

Physician Transparency: An Urgent Priority for Today's Boards

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To gauge the importance of patient experience transparency in healthcare, consider how consumers approach buying decisions. Most wouldn't dream of making any large purchase before they consulted online ratings and reviews. In many cases, the absence of word-of-mouth from their fellow consumers is an immediate mark of suspicion. No reviews means no trust, which ultimately means no transaction. Such is the hold that transparency has on the economy.

Healthcare decisions are no exception. As their share of the healthcare cost burden has reached new all-time highs,¹ patients have become savvier at shopping for providers. Above all else, patients want to be certain that they will receive high-quality care and a high-caliber customer experience before they will select a provider. And what they find most compelling are first-hand reports from patients like them.²

While quality transparency is equally important, beginning with patient experience transparency is the easiest first step toward embracing full healthcare transparency. This article reviews central considerations for boards, including 1) the benefits of transparency, 2) the obstacles that hold healthcare transparency back, and 3) the characteristics that help ensure the success of a transparency initiative.

Why Healthcare Organizations Should Adopt Transparency

The Centers for Medicare and Medicaid Services (CMS) has famously begun to demand more transparency from healthcare organizations.³ The agency has identified public-facing data, such as star ratings for hospitals, as an effective way to empower patient choice.

But setting aside regulatory obligations, being forthright about the type of care patients can expect to receive is also strategically valuable.

Whether by fiscal or clinical measures, the benefits accrued to transparent hospitals and health systems include:

- **Influencing patient decisions:** As mentioned above, a lack of reviews makes consumers mistrustful. The converse is also true: a surplus of reviews earns their trust. In fact, some research is showing that patients now trust online reviews as much or more than they trust referrals from their doctors.⁴ In crowded marketplaces where patients struggle with their options, glowing, credible, and numerous reviews are perhaps the strongest way to differentiate one provider from another.
- **Driving better patient engagement:** Better still, transparently visible data builds a sense of authenticity between the patient and provider. When patients feel empowered to make an informed selection, they feel better about the provider they've chosen. This inspires trust, which in turn makes them more likely to follow their provider's advice,⁵ and to be proactive about future healthcare needs.
- **Spurring healthy workforce competition:** Finally, it helps to remember that what patients can see, providers can see as well. Online databases of ratings and reviews reveal to clinicians just where they stand among their colleagues. For a physician, seeing that they have fallen behind their peers in patient satisfaction can be a humbling experience, but it can also be inspiring. More often than not, physicians want to serve their patients to the best of their ability. Through transparency, they can observe exactly how they're underperforming, and turn to their

Key Board Takeaways

- **Walk in patients' shoes.** On their own, board members should try to find patient experience data on providers in their hospital/health system. Was it easy? Accessible? Accurate? This is a good indication of how far along the organization is on the transparency adoption curve.
- **Open the dialogue.** Discuss transparency initiatives with the executive team. Gauge their attitudes. How do they feel about it? How do their reports feel about it? Are there areas of resistance or hesitation among leaders or frontline staff? Explore these. Try to build consensus around an ethic of openness.
- **Design a pilot.** With executives, designate a department that could benefit from increased transparency. Find a qualified vendor to furnish a transparency solution and observe results. If it's successful, generalize out to other parts of the organization.

high-performing peers for mentorship and advice.⁶

Where Transparency Falls Short

However, not every effort at transparency produces these successes. Third-party quality transparency platforms struggle to attract a meaningful patient userbase. Just 18 percent of patients managed to research care quality, according to McKinsey.⁷ That's a surprising figure, considering that 72 percent of consumers report that quality information is important to them.⁸

The disconnect stems from usability problems. While patients value the data available from these third-party solutions, they have trouble making sense of what they see. The Agency for Healthcare Research and Quality found that 42 percent of patients believe quality databases to be poorly presented and confusing.⁹ Small wonder that they should feel discouraged

1 Ezekiel J. Emanuel, Aaron Glickman, and David Johnson, "Measuring the Burden of Health Care Costs on U.S. Families: The Affordability Index," *JAMA*, November 21, 2017.
2 Shawn Richard, Shail Rawal, and Douglas K. Martin, "Patients' Views About Cardiac Report Cards: A Qualitative Study," *The Canadian Journal of Cardiology*, October 2005.
3 CMS, "CMS Finalizes Changes to Empower Patients and Reduce Administrative Burden" (press release), August 2, 2018.
4 Andrew Ibbotson, "Patients Trust Online Reviews as Much as Doctor Recommendations—and Other Shocking Facts about Transparency in Healthcare," NRC Health, November 26, 2018.
5 Marie T. Brown, et al., "Medication Adherence: Truth and Consequences," *The American Journal of the Medical Sciences*, April 2016.
6 NRC Health, "Using Real-time Feedback and Transparency for Radical Hospital Transformation," June 20, 2017.
7 Jenny Cordina, Rohit Kumar, and Erin Olson, "Enabling Healthcare Consumerism," McKinsey & Company, May 6, 2017.
8 Ateev Mehrotra, et al., "Americans Support Price Shopping for Health Care, But Few Actually Seek Out Price Information," *Health Affairs*, August 2017.
9 Judith H. Hibbard, Naomi S. Bardach, and R. Adams Dudley, *Users of Public Reports of Hospital Quality: Who, What, Why, and How?*, Agency for Healthcare Research and Quality, 2011.

from using these tools to inform their healthcare choices.

What Effective Transparency Looks Like

By publishing independently verified provider ratings and reviews on their Web sites, healthcare organizations can give consumers the information they want, in a format they can digest. To succeed, however, transparency initiatives must embody four traits:

- **Accessible:** Reducing friction is a guiding light in Web design. So should it be for transparency. It's critical that consumers encounter minimal obstacles on the way to the information they want. Quality and satisfaction data need to be easy to find and should not require any logins or form-fills.
- **Relevant:** Ratings and reviews should not overwhelm patients. Rather, transparency solutions must offer sort and filter functions to make it easy for patients to consider their options. This way, they can find providers who can help them with

their specific health concerns. Further, according to *Health Affairs*, transparency solutions should also combine quality ratings with consumer reviews.¹⁰

- **Intuitive:** When it comes to transparency, design matters. The number of providers to appear on screen, the scale of quality to use, or even color choices can dramatically affect usability. The wrong choices could leave 20 percent fewer people understanding the data in front of them.¹¹ Any transparency solution, therefore, must emphasize clarity and concision.
- **Trustworthy:** Finally, and most importantly, transparency solutions must be credible. This means that, while libelous or abusive comments can (and should) be deleted, negative comments must be allowed to let stand (so long as they've been verified). There's a reason that few people trust perfect five-star reviews on Amazon—they recognize that what seems too good to be true probably is.¹²

It Begins in the Boardroom

Healthcare transparency isn't just a strategic initiative or a software-based solution. It's an ethic, a mindset, an approach to patient communication that's premised on openness and mutual respect. Adopting transparency means adopting a culture of clarity. And that cultural shift begins in the boardroom.

As consumers continue to exert their influence in the healthcare market, heeding their demands and desires becomes essential for hospitals and health systems to thrive. Part of upholding the board's fiduciary duty, then, is guiding organizations to embrace what consumers are asking for. Patients have made it clear that they want transparency from their providers. Strategically—and ethically—minded boards will strive to give it to them. •

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¹⁰ Steven D. Findlay, "Consumers' Interest in Provider Ratings Grows, and Improved Report Cards and Other Steps Could Accelerate Their Use," *Health Affairs*, April 2016.

¹¹ Olga C. Damman, et al., "Making Comparative Performance Information More Comprehensible: An Experimental Evaluation of the Impact of Formats on Consumer Understanding," *BMJ Quality & Safety*, 2016.

¹² Beth Moellers, "Spiegel Research Reveals 4.5 Stars Are Better Than 5," The Medill IMC Spiegel Research Center, August 4, 2015.