

# Patient Satisfaction ≠ Patient Loyalty

 A LISTEN360 EXECUTIVE BRIEF

## INTRODUCTION

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As evident by the growing shift from provider-focused to patient-focused care and volume-to-value, the consumerization of healthcare is well underway. Healthcare consumers are more discriminating on price, have higher expectations of quality and service, and are increasingly willing to seek other providers when service is unsatisfactory. As this shift unfolds, the patient experience and patient satisfaction have become top priorities in the C-suites of healthcare organizations across the country. While having satisfied patients is necessary for a healthcare organization, particularly as it relates to HCAHPS scores and Medicare reimbursements, satisfaction alone does not necessarily translate into repeat business and referrals; i.e. loyalty. For healthcare organizations, understanding which aspects of the patient experience are nurturing or hindering patient loyalty is the key to reducing patient leakage and achieving sustainable long-term growth.

## MEASURING PATIENT SATISFACTION

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Today, if you are an acute care hospital, you most likely use CAHPS or HCAHPS to quantify the patient experience. The intent of the CAHPS/HCAHPS initiative is to provide a standardized survey instrument and data collection methodology for measuring patients' perspectives on their hospital care. These CMS-mandated surveys are intended to serve as a qualitative measure of patient satisfaction that ultimately impacts some types of reimbursements (hospitals can either lose or gain up to 2% of their Medicare payments in fiscal year 2017).

For most hospitals and healthcare organizations, these types of surveys are useful research tools but not ideal. While they provide an objective measure of the general elements of care that have been shown to be attributes of effective, safe and efficient care—implementation can be difficult, administration is often expensive, the number of questions reduces completion rates and, depending on the frequency of assessment, meaningful results lag the actual care event.

Some organizations have customized these surveys to include an option for comments, but most are using them “as is.” Unless a patient chooses to leave additional comments, CAHPS/HCAHPS won't reveal much about other aspects of the patient experience that can significantly impact patient satisfaction and ultimately patient loyalty, e.g. billing, scheduling, wait times, courteous staff members, etc. Lastly, by relying solely on CAHPS/HCAHPS data to drive improvements in patient satisfaction measures, institutions are ill-equipped to identify dissatisfied patients, quantify their needs, and ultimately close the feedback loop.

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## MEASURING PATIENT LOYALTY

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Because most patient satisfaction surveys like CAHPS/HCAHPS are retrospective in nature, discerning patient loyalty and obtaining actionable feedback is a challenge. To address these challenges, more healthcare organizations have begun capturing patient feedback in real-time using the Net Promoter System (NPS) methodology. Introduced in 2003 by Bain & Company, NPS is a management tool that measures customer loyalty by asking two simple questions:

1. The first NPS question is quantitative: “How likely is it that you would recommend our hospital to a friend or colleague?”



**Net Promoter Score®** = **% Promoters** - **% Detractors**

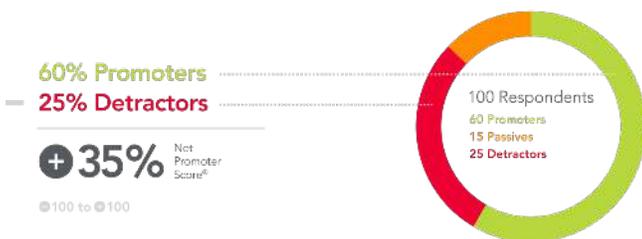
2. The second NPS question is qualitative and directly related to the first question: “What is the primary reason for your score?” — or even simply: “Why?”

Responses are scored on a 0- to 10-point rating scale and categorized as follows:

Promoters (score of 9–10) are loyal “evangelists” who will stay, follow and refer, fueling growth.

Passives (score of 7–8) are satisfied but unenthusiastic, vulnerable to competitive offerings.

Detractors (score of 0–6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth, social media or review sites.



The score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. NPS scores can range from -100 to +100. It’s one simple number that will track your progress toward meeting and exceeding the clinical care needs that help keep your patients well and your organization thriving. Considerable research conducted by Bain & Company reliably indicates the link between customer loyalty and organic growth, while providing critical insights to improve operations.

**WHY NPS IS IDEALLY SUITED FOR HEALTHCARE**

NPS has been thoroughly vetted and adopted by many iconic brands across a variety of industries including Delta Airlines, Apple, and American Express. But is NPS right for healthcare? While some may be skeptical, many hospitals and healthcare organizations have adopted NPS based on some very compelling reasons:

- **Service Recovery:** NPS provides a reliable means to quickly identify and engage with detractors. Numerous studies across multiple industries demonstrate that by engaging with your dissatisfied customers or patients, acknowledging their feedback, and attempting to remedy their dissatisfaction, there is a greater likelihood of converting that customer or patient to a promoter.
- **Reduce Patient Leakage:** NPS is a proven way to gain insight into patients’ loyalty to your organization and it helps you to predict their decisions. By taking the time to analyze negative (and positive) feedback, you can learn what delights your patients and minimize the risk of other patients’ leaving in the future.
- **Mobilizing Promoters:** 92% of people trust recommendations from friends and family members more than all other forms of marketing. When a patient rates your organization at 9 or 10, it’s the perfect moment to encourage them to refer your organization via word of mouth, social media, or online review sites like Healthgrades, Vitals, and Yelp.

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- What gets measured, gets done: Many organizations have tied incentive compensation programs to NPS scores. By using NPS to set performance standards and benchmark performance, everyone from frontline staff to clinicians to senior management is held accountable.
- NPS Compliments CAHPS/HCAHPS: Since CAHPS/HCAHPS surveys are tied to reimbursement, NPS should be used to complement these traditional surveys by providing the timely insights into the patients' experience, allowing organizations to make operational improvements that can ultimately improve CAHPS/HCAHPS scores and reimbursement potential.

4. Institute an NPS survey for physicians and staff. Happy, loyal caregivers are essential to your patient experience efforts. Emotional exhaustion and burnout make it extremely difficult to offer empathy, compassion and kindness to those in need.
5. Promoters can be a powerful voice on social media but so can Detractors. A loyal customer will promote your organization on social media and review sites like Healthgrades, Vitals, and Yelp. A dissatisfied customer might disparage you on social media and review sites. Use NPS to close the loop with patients, foster an ongoing dialog and create meaningful, long-lasting relationships with your patients.

### NPS: BEST PRACTICES

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So, whether you are already using NPS or considering if it for your organization, here are some things to consider:

1. Connect NPS with the mission of your organization. Share results widely and often, from the boardroom to the frontlines, but always in a constructive manner. Involve physicians and staff, as well as Patient Advisory Boards.
2. Integrate the NPS score, comments, compliments and complaints into larger operational and strategic plans.
3. Support NPS data collection and analysis with follow-up to enhance customer touch: Activate your Promoters. Probe root causes and resolve issues with Detractors.

### SUMMARY

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NPS is becoming the industry standard for measuring patient loyalty. By leveraging NPS, hospitals and healthcare organizations can generate the kind of loyal patients that return when they have other needs, refer friends and colleagues and post favorable online reviews, and even provide charitable donations. Additionally, since HCAHPS directly impacts reimbursements, gaining immediate and actionable feedback enables hospitals and healthcare organizations to get ahead of potential trouble spots that could impact their CAHPS/HCAHPS score.

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