

The Relationship Era: Why Satisfaction, Quality, and Value Aren't Enough to Win Over the Consumer

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It's been a decade since the first public reporting of HCAHPS (Hospital Consumer Assessment of Health-care Providers and Systems) and you don't have to go far into healthcare to see its impact. Ask an executive whose compensation is based on their organization's HCAHPS results or the nurse manager who coaches soon-to-be-discharged patients how to complete their follow-up survey. And that's just the hospital setting. Primary care? Long-term care? Home health? There's CAHPS for those settings, and seemingly everything.

After such a prolific and prolonged period of use, what does HCAHPS and the larger patient experience measurement movement tell us? Before we get to the statistics, it's interesting to examine the anecdotes. In speaking with hundreds of healthcare executives since 2012, it seems the fruits of our labor never bloomed. I hear constant mentions of compassion fatigue, survey frustration, and confusion over which metrics to track and what they are telling us—a serious and often undiagnosed medical condition I call “data disorientation.” I especially hear frustration in CEO voices as they cut costs and remain uncompensated for millions of dollars in cost but find their CAHPS numbers unimpressive. This cycle creates an immense burden. “We need to fully appreciate the burden that measurement places on professionals, and minimize it,” opines Dr. Robert Wachter, a fellow Governance Institute faculty member.¹

The anecdotes are unkind to CAHPS and so are the numbers. Irene Papanicolas of the London School of Economics and Political Science examined CAHPS scores for over 3,000 U.S. hospitals, comparing hospitals that adopted value-based purchasing (VBP) programs to reduce costs and boost patient experience and hospitals that didn't.² Improvement in overall hospital rating among VBP hospitals was 1.51 percent between 2008 and 2014 and 1.28 percent among non-VBP hospitals over the

same timeframe. Considering over a billion dollars were spent to improve the patient experience and VBP hospitals focused uncountable energy toward improvement, those gains are particularly unimpressive.

Addressing Loyalty and Advocacy

Overall ratings aside, the CAHPS movement also pursued patient loyalty with great passion. Perhaps a minimal increase in hospital ratings would be overshadowed by a boost in patient loyalty and advocacy? NRC Health, The Governance Institute's parent company, examined patient “willingness to recommend” at the onset of HCAHPS in 2008 and found a massive 33 percent of patients were unwilling to recommend the hospital or health system they recently visited. After nearly a decade of money and energy burned, NRC Health found the lack of recommendation fell to 28 percent—a modest improvement toward patient advocacy but hardly the loyalty boon originally hoped.

In fact, with all the focus on quality, satisfaction, and even value there still seems to be little penetration into the consumer psyche. Nearly every overused healthcare word seems to have little effect on consumer audiences and often needs translation. When consumers describe patient experience in their own words, terms like “frustration,” “confusion,” and “fatigue” were mentioned far more often.³ The call for a better “relationship” with a “convenient” and “trustworthy” provider was loud. Those terms—raw, unfiltered, commonplace in living rooms—don't get uttered much in the boardroom.

Connecting with Consumers

Perhaps solving the riddle of patient experience requires the industry to connect with consumers, to listen to consumers in their own words as they describe how

Key Board Takeaways

To win over consumers, healthcare organizations need to ensure they are building solid relationships with consumers and always considering their point-of-view. Board members must:

- Understand and monitor what drives consumers to become patients and what happens to them when they leave. CAHPS doesn't cut it—the patient experience is critical but it's only a piece of the larger consumerism puzzle.
- Be vigilant in requiring consumer-friendly communication, and clearly communicate the organization's value to consumers. Healthcare organizations often use mysterious or insider-only words to describe themselves. Consumers desire straight talk and evidence to support why they should use and trust the hospital.
- View themselves as essential proxies for the consumer point of view—having one foot in and one foot out of the organization, board members are in a unique position to understand the plight of the consumer.

they measure a successful experience. For example, consumers will often describe “access” far differently than healthcare executives. Consumers begin with a question: where can I find you? They ask not about physician efficiencies or nurse ratios. Instead they look for the easiest path. The kindest caregiver. The doctor who will sit down with them. These simple, straightforward attributes contrast sharply with the overly complex industry efforts to improve quality, satisfaction, and value.

In keeping with the consumer view, it's important to know what actually drives consumers to become patients. Being in-network and having a physician referral are helpful but they are number two and three on the list of reasons consumers will choose a healthcare organization. The organization's reputation is number one.⁴ Our reputation is who we are, what we stand for, and the feeling consumers have when they think about us. We've spent countless resources playing the measurement game and perhaps our

1 Robert M. Wachter, “How Measurement Fails Doctors and Teachers,” *The New York Times*, January 16, 2016.

2 Irene Papanicolas, José F. Figueroa, E. John Orav, and Ashish K. Jha, “Patient Hospital Experience Improved Modestly, But No Evidence Medicare Incentives Promoted Meaningful Gains,” *Health Affairs*, January 2017.

3 Market Insights survey, NRC Health, 2016.

4 Market Insights survey, NRC Health, 2016.

Over the past decade their use has undeniably skyrocketed, but what do these words mean to consumers and patients?

Quality: Ask 100 consumers to define quality and you'll get 100 answers. There is little to no consensus on what quality means, making it a vague and difficult concept to convey to patients. Most cannot discern medical quality and default to more obvious signs of quality—a clean environment, efficient processing, even a smile from the front desk. Consumers will often assume medical quality is generally the same across different organizations and look to convenience and compassion as proxies for quality.

Satisfaction: Consumers have a better grasp on what it means to be satisfied but don't often feel it during a healthcare experience. Blame sky-high expectations: 82.3 percent of U.S. consumers expect healthcare organizations to meet or exceed their expectations. That's over 10 percent higher than any other industry. With such lofty expectations it's difficult to see how

consumers can feel complete satisfaction with their care, creating a void that becomes especially vexing when CAHPS places such emphasis on being satisfied.

Value: Another loose and overused word, value provides the starkest contrast in meaning between healthcare leaders and consumers. While the industry uses value to describe the movement toward accountable care and shared savings—a concept most consumers support—there is little understanding of this meaning among consumers. For them, value means quality proportionate to cost. If I pay more, I expect more. If I pay less, I expect less (within reason). Since consumers don't know cost upfront and have little to no idea of quality they are unable to calculate value in healthcare. Use of the word is rendered meaningless by the quality and price opaqueness of the industry.

greatest regret is losing sight of why we did it: for the person behind the numbers—the consumer who is desperate to know what makes us the best choice but unable to comprehend a system of measurement

that excludes their personal insights in favor of industry terminology and comfort-driven complexity.

It's not as though quality, value, and satisfaction aren't important. They are. But

our core metrics haven't created much clarity. How we approach their improvement seems to be off. If we hope to improve our standing among our most important stakeholders, we must realize those stakeholders aren't in the boardroom or the executive lounge. They sit at home, in cubicles, and in cars, and they've been largely unable to decipher what we're telling them—leaving them without sufficient information to make good decisions.

In the next decade, let's hope we can consider the consumer point-of-view in measurement or any matter that requires their buy-in or benefits from their insight. In the world of healthcare, everything is riding on the relationship we build with our consumers. It's time to stop talking, start listening, and form our goals with our most important ally: the people we serve. ●

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