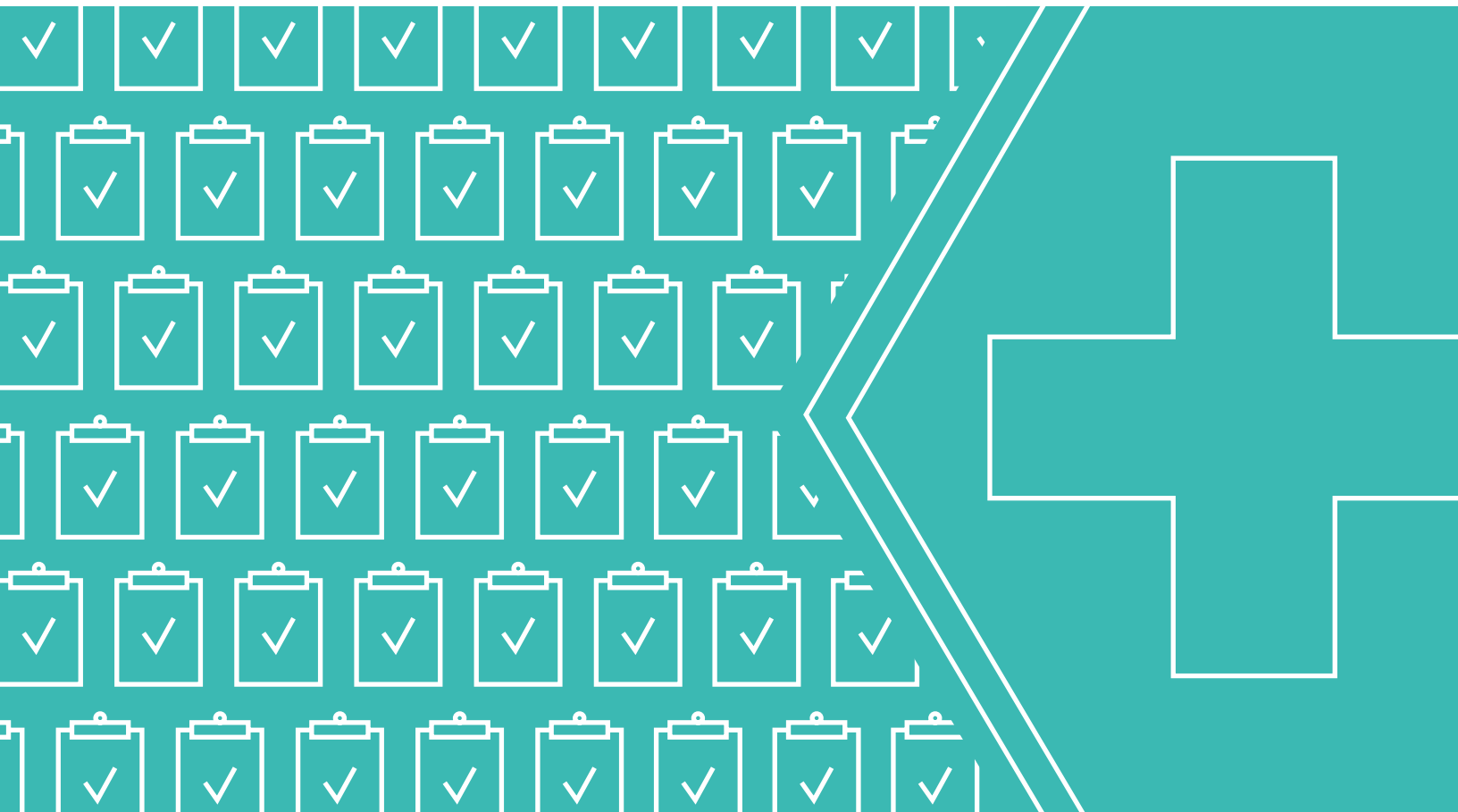


Improving the Patient Experience:

Investing in Mission and Margin



Introduction

As a fee-for-service industry, the American healthcare system primarily favored individual physicians and hospitals. However, following the passage of the Affordable Care Act in 2010, priorities are realigning toward value and the quality of the care experience. This paradigm shift places the patient at the center of the conversation, and causes healthcare organizations to provide patient-centered, evidenced-based care in order to be successful.

Quality can no longer be defined solely by clinical outcomes— the patient experience demands attention and investment. This is a mission-driven as well as financially-driven investment and, done correctly, an organization-wide focus on engaging patients in the care experience can help reduce costs, increase revenue and improve outcomes—making it a sound ethical and fiscal business approach.



The Business Impact of an Improved Patient Experience

The modern version of the Hippocratic Oath includes a section stating “I will remember that there is art to medicine as well as science, and that warmth, sympathy and understanding may outweigh the surgeon’s knife or the chemist’s drug.” This passage underlines the most basic and essential part of healthcare, and highlights the need for the patient experience to be positively managed throughout the care process from a mission-driven perspective. However, there is also a strong business-centric argument for investing in the patient experience.

Financial incentives are a strong pull for any business, and healthcare providers are no exception. Hospitals and health systems have been persuaded to emphasize the patient experience ever since the Centers for Medicare & Medicaid Services (CMS) began withholding 1% of Medicare reimbursements to tie additional funds to patient satisfaction levels, as relayed in the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. Additionally, patients’ perception of the quality of the care experience is closely tied to improved clinical outcomes¹, increased physician loyalty², improved operational efficiencies³ and enhanced risk mitigation⁴. As such, the most successful hospitals are those that best meet their patients’ expectations⁵.

Therefore, in order to meet those expectations and improve satisfaction scores, institutions often attempt to address individual survey questions or specific parts of the patient experience where they may be deficient, instead of adopting a broader patient experience approach.⁶ Creating a widespread culture and process that emphasizes engaging patients in the care experience can result in a breadth of business benefits for providers, from reduced costs to increased revenues.



Reduced Costs

Risk Mitigation | Care that is patient-centered and strives to elevate the patient is shown to improve a healthcare organization's financial outcomes. For example, improving the patient experience enhances risk mitigation efforts.

Very few malpractice claims actually stem from negligence. The vast majority arise from mismanaged patient expectations and poor patient interactions with their physicians³. Hospitals that focus on decreasing risk through an improved patient experience can see decreased rates of claims.

For example, according to a Press Ganey report, “as the category of the physicians’ lowest satisfaction declined, the risk of their being in a lawsuit rose from 0% for the doctors with ‘very good’ as their lowest score all the way to 19% for those with a ‘very poor’ rating.”⁷ An analysis of CMS data and other survey findings found a strong relationship between HCAHPS surveys and malpractice, with the following three responses holding the highest correlation:⁸

- The percentage of patients who “never” or “sometimes” received help when desired
- The percentage of patients who “never” or “sometimes” received clear communication from their doctor
- The percentage of patients who would not recommend the hospital

While in the majority of cases the physicians and staff members are not found to be negligent, providers can't avoid the costs of going all the way to trial. Therefore, the way to save costs is to avoid claims, and a positive patient experience can help in this effort.



Increased Revenue

When considering the financial impact of patient satisfaction, the immediate concern is HCAHPS-related penalties for low scores. However, avoiding penalties is only one piece of a larger picture—the other 75% of hospitals should see patient satisfaction as a major revenue source. After all, healthcare organizations have an imperative to treat people and make them well but, like any other business, they also need satisfied customers. Treating patients as “customers” does not equate to losing the personal touch of a care experience, but adjusting practices from check-in to billing and beyond to ensure the patient experience goes smoothly both inside and outside of the four walls. Therefore, healthcare should be thought of as a business and, as such, exceptional service must be provided to patients.

Patient Loyalty | In doing so, a positive patient experience can result in patient loyalty, which generates revenue through repeated visits and can improve operational efficiencies by driving volume of high-margin, predictable preventive appointments and procedures. For example, a report about the NHS highlights a direct connection between loyalty and a great customer experience.⁹ It argues patient loyalty is not a product of what is the most convenient choice for a patient or whether there is a lack of provider competition, instead it illustrates satisfied patients are likely to stay with their preferred provider long term.

Comparatively, a poor experience can lead to a patient avoiding a certain healthcare facility which, if sustained over the long term, can result in a significant loss. As a study conducted by the Voluntary Hospitals of America found, 70% of patients would pay more money if they could consult a quality physician of their choice.¹⁰ And, according to U.S. Census Bureau data, if a hospital loses an entire household of potential patients, it will miss approximately \$1.5 million in revenue over the lifetime of the household expenditure, and that massive sum can often be avoided if patients are satisfied with their care experience.¹¹



Based on this information, provider organizations are increasingly motivating their workforce to better serve patients and are designing processes to match patients' needs.¹² For example, according to a report titled "Improve the Patient Experience to Increase Patient Loyalty," the perceived quality of a nursing staff's communication ranks as the biggest driver of patient support. Nurses are involved with the daily aspects of patient care, many of which dictate the overall experience. The report also states hospitals that want to improve their loyalty metrics should focus on proper pain management, responsiveness and communication and better explanations about medications.¹³

In the broader sense, there are connections between various patient experience initiatives that will lend themselves to a greater chance of business success. Providers should understand the interconnectedness of a patient-centric strategy, and how each successful piece (be it better medication adherence, friendlier billing interactions or longer consultations) all work together to enhance a patient's satisfaction and affinity for the provider.



Referrals | Additionally, in growing a patient's affinity for their provider, a hospital is also increasing the likelihood of treating that individual's family, friends or connections in the community. As HCAHPS surveys explicitly measure, satisfied patients are more likely to recommend their hospital or physician to a friend or family member. Those recommendations have significant results: accounting for both return business and referrals, one study found that improving patient satisfaction survey results by just one point can lead to increased revenue of \$1,443 per patient day¹⁴.

And while a referral may send patients experiencing an acute event to a particular hospital, the more substantial benefit is seen with scheduled visits—including annual wellness exams or screenings, diagnostic procedures and ambulatory care. These are the high-margin, scheduled procedures that drive profits and align with incentivized preventive care practices. Typically lower risk, hospitals bear less potential cost of complications that might detrimentally impact reimbursements. Furthermore, thanks to the predictable nature of these appointments and procedures, hospital and clinic units are able to right-size their labor force, reducing what has traditionally been considered a fixed cost in healthcare.



More Satisfied, Engaged Patients

In addition to decreased costs and increased revenues, an improved patient experience can help engage patients in their own health and wellness, which leads to positive health outcomes for the patient and the organization. For example, when patients are satisfied with their care experience, they are often more adherent in attending scheduled appointments and procedures.

Additionally, as the healthcare industry shifts to focus on quality of the patient experience, there is increased attention to partnering with patients to choose their appropriate form of treatment. This communication between provider and patient improves the patient experience and helps improve outcomes, as patients choose what is most appropriate for their health and most applicable to their preferences. More engaged patients and families are more willing to speak up, ask questions and make care decisions that best reflect their beliefs and needs¹⁵.

Also, patients have a more satisfactory experience with their care when their expectations are managed. Therefore, healthcare organizations need effective ways of educating patients about the care process and setting their expectations. For example, patients expect personalized healthcare interactions. They expect their provider to care independently about their health status and they wish to feel as if they are not one of many individuals being cared for. Said plainly, they want to be more than a number—and that's a very reasonable expectation.

However, if a consultation is perceived to be too brief, patients often feel their reasonable expectations have not been met. In fact, a study conducted by the British Journal of General Practice revealed a direct correlation between longer consultations and overall patient satisfaction. Consultations that were deemed too short by the patient were causes of overall dissatisfaction with their care experience.¹⁶



Emmi's Impact on the Patient Experience

The broad business impact of a full-featured patient experience plan is moving from a one-sided conversation with patients to a more collaborative and transparent approach. Therefore, in order to fully embrace the outlined “investing in margin and mission” approach, healthcare providers should look to implement a mix of staff training, new best practices and patient engagement solutions.

Addressing Nonadherence and Self-Management | Emmi provides hospitals and health systems with a people-centric solution that helps guide patients through every step of their care journey. Emmi simplifies complex health information, explaining chronic conditions, procedures and guidelines for health and wellness. It reminds patients of appointments or preventive testing and encourages medication and instructional adherence. It helps patients transition from hospital to home, and it keeps family and loved ones informed each step of the way. And all of this can be done at patients' convenience—at times that are appropriate for them, and on devices they already own.

Therefore, Emmi helps improve the patient experience and, as discussed, clinical and financial outcomes. For example, nonadherence to prescribed medications is a persistent and dangerous healthcare issue, with an estimated 43% of the general population, 55% of the elderly and 54% of children and teenagers being classified as nonadherent.¹⁷ Nonadherence costs providers potentially billions due to their not reaching accountability outcomes. These costs can include penalties associated with readmission rate standards, Medicare star ratings or physician quality reporting system (PQRS) measures. Additionally, besides cost concerns, there are behavioral factors that come into play regarding nonadherence. These include negative thoughts about potential side effects, not fully understanding the crucial “why” they need to conduct a certain action. Providers that do not properly educate or motivate their patients, while taking into account their health literacy level, run the risk of high readmission rates which impact outcomes, finances, and negatively impact the patient's experience.¹⁸



Emmi understands the complexity of individual behavior change, and understands how to explain information at appropriate health literacy levels and through methods that help with information retention and actionability. Emmi, therefore, can help patients understand the importance of self-management and can give them the tools to do so. It can set patient expectations, and improve their outcomes as well as their overall perception of their care experience.

Improving HCAHPS Scores | Patient satisfaction scores have never been more public and critical to an organization’s financial success. A small change in percentage points on any one HCAHPS survey question can lower percentile scores dramatically. Therefore, using Odds Ratio-Testing, Emmi performed an analysis of HCAHPS scores from various services lines at 29 different hospitals in the United States.¹⁹

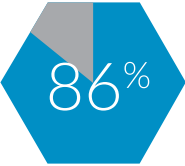
95,469 HCAHPS surveys, provided by the individual hospitals, were analyzed over an eight-year period. Scores were compared between patients who had interacted with Emmi and those who had not, and the study revealed patients who viewed an Emmi program had higher HCAHPS scores. Additionally:



of hospitals improved their aggregate HCAHPS Top Box Percentage²⁰



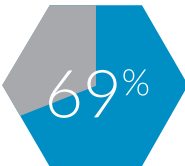
of hospitals improved in the “discharge information” dimension²¹



of hospitals improved in the “doctor communication” dimension²¹



of hospitals improved in the “nurse communication” dimension²¹



of aggregate Top Box answers improved by 4% or more²¹



Moving Toward a Complete Patient Experience

Providers that want to best meet their financial targets and maintain high quality standards of care should embrace a complete patient experience approach to business. There is considerable supporting research showing a link between a positive patient experience, financial efficiency and better outcomes. Reaching and maintaining a positive care experience, however, requires a commitment to quality, a refined focus of the entire patient lifecycle and a commitment to engaging patients in their care, with tools that improve patient satisfaction and patient self-competence. If done correctly, healthcare organizations can stay true to mission-based imperatives, while reaching their financial objectives.

For more information about driving patient engagement, visit www.emmisolutions.com.



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