

# THE HEALTHCARE BUSINESS LETTER

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## Promoting Patient Satisfaction and Loyalty

By James A. Muschler and Karen A. Schumacher

### *What would your patients tell a friend about your practice?*

Physicians are now sending “mystery patients” or “healthcare secret shoppers” to find the answer to this very question. The goal of this exercise is to get the patient’s perspective on the experience of accessing professional services at their practice.

The revelations of mystery patients have been both surprising and humbling. These practices are often turned upside-down by what is learned. Seeing the encounter from the patients’ perspective creates an improved vantage point for viewing potential improvements. This insight leads to the creation of a new type of healthcare organization—one that is patient focused.

Today’s healthcare consumers have definite expectations as to what their experience should be - and how much they expect to be charged. If the patient’s actual service experience is inconsistent with this preconceived vision, the practice can lose a customer. In many cases, the practice loses both the patients for future visits and the money for services already provided!

### *Must we reduce patient wait-time?*

Patients do expect a certain amount of wait-time before being seen by their physician. This is a fact of life for a busy practice with so many variables out of control: emergencies, late arrivals, unexpected outcomes, etc. Appropriate wait-times can range from a short 15 minutes for a primary care physician to a long 45 minutes for subspecialists before the patient is taken from the reception area and deposited in the exam room.

For patients to feel well served despite these annoyances, the encounter must ‘flow’ in a seamless fashion. Every individual in the practice must possess a service attitude or “customer-oriented demeanor.” This attitude must not only exist, but also thrive throughout the practice. Staff must be trained to focus all their attention on the patient’s experience and service quality perceptions. Nothing is more important. Every encounter must communicate to the patient, “We’re glad you’re here— and we are committed to making this as pleasant as is possible.”

### *Can a practice offering premium services command a premium price?*

This is a question that has been asked quite often during these last few years. The fact is, many practices are currently assessing fees-for-services that far exceed what insurance carriers are willing to reimburse. These fees are out-of-pocket for the patient and are above what the payors state are the “usual and customary” charges. Fees are collected directly from those patients who have chosen to go out of network to receive them. In order to command a premium price, patients must perceive the added value of the services. They also must be willing to pay out-of-pocket for the added value.

### *What services will patients pay more for?*

The market for higher priced services varies according to the type of patient, physician specialty, patients’ economic status, the type of services being offered, etc. In short, your practice can influence what patients are willing to accept and what their service expectations will be by training patients to accept less or by educating customers to expect the highest level of provided service. This patient perception of total commitment to superior service can differentiate your practice from others and create increased value for consumers.

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**THE HEALTHCARE BUSINESS LETTER**

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When you deliver on value that is perceived by customers, your patients will often be willing to pay for that added value. The key to collecting additional monies for services with great perceived value is to differentiate your services in the marketplace while fostering improved patient satisfaction and loyalty.

**What is Patient Loyalty worth?**

A patient, willing to go 'out-of-network' to receive the services you provide, willing to pay for them out-of-pocket with minimal or no insurance reimbursement- this is the power of patient loyalty. Fostering patient loyalty is not always easy, but typically, it begins with a dedication to patient-focused service.

A patient-focused healthcare practice is always developing superior, long-lasting relationships with patients by incorporating the voices of their current customers (patients) into all aspects of the practice and its method of operating. Top performing practices are making every effort to continuously improve those areas of patient encounters or service delivery most important to patients. They must achieve this improvement in service or outcome while, at the same time, they must eliminate those processes that do not add value to the patient.

Patient loyalty translates into reduced costs and increased revenues. Happy patients stay with the practice, and pay the physicians assessed professional fees-for-services. When patient loyalty is increased as little as 5 %, profits can be increased as much as 25% - 85%. The more positive the experience, the more worth or value the patient will feel the service has.

**Customer Service Excellence**

Our customers are our patients, but the patient's families are often of equal importance in the decisions to access your practice's services in the future. The term "customer" can also refer to other physicians who are referring patients to our practice. Employers and third-party payors can be involved in the decision to offer or access health services. To meet the needs of all these decision-makers, a much broader base of people inside the practice must be customer-competent, to include each area of patient service or customer interaction, from patient appointment scheduling through billing and collections. Accuracy and accountability ensure a quality patient experience, which is key to improving patient satisfaction and customer loyalty. Quality improvement is every employee's responsibility.

The cost of employee turnover is not the financial investment associated with hiring and training new staff. The true cost of employee turnover is the loss of productivity and the decrease in patient satisfaction. Low employee turnover is linked closely to high patient satisfaction. If the staff is

happy at work, they will stay with the practice. Attitudes regarding internal and external customer service pervade an entire organization. The feeling employees have about their jobs, their colleagues and the company will affect their attitudes.

**What does it mean to be customer-competent?**

All staff members must have reliable skills for patient interactions. Each staff member must understand his or her role in patient retention and improving patient loyalty. Staff members should be given the authority to be flexible. They must act in a manner that exceeds the patient's expectations. Teamwork is the key to good customer service and improved patient satisfaction.

Often, it is not the little, more subtle, differences in service which patients perceive and are willing to pay more for. The "free local calls on the telephone in the reception area" or the practice's "New Patient Welcome Package" is what creates the perception of greater value.

**Continuously Improve Customer Service**

Improved Patient/Customer Service is the center of many practice improvement initiatives:

- *Streamline the patient flow process— proactively re-engineering processes to prevent errors that reduce re-work, to help control costs and to ease undue stress on patients.*
- *Make staff accountable— solve the identified problems and address all complaints as a group, rather than focusing on or determining fault. Make it a learning experience, to avoid a repeat occurrence of a similar problem.*
- *Improve the quality of written materials— the practice's financial policy and procedures should be easy to understand and follow.*

In short, today's practice must be constantly developing individuals and leaders who are focused on the patient. The organization must be aware of what each patient type is looking for from their healthcare provider and be committed to uniting team members in a common vision. The goal is to not just meet patients' expectations, but to exceed their expectations. Utilize a structured approach to quality improvement, one that will foster innovation and creativity.

**Are we encouraging complaints?**

Believe it or not, complaints are a blessing. Remember that people often feel stressed and undervalued in a busy, complex healthcare environment. It is for this reason that staff members should go above and beyond the call of duty when handling patients' concerns or complaints. Embrace these opportunities to shine!

We should appreciate the complaints patients share with us as much as the praises. Make it easy for your patients to share their ideas and voice their complaints. Give them a toll-free telephone number to call to voice their concerns or complaints. Print this number on all literature provided to patients at the time of service. Provide postage paid patient satisfaction surveys, which the patient can mail in anonymously. If you are lucky enough to have the patient tell somebody in person, you been given the chance to rectify the situation. Unhappy patients can be transformed into your greatest public relations asset by properly handling these “moments of truth.” Although it may seem superfluous to train the golden rule (treat patients the way you would like to be treated), staff may need to be reminded of many basic customer service tenets.

Depending on verbal complaints alone to gauge patient satisfaction is problematic because they are typically generated by an unrepresentative set of patients with an unrepresentative set of problems. Most dissatisfied patients do not complain. They just go out and find another provider. Also, no matter how you spin it, the complaint process is a negative one. Surveying for satisfaction is much more positive.

The purpose of these surveys is to identify opportunities to create more satisfied patients. The performance information and quality improvement survey data can be utilized to improve the care of patients at your practice. An added bonus is that compiled data from patient satisfaction surveys can be valuable as a managed care contract-negotiating tool, and can be used to demonstrate the value of your practice’s professional services in the marketplace, a valuable marketing tool.

**What do patients want?**

Some of the best practice improvement ideas come from answers to patient satisfaction and operational improvement surveys. Designing and distributing simple satisfaction surveys can garner various benefits, including increased referrals, greater patient retention and improved internal and external customer communications.

Do not simply ask patients, “Are you happy?” This can create confusion. Instead, ask patients about their satisfaction with various aspects of their care and ask them to rate how important each aspect is to them.

The survey instrument utilized by the practice must ask the patient about their experiences with each of the many areas of the practice involved in serving the patient, at all levels of the organization. By surveying the patient, asking them what they like most about your practice, you can fine-tune your offerings and grow the practice.

Patient-centered surveys ask patients to measure the personal/humanistic delivery of care. Ask questions regarding the patient’s “overall satisfaction” with the services they have received first. Avoid asking leading questions. Using a biased question sequence may backfire and produce a feeling of mistrust.

Make all surveys user-friendly. The major key to survey success is the survey’s readability. It is easier to get a survey read and answered if it is fun to complete and easy to understand. Try to make the questions straightforward. Do not make respondents calculate answers or produce long narratives. Put the softer questions early in the survey. Do not use undefined terms or assume the patient understands healthcare terminology or “lingo” to which you have grown accustomed.

**Questions to help carve out areas for improving the patient focus.**

*What quality do your patients expect of your services?*

*What areas of service count most to our patients?*

*What can we do that patients will really notice and be willing to pay for?*

*How do our patients see us right now?*

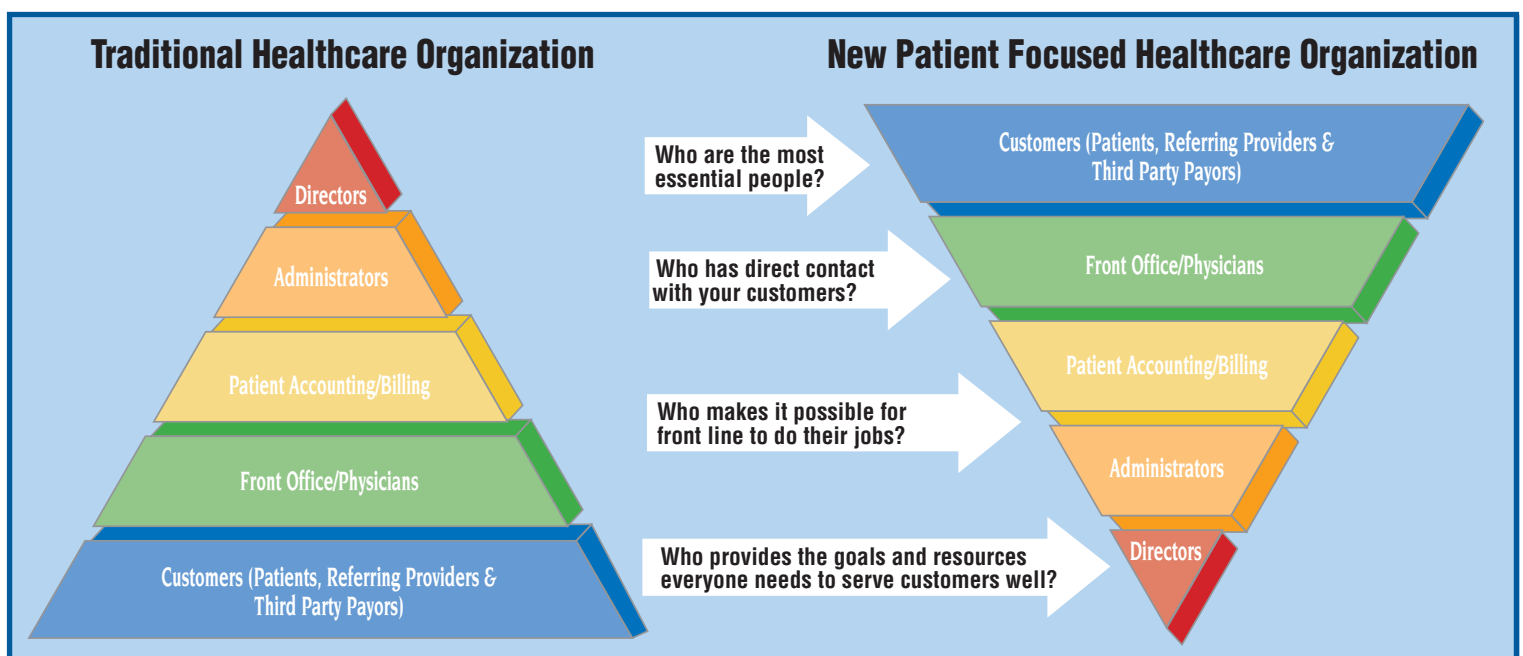
*What actions can we take to improve our service?*

*How can we improve the patients’ perception of our organization?*

*Why do some patients fail to return to our practice?*

*Why do patients refer other patients to us? (Why do some not refer?)*

*What patient needs are not being met by our staff?*



## Actions Speak Louder than Words

*The patient needs to be confident that their input will be utilized and that you will address any issues identified quickly and competently. Survey responses should be reviewed regularly throughout the year to assure prompt attention to any lapses in quality and service. Survey responses should be compiled quarterly, at a minimum, to assist in making decisions on investments in training and improved customer service.*

*Respond quickly to the information you receive. Compile the information for staff meetings and quality improvement initiatives. Remember that your patients will view your dedication to identifying patient concerns and acting upon patients' requests as an indication that you are listening. Let them know you hear them and understand their needs.*

**Providing bundled solutions to today's healthcare business office challenges**

Use a multiple-choice checklist with a few open-ended questions. A survey that contains a combination of both "open-ended" and "closed" questions is important. Ask open-ended questions to encourage a detailed response. Provide sufficient space for answers to open-ended questions. Patients often use the space allowed as a cue on how much to write. Leave plenty of room for additional comments.

When asking patients to "rate" the level of customer services received, use specific units for relativity (such as 'often', 'sometimes' or 'rarely'). Response scales should be independent for each question, and the scales should be balanced (for example: Excellent - Fair - Negative). Using too many response scale points (rate this on a scale of 1-20) creates frustration for the respondent and the data is less valuable than with a limited range of choices. Make sure that the response scale options do not overlap (1 - 4; 4 - 8).

When the survey is mailed to the patient, the practice administrator or the patient's physician should sign the

cover letter. The survey should have a cover letter stating, "Survey information will be reviewed and acted upon." Identify the reason you are asking them to complete the survey and include information on how long the survey should take to complete. Communicate clear and concise directions on how to complete the survey.

Maintaining patient confidentiality is of primary importance. Guarantee anonymity of all responses. Do not discuss individual patient responses (patient survey answers should only be discussed as a group).

It is preferable to use first class commemorative stamps for the distribution of written surveys, rather than a meter marks, to differentiate the mailing from a bill or mass advertisement. The return postage should be paid for by the practice.

Increase response on a survey by sending a second survey along with a letter, which indicates this is a second request, appealing to the patient for assistance.



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His extensive experience includes developing healthcare business strategies, designing and re-engineering healthcare financial management and collection systems, customer service excellence, and corporate communications strategies.