The Truth About Patient Experience: What We Can Learn from Other Industries, and How Three Ps Can Improve Health Outcomes, Strengthen Brands, and Delight Customers

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EXECUTIVE SUMMARY
Improving the patient experience is an issue many healthcare organizations face. However, it is the opinion of this author that the focus on patient satisfaction scores alone is short-sighted and that the most successful organizations will adopt best practices from other industries to deliver a more complete patient experience. This article presents an extensive review of best practices in customer experience from numerous customer-centric industries and postulates as to how the healthcare field might apply them. A new framework for improving patient experience is proposed—one that moves beyond the traditional focus on satisfaction scores to embrace the core differentiating characteristics of the organization.

For more information about the concepts in this essay, please contact Mr. Needham at needham.50@osu.edu. Mr. Needham is the first-place winner of the graduate division of the 2012 ACHE Richard J. Stull Student Essay Competition in Healthcare Management. For more information about this competition, please contact Desmond J. Ryan, FACHE, at (312) 424-9325.
INTRODUCTION

Hospitals across the United States are working hard to figure out the key to delivering a superior patient experience. From 2000 to 2009, more than 400 articles were published on the subject, compared to fewer than 20 in the previous decade (Lecroy 2010). This number is expected to grow as patients become more selective and payers link reimbursement to patient satisfaction scores. Also, high patient satisfaction results in lower malpractice rates, better outcomes, more satisfied employees, and higher profitability than low patient satisfaction does (Aligning Forces for Quality 2010; Hall 2008). But many hospitals realize that patient experience is by no means easy to define, much less measure. A wealth of customer experience knowledge is available in other industries, yet healthcare has been slow to adopt these best practices. Now more than ever, healthcare organizations need to abandon their antiquated focus on services, satisfaction, and transactions in favor of attention to customers, loyalty, and relationships.

INDUSTRY REVIEW

Organizing Around Customers

Healthcare organizations must stop trying to attract customers to their services and instead build services around customer needs. Progressive firms in other fields have already replaced or supplemented their chief marketing officer with a chief customer officer (CCO) or even a chief experience officer (often abbreviated as CXO)—in 2003 there were 30 CCOs; in 2010 there were more than 300 (Rust, Moorman, and Bhalla 2010; Cleveland Clinic 2010)—representing a major change in organizational structure. One reason hospitals and health systems are making the shift is the realization that a focus on customer needs may reveal preferences that customer surveys cannot show.

Henry Ford’s observation of the consumers’ need for fast and reliable transportation led him to design the first car. He famously noted that had he instead asked consumers what they wanted, they would have likely replied, “Give us faster horses” (Meyer and Schwager 2007). This anecdote exposes one primary flaw with market research today: Customers may not know what they want if their expectations are limited by previous experiences. Surveys show that healthcare consumers want more communication and coordination between their providers. However, an even better solution would be to have only one provider for all healthcare needs, thus eliminating the need for effective communication and coordination (Lathrop 1993). Other industries, such as real estate, have already made this transition. JLL, a real estate corporation with three main business units, created an umbrella group that serves as the main point of contact for important customers (Gulati 2007). Customer-focused actions such as these are supported by research in behavioral science that suggests the importance of addressing all the customer’s needs in one transaction through one person (Freeman and Toman 2010).

However, healthcare organizations need to go beyond developing frontline staff with a breadth of knowledge to handle eclectic requests. They also need depth in handling the particular
Intuit uses an innovative method to ensure customer needs are met. Rather than holding brainstorming sessions around new product designs, they hold “painstorming” sessions around customer frustrations with current products. Teams observe their target customers in their daily operations and note where customers are “pained.” For example, farmers in India were unable to control demand for their produce, and as a result, many vegetables rotted or sold below value. Intuit staff painstormed around this issue, and within a few weeks they developed and launched beta testing of a mobile platform designed to harness demand, solving the farmers’ problem (Martin 2011).

Building Loyalty

For years it was thought that satisfied customers will keep coming back to the company. However, the latest research shows that even the most satisfied customers may defect while the least satisfied may remain loyal, and some companies that successfully improve their customer satisfaction scores still see declines in profitability and growth (Freeman and Toman 2010). In competitive marketplaces, satisfaction with products and services is easy to come by. In fact, the national average for hospital patient satisfaction scores is close to 90 percent (Press Ganey 2011). But patients may still defect to other providers. Clearly, satisfaction is not the key to loyalty.

What, then, is the key to driving growth and loyalty? Many companies rely on the net promoter score, a calculation based on one question that asks customers their likelihood of
recommending their company to a family member or friend (Reichheld 2003). By focusing on this one number, which is proven to be a strong predictor of growth in most industries, companies can provide faster turnaround times for performance analysis and thus adapt to customers’ evolving needs more quickly.

Hence the focus shifts to what turns someone into a promoter. In 2010, Freeman and Toman provided insight by revealing that loyalty faces diminishing returns after companies achieve a certain level of satisfaction. In other words, healthcare organizations need only deliver the minimally accepted level of satisfying experiences; the rest of their resources should be devoted to removing obstacles for the customer to fulfill his or her request. The customer effort score (CES), an index that shows how much effort a customer personally needs to exert in solving his or her problem, is a strong predictor of customer loyalty (Freeman and Toman 2010).

**Focusing on Relationships**

One flaw of the CES is that it does not take the whole patient experience into consideration. For years, management’s approach to improving patient experiences was to apply management science principles such as Lean and Six Sigma to increase the efficiency of hospital operations. Though wait times decreased as a result, no attention was given to the “soft side” of customer service—the emotions and stresses customers face throughout their experience.

Through studying behavioral science people have found ways to improve the patient experience on the soft side. For example, a study of behavioral science shows that the following improves the experience of waiting in lines (Chase and Dasu 2001):

- It is better to combine all of the waiting into the beginning of the experience.
- Customers do not notice how long they are waiting if they are distracted.
- Customers do not mind waiting long if they are able to track the progress of the item they are waiting on (e.g., the FedEx system that allows customers to track packages reduces anxiety and improves satisfaction).

By integrating these principles into the structure of queues, healthcare organizations can improve the patient experience without necessarily reducing the amount of time patients spend waiting.

Hospitals and health systems need to address not only the physical journey of the patient’s experience but also the emotional one. Diagrams visualizing the emotional path of patients, which Dasu and Chase (2010) call Emotionprints, enable organizations to identify critical moments of truth that the organization needs to perform on. Emotionprints may also provide insight into the kind of emotional intelligence frontline staff need to exhibit at certain points in the service process (Dasu and Chase 2010). Meeting the emotional needs of customers appropriately and at the right time can help establish emotional bonds. These bonds build relationships with customers and may explain why Apple customers remain so loyal despite the availability of other products with comparable functionality and lower price (Noble and Kumar 2008).
Healthcare organizations can set the stage for certain emotional experiences before the patient even enters their facility. Companies use slogans to design an “emotional platform” from which customers are expected to base their experiences (Dasu and Chase 2010). For example, Nike’s “Just Do It” campaign has little to do with athletic apparel and more to do with appealing to emotions such as the desire to be proactive and take charge of one’s life. The recent “Believe in We” marketing campaign of OhioHealth, a health system based in Columbus, Ohio, aims in part to instill feelings of hope and togetherness in its patients. As a result, incoming patients are primed to look for these qualities throughout their experience.

What This Means for Healthcare Organizations
Delivering a great patient experience will be increasingly critical for hospitals to gain market share, increase profitability, and improve outcomes. As patients bear larger shares of healthcare costs (the popularity of high-deductible health plans more than tripled from 2007 to 2011, and nearly one-third of all plans come with a deductible of $1,000 or more [PwC 2012]), they will demand the value, convenience, and respect they receive from other industries. Research continues to confirm that patients choose hospitals on the basis of past experience, not clinical outcomes (Kaiser Family Foundation and AHRQ 2000; Grote, Newman, and Sutaria 2007; Abraham et al. 2011; Mintel 2011). Eighty percent of consumers now go online for health information, and 58 percent of those say their search affected their healthcare decision making (Peterson 2011). Furthermore, half the US population has delayed care or sought alternative medicine in 2011 because of the lack of perceived value in traditional healthcare (PwC 2012). Hospitals must embrace these trends as opportunities to learn more about their customers and shape services around the unique preferences of different customer segments.

A PROPOSED FRAMEWORK FOR OPTIMIZING PATIENT EXPERIENCE: THE THREE PS
Any healthcare organization wishing to improve its patients’ experience should look beyond Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) and Press Ganey scores. Just as a thermometer measures temperature but does not reveal the disease that causes a fever, patient satisfaction scores record only symptoms, not the underlying causes. HCAHPS scores will soon be linked to 0.6 percent of reimbursement from Medicare, but the values that underlie delivering a great patient experience should be at the root of any healthcare organization regardless of compensation.

Patient experience is about managing both the emotional and physical roller coaster a patient experiences while undergoing a healthcare procedure and about maximizing the patient’s social, mental, and physical health and wellness. To achieve this level of management, I propose a framework built around three Ps: personalize medicine, partner with patients, and empower employees.
**P1: Personalize Medicine**

Delivering personalized medicine requires keen understanding of the consumer and smart use of customer segmentation. Much like how Best Buy customizes its stores based on the customers who frequently shop in them, healthcare organizations need to tailor their delivery of services based on the demographics, technographics, and psychographics of their patients. Healthcare consumers are too often grouped into the same bucket—“patient”—without regard to their specific preferences or even biological composition. A closer examination of the patient may even reveal new strategies for improving patient care. For example, interventional video games have been shown to increase medication compliance rates and thus improve health outcomes among children (Kato et al. 2008).

While the scientific community is making great advances using the human genome to find the right drug for the right person, administrators need to personalize the delivery of the services to the patient. Creating patient segments is a start, but eventually healthcare organizations will be able to harness the power of “big data” and track every characteristic of every patient (Manyika et al. 2011). Already healthcare organizations are introducing radio frequency identification technologies to customize the environment on the basis of patient preferences (Pfenninger et al. 2007).

P4 medicine, a concept developed by Leroy Hood, seeks to improve the quality of life through “predictive, preventive, personalized, and participatory medicine” (Nilsson 2006). The participatory element is especially important for healthcare organizations that want to improve their patients’ experience. While the medical field is introducing incredible breakthroughs to improve health outcomes, no drug or service can do any good unless the patient is participating and engaged. Indeed, a 20 percent increase in compliance with medication plans has been shown to double survival chances in some patients (Richardson et al. 1990). Yet many discharge instructions are generic and contain information irrelevant to the patient, thus decreasing the probability of adherence (Lazerow et al. 2010). It therefore stands to reason that improving the patient experience through personalizing medicine also improves health outcomes.

**P2: Partner with Patients**

Building partnerships with patients means engaging consumers through the continuum of care and is shown to lead to greater loyalty and better clinical outcomes (Grote, Newman, and Sutaria 2007; Fremont et al. 2001). This focus also allows an organization to be in tune with its patients’ needs, paving the way for long-term success. Not only do patients who are involved in their own healthcare decisions experience better outcomes through adhering to plans for improved health, but they also are less likely to think negatively of a healthcare provider if adverse events do occur (Dasu and Chase 2010).

While organizations slowly adopt listening and connection-building strategies with their consumers, the rate at which the general public connects with each other increases exponentially due to advances in social
technologies. Healthcare organizations should encourage patients who consider themselves partners with the provider to serve as advocates for the organization. Though data on clinical quality are readily available, patients still rely heavily on the opinions of family, friends, and acquaintances when making healthcare decisions. Indeed, 65 percent of patients in one study indicated that recommendations from family and friends were important in selecting a provider; informal sources were the second most popular source of information about a provider (Abraham et al. 2011). Therefore, improving the patient experience through the second P, partnering with patients, may be a crucial method of strengthening a healthcare organization’s brand.

P3: EmPower Employees
Addressing the first two Ps without the last one results in what business strategist and author Nilofer Merchant (2010) describes as an “air sandwich,” meaning a strong strategy that is developed by the top level (healthcare administrators) and enforced at the bottom level (patients) without buy-in from the crucial middle mass (employees). Engaging employees may be the most important objective because the patient experience cannot improve unless both frontline and back-office employees buy into and consistently deliver on the promise. Studies show a correlation between patient satisfaction and employee engagement (e.g., Press Ganey 2010); this element cannot be overlooked by any organization wishing to become a top performer.

The objective goes beyond merely engaging employees, however; it requires empowerment. Physicians, nurses, housekeepers, receptionists—all employees and staff—play an integral role in the experience a patient has within the continuum of care. Incidentally, they also happen to hold immense knowledge of the patients due to their repeated exposure to these consumers. Thus, staff members and associates are not only the most important individuals in delivering patient experience—they are also the best suited to improve the patient experience. No one knows the customer better than those who frequently interact with him or her, so it is important that employees at all levels of the organization feel empowered to do what they think is best for the patient. Additionally, engagement and autonomy are critical ingredients for a high-performing workforce (Pink 2009). Hence, the third P, empowering employees, is also about making sure the patient receives the best experience through every interaction with the organization.

CONCLUSION
It is easy to point to changing Medicare reimbursements or HCAHPS transparency and decide that an organization has a need to improve its patient satisfaction scores. Hospitals around the country are discovering methods such as post-discharge phone calls and nurse rounding to earn a boost in their ratings. However, addressing piecemeal symptoms such as these will at best achieve parity with competitors. The heart of the patient experience lies in the organization’s ability to energize the unique employees, relationships, and services it offers and to purposefully shape a positive experience that delivers on the
brand’s promise. By following the three Ps—personalizing medicine, partnering with patients, and empowering employees—healthcare organizations can use the resources they already have to simultaneously improve health outcomes; build brand power; and consistently serve the social, mental, and physical needs of the patients.

REFERENCES


