors, higher expectations from businesses, and the ability to leverage both technology and social capital to act on their own behalf and make decisions—will lead the emerging response. Three bellwether behaviors will be at the root of that response: *self-agency*, or relying

on oneself as advocate for one’s best interests; *self-customization*, or integrating products, services, and information, including those from complementary and alternative medicine (CAM), to manage health; and *self-organization*, or utilizing social networks to mitigate risk and make collaborative decisions. Engaged consumers already demonstrate these behaviors in multiple areas of their lives.

Not all consumers will express self-agency, self-customization, and self-organization in the same way or to the same degree. Instead, an emerging spectrum of health management strategies will define key consumer health markets in the next decade.

- *Mainstreamers* (the traditional “patient”)
- *Allopathic self-care* (those who would rather use over-the-counter products or tough it out than see a physician)
- *Maximizers* (those who try to get the most out of their health care plans)
- *Nutritionists* (those who rely on food and diet to prevent illness)
- *Naturalists* (those who rely on CAM and their body’s natural healing process, and dislike using the health care system)



EXECUTIVE SUMMARY

- *Integrators* (those who rely on the health care system for medical diagnoses, but also dabble in CAM)
- *Holistics* (those who use the health care delivery system and CAM for the things each modality excels in)
- *Healthy lifestyles* (those who dramatically change their lives to maximize their health)

Health and health care businesses will need new approaches to reach consumers as the consumers adopt strategies across the spectrum. For example, some patients will demand a more active role in their own health care management, while others will continue to hand over all aspects of decision making to their providers. With an expanded definition of health, consumers will also have a broader understanding of the underlying causes of illnesses and look for intervention in a broader range of circumstances.

This spectrum of health management strategies is likely to inspire new types of doctor–patient relationships and new ways of integrating medical information, patient preferences, and alternative health modalities into the decision-making process. Plans and providers who take these strategies into account will be more likely to achieve superior clinical and perhaps financial outcomes than those who don't. In sum, the spectrum of consumers' health management strategies will demand a spectrum of responses from players in the health and health care marketplace.

INTRODUCTION



Consumer behavior is changing in complex ways. Markets are fragmenting, and businesses are having trouble identifying meaningful patterns of consumer behavior. The health and health care industries are no exception. The ways consumers manage their health, interact with the health care delivery system, and make health decisions are growing more idiosyncratic. In response, health and health care businesses and organizations must change the way they understand consumers.

Knowing demographic characteristics, insurance status, and even health status are no longer enough to gain strategic insight into consumer health markets. Instead, health businesses must understand consumers' personal health ecologies—the broad set of resources, practices, and strategies consumers use to pursue health and interact with the health care delivery system.

Consumers have always had personal health ecologies, but they were largely defined by and constrained to products, services, and information within the traditional health care system. What's different today is that consumers' definitions of health are expanding, and the marketplace of products and services is moving beyond the traditional system. As a result, in the next decade, personal health ecologies will become more consumer-driven, more complex, and more personalized. (See the spectrum of health management strategies detailed in the Appendix.) The consumers' new strategies will incorporate a wider range of health modalities, products, and services within and outside traditional health care. By looking deeply at the emerging strategies, health and health care businesses and organizations can uncover the patterns of consumer behaviors that will shape consumer health markets, define consumer value, and demand strategic responses.

With health care costs continuing to increase, now more than ever, the focus is on the consumer. In fact, the concept of consumer-directed health care has begun to spread throughout the health care industry. Consumer-directed health care is the vision of greater consumer engagement and responsibility for health care. This vision not only implies greater consumer responsibility for health management, it also implies responsibility for decision making and greater responsibility for the costs of health care. At the center of this push is the belief that greater consumer engagement in health and health care decisions and financing is the answer to controlling costs. Having to pay more will give consumers the incentive they need to

Personal health ecologies are the broad set of resources, practices, and strategies consumers use to pursue health and interact with the health care delivery system.



INTRODUCTION

make rational and value-based decisions and set off true market forces in the industry.

Sounds good, but this vision may be farther away than expected. Consumer-directed health plans and the use of quality ratings by consumers tell a different story. According to a recent study published by the California HealthCare Foundation, consumer-directed health plans, which explicitly link consumer's health coverage choices to financial consequences of those decisions, have shown little uptake among California health care consumers—arguably one of the bellwether states of health system change. The barriers to adoption are complex and perhaps the plans are too new for consumers to adequately assess their risks and benefits. What is clear is that their uptake among consumers will need to go beyond cost-containment (a benefit to payers) and provide some differentiated value to consumers such as access to higher-quality providers, better and valuable information, and so on.

In this report, *Expanding Meanings of Health*, we explore the changing consumer health market in more depth and identify key business challenges and opportunities. First, we look at how consumers' expanding meanings of health are transforming the health landscape. Second, we present our key forecasts—market fragmentation and an increasing burden of empowerment on the consumer. Third, we look closely at the three bellwether behaviors of self-agency, self-customization, and self-organization that will shape the way consumers participate in the changing marketplace. Fourth, we present an emerging spectrum of consumer health strategies that will define key consumer health markets in the next decade. Finally, we present a range of implications and business strategies to meet the demands of these new markets.

1. EXPANDING MEANINGS OF HEALTH



Several drivers will converge in the next decade to transform the health landscape. To begin with, health care costs will continue to increase, and payers will look for ways to shift more costs to consumers. Decisions about health care will fall increasingly to consumers as well, but they will struggle with the quantity and complexity of information needed to make and vet successful health decisions. The media will play a role as their coverage expands consumer awareness of how behavior, environment, and genetics affect health status. And with their heightened focus on health as they seek to age successfully, baby boomers are likely to participate in health and health care activities in unprecedented ways. Taken together, these drivers will reshape the consumer health landscape as it unfolds over the next decade (see Figure 1-1).

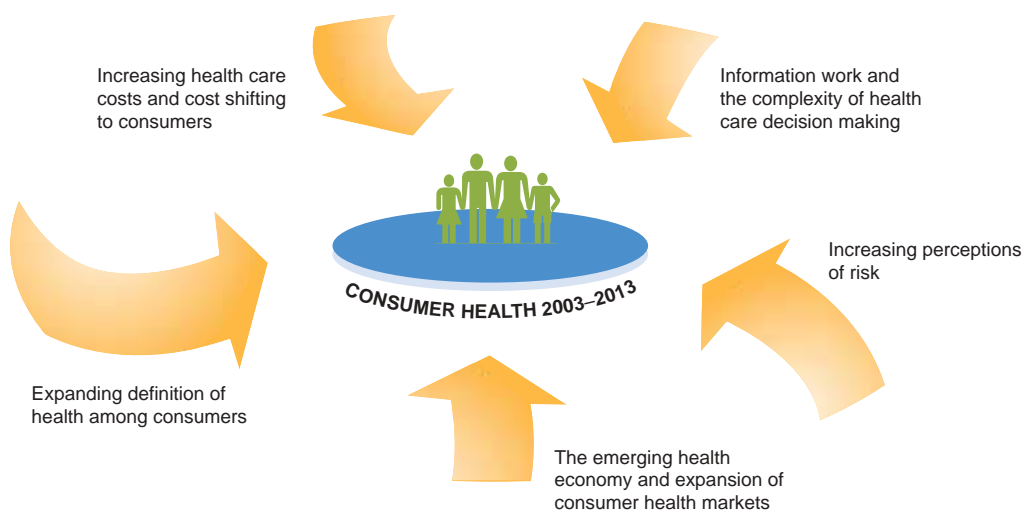
Many changes in the consumer health landscape will be driven by a fundamental change in the way consumers define health. Increasingly, the definition of health is expanding to include not just traditional health care activities but also the larger infrastructure of information, technologies, products, and services within and outside the health care system, as well as the strategies and practices consumers use to make

decisions about their health and interact with the health care system.

EXPANDING MEANINGS OF HEALTH

Institute for the Future (ITF) research shows that consumers are moving toward a broader definition of health, focusing not just on the absence of illness but also on overall physical, mental, and spiritual well-

*Figure 1-1
Converging Drivers: The Shifting Landscape of Consumer Health*



Source: Institute for the Future

1. EXPANDING MEANINGS OF HEALTH

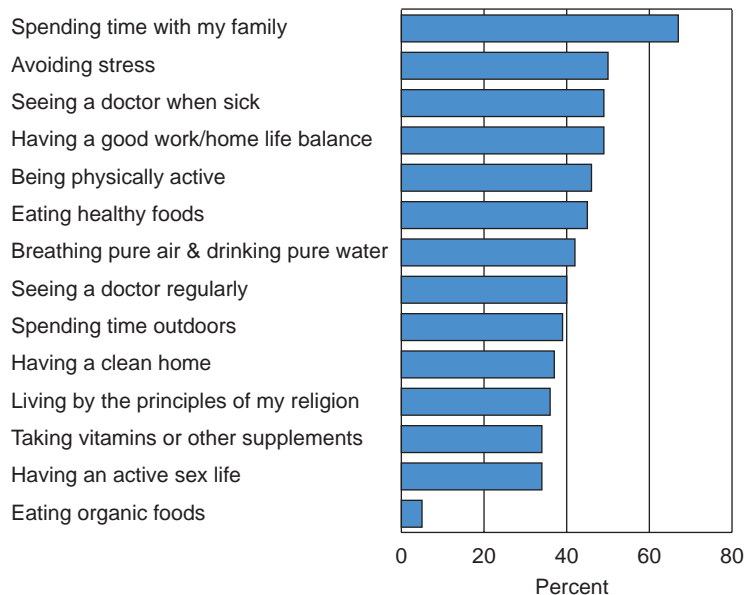
I think [health is] the ability —physical and emotional and spiritual ability—to respond fully to life, to be able to live fully and respond fully. That's kind of what it feels like—to not be compromised by something that is either in your body or manifesting itself in your body [that can] disable you from really participating and enjoying activities.

—Lola, married with two children under 3 years

being. Essentially, it is a shift from focusing on *health care* in particular to *health* in general. The emerging definition is broader and more holistic than the health care industry's traditional definition. *Health care* is used episodically and depends largely on the person's health and insurance status, while *health* is multidimensional, holistic, and more of a daily practice. In fact, health consumers today participate in a number of activities and rely on a whole range of resources outside the traditional health care system to manage their health and well-being. (For more on this, see *Engaged Consumers in Health and Health Care*, IFTF SR-783.)

Consumers report a range of factors—from avoiding stress to eating healthy foods—as being very important to their overall health (see Figure 1–2; see also the Appendix, “A Spectrum of Health Management Strategies,” for more information about IFTF's consumer survey research). Traditional health care is still important, but plays a narrow role in this expanding definition.

Figure 1–2
Meaning of Health
(Percent of respondents who report ... is very important to their health)



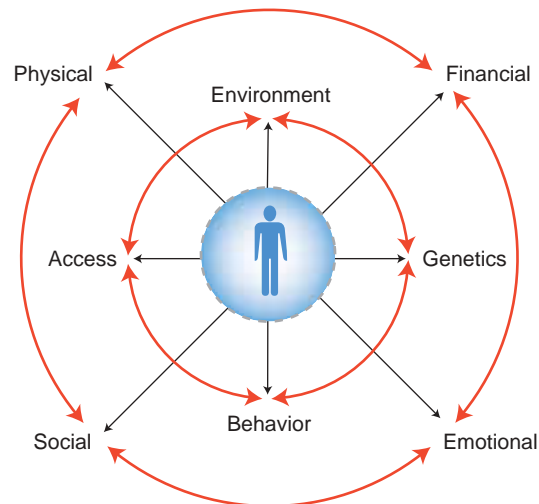
Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

MEANINGS OF HEALTH EXPAND PERCEPTIONS OF RISK

Broader definitions of health also shape the way consumers think about health risks. From a clinician's point of view, health risk is focused on access to health care products and services, the environment, a person's genetic endowment, and behavioral risks such as smoking and lack of exercise. From the consumer's point of view, health risk can include other dimensions. Health risks can be *physical*, as in the case of a woman considering the side effects of various birth control methods on her appearance; *emotional*, as in the case of a baby boomer transitioning careers at age 50; *financial*, as in the case of a man advocating for his health plan to cover a prescribed drug not in its formulary; or *social*, as in the case of consumers who shop at Whole Foods (an organic grocery store) to create the public impression of a healthy lifestyle (see Figure 1–3).

Perceptions of health risk are expanding for a number of reasons. First, consumers are encountering an unprecedented variety of new

Figure 1–3
Health Risk Is Multidimensional



Source: Institute for the Future



1. EXPANDING MEANINGS OF HEALTH

"Health" is probably moving through my day without being impeded. Being healthy has a lot to do with feeling good in my body and not feeling any pain, not feeling impeded by something, having energy.

I do think physical and mental health go together for me. So having the blues can actually have physical ramifications on my body. Being very stressed out or upset about something can actually physically manifest itself in back pain or something else.

—Josephine, 35, living as married, no children

health products (such as food with health benefits) and services (such as full-body scans) that are introducing much stronger expectations of choice, variety, and access. Second, consumers are receiving more advertisements and other commercial information than ever before—on television, in newspapers and magazines, on the Internet. Third, scientific knowledge and new technologies are expanding faster than the health care delivery system can incorporate them. This gap can lead to the over use or under use of treatments as well as medical error. With the Internet and direct-to-consumer advertising, it's not uncommon for consumers to know more than their physicians about new treatments in certain fields. These knowledge gaps can erode the trustworthiness and authority that health care providers have traditionally held. Having to find the right information and decide what to do rather than leaving everything to the professionals puts more of the risk on the consumers themselves.

MEANINGS OF HEALTH SHAPE INFORMATION PRACTICES

As the meaning of health expands, consumers seek out more health information. Gathering information is the primary way to mitigate the risks of health decisions, and consumers today face many more kinds of health decisions than in the past. Today they must decide which health plan is best, select a physician, evaluate the side effects of prescription drugs, and determine whether a visit to a specialist is a covered benefit. To find, filter, and evaluate this kind of information, consumers have to exert great effort. The task is complex, confusing, and often emotionally charged, and it must be done in the face of the deluge of clinical information and misinformation they find online, in the media, and in everyday conversation.

Indeed, IFTF survey research has shown that consumers today rely on multiple information sources for making decisions, particularly health decisions—a pattern that intensifies with higher education levels. These include traditional sources such as physicians and other health care providers, but also grocery and other retail stores, complementary and alternative medicine (CAM) practitioners, friends and family, and online communities. Table 1–1 illustrates that, while physicians and other health care providers are seen as valuable sources of health information, they are only one source among many.

MEANINGS OF HEALTH DRIVE DEMAND FOR THE EMERGING HEALTH ECONOMY

As consumers' definitions of health expand, IFTF forecasts the emergence of a new health economy—an economy in which health increasingly defines consumer value in general and becomes a key driver for the growth of the whole economy, not just the health care sector. In such an economy, traditional health care continues its strong expansion. But more important, a broad set of health values, based on the search for physical, emotional, and spiritual well-being, will drive innovation and growth for a wide range of products and services not traditionally associated with

*Table 1–1
Health Consumers Rely on a Range of Information Sources
(Percent of respondents that used ... as a source of health
information within the last 12 months)*

Doctors	62
Friends and family members	54
Health Web sites	47
Other magazines, books or newsletters	32
Nurses or physician's assistants	31
Pharmacists or pharmacies	26
TV programs	23
Medical reference books or journals	22
Health insurance plan or HMO Web sites or documents	18
Pharmaceutical company advertisements, Web sites, or brochures	18
Health or fitness clubs	10
Discount and other stores' displays, brochures, or employees	9
People with similar interests or needs who were contacted online	8
CAM practitioners	7
Grocery stores' displays, brochures, or employees	5

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

1. EXPANDING MEANINGS OF HEALTH

health, including cosmetics, fashion, security, consumer electronics, building supplies, wellness, and food (see Figure 1–4). Health is becoming an important brand message throughout the economy, a target for technological and social innovation, and a focus of consumer spending. In this emerging health economy, any tangible health benefit is a winning value proposition. (For more on this, see *The Emerging Health Economy*, IFTF SR-787 B.)

Behind the emerging health economy is an anticipation of increasing demand from an aging baby boom population with a growing appetite for health products and services. The expectation is that in response to this demand the marketplace will provide a growing menu of options. But it isn't just about boomers. Health products and services that baby boomers find valuable will resonate with other segments of the population as well. One indicator of this trend is the use of CAM. Already, 68% of Americans have used at least one form of CAM, according to a study published in the *Annals of Internal Medicine* in 2001, and the

Figure 1–4
The Emerging Health Economy



Source: Institute for the Future

prevalence of CAM increases with each subsequent generation. Five out of ten baby boomers use CAM, while seven out of ten members of the post-boomer generation do so. As these cohorts age, the array of health goods and services they seek, use, and pay for will grow—as will their role as health consumers.

WHAT DOES THIS MEAN?

The consumer health landscape is changing, but in what direction? The general trend is that more products and services will be perceived as therapeutic, as consumers will come to consider more dimensions for both the cause of their illnesses and treatments. Health management will increasingly move beyond narrow medical health to include physical, mental, and spiritual well-being. For the consumer, the changing health landscape also means that many aspects of daily health management will change in some of the following ways:

- Consumers will face greater responsibility for the costs of care.
- Health behavior has financial not just health or physical consequences.
- Self-care and self-rationing will become more important as consumers consider constraints on resources.
- Maximizing the value of health plan benefits will become critical.
- Choices will expand in the marketplace for health management.
- More health products and services will be aimed at personalized needs across different dimensions of health.
- Health will guide consumer spending in other facets of life.
- Health management will include trade-offs among health risks.

These shifts will not only change consumers' daily practices of health management, they also will affect the way health care companies do business in a new health marketplace. In the following chapter, we consider how the changes in the consumer health landscape will lead to market fragmentation and the emergence of a new cycle of health care.

To me, health means a lot of things ... I've become more aware of my health, and I've taken more active steps to educate myself and maintain good health.

So health is holistic all around—my emotional, my mental, my physical well-being, spirituality—they kind of all have to be somewhat stable.

—George, 28 married,
no children

2. FORECAST: MARKET FRAGMENTATION AND A GROWING BURDEN OF EMPOWERMENT



Two shifts will determine how the consumer health marketplace develops in the next decade. First, we'll see a greater fragmentation. Fragmented consumer markets, products and services, and communication channels will create whole new issues of reach and access for health care companies and consumers to resolve. Second, a new cycle of care will emerge, with new rules of engagement and standards for health care providers and consumers. Unfortunately, these new rules will translate to an increasing *burden of empowerment* for consumers, as successfully managing their health will require complex new practices for information work, risk mitigation, and decision making.

HEALTH CARE MARKET FRAGMENTATION

In the next decade, the health care industry will face increasing market fragmentation in three areas—consumer markets, products and services, and communication channels. Each will require new strategies for adaptation (see Table 2–1 on page 10). In a way, this simply means that health care companies will be subject to the same fragmentation pressures their counterparts in other industries—such as media, retail, telecommunications, durables manufacturing, and the like—have been facing over the last four decades. But it won't be easy. The health care industry's unique characteristics will make it difficult to adapt to market fragmentation.

Consumer Fragmentation

The U.S. population is more diverse than ever. Americans can be grouped along countless dimensions, including age, race and ethnicity, income, health status, insurance status, values, interests, technology use, geographic region, language, and so on. For example, the United States has become more racially and ethnically diverse over the last two decades, with the 2000 Census demonstrating a tenfold increase in the number of states with sizeable minority populations (states where 10% or more of the residents are African-American, Asian-American, or another non-White race).

Although many companies seek to segment health markets based on geographic, ethnic, life stage, household composition, or other demographic characteristics, these approaches are limiting. Health care markets will transcend classification by any single demographic characteristic and move toward a definition based on health values, health needs, and broader health definitions. Indeed, multiple definitions of health will be a key driver of the fragmented health care marketplace.

What does this mean for health care? It means that the “normative patient” doesn't exist. Consumers may increasingly question whether established health care recommendations really apply to people of their gender, age group, ethnic group, lifestyle, and so on. A diverse population is likely to have different definitions of health, different health needs, and different preferences for care.

For example, people who are focused on food as a primary way to maintain their health may not be satisfied with receiving only a prescription from their doctor. They may also want information about better foods to treat their illnesses, for example. Others may wish for a more comprehensive treatment that not only provides symptomatic relief but also addresses the underlying cause of their illness. Many health care consumers will want insurance and other health care products that more directly reflect their lifestyles,

2. FORECAST: MARKET FRAGMENTATION AND A GROWING BURDEN OF EMPOWERMENT

Table 2–1
Implications of Market Fragmentation

	<i>What It Means</i>	<i>Implications for Consumers</i>	<i>Implications for Health Care Companies</i>
Consumer Fragmentation	Diverse populations with different definitions of health and different health needs	<p>Uncertainty if established health care recommendations really apply to their gender, age group, ethnic group, lifestyle, and so on</p> <p>New health needs and preferences for care; greater interest in targeted health products</p>	<p>One-size-fits-all solutions no longer work—but there are opportunities for more targeted products</p> <p>A continuing mismatch between the “normative patient” and real patient’s diversity and needs</p>
Product and Service Fragmentation	Multiple ways to meet health needs, inside and outside of health care; proliferation of direct-to-consumer solutions	Increased choice and bewilderment about how to handle illnesses (e.g., OTC products, prescription medicine, visits to doctor or CAM providers, lifestyle changes)	<p>Competition from multiple players inside and outside of health care industry</p> <p>Increase in consumer demand—and in consumers’ neediness</p>
Channel Fragmentation	Harder to reach target populations; contact occurs in a wider array of settings or contexts; harder to get consumers’ attention	<p>Confusion about where to look for resolution for unclear or contradictory health care information</p> <p>Concern regarding whether health and health care providers have access to best information</p>	Industry players must learn how to communicate with consumers around their needs and at their convenience

Source: Institute for the Future

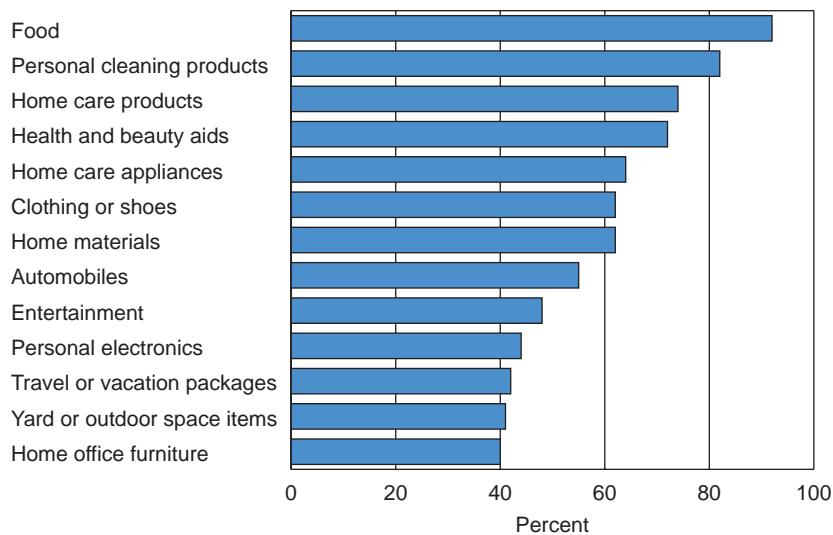
households, and notions of family. In sum, greater consumer diversity means that health care providers and insurers will see new markets emerge for new products that can meet distinct health needs.

Product and Service Fragmentation

Since the Consumer Age began in the United States after World War II, consumer markets have expanded tremendously, offering an increasing abundance of products and choices. For example, the number of products in a typical American grocery store has grown from 7,000 in 1980 to nearly 30,000 in 2000. This is partially the result of a vicious cycle of oversaturation and differentiation. As mass markets become saturated with offerings, companies offer ever more (but presumably different) products to avoid commoditization.

As a result, people no longer exclusively consider cost and functionality when making purchases. They also look at such intangibles as the product's symbolic meaning, the experience associated with it, the novelty of its package, its value in one's social network, and—increasingly—the product's perceived health benefits. To many consumers, health benefits add value across a range of product categories and help them navigate a crowded marketplace (see Figure 2–1).

Figure 2–1
Consumers See the Importance of Health Benefits
(Percent of respondents who believe that health benefits are somewhat or very important when making purchases in ...)



Source: Institute for the Future, Health and Nutrition Online Survey, 2003.



2. FORECAST: MARKET FRAGMENTATION AND A GROWING BURDEN OF EMPOWERMENT

What does this mean for health care? Companies outside the traditional health care industry will increasingly compete for consumers' health dollars. Savvy and relatively nimble beverage, food, cosmetic, and fashion companies are willing to go head-to-head with more regulated health care companies to become a valid choice for health-minded consumers. For example, some consumers with high cholesterol will choose to lower it with prescription medication—but some are likely to choose Minute Maid Premium Heart Wise orange juice, the cholesterol-reducing orange juice that Coca-Cola took to market in December 2003. Although federal regulations strictly limit the claims Minute Maid can make about the product's benefits, those who believe it to be as effective as medication may decide to switch. At the same time, others with high blood pressure may want to talk to their physicians about ways of reducing their stress levels, while yet others will take the opportunity to get a massage or exercise.

Although there will be more competition for consumers' health dollars, the surge in products with health benefits will help keep health in the forefront of consumers' minds. Ultimately, this may also drive consumers back to doctors' offices—but with new demands. In a broader health marketplace, consumers will expect more transparency and better customer service from their providers. Product fragmentation will also transform today's cycle of care with new rules of engagement.

Communication Channel Fragmentation

Communication channels are also fragmenting, with new channels such as the Internet and mobile devices being added to more traditional channels such as newspapers, TV, and radio. There are also more options within each channel. For example, the average American household in 1985 received 19 TV channels, while today's receives over 50. What's more, consumers use a range of communication media these days, and it's much harder to reach large market segments. For example, IFTF's 2002 Household Survey found that the average consumer uses three communication channels, such as sales personnel, family and friends, magazine advertisements, or Web sites to get information before making a major household or financial-service purchase. Approximately 25% of the population uses five or more channels.

Consumers are also using an increasing range of consumer-to-consumer (C2C) channels to communicate with each other about products and services. With online communities and chat rooms, blogs, peer-to-peer networks, instant messaging, and short text messaging, consumers

can easily reach a broad audience of peers with high quality messages embedded with photos, data, and other information, including health information. When friends and family members can easily create communications comparable in quality to professional advertising, information from these lay sources will be even more compelling.

This trend has the potential to erode trust in physicians' authority. Indeed, physicians are rapidly becoming only one of many points of contact for health information (see Table 2–2). As consumers navigate a broad sea of health-related information, they will be concerned about whether their health care providers have access to the best health information.

Channel fragmentation means that it will be harder to reach large audiences with a single message. Health care companies must learn how to communicate with consumers about their needs and at their convenience. But unlike companies in so many other industries, health care is not cost transparent. There are few side-by-side comparisons available for health-related products or services, out-of-pocket costs for health care episodes are often not known in advance, and most consumers do not choose their health insurance carrier. Compared to companies in other industries, health care companies are quite limited in what they can communicate to consumers.

*Table 2–2
Physicians Are One of Many Points of Contact for Health Information
(Percent of ... who report receiving health information from ... within the last 12 months)*

	<i>Doctors</i>	<i>Health Web Sites</i>	<i>Friends and Family</i>	<i>Magazines</i>
18–24 year olds	55	38	74	23
25–44 year olds	57	51	56	30
45–64 year olds	69	46	47	35
Male	65	43	51	27
Female	59	51	57	35
Healthy individuals	49	41	46	30
Chronically ill individuals	79	55	45	35

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.



2. FORECAST: MARKET FRAGMENTATION AND A GROWING BURDEN OF EMPOWERMENT

Furthermore, evidence-based research, while the gold standard for demonstrating clinical effectiveness, does not necessarily generate compelling marketing stories. The lay public is not very adroit at the interpretation and utilization of probabilistic medical information, such as the research findings presented in many direct-to-consumer pharmaceutical ads. In contrast, food, beverage, cosmetics, and fashion companies have decades of practice in crafting compelling advertisements, and have a substantial toolkit of persuasive techniques. Basically, there is a gap between the marketing tools the health care industry currently relies on, and the tools at the disposal of emerging health economy players.

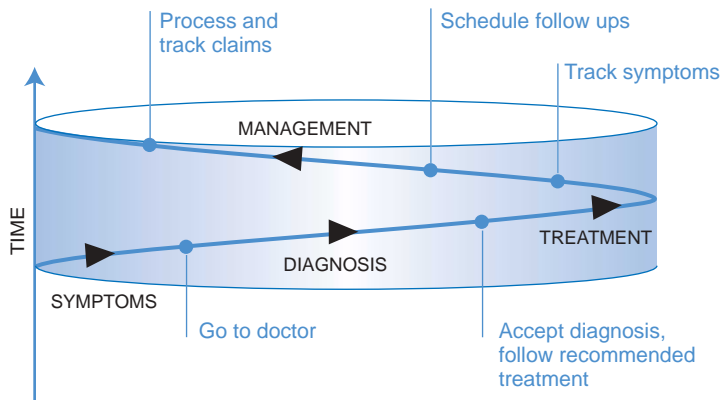
THE GROWING BURDEN OF EMPOWERMENT

Fragmentation offers health and health care businesses new challenges and new opportunities. For consumers, the effect is similar. Market fragmentation means that consumers have more product, service, and provider choices—which, on the one hand, creates *empowerment* as consumers exercise choice and control, but, on the other hand, creates a *burden* as they must learn to negotiate among many alternatives.

For generations, the typical model of health care interaction placed consumers in a passive patient role. Patients were expected to give up control and place trust in doctors and other health care providers. They were also responsible for complying with prescribed treatment plans to get well. The rules of engagement for patient–provider interactions and decision making were very clear, encouraged passivity, and required compliance (see Figure 2–2).

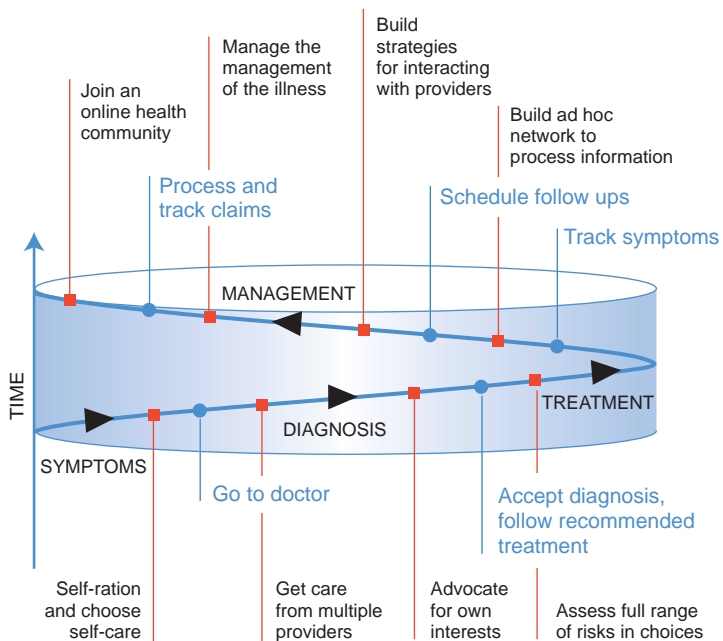
But today the rules—as well as the assumptions about roles—are changing. As the health market continues to fragment, a new environment is developing that creates a more complex and ambiguous path for decision making (see Figure 2–3). Health care decisions will be staged very differently and require new strategies and practices. This new environment will be sink or swim. Some consumers will thrive in it, and others will simply drown. Consumers will expect, and be expected to, take an active role in all health and health care interactions. The most successful consumers in this new environment will take control and create their own portfolio of health resources they will adapt to their individual needs over time.

Figure 2–2
The Cycle of Care: The Old Rules of Engagement



Source: Institute for the Future

Figure 2–3
The New Cycle of Care: The New Rules for Engagement



Source: Institute for the Future



2. FORECAST: MARKET FRAGMENTATION AND A GROWING BURDEN OF EMPOWERMENT

In their interactions with health care players, consumers will have to do the following on their own.

- Assess and vet the risk of health choices and their many consequences (medical, financial, social, and so on) in an environment of shaky and unstable information and complex clinical knowledge.
- Pull together care from multiple health and health care providers and modalities, and build strategies for interacting with providers in order to get the full value of the interactions.
- Balance the demands created by both an illness and the logistics and administration of care for that illness, and advocate for their own interests.
- Self-ration (that is, consider constraints and resources) and choose self-care over other more expensive forms of care when appropriate.
- Build ad hoc networks to process information and filter product and service choices.
- Leverage social capital within their social networks for making decisions and accessing resources.

We have already seen the beginnings of this new environment, particularly in managed care situations. The most engaged patients today not only have to manage their illness, but also have to *manage the management of their illness*. What's more, as the health landscape continues to fragment, consumers will have to intensify their management activities. Doing so will be the hallmark of the next decade's "good patient."

3. THE CONSUMER RESPONSE: THREE NEW BELLWETHER BEHAVIORS



How will consumers respond to the new health marketplace? Where can we look for insight into the likely consumer behaviors and strategies that will emerge?

Traditionally, companies have looked at the affluent, educated, and tech-savvy consumer as a good leading indicator of consumer attitudes and behavior. However, with today's market fragmentation, these proxy indicators are no longer enough. It's now more important than ever to understand consumers by looking at what they actually do when making health purchasing decisions, managing health, or interacting with the health care delivery system.

From this perspective, a different kind of consumer is emerging as the leading indicator of consumer attitudes and behavior, a consumer that appears across the spectrum of income, education, and technology use: the engaged consumer. What characterize engaged consumers are their take-charge attitudes and behaviors and their ability to leverage both technology and social capital to act on their own behalf and make decisions. They demand more value from businesses and take a more active role in what matters in their lives. (For more on this topic see, *Engaged Consumers in Health and Health Care*, IFTF SR-783.)

Engaged consumers' responses to the changing consumer health landscape provide leading indicators of future mainstream practices and health management strategies. The most highly engaged consumers are already displaying three bellwether behaviors: *self-agency*, *self-customization*, and *self-organization* (see Figure 3–1). Together, these bellwether behaviors will determine how the consumer responds to the changing health landscape.

SELF-AGENCY: ACTING ON ONE'S OWN BEHALF

Self-agency is about consumer self-empowerment. It is a shift away from relying solely on trusted agents to relying on oneself as an agent or advocate. While not exclusive to them, new consumers (consumers with higher levels of income, education, and experience with information technologies) began moving toward self-agency in the mid-1990s. Their information savvy and financial resources gave them the confidence to take on some of the responsibilities of managing areas of their lives that had until then been managed by institutions or agents, such as finances, education, and career and retirement planning.

Figure 3–1
Engaged Consumers Show
Three Bellwether Behaviors



Source: Institute for the Future



3. THE CONSUMER RESPONSE: THREE NEW BELLWETHER BEHAVIORS

SELF-AGENCY PRACTICES FOR HEALTH MANAGEMENT

- Creating a portfolio of rules for health care decisions (for example, “if this illness doesn’t seem risky, I will use an over-the-counter product”).
- Seeking extra information to mitigate risk in health decisions.
- Exerting control in interactions with health care delivery system and providers.
- Seeking providers that are willing to share decision-making regarding health treatment plans.
- Self-diagnosing and self-prescribing health solutions.

Today, this behavior is expanding to other consumers. In all areas of life, rather than passively accepting the options presented to them, consumers are bringing more information to bear on their decisions. They are seeking to “co-create” or determine their own solutions in partnership with companies, rather than simply consume what is offered them. In doing so, consumers with self-agency are also taking on more of the risks of making these kinds of decisions.

Where Do We Already See Self-Agency?

Consumers have responded with self-agency to a wide range of changes in different areas of their lives.

- *Finances and retirement.* With the shift away from defined benefit plans to defined contribution retirement plans such as 401(k)s, consumers have taken on more responsibility for managing their own finances (for better or worse). In fact, consumers’ self-agency regarding their own finances helped transform the financial services industry. Some of the earliest and most innovative services on the Internet were financial services, such as direct-to-consumer online financial tools.
- *Professional development and career management.* The human resource departments of large organizations underwent tremendous transformation during the recession of the early 1990s. As a result, employees came to have more responsibility for determining their own career paths.

Self-Agency in Health and Health Care

Self-agency is increasing in health and health care as well. Examples include how consumers use information, the way they exert control, and their attempts to protect the privacy of their medical information.

Indeed, most consumers now want a relationship with their physicians that looks more like a partnership rather than the traditional doctor–patient relationship. IFTF surveys have found that less than 30% of Americans aged 18–64 report they would “passively” accept a doctor’s treatment recommendation for a mild condition (see Table 3–1). Almost half of them would rather investigate their options and partner with their physician to develop a treatment plan, while another 11% would rather make the treatment decision entirely on their own. When the stakes are

high, most consumers have an even stronger desire for a co-created solution—over 60% of them would want to investigate their options and develop a treatment plan with their doctors in the case of a serious illness.

Self-agency in health and health care has two important implications: one, self-agency is driving the need for new and different models of patient care, and two, changing risk perception is driving consumers' toward self-agency.

In a more information-intensive, fragmented marketplace loaded with many choices, consumers will increasingly find they must act on their own behalf, build trust, and mitigate risks as they interact with the health care industry.

Table 3–1

*Self-Agency Is Redefining the Doctor–Patient Relationship
(Percent who responded ... to the question below)*

Suppose you were seeing a medical specialist and needed treatment for a ... medical condition. Which of the following would you be most likely to do?

	<i>Mild</i>	<i>Serious</i>
Let the doctor decide what treatment is best	27	18
Look for information to understand your treatment options, but let the doctor decide what is best	18	15
Look for information about treatment options, and choose a treatment together with the doctor	44	62
Look for information about treatment options so you can decide for yourself what is best	11	5

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.



3. THE CONSUMER RESPONSE: THREE NEW BELLWETHER BEHAVIORS

SELF-CUSTOMIZATION: PUTTING THE PIECES TOGETHER

Self-customization is another aspect of the consumer's response to the changing health landscape. Self-customizing consumers pull different products, services, and information together to manage their health and health care.

Consumers self-customize because they are unwilling to wait for companies to come out with products and services that meet their individual needs. They self-customize in a number of ways, such as altering purchased products, using products in new ways, or bundling complementary products from different retailers. The goal is to create experiences that reflect their identity, to maintain connections with friends and family, and to manage tasks and time more efficiently.

Where Do We Already See Self-Customization?

Consumers self-customize in a number of areas.

- *Technology and consumer electronics.* Engaged consumers are creating workarounds or hacks to get new capabilities from existing products. For example, engaged technology consumers hacked early versions of Apple's iPod MP3 player to create storage for personal address books, and expanded the storage capacity of personal video recorders such as TiVo.
- *Shopping and the role of retailers.* Rather than relying on one retailer for one-stop shopping for everyday things like groceries, personal care, and home care products, consumers have palettes of stores and brands depending on location, value, cost, and so on that they tap to meet their needs.

Self-Customization in Health and Health Care

Many engaged consumers are customizing their health care. For example, some consumers are integrating CAM, nutritional advice, and mental health services into their prescribed treatment plans. Others who have been diagnosed with a chronic illness use over-the-counter (OTC) products, home remedies, or similar products to treat their illness without a prescription (see Figure 3–2). In fact, our 2003 online survey found that 30% of chronically ill respondents did not rely solely on a prescribed treatment.

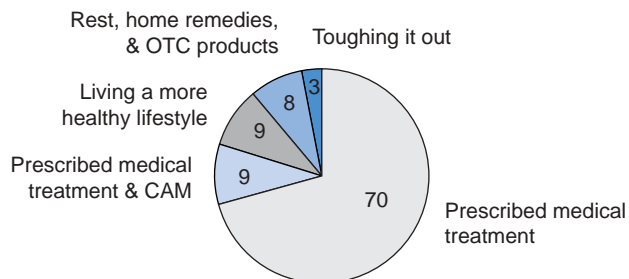
Consumers also self-customize their health plans. For example, some consumers choose to get mental health services out of plan to ensure privacy and retain control over providers and frequency of visits.

Self-customization is likely to increase as health definitions continue to expand and the marketplace fragments. With broader definitions of health, consumers will have an expanded understanding of the underlying causes of illness and more areas for treatment or intervention. We expect to see more consumers self-customizing their care by treating the emotional as well as physical manifestations of illness, for example.

SELF-ORGANIZATION: TAPPING INTO SOCIAL NETWORKS

Self-organization is the third key component of the engaged consumer's response to the changing health landscape. Self-organizing consumers come together in social networks and rely on each other to mitigate risk and become more adept at managing the information now required of health management.

*Figure 3-2
Some Consumers Self-Customize Their Treatment Plans
(Percent of chronically ill who report managing their illness
via ...)*



Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

SELF-CUSTOMIZATION PRACTICES FOR HEALTH MANAGEMENT

- Creating personalized treatment plans (e.g., getting a diagnosis from a health care provider, but seeking treatment in alternative health modalities).
- Maintaining and using a diverse portfolio of therapeutic products.
- Integrating CAM into chronic disease management.
- Managing health across different facets of life (e.g., work, schedules, family relationships, parenting, and healthy homes).
- Activating decision rules to drive choices (e.g., a preference for natural medicine prohibits use of chemical-based treatments).



3. THE CONSUMER RESPONSE: THREE NEW BELLWETHER BEHAVIORS

Consumers have always relied on social networks as a source of information. IFTF research shows that social networks influence the entire purchasing cycle—creating the desire for products and services, finding and filtering information, making the purchase, and using the product or service. One thing that’s different today, however, is the abundant connectivity in consumers’ lives. Connective technologies such as the Internet amplify the practice of self-organizing by helping people strengthen existing ties as well as build new ties with people who share their passions, lifestyles, or professional interests regardless of location. Self-organized groups like these facilitate the fast diffusion of information among consumers, making social networks powerful communication channels for businesses and markets in their own right.

Where Do We Already See Self-Organization?

Self-organizing consumers can be found in variety of contexts.

- *Online communities and affinity groups.* The Internet has been a great enabler of self-organizing behavior. People easily find kindred spirits online to explore hobbies, ideas, or political views. The recent phenomenon of blogs (Web logs) is a good example, where like-minded people explore ideas and provide information and social support online. There are blogs for religion, politics, business, and health. A growing number of blogs document weight loss practices and experiences, for example.
- *Ad hoc and ephemeral communities.* Consumers are looking to each other as sources of information or strategies in diverse areas of daily life. Most of these communities are groups of strangers tapped for information to make immediate decisions. Examples include forums like Yahoo! Groups in diverse areas such as commuting and parenting.

Self-Organization in Health and Health Care

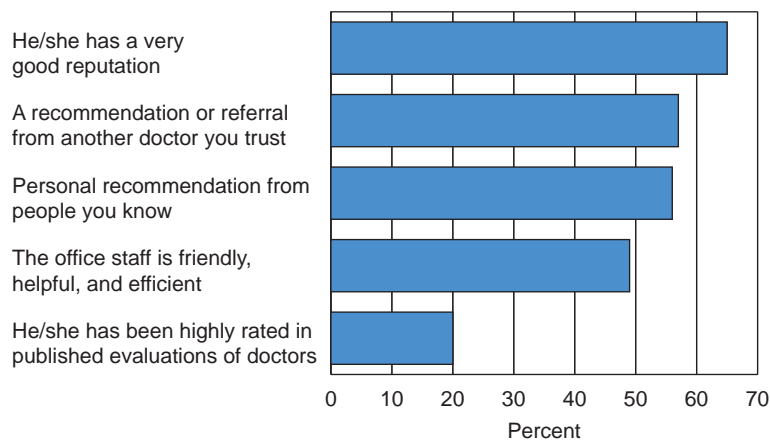
Social networks and connective technologies are growing more important in health and health care because they allow consumers to self-organize into communities for collaborative decision making. Consumers are now capable of quickly finding the right people at the right time or creating ad hoc relationships to find information, answer questions, or get an opinion about a product or service. Indeed, people often turn to their families, friends, and acquaintances first. A recent poll by Harris Interactive pub-

lished in the *Wall Street Journal* found that, “personal recommendations from people you know” rated as one of the more important indicators of the quality of doctors (see Figure 3–3). In contrast, official quality ratings had much less influence on consumers’ choices of hospitals, health plans, or physicians.

Networks of health and health care consumers have the potential to disrupt the marketplace, as information about products and services (both good and bad) can be shared with large numbers of people near and far very quickly. In the health care arena, this phenomenon can be seen in the consumer comments about HMOs on the Web site Planetfeedback.com. Other self-organized communities are longer lived (for example, disease- or condition-based communities on health Web sites like WebMD.com) and can become an integral part of a consumer’s health management practices.

Consumers who tap into their social network for collaborative problem solving are pulling on large amounts of information. For example, approximately half (54%) of our 2003 survey respondents reported that they had received health information from a friend or family member within the last year. But this group is getting information from many

Figure 3–3
Most Important Indicators of Quality of Physicians
(Percent of adults)



Source: National survey reveals top indicators of quality medical care. *Wall Street Journal Online*. August 14, 2003.



3. THE CONSUMER RESPONSE: THREE NEW BELLWETHER BEHAVIORS

SELF-ORGANIZATION PRACTICES FOR HEALTH MANAGEMENT

- Focusing on stories from people with similar experiences rather than scientific studies or other difficult-to-evaluate information.
- Tapping social networks to cut through bureaucracy or sharing strategies to ensure they get the right treatment.
- Participating in health affinity groups defined by health interests, illnesses, diagnoses, treatments, or health goals.
- Distributing decision making and intensively involving social networks in filtering choices, vetting decisions, and monitoring progress.

other sources as well: they also used an average of four sources in addition to friends and family (while people who did not talk to their friends or family used an average of only two). For example, 57% of them also pulled information from Web sites, while 11% of them also talked to people with similar interests or health needs that they “met” in online chat rooms or on Web sites. In fact, people who rely on family and friends for health information were more likely to utilize every other source of health information we asked about in our 2003 survey. Consumers who rely on their social networks are likely to be savvy problem-solvers, facile at gathering and analyzing health information from different sources.

Together, these behaviors—self-agency, self-customization, and self-organization—will shape the way consumers respond to the changing consumer health landscape. They will transform consumer markets in health care and drive the development of highly individualized personal health ecologies. A range of health management strategies will evolve from these health ecologies. We discuss these strategies in the next chapter.

4. HEALTH MANAGEMENT STRATEGIES



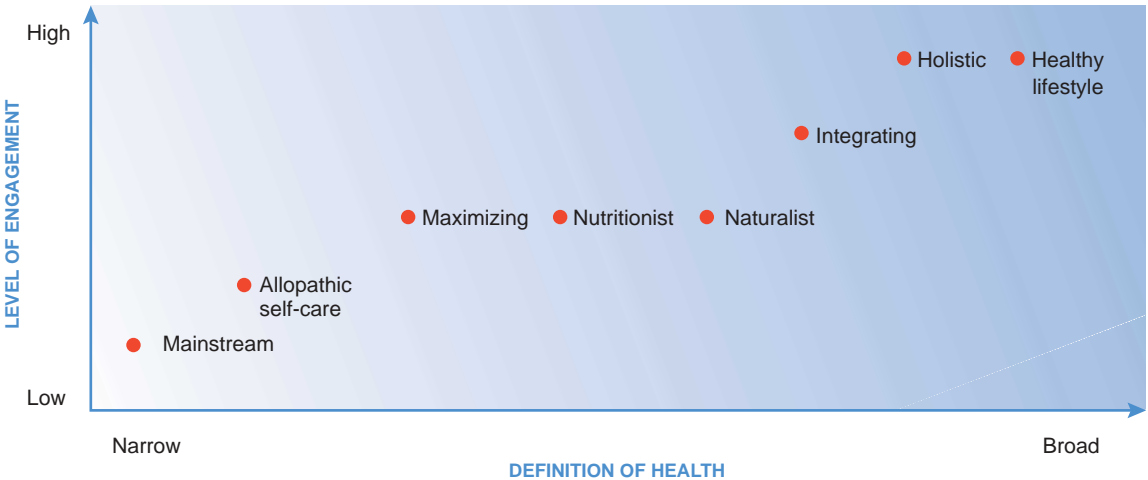
There are many ways to study personal health ecologies. For example, one could analyze the roles individuals play within the ecologies (roles such as instigators of health decisions, influencers who provide valued advice, and decision makers who have the final authority). And it is also possible to analyze the flows of information that pass among those in the ecology, the ways that identity is developed and managed, and many other topics.

Although these characteristics are undoubtedly important, the key element of the personal health ecologies discussed in this report is consumers' *health management strategies*. Consumers express self-agency, self-customization, and self-organization through these strategies, and the strategies pull on resources in their personal health ecologies. Through our interviews and survey, we have identified eight strategies that describe the complex ways consumers pull resources from their personal health ecologies to

manage their health. These strategies can be arranged across two important dimensions—level of engagement and definition of health (see Figure 4–1).

Engagement refers to the extent to which consumers express self-agency, self-customization, and self-organization. The definition of health refers to whether their health ecologies fall predominantly inside the traditional health care system or in a broader marketplace that includes CAM, consumer products, and other choices that may have real or perceived

Figure 4–1
The Spectrum of Health Management Strategies



Source: Institute for the Future

4. HEALTH MANAGEMENT STRATEGIES

Consumers will move away from the less engaged end of the spectrum with the narrowest definitions of health and toward the more engaged strategies with the broadest definitions of health

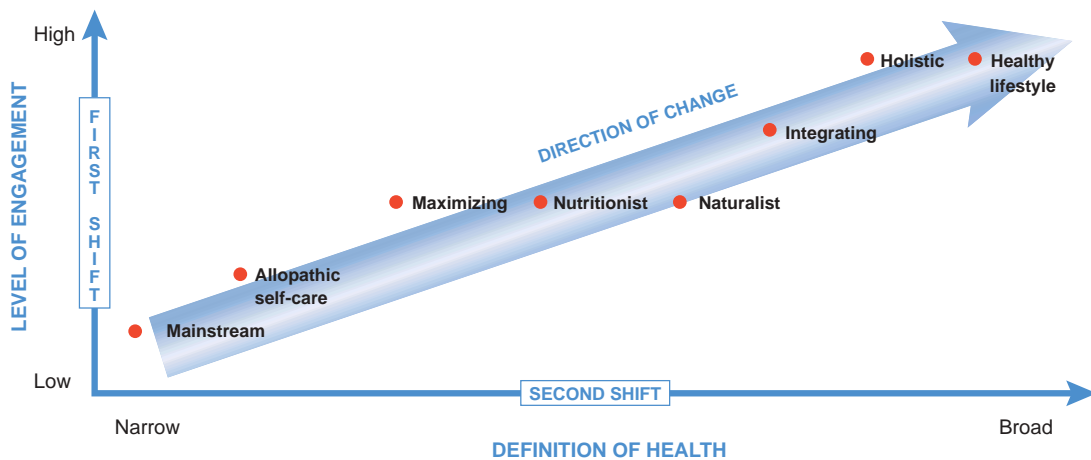
health benefits. It is important to note that these strategies are not a typology of consumers, as the strategies are dynamic and change over time in response to shifting health needs. Individual consumers may also adopt more than one strategy at a time to address different dimensions of their health, such as physical appearance, fitness, or stress levels.

In this chapter, we consider the key characteristics of each health management strategy, and the role that self-agency, self-customization, and self-organization play in each (see Table 4–1 on page 28). We provide more specific information about the strategies in the Appendix, “A Spectrum of Health Management Strategies” on page 41.

WHAT DOES IT MEAN?

Why should health care companies care about consumers’ spectrum of health management strategies? Because the mix of strategies will shift over the next decade in response to the changes in the health care landscape. This shift will take place in two phases, with the result that consumers will move away from the less engaged end of the spectrum with the narrowest definitions of health and toward the more engaged strategies with the broadest definitions of health (see Figure 4–2). As this shift

Figure 4–2
A Big Shift Toward Healthy Lifestylers



Source: Institute for the Future

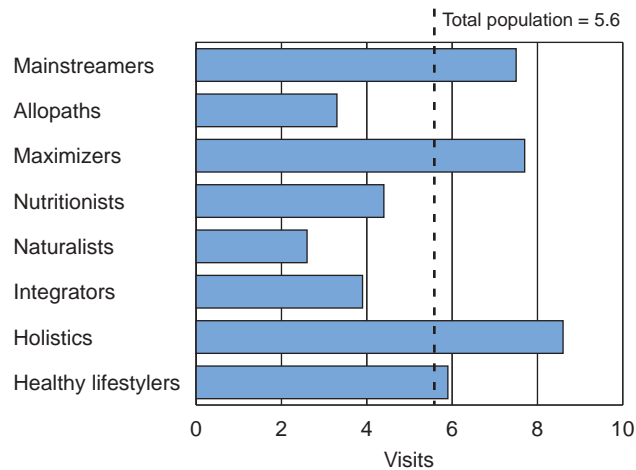
occurs, it will have direct consequences for health care demand and treatment adherence.

The First Shift: Toward Greater Engagement

In the short-term, consumers will be pushed to express greater self-agency, self-customization, and self-organization. This will happen as a consequence of the ongoing increases in health care costs and media messages about health risks, and will continue for the foreseeable future. As consumers respond to these stressors, many will turn to the bell-wether behaviors that have helped them manage cost, uncertainty, and risk in other areas of their lives. In other words, they will respond to adversity in their health care management by becoming more engaged.

This means that mainstreamers and allopaths—today a sizeable share of the health care market—will become a smaller share, while maximizers, healthy lifestylers, and those with other high self-agency strategies will increase in share. This will have a direct impact on demand, as people with high self-agency strategies report more frequent doctors visits (see Figure 4–3). This trend will be magnified by health status as well. For example, people who use a holistic strategy are both high in self-

*Figure 4–3
Engagement Increases Demand for Health Care Resources
(Mean number of doctor visits in 2002)*



Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

4. HEALTH MANAGEMENT STRATEGIES

Table 4–1
Characteristics of Health Management Strategies

	HEALTH MANAGEMENT STRATEGIES			
	<i>Mainstreaming</i>	<i>Allopathic Self-Care</i>	<i>Maximizing</i>	<i>Nutritionist</i>
Engagement	Low	Low	Moderate	Moderate
Health Definition	Narrow	Narrow	Narrow	Expanded
Self-Agency	Low	Low to moderate	Moderate to high	High
Self-Customization	Low	Low	Moderate	High
Self-Organization	Low	Low	High	High
Key Characteristics	<p>Belief that doctors can serve all health and health care needs.</p> <p>Tends to be the strategy for high-risk, low-knowledge situations, e.g., new diagnosis of cancer.</p> <p>More likely to be elderly.</p>	<p>Minimize health care interactions and reduce or avoid symptoms.</p> <p>Treat health problems at home with conventional over-the-counter products, or else “tough them out.”</p> <p>Strategy tends to be for low-risk, high-knowledge health decisions, e.g., treating common cold or burn.</p> <p>More likely to be young and healthy (no chronic illnesses); also a work-around strategy for those without access to health care.</p>	<p>Mitigate risk of unequal health care outcomes by demanding more from the health care delivery system.</p> <p>Will “do their homework” and “work the system” to get the best health care, then share successful tactics with others.</p>	<p>Belief that most health problems can be avoided with proper food and diet.</p> <p>Experiment with diet and lifestyle.</p> <p>Constant tweaking of diet to reflect current needs and well as new information.</p> <p>More likely to be people who manage diet-related chronic illnesses (e.g., eating disorders, diabetes); also a work-around strategy for people without health care access.</p>

Source: Institute for the Future

HEALTH MANAGEMENT STRATEGIES

<i>Naturalist</i>	<i>Integrating</i>	<i>Holistic</i>	<i>Healthy Lifestyle</i>
Moderate	High	Very high	Very high
Broad	Expanded	Broad	Broad
Very high	High	Very high	Very high
High	High	Very high	Very high
High	High	Very high	Very high
<p>Belief that natural healing processes are best.</p> <p>Put only “pure” things in their body.</p> <p>Avoid interactions with health care system.</p> <p>Generally not compliant, believe health care providers are too authoritarian.</p> <p>Place a lot of trust in consumer-to-consumer channels and actively seek “kindred spirits” across range of settings.</p> <p>More likely to be chronically ill with history of unsatisfactory health care experiences.</p>	<p>Get diagnoses from health care provider, and combine health care and CAM treatments; may experiment or “dabble” with different treatment modalities.</p> <p>Customize treatment plans by pulling multiple offerings from CAM or other modalities; willing to pay for CAM treatments or other out-of-plan products and services.</p> <p>More likely to be chronically ill who are dissatisfied with the limits of conventional treatments.</p>	<p>Belief that each health modality has its areas of competency—use the health care system and CAM only for the things each does well.</p> <p>Will “do their homework” to get the best care available from different providers, but does not expect to have all needs met in one place.</p> <p>More likely to be chronically ill people (with higher levels of education and income) and those with deep knowledge of other health modalities (e.g., immigrants).</p>	<p>Belief that health is affected by all aspects of life (e.g., work, family, community), and integrates health needs into a range of life decisions.</p> <p>May be very demanding. “Average” health is not good enough.</p> <p>Look for products with real or perceived health benefits (e.g. food, clothing, etc.)</p>



4. HEALTH MANAGEMENT STRATEGIES

agency and are the most likely to be chronically ill—and holistics report over 50% more visits to their physicians than the general population. Over the next decade, expect a continued increase in demand as a consequence of greater consumer engagement in health care.

The Second Shift: Toward a Broader Definition of Health

The second shift will expand the definition of health held by many consumers. Despite the fact that the definition is already expanding, many health care consumers still have a fairly narrow one. For example, mainstreamers, maximizers, allopaths, and even nutritionists—who compose about 80% of the population—have a perspective on managing health that is fairly compatible with the Western allopathic model. Naturalists, integrators, holistics, and healthy lifestylers have a broader perspective that incorporates other modalities of care, but people who use these strategies make up only about 20% of the population. (The percentages given for each profile actually add up to slightly more than 100%, as people can use multiple strategies to fulfill different needs.)

However, this mix is likely to change in the next decade as the health economy continues to grow. Already most consumers believe in the importance of many non-medical contributors to their health, such as the cleanliness of their homes, a good work–life balance, and spending time with their families. But new products and services will become available to capitalize on those perceived contributors. For example, the market for cosmeceuticals—cosmetic products with drug-like benefits—market grew 10% in 2001 according to Burrill & Company, and IFTF forecasts that the functional foods market will grow at a compound annual rate of 9% in the next decade.

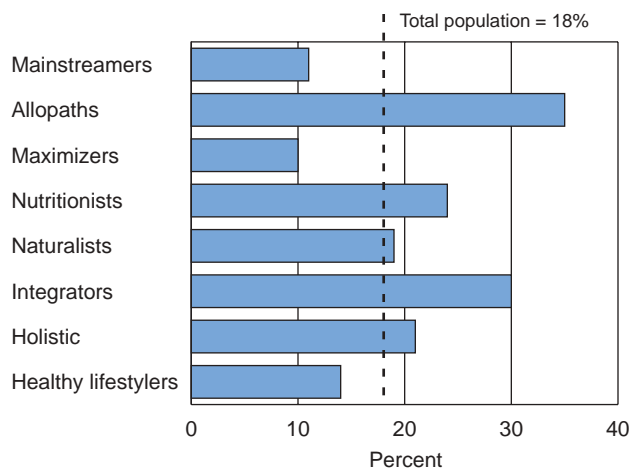
Furthermore, as our population ages, the prevalence of chronic illnesses will grow by as much as 26% in the next two decades. As baby boomers become older and sicker, some will encounter the limitations of the Western model of health. (In fact, many of our holistic and naturalist interviewees cited such limitations—lack of control in interactions with doctors, limited or no treatments available for some chronic illnesses, and so on—as the reason(s) they switched to those strategies.) As a result,

greater numbers of consumers, especially baby boomers, will gradually shift to health management strategies that endorse a broader definition of health. Accordingly, by the end of the decade, we could see as many as twice the number of consumers endorsing the broader strategies.

But even as demand for physician visits increases, adherence will not necessarily increase. In contrast to mainstreamers and maximizers, who are least likely to not complete a prescribed treatment course, people who endorse other strategies are up to three times more likely not to comply with doctors' orders (see Figure 4-4). Clearly, the shifts in consumers' health management strategies will make matters more complex for physicians, not less.

By the end of the decade, we could see as many as twice the number of consumers endorsing broader health management strategies.

*Figure 4-4
Health-Focused Strategies Less Compliant
(Percent of those who did not complete their last
prescribed course of medication, by behavior)*



Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

5. BUSINESS CHALLENGES AND OPPORTUNITIES



What does all of this mean for health and health care businesses? In this chapter, we outline the key learnings and business opportunities for those seeking to play in a transformed consumer health marketplace.

KEY LEARNINGS

Six trends—expanding definitions of health, the new cycle of care, greater consumer self-agency, self-customization, and self-organization, and the new spectrum of health management strategies—will transform the consumer health landscape tremendously. Each trend will also generate new pressures and intensified competition among health and health care players.

Expanding Definitions of Health

Expanding definitions of health will drive market fragmentation, shaping consumer health markets in the next decade. As a result, consumers will have a broader understanding of their health risks, of the underlying causes of their illnesses, of potential interventions, and of whom they consider health “experts.” Ultimately, this shift will create tensions in the delivery of traditional health care services, with the potential to redefine patient–provider relationships and what adds consumer value. This shift also creates opportunities for companies to provide options for consumers to enact their own definitions of health and health management.

The New Cycle of Care

The new cycle of care will be difficult to negotiate for many consumers. Those with more resources and energy will be better able to navigate it, while others will be burdened by the effort required. Under the old rules, the patient who gave complete control to the caregiver was considered a good patient—and these people will continue to do reasonably well to the extent their

providers keep up with medical advances, spend the time required to explain them, and are supported by a system that reduces errors.

But as we move to a health landscape in which patients are expected to shoulder more of the burden of decision making, then lack of education, resources, or time and energy will become distinct liabilities that will be tied to poorer health outcomes. This could result in a vicious cycle of poor outcomes, greater need for health care, further inability to hold up their end of their own care, and so on. Such heavy users of health care resources may become an unattractive market to many health care plans and providers, and may re-focus a debate, at least in the United States, about what we as a society regard as an appropriate level of paternalism in health care.

Greater Consumer Self-Agency

Self-agency in health care is not a new behavior, as empowered consumers have already put self-agency practices to use in the ways they interact with traditional health care providers, exert control in health care decisions, bring more information to bear on their health care choices, and adamantly protect their privacy. But self-agency will become a necessary part of the consumers’ interactions with the health care delivery system. Consumers with high self-agency will drive new demands in health care—including better and valuable information, new doctor–patient relationships that integrate different definitions of health and retain a consumer’s sense of control, and access to the latest treatments for their illness and



5. BUSINESS CHALLENGES AND OPPORTUNITIES

KEY LEARNINGS

- Expanding Definitions of Health
- The New Cycle of Care
- Greater Consumer Self-Agency
- Greater Consumer Self-Customization
- Greater Consumer Self-Organization
- The Spectrum of Health Management Strategies

health needs. Ultimately, this behavior will create tensions in the delivery of care. For example, consumer demand for new technologies or pharmaceuticals may increase faster than health care providers' ability to integrate them into clinical practice.

Greater Consumer Self-Customization

Self-customization—the ways consumers incorporate different products into their health management strategies—will bring new competitors into the health care marketplace. Self-customization means that for each household, and possibly for each individual in a household, health management will look different, as consumers incorporate different foods, health related technologies, social behaviors, and the like to manage their health. As costs for health care continue to increase, a share of consumers will move to cheaper health management strategies, such as OTC or CAM products.

Thus, health care products and service companies will increasingly have to compete with outside players for these consumers' dollars—and many of these consumers will be the “best” health care clients. Even those consumers who do pursue treatment from the health care delivery system may elect to use prescribed treatments in conjunction with other solutions. These consumers run the risk of poorer clinical outcomes if they encounter providers who fail to ask about and compensate for these customizations.

Greater Consumer Self-Organization

Self-organization—the ability to tap into social networks—is another key behavior that will define consumer engagement in health and health care. Self-organization is becoming an important approach for mitigating risks (real or perceived) in health decisions. As the responsibility for decisions shifts to consumers, they will seek ways to reduce the information work, cut through bureaucracy, and get access to new information through their social networks—friends and family, colleagues at work, friends of friends, and other consumers who share similar health concerns or values.

In fact, health communities that share some affinity (such as a cancer diagnosis, the goal of losing weight, or the belief that the body can heal itself) will become critical resources for information and practices for reducing the risk of health care decisions. The downside to this behavior is that reliance on social networks (and their opinions and information)

may in fact expose consumers to more risk, as reliance on this kind of information may lead to suboptimal decisions. For businesses and providers, the risks range from interacting with misinformed consumers to interfacing with highly organized groups of consumers with new demands. The upside of self-organization for businesses lies in the power of social networks as channels of communication and diffusion by which they can market and distribute their goods and services.

The Spectrum of Health Management Strategies

Health and health care organizations and businesses will have to deal with consumers who express all levels and combinations of self-agency, self-customization, and self-organization in the context of an expanding definition of health. The shift toward more engaged and more alternative strategies will not only increase health care demand, but also create the need for new types of doctor–patient relationships and new ways to integrate medical information, patient preferences, and alternative health modalities. Plans and providers who take these health management strategies into account will be more likely to achieve superior clinical and perhaps financial outcomes than those who don't.

BUSINESS CHALLENGES AND OPPORTUNITIES

These trends will present challenges and opportunities for companies in the health and health care markets, especially three key categories of players—payers and insurers, clinical products and services, and consumer products and services.

Payers and Insurers

To move toward more rational and value-based medical decisions, consumers will need to receive differentiated options such as access to higher quality providers, coverage of a wider range of services, and better and valuable information. Several areas are especially important to consider.

Greater Cost Transparency Is Needed

There is little to no cost transparency for consumers in health care. As costs and decisions shift to consumers, they will have to know what the costs are to make informed decisions. This could drive the rational consumer behaviors that underlie many of the consumer-directed initiatives coming into place now. For example, a more accurate up-front knowledge of final out-of-pocket costs could prompt individuals to treat their colds themselves rather than going to the doctor.

For Payers and Insurers

- Greater Cost Transparency Is Needed
- Develop a Framework for Product Differentiation
- Insurers Should Spread Risk
- Where to Play?

Develop a Framework for Product Differentiation

The health management strategy spectrum can become a framework for creating different insurance products—each with different notions of health risk and services that meet definitions of consumer value across the spectrum. Creating differentiated insurance products is a matter of design; the challenge will lie in delivering a differentiated experience in the traditional health care system.

Insurers Should Spread Risk

Insurers should seek ways to include consumers across the spectrum of strategies. This will depend on adding features or benefits that resonate with that group while not increasing overall costs. The right mix will be critical, as people using some strategies, such as mainstreaming, show higher levels and more intense use of traditional health care services. On the other hand, lighter users of health care services, such as nutritionists, might not be attracted to plans with more health care coverage, but would welcome coverage of their gym memberships, for example. Incentives for reduced use of health care services should not be off limits.

Where to Play?

Consumers' broader definitions of health will ultimately raise the question of where payers and insurers should play. Plans and providers who take the broader definitions into account will be more likely to achieve superior clinical and perhaps financial outcomes than those who are in denial about consumers' extramural health activities. But decisions to provide services and capture more of the market created by expanding definitions of health—such as covering CAM services—presents a slippery slope. If it works, consumers will simply come to expect more of the same.

Clinical Products and Services

The spectrum of health management strategies creates the need for new types of doctor–patient relationships. Patients will have a range of ways to integrate medical information, their needs and preferences, and alternative health modalities into the medical decision-making process—and they will want their health care providers to be responsive to their individuality.

More Self-Agency Means More Demand and More Transparency

More consumers will express self-agency in their interactions with health care providers—by requesting more diagnostic tests or annual copies of their medical records, for example. The most successful organizations will learn to manage these consumers' needs in a cost-effective manner, perhaps, by providing extra services for an extra fee. But playing in a high self-agency market also means that clinical product and service providers will have to become more savvy about customer relationships, perhaps by creating loyalty programs for their best customers, for example.

Simplify the New Cycle of Care to Add Consumer Value

Providers will struggle to incorporate engaged consumers' new activities into their cycle of care. The biggest added value for consumers will be to simplify the cycle or even eliminate some steps. In some cases, that may mean encouraging patients to look for more comprehensive solutions to their medical problems outside the system.

Develop New Models of Persuasion to Maximize Adherence

Consumers' understanding of causation will likely conflict with providers' views at times, leading to an erosion of trust and exacerbating issues of patient adherence to treatment. With the erosion of physicians' status as sole purveyors of medical information, health care providers will need to develop new models of persuasion to maximize adherence. Clinical product and service providers should look to persuasion techniques used by service providers in other industries, and will need to add sales skills to their repertoire. Some consumers will still respond best to an authoritative approach, but many will prefer that their health care providers act as advisors, coaches, or even partners in their medical decision making.

Expect Ongoing Tension Between Standardization and Fragmentation

Health care market fragmentation is at odds with the movement toward greater standardization of care in evidence-based medicine. It's difficult to treat every patient as unique while also maintaining a single standard of care. Problems are especially likely to play out when consumer utility

For Clinical Products and Services

- More Self-Agency Means More Demand and More Transparency
- Simplify the New Cycle of Care to Add Consumer Value
- Develop New Models of Persuasion to Maximize Adherence
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5. BUSINESS CHALLENGES AND OPPORTUNITIES

is in conflict with clinical utility; for example, if a person's personal health ecology includes a particular herb that is unrecognized by her doctor. Due to liability concerns, physicians will be likely to respond to market fragmentation much earlier for minor inconveniences such as colds, only later for chronic care issues such as back pain, and latest of all in crisis or acute situations.

Consumer Products and Services

Consumer products and service companies stand to benefit the most from the emerging health economy—remember the health care industry can't do everything. If health care product and service companies don't respond to consumer needs, others will do so.

The Healthification of Lifestyle Will Expand Markets

Consumers' expanding definitions of health mean that more needs will be interpreted in health terms. This trend will be similar to what some have termed the "medicalization of lifestyle"—using medical diagnoses for behaviors that used to be considered purely social or personal topics (e.g., social anxiety disorder instead of shyness, male sexual dysfunction instead of impotence). But the healthification of lifestyle is a consumer-driven phenomenon, not market or industry defined. For many consumers, common problems will increasingly be viewed as health problems (e.g., balancing schedules, effective parenting, maintaining air and water quality within the home, and managing beauty and physical appearance). This means new or expanded markets for companies who are nimble enough to quickly respond to consumers' emerging needs.

Pay Attention to Viable Customizations

In consumer technology markets, early adopters often tinker with the product, essentially adding features or repurposing technologies to meet new needs. Similarly, consumer health companies should notice the kinds of customization that engaged health consumers are doing, identify the underlying need, and commercialize the viable customizations and workarounds (for example, by bundling multiple products for allergy control or to treat common colds).

Reducing Consumer Perceptions of Risk Will Create Value

Consumers feel as if they live in a risky world, and they naturally look for obvious ways to mitigate that risk. Regardless of the medical profession's assessment of quantifiable health risks, perceived risk is often

amplified in the media and social networks. Solutions to physical, social, financial, emotional, and other forms of risk are often negotiated in the health marketplace, as is the case when people get full-body scans to make long-term care insurance decisions, or purchase air filters to reduce the impact of second-hand smoke. Companies that are facile at building awareness of risks, earning trust, and communicating tradeoffs to consumers will succeed over those that aren't.

Prepare for the Inevitable Pushback

Over time, easily jaded consumers will raise their expectations for health products and services. Consumer product and service companies will have to deal with the negative side of the three bellwether behaviors—self-agency, self-customization, and self-organization. All it will take is one bad bottle of orange juice. Consumers have already begun to hold companies legally responsible for unhealthy products (consider the lawsuits against big tobacco and McDonald's, for example). They will respond similarly to health products that don't deliver on their claims. Who wants to face a class action from the parents of children who used antibacterial soap but became sick anyway? As nebulous as some lawsuits will be, public discussions of liability will hurt brand equity, and there is always a potential for markets to reject products en masse via self-organization. Furthermore, lawsuits and liability issues will prompt regulatory agencies to become more involved in evaluating health claims, creating greater costs of participation. As a result, managing risk will be a key business practices for those that respond and play in the new consumer health landscape.

For Consumer Products and Services

- The Healthification of Lifestyle Will Expand Markets
- Pay Attention to Viable Customizations
- Reducing Consumer Perceptions of Risk Will Create Value
- Prepare for the Inevitable Pushback

APPENDIX: A SPECTRUM OF HEALTH MANAGEMENT STRATEGIES



This Appendix contains detailed information about the key characteristics, behaviors, preferences, and strategies of the eight health management strategies outlined in Chapter 4. Each description includes a profile of a typical health consumer who utilizes the strategy.

Our spectrum of health management strategies was developed from the results of our survey and ethnographic interview research. Our ethnographic research consisted of 25 two-hour interviews with residents of the San Francisco Bay Area and Central Valley of California. These individuals varied across age, gender, socioeconomic class, educational attainment, and ethnic and racial groups, as well as by health and insurance status. Our online survey of 1,000 American adults was based upon a random sample of MarketTools' consumer panel. The data was projectively weighted to be nationally representative of American consumers aged 18–64, based on age, gender, Census region, and education distributions.

MAINSTREAMERS

People who adopt a mainstream strategy strive to meet all their health needs through the traditional health care delivery system. In our interviews, we found that this strategy was likely to be used by those over 65 years old, although others adopted it in high-risk, low-knowledge situations, such as a newly diagnosed serious illness that requires immediate treatment or in the ongoing management of chronic disease.



LORRAINE SPARKS: MAINSTREAMER

Lorraine Sparks is a 30-year-old woman, married, and has a son who is five years old. Lorraine works at her son's elementary school as an administrative assistant and teacher's aide. She relies heavily on physicians to manage her lupus.

Lorraine's strategy is mainstreaming. Good health to her means getting regular checkups, and working with physicians to identify ways to improve her health. Her family has offered various home remedies and information about traditional healing systems, but she thinks these remedies are ineffective. Instead, she relies on her primary care physician to keep tabs on her, and credits that physician for helping her cope with the deaths of three family members. She uses only "official" sets of health information, such as those provided by her doctor or hospital. Even the lupus and chronic pain support groups she has joined are organized by the hospital.

Lorraine's strategy is heavily informed by past experience. She recalls seeing many people in her family become severely sick or die because they did not see the doctor sooner. She has also had several close calls herself, one in which her physician found she had blocked intestines for which she had to have radical surgery. For Lorraine, having trusted doctors who can give good information and advice is key to her health management.

WHO IS USING A MAINSTREAM STRATEGY?

In our survey, we identified mainstreamers as the 13% of the sample who reported a preference for letting their doctors decide the most appropriate treatments for both serious and mild conditions, without having any input. Mainstreamers are more likely to be male, less educated, and report more doctor visits—although not more out-of-pocket costs (see Table A-1).¹

KEY MAINSTREAMING BEHAVIORS

The mainstream strategy involves low levels of self-agency (see Table A-2 on page 44). Consumers who utilize this strategy are seeking the traditional patient role that allows health care providers to drive decision making. Indeed, adherence to physician recommendations, getting routine checkups, and complying with prescribed treatments are the ways self-agency is expressed in this strategy.

*Table A-1
Who Is Using a Mainstream Strategy?
(Percent of respondents who are or have ...)*

	<i>Mainstreamers</i>	<i>Total</i>
Female	30	55
At least some college education	45	56
Insured	82	83
Chronically ill or were diagnosed with a severe illness within the last year	42	45
Paid at least \$500 in OOP health care costs in 2002	33	46
Paid at least \$500 in OOP non-medical health costs in 2002	18	30
Mean number of doctor visits in 2002	7.5	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

¹ We did not test whether individuals 65 years or older would be more likely to endorse a mainstream strategy, as our online survey only included 18–64 year olds.

APPENDIX

Mainstreaming also expresses low levels of self-customization and self-organization. Rather than experiment with different modalities of care, this strategy focuses on the traditional health care system. People who adopt this strategy rely on “official” sources of information, such as their physicians and other professional health care providers, and are less likely to look for information on their own. They are also less likely to offer assistance to their friends and family on health issues.

*Table A-2
Mainstreamers
(Percent of mainstreamers and the total population who ...)*

	<i>Mainstreamers</i>	<i>Total</i>
Self-Agency		
Report that their doctor’s most important role in their health care is to give them prescriptions (as opposed to preventative information, partnering in decision making, or some other role)	45	33
Self-Customization		
Strongly or moderately agree with the statement: “I am always experimenting with new foods that may improve my health.”	26	37
Strongly or moderately agree with the statement: “I think most complementary and alternative medicine doesn’t work and isn’t safe.”	50	33
Self-Organization		
Went online to find health or nutrition information in the last 12 months	25	48
Have talked to friends or family members about health and nutrition in the last 6 months	33	53
Strongly agree with the statement: “Friends and family members sometimes need my help to understand health and medical issues.”	3	15

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

ALLOPATHIC SELF-CARE

Individuals who pursue an allopathic self-care health management strategy strive to meet all their health needs through conventional OTC products, primarily because they do not perceive much value in the health care delivery system. Maximizing health is not the primary focus of this strategy. Instead, the emphasis is on minimizing health care interactions and reducing or avoiding symptoms.



TARA HERNANDEZ: ALLOPATH

Tara Hernandez is an 18-year-old woman who is currently looking for a job and is without health insurance. She lives with her aunt and uncle, who are like parents and provide room and board. Like many people her age, she spends most of her time hanging out with her friends and her boyfriend. Tara is healthy, although she suffers from chronic bladder infections and admits to bad eating habits.

Tara's health management strategy consists of taking vitamins, drinking cranberry juice for her bladder infections, and taking fiber pills to compensate for her bad eating habits. She also relies heavily on Vicks, NyQuil, and DayQuil for symptomatic relief of colds. She avoids seeing physicians except when absolutely necessary, as when a sinus infection caused her eardrum to rupture and she was taken to urgent care.

Tara's health management strategy does not require much from her except the ability to find the right brand at the right price. For Tara, health is peripheral, and when a health need arises she consumes her OTC solution of choice.

APPENDIX

Who Uses an Allopathic Self-Care Strategy?

In our survey, we identified individuals who use an allopathic self-care strategy as the 16% of our online sample who agreed strongly with the statement: “I prefer to try to treat conditions myself rather than having to go to a doctor.” This strategy was more likely to be used by those who are young and healthy, or as a workaround by people without health care access (see Table A–3). Consumers with an allopathic self-care strategy reported fewer visits to the doctor than did others, but spend comparable amounts out of pocket on health and health care.

Key Allopathic Self-Care Behaviors

The allopathic self-care strategy involves low to medium levels of self-agency, depending on whether the emphasis is on treating health problems with conventional OTC products, or avoiding dealing with these problems altogether (toughing them out). In fact, only about half (48%) of the chronically ill using this strategy report that they manage their illness through a doctor-prescribed treatment, such as prescription medication, planned diet, or other approach. These people are more likely to report managing their illness through “rest, home remedies, and non-prescription medicine”—or trying to “tough it out” by not doing anything at

*Table A–3
Who Is Using an Allopathic Self-Care Strategy?
(Percent of respondents who are or have ...)*

	<i>Allopathic Self-Care</i>	<i>Total</i>
Female	63	55
18–34	45	32
At least some college education	49	56
Insured	78	83
Chronically ill or were diagnosed with a severe illness within the last year	40	45
Paid at least \$500 in OOP health care costs in 2002	42	46
Paid at least \$500 in OOP non-medical health costs in 2002	26	30
Mean number of doctor visits in 2002	3.3	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003

all. People who endorse this strategy are also more likely to report that they are trying to treat more of their health problems by themselves instead of going to the doctor (see Table A–4).

This strategy does not involve much self-customization or self-organization—it is a strategy of consumption, and not informed self-treatment. However, consumers using this strategy may develop strong brand loyalties to products or retailers. On the other hand, individuals who use an allopathic strategy are unlikely to seek out health information sources; instead they are likely to get information indirectly from TV, magazines, or other media, or from people who have other roles in their social networks, such as friends and family.

Table A–4
Allopaths
(Percent of allopaths and the total population who ...)

	<i>Allopathic Self-Care</i>	<i>Total</i>
Self-agency		
Report that their doctor does not play any important role in their health care	14	6
Has sought a second opinion	38	46
Strongly or moderately agree with the statement: “I am more likely to treat my own health conditions today than I was 12 months ago.”	72	48
Self-customization		
Strongly agree with the statement: “Having a range of choices in dietary supplements helps me manage health conditions on my own.”	25	15
Strongly or moderately agree with the statement: “I often feel like I have very few choices about my health care.”	53	44
Self-organization		
Used three or fewer health information sources within the last 12 months	57	48

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

MAXIMIZERS

In contrast to an allopathic self-care strategy, the maximizing strategy aims to leverage the value of health care benefits. Maximizers are very concerned about unequal health care outcomes, and try to mitigate this risk by demanding more from the delivery system. In general, they tend to view most health decisions as high risk even though they may have a high degree of knowledge about the topic.



DEBBIE MILLER: MAXIMIZER

Debbie Miller is a baby boomer in her mid-fifties and mother of two adult children. Debbie raised her sons mostly by herself after divorcing her husband. She worked many years in a lab for a semiconductor manufacturing company and remarried several years ago. Debbie has health insurance through Kaiser Permanente and considers herself relatively healthy, although she is currently managing several illnesses or conditions—among them her son's attention deficit disorder (ADD) and her own ADD with depression, migraines, menopause, chronic fatigue, and extreme chemical sensitivities. Debbie takes many herbs and supplements for these conditions. However, her primary health management strategy is maximizing what the health care system and her health plan can offer—including seeing physicians, accessing specialists, taking prescription drugs, getting tests, and finding and reading clinical information.

To put her strategy in place, Debbie does a lot of research on prescription medication and the illnesses she has. Part of her information work includes asking Kaiser for copies of her medical record every year. She does this because she often finds that physicians write things down but never discuss them with her. She takes the record, conducts research online, gets others to review it, and takes it to physician visits for clarification. She changes physicians frequently.

Debbie believes health care quality is not equal for everyone, so a person must work hard to get the best outcome. She told us that she once added a test to a lab order without her doctor's knowledge to ensure that her son received the test. Whether it's finding the right Kaiser physician, taking the right test, or getting the right drug, Debbie goes through health care resources until she finds the right fit. In the case of prescription drugs, when her son's doctor did not prescribe the "right" drug for his ADD, she went through Kaiser's process and got them to approve a drug not in the formulary. As she said, "I get more out of Kaiser than most people."

Who Uses a Maximizing Strategy?

In our surveys, we identified maximizers as the 33% of survey respondents who strongly agreed with the statement: “I work hard to make sure I am getting the best possible care from my doctors and health care providers.” This strategy is likely to be used by women who are chronically ill (see Table A–5). We also found in our interviews that maximizers often were caring for someone with a chronic illness, or had themselves had direct experience with unequal health care outcomes.

Key Maximizing Behaviors

Maximizers have moderate to high amounts of self-agency (although it may seem to their physicians as if they all have very high levels of self-agency!). People who use this strategy can be very demanding, and want to be a partner in all health decisions (see Table A–6 on page 50). They are willing to “do their homework” and “work the system” to get the best health care and share successful tactics with others. They are willing to follow onerous bureaucratic procedures if that’s what it takes to get their insurance plan to cover their needs.

Table A–5
Who Is Using a Maximizing Strategy?
(Percent of respondents who are or have ...)

	<i>Maximizers</i>	<i>Total</i>
Female	64	55
55–64	22	16
At least some college education	58	56
Insured	90	83
Chronically ill or were diagnosed with a severe illness within the last year	58	45
Paid at least \$500 in OOP health care costs in 2002	52	46
Paid at least \$500 in OOP non-medical health costs in 2002	31	30
Mean number of doctor visits in 2002	7.7	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

Maximizers also engage in moderate amounts of self-customization, and have highly developed practices for interacting with providers to ensure health care quality. Maximizers tend to be excellent self-organizers; they are information-intensive and maintain an extensive network of information sources. They may have peers with the same medical conditions in their networks. Their built up knowledge and relationships are a source of pride and are actively maintained. They are very willing to share strategies with others in online forums or among friends and family.

*Table A-6
Maximizers
(Percent of maximizers and the total population who ...)*

	<i>Maximizers</i>	<i>Total</i>
Self-agency		
Strongly agree with the statement: "I expect my doctor or health care providers to recommend diagnostic tests as part of my regular exams.	67	44
Spend two or more hours per week managing their health	44	34
Believe that seeing a doctor regularly is very important for their health	60	40
Report that their doctor's most important role in their health care is to be an equal partner in their decision making (as opposed to providing preventative information, writing prescriptions, or some other role)	26	17
Self-Customization		
Have sought a second opinion	61	46
Self-Organization		
Strongly agree with the statement "I rely equally on friends or family and on my doctor to understand my health and how to treat my illnesses."	20	11
Strongly agree with the statement "My friends or family members sometimes need my help to understand health and medical issues."	26	15

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

NUTRITIONISTS

Nutritionists focus on prevention as the way to meet their health needs. They believe that they can avoid most health problems with proper food and diet, and use their weight and diet quality as a metric for overall health. The strategy is centered in the belief that through food and diet one can avoid health problems; consequently, it involves a strong focus on the quality of what is put into the body.



JOHN WALKER: NUTRITIONIST

John Walker is a healthy 17-year-old teenager who recently graduated from high school and moved out of his parents' home and into a mobile home with three friends his age. John is an intern at a computer company, is uninsured, and does not fall under his father's coverage. John is risk averse and avoids any activity that might result in getting hurt or going to the doctor. Without health insurance, John manages his health by eating healthy foods.

Unlike most people his age, John has accumulated a lot of experience interacting with physicians and treatments. John had epilepsy as a child and has outgrown it and slowly weaned himself from medication in the last several years. However, in the process he gained a lot of weight—something he attributes to the various prescription drugs he was taking and their effect on his metabolism. Perhaps because of the extreme weight gain or lack of other alternatives, John actively manages his weight and is concerned about nutrition. In fact, he has been quite successful, dropping from nearly 300 to 170 pounds.

John believes that most health problems can be avoided with proper food and diet, and he is highly involved in developing an understanding of nutrition and food preparation. John does not follow any particular diet or eating plan prescribed by a physician. Instead, he has experimented with different eating habits—cutting out desserts, eating more carbohydrates, eating more protein, exercising, not exercising, and so on—until he found what worked for him. Part of his practice includes actively mining different Web sites for nutrition and food information and cooking tips.

APPENDIX

Who Is Using a Nutritionist Strategy?

In our survey, we identified people who use a nutritionist strategy as the 18% of the sample who strongly agreed with the statement, “People can avoid most illnesses just by eating right.” Interestingly, this group does not appear to be demographically different from others who do not endorse this strategy (see Table A-7). In our interviews, we discovered that this strategy was likely to be used by a wide range of people, including people who manage diet-related chronic illnesses, such as eating disorders or diabetes, people who are trying to reduce weight and change their appearance, and uninsured people who use food as a workaround strategy. A common goal is to maintain weight and diet quality.

Key Nutritionist Behaviors

The nutritionist strategy is a high self-agency strategy, and people who use it try to retain control by being highly involved in health decision making (see Table A-8). They are likely to want to manage health conditions on their own, although they do value the information physicians can provide.

*Table A-7
Who Is Using a Nutritionist Strategy?
(Percent of respondents who are or have ...)*

	<i>Nutritionists</i>	<i>Total</i>
Female	51	55
55-64	18	16
At least some college education	62	56
Insured	83	83
Chronically ill or were diagnosed with a severe illness within the last year	49	45
Paid at least \$500 in OOP health care costs in 2002	42	46
Paid at least \$500 in OOP non-medical health costs in 2002	26	30
Mean number of doctor visits in 2002	4.4	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

This strategy involves active experimentation with diet and lifestyle, by constantly tweaking diet to reflect current needs as well as new information. This strategy is very information-intensive, and places the most trust in sources that offer good diet information.

Table A-8
Nutritionists
(Percent of nutritionists and the total population who ...)

	<i>Nutritionists</i>	<i>Total</i>
Self-agency		
Report that their doctor's primary role is to provide information about preventing illness (as opposed to being an equal partner in decision making, writing prescriptions, or some other role)	13	8
Strongly agree with the statement: "Having a range of choices in dietary supplements helps me manage health conditions on my own."	31	15
Self-customization		
Strongly or moderately agree with the statement: "I am always experimenting with new foods that may improve my health."	63	37
Strongly agree that eating healthy foods is very important for their health	68	45
Self-organization		
Strongly or moderately agree with the statement: "I rely equally on my doctor and the Internet to understand my health and how to treat my illnesses."	68	52
Used three or more sources to get nutrition information within the last year	51	36

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

NATURALISTS

People who pursue a naturalist strategy aim to meet all their health needs through CAM and related OTC products. They believe that natural healing processes are better than most treatments provided by the health care system, and strive to put only “pure” things into their body. This means avoiding prescription medicine and chemicals whenever possible. In our interviews, we discovered that this strategy was likely to be used by people who were chronically ill and had a history of unsatisfactory health care experiences. Some individuals without health care access used this approach as a workaround.



LOLA ANDERSON-CHIN: NATURALIST

Lola is a married 47-year-old mother of two children under the age of three. She is self-employed and is currently covered under COBRA health insurance through her husband's former employer. Lola and her family are relatively healthy and currently are trying to adjust to raising two toddlers while working primarily from home and managing clients' requests throughout the day.

Lola's health management strategy is driven by distinct ideological health values—everything must be natural, organic, chemical-free, and pure. These health values extend beyond food and include an emphasis on “letting the body heal itself” before seeking care in the traditional health care system or even from another alternative health modality. Even the OTC products her family uses—from ear drops to toothpaste—are natural and in their “purest” form available. Lola actively builds on her extensive knowledge of products, health modalities, and an understanding of how her body functions to manage her health. She often relies on her own understanding of the underlying cause of an illness or pain rather than consulting a physician or other provider. For example, rather than seeing a physician for severe pain in her arm, she traced it to the way she was holding her daughter while nursing. She made some adjustments and the pain subsided.

Lola sees herself as part of a community driven by certain health values. These health values are rooted in natural and whole foods, alternative modalities of care, and so on. These values facilitate affinities of trust with others she relies on for information, health practices, and advice. For example, she often shops at Whole Foods and reads *Mothering* magazine and taps into fellow shoppers or readers as sources of information—by asking strangers shopping at Whole Foods for advice regarding which OTC health products to purchase, for example. She actively seeks “kindred spirits” who share her perspective on health, and chooses friends partially based on whether they share the same health values or not.

Who Is Using a Naturalist Strategy?

In our surveys, we identified people who use a naturalist strategy as the 5% of respondents who believed that eating organic foods was very important for their health. (Although this at first sounds like the opinion a nutritionist might endorse, in fact only 12% of them did so. Naturalists place a high value on organic and other foods they consider “pure.”) Naturalists are likely to be well-educated women with a chronic or recent severe illness. However, they also report fewer doctor visits and are less likely to be insured than others (see Table A–9).

Key Naturalist Behaviors

The naturalist strategy is very high self-agency—people who rely on this strategy want transparency and control in all interactions with health or health care providers. They try to be self-reliant, and trust in the “body’s wisdom.”

A key element of this strategy is avoiding interactions with the health care system. These individuals may not be compliant, and may perceive health care providers as too authoritarian. In fact, only 25% of chronical-

Table A–9
Who Is Using a Naturalist Strategy?
(Percent of respondents who are or have ...)

	<i>Naturalists</i>	<i>Total</i>
Female	62	55
55–64	10	16
At least some college education	75	56
Insured	75	83
Chronically ill or were diagnosed with a severe illness within the last year	58	45
Paid at least \$500 in OOP health care costs in 2002	36	46
Paid at least \$500 in OOP non-medical health costs in 2002	25	30
Mean number of doctor visits in 2002	2.6	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

ly ill naturalists treat their illness with treatments prescribed by their doctor (versus 70% of all chronically ill). Instead, they are more likely than the total sample (9%) to choose other solutions, such as incorporating CAM treatments (18%). In fact, naturalists often experiment with different CAM modalities and treatments, particularly if they promise transparency and control (see Table A–10).

Naturalists trust a range of CAM players: portals, alternative publications, staff in trusted retail environments, family and friends, and physical or online communities. They also place a lot of trust in C2C channels, and actively seek “kindred spirits” across a range of alternative health settings.

*Table A–10
Naturalists
(Percent of naturalists and the total population who ...)*

	<i>Naturalists</i>	<i>Total</i>
Self-agency		
Report their doctor's most important role is in providing preventative information (rather than providing diagnoses or treatment, for example)	25	8
Strongly agree with the statement: “By the time I go to the doctor I usually have one or more ideas about the diagnosis of my problems.”	51	20
Self-customization		
Report that “breathing pure air and drinking pure water” are very important to their health	90	42
Have used a homeopathic remedy or treatment within the last 6 months	29	12
Self-organization		
Have visited a CAM provider within the last 6 months	58	32
Have gone online to find out information about CAM within the last 6 months	32	12

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

INTEGRATORS

People who pursue an integrating strategy meet many of their health needs through CAM, although knowledge from the health care system plays an important role. Often integrators will get a diagnosis from a health care provider, but combine traditional health care and CAM approaches for treatment. In contrast to naturalists, who intensively use CAM, integrators may dabble with different treatment modalities but still rely on health care providers for a significant amount of health care. In our interviews, people who pursued this strategy were often the chronically ill who were dissatisfied with the limits of “conventional” Western medical treatments.

JAN HARRIS: INTEGRATOR

Jan is a 35-year-old, married woman with two children aged 3 and 6 years old. She is an art director for a marketing research firm. Work and kids dominate life in the Harris household. Her husband is a sound engineer and works for various media companies in the United States. Health care is covered under Jan's employer's health insurance plan.

Jan's health management strategy is rooted in the traditional health care delivery system, and she relies on trusted doctors for her and her family's care. However, Jan also dabbles in alternative health modalities. This experimentation began when she experienced the limits of conventional health care treatments for her mother's cancer. As a result, she actively integrates information, treatments, and advice from CAM with traditional health care wherever possible. For example, she frequently sees her allergist to get prescription medicine for immediate symptomatic relief, but is also experimenting with acupuncture and Ayurvedic medicine in an effort to strengthen her immune system. In this way, Jan is integrating information and treatment from other modalities to complement the traditional health care system.

Jan's integration strategy is a good example of self-customization. Integrators see the limits of conventional medicine and look for treatments and solutions in other modalities or CAM. People like Jan may seek to treat manifestations of the illness other than the physical and seek care in other modalities or move beyond symptomatic relief and integrate practices for prevention.



APPENDIX

Who Is Using an Integrating Strategy?

In our survey, we identified integrators as the 6% of respondents who believed their doctor's most important role was to give diagnoses but who also strongly agreed with the statement, "The American health care industry could learn a lot from the ways that other cultures take care of people's health." In other words, these respondents see the value of Western medical diagnoses, but also are open to other modalities of care and treatment.

Integrators are more likely to be non-Hispanic white, younger baby boomers. They pay more out of pocket, particularly for non-medical health care, but they visit physicians less frequently than the general population (see Table A-11).

*Table A-11
Who Is Using an Integrating Strategy?
(Percent of respondents who are or have ...)*

	<i>Integrators</i>	<i>Total</i>
Female	54	55
35-44	40	27
At least some college education	54	56
Insured	83	83
Share who are white and non-Hispanic	88	79
Chronically ill or were diagnosed with a severe illness within the last year	45	45
Paid at least \$500 in OOP health care costs in 2002	52	46
Paid at least \$500 in OOP non-medical health costs in 2002	41	30
Mean number of doctor visits in 2002	3.9	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

Key Integrator Behaviors

Integrators have high self-agency (see Table A–12). They strive to be highly involved in health decision making and to retain control. Integrators are also very high in self-customization, and seek to customize their treatment plans by pulling multiple offerings from CAM or other modalities. They are constantly tweaking treatment plans to reflect their current needs as well as new information.

Finally, integrators are intensive users of wide range of health care and CAM information sources: portals, alternative publications, staff in trusted retail environments, family and friends, and physical or online communities. They are likely to seek out health and nutrition information, especially using CAM sources, and believe they should use that information to help with their friends' and family members' health management.

Table A–12
Integrators
(Percent of integrators and the total population who ...)

	<i>Integrators</i>	<i>Total</i>
Self-agency		
Has sought a second opinion	50	46
Co-created a treatment with their doctor, the last time they needed to make a treatment decision	62	31
Self-customization		
Visited a CAM provider (e.g., chiropractor, osteopath, healer) or used homeopathic products within the last 6 months	36	21
Used herbs solely for their health effect within the last 6 months	33	15
Self-organization		
Went online to find health or nutrition information within the last 6 months	53	48
Strongly agree with the statement: “My friends or family members sometimes need my help to understand health and medical issues.”	25	15
Got health information from a CAM practitioner within the last 12 months	26	7

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

HOLISTICS

A holistic strategy involves combining knowledge and treatment from different health modalities to create highly customized treatment plans. In contrast to an integrating strategy that may selectively pull in alternative health modalities, the holistic strategy is based on a deeper knowledge of alternative modalities and a very practical approach to health decision making. This approach is centered on the belief that each health modality has its areas of competency, and it is best to use the health care system and CAM only for the things each does well. Health in this perspective is multidimensional: physical, emotional, spiritual, environmental, and behavioral, and each may be highlighted as an underlying cause of illness or area for intervention and treatment.



MARGARET BAXTER: HOLISTIC

Margaret is a baby boomer who just turned 50. She lives on her own, having recently divorced her husband. She is also a clinical psychology student. She pays for health insurance completely out of pocket and is looking into student insurance plans. Margaret is relatively healthy, although she does have psoriasis, allergies, early osteoporosis, arthritis, and skin cancer, and is transitioning through menopause.

Margaret's health management strategy is holistic. She looks at what each health modality can offer and selects the best method depending on the illness or need, including relying on her own knowledge and taking care of it herself through a change in diet, exercise, or behavior. Margaret's health goal is to not only to relieve the symptoms of her various illnesses or conditions, but more importantly, to age successfully. To accomplish this she is doing several things: (1) changing careers to one she feels is "easier to age" in; (2) engages with various physicians to get information; and (3) adheres to her daily "practice," which consists of various health strategies pulled together from physicians, alternative medicine, and other healing systems.

Margaret's daily practice includes stretching exercises, elevating her feet whenever possible, taking fish oils, vitamins, and Fosamax, doing weight bearing exercise, eating greens, using sunscreen, daily prayer and meditation, practicing zazen, and making time for relationships in her life. For Margaret, adhering to this program is her primary way to keep her body in balance and age successfully.

In our interviews, we found that well-educated chronically ill people and those with deep knowledge of other health modalities (e.g., immigrants) were likely to endorse this strategy. In fact, many of these people reported that managing their chronic illness was an ongoing struggle that required intensive searching for new health management solutions.

Who Is Using a Holistic Strategy?

We identified holistics as the 5% of survey respondents who believed their doctor's most important role was to be an equal partner in decision making, but who also strongly agreed with the statement, "The American health care industry could learn a lot from the ways that other cultures take care of people's health." These respondents go beyond the integrators' endorsement of Western medical diagnoses to seek a more interactive relationship with their physician. As Table A-13 shows, holistics are more likely to be well-educated, are likely to be older baby boomers, and are less likely to be non-Hispanic whites. They also are more likely to be chronically ill than the general population, and report more doctor visits and higher out-of-pocket medical costs.

*Table A-13
Who Is Using a Holistic Strategy?
(Percent of respondents who are or have ...)*

	<i>Holistics</i>	<i>Total</i>
Female	49	55
45-64	52	41
At least some college education	69	56
Insured	93	83
Share who are white non-Hispanic	67	79
Chronically ill or were diagnosed with a severe illness within the last year	65	45
Paid at least \$500 in OOP health care costs in 2002	59	46
Paid at least \$500 in OOP non-medical health costs in 2002	39	30
Mean number of doctor visits in 2002	8.6	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

APPENDIX

Key Holistic Behaviors

The holistic approach is very high self-agency (see Table A–14). Individuals who endorse a holistic strategy want to be highly involved in health decision making and to retain control. They “do their homework” to get the best care available from different providers, but do not expect to have all needs met in one place. In fact, holistic individuals show very high levels of self-customization, actively experimenting with treatment integration. They are willing to pull treatments from CAM in order to meet distinct health goals such as pain management, avoiding environmental contaminants, and so on.

Holistic individuals are also highly self-organizing. They seek health, nutrition, and CAM information, and participate in networks associated with holistic modalities. They tend to have people in their social networks with the same health values, and believe they can help their friends and family manage their health as well.

Table A–14
Holistics
(Percent of holistics and the total population who ...)

	<i>Holistics</i>	<i>Total</i>
Self-agency		
Has sought a second opinion	82	46
Strongly agree with the statement: “I work hard to make sure I am getting the best possible care from my doctors and health care providers.”	56	33
Self-customization		
Visited a CAM provider (e.g., chiropractor, osteopath, healer) or used homeopathic products within the last 6 months	32	21
Used herbs solely for their health effect within the last 6 months	32	15
Self-organization		
Went online to find health or nutrition information within the last 6 months	71	48
Went online to find CAM information within the last 6 months	32	12
Strongly agree with the statement: “My friends or family members sometimes need my help to understand health and medical issues.”	25	15

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

HEALTHY LIFESTYLERS

People who endorse a healthy lifestyle strategy try to meet their health needs by multiple lifestyle changes. This approach is centered in the belief that health is affected by all aspects of life, including work, family, and the community. They are likely to integrate health needs and preferences into a range of purchases and broad life decisions, including where to live and what kind of car to drive (or whether to own a car at all!). They are very receptive to products that have health benefits.



VEEDA PARDINI: HEALTHY LIFESTYLER

Veeda is a 39-year-old married woman with a 3-year-old child. She is a technology researcher and works primarily out of her home. Her husband works for a state government agency, and the whole family is covered under his insurance plan.

Veeda's health strategy permeates her whole life, which she has redesigned to achieve a healthy lifestyle. For Veeda, health is multidimensional. Health management includes many things such as monitoring her work schedule, limiting her commute, gardening, the air quality and cleanliness of her home, clean clothes, good parenting, exercise, healthy food, and preparing herself and her siblings as her parents age. As a result, the health benefits of products and services greatly matter to Veeda, and she gives consideration to everything from vacuum cleaners with effective air filters to organic-vegetable delivery services. She actively seeks out relationships with physicians she can trust, but portrays this relationship as only one element of a multi-faceted approach to health.

Veeda's strategy can best be seen in how she has rearranged her work life. Working from home, she has cut the unhealthy commute out of her daily routine and has replaced it with leisurely walks to her neighborhood's main street for lunch or to run errands. Her husband also works part-time, and on his days off, he watches their daughter. Veeda's days off are also spent taking care of their daughter. The result: a more manageable schedule that is less stressful, with much more time for family. Veeda's strategy also affords her the ability to get lots of sleep—which she believes is one of the essential ingredients of good health.

APPENDIX

Who Is Using a Healthy Lifestyle Strategy?

In our survey, we identified people who use a healthy lifestyle strategy as the 11% who have purchased four or more products with health benefits. These products include those that are marketed to improve skin health (e.g., cosmetics or lotions), the health of the home environment (e.g., drinking-water and air filters, aromatherapy candles, antibacterial soap), or physical fitness (e.g., weights, videos, or special equipment). They include special clothing or accessories that promise to improve health (e.g., braces, pads, magnetic bracelets).

Individuals who endorse a healthy lifestyle are likely to be female, insured, and well educated (see Table A–15). They are also likely to spend more out of pocket on both health care and health expenses. Interestingly, their age distribution and health status is similar to the general population.

*Table A–15
Who Is Using a Healthy Lifestyle Strategy?
(Percent of respondents who are or have ...)*

	<i>Healthy Lifestyle</i>	<i>Total</i>
Female	75	55
55–64	17	16
At least some college education	70	56
Insured	91	83
Chronically ill or were diagnosed with a severe illness within the last year	45	45
Paid at least \$500 in OOP health care costs in 2002	53	46
Paid at least \$500 in OOP non-medical health costs in 2002	46	30
Mean number of doctor visits in 2002	5.9	5.6

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

Key Healthy Lifestyle Behaviors

Healthy lifestylers have the highest level of self-agency (see Table A–16). They believe that “average” health is not good enough, and demand the best health care outcomes. They want to be highly involved in health decision making and to retain control. They integrate health needs into a range of life decisions.

Healthy lifestylers are also very active self-customizers, and experiment with improving health across multiple dimensions—physical, mental, spiritual, environmental, and so on. They also place trust in a range of traditional health care and CAM players, and intensively use both health care and CAM sources. They actively seek “kindred spirits” across a range of settings and strive to pass their knowledge on to others.

*Table A–16
Healthy Lifestylers
(Percent of healthy lifestylers and the total population who ...)*

	<i>Healthy Lifestyle</i>	<i>Total</i>
Self-agency		
Has sought a second opinion	63	46
Strongly or moderately agree with the statement: “Average health isn’t good enough for me—I try to be as healthy as I possibly can be.”	82	71
Self-customization		
Strongly or moderately agree with the statement: “I am always experimenting with new foods that may improve my health.”	74	37
Strongly believe that “spending time with their family” is important for their health	78	67
Used CAM within the last 6 months	63	32
Self-organization		
Strongly or moderately agree with the statement: “My friends or family members sometimes need my help to understand health and medical issues.”	64	52

Source: Institute for the Future, Health and Nutrition Online Survey, 2003.

