

# BECKER'S --- Hospital Review

**BUSINESS & LEGAL ISSUES FOR HEALTH SYSTEM LEADERSHIP**

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## Patient Experience: An Increasingly Critical Hospital Indicator

Hospitals have long tracked patient satisfaction ratings, but they didn't always carry great significance. While all hospitals want happy patients, hospitals have been historically plagued with the "doctor knows best" mentality — a mentality where clinical outcomes outweigh "touchy-feely" indicators such as patient satisfaction or overall patient experience.

However, in recent years, some leading institutions have begun to focus more heavily on providing an outstanding patient experience. Part of this has been driven by the public reporting of Hospital Consumer Assessment of Healthcare Providers and Systems [HCAHPS] scores, which will soon be incorporated into Medicare reimbursement rates through CMS' Value Based Purchasing Program. Other drivers include growing consumerism and transparency for healthcare services and increased interest from both consumers and providers in patient-centered care.

### **Rising importance of patient experience**

Healthcare consumers increasingly view their experience with a provider as a key consideration for determining if they'll return to or recommend the provider, largely

because it remains one of the few ways consumers can differentiate providers. Over the past few decades, clinical outcomes have improved dramatically, and patients no longer view great outcomes as a key differentiator — great outcomes are expected. What remains is the patient's overall experience, which encompasses everything from customer service to patient-centeredness and care coordination among providers. "Patients now see service as their quality, says James Merlino, MD, Chief Experience Officer at Cleveland Clinic.

Jordan Dolin, founder of Emmi Solutions, a company that produces interactive patient education materials with the goal of improving patient experience, concurs. "A hospital promoting excellent outcomes is like a restaurant saying we serve food...a lot of research that has been done suggest patient loyalty is based on other factors."

### **What is patient experience?**

For hospitals to begin systematic improvement efforts of patient experience, they need to understand what "patient experience" means. A recent survey by The Beryl Institute found 73 percent of hospital executives do not have a formal

definition of patient experience. Hospitals should kick off their patient experience improvement efforts by clearly defining what patient experience means to their institution. They may want to consider taking a cue from **The Beryl Institute**, which worked in collaboration with healthcare professionals to develop the following definition of patient experience:

**"The sum of all interactions, shaped by an organization's culture, that influence patient perceptions across the continuum of care."**

Despite its ambiguity, patient experience appears to be a growing concern for healthcare executives. According to an April 2011 survey by The Beryl Institute, patient experience/satisfaction is one of the top three concerns of hospital executives. Other top concerns included patient safety/quality and cost reductions.

### **Ties to reimbursement**

Part of the reason hospital executives are becoming more concerned with patient experience may be that it's finally being tied to

hospital reimbursement. However, the direct impact on reimbursements is minimal. Under the Value Based Purchasing Program which goes into effect Oct. 1, 2012, roughly one-third of one percent of reimbursements will be determined by experience scores.

### **Rise of consumerism**

The larger impact on finances may be less direct, driven by the rise of consumerism in healthcare. “Increasingly, patients will seek out information on hospitals that provide great outcomes and great experience and will forgo facilities that fall short,” says Jason A. Wolf, PhD, executive director of The Beryl Institute. “HCAHPS will continue to be a driver even with its limited, but still considerable, financial impact. The thing healthcare leaders cannot overlook is that HCAHPS combined with the increased access to web-based information have created an increasingly educated and savvy healthcare consumer.”

Paul Spiegelman, founder and CEO of **The Beryl Companies**, adds, “There’s been an explosion of consumerism. Transparency has increased; cost and quality data is more widely available because of the Internet and we’re starting to see behaviors change as a result of that information. Consumers are making smarter choices and aren’t just going where their doctor tells them to go. We’re starting to see parity in the industry in terms of cost and quality, and experience and service are the remaining differentiators.”

The Internet also means hospital accolades – and complaints – are more powerful than ever before. While word of mouth has always been some of the most powerful marketing, Facebook, Twitter and blogs mean disgruntled and angry customers could potentially share their disappointment with thousands or more potential patients, not just

those in their immediate circle.

### **All about culture**

Hospitals that have focused on experience and service say making experience a part of the organization’s culture, rather than a single program or initiative, is critical. And a culture that values experience has to be developed through the support of senior leaders.

“The process needs to be set by senior leadership. Staff members need to understand that providing great service is a critical part of what they do every day, says the Cleveland Clinic’s Dr. Merlino. “Leaders need to provide clarity around why service and experience is so important – why they and their employees need to be engaged around it.”

At Cleveland Clinic, building a culture around service starts with ensuring employees are engaged. In fact, the Clinic’s Office of Patient Experience in collaboration with human resources is responsible for employee engagement, because the institution views employees as such an important driver of patient experience. “To ultimately drive patient experience, you need motivated and engaged employees; you need to make sure they’re thinking about it all of the time,” says Dr. Merlino.

According to Jason Wolf at The Beryl Institute, many hospitals fall short when they “focus” on experience by implementing tactical responses that “teach to the test” – that is they are directly related to what is being asked by the HCAHPS. For example, rounding and noise levels become key concerns, rather than an overall culture of patient-centeredness. While process improvement in the eight domains of HCAHPS can be part of a larger approach to patient experience, process improvements shouldn’t be the end-all, be-all. Focusing on service also can’t be the

end-all, be-all. “The real opportunity to have significant impact is to truly understand and strategically design the experience of care around the patient and the patient’s journey. ‘Good service’ is about being polite, helpful and courteous, and should absolutely be expected. Those attributes are the minimum level of competence,” says Kristine White, RN, BSN, MBA, vice president innovations and patient affairs at Spectrum Health System in Grand Rapids, Mich., and president of Spectrum Health Innovations. “[Our focus on patient-centeredness and experience] is not a program or initiative. It’s how we do business. We talk about it in same context as patient safety and quality and financial planning or engagement.” Instead of focusing on service alone, hospitals should be concerned with access, coordination, efficiency, information, shared-decision making and compassion, says Ms. White.

But what does a culture of “patients first” look like? Most patient experience experts agree it manifests in both large and small ways. The larger, more holistic ways include developing a culture and training physicians and staff to involve patients in decision making, providing a high level of service and displaying empathy toward patients and their families.

At Spectrum Health, a culture focused on patient experience is driven by the tenet that patients and their family are the center of the health care team—and that “family” is defined by the patient, says Ms. White. “The world of healthcare is changing very dramatically, and to not only survive but thrive in the rapidly changing consumer community, hospitals need to be able to design strategies to fully engage patients and their families in their care,” she says. Once this holistic view of patient care is developed, outstanding

patient experience is manifested through smaller, simple acts that can have a big impact. For example, at the 2011 Patient Experience Summit hosted by Cleveland Clinic in May, Roberta Levy Schwartz, senior vice president of operations at The Methodist Hospital in Houston shared that Methodist's OR staff sends every surgery patient a get well card signed by every team member on the case. Ms. Schwartz said patient-experience involves both high-tech and low-tech methods and "is a daily effort [with] certainly a weekly review."

Education and information also plays an important role in a patient's experience as informed patients are more confident and tend to be more satisfied with their care. Increasingly, hospitals are using technology to transform patient education. Because patient education is largely repetitive, technological tools, such as the online patient education programs offered by Emmi Solutions, can provide interactive engaging patient education programs that are not subject to physician or clinician omissions. "A general surgeon doing hernia repairs, for example, may give the same information 30 times a day. Not only might he or she forget or be tired and leave something out, he or she also spends a lot of time doing something that can be easily automated," says Mr. Dolin.

Amenities — such as private rooms, room-service-style food service, flat screen TVs, healing gardens and complimentary/alternative service lines — are yet another area that may influence a patient's experience in a hospital. However, amenities can't be a substitute for an overall culture of patient-centeredness. "I think [amenities] are wonderful, but they don't substitute strong partnerships with and engagement of patients," says Ms. White. "I see amenities and a secondary offering, but not the most important thing to patients."

### **Return on Investment**

Truly improving patient experience requires devoting designated funds toward the cause. This may include the training of employees to change the culture and the development of more specific process-improvement initiatives. However, demonstrating the return on investment for these types of improvements can be challenging. Certain elements of ROI involve tangible improvements that can be measured and assigned a dollar value. For example, better educated and empowered patients are less likely to have unanswered questions that require them to call the hospital and are less likely to be no-shows on the day of procedure. James Grant, MD, chair of the Department of Anesthesiology at Oakland University William Beaumont School of Medicine and an anesthesiologist at Beaumont Hospitals, speaking at the 2011 Patient Experience Summit, said surgical cancellation rates dropped from 4.8 percent to 1.5 percent after switching to online, interactive pre-surgical patient education. Labor savings from call volume reductions and cancelled procedures as well as revenue protected from improving the cancellation can be determined through a fairly straight-forward calculation.

The more impactful components of ROI, however, are more difficult to measure. For example, it's very difficult to say how much a certain level of improvement in HCAHPS scores will increase revenue or how much preventing a negative Tweet saved a hospital. What is certain, though, is that happier patients are more likely to return and more likely to recommend a hospital to others. They're also less likely to file a malpractice complaint, said Norm Tabler, Jr., JD, senior vice president and general counsel at Indiana University Health at the 2011 Patient Experience Summit. He called good patient experience "good business."

Beryl's Mr. Spiegelman summarizes the challenge: "[Healthcare executives] have to stop worrying so much about proving short-term ROI. Instead, they need to trust that it leads better clinical outcomes, higher patient retention, higher HCAHPS scores, fewer readmissions and better overall profitability."

Ms. White contends that outstanding patient experience is a critical component of high quality care, regardless of whether or not ROI can be proven. To her, patient experience begins by "creating an environment where patients speak up, an environment that's open and honest and where patients get the information they need and want to fully participate in their care."