
Beyond Patient Satisfaction:

How Compassion Creates Loyalty



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Healthcare executives readily accept the importance of patient satisfaction. But the ability to create it seems to have remained elusive. A recent Press Ganey survey tells the story. Over 90% of executives said patient satisfaction is critical to market share and profitability. Yet 61% called patients increasingly hard to satisfy. And fewer than 40% said the industry was doing a better job than they were 10 years ago.¹

An industry has grown up around measuring patient satisfaction in recent years. Their rallying cry seems to be “Go Beyond!” And while we agree with the sentiment, it’s quite a broad charter and daunting. It’s as though they’re packing you for a trip. And when you ask where you’re headed, they reply simply “far”. It’s an ambitious travel plan. But it’s difficult to know where to take the first step.

Our goal is to make this paper a compass rose. We’ll describe the prize on the far side of patient satisfaction: greater revenue, lower cost, better care. We’ll layout the terrain of patient satisfaction. And we’ll show you why demonstrating greater compassion to patients may be the shortest route you can take from here to there.

Loyalty pays—as much as \$95 million

In today’s healthcare market, loyalty pays. The evidence is everywhere. Here are some examples.

- Loyal patients return. And patients who are more satisfied are more likely to return.²
- When patients are loyal, admissions rise and so does market share. Melvin Hall, CEO of Press Ganey, relates a story about a Moody’s report that cited a focus on patient satisfaction as a “competitive difference”. In the reviewer’s judgment, the focus contributed to a 9.8 increase in admissions for the hospital.³ And Sam Ho reports that market share within PacifiCare Health System is shifting

toward facilities with greater patient satisfaction—despite the fact that plan benefits are relatively uniform across the system.⁴

- Loyalty means higher earnings. In a report of its successes with one for-profit health system, Gallup reported that hospitals whose patients and physicians rate them in the top quartile on loyalty measures added more than \$95 million per year to the system's earnings than did bottom-quartile hospitals.⁵
- When loyalty rises, profits rise. A 5 percentage point increase in customer loyalty (retention) can increase the value of your average customer 25 to 100 percent.⁶

Up to 20% of patients or more are not as satisfied as they appear

Probably the most familiar insight about patient satisfaction is that higher is better. If market share and revenue are important to you, only patient loyalty will do. And if patient satisfaction is a ladder to climb, experts agree that you'll find loyalty only on the top rung. An exceptionally satisfied customer is six times more likely to buy again as one who is merely satisfied.⁷ In fact, in Press Ganey's reports there is no gradient of loyalty. You won't find "somewhat loyal". It's a binary distinction. As a patient, you're either "very loyal", or "easily switched". And you're only very loyal if you're completely satisfied. Even patients who rate a 4 of 5 on a scale of satisfaction are easily switched.⁸

If your goal is to cultivate patient loyalty, the way most hospitals (and the measurement industry, for that matter) measure and report patient satisfaction stands in your way. In their reports on patients, most combine the *merely* satisfied with the *completely* satisfied. The effect is that loyal patients are mixed in with those who are easily switched.

That's why Fred Lee calls patient satisfaction "fool's gold". He found satisfaction scores 10 to 20% higher in the healthcare industry than they were at Disney, an institution built on delight. While Disney's satisfaction scores are lower than those of the typical health care organization, they measure only loyal customers.⁹ The satisfaction scores reported by many hospitals and the industry as a whole likely overstate loyalty by a significant margin.

78 million people will make patient satisfaction more important and harder to come by

Even in halls as revered as the Cleveland Clinic's, the staff is beginning to feel the approaching edge of a new wave of consumerism. Here's Phyllis B. Marino, their Associate Director of Marketing. "I'll tell you what keeps me awake at night. The quality of our clinical care is very proven and we've been able to attract patients from great geographical distances because of it. But ...all our trend data shows that consumers are becoming more demanding and will continue to be. It's in our best interests to offer the service levels and experience that patients are starting to seek."¹⁰

Ms. Marino is likely right that today's success is no guarantee of tomorrow's profits. Laurie Lee, vice president of marketing and product development at Inforum, describes the predicament of many of her clients, "They don't want to talk about growing market share because they don't have the infrastructure to support it. They are so successful, they are swamped with patients. But the patient experience—even though the clinical outcomes are outstanding—can often be abysmal."¹¹

Unfortunately, the cohort of patients just beginning to reach seniority will likely not brook poor patient experience. The Baby Boomer generation will be the number-one consumer driver of healthcare for the next 30 years. Seventy-eight million people concentrated in a 20-year time span. "This will be the

fussiest, best informed group of consumers that healthcare has ever known-and probably more demanding."¹²

In August of 2003, Press Ganey reported on a study of nearly 2 million patient surveys—the largest study of patient satisfaction ever conducted. "...the Baby Boom generation...as a whole is less satisfied than patients in the adjacent age groups. Members of the Baby Boom generation have been described as distrustful of institutions, more informed than others, and harder to please because of their high expectations".¹³ And it's very likely that the demands of this huge Baby Boomer cohort will shape and bias the expectations of patients in other age groups. In fact, studies show that is likely already happening.¹⁴

The upshot is that healthcare is, or soon will be, facing a market that has increasing choice and very demanding expectations. It will pay healthcare marketers to sharpen their pencils when it comes to creating satisfaction.

The large investments hospitals make in quality management will fail to increase loyalty

The most familiar refrain to come out of the measurement industry is "go beyond". Here's Maxwell Drain, of Press Ganey, "Meeting basic and spoken requirements is expected. Going beyond what is expected makes the patient's experience memorable, differentiates physicians, and builds patient loyalty."¹⁵

And of course, it matters how you focus your efforts. Often hospital managers focus on clinical and process outcomes. And while that's worthwhile, it contributes little to increasing your patient satisfaction.¹⁶

Patients judge their hospital care by the way they're treated

For most patients, clinical treatment is too complex and arcane to gauge. They have a poor ability to assess technical performance. And they have difficulty distinguishing between the art of care and the technical aspects of care.¹⁷ As a result, patients judge the hospital by the way they're treated as a person, rather than the way they're treated for their disease.^{18,19,20}

Consequently, strategies borrowed from a manufacturing paradigm and applied to the clinical process (TQM, Six Sigma and "lean manufacturing") may actually harm your patients' experience.²¹

The factors "surrounding the clinical experience" is the outermost ring of the target

There's a growing body of research and anecdotes pointing to the importance of improving things patients can see, the so-called factors "surrounding the clinical experience". You'll find articles recommending you improve everything from the layout of the parking lot, to the method of setting appointments, welcoming and triage, waiting room comfort and reading materials, wait time, interaction with staff before and after the physician encounter, and the patient-physician encounter in the exam room.^{22,23}

Improving the factors above probably increases satisfaction for three reasons. First, the improvements really do make the experience of care more convenient and comfortable for patients. Second, the very act of attending to all these issues puts your medical practice in constant dialogue with patients. And third, a medical practice that is really improving all these aspects of care is likely empowering staff in the process. That makes staff and patients more satisfied.

When a person becomes ill, their relationship with medical staff becomes central

Melvin Hall, CEO of Press Ganey, put it simply, “whether someone is a customer or a patient depends on whether they are more or less horizontal. The more vertical they are, the more they should be seen as customers. The more horizontal, perhaps they should rightly be seen as patients.”²⁴

When you poll enrollees in health systems (healthcare consumers), you find them concerned with the kinds of factors we discussed above: getting their ID card on time, having their phone calls answered, getting claims paid quickly. But once they become ill, it’s a different matter. Patients are much more concerned about their relationship with their doctor.²⁵

In the group practice setting, for example, the overwhelming determinant of loyalty is the interaction between the patient and physician. Other issues (long wait times, access issues, staff who are less than warm) are minor annoyances in comparison. “They’re still dissatisfiers. But they become make or break issues only if the relationship with the physician is poor”.²⁶ And nine of the ten issues most highly correlated with the likelihood of recommending a hospital involve the relationship between patient and staff (often the nurses or the entire medical team).²⁷

The core skill for creating loyalty is showing empathy in a way patients can see

The number one predictor of your patients’ loyalty is their confidence in their care provider.²⁸

That would seem to lead us back to a discussion of quality management and clinical outcomes. But it doesn’t. Patients can’t assign value to those things.

Adequate information and the ability to communicate caring create confidence.²⁹ “Doctors' training and knowledge of new medical treatments are less important to many patients than their interpersonal skills—treating patients with respect, listening carefully, being easy to talk to, taking patients' concerns seriously, spending enough time with them, and really caring.”³⁰ Of the three top drivers of patient satisfaction, two (nurses anticipated your needs, and staff responded with care and compassion) measure the staff's ability to show empathy.³¹

Fred Lee sums it up this way,

“...it is possible to improve systems, improve the registration process, improve explaining tests and procedures, improve waits, and improve the performance of ancillary and support services in the patient's eyes; yet all of these combined improvements could not raise overall satisfaction when staff miss the opportunities to anticipate people's needs and show some empathy in their times of stress, pain, and grief.”³²

Empathy is only valuable to patients if they see it. Compassion is as common in healthcare as clinical skill. Neither differentiates you (except in the extreme cases). What makes a difference, what earns you loyalty, is compassion made visible.

Your staff can learn to make their compassion visible to patients

A demonstration of empathy is a powerful gift to a patient and a powerful tool for your organization. Your staff doesn't need to become compassionate. They already are. Showing compassion isn't a matter of having a good day, or being in the right mood, or having the right personality. But it requires you to draw patients out when they are most vulnerable. That's difficult and intimidating. Demonstrating empathy *in a way patients can see* is a skill—especially in times of stress, pain, or grief. Your staff can learn how. What they need is a process and language they can use to

give themselves the permission, confidence, and a way to make their compassion plain.

About Interplay

Interplay, Inc. specializes in training healers to make their compassion *visible* to patients, especially in moments of crisis. Empathy skills can help you increase revenue, lower liability, and deliver visibly better care. Our staff has trained nurses to work effectively with patients who are security risks, mental health specialists to work with “unreachable” patients, chaplains to work with families deeply in grief, and therapists to work with patients who believe they are dying.

A final note:

The perception of a trade-off between clinical efficiency and providing empathy puts your organization at risk

Frequently, medical staffs feel their attention to good medical practices competes with their desire to show compassion to patients. We see this dynamic often in Interplay trainings. We put medical staff in interactions they've identified as challenging—live scenarios we've designed using their input. Very frequently, we see the staff so focused on operational activities that they overlook the human side of the transaction. In other words, they are intent on performing an assessment or training a spouse to clean a Hickman line. And they give themselves no opportunity to acknowledge how frightened or overwhelmed their patient must be.

When we coach them, we often discover that they are acutely aware of the patient's feelings. But they don't feel "permission" to discuss those needs and feelings. They're afraid it will take too much time. And they don't know how to broach the topic.

The result is an encounter that alienates the patient and burns out the medical staff. It's ironic because the staff typically cares deeply. But their silence or uncertainty leaves the patient judging them as uncaring, unresponsive, and sometimes even incompetent.

Those judgments create stress for staff and patients and put your organization at risk. These kinds of "emotional errors" are, in fact, the leading cause of medical malpractice claims. They contribute more to claiming than do medical errors or negligence. (See our whitepaper "Three Myths of Medical Malpractice That Drive Up Your Costs" in the "Free Resources" section of our website <http://www.interplaygroup.com/>) You'll recall from above that these are just the kinds of interactions—excellent clinical outcomes combined with

abysmal patient experience—that leave many administrators concerned for the future health of their organizations.

Moreover, empathy complements clinical treatment. Understanding patients' expectations and fulfilling requests appropriately can encourage adherence to treatment plans³³ and may even enhance outcomes.³⁴ A growing body of research suggests an association between clinicians' caring and the appropriateness of, effectiveness of, and satisfaction with care.³⁵

End Notes

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³ From a Moody's report cited by Melvin Hall, CEO of Press Ganey Associates Inc., at Satisfying the Impatient Patient, Roundtable Discussion, Healthleaders.com April 2001

⁴ Sam Ho, VP of PacifiCare Health Systems at Satisfying the Impatient Patient, Roundtable Discussion, Healthleaders.com April 2001

⁵ Gallup Organization, Hospital Network: Employee Engagement, Patient Loyalty, and Leadership Development (Page 1) 11/14/2003 at <http://www.gallup.com/content/default.aspx?ci=1495&pg=1>

⁶ Reichheld, F. The Loyalty Effect, Bain & Co., the United States, 1996, p. 33

⁷ Jones and Sasser, Jr. (1995), "Why Satisfied Customers Defect," Harvard Business Review, November-December

⁸ Press Ganey, The Satisfaction Monitor, September/October 2004, Beyond Satisfaction: Why Physicians Should Focus on Patient Loyalty, Maxwell Drain, Press Ganey Associates, Inc. Their chart, in turn, is based on the classic article by Thomas O. Jones and W. Earl Sasser, Jr. listed above

⁹ Chapter 3 of Fred Lee's book. Lee, F., If Disney Ran Your Hospital, Bozeman, MT, Second River Healthcare Press, 2004, especially p. 49.

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¹¹ Satisfying the Impatient Patient, Roundtable Discussion, Healthleaders.com April 2001

¹² Health-care futurist Russell Coile, Jr., quoted in the November/December 2003 issue of Health Freedom Watch, January 14, 2004 Institute for Health Freedom published by the Institute for Health Freedom. <http://www.forhealthfreedom.org/index.html>

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¹⁶ Lee, F., If Disney Ran Your Hospital, Bozeman, MT, Second River Healthcare Press, 2004: Chapter 3

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¹⁸ Lee, F., If Disney Ran Your Hospital, Bozeman, MT, Second River Healthcare Press, 2004: Chapter 3.

¹⁹ Chris Bevolo in Leading the Charge: How marketers can help shape the patient experience, GeigerBevolo

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