



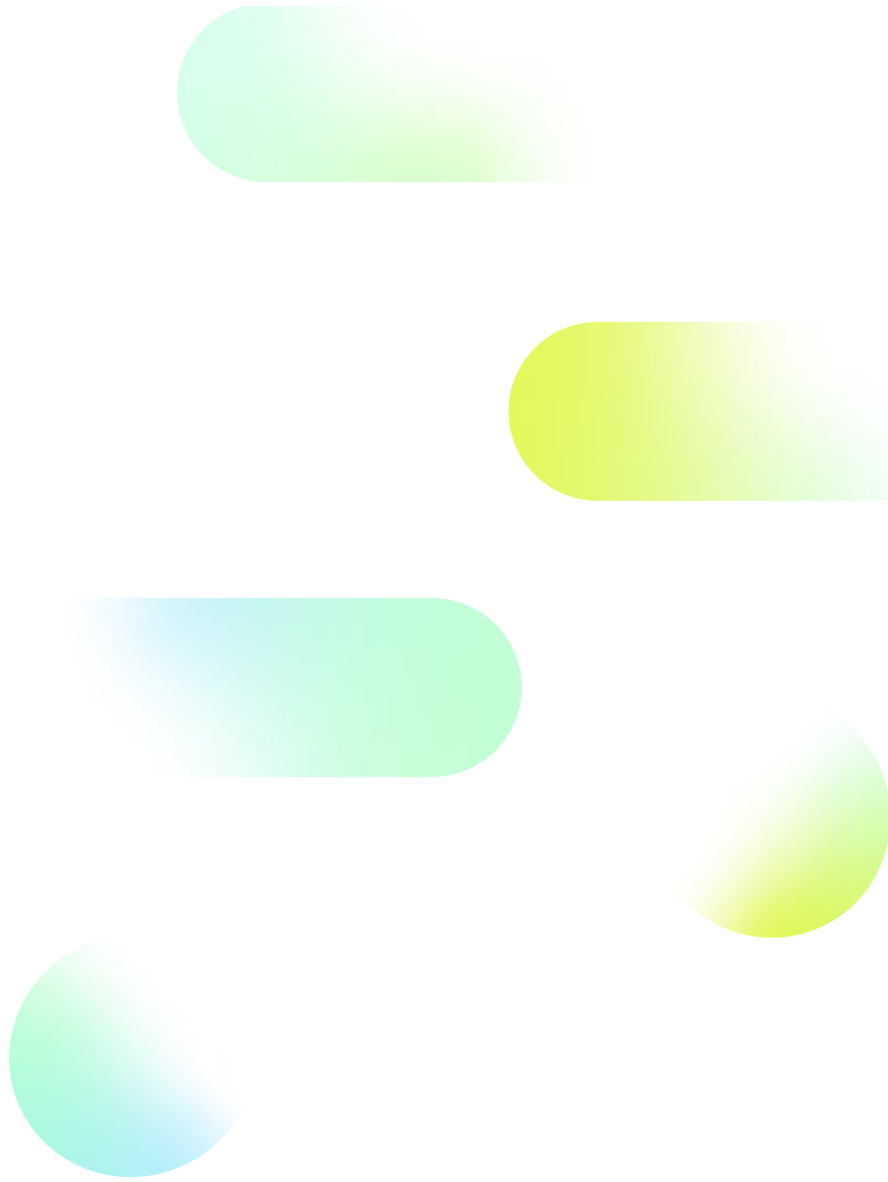
Your Guide to Understanding the Value of Patient Experience



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SECTION 1

Executive Overview

This e-book explains:

1

The concept of patient experience and satisfaction.

2

How it parallels use in other industries.

3

Ways to create a cross-departmental language with patients at the center to improve operations.

For decades, the modern American healthcare system has suffered from chronic challenges underscored by evolving regulatory policies, high costs, competition, working with third-party payers, and, last but not least, the expectations and demands of consumers. These intrinsic challenges paired with a global pandemic have strained the public's trust in healthcare. The healthcare industry has been forced to pivot—leaning into innovation to regain trust, offering new ways to deliver quality care, and improving overall patient satisfaction.

Customer satisfaction has been an important way to monitor how businesses operate for many decades, whether informally by smaller business owners observing customer reactions or through the formal survey and feedback methods larger organizations use.

As many studies have shown, customer experience and satisfaction impact many aspects of healthcare, including:

- Clinical outcomes
- Financial results
- Marketing effectiveness
- Brand perception,
- Business operations and strategy
- Employee retention and growth.

That is why C-suite executives to administrators need to understand how and why patient satisfaction affects their departments and the entire organization.

The goal of this e-book is to provide healthcare executives with the foundation to consider the use of patient satisfaction for operations and to ask the right questions of consultants and vendors in the journey toward becoming a truly patient-centric institution.





SECTION 2 Introduction

Patients Hold the Power

Even amid the complexities and barriers derived from government agencies, payers, and providers, patients are the ultimate arbiter of a healthcare organization's performance. Without patients, hospitals, clinics, physician practices—and more—wouldn't exist.

This is why gathering patient feedback in real-time should be a top priority for administrators and clinicians alike. The patient experience lets practitioners better understand the effects of treatment, so it influences outcomes. The more satisfied patients are, the more likely they will pay their bills and less likely they might complain to insurers, which means a clearer path to better financial results.

3 Ways Real-Time Feedback Benefits Providers

1) Real-time feedback from patients is a powerful tool

Executives get complete transparency into the quality of care provided by clinicians. Clinicians get immediate feedback on their services. Data informs decision-making. Through real-time patient feedback, healthcare professionals can set benchmarks and follow trends to ensure patient satisfaction is achieved and business objectives are met.

2) Real-time data offers insights into non-clinical healthcare services

Services such as parking, access to public transportation, wayfinding/signage, or cafeteria food can greatly impact how patients respond to a provider, which ultimately affects business.

3) Real-time feedback serves as a cross-functional communications tool

Every department and clinician within an organization is connected to patient satisfaction and to each other. With patient satisfaction as a common focus, feedback can allow more insightful collaboration to meet institutional goals.

Examining the Business Implications of Patient Feedback

The following sections address aspects of feedback and its value on healthcare business.





SECTION 3

What is Customer Experience?

“Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company.”

— [Harvard Business Review](#)

Those experiences over time form someone's perception of an organization.

Since the early 2000s, customer experience has become a widely recognized important topic and developed into its own industry that designs feedback systems, measures customer responses, and helps companies improve what they do. Savvy executives, however, have understood this principle for far longer. The term “ritzy,” as in luxurious, is an eponym, deriving from César Ritz, the 19th-century Swiss hotelier who lent his name to the chain of grand hotels and who famously insisted that the customer is always right.

Many industries have made use of tracking customer experiences and feedback, although not widely enough.

80% of companies thought they provided a superior customer experience. Only 8% of the customers agreed.

— [Accenture and Adweek](#)

Without adequate feedback and ways of quantifying and understanding the data obtained, executives can misinterpret success.



3 Steps to Customer Experience Optimization— Consider, Measure, Change

Customer experience is specific and detailed by its nature. Top industrial designers, for example, will often follow potential customers, taking note of how they interact with products with the learned observations feeding into their improvements and refinements. The designers' actions *consider* the customer experience.

Given the personal and subjective nature of customer experience, it may be difficult to directly observe. One person who's been made to wait for an appointment might not mind while another could become angry. This is why companies *measure* experience by asking the customers themselves about it. Short surveys have become common practice such as asking for feedback from an interaction with a call center representative.

The third step companies should take is to *change* based on the customer experience data. Equally important is to recognize that customer experience is a continuum of data markers. As management consultancy [McKinsey notes](#), "Individual touchpoints may perform well even if the overall experience is poor." The firm offers the example of a customer's 90% satisfaction with a company agent, 85% with the call center, another 85% for the website, and 90% again for customer support. Each interaction seems good but multiply them together for a composite view and the result is just under 59%.

Benefits and Costs

Customer experience, good or bad, has financial implications for multiple departments in a typical company.

Companies can command up to a 16% price premium on products and services for a good customer experience that emphasizes speed, convenience, consistency, friendliness, and a human touch. On the flip side, 32% of customers say that they will drop a brand they greatly like after a single bad experience.



73% of people see customer experience as an important factor in purchase decisions, and yet less than half say companies generally provide good customer experiences.

—PwC

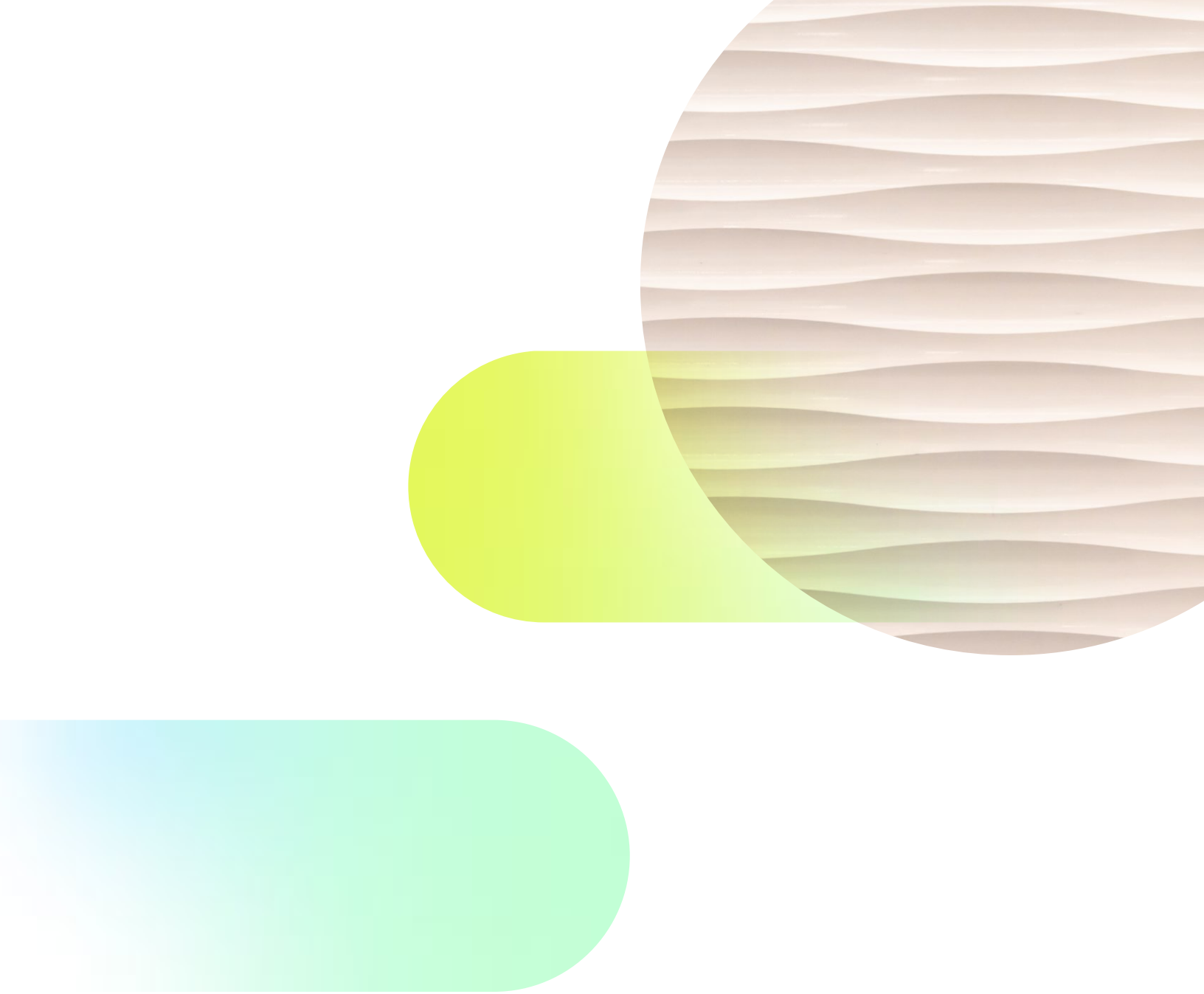
If a business can't deliver on what is most important to a customer, it can't appeal to people on the most fundamental level. Those that can have a strong advantage over competitors and a better chance to keep customers for longer, improving the amount a customer spends over time and reducing customer acquisition costs.

Gaining feedback leads to [an improvement in strategy](#), as Bain & Company noted in the Harvard Business Review. When Charles Schwab came out of retirement to retake the helm of his eponymous company in 2004, he said the firm had "lost our connection with our clients—and that had to change." As a result, the company began collecting customer feedback through surveys and solicitation of experiences. Responses informed leadership on how to improve—how to change forms, operations, communications, and coach employees to correct mistakes and turn critics into fans. By 2008, revenues increased by 11% as customer scores improved by 25%.

One of the best ways to see the importance of customer experience and listen to feedback is through communications channels, and nowhere does that manifest itself as powerfully as on social media. Companies that make missteps immediately confront customer comments that can have an amplified effect—inciting others to chime in—if not tactfully handled. Apologies that come across as half-hearted or disingenuous can remain as news stories that dog an organization's online reputation for years.

Although healthcare as an industry and practice has significant differences from typical commerce, the principles found, used, and sometimes suffered by commercial organizations apply. Patients' feedback across a continuum of touchpoints can become a critical tool for success.





Patient Satisfaction in Healthcare

SECTION 4

Patient experience is receiving increased attention in healthcare. Since 2014, the peer-reviewed [Patient Experience Journal \(PXJ\)](#) has driven thought leadership on the topic. The Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey, which addresses a broad variety of issues like clinician communication, pain management, discharge information, and hospital cleanliness, can have a direct impact on hospital revenues.

“If a patient doesn’t find the overall experience satisfying, they will exercise their freedom to find another practice that better suits their needs and offers a more engaging, productive experience.”

—[Michael Blackman](#), Greenway Health Chief Medical Officer

To measure experience and its companion, satisfaction—which “plays an increasingly important role in [quality of care reforms and healthcare delivery](#) more generally”—is unfortunately not easy. There are no universally accepted definitions, which complicate measurements.

Amenities and surroundings can be of importance. And yet, as [psychologist Kathy Torpie has written](#), looking at customer experience as only a consumer response can fall short:

“Customers are generally well people who enjoy elevated status by virtue of their potential to purchase goods or services. Patients, on the other hand, are (by current definition), not well. Their status is greatly reduced by illness or injury that renders them vulnerable, frightened, in pain, medicated, exhausted, and confused. In spite of these limiting factors, patients sometimes have to make important, often complex, decisions in a short time frame. The ‘goods’ they are purchasing are a return to health and often require an unspeakable level of trust in their ‘service provider.’ It makes little sense to relate to patients as traditional ‘customers’ in a business model that simply doesn’t fit.”

Again, under changed conditions, customer experience can take on different shadings without becoming completely foreign to other definitions. As Torpie noted, “The business of delivering quality healthcare requires clinical expertise and business expertise.” Hotel amenities might not be important, but the surroundings are. Current medical office real estate development incorporates taller ceilings and greater space volumes when possible because they can help reduce patient anxiety. Patients don’t expect a bellhop to come on the double and tend to their needs, nevertheless, they can still become irritated when waiting for extended periods of time for an appointment.

To address experience, a provider organization must consider all the ways and places it interacts with patients and the aspects that can provide positive or negative influences on perception. Through contextual specifics, we can glean a better understanding of what constitutes satisfaction.





SECTION 5

Patient Satisfaction in Finance

Care and finances have a running complicated relationship. Thousands of years ago, Plato correlated art, in which he included medicine, and being paid to practice it.

A philosophical difference that even one of the great philosophers recognized needed reconciliation. Medical care requires talent, training, caring, and passion. It also needs people, equipment, facilities, and supplies, which means money. The necessary revenue typically comes from a combination of insurers and individuals. But, as is true in any industry, success in collections—as well as future spending—depends on the experience and satisfaction of the patient-customer.

The common-sense explanation is that satisfaction correlates with cooperation and loyalty. Angry people are less likely to make a care provider's invoice a priority. They may return to the organization again, but if that is due to a lack of practical alternative choices, there should be little faith in future billings, as conditions are ripe for a competitor to enter and attract business.

Some question why customer satisfaction is necessary for business. But research over many years has repeatedly shown the connection between customer satisfaction and organizational success, including financial performance. For example, one [study](#) of a business-to-business Fortune 100 company providing services and products showed “a strong consistent link between customer attitudes and financial performance at the firm level.” The financial services industry has embraced the [need to monitor customer experience and satisfaction](#) as the “largest competitive advantage for banks.” Long-standing analysis recognizes how important customer experience is across industries. In the Journal of Accounting Research, a [paper](#) found that “nonfinancial indicators of investments in ‘intangible’ assets [like customer satisfaction] may be better predictors of future financial (i.e., accounting or stock price) performance than historical accounting measures ... ”

When customers are happy, financial rewards improve in most industries. Granted, the relationship between care providers and patients is not as straightforward and neither are the payment arrangements. And yet, there are strong indications that the relationship between satisfaction and financial performance remains even in healthcare.



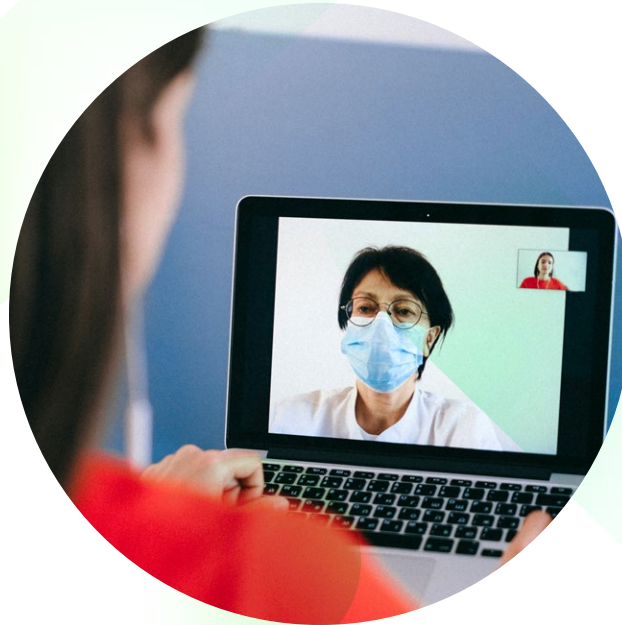
The U.S. Centers for Medicare & Medicaid Services (CMS) HCAHPS survey has direct ties to Medicare reimbursements, accounting for 25% of a hospital's value-based payment (VBP) total Performance Score (TPS).¹ In fiscal year 2020, VBP transfer payments accounted for an estimated total of \$1.9 billion.

However, customer satisfaction has a broader implication than CMS reimbursements. A [study](#) found that “a positive patient experience is associated with increased profitability and a negative patient experience is even more strongly associated with decreased profitability.”

Correlation doesn't prove causation, but it does suggest an important link. Similarly, it would seem reasonable that quality and safety of care would be part of patient satisfaction. An [analysis of New York State acute care facilities](#) found “a clear relationship between hospital financial performance and hospital quality/safety performance score.” While the researchers took the results as meaning that “financially stable hospitals are better able to maintain highly reliable systems and provide ongoing resources for quality improvement,” the correlation also means that with better quality, and related patient satisfaction, a hospital is more likely to command the revenue that will allow for reliable systems and quality improvement resources.

As with other economic sectors, healthcare is, at least in significant part, an exercise in commerce. By using other industries as examples of monitoring and improving patient satisfaction, hospitals can increase their financial standing.





SECTION 6

Patient Experience and Psychology

Unlike many other industries, in medical care, the experience of patients can correlate strongly to their impression of treatment because there are deep connections between the mind and body. Psychology affects outcomes.

Surgeons know that psychological problems can influence outcomes, including “changing how symptoms, results, and side effects are interpreted,” according to a [Revista da Associação Médica Brasileira article](#). A major comorbidity among tuberculosis patients is psychological distress, as explored in an issue of [Global Health Action](#).

The well-known placebo effect is an example. There are [clear neuropsychological processes](#) that “are mediated by diverse processes—including learning, expectations, and social cognition—and can influence various clinical and physiological outcomes related to health.”

“The placebo effect is a beneficial health outcome resulting from a person’s anticipation that an intervention will help. How a health care provider interacts with a patient also may bring about a positive response that’s independent of any specific treatment.”

—[National Center for Complementary and Integrative Health](#)

What is that if not a description, at least in part, of a patient’s experience of care? The experience of the person helps direct how a course of therapy for the condition will progress.

More explicitly, patient satisfaction is an important factor in medicine. More than “a ‘smile and be nice’ set of behaviors ... the patient’s experience of care is important and ultimately translates into their actual response to care,” as noted in an article in the journal [Emergency Medicine Clinics of North America](#).



Understanding the Value of Patient Experience

If psychology is an important factor in how patients respond, emotional touchstones become a key marker in diagnosing conditions and developing care plans. There is a fulcrum of emotional polar opposite feelings—trust and mistrust; appreciation and resentment; attraction and repulsion, to name some—that connect together to create a virtual connect-the-dots Rorschach image of a patient's relationship to the care providers.

Someone's satisfaction is a broad way, a shorthand form, of identifying their relationship with an organization. However, the details of the experiences and specific reactions it may have set off in a person are more than a single measure that might affect how someone would respond to treatment, even if not a conscious decision. Patients might be satisfied with one aspect of their experience and not with another. They could feel trust and resentment together, as an example, or the inverse. Some aspects might have a greater impact, whether positive or negative, on outcomes.

From a clinical view, understanding patient experience and satisfaction is a crucial component of how an organization delivers care. It must happen in real-time instead of a periodic review that might come too late to be of practical help.

Healthcare professionals need to see changes in experience and attitude that might affect how people respond at the time they happen.

An ongoing history of satisfaction and experience—broken out in its varying components—is necessary from the start of interactions with a patient. There should be a baseline that can highlight how things vary over time and provide details of the form of displeasure and the exact points where they happen.

By monitoring patient experience and satisfaction, the organization can work across all its parts and capture early indicators, or red flags, that something might be amiss. Not only will this help individual patients, but finding problems in patient treatment could unearth patterns that, once corrected, have a positive impact across the board.





Patient Satisfaction and Marketing

SECTION 7

If there is any single place where experience and satisfaction make healthcare look like other economic sectors, it is marketing.

Marketers were the original proponents for studying and tracking customer satisfaction because people generally only want to do business with organizations that don't disappoint them.

Experiences and satisfaction have effects on at least four different aspects of marketing: lifetime value of customers, retention versus acquisition, word-of-mouth, and branding implications.

Customer lifetime value (LTV) applies to any business. When correctly used, it's an important and expansive concept that includes maintaining a database of historical customer interactions, as described in [the Journal of Market-Focused Management](#).

The concept is many decades old. Lifetime value refers to the profit—the difference between what someone spends with a company and what servicing that person costs—over the lifetime of that person doing business with an organization.

The higher customers' LTVs are, the more profitable doing business with them is, and the healthier the company. There is a natural connection with customer satisfaction, which is a key indicator of when someone is unhappy enough to find an alternative provider of a service or good.

LTV also connects to concepts of retention and acquisition costs. Typically, it is significantly more expensive to attract a new customer than retain an existing one. Customer turnover means higher expenses and lower LTV and profitability.



The correlation between patient satisfaction, loyalty, retention, and revenue in healthcare has been a topic of conversation in the U.S. since at least the late 1990s, as an [article in Marketing Health Services shows](#). The piece also mentions that, as a rule of thumb, businesses typically lose half of their customers every five years.

Some patients will have a one-time need of a healthcare provider while others could re-enter the doors multiple times. These repeat patients are an important segment from a marketing view, as they typically represent revenue at a lower cost than the acquisition of new patients.

Retention is challenging, and more complicated when including competition in the picture. Healthcare facilities have faced significant geographic limitations on their ability to attract patients due to proximity of care. Telemedicine is making inroads as people rapidly became used to the technology during the pandemic. When in-person care is not necessary, the pool of potential competing providers widens. Claiming a certain population without alternative choices is becoming less likely.

Customer satisfaction, or its lack, can contribute word-of-mouth effects and become a force of either positive or negative marketing, whether the provider wants it or not. Not only is there the potential of keeping or losing patients in the future, but each person can influence others as they talk about their experiences with friends, family, coworkers, as well as strangers.

Experiences feed into patients' total perception of an institution, which is the definition of brand.

All the work in creating and maintaining brands is meaningless if there are no efforts to understand how the individual interactions build upon one another.





SECTION 8

Patient Experience Solution

Just as customer experience and satisfaction are critical to virtually all functions of a company, healthcare institutions should pay close attention to patient encounters with the organization.

The implications are deep and manifold. Like any consumer, patients evaluate a healthcare provider by the entirety of their interactions with an organization. The responses to those experiences have an impact on clinical outcomes, payments that care providers receive, marketing efforts, and brand equity.

Monitoring and understanding patient experience and satisfaction are as important to a hospital system or private practice as they would be to a business that sold consumer packaged goods or entertainment.

Though peer-reviewed studies have shown the importance of patient opinions on all aspects of healthcare, providers are not natural experts in how to establish methods and mechanisms for gathering feedback, gauge reactions in real-time, or create solid strategic responses to improve patient outcomes and achieve business objectives on all levels.

Providers need assistance to integrate patient-centric vocabulary practices.

Quality Reviews® has a mission to advance the practice, science, and business of improving patient experience at hospitals, outpatient clinics, and other healthcare facilities through a suite of digital, real-time engagement solutions.

We offer a number of solutions, based on real-time patient engagement. At every step of patient interaction, our systems, mechanisms, insight, and expertise help providers measure patient experience, flow management, employee engagement, and other metrics that help both patients and healthcare staff on their respective journeys.



Our expertise extends beyond business and technology. Our team has years of deep experience in clinical practice, navigating healthcare workflow, and the patient/provider journey.

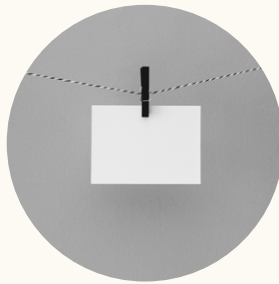
○ Reach



Discoverability

Publish star ratings on provider's website for search engine optimization, consumer transparency, and discoverability. Re-activate dormant patients with important updates.

○ Notify



Pre-visit and Arrival

Automate outreach to patients prior to their appointment, regardless of care setting. Includes appointment reminders, pre-visit instructions, virtual queue, check-in, and wayfinding.

○ Rounding



Inpatient Service Recovery

Real-time inpatient patient experience rounding tool to address patient requests and needs immediately.



○ Connect



Patient Feedback and Education

Obtain real-time patient feedback for service recovery. Reduce readmission and ED utilization by enrolling patients in education and care program notifications.

○ @Home



Remote Patient Care

Facilitating care at home by pushing patient education and instructions, as well as enrolling patients in ongoing clinical care coordination programs.

○ Employee



Employee Engagement

Employee engagement survey and feedback tool that includes new employee on-boarding, ongoing pulse surveys, employee recognition, and exit interview surveys.





Reach Notify Rounding Connect @Home Employee

Quality Reviews® was created based on the belief that there is a better way for hospitals, outpatient clinics, and other healthcare facilities to improve the patient experience: real-time patient feedback. Ever since our founding in 2012, we've been an industry leader in utilizing software to help healthcare providers capture and analyze the data they need to deliver higher-quality care

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