

## **The Complaint Prescription - Finding Hidden Wisdom in Customer Complaints**

### ***Why Health Care Executives should be interested in complaint management***

*The Economist* reported that only 15 percent of Americans have a great deal of confidence in healthcare organizations. Unable to perennially lower healthcare costs, managed care must contend with intense public scrutiny. Physicians are caught in the middle, tasked with providing quality care while controlling costs. To stay a provider of choice, managed-care companies must invest in more customer-friendly solutions. In addition to growth, health care services are now focusing on efficiency, competition, and productivity to gain a competitive advantage.

Well-handled complaints can create loyal patients and increase profits. There is always something positive that can be done about a complaint. The focus of an organization is to create and keep patients - and effectively addressing a complaint is really an opportunity to create a positive experience with customers - in addition to preventing them from going to a competing clinic or hospital. At the very least, a complaint is an opportunity to strengthen your relationship with the complaining patient. Resolving patient complaints makes for a healthier the bottom line as the cost to replace a current patient can be 10 times the cost of keeping them.

#### **I. Make it easy for your patients to complain**

A patient complaint is tangible evidence of what they expect you to do to meet their wants and needs in order to continue to use your hospital services. You need to make it as easy to complain as possible. If you make it difficult for patients to complain, you will never know what you could have done differently and keep their business. They will drift away to the competition and you will lose invaluable feedback that can help you improve your organization's ability to satisfy and keep patients returning for additional services over time.

Make it easy for patients to submit a complaint through the extensive use of centralized customer help-lines, 1-800 numbers, complaint/comment cards at the point of service, and easy-to-use customer appeal processes. Web forms and even simple emails addressed to specific mailboxes for complaints give your patients 24/7 access to your hospital staff.

#### **II. Use Complaints to Implement Systematic Process Improvements**

Complaints can be the symptom of deeper, underlying process problems, so you can't afford to lose them. There a number of ways to handle a complaint: 1) You can ignore it. 2) You can respond politely to the customer then still change nothing. 3) You can solve the issue by slapping on a Band-Aid fix. Or,4) you can use the complaint to make permanent process changes to prevent the issue from recurring.

People sometimes confuse process improvement with problem solving (aka Band-Aids). They think that if they find a problem in the process and fix it, they're improving the process. While problem solving may be a first step, it rarely results in an improved process. Problem solving fails to consider how solutions relate to one another, to the process as a whole, or to the outcomes of a process. Process improvement, on the other hand, considers the entire process, maintaining a steady focus on what outcomes the patient receives.

The best-in-business health care organizations design their complaint management processes with input from both patients and staff. They develop a culture that supports teamwork with the patient as part of the team. The complaint management process is designed with commitment from top management, performance goals that are measured and carefully monitored, and a direct link to core processes.

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One organization has their patient relations personnel monitor feedback gathered from patients. They select a small number of items that patients complained about most often as target issues. Once these issues are identified, individual patient satisfaction committees are formed that link those issues with mission objectives. The complaint process is monitored to correct root causes of dissatisfaction, and the results for these target issues are reported regularly to the Executive Committee. This is a "best in business" kind of approach.

### **III. Respond to complaints quickly and courteously with common sense and you will improve patient loyalty.**

When patients have a negative encounter with a health care provider, they are less likely to use that provider again, more likely to talk negatively about the provider, and more likely to shop for and switch to another provider. One way an organization can ensure repeat business is by developing a strong customer service program that includes service recovery as an essential component.

Service recovery means that the service provider takes responsive action to "recover" lost or dissatisfied customers and convert them into satisfied customers. Service recovery cannot take place if the provider is unaware of dissatisfied customers. However, only 5-10 percent of unhappy patients actually complain following an unsatisfactory experience. Instead, many leave silently with the intention of never returning, and the organization loses the opportunity of addressing the problem.

In a study supported by the Agency for Healthcare Research and Quality (HS09446), researchers identified six steps involved in using complaint management as an effective service recovery tool:

1. Encourage complaints as a quality improvement tool (rather than a staff disciplinary tool).
2. Establish a team of representatives to handle complaints.
3. Resolve customer problems quickly and effectively.
4. Develop a complaint database to identify trends and generate regular reports of complaint information to hospital management and staff.
5. Commit to identifying failure points in the service system.
6. Track trends and use information to improve service processes and minimize future complaints.

*For more information, see "The role of complaint management in the service recovery process," by Drs. Bendall-Lyon and Powers, in the May 2001 Joint Commission Journal on Quality Improvement 27(5), pp. 278-286.*

Research has shown that customers (patients) who have had problems with a company (hospital) or product (service), but felt that the company (hospital) made honest efforts to correct the problem, become some of the more vocal "evangelists" for the company or product. "By resolving the customer's (patient's) complaint using quality service, you can often move a customer (patient) from "dissatisfied" to "completely satisfied" - and you can usually get an increase in loyalty of 50 percentage points."

*Source: John Goodman, Jeff Manzal and Eden Segal, Creating a Customer Relationship Feedback System that has Maximum Bottom Line Impact, Customer Relationship Management, March/April 2000 pp 289-296*

Patients who have had their problems satisfactorily and quickly solved often tell their friends and neighbors, and they are not easily won over by the competition. Patients therefore reward organizations that quickly solve problems by remaining loyal to that organization. A speedy response can add 25 percent to customer loyalty.

The best complaint departments set goals to fix the problem at hand, satisfy the patient and make systemic improvements to prevent the problem from recurring. They strive to prevent

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problems through revised procedures and have support for on-the-spot and post-event complaints recovery from the front-line staff and managers – and all the staff know how well they are meeting this goal.

**IV. Resolve complaints on the first contact and (1) save money by eliminating unnecessary additional contacts that escalate costs and (2) build patient confidence.**

In general, if you have to call the patient back or the patient has to call a second time, satisfaction and loyalty are decreased by 10 percentage points (and your costs are doubled due to the second call and related telephone tag).

*Source: John Goodman, Jeff Manzal and Eden Segal, Creating a Customer Relationship Feedback System that has Maximum Bottom Line Impact, Customer Relationship Management, March/April 2000 pp 289-296*

Without a well-designed front-line resolution capability, complaints are often handed off to different offices for response, delaying the remedy and increasing the cost of the solution. Strive to provide one-stop resolution, and if hand-offs are necessary, make them transparent to the patient. Remember, your patient doesn't care how you are organized; they aren't interested in hearing that the "matter has been sent to another department for resolution." Resolving the problem on the first phone call with the patient is an element of world-class complaint handling.

**V. Setting patient expectations – an easy way to prevent complaints in the first place**

Everyone goes through an event with expectations particular to their background and prior experiences. Expectations are preconceived mental 'scripts' of how a patient *thinks* things should happen while hospitalized. No matter how advanced your technology, if the patient's expectations are not met, they may still complain – and not always to your organization.

So, how can you address a patient's expectations? Take time to give the patient a briefing as to what to expect during their procedure and stay. Ask if they have any questions that were unanswered during the briefing, and listen to and address any fears or hesitations they might express. This sets the stage in the patient's mind of what they foresee happening.

Remember: Policies, processes and procedures do not make a 'patient-friendly' hospital. Caring and responsive staff who meet and exceed patient expectations do.

**VI. Viewing admitting physicians as customers**

Health care organizations also need to keep in mind that admitting physicians and staff are professionals who can also impact the bottomline. If enough admitting physicians get fed up with problems and unheard complaints about your organization, they may have other options and take their business elsewhere – a competing hospital or specialty clinic. These issues have pushed the emergence of specialty clinics and medical practices that take a large bite out of hospital revenues.

Finding out what the real priorities of your admitting physicians can help realign fiscal priorities and reallocate dollars to upgrade technologies identified by physicians as necessary.

Success in physician satisfaction can aid your hospital in a number of areas: to recruit more established practices, to retain referring doctors, to convince physician residents to establish their private practices at the hospital, and open up the possibility for gaining patient referrals from doctors outside the current medical staff by sharing success stories in marketing campaigns.

**VII. Summary**

When staff know that the health care leadership is focused on doing a good job for the patient rather than on finding someone to blame for problem, they respect managers and concentrate on the serving the patient. This requires the right "complaint culture" within your organization. It may take time to change the ingrained negative feelings towards complaints. We all know organizations that do little more than finger pointing when there is a problem; however, the payoffs in improved quality, decreased costs from "having to do it over," as well as increased patient loyalty and confidence over the long run are well worth the time, effort and nurturing required.

Likewise, when admitting physicians feel that the hospital listens to their suggestions regarding treatment options and technology innovations, as well as pay heed to any process-related complaints they may have, those physicians are likely to keep referring patients to your organization. Better relations with admitting physicians can produce yearly increases in inpatient admissions and add physicians to your medical staff through recommendations from existing medical staff members. Additional benefits include increased occupancy rates, and experiencing favorable financial results when other hospitals in the region are operating at a loss or closing.

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