



The ROI Of Patient Experience

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Since Harvard Business Review published “Putting the Service-Profit Chain to Work” nearly 30 years ago, healthcare has developed an exhaustive body of research showing the link between patient experience/satisfaction and profitability. How much impact does the patient experience have on both top-line revenue and net profit? Keep reading and find out.



Increased Patient Volume

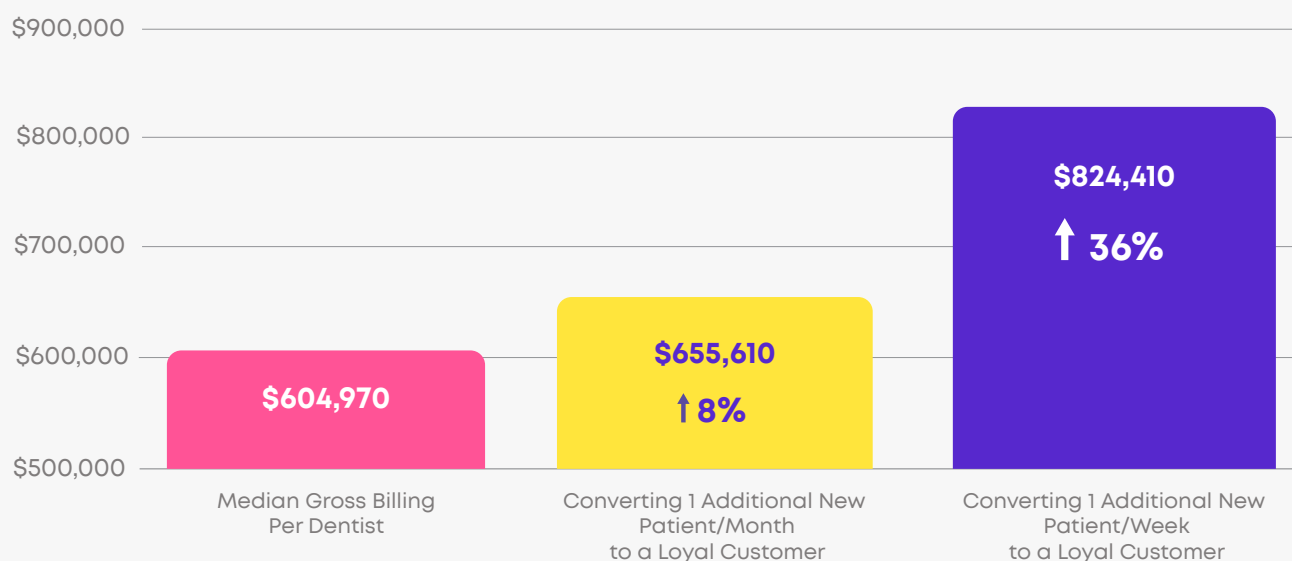
“Hospitals with patient satisfaction in the 90th percentile experienced **nearly a one-third increase in patient volume**...For hospitals with patient satisfaction in the bottom 10th percentile, the average volume loss was 17 percent².”



Increased Patient Retention

A 2001 study revealed that patients with the poorest quality relationships with their physicians are **3x more likely to leave the practice than those with the highest quality relationships**.³

With the average value of a new patient⁴ receiving a comprehensive exam being valued at \$4,220, losing these patients before completing treatment has a significant impact on gross revenue⁵.



¹ “Putting the Service-Profit Chain to Work.” Harvard Business Review, <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work>. Accessed 5 July 2023.

² “PATIENT EXPERIENCE - R.O.I.” Integrated Loyalty Systems, https://www.wecreateloyalty.com/wp-content/uploads/2010/09/CultureROI_WhitePaperLS_Sept2017.pdf. Accessed 20 June 2023.

³ Safran, D. G., and J. E. Montgomery. “Switching doctors: Predictors of voluntary disenrollment from a primary physician’s practice.” J Fam Pract, vol. 50, no. 2, 2001, pp. 130-136.

⁴ Henry, Kevin. “How much is a new patient worth to a dental practice? Here’s what the data say.” Dentistry IQ, 12 June 2017, <https://www.dentistryiq.com/practice-management/industry/article/16366795/how-much-is-a-new-patient-worth-to-a-dental-practice-heres-what-the-data-say>. Accessed 5 July 2023.

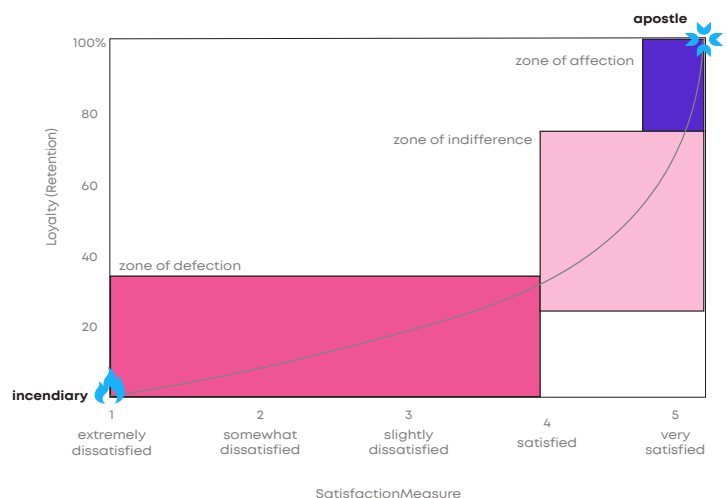
⁵ “Dental Practice Research - 2020 Income, gross billings, expenses, and characteristics (XLSX) (Survey of Dental Practice report) (December 2021).” American Dental Association, 2021, <https://www.ada.org/en/resources/research/health-policy-institute/dental-practice-research>. Accessed 5 July 2023.



Customers must be highly satisfied, not just satisfied, to remain loyal.

Customers must be highly satisfied, not just satisfied to remain loyal. One of the a-ha moments in customer satisfaction research came from Xerox's 1991 analysis of their own customer satisfaction polling.

They found that customers giving Xerox a 5/5 rating were **six times more likely to return** than a customer giving a 4 rating.





Improved Staff Retention

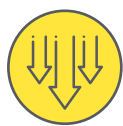
Efforts to improve patient experience also result in greater employee satisfaction, reducing turnover. Improving the experience of patients and families requires improving work processes and systems that enable clinicians and staff to provide more effective care. A focused endeavor to improve patient experience at one hospital resulted in a **4.7 percent reduction in employee turnover**⁷.

A primary source of job satisfaction was the service workers' perceptions of their ability to meet customer needs. Those who felt they did meet customer needs registered job satisfaction levels **more than twice as high** as those who felt they didn't⁸.



⁷ "Section 2: Why Improve Patient Experience? | Agency for Healthcare Research and Quality." AHRQ, <https://www.ahrq.gov/cahps/quality-improvement/improvement-guide/2-why-improve/index.html#2c>. Accessed 5 July 2023.

⁸ "Putting the Service-Profit Chain to Work." Harvard Business Review, <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work>. Accessed 5 July 2023.



Reduction in Malpractice Claims

A 2009 study found that for each drop in patient-reported scores along a five-step scale of “very good” to “very poor,” the likelihood of a provider being named in a malpractice suit **increased by 21.7 percent**⁹.

There is no lack of resources. There is lack of measurement¹⁰.

Now that we know there is a clear connection between very satisfied patients and increased revenue, how do we go about improving patient experience/satisfaction? Where do we need to focus our efforts and dollars to give us the biggest bang for the buck? It all starts with the measurement of the patient voice. It's time to start hearing from patients - using evidence-based and AI-fueled feedback systems - to unlock the ROI of patient and staff loyalty..



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Measurement is the first step that leads to control and eventually to improvement. If you can't measure something, you can't understand it. If you can't understand it, you can't control it. If you can't control it, you can't improve it.

H. James
Harrington

Ready to Start Measuring Patient Experience and Maximizing Your ROI?
Get in touch at hello@differentkind.com

⁹ Fullam, F., Garman, A.N., Johnson, T.J., et al.. “The use of patient satisfaction surveys and alternate coding procedures to predict malpractice risk.” Med Care, vol. 47, no. 5, 2009, pp. 1-7.

¹⁰ Boissy, Adrienne. “Getting to Patient-Centered Care in a Post-Covid-19 Digital World: A Proposal for Novel Surveys, Methodology, and Patient Experience Maturity Assessment.” NEJM Catalyst, 2020, <https://catalyst.nejm.org/doi/full/10.1056/CAT.19.1106>.



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Can Transform Your Organization?**

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