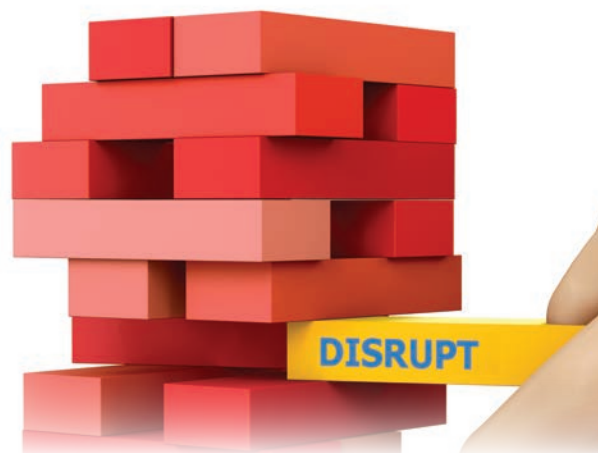


Preparing for Disruption in the Healthcare Industry



Good credentials and outcomes do not guarantee patient satisfaction.

BY JON A. HULTMAN, DPM, MBA

On January 30, 2018, Berkshire Hathaway, Amazon, and JPMorgan Chase announced a partnership aimed at cutting healthcare costs and improving services for their U.S. employees. These companies employ more than 1.1 million workers and have at their disposal extraordinary resources to aid in achieving their goal—which is: “To create solutions that benefit our U.S. employees, their families and, potentially, all Americans.” Even though few details have been given as to specific actions planned, industry experts view this announcement as a credible event capable of “disrupting the healthcare industry.” The question physicians should ask themselves is, “If these companies are successful in implementing their plans, is there something ‘new’ that we should be planning to capture opportunities created by any potential disruption?”

Examining history to see how physician practices have succeeded following previous “disruptions” in the healthcare system—ones such as those created by the inception of HMOs and alternative forms of payment—we see that the factor most consistently supportive to physician practice success during such times has been, and will continue to be, *patient satisfaction*. Prior to these earlier disruptions, patients were free to choose their physicians, and the

most successful practitioners were those whose patient referrals were spawned through word-of-mouth from *satisfied* patients. When HMOs entered the scene, patients were given little physician choice, and it took few “mis-steps” for HMOs, referring physicians, or hospitals to quickly recognize that, to be successful, they needed to attract and retain

satisfaction ratings. Going back 23 years—to 1994—*Physician Manager* published an article discussing the top concerns of patients seeking to find a doctor. The top four were: 1) the efficiency and courtesy of non-medical staff, 2) the listening and explaining skills of the doctor, 3) the amount of time spent waiting to be seen during an office visit, and 4)

A doctor can be highly credentialed, actually achieve good treatment outcomes, and still receive poor patient satisfaction ratings.

those physicians who had high patient satisfaction ratings. If this new “disruption” moves forward, insurance companies will no longer be acting as middlemen; rather, employers will be receiving feedback directly from their employees. It is hard to imagine that the employees’ level of satisfaction with specific doctors will not continue to be the major factor leading to the success of medical practices.

Most doctors feel that a patient’s satisfaction is based on the success of his/her treatment outcome. A challenge they seldom recognize is that a doctor can be highly credentialed, actually achieve good treatment outcomes, and still receive poor patient

the amount of time required to wait for an appointment. Note that quality of care was not among these top concerns. Patients simply assumed that they would be receiving good care once they accessed a practice.

The basic factors that impact patient satisfaction have changed little since this 1994 survey. A comprehensive survey specific to medical practices which was conducted by Press Ganey Associates of South Bend, Indiana, was published in the December 4, 2006, issue of *AMA News*. The company polled and ranked the “satisfaction responses” of 1.4 million patients who were treated nationwide at 5,400 sites. The top 14 elements

Continued on page 154

Disruption (from page 153)

that were associated with patient satisfaction are listed in Table 1 and are ranked in the order of “traits most likely to foster patient loyalty to a medical practice.” Except for “overall care received during visits,” the remaining survey results all fit under one of the four top concerns from the 1994 *Physician Manager* article. Do you recall last year’s national exposé that was focused on the “bad quality” at VA hospitals? It turned out that this “bad quality” scandal was not linked to the actual care received by VA patients, but rather, to the amount of time that was required for a patient to access the VA system and receive an appointment.

If you believe the adage, “A problem well stated is a problem half solved,” then a simple awareness of the concerns listed in Table 1, their ranking, and their potential impact on patient satisfaction and referrals can be utilized to form the foundation for the strategy you might take under any scenario of “disruption.” A realization of the fact that the majority of the factors affecting patient satisfaction are directly related to a patient’s perceptions of the attitude of the doctor and/or staff offers a major focus. Analyzing the fourteen items listed in Table 1 can help you determine whether

1) Sensitivity to patient needs
2) Overall cheerfulness of the practice
3) Overall care received during visits
4) Comfort and pleasantness of exam rooms
5) Waiting time in exam room before being seen by a care provider
6) Amount of time the care provider spends with patients
7) Care providers who make an effort to include patients in treatment decisions
8) Instructions given regarding follow-up care
9) Convenience of office hours
10) Promptness of returning phone calls
11) Concern (by nurse or assistant) shown for patient questions or worries
12) Helpfulness on the telephone
13) Length of wait before going to an exam room
14) Patients’ confidence in the care provider

ratings when they are gone. As data utilized to rate physicians becomes more transparent and easily available to the public, there is a good possibility that patients will avoid seeing those doctors who have poor satisfaction

directly under the company’s control (i.e. when a customer moves). As in healthcare surveys, it was found that the majority of customers are lost for reasons that are under the company’s control—with 68% leaving because of the service provider’s *attitude of indifference* and only 14% because of dissatisfaction with the product. It is hard to imagine that, for physicians, practice success in any future disruption scenario—such as the Berkshire Hathaway, Amazon, and Chase partnerships—will not primarily be driven by all of the factors listed in Table 1. With the information from these earlier studies, you can be proactive and begin to address this issue right now. **PM**

The majority of the factors affecting patient satisfaction are directly related to a patient’s perceptions of the attitude of the doctor and/or staff.

you and your staff might be creating a perception of “indifference” to your patients. Fortunately, if you are, many of these negative perceptions can be changed relatively quickly.

If you have satisfied patients, you will be in a good position to negotiate contracts, and will be in an especially good position to “just say no” to poorly paying ones in hopes of negotiating better fees. Patients and referring doctors will not even miss doctors who have poor patient satisfaction

ratings. They are also likely to leave their current care givers if they are not happy with the “service” they provide—even if, according to this survey, any doctor they will be switching to charges higher, but “reasonable” and transparent, rates.

A survey on why companies—not just healthcare providers—lose customers which was conducted by the American Society for Quality (ASQ) found that only 18% of customers are “lost” for reasons not



Dr. Hultman is Executive Director of the California Podiatric Medical Association, practice management and valuation consultant for Vitera Healthcare Solutions, and author of *The Medical Practitioner’s Survival Handbook* (available at www.mbagurus.com).