



The key to success for healthcare providers lies in customer loyalty, not just satisfaction

Would you recommend this hospital to a friend?

By Julie Coffman and Phyllis Yale

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Would you recommend this hospital to a friend?**The key to success for healthcare providers lies in customer loyalty, not just satisfaction.**

Ask breast cancer survivor Peggy Witkop where to seek treatment after a life-threatening diagnosis and she doesn't hesitate. Witkop is a walking testimonial for Cancer Treatment Centers of America, which she credits with practicing "Patient-empowered medicine" that helped to heal her body and soul, as well as the cancer. Among the services that bonded Witkop to CTCA: personalized treatment plans, doctors who return calls within an hour, and a travel planner who arranges transportation to chemotherapy appointments.

For hospitals, loyal patients like Witkop are more important than ever. In an increasingly competitive marketplace where consumers foot more of the bill, recommendations from family and friends carry a lot of weight. Patients have a plethora of choices—they want more than sterile surroundings and impersonal caregivers. And they're demanding more participation in their treatment plans.

Loyalty also pays dividends beyond influencing patient choice: individual physicians will also benefit from getting more in tune with patients' feedback, as loyal patients become repeat patients and help improve physicians' practice economics.

How can hospitals transform themselves into consumer-oriented operations? The key is to understand clearly which parts of the patient experience are the real "moments of truth" and how to ensure that they can become "wow moments." Too often, though, hospitals lack reliable information to take the full measure of the patient experience.

A new measure for hospitals

Hospitals usually rely on traditional customer satisfaction surveys to determine the wants, needs and disappointments of healthcare consumers. However, these surveys frequently fall short. They are samples, not a true census of the full patient population about how to improve the patient experience. The questionnaires aren't always timely and they therefore rely on patients' memories, which can compromise the accuracy of the feedback. Finally, hospitals must sort through an enormous amount of data from lengthy questionnaires to find key insights, and even when they do find them, there is no closed loop with the people who need to learn and change.

Some hospitals have adopted a different approach, which is rooted in the principle that the key to success is customer loyalty and advocacy, not merely satisfaction. In other industries, profitable growth comes from finding and delighting a core group of customers who will do your marketing for you. These loyal customers not only return to purchase goods or services again and again, but also provide enthusiastic referrals for the business to their friends, relatives and colleagues.

One of the most effective approaches to creating a culture focused on customer loyalty has Net Promoter® Score (NPSSM) at its heart. It's a radically simple approach. NPS is based on a single question: How likely are you to recommend this company or product/service to a friend or colleague? This is not the exact question for all industries, but it does work particularly well in healthcare given the high level of emotion surrounding how to best take care of yourself. Customers score their responses on a 0-to-10 scale: Loyal promoters score 9s and 10s; passive customers rank as 7s and 8s, while those who respond with a 6 or below are detractors.

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Subtracting the percentage of detractors from the percentage of promoters yields a single figure—the company’s Net Promoter Score. Typically, customers are asked only one or two open-ended follow-up questions to provide information about why they rated the company that way. (See Figure 1.)

The NPS approach has helped loyalty leaders such as Apple, Four Seasons Hotels, American Express, General Electric and Philips to identify and target high-value customers, design the right product or service at the lowest cost, and develop the capabilities to keep turning customers into promoters. Companies with loyal followings grow revenues at more than twice the rate that their competitors do.

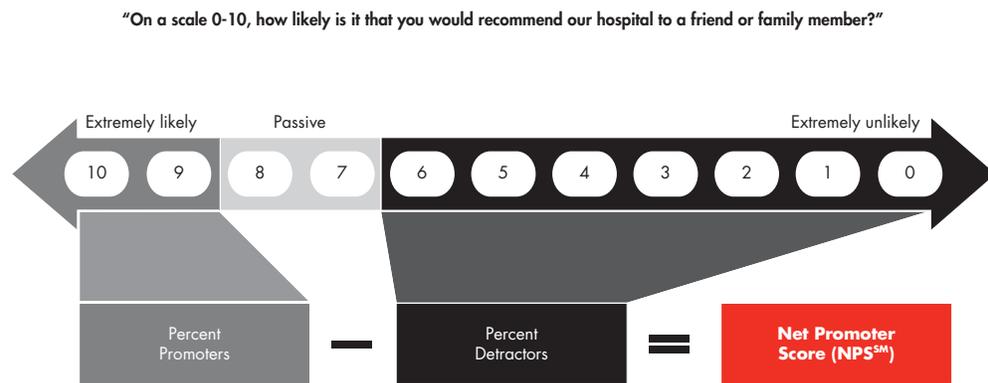
Some hospitals have adapted the lessons learned by these loyalty leaders to design patient-focused organizations. In health-care, perhaps even more than in other industries, loyalty has two dimensions—the head and the heart. Getting a fix on these two dimensions requires considering a patient’s practical concerns—quality of care, facilities

and price—as well as emotional issues; how well do they treat me, do they respect me, and do they keep me informed and listen to me? It also is important to gain an understanding of which parts of a patient’s experience are most crucial to a patient’s overall perspective on the hospital stay, and then be able to zoom in on the behaviors and circumstances that most influence those “moments of truth.” Improving the patient experience in these key moments is very motivational for caregivers and staff, and in fact is far more inspirational than cost—or even quality. (See Figure 2.)

NPS is an invaluable tool in reshaping an entire hospital culture because it probes both dimensions of loyalty—the head and the heart. (See Figure 3, page 4.) And because it can be done in real time, it enables employees to act quickly on what they can learn from patients.

To see how it works in practice, we’ll consider the experiences of three healthcare providers that have used NPS as a starting point for building patient loyalty. The three

Figure 1: Net Promoter® Score provides a simple, useful metric of customer advocacy



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organizations span a broad range of health-care providers—not-for-profit institutions, for-profit hospitals and ambulatory centers. Each hospital is at a different stage in the process of turning patients into promoters, and each highlights a different aspect of how NPS can be effectively deployed to create real patient advocates.

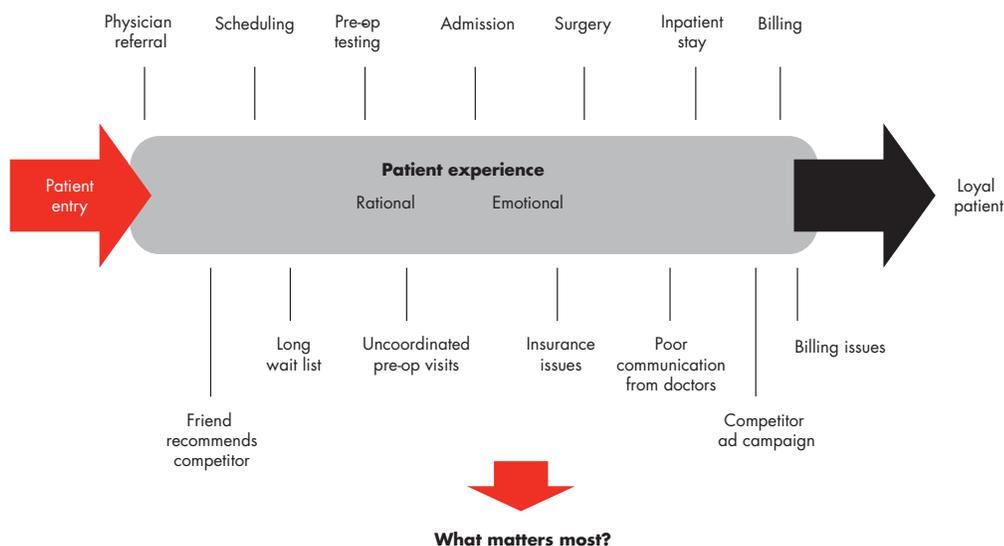
Ascension Health: The power of compassion

The first step in turning detractors into vocal promoters is to understand what matters most to patients. Ascension Health, the nation’s largest Catholic healthcare system, is working to pinpoint the drivers of an exceptional patient experience. In 2006, Ascension Health adopted NPS as the metric of choice for evaluating the patient experience, using NPS as the central element of a long-term plan that aims to transform Ascension Health by creating cultures that support the delivery of a consistent, exceptional patient experience. Ascension Health turned to NPS after using customer satisfaction surveys with inconsistent improvement in customer loyalty.

To learn what patients value, Ascension Health conducted extensive research and interviewed more than 1,800 patients, using NPS to help gauge customer loyalty. The information revealed that patients have specific expectations and needs around the clinical, environmental and emotional aspects of their hospital experience. Further, the NPS results showed the emotional realm is where hospitals can truly distinguish themselves and create real promoters. Specifically, both responsive care and compassionate care turn patients into promoters, while the perception of disrespectful or unresponsive treatment will create detractors. On the compassion dimension, however, Ascension Health discovered that expectations typically are so low that a lack of compassion rarely creates detractors, but does mean that an opportunity to create more patient promoters has been missed.

That approach transformed the experience one patient diagnosed with adult-onset diabetes had at an Ascension Health facility. As part of the hospital’s new focus on experience delivery, shortly after being admitted

Figure 2: Many touch-points can influence patient’s perspective on overall experience



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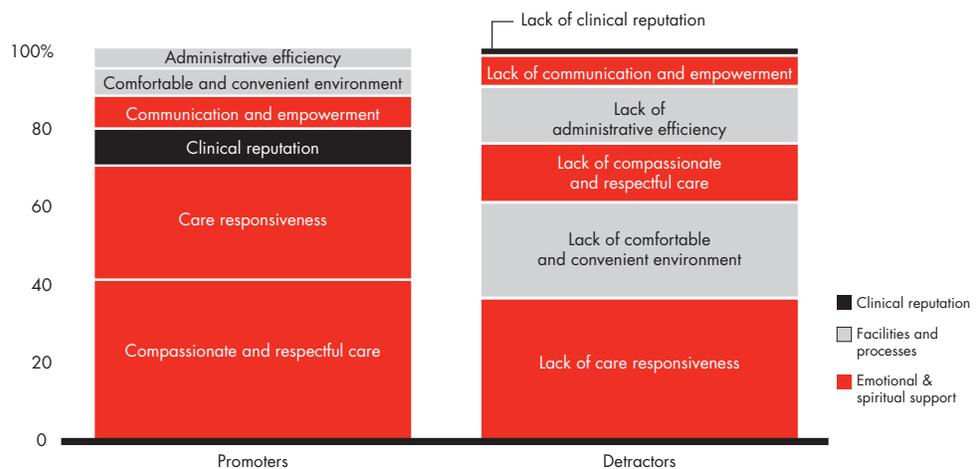
he was given a brief survey and asked to rate his experience. The score was a luke-warm 5 on the NPS scale. A nurse manager immediately followed up and learned that the patient, distraught over the diagnosis, was unsure about what he could eat, both at the hospital and once he went home. She arranged for a dietitian to start working with him. At discharge, when patients once again are asked to complete a survey, the man's NPS jumped to a 10.

A dietary consultation is just one of many touch-points during a hospital stay. Wait times, scheduling, testing, billing, insurance issues, communications with doctors all shape a patient's experience. The challenge is to understand which touch-points are most critical to different types of hospital consumers. For example, Ascension Health found that respect was especially important to less educated, lower-income patients and those who had frequent stays; a higher percentage of men and the elderly ranked compassion as highly important, while more educated and younger patients said being informed was a crucial loyalty test.

Identifying the critical touch-points and creating a group of loyal promoters requires a tightly focused organization. Loyalty leaders understand that the NPS metric itself is only one part of the overall Net Promoter system. Organizations need the right tools and management processes to create more promoters and fewer detractors. For example, having aligned people practices which enable the company to recruit, train and reward based on behaviors that will lead to better customer experiences is a key element of this system. And, empowering the front-line employees to experiment and equipping them to solve problems on an ongoing basis is also a critical part of the equation. (See Figure 4.)

Ascension Health relies on these capabilities coupled with NPS to deliver a consistent, exceptional patient experience. This approach has been refined at St. Joseph Hospital, a midsize facility in Kokomo, Indiana that already had a high NPS but desired to move from good to great performance through its "Patients First" program. Patients were asked to complete

Figure 3: Emotional experience is a key element of a patient's willingness to recommend



Note: Based on primary patient research, 2006

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short surveys immediately after two important transition points—admissions and discharge. That allowed staff to quickly respond to concerns. In tandem, St. Joseph employees were taught “soft skills” such as how to provide emotional and spiritual support. They attend formal workshops to help them identify and meet patients’ emotional and social needs. In addition, frontline employees are empowered to put patients’ needs first and solve problems—a critical step in the “Patient First” program.

Within about six months, early results show that patients have taken note of the difference: the hospital’s NPS improved by more than 15 percent and other Ascension Health facilities are considering rolling out versions of the program.

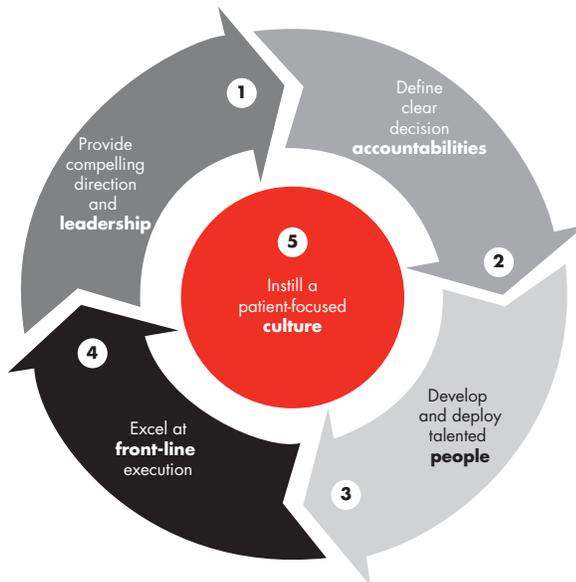
Cancer Treatment Centers of America: Patient-empowered medicine

Cancer Treatment Centers of America (CTCA) offers another example that an improved consumer experience translates into sustainable growth. Since CTCA opened its

doors in 1988, the midwestern specialty hospital chain has been a trailblazer in what it calls “Patient-empowered medicine.” Long considered non-traditional, some of CTCA’s approaches now are being adopted by mainstream hospitals. At CTCA, patients have personalized treatment plans, lab turn-around times that are some of the fastest in the industry, doctors who are required to quickly return calls, and a travel planner who arranges transportation to chemotherapy appointments, even laughter therapy, massages, and organic food.

Loyal patients have fueled growth that’s the envy of mainstream competitors: five consecutive years of double-digit increases in a mature industry. CTCA recently incorporated NPS questions on its internal surveys and now achieves scores that range from the high 80s to the low 90s. In contrast, the average hospital NPS is approximately 55. By employing NPS to track customer satisfaction, CTCA hopes to maintain its double-digit growth as it expands the number of its holistic treatment centers.

Figure 4: Building a patient-led organization and culture



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Cancer Treatment Centers of America follows four principles to put NPS findings into action and keep the organization focused on patients:

1. Gather real-time consumer feedback.

Just as companies don't measure profits only at the corporate level, customer relationship data should be clear enough so that front-line work teams can make better decisions and deliver an improved customer experience. In addition to having patients complete satisfaction surveys that include NPS ratings at discharge, CTCA has weekly patient focus groups, run by guest services and attended by staff members at various levels across departments.

2. Make the right people accountable for following up.

Even the best consumer feedback is useless unless an organization addresses the problems that the process uncovers. CTCA has systems in place to ensure that issues raised by patients aren't ignored or fall through bureaucratic cracks. Every patient receives a follow-up call after his or her stay, further inquiring about their experience. After those weekly patient focus groups, staff members are contacted to resolve issues raised by patients. In addition, clinicians meet three times a week to discuss and act on patient concerns. Finally, CTCA's board members also review patient issues. According to CTCA officials, each board meeting begins with the "Voice of the Patient," a presentation to the Board by each patient that recounts a specific patient experience. If the presentation raises an issue or concern, the meeting doesn't continue until it's been resolved.

3. Train employees to deliver patient-oriented care.

At every step of the hiring and training process, CTCA keeps the focus on creating

a workforce that knows how to deliver patient-empowered medicine. This means giving employees the skills and tools they need. All candidates are screened to make sure they have the attitude needed to fit into CTCA's culture. Job interviews are conducted by a team of representatives from within and across departments. Once hired, all employees undergo a two-day orientation. The training process employs an innovative cross-departmental curriculum to improve employees' understanding of the different and vital roles that they'll play in creating a hospital experience, which turns patients into loyal promoters.

4. Measure often.

Sprinkle surveys throughout the patient experience with survey activity conducted each day throughout the year. If you measure only once a year or once a quarter, nobody will pay attention except when the results come out. Also, the more often reports come out, the more chances there are to try out new approaches to see if they improve results. CTCA constantly seeks feedback in a variety of ways and acts on it. Repeat patients are surveyed every 60 days. In addition, CTCA recognizes the critical link between employee loyalty and patient loyalty; therefore once a year, employees complete NPS surveys. Each hospital's senior leadership reviews the employee surveys during three- to four-hour town-hall-style meetings to be sure they have understood all relevant feedback. And board members see the employee results and also regularly sit in on patient focus groups and make unannounced patient visits to get a first-hand view of the patient's feedback.

The goal is to track NPS at every step of the way. To learn if problems have been effectively resolved, managers follow up with patients and ask: "If you previously reported any concerns, were you satisfied with the resolution?" This allows managers to

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identify which department and staffers are doing the best job of turning customers into promoters and reward stellar employees, a challenging process in hospitals where small teams form around each patient.

CTCA wrestled with this and devised a clever solution—the patient-care tracking system has been reworked to register which departments and which employees from each department touch each patient. This allows CTCA to figure out which staff oncologists, for example, are generating the most enthusiastic patients and promoters. Since referrals are critical to the hospital group's success, outstanding staffers merit careful observation so that their practices can be used to train other CTCA physicians.

Evanston Northwestern Healthcare: NPS in doctors' offices

Just as NPS has helped hospitals transform their organizations into more patient-oriented cultures, physicians are finding it an invaluable tool for diagnosing customer loyalty ills in their practices and implementing remedies. Evanston Northwestern Healthcare (ENH) has been using a precursor to the NPS system since 1999 to measure patient experiences with individual doctors, as well as at its clinics and hospitals.

When ENH started collecting this feedback, patients commonly cited two primary reasons for being less than thrilled with their doctor visits: physicians who didn't "look me in the eye," or physicians who did not "know my name." Broader concerns emerged from the survey as well, such as difficulty in getting appointments with specialists.

ENH responded with an aggressive "service value" program, which monitors the patient experience for 350 doctors across 50 offices. The program asks patients for feedback, applies fixes, and then checks back with

patients again. To win acceptance, ENH used incentives to promote the new program and tied 33 percent of all annual raises to ratings of doctors based on patient feedback.

Each quarter, ENH conducts about 20,000 short surveys with seven to eight questions. All detractors who provide their names receive a follow-up call from the practice manager or a member of the staff, as do a sampling of the promoters. The payoff: in the last three years, more than 80 percent of patients have become true promoters.

After working with this patient feedback system for eight years, ENH has also found a close correlation between a high NPS score and increased physician productivity: an 11 percent increase in loyalty at primary care offices has translated into a 24 percent increase in physician productivity and a similar increase in physician compensation. This relationship has been instrumental in helping physicians get excited about the patient feedback system and creating ownership for the full clinic staff around being truly patient-focused.

With the rise of consumerism in health-care, caregivers cannot afford to continue to do business as usual. Instead, health-care providers must increase their focus on creating real patient promoters. NPS can be an essential tool in that endeavor, as the link between the emotional and clinical experience is a powerful one that determines patients' ultimate choices. Those providers who deploy a closed-loop, real-time patient feedback mechanism and provide the front-line caregivers with the necessary tools and training to deliver an "excellent patient experience" will be best positioned for growth and success in the coming years. 🔄

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