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The tail wagging the dog

How retail is changing consumer expectations of the health care patient-provider relationship

October 2014

Introduction

Mary had had enough. She took the morning off work to make an appointment with a specialist her doctor recommended. The specialist was located in the same hospital building and part of the same practice as her doctor. After waiting more than 45 minutes, Mary was finally brought back to a private room. When the specialist arrived, she asked Mary, "What seems to be the problem?" Mary replied, "Didn't Dr. Smith take you through my background and provide you with my recent diagnostic test results?" "I'm afraid not," replied the specialist. "Perhaps you can walk me through your history. When did you first notice your symptoms?"

At this point, Mary got up and walked out. On the way out, she stopped at the intake desk and asked for a refund of her copay, which had been collected prior to her appointment.

Given that many health care provider visits are tied to a health issue, it is no surprise that these visits can be an unpleasant and dissatisfying experience compared with interactions with other service providers (Figure 1).[1] However, outpatient satisfaction levels appear to be trending downward (Figure 2).[2] Also noteworthy is the fact that consumers are starting to exert their power by making more demands on the health care provider-patient relationship[3] and expecting to be treated in much the same way they are accustomed to being treated in their daily interactions with retailers.

This article highlights three technological and consumer trends driving this increase in consumer expectations and the demand for a different type of health care provider-patient relationship. Three strategies currently employed by retailers are proposed that health care providers should consider to respond to this shift in expectations.

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1 *Patient Choice an Increasingly Important Factor in the Age of "Healthcare Consumer,"* Harris Interactive Poll 2012, September 2012, http://www.harrisinteractive.com/NewsRoom/HarrisPolls/tabid/447/mid/1508/articleId/1074/ctl/ReadCustom%20Default/Default.aspx

2 *ACSI (American Customer Satisfaction Index) Utilities, Consumer Shipping, and Health Care Report 2014, ACSI, May 2014*, p. 5, http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-utilities-shipping-and-health-care-report-2014/acsi-utilities-shipping-and-health-care-report-2014-download

3 Deloitte Center for Health Solutions, *Deloitte 2012 Issue Brief Forward*

Figure 1: Consumer dissatisfaction with last (most recent) experience across various industry sectors

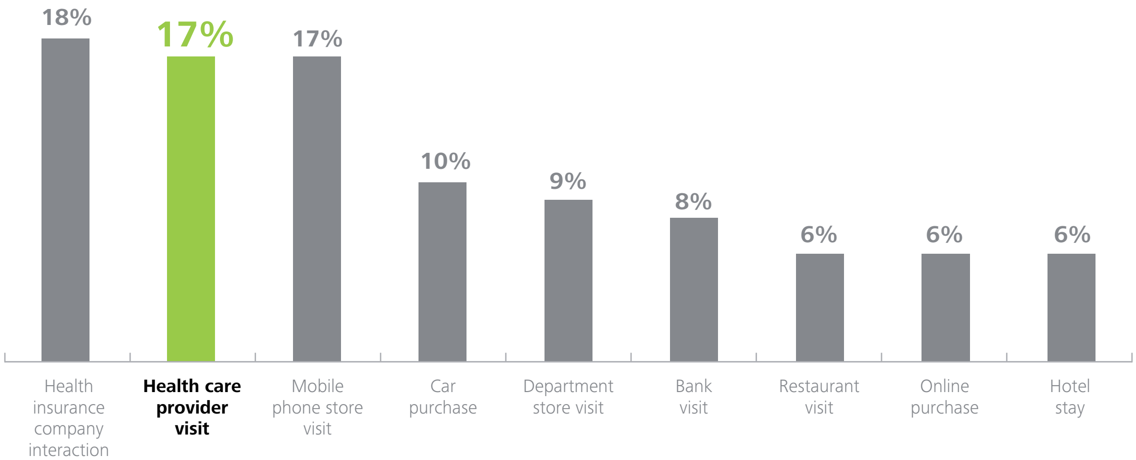
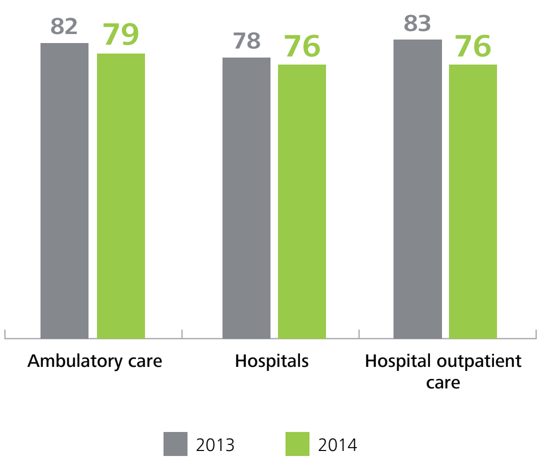


Figure 2: Patient care satisfaction scores[4,5]



[4] Ambulatory care includes: office visits to doctors, dentists, optometrists, and mental health professionals

[5] *ACSI (American Customer Satisfaction Index) Utilities, Consumer Shipping, and Health Care Report 2014*, p. 5

Three trends driving shifting patient expectations

Trend I: Increasing knowledge and awareness of choices

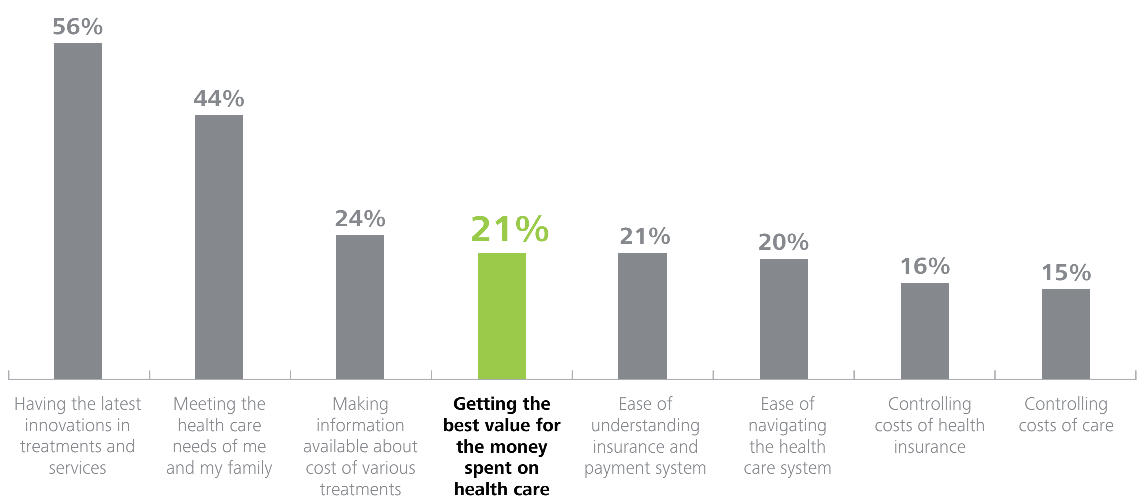
Consumers have access to more medical information than ever before, enabling them to self-diagnose and "shop around" for providers and treatment options. Consequently, patients often show up at their initial physician visit with pages of research in hand.

Dr. Gregory Esper, Department of Neurology at Emory University, shared how this phenomenon has changed his role: "Patients are now more informed, often arriving with thoughts about the diagnosis for their symptoms that is informed by their own medical research from multiple sources. The challenge for doctors is to use their own knowledge and skill to diagnose the patient correctly, while educating the patient as to why their own research has led them to the right or wrong diagnosis. Ultimately, the doctor-patient relationship is either strengthened or weakened by the manner in which the doctor validates the patient's healthy interest in their own condition."

Trend II: Increasing expectation for value and cost transparency

Consumers are quite critical of the value received for their health care dollar, with only 21 percent giving a grade of A or B (Figure 3).[6] Moreover, this perception of waste and lack of value appears to be on the rise. Sixty-two percent of the respondents to the *Deloitte 2012 U.S. Health Care Consumer Survey* felt half or more of the dollars spent on health care are wasted — up over 10 percent from previous years (Figure 4).[7]

Figure 3: Health care system features favorable report card grades (A or B)



[6] *Deloitte 2013 Consumer Health Survey Data*, Deloitte Centre for Health Solutions, 2013

[7] *Deloitte 2012 U.S. Consumer Health Care Survey,* Deloitte Centre for Health Solutions, 2012

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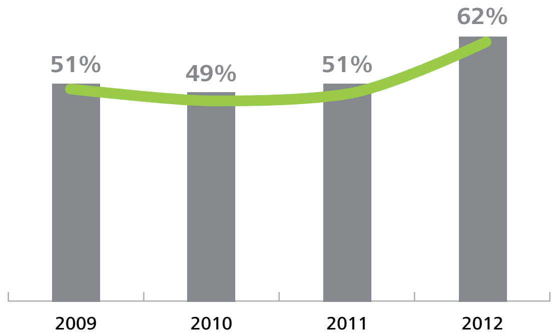
Figure 4: Consumers believing half or more of health care dollars spent are wasted



This skepticism about the value received for money spent on health care has led more consumers to request a breakdown of cost for services — prior to treatment. Health plans currently provide consumers access to this kind of cost-for-services breakdown, thereby enabling consumers to comparison shop prior to making a health plan decision. Unfortunately, some providers may be lagging behind in this endeavor.

Trend III: Increasing desire for a collaborative provider–patient relationship

Consumers' expectation of the doctor-patient relationship is no longer one of dependence, but rather of mutual cooperation. Patients — particularly younger generations — want to have more say, and they want their opinion to be valued.[8]

Providers should not only consider providing "better treatment" but also "treating patients better." This two-way collaborative interaction is a relationship model consumers have come to expect due in part to their daily retail service encounters.

[8] Mandy Ryan, Philip Kinghorn, Vikki A. Entwistle, and Jill J. Francis, *Valuing Patient Experiences of Healthcare Processes: Toward Broader Applications of Existing Methods, Social Science and Medicine,* April, 2014, 106 (100), pp. 194–203, http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3988932/

Three strategies for the new provider-patient relationship

Hospitals have started measuring satisfaction by offering patients a formal opportunity to give feedback after their patient care experiences. However, this action is largely driven by health plan and federal incentives tied to achieving high patient satisfaction and experience scores. Health care providers can take their collection of feedback a step further by looking to retailers to gain insight into additional ways they should consider listening to and better serving their customers. The following are considerations to bridge this customer satisfaction deficit currently facing some health care providers.

Strategy I: Improved end-to-end customer experience

Psychological research has demonstrated that the first and last items in any list are by far the most easily remembered.[9] With regard to customer service, this finding implies that the first and last moments of an interaction with a service provider are what a customer is likely to remember. Keeping the first moment in mind and adapting the retail strategy of "a greeter," San Francisco General Hospital recently created the role of "chief patient experience officer." Patients are now greeted by a smiling face and a helping hand — one of a series of customer-friendly touches added at the 156-year-old institution.[10] Coincidentally, San Francisco/Oakland, California, ranked highest on a nationwide Internet review of patient satisfaction with their physicians.[11]

NEIMAN MARCUS is taking this "first moment" focus one step further than merely a greeter with a friendly face. Its new service app notifies sales associates when preferred customers enter a store, providing not only their purchase history, but also their Facebook photos to help associates identify these shoppers. Additionally, customers can send messages to sales associates to arrange for products to be placed in a dressing room prior to their arrival and also view which sales representatives are currently on the floor.[12]

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9 Michael Solomon, *Improving the Hospital Patient Experience (Its about more than HCAHPS Scores)*, http://www.forbes.com/sites/micahsolomon/2013/12/20/miracle-cure-driving-patient-satisfaction-for-hospital-and-healthcare-customers/

10 *Healthcare overhaul leads hospitals to focus on patient satisfaction*, LA Times, http://articles.latimes.com/2013/jul/20/local/la-me-patient-satisfaction-20130721

11 *New Happy Patient Index spotlights Northern California, Honolulu & Indianapolis for the most positive online reviews of doctors*, http://www.hawaiifreepress.com/ArticlesMain/tabid/56/ID/12780/Honolulu-Patients-2nd-Happiest-in-USA.aspx

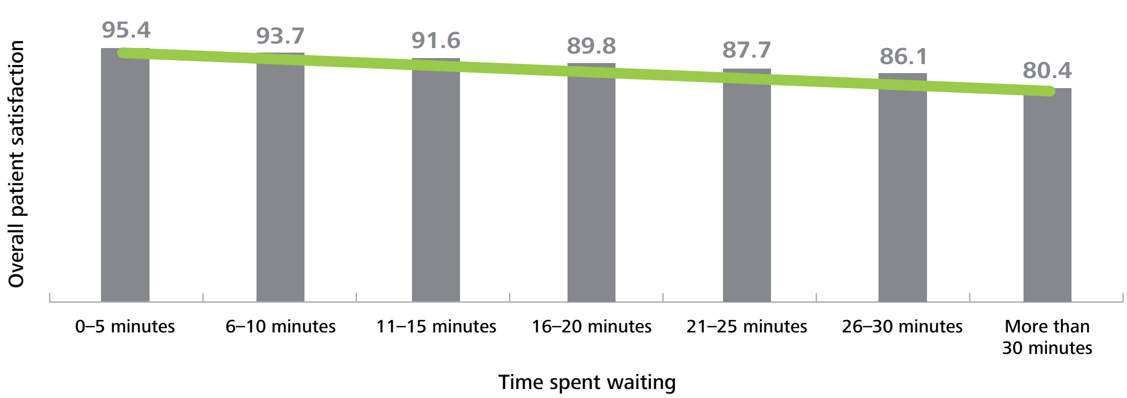
12 Danielle Abril, *Neiman Marcus launches new iPhone app*, February 2014, http://www.bizjournals.com/dallas/news/2014/02/28/neiman-marcus-launches-new-iphone-app.html

Of course, the most common complaint about health care provider visits is the wait time (Figure 5).[13] A recent study found that the average patient spends about 22 minutes waiting to see a doctor at a clinic and more than four hours from entrance to discharge at the emergency department.[14]

Some providers are responding with innovative strategies to reduce the effect of this waiting pain point. A primary care physician in Fairport, New York, hands patients a $5 bill when he keeps them waiting for more than 15 minutes. Patients of a physician in Eugene, Oregon, receive a handmade soap bar or bottle of lotion if they have to wait more than 10 minutes. Turning the traditional cancellation policy on its head, a Dallas internist, after having to cancel several patients' appointments due to a family emergency, gave these patients $50 at their next appointment.[15] Retailers are currently piloting a variety of mobile payment techniques and register staffing strategies to minimize a similar bottleneck challenge — the register checkout time.

ONE LARGE RETAILER is promising to staff each of its cash registers during the peak holiday shopping times in order to address one of the retailer's biggest customer complaints: long waits in checkout lines.

Figure 5: As wait time goes up, patient satisfaction drops



13 Source: Press Ganey Associates, 2013

14 Marty Stempniak, *What, No Wait?*, http://www.hhnmag.com/display/HHN-news-article.dhtml?dcrPath=/templatedata/HF_Common/NewsArticle/data/HHN/Magazine/2013/Nov/1113HHN_Coverstory

15 Elizabeth Cohen, Would your Doctor Pay for Wasted Time?, CNN Health (June 30, 2011), http://www.cnn.com/2011/HEALTH/06/30/time.worth.money.cohen/

Strategy II: Better utilization of technology

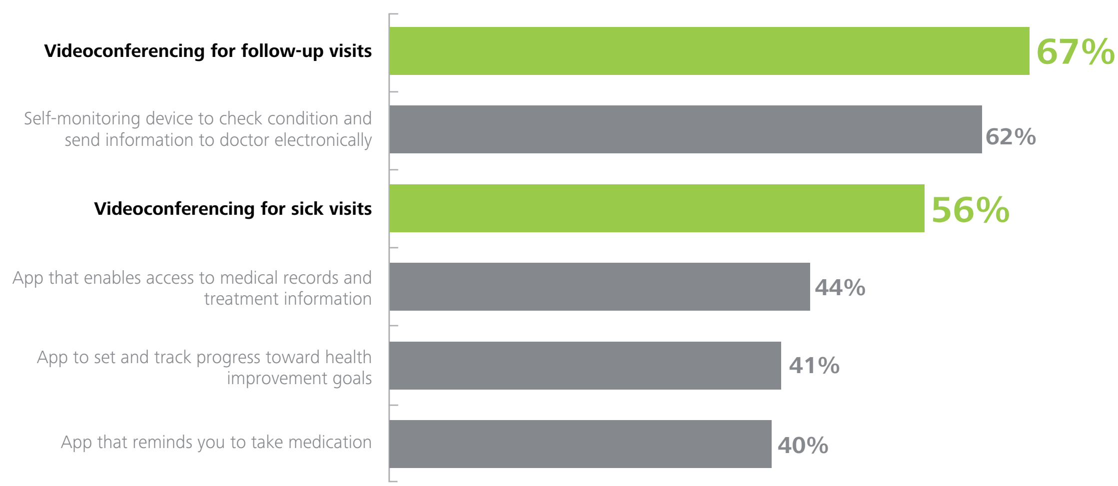
As social networking, online resources, and advanced technologies change the consumer landscape, health care providers should consider incorporating this technology into their offerings in a way that will potentially enable them to differentiate themselves — just as savvy retailers have.

While technology strides are being made within health care, these efforts are not keeping pace with consumer interest. As evidence, more than half of the respondents to the Deloitte 2012 survey of U.S. health care consumers indicated that they were interested in video conferencing capabilities for follow-up appointments and visits while sick (Figure 6).[18] However, a 2013 *InformationWeek* health care information technology priorities survey found that only 28 percent of clinicians offered these services (Figure 7).[19] As Dr. Harry Greenspun, Deloitte LLP's senior advisor for health care transformation and technology aptly puts it, while "consumers' daily life is now much like the *Jetsons*, walking into a doctor's office feels more like the *Flintstones*."

SEPHORA, a beauty specialty retailer, rolled out a new color-matching technology at some of its stores enabling salespeople to scan the shoppers' face to match it to the perfect shade of foundation.[16]

CRATE AND BARREL'S 3D Room Designer is a unique design tool that converts a customer-supplied digital photo of a room into a 3D virtual room. Customers then can select from more than 3,000 3D models of Crate and Barrel merchandise, alter fabric and colors, and pair these items with their current furniture and accessories.[17]

Figure 6: Consumer interest in innovative health information technologies



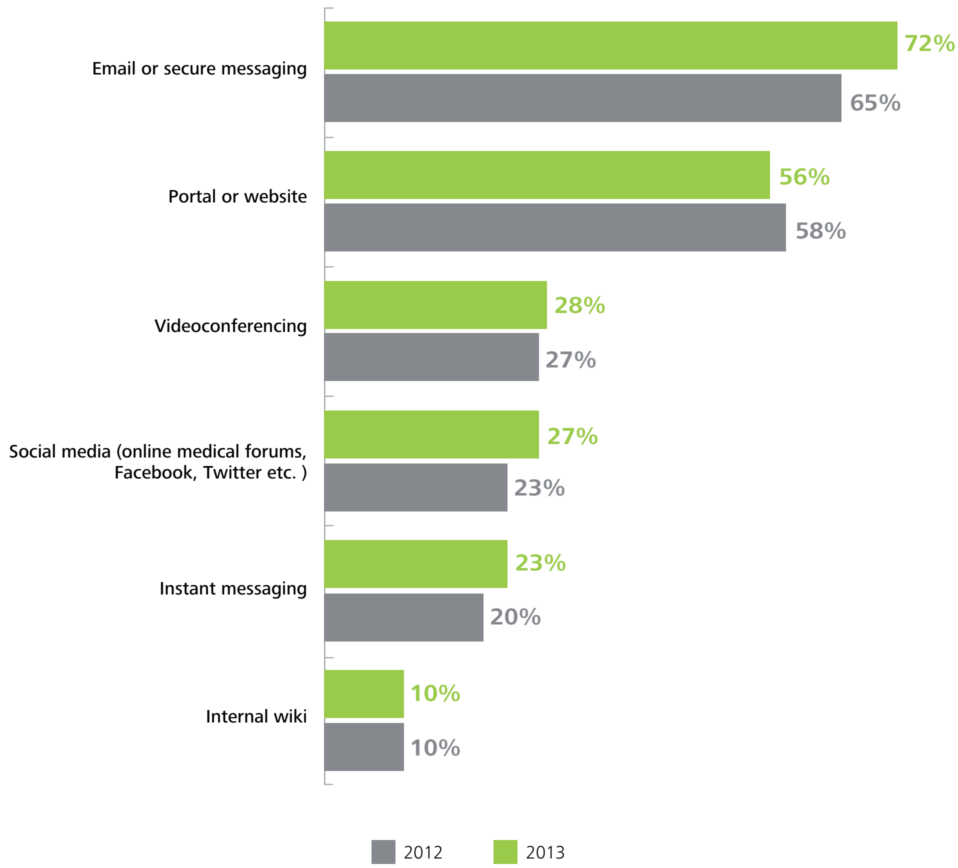
[16] Sephora's Smart Social and Digital Makeover, September 2012, http://www.forbes.com/sites/lydiadishman/2012/04/09/sephoras-smart-social-and-digital-makeover/

[17] PR Newswire, *Crate and Barrel Introduces 3D room designer*, June 2012, http://www.prnewswire.com/news-releases/crate-and-barrel-introduces-3d-room-designer-159998905.html

[18] *Deloitte 2012 U.S. Consumer Health Care Survey*, Deloitte Centre for Health Solutions, 2012

[19] Richard Hoffman, *Information Week* health care IT priorities survey of 363 business technology professionals in January 2013 and 337 in January 2012 working at doctors' practices, hospitals, health care centers and other healthcare providers, *InformationWeek*, January 2013, http://reports.informationweek.com/abstract/105/10278/Healthcare/Research:-2013-Healthcare-IT-Priorities.html

Figure 7: Tools used by clinicians to collaborate with patients



One promising health care innovation is the utilization of a crowdsourcing approach to medical diagnosis. A San Francisco-based company recently launched a website, CrowdMed, where individuals can submit information on a condition they are experiencing (e.g., a photo of a lesion) and then have a collective group of medical professionals and students weigh in on a possible diagnosis and recommended next steps.[20]

[20] *New Website Aims to 'Crowdsource' Patients' Diagnoses, Conditions*, http://www.ihealthbeat.org/articles/2014/5/5/new-website-aims-to-crowdsource-patients-diagnoses-conditions

Strategy III: Seamless coordination and customization of services

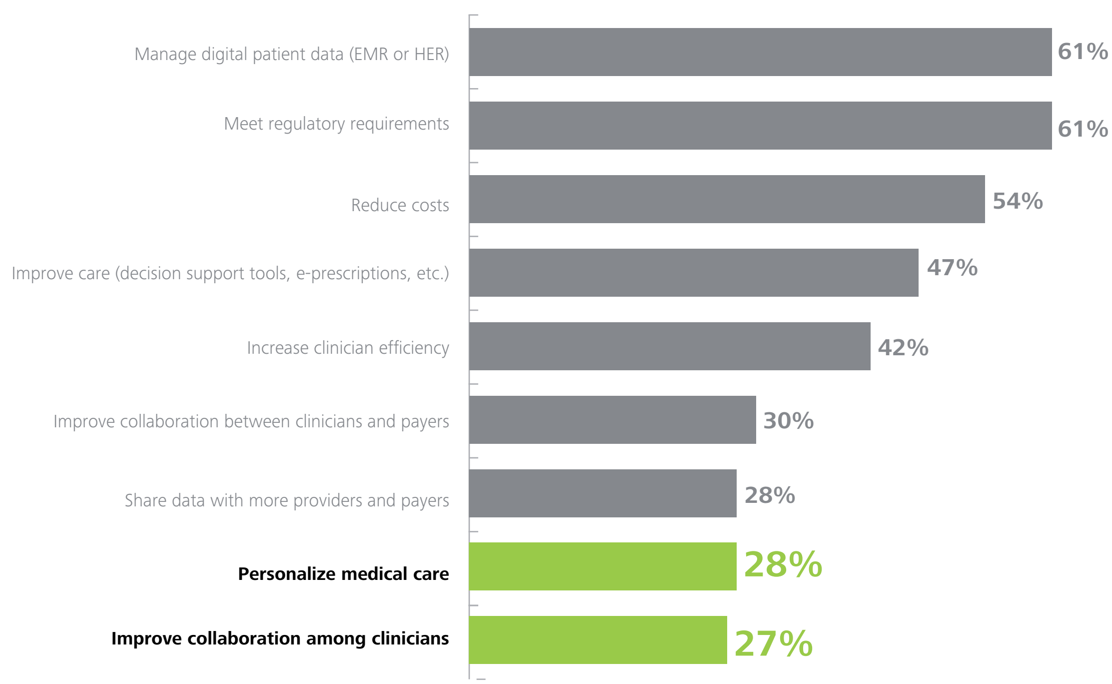
Of course, the customer experience does not begin and end with one transaction or one visit. As Mary's example illustrates, consumers expect their service providers to "know" and care about them. That is, they want service providers to be aware of their past behaviors and experiences so that they can anticipate and better address the patient's current needs. Sadly, as Figure 8 illustrates, this internal communication and coordination does not appear to be a priority for many health care organizations.[21]

Some retailers, however, have managed to eliminate this "reinventing the wheel" cause of frustration for customers by incorporating the right technology with employee training.

Through a combination of data analytics and loyalty programs, retailers are able to mine data and generate insightful recommendations consumers value. One possible health care data-driven approach could be an app to track a patient's diet or treatment adherence. After reviewing this behavioral data, physicians could then collaborate with the patient to develop a solution for managing the condition.

To enable seamless coordination, LOWE'S supplies its employees with iPhones that use custom apps and add-on hardware to enable these employees to look up a specific customer's purchase history, check inventories at nearby stores, check competitor prices, and point people to Lowes.com.[22]

Figure 8: Health care technology priorities



[21] *InformationWeek 2013 Healthcare IT Priorities Survey*, January 2013

[22] *Lowe's Leverages Mobile Initiatives to Improve Customer Experience*, November 2013, http://www.retailsolutionsonline.com/doc/lowe-s-leverages-mobile-initiatives-to-improve-customer-experience-0001

The path forward

Consumer expectations will continue to be influenced by their daily experiences outside of the health care setting. To keep pace, health care providers should consider focusing on employing the following retailer strategies:

- Improved end-to-end customer experience
- Increased utilization of technology
- Seamless coordination and customization of services

I would be remiss by not mentioning that this learning is a two-way street. While health care providers can benefit from retail strategies in order to increase satisfaction and differentiate themselves within an increasingly competitive landscape, the reverse is also true. As highlighted, innovative techniques are already occurring in the health care field, many of which other health care providers and retailers can learn from and capitalize on.

I view this article as merely the start of a dialogue and look forward to continuing this journey with you over the coming months.

Sincerely,

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