

# MONETIZING HEALTHCARE'S C2B CONSUMER DATA EXPLOSION

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**B**oom! Healthcare is smack in the middle of a seemingly never-ending data explosion. Many industry players are already combining claims data, lab values, and risk assessments with less traditional data sources. In the meantime, most consumers never dream of leaving home without their phones – powerful, handheld computers that continuously collect and synchronize thousands of data points to make everything from reading the news to staying fit more personal. Consumers' habitual interactions with apps that call cabs on demand, bots that book yoga classes with the tap of a thumb, and personal assistants that predict their music preferences are now the norm.





## WHAT'S NEXT?

In an exciting plot twist, the next evolution of healthcare's data explosion will be owned by consumers – not payers or providers. According to Oliver Wyman's 2018 *Consumer Survey of US Healthcare*,<sup>29</sup> consumers are willing to share their health information (for the right value proposition, that is). We found 63 percent of consumers are quite willing to share their personal health data to ensure their medical care is the highest quality possible. And, 41 percent of consumers say they're willing to share their shopping behavior to ensure top-notch medical care, as well. This kind of consumer information provides opportunities for companies beginning to merge consumer data points together to better manage health costs and empower and engage consumers. This kind of information can also help companies launch new business models that create and capture value in ways brand new to healthcare.

One critical factor, however, is the recent evolution of consumer access to their own information. Regulation and technology are forcing the inevitable release of data out of closed ecosystems into an environment where consumers control their data and share it with whomever they choose, whenever they want. For example, earlier this year, The Centers for Medicare & Medicaid Services proposed rules dramatically increasing consumer access to their own data – requiring that healthcare organizations provide health data to consumers in a machine-readable format they can push to an app of their choice – for free. Apple, as just one example, is enabling consumers to aggregate their activity, biometric, and consumption data and share it with others. Legislation beyond the US (for example, The General Data Protection Regulation – a European Union framework driving Europe's digital privacy legislation) looks increasingly likely to make its way over to the United States from abroad over time.

Our potential to link physical, digital, and social assets to paint more holistic pictures of individuals' behaviors and habits is rich, vast, and must be executed with purpose. As healthcare's explosion presses onwards, here's (on the facing page) how to leverage opportunities amidst the clearing smoke.

## COMPELLING CONSUMER VALUE PROPOSITIONS WILL FUEL THE DATA EXPLOSION FIRE

As consumers take ownership of their data, there will be seismic shifts in strategic control for healthcare businesses. Companies with compelling consumer value propositions – those that are experiential, monetary, loyalty based, and the like – will earn the right to create innovative economic models for their shareholders and be better positioned to impact healthcare costs and future outcomes.

## KEY TAKEAWAYS

- The next evolution of healthcare's data explosion will be owned by consumers.
- Sixty-three percent of consumers will share personal health data for the best medical care possible.
- Regulation and technology are forcing the inevitable release of data out of closed ecosystems.

## NINE WAYS TO MONETIZE HEALTHCARE'S DATA SHARING BOOM

1. **Connector.** A third party creates a magnetic consumer healthcare platform that connects consumers to services. The platform owner collects rents through sponsorships or other payments from service partners. This could take the form of advertisements, but more likely will come in the form of curated experiences.
2. **Share of Care Stealer.** Providers use a broader view of a consumer's data (including whole-person claims and medical records) to shape relationships, care delivery, and marketing campaigns to capture more of consumers' greater "wallet share". This approach will likely succeed if designed around a compelling consumer experience.
3. **Permissioning "Middleware".** New activities around permissioning are required to access and create value from "consumer owned" healthcare data. Companies that emerge to meet this privacy and permissioning need will likely earn rents as they pass data to third-party apps.
4. **Consumer Data Mart.** Consumers monetize their own data and sell it on the open market to researchers, life sciences companies, marketers, and advertisers, all who pay a fee to consumers for their data. This will not require a compelling consumer experience.
5. **Trojan Horse.** Imagine a cross-payer consumer platform for healthcare engagement owned by an insurance company – that's free for consumers. The platform's compelling consumer experience gathers data through broad touchpoints and uses its unique knowledge to build trust and loyalty, ultimately steering members into personalized recommendations for downstream products and stealing share from the competition, all at zero upfront cost to the consumer. This will require a magnetic consumer experience to engage and keep consumers.
6. **Enabled Risk-Bearing Entity.** Health insurers or at-risk providers incent consumers to share more information with them through discounts, upgraded service, dollars, and the like. Payers and providers use data to better predict risk and better manage consumers' health through behavioral insights they couldn't have gleaned from in-house data alone.
7. **The (Non-Healthcare) Underwriter.** Consumers share their data with life insurance, auto insurance, home insurance, or similar companies that promise better rates for those who share their information. Insurance companies price more appropriately, selecting better risk for life/home/auto insurance products. This will not require a compelling consumer experience.
8. **The Direct-Pay Compelling Experience.** Third parties monetize data-enabled experiences by charging consumers directly for access to their platforms. This will require unique consumer value and a truly magnetic experience.
9. **The "Hopeful Participant".** Payers and risk-bearing providers take a passive approach, participating in consumer data sharing (rather than facing fines, that is) with the ambition that simply enabling consumers to do what they want with data will drive better healthcare outcomes and lower costs. For example, if consumers share data with a third-party well-being app to gain exclusive access to tailored workouts and recipes.