



Healthcare Systems
and Services

Measuring the patient experience: Lessons from other industries

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A comprehensive approach health systems can use to better understand the patient experience and thereby improve patient satisfaction.

For hospitals and health systems, patient satisfaction is likely to become an increasingly important source of competitive advantage. Yet many providers cannot measure the patient experience comprehensively, an important first step in improving it.

Most health systems currently use a survey developed by the Centers for Medicare and Medicaid Services (CMS)—the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)—to gauge how inpatients perceive their hospital stay as their basis for understanding patient satisfaction. While HCAHPS does provide important insights into the patient experience, it does not assess all of the important aspects of that experience. Furthermore, it was not designed to provide the level of detail needed for hospitals to link patient satisfaction with business performance.

Health systems that want to use patient satisfaction as a way to improve business performance need additional feedback and data to identify the factors that matter most to the patients they serve. Armed with the combined information, the health systems can then determine which investments in improving the patient experience can best help them meet their business objectives.

In this article, we describe a comprehensive approach health systems can use to better understand the patient experience and thereby improve patient satisfaction. This approach is based on the experience of companies in other industries that were able to markedly improve customer satisfaction levels.

Lessons from other industries

In other industries, high customer satisfaction levels have been linked with stronger loyalty, sales, and profits. McKinsey research in multiple industries has shown that companies that routinely achieve high customer satisfaction scores rely on best-practice measurement systems that:

- Link improvements in the customer experience with desired business outcomes (e.g., repeat sales)
- Enable the companies to identify the most important drivers of customer satisfaction and measure ongoing performance in those areas
- Uncover operational insights that enable the frontline staff to make continuous improvements in the customer experience

Applying these lessons in health systems

To date, few health systems have achieved significant business results through patient-experience initiatives. Yet, growing consumerism in the healthcare industry—a result of higher deductibles and copayments, network narrowing, and greater transparency into provider performance and costs—is likely to make patient-experience initiatives more of an imperative for the industry. The proliferation of provider-led health plans is also making it increasingly important for health systems to market themselves, and patient satisfaction could be a key differentiator in their marketing efforts.

The steps outlined below can enable providers to adapt best practices from other industries to the healthcare environment.

Link patient satisfaction to business outcomes

The first step for health systems is to determine the business outcomes they most want to focus on (e.g., total patient volume, patient retention, percentage of commercial patients). They should then conduct research to investigate the types of questions that will best enable them to gauge patient satisfaction in a way that ties into those objectives. For example, a major US health insurer discovered that customer agreement with the phrase “[company name] is the insurer for me” predicted loyalty in one of its most important member segments better than agreement with any other phrase did. Because member retention in that segment was one of its business objectives, the insurer then focused its efforts on how to increase the percentage of people in that segment who agreed with the phrase.

Next, health systems should conduct additional research to identify the factors that most strongly influence how patients respond to the chosen questions and the specific metrics

that would enable them to assess performance in those areas. Over time, the combined data should permit the health systems to develop robust measurement systems that can uncover operational insights and enable continuous frontline improvements. To ensure that the measurement systems remain robust, health systems should repeat this fundamental research every few years so that their understanding of the patient experience is always current.

Identify the strongest influences on patient satisfaction

To determine which factors most strongly influence patient satisfaction, health systems must accurately understand the end-to-end inpatient journey, from pre-admission scheduling and testing through to follow-up care, as well as the role that price, service offerings, physician referrals, and brand play in determining where patients seek care (Exhibit 1).

Exhibit 1

Patient experience spans the entire clinical journey



HCAHPS: Overview

Since 2006, CMS has supported US hospitals in administering the 27-question HCAHPS survey, which asks patients to rate their experience on several dimensions (e.g., communication with doctors, cleanliness of the hospital environment). CMS then publishes the results online. Beginning in fiscal year 2013, CMS has also used each hospital's aggregate HCAHPS score to reward top performers and penalize underperformers, putting almost \$1 billion of reimbursement at stake.¹

At most providers, HCAHPS has increased the management teams' focus on the patient experience and helped them begin to understand patients' perspectives. HCAHPS has also allowed both the management teams and patients to compare how well different hospitals perform on patient experience. The McKinsey Consumer Health Insights Survey has shown that most consumers now say that rating sites are at least "somewhat important" when choosing a provider, but how often the scores actually influence a patient's choice of provider remains unclear.

However, HCAHPS was not designed to link the patient experience with a hospital's financial performance, and our analyses show that HCAHPS scores do not correlate strongly with financial metrics. For example, there

is little correlation between HCAHPS scores and net revenue, inpatient gross revenue, or the percentage of patients with commercial insurance. Furthermore, researchers have found that the evidence linking HCAHPS scores with clinical outcomes is inconclusive.^{2,3}

The low correlation between HCAHPS scores and financial and clinical outcomes most likely reflects the fact that the survey does not investigate a number of factors that, our research suggests, may be strong determinants of patient satisfaction. Some of these affect the inpatient experience (e.g., keeping patients informed about the results of treatment); others occur before or after the inpatient stay (e.g., pre-admission testing and outpatient follow-up).

Thus, improving HCAHPS scores may help health systems increase their CMS reimbursement (and avoid penalties), but it may not enable them to achieve all of their other goals for patient satisfaction initiatives, such as increased volume. Therefore, they should undertake additional measures that complement their HCAHPS efforts so they can improve their performance in areas that could lead to increased loyalty, referrals, and profitable patient volume.

¹ Centers for Medicare and Medicaid Services. National provider call: Hospital value-based purchasing – FY 2013 actual percentage payment summary report. October 4, 2012.

² Isaac T et al. The relationship between patients' perception of care and measures of hospital quality and safety. *Health Services Research*. 2010; 45(4): 1024–40.

³ Rodak S. Improving HCAHPS scores alone is not the answer: Hospitals need a patient-centric foundation. *Becker's Infection Control & Clinical Quality*. January 7, 2013.

The inpatient journey should then be broken down into discrete elements to identify the factors that can influence patient satisfaction at each step of the journey. Both clinical and nonclinical factors should be included. In-depth qualitative research (e.g., focus groups) and quantitative research (e.g., patient surveys) should then be conducted to pinpoint which factors most strongly influence satisfaction levels in ways that correlate with desired business objectives.

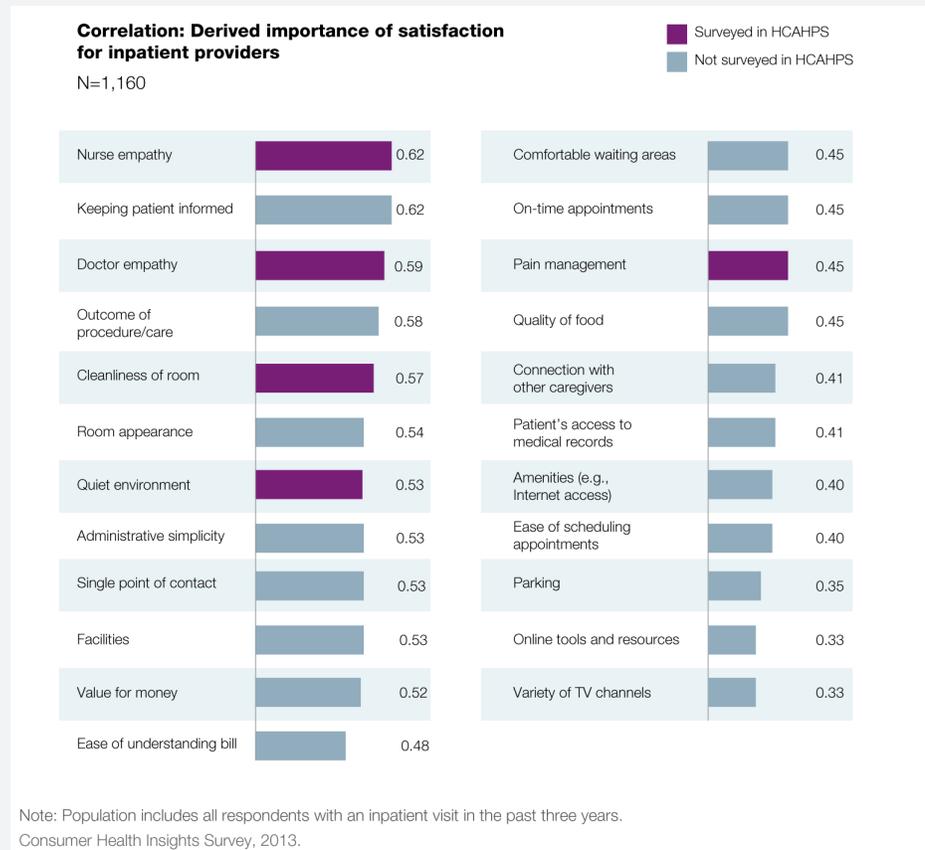
When conducting this research, two points are worth remembering. First, the factors with the strongest influence often vary by market and patient segment (e.g., expectant mothers, cardiovascular patients, emergency room patients). Thus, the journeys along different care pathways should be mapped separately to determine which factors influence each one. For example, a hospital in a competitive community that views its maternity services as a way to attract and retain patients would need to understand which elements of care during pregnancy, childbirth, and follow-up have the strongest impact on new mothers' satisfaction levels.

Second, what patients say is important to them may not correlate with how satisfied they actually were with their inpatient stay. In our 2014 Consumer Health Insights Survey, for example, we asked the participants who reported having been hospitalized within the past three years to tell us which factors were most important in influencing their satisfaction with their hospital experience. We then compared those responses with the participants' reported satisfaction levels to determine the relative (or derived) importance of each factor (Exhibit 2). The match-up was inexact. For example, most participants said that the outcome achieved was the strongest determinant of their satisfaction with care. However, empathy from nurses turned out to have a greater impact on actual satisfaction levels. Health systems need to understand the derived importance of various factors if they want to ensure that their improvement efforts yield significant results.

This type of careful qualitative and quantitative research can help health systems avoid costly errors. In our experience, many health systems make large investments to improve the patient experience but fail to achieve their desired objectives because they did not understand what really matters most to their patients. Leading customer-focused companies rarely make this mistake. For example, a major rental car company conducted interviews and surveys to improve the experience of business travelers, its most profitable customer segment. The research established that the most important source of satisfaction for these travelers was not the variety of vehicles (as the company had hypothesized), but the experience from landing at an airport to leaving the rental facility. The research also showed that the key elements influencing that experience were the speed of getting the rental car and communication about the status of the reservations before arrival. As a result, the company invested to streamline the arrival process and used technology to give customers frequent updates. The result: higher retention of business travelers.

Exhibit 2

Many factors matter to patients



Uncover operational insights

As the car rental company example illustrated, it is not sufficient to identify the factors that matter most. Those factors must be broken down into their constituent parts—ideally, ones that can be monitored regularly. For example, if nurse empathy has a strong impact on patient satisfaction, health systems should track such things as total nursing time spent with each patient and timely response to call buttons. Similarly, if the most important factor influencing satisfaction with ER care is how quickly patients see a provider, health systems should routinely measure the average “door to doc” time.

Metrics such as these become key performance indicators (KPIs) that can be used to change behaviors in ways that improve the patient experience. The KPIs should, ideally, be assessed daily and results reported to the individual hospital units. The findings help the frontline staff determine where changes are needed and then test the changes to understand the impact

they are achieving. The KPIs are thus an important complement to the monthly patient feedback survey scores. Although those surveys are the most important gauge of patient satisfaction, it may take weeks before the responses are processed and reported to the frontline. In contrast, the KPIs allow the staff to make meaningful, real-time adjustments to their activities and weave continuous improvement into daily operations. As a consequence, patient satisfaction is no longer just a marketing initiative but a component of the organization's culture.

Leading customer-service companies have long used this approach. For example, a large consumer bank discovered that one of the primary factors influencing its customers' satisfaction was how quickly it could respond to service disruptions; the speed with which its call center agents completed calls about disrupted service was an important subcomponent. The bank therefore began to track the average time call center agents spent handling these calls daily as a first step in improving its ability to address service disruptions.



Improving the patient experience can help health systems achieve their business objectives as well as increase their Medicare revenue. In some cases, it could also have spill-over effects, such as better clinical care delivery. The steps outlined above can help health systems deepen their understanding of the patient experience and identify the most effective ways to increase patient satisfaction. □

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