PERSPECTIVE

Patient Relationship Management: What the U.S. Healthcare System Can Learn from Other Industries

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As the U.S. healthcare system moves to value-based care, the importance of engaging patients and families continues to intensify. However, simply engaging patients and families to improve their subjective satisfaction will not be enough for providers who want to maximize value. True optimization entails developing deep and long-term relationships with patients. We suggest that healthcare organizations must build such a discipline of “patient relationship management” (PRM) just as companies in non-healthcare industries have done with the concept of customer relationship management (CRM). Some providers have already made strides in this area, but overall it has been underemphasized or ignored by most healthcare systems to date. As healthcare providers work to develop their dedicated PRM systems, tools, and processes, we suggest they may benefit from emulating companies in other industries who have been able to engage their customers in innovative ways while acknowledging the differences between healthcare and other industries.

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Patients who are more engaged with their care have better outcomes, and leading healthcare organizations are actively seeking to develop strategic approaches to promote this process. Engaging patients will be a key to better provider performance moving forward, in contrast to fee-for-service, which requires high patient volume, shortened length of stay, and growth in high-margin procedure rates. In an unprecedented move, the U.S. Department of Health and Human Services announced a goal to have 90 % of traditional Medicare payments tied to value by 2018.¹ It has been said that “where Medicare goes, all others will follow.” Many private insurers have already followed suit—and payment is thus increasingly being based on value.²

Given this trend, the importance of providers developing deep relationships with patients cannot be overstated. Merely striving to improve patient satisfaction, the core strategy many healthcare organizations have adopted to date to address this issue, is simply not enough. Mounting evidence has even shown that a focus on patient satisfaction alone can actually be deleterious in terms of achieving cost-effective, high-quality care.³ For example, physicians have been known to inappropriately prescribe opioid pain drugs and antibiotics in order to protect patient satisfaction scores.⁴ To thrive in a value-driven reimbursement environment, providers will need to adopt a sincere orientation towards patients and families in order to achieve significant activation and engagement. This process can result in stronger therapeutic alliances between providers and patients, improved patient decision-making, and better health outcomes. Stronger relationships between providers and patients can increase value, but these relationships cannot be forged by initiatives that focus merely on satisfaction. Just as companies outside the healthcare sector have developed systems, tools, and processes around customer relationship management (CRM), healthcare organizations should build the same discipline around the concept of patient relationship management (PRM).

There is much that a concerted effort around PRM can address. Patients still have to wait an average of 18 days to see their physicians after scheduling an appointment.⁵ The actual doctor's visit consumes an average of 2 h of a given patient's time, the bulk of which entails travel and waiting, with precious little dedicated to face-time with providers.⁶ Healthcare providers do not routinely check in on patients after even major changes to treatment regimens to assess efficacy, adherence, and side effects. Moreover, there is still no national doctrine dictating the best way for providers to include patients' caregivers around transitions of care.⁷ Patients and families deserve better healthcare delivery systems than they are currently getting, and a focus on PRM is one mechanism for realizing this aim.

EXAMPLES FROM OTHER INDUSTRIES

Fortunately, as is so often the case, other sectors have already addressed many of these issues, and while there are many

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differences between healthcare and other industries, it may be instructive to consider some of these examples. We highlight three specific firms: the Ritz-Carlton Hotel Company, for its focus on investing in its employees; Disney, for its attention to enhancing its day-to-day processes; and Southwest Airlines, for its innovative use of information technology.

The Ritz-Carlton Hotel Company has done an exemplary job in the area of high-touch customer engagement. The firm operates nearly 100 hotels in dozens of countries, with more than \$3 billion in annual sales. A key to Ritz-Carlton's success is its strict discipline regarding its employee management system. The company creates a dazzling experience through rigorous staff training and empowering its employees to perform. Ritz-Carlton provides up to \$2000 per employee per guest to handle patron issues. This flexibility, combined with specific expectations laid out in the company's so-called Gold Standards and high degree of staff autonomy, yields a results-oriented company with a powerful CRM system. Furthermore, staff at Ritz-Carlton are specifically trained not only to solve patrons' problems as they arise, but also to anticipate customers' unexpressed needs and address them before they become an appreciable pain point. This proactive strategy transforms guests into hyper-loyal brand ambassadors, resulting in revenue growth while simultaneously curbing employee turnover. Specific messages for healthcare include the intense focus on staff training and the importance of developing a powerful employee management system to better serve patients and families. Empowering staff in healthcare means training front-line workers to engage patients and families on multiple dimensions and to probe for any addressable barriers to treatment adherence. Staff members ought to be trained to communicate these barriers to the appropriate care team members, and all patient-facing employees should also be knowledgeable about the available community resources to refer patients. Likewise, staff should be able to administer various validated patient-reported outcome measure instruments. Empowered employees can be expected to have higher job satisfaction and lower turnover. Curbing staff turnover in healthcare means patients and families can establish longitudinal relationships with staff. Developing loyal patient ambassadors should also strengthen patients' trust of the medical system (and hopefully their adherence to treatment regimens). We envision a potential future state where these patient ambassadors might even take on more formal roles in the healthcare landscape. For instance, ambassadors might (with a bit of preparation and training) take on part-time roles as HIPAA-compliant peer healthcare coaches. In this capacity, ambassadors could reach out and assist willing patients in need of further support in developing healthcare-related self-management skills. Ambassadors might also lead group visits among similar sets of patients, again geared towards bolstering overall adherence to care, developing self-management skills, and promoting healthy lifestyles. New roles like these, designed around a concept of PRM, stand to significantly reduce overall healthcare expenditures, even though they require upfront investment. This is especially true if the

regulatory/legal pathway is cleared to permit provider organizations to incentivize ambassadors based on favorable trends in the behavior and healthcare utilization of patients they interact with in their capacity as coaches.

Disney is another famous example of a company focusing on CRM as core to its business. At the Disney Parks, there is an intense effort to understand what customers actually want and value. Methods for realizing and sustaining in-depth customer understanding are myriad, including frequent direct contact with customers by Disney Parks leadership. Walt Disney himself told members of his staff, "I want you out in the park, watching what people are doing and finding out how you can make the place more enjoyable for them".⁸ Disney's insistence on understanding the customer and continuously improving their experience over time seems so simple, yet it has proven difficult to achieve across the business landscape. In healthcare, developing such a deep understanding of patients and families can result in enhanced value, for instance, by identifying care barriers to address. For example, identifying and addressing the root causes of missed patient appointments will improve providers' daily productivity, while potentially increasing the number of patient issues addressed in the lower-cost outpatient arena before these problems require acute hospitalizations. While many causes of missed patient appointments may be outside providers' control, certain drivers can be addressed. For example, patients are often asked to schedule a follow up appointment 3–6 months in advance at the conclusion of their clinic visit. Some patients may not know about their availability that far out, and might benefit instead from a mechanism whereby they are contacted at a later date to set up follow-up. Moreover, it may be worthwhile for providers to partner with other entities to address other causes of missed appointments such as transportation barriers or lack of consistent child care.

Another company noted for its terrific CRM orientation is Southwest Airlines. Southwest has gone so far as to describe itself as a "customer service company that happens to fly airplanes". The airline has been a trailblazer when it comes to smartly connecting with its customers using technology. Southwest encourages customers to check in and to book and change reservations via airport kiosks, its website, and its own mobile application (thus saving its customers time waiting in queues to interact directly with human representatives). The company even has a specialized social media customer support group tasked with responding to customer queries, comments, and concerns on various social media platforms. In addition to engaging customers on ever-evolving technologies, Southwest has made the conscious decision to invest heavily in its customer loyalty IT system. The system has highly flexible architecture, and it interfaces closely with various other IT systems within the company. The system also relies heavily on data analytics solutions to ensure that Southwest is constantly innovating on the customer loyalty front to make sure the best and most up-to-date information will be at its disposal. This type of approach has clear implications for healthcare, which has been late to the party with kiosks, social media, and analytics. Healthcare

provider organizations should consider investing in information technology that could help close gaps in care services in ways that matter to patients. Specifically, significant value would be realized with the advent of an IT solution that identifies patients with recent healthcare encounters resulting in treatment plan changes (e.g. medication changes, diet alteration, appointment request for consultation), and subsequently sends secure, asynchronous communications to each patient to verify their understanding of and adherence to the new plan. Unfavorable patient responses to these communications could result in escalation of the matter to a nurse (or another member of the care team) for further management. Other healthcare PRM IT solutions include enabling patients to request on-demand appointments and pay their bills online (an increasingly popular function of patient health portals); permitting patients to securely complete pre-visit forms electronically at home in order to minimize their time in the clinic; an IT solution that assesses patients educational attainment, health literacy, and health numeracy, and securely pushes tailored patient education materials based on clinical diagnoses; the ability for patients to request a nurse/provider callback from their smartphone or online portal; a technology solution for providers that sifts through and analyzes claims and clinical data to automatically identify patients at high risk for near-term costly healthcare, and facilitates appointment scheduling and follow-up lab work.

This is not to say that healthcare has made no gains in PRM. For example, many healthcare organizations now have a “chief experience officer” (CXO), an emerging leadership role that many believe could be critical in the transformation to a value-driven delivery system. The scope of this role should include identifying key areas needing improvement, helping to manage patients’ paths throughout the healthcare enterprise, and addressing barriers with deleterious impact on patients’ health and their experience with the healthcare organization. Navigating wholesale change in a large-scale organization is daunting. Consequently, chief experience officers will also need staff and the backing of their organization to implement change. We propose that healthcare organizations should invest not only in a CXO, but also in staff whose core responsibilities include understanding and enhancing the patient/family experience and developing dedicated PRM systems (including both change management and measurement components). At first, we envision CXO staff comprising existing employees who already serve as common touch points for patients and families (e.g. receptionists, call center operators, nursing assistants). With a bit of cross-training in core concepts of hospitality and PRM, these staff members can effectively execute most aspects of a CXO’s vision. As organizations begin to quantify the return on investment of these efforts for themselves, we anticipate additional investments in this area, including full-time staff dedicated solely to these efforts.

Reflecting on the future state of our healthcare delivery system, it is important to note that high levels of satisfaction and high care quality do not always align. A recent national study demonstrated that higher patient satisfaction was correlated with higher total healthcare expenditure and increased mortality.³

Patients often demand things they don’t need, like expensive antibiotics for a cold or an MRI for low back pain, and providers may be confronted with requests for items that they don’t know the value of, such as back stretchers for cervical radiculopathy. Physicians will need access to the best evidence on therapies and technologies, and must also become skilled at explaining to patients why they will not benefit from things that are unlikely to help them. Clearly, this will be a delicate balance. Furthermore, while the takeaways described by the three companies are important lessons for healthcare leaders to internalize, they must do so in a measured way that acknowledges the inherent differences between operating a healthcare delivery enterprise and operating a service enterprise outside the healthcare domain. In the latter, the primary goal is to deliver service excellence in order to increase customers’ willingness to pay and/or to increase the rate of return customers. Healthcare, of course, is different. Maximizing value delivery in healthcare services will mean improving the health of patients in part by avoiding costly acute care services. It may also be hard for patients to fully judge the value of a healthcare service even after that service is provided. Thus, aligning PRM with an appropriate reimbursement model is essential—in a fee-for-service reimbursement environment, utilizing PRM to deliver an ever-growing set of unnecessary services would be a real risk. As emerging reimbursement schemes increasingly reward true healthcare value creation, provider organizations will find incorporating PRM to be a key element of a winning strategy.

The consumer movement in healthcare seems certain to advance. While healthcare is unique in some regards, many aspects of the healthcare services sector are shared across non-healthcare industries as well. For instance, consumers appear to value similar qualities in healthcare companies as in non-healthcare companies.⁹ Healthcare organizations that want to deliver high-value care must have strong patient relationship management, and in learning how to bridge this gap, we believe they can learn a great deal from other industries.

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Compliance with Ethical Standards:

Conflict of Interest: Dr. Bates consults for EarlySense, which makes patient safety monitoring systems. He receives equity and cash compensation from QPID, Inc., a company focused on intelligence systems for electronic health records. He receives cash compensation from CDI (Negev), Ltd, which is a not-for-profit incubator for health IT startups. He receives equity from Enelgy which makes software to support evidence-based clinical decisions. He receives equity from Ethosmart, which makes software to help patients with chronic diseases. He receives equity from Intensix, which makes software to support clinical decision-making in intensive care. He receives equity from MDClone, which takes clinical data and produces deidentified versions of it. Dr. Bates’ financial interests have been reviewed by Brigham and Women’s Hospital and Partners HealthCare in accordance with their institutional policies.

Dr. Poku has no conflicts to disclose.

Dr. Behkami is an employee of Merck & Co. He has no other conflicts to disclose.

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