

Review

Strategies for Patient Satisfaction and Retention in Primary Care: A Practical Approach

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The health care delivery system represents one of the largest customer service industries in the United States. The current structure of the system has become highly competitive in the quest to obtain and retain its customers. Research has indicated there are basic elements needed within a health care organization that can help assure patient loyalty and retention. This paper is an examination of tactics and strategies that will assist health care organizations in providing quality care, promoting patient satisfaction and customer loyalty.

Keywords: Patient satisfaction, Patient retention strategies, Primary healthcare.

INTRODUCTION

For the past several decades, the health care delivery system has been comprised of mainly managed care organizations. The structure of these businesses has historically restricted patients to a designated network of physicians, health care providers and health care facilities. However, recent changes in the system have evolved as a result of customer demand. Patients want freedom of choice with access to see the health care provider they choose. In addition to receiving quality service from the provider, consumers are beginning to expect the same customer satisfaction standards that are present in other businesses. Easy access to the system, prompt service, quality care, and cost effectiveness are just several of the components needed to keep the patient happy. As the nation's health care industry represents close to 17% of the gross national product, equating to approximately \$3 trillion annually, possessing the knowledge and skills necessary to attract and retain patients will enable healthcare providers to maintain a competitive edge (Mehra, S., Inman, R.A., & Tipton, J., 2002; Zahaluk, 2010).

Current research indicates that approximately 70% of the population is enrolled in some type of a managed health care system, with the balance consisting of traditional fee-for-service plans and the uninsured. Findings have also indicated that there is close to a 20% disenrollment rate annually (Mayo, 1999; Wanless, 2007). Some of the reasons for this turnover stem from increasing monthly plan fees, change of employment by

the member, switching managed care provider by the employer, and lack of convenience, quality care, a limited number of physicians offered by the health care organization, and unemployment (Mayo, 1999; Chinn, 2010).

The following discussion and literature review will address issues that constitute customer satisfaction and dissatisfaction, and behaviors that predict consumer discontent leading to the inevitable defection to another health care organization. The text will also examine strategies that may be instituted by health care organizations to promote satisfaction, loyalty and customer retention will be evaluated.

LITERATURE REVIEW

Healthcare consumers today are more informed about issues regarding good health maintenance, disease processes and treatment regimens. Several reasons are responsible for increased patient enlightenment; but, the media and the internet are their primary resources for obtaining medical and health related information. Customer attitudes towards healthcare and healthcare providers are also undergoing a change. Patients want more than the traditional paternalist physician-patient relationship that has existed in the past. Customers want easy access to care with a health care provider of their choice, continuity of care, open communication,

respectful and courteous treatment. The health care industry represents a service commodity that has higher standards of quality than most service other industries such as travel, auto and hotel businesses. An individual's state of health equates to a quality of life. An attitude of patient satisfaction is not only involved with the individual's health care provider but includes the health insurance provider as well (Mayo, 1999; Chinn, 2010).

Approximately 70% of the population is currently enrolled in some type of a managed care organization. Studies indicate close to 20% of members voluntarily change health insurance annually. The financial implications of an annual disenrollment of this magnitude, represents substantial lost revenues for any managed care organization (Mayo, 1999; Chinn, 2010).

An empirical study conducted by DSS Research in 2000 indicated that a consumer will choose a particular health care plan based on 32 attributes, ranked by the level of importance. From the top five requirements, the most important was a large number of physicians in the MCO (managed care organizations) network, giving the consumer a large choice list. In descending order of importance, the next features were prescription drug coverage, member out of pocket expenses, routine visit costs, wellness visit costs and, lastly, the monthly premium. Other attributes, in order of preference included the quality of care provided by the physician, a dental plan, member ability to choose their hospital of preference, the particular MCO provider and visual care (Gates, R., McDaniel, C., & Braunsberger, 2000).

Surprisingly, the quality of care provided by a physician was ranked sixth in this study; however, the ability to choose a physician from a large network was considered the most important feature for the customer. The researchers noted that the sample was obtained from only one geographical region in the United States and may result in different findings if applied in other areas (Gates., et al, 2000).

The above study depicts some of the attributes needed to obtain customer satisfaction within the MCO environment, but what does the consumer want from the health care provider. Research conducted by the Health Institute at the New England Medical Center, attempted to define some of the reasons why customers switch from one physician to another (Safran, D., Montgomery, J., Chang, H., Murphy, J., and Rogers, W., 2001). A sample of 4108 working adults living in New England was followed over a three year period of time. Results exhibited approximately 25 % of the participants changed primary care providers during the testing period. From the one quarter of the sample that defected, it was determined that the majority switched primary care physicians voluntarily with the quality of the physician-patient relationship cited as the cause. In this study, consumers defined quality care as: access to care

in a timely manner with the provider of choice and a quality interpersonal relationship with a provider (Safran, et al, 2001). Their research concluded that an interpersonal relationship was based upon the physician's personal knowledge of the patient, the patient's trust in the provider and the quality of their communication. Further findings indicated the presence of these attributes (trust and communication) produced a high level of patient satisfaction and were clearly identified as predictors of patient retention in a medical practice (Reifsteck, 1998; Wanless, 2007).

Communication has long been identified as a problematic component in establishing a firm physician-patient relationship. The changing nature of the managed care system has only added to the frustrations of the patient, but for the physician as well. Time constraints and large numbers of patients treated daily adds to the difficulty of establishing a meaningful and productive provider-client relationship. One of the first studies regarding physician-patient communication was conducted by Bayer Institute ten years ago (Reifsteck., 1998). Findings indicated poor communication between the patient and physician negatively impacted on the overall medical management of the person (Reifsteck, 1998). Four areas of basic communication skills were identified by the Bayer study and are now taught to physicians in a workshop format. These skills consist of:

1. Engagement
 - a. Listening Setting
 - ☐ Sit at same eye level
 - ☐ Eliminate barriers on desk, etc.
 - ☐ Rearrange furniture
 - b. Getting Started
 - ☐ Begin with proper instructions
 - ☐ Let the first minute belong to the patient
 - ☐ Limit interruptions
2. Empathy
 - a. Being seen
 - ☐ Make eye contact
 - ☐ See the patient as a person
3. Education
 - a. Write it down
 - b. Ask if you're understood
4. Enlistment
 - a. Involve patients
 - b. Look for windows of opportunities (Reifsteck, 1998, p. 47; Zahaluk, 2010).

The enhancement of communication skills by the physician is an important

component in establishing a productive physician-patient relationship, but time constraints imposed by large numbers of patients seen daily continue to jeopardize what the customer views as quality service. Compassionate, respectful, courteous, and empathetic interchanges between a provider and a patient can be

enhanced by the use of a myriad of communication tools that are available to a physician. Giving a patient written information regarding their particular health concerns or providing guidance towards other patient education information, such as the internet, helps fortify a patient's perception of the physician caring for them as an individual (Baum, 1998). Risk management has identified the use of effective communication aids improve patient satisfaction, treatment compliance, and significantly reduces the risk of litigation (Baum, 1998; Govern, 2009).

Several other physician attributes are also important in the construction of a solid relationship with the patient. Trust represents an essential ingredient necessary for effective, continuous, and compliant medical care that enhances patient satisfaction and reduces the risk of defection to another practice. A study conducted by Dr. David Thom at Stanford University in 2001 attempted to identify what specific behaviors in a physician developed patient trust (Thom, 2001). The sample consisted of several diverse demographic groups, consisting of men and women grouped by sex and age. The groups were further segmented by the existence or non-existence of a relationship with a health care provider. Findings indicated caring and comfort were considered the most important provider behaviors, considered to be as necessary as technical knowledge and skills as a predictor of patient trust. Other behaviors varied in the level of importance within the particular demographic group, but consisted primarily of exhibiting competency, having good listening skills, explaining, respect for the individual, and referring to a specialist when needed (Thom, 2001).

Providing quality service within a practice setting remains a major challenge for most medical practices, but a necessary issue that needs to be continuously addressed to ensure customer satisfaction and retention. However, it is not only the physician who must provide quality service to the patient, but the support staff as well. They are responsible for generating the initial perceptions of quality care and good customer service in a health care setting. Professionals involved in establishing and maintaining consumer satisfaction need only to look in the hospitality industry to glean successful strategies that have produced excellent customer service. One of the most prestigious examples in the hotel business is the Ritz-Carlton. Their service philosophy that keeps the patrons returning can be expressed as:

Hire the best people you can, and engage them in your philosophy and values toward service. Train and motivate them, recognize and reward them. Grow your business so the employees are challenged and learn from new experiences. Finally, improve their quality of life by paying them more to take on increased responsibility and, thus, make a larger contribution to

your organization (Eliscu., 2000, p. 47).

One of the most important issues that health care providers need remember in providing services:

The service industry, whether hotels, restaurants or resorts, is much like the health care industry. The common denominator is people-people taking care of people. Organizations with a reputation for high levels of service have a clear focus on attracting and maintaining their customers, internal and external. It is this reputation as a great place to work and as a caring service provider that, once earned, is your best competitive edge in the marketplace (Eliscu, 2000, p. 58).

Intuitively, consumers have a preconceived idea of what represents good service. To insure a competitive edge in the service industry of health care, medical practices need to know what customers want. The impact of customer satisfaction vs. dissatisfaction needs to be examined economically. What revenue ramifications occur within a medical practice when customers leave from lack of quality service? A research study reported by the University of Pittsburg into customer service revealed:

1. The average business hears from only an estimated 4% of unhappy customers. Applying this theory to health care, this means that if 1 patient is angry enough to alert you to a problem, chances are that as many as 24 other patients are equally upset but did not come forward.

2. The average patient whose concerns are ignored complains to 10 other people, whereas a patient whose concerns are resolved will tell 5 other people about the quality of care he or she received. In addition, 95% of patients whose complaints are resolved are likely to return at a later date for other care.

3. When advertising and administrative costs are tallied, the average physician spends 5 times as much to gain a new patient as he or she spends to retain an existing one. When a dissatisfied patient leaves the practice, the practice loses that initial investment-as well as the opportunity to gain that patient's friends and family members as new patients (Balestreire, 2000, p. 92-3).

Similar findings were discussed in an article published by *The Journal of Medical Practice Management* by Roberta A. Clarke in 2001.

1. There is a general agreement that it costs only one-fifth to one-sixth as

much to keep an existing or loyal customer as it does to attract a new customer.

2. Increased customer loyalty results in increased profits: specifically, one study published in the *Harvard Business Review* found that a 5% increase in customer retention results in a 25-85% increase in profits.

3. As far back as 1976, an American Management Association publication determined that a lost customer lowered profits by \$118; in contrast, it cost only \$20 to

keep a customer satisfied.

4. Loyal customers are less costly to serve because they are familiar with the service organization and its politics and practices. They know what to expect of the service provider and what it expects of them. Therefore, they are less likely to complain about routine delays and inconveniences and, as a result, require fewer service organization resources to manage them (Clarke, 2001, p.11).

Other research studies regarding customer satisfaction have shown no direct correlation between customer satisfaction, customer retention, and conversely. In addition, dissatisfaction does not immediately cause defection (Oliva, et al, 1992)(Fornell, 1992). However, repeated encounters provoking dissatisfaction will ultimately lead to defection (Oliva, et al, 1992; Chinn, 2010; Wanless, 2007).

Unfortunately, repeated episodes of behaviors provoking patient dissatisfaction may be responsible for a phenomenon referred to as the “employee/customer satisfaction mirror, a concept that suggests if the customers are unhappy, the employees also will be unhappy (and visa-versa)” (Clarke, 2001, p. 12). This condition has been defined in literature as a decline in staff morale that occurs after repeated expressions of dissatisfaction with a practice by the patients. Not only will the patients defect to other practices, but their verbalized dissatisfaction generates staff unhappiness, perpetuating poor service and often leads to staff resignation. Consequently, the practice is faced with the financial loss of a patient, plus the need and expense of replacing unhappy staff who have resigned. (Clarke, 2001; Wanless, 2007).

Numerous studies have been published regarding customer satisfaction strategies but there is little information regarding actions needed to enhance customer retention. Empirical research does demonstrate a strong relationship between satisfaction and retention, but one behavior does not directly lead to another (Oliva, et al, 1992). However, repeated satisfying experiences for the consumer will lead to customer loyalty and repeat services (“Patient Satisfaction Ratings,” 2010).

A review of articles written by health care marketing consultants, medical practice managers and health care providers, has yielded several generic strategies that are can be implemented in a medical practice setting to improve patient satisfaction and reduce the incidence of patient defection (Nye, 2001; Wanless, 2007). Evaluators of these strategies believe the process starts with a patient’s phone call to make an appointment. A maze of non-personal contacts, number pushing, and a wait time on hold over 10 minutes will drive many patients to seek care elsewhere (Zeff, 1995; Chinn, 2010). Medical practices need to continuously evaluate and improve the telephone system, seeking

input from both staff and patients (Davis, 2000; Zahaluk, 2010).

The practice needs to establish telephone guidelines that address specific patient requests or complaints. Respect and courtesy are foremost with any telephone encounter with a patient; but the telephone operator, usually possessing limited medical knowledge, needs to be trained how to evaluate the patient’s request. Does the person have an emergency and in need of immediate care or is the patient capable of waiting for an appointment?

Access to care and flexibility of appointment scheduling are important practice attributes for patients (Nye, 2001; Baker, 1998; Balestreire, 2000). A practice must guard against making a patient wait too long for routine care, in addition to providing same day appointments for the emergencies that inevitably occur (Davis, 2000; Zahaluk, 2010).

The next opportunity for a medical practice setting to create a favorable impression occurs when the patient arrives for an appointment. Practice managers agree that the patient’s first impression of a practice is made in the initial 60 second encounter. The presentation of the waiting area and the greeting a patient receives from the office staff has the ability to create considerable customer satisfaction. A spotlessly clean reception area, adorned with pleasing, instructional information, in addition to a smiling, friendly receptionist, offering assistance, quickly establishes a personable and caring practice persona (Davis, 2000; Zahaluk, 2010).

Prior to the clinician-patient meeting, medical marketing consultants encourage providers familiarize themselves with the person. Knowing the reason for the visit and remembering information about the patient has the ability to establish a level of caring, making the patient feel important. Putting the patient at ease, making eye contact and eliminating any physical barriers are all successful communication strategies that aid in creating a strong physician-patient relationship. As previously discussed, this is an important prerequisite in maintaining customer satisfaction and retention (Baker, 1998; Chinn, 2010).

These strategies represent a generalized approach that any health care setting may utilize to gain customer loyalty. However, service excellence begins with the development of a service culture and a philosophy of quality by medical practice leadership (Davis, 2000). In an article written by Kelli Davis, she discusses the development of a “unified service vision”, and identification of “what skills is staff going to need to make that service vision come to life” (Davis, 2000, p. 7). A patient service team, comprised of representatives from all levels of the medical practice, needs to define a patient service philosophy, set service excellence goals, formulate strategies to attain these goals, and determine how to evaluate the results. Staff training for everyone in

the organization, including providers, managers and support staff, is essential for the success of true service excellence. Periodic staff evaluations and compensation programs for exceptional, service oriented, employee behavior all contribute to the success of any customer satisfaction program in any health care organization (Davis,2000; Zahaluk, 2010).

CONCLUSION

Medical practices that excel in customer service possess the ability to maintain customer satisfaction and loyalty, in addition to continually increasing their patient population. Happy patients who feel their medical provider gives quality care in a personable, friendly, respectful environment represent a practice's best public relations. Successful practices know how to increase market share, increase revenues and maintain a competitive edge by utilizing quality service strategies and keeping their patients satisfied.

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