



The New Healthcare Currency

Delivering Exceptional Patient Experiences

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Introduction

Exceptional customer service for patients and their families is becoming the currency for health system prosperity. Long the domain of mission statements and staff training programs, the patient experience is now a critical business priority. Systems that employ two essential business competencies to consistently deliver exceptional experiences will outdistance themselves from competitors on multiple fronts.

The first competency, “Know Me,” addresses the desire of patients to be treated as individuals. Knowing each patient and his or her family members’ expectations, beliefs, preferences, and choices will enable providers to deliver—through employees and enabling technologies—customized, personalized interactions and services. In short, the kind of experience that exceeds expectations.

The second competency, “Serve Me,” operationalizes customized experiences and service delivery. Providing service to—and communicating with—patients in ways they prefer will lead to enhanced brand loyalty, greater market share, and increased revenue.

Delivering Exceptional Experiences Must Become a Business Priority

Three trends have intersected to make delivery of exceptional patient and family experiences an executive priority in healthcare.

1. Historically, patients went to hospitals recommended by their physicians. Recent evidence shows that patients are now voicing preferences about where they want to receive care. Research also highlights that physicians are abiding by their patients’ wishes. According to *The McKinsey Quarterly*, most patients are willing to switch hospitals for better service.¹ Even more significant, “...doctors are often willing to accommodate a patient’s request for a referral to a hospital that offers a positive experience—sometimes even when it doesn’t have the best clinical reputation among the alternatives.”²
2. Reimbursement based on customer satisfaction is the second significant trend. For example, to receive the full Medicare reimbursement update, most U.S. hospitals must report their results from the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey.³
3. In addition, leaders across the healthcare industry are now acknowledging that consumers define clinical quality based upon their care experience. This third trend is highlighted by a poll from *The Wall Street Journal* and Harris Interactive that states, “...Americans see patient satisfaction surveys as one of the most reliable indicators of

¹ “A Better Hospital Experience,” Kurt D. Gorte, John R. S. Newman, and Saumya S. Sutaria, *The McKinsey Quarterly*, November 30, 2007.

² Ibid.

³ HCAHPS is a post-discharge survey designed to measure patients’ perspectives of the hospital care they received.

quality of care.”⁴ Consumers may not know if sutures were well-stitched, or if surgical incisions were precise, but they do know if they were included in care decisions, and if they received timely, understandable answers to their questions. For patients, these experiences define clinical quality and influence their provider preferences.

Despite the opportunities presented by these trends, most healthcare providers are responding slowly and taking a one-size-fits-all approach. In addition, many are resolving patient complaints only when they are identified post-discharge.

Delivering Exceptional Experiences with Service Tailored to Each Patient

Recent thinking about new approaches to improve the patient experience suggests patients can be segmented according to demographics, consumption patterns, and preferences.

McKinsey describes five segments, including “Comfort Seekers” and “Control Seekers.”⁵ Within these segments, consumers want more or less information, are more or less interested in value-added services, and are more or less likely to make their own care decisions. Industry leader Michael Howe, founder and former CEO of MinuteClinic, suggests the baby-boomer generation is looking for “engagement” with care providers, while the parents of baby boomers want to be directed and guided.⁶

While this thinking is helpful, the real breakthrough opportunity is delivering services tailored to each patient based on his or her individual beliefs, desires, and preferences. Press Ganey, one of the leading patient satisfaction research firms in the United States, notes that “a continual challenge for large healthcare providers is to personalize the inpatient experience.”⁷ Delivering customized experiences is where the “Know Me” and “Serve Me” competencies—enabled by information technology—come into play.

“Know Me”—Using Data to Understand Each Patient as a Unique Person

Knowing individual patients involves three steps: 1) having the right data, 2) analyzing that data to provide actionable information, and 3) delivering the information to staff. Patient data abounds in administrative and clinical records, as well as satisfaction surveys from past encounters.

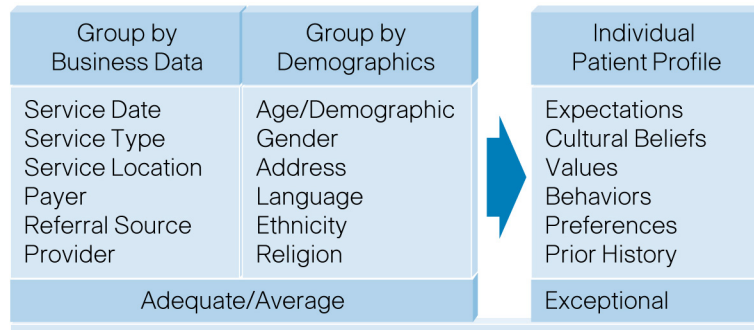
To truly know patients, hospitals should build from those sources and proactively capture additional information about patients’ desires and expectations, possibly with a pre-admission patient preference directive.

⁴ WSJ.com / Harris Interactive poll, February 2008.

⁵ “A Better Hospital Experience,” Kurt D. Gorte, John R. S. Newman, and Saumya S. Sutaria, *The McKinsey Quarterly*, November 30, 2007.

⁶ “Healthcare Goes Retail,” Michael Howe, founder and former CEO, MinuteClinic, Patient Strategies Summit, March 2, 2008.

⁷ “Hospital Pulse Report 2008: Patient Perspectives on American Health Care,” Press Ganey Associates, 2008.

Figure 1. Understanding Patients Increases Service Levels

Source: Cisco IBSG, 2009

Once data has been collected, the challenge becomes aggregating, analyzing, and transforming it into actionable information. The goal is to create a detailed and accurate patient preference profile (see Figure 1). Companies in other industries are already doing this successfully. Harrah's Entertainment, the world's largest provider of branded casino entertainment and hospitality, has made this competency a core part of its business.

Once a healthcare provider excels at both collecting and analyzing patient data, the final step in operationalizing the "Know Me" competency is to publish patient preferences. The information must be readily and securely available to caregivers and other staff. Especially for clinicians, the information must be easily accessible from a variety of devices, including stationary and mobile computers, as well as smartphones that can browse the web, send and receive text messages, and automatically prioritize and route pages.

"Serve Me"—Acting on the Information

When providers truly know their patients' individual preferences, they can personalize care with a combination of people- and technology-based approaches. For example, when it comes to hospital registration, some patients are delighted to preregister online or use a self-service kiosk in the lobby, while other patients expect to meet with a hospital employee.

In addition, being informed is increasingly important to consumers.⁸ For some, having bedside access to the Internet and health information websites is ideal. For other patients, only a conversation with a nurse or physician will do. Having this information can help a hospital or clinic be more flexible by providing different services to different patients.

The mix of technologies that maximize experiences can even include leading-edge solutions such as avatars (animated likenesses of real or fictional people). In fact, some patients prefer exchanges with avatars as care managers and care coaches.⁹ Avatars and other service surrogates are never rushed and patients may feel more comfortable speaking openly with them than with their human counterparts.¹⁰

⁸ Hospital Pulse Report, 2008, http://www.pressganey.com/galleries/default-file/s008_Hospital_Pulse_Report.pdf

⁹"'Laura' Makes Digital Health Coaching Personal," Catherine Elton, correspondent, *The Boston Globe*, May 21, 2007, http://www.boston.com/yourlife/health/diseases/articles/2007/05/21/laura_makes_digital_health_coaching_personal

¹⁰ Ibid.

Knowing patient preferences in advance will allow healthcare providers to treat patients the way they want to be treated—dramatically increasing customer satisfaction.

Four Components of a Successful Patient Experience Program

For the “Know Me” and “Serve Me” competencies to be successful and have long-lasting effects, healthcare providers must consider four components of a successful approach: 1) establishing strong executive leadership, 2) creating a customer service culture, 3) focusing on high-impact processes, and 4) deploying enabling technologies and network infrastructure.

1. Executive Leadership

Health executives ready to make patient experience a strategic business initiative can begin by naming a chief experience officer (CExO) with operational accountability. First initiatives can include providing multiple ways for patients and their families to offer feedback before, during, and following a care experience, rather than relying solely on mailed surveys sent post-discharge. Pilot projects that seek to influence care delivery by proactively profiling patient preferences before admission can evaluate both technology and workflow options. CExOs should establish a patient experience performance dashboard that tracks not only patient satisfaction levels, but also connections among satisfaction, revenue, payer mix, and market share.

In addition to naming an executive-level leader for patient experiences, there must be an unconditional commitment to customer service across the executive team. Exemplary experiences must be at the heart of the health system’s vision and values.

2. Creating a Customer Service Culture

Strong executive commitment to patient experience must be realized in each patient interaction. Achieving this requires a customer experience culture that permeates the health system. That culture is created and reinforced by:

- Recruiting and hiring people with a passion for service
- Recognizing employees through motivational rewards
- Making customer service a priority in individual performance plans
- Ensuring that service is measured and feedback is given in a timely fashion

Southwest Airlines, an organization known for exceptional customer service, uses unique recruiting and hiring processes that identify candidates with a passion for service.¹¹ This creates a service-oriented culture that produces greater customer satisfaction and loyalty.

3. Focus on High-impact Processes

As a customer service culture is created, three care processes provide the first opportunity to improve patient experiences dramatically: 1) discharge planning and patient instructions, 2) patient teaching and education, and 3) coordination across the care team with patients involved in planning and decisions.

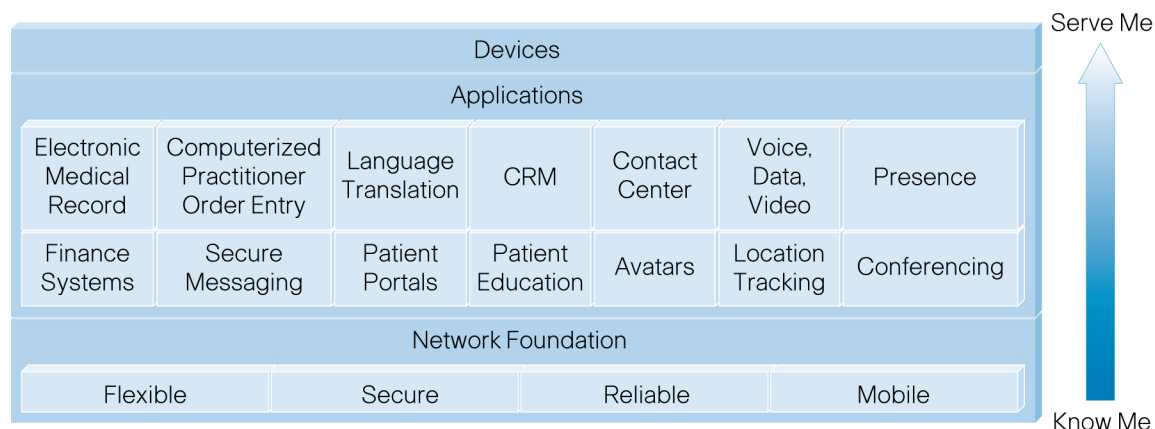
¹¹ “Southwest Airlines Corporation,” Tuck School of Business at Dartmouth, William F. Achtmeyer Center for Global Leadership, 2002, <http://mba.tuck.dartmouth.edu/pdf/2002-2-0012.pdf>

An analysis of HCAHPS data found that specific areas with the most room for improvement included communication about medications and provision of clear discharge instructions.¹² Researchers at the University of Maryland's Center for Health Information and Decisions Systems (CHIDS) have also highlighted the complexity and inefficiency of discharge planning and its impact on both staff satisfaction and the patient experience.¹³

4. Enabling Technologies and Network Infrastructure

In addition to leadership, culture, and processes, information and communications technology (ICT) is essential for a successful patient experience program (see Figure 2).

Figure 2. The Right Technologies Enable and Connect the “Know Me” and “Serve Me” Competencies



Source: Cisco IBSG, 2009

The ICT foundation should be built with a flexible, secure, reliable network infrastructure that supports mobility. This network provides the foundation that enables the “Know Me” competency. Applications such as computerized practitioner order entry, patient portals, and presence technologies can be added to provide the information, services, and solutions needed to improve patient care. All of this should be augmented with strong data center and analytics capabilities. Finally, mobile devices and portable computers, along with new technologies like Cisco TelePresence,¹⁴ can allow physicians, nurses, and others to deliver exceptional experiences to patients using the “Serve Me” competency.

¹² “Patients’ Perception of Hospital Care in the United States,” Ashish K. Jha, M.D., M.P.H., E. John Orav, Ph.D., Jie Zheng, Ph.D., and Arnold M. Epstein, M.D., M.A., *The New England Journal of Medicine*, October 30, 2008.

¹³ “Quantifying the Economic Impact of Communication Inefficiencies in U.S. Hospitals,” Ritu Agarwal, Daniel Z. Sands, and Jorge Diaz-Schneider, *Decision, Operations, and Information Technologies*, Winter 2008.

¹⁴ Cisco TelePresence combines innovative video, audio, and interactive elements (both hardware and software) to create a unique, virtual presence over the network.

Promise and Potential

Is becoming the health system of choice for patients and physicians a top business imperative? Is maximizing revenue a high priority? Is capturing market share critical to success?

In the words of one Mayo Clinic executive, "According to our research, more than 90 percent of our patients voluntarily say good things about the clinic. Each patient talks about their positive experiences at Mayo to an average of more than 40 people. Multiply that by 500,000 patients each year and you get 20 million people."¹⁵

In an environment where the average operating margin for hospitals is just 3.6 percent,¹⁶ full Medicare reimbursement may mean the difference between red or black on the bottom line. Yet only 60 percent of U.S. hospitals reported patient experience data for the HCAHPS survey in 2007, potentially forgoing their full annual payment update.¹⁷

It is clear that delivering exceptional patient experiences must become a critical business imperative. When patient and family experiences are delivered from the "Know Me" and "Serve Me" competencies, leading health systems can harness this new currency of healthcare to improve their bottom line and become the brand of choice.

¹⁵ Kent Seltman, senior marketing consultant, quoted in *HealthLeaders* magazine, November 2008.

¹⁶ "Quantifying the Economic Impact of Communication Inefficiencies in U.S. Hospitals," Ritua Agarwal, Daniel Z. Sands, and Jorge Diaz-Schneider, *Decision, Operations, and Information Technologies*, Winter 2008.

¹⁷ "U.S. Hospitals Lag in Patient Satisfaction: Pain Management, Discharge Instructions Not Rated High in Survey," MedlinePlus, October 29, 2008, www.nlm.nih.gov/medlineplus/news/fullstory_71018.html

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More Information

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco, helps CXOs and public sector leaders transform their organizations—first by designing innovative business processes, and then by integrating advanced technologies into visionary roadmaps that address key CXO concerns.

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