

Baby Boomers Are About To “Morph” Health Care



Baby boomers will transform the way health care is provided in the new millennium. Just as boomers transformed the way we work and shop in the 90's, health care will be "morphed" by the demanding 33-55 year olds.

Why The Boomer Impact Will Be So Profound

There are more boomers than any other cohort - there are 77 million Americans age 33-55 representing about 1/3 Americans. This age cohort is twice the size of the WWII generation (age 65+) and the swing generation (52-64). They are all on the verge of discovering chronic disease and will be trading in their obstetricians and pediatricians for a good internist.

Each boomer represents a half a million dollar annuity - Baby boomers will spend 80% of their life time health care expenditures after age 40. This amounts to a \$428,215 lifetime value, which breaks down as follows; \$188,000 in hospital costs, \$98,000 in M.D. costs, \$86,000 in out of pocket expenses and \$57,000 in other expenses (drugs etc).

How Boomers Will Change Health Care

The boomer demographic phenomenon has changed the landscape for virtually every business. Boomers demand more of everything that is important to them. Time saving services, more choices, more information, more customized services even more investment options. Twenty-four hour food stores and pharmacies, custom-built computers and cars...get the message?

To stay ahead of the wave of change, providers need to look at the impact on other industries and apply them to their practices. A few examples;

Boomers invented Consumer Reports. **Translation:** Provide them with written quantitative comparisons to make informed decisions. Consider things like interview nights for boomers who want to kick the tires before they "lease" a provider for a year.

E-mail, voice mail, cell phones and pagers are the new age time leveraging

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tools of boomers making fax machines look like model T's. **Translation:** Consider multiple forms of just in time communication. E-mail, pre and post visit checklists; benchmarking, inter-active-personalized health web sites will become standard operating procedures for providers specializing in boomers.

Boomers wouldn't stand for their parents' station wagon and thus created the mini-van phenomenon. **Translation:** Innovation around specific boomer needs will be required. Focus on a need that is most important to that boomer and deliver it to the nth degree.

Boomers gave us 32 versions of Coke and 50+ versions of Crest toothpaste. **Translation:** One size does not fit all for boomers. Give them choices including options to pay more to get more services and paying less to get less service.

Multi-tasking is the rule. **Translation:**

One stop shop is no longer just a nice-ty. It's a requirement. These time poor boomers will have a new set of health care issues to take care of. In addition to their parents, kids and pets, they will spend more time on their own health care. Scheduling flexibility and one stop shop services will become even more essential.

What You Can Do About It

Recycle your relationships - It costs less and is more effective. - Marketing to boomer families who have previously used your facility, costs 90% less than targeting those who aren't familiar with you. The average 500-bed hospital treats about 42,000 baby boomers per year. If you captured just 1% share of this huge potential over the next 35 years you would realize a 188 million-dollar bonanza.

Communicate and anticipate their needs - Their bodies are changing, but they don't know how much or what to do about it. Educate them, benchmark the changes and show them what your organization can do for them to help them maintain a full lifestyle.

Catch the wave before it curls. The boomer market is big, demanding and full of potential. To capitalize on this important segment you need to anticipate their needs, innovate and communicate. Just as the recent GM commercial said, "this isn't your parents Oldsmobile," this isn't your parents health care system any longer. The old ways will not survive in the health care marketplace in the new millennium. ■

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