



## 7 Ways to Maximize your Hospital's Reputation



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#### **Executive summary**

A hospital's reputation can do much to help attract patients, qualified staff, and recommendations from referring physicians. This white paper examines the factors that shape hospitals' reputations in the eyes of these audiences, the assumptions that patients make about hospital quality, the role of the Internet and public performance reports in shaping a reputation, the importance of attracting qualified and highly engaged staff, the role of reputation in driving medical tourism, and how hospitals should respond when an incident damages their reputation.

#### **Introduction**

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently

– **Warren Buffett, American businessman**

In today's challenging healthcare climate, hospitals are competing fiercely over patients and qualified staff. Reputation plays an essential role in this battle, and more and more hospitals are taking an interest in enhancing their reputations.

But where should you begin? This white paper explores 7 important considerations for putting your institution on the path towards a strong reputation. However, even the most powerful marketing campaign may not be able to overcome the blemish of a bad reputation. Your customers really are paying attention, so let's make sure to make them a priority, and ensure that your hospital maintains a high standing within the healthcare industry.

The way to gain a good reputation is to endeavor to be what you desire to appear

– **Socrates**

Whether in consumer goods, financial services, or healthcare, a company's reputation is key to its commercial success. Brand awareness and a good reputation produce trust, and sustained trust is priceless.

Although it is difficult to quantify the exact value of a good reputation, hospitals around the world expend a lot of energy, time, and money to acquire and retain one. They invest in the creation and maintenance of a distinctive image, research their customers' wishes, carry out regular quality checks, and participate in independent tests and comparisons to document the quality of their products and services. They understand that a good reputation is required in order to win over existing and new patients, qualified personnel, and referring physicians. Nonetheless, healthcare reputation management is still often limited to crisis communications, such as those involving hygiene or staffing problems. This frequently results from country-specific legal restrictions related to promoting one's image through active hospital marketing.

The performance and achievements of many nonprofit companies often seem quite vague and interchangeable from the perspective of patients and applicants. However, for-profit institutions are different – not just in highly developed nations like the United States, but also in countries where patient tourism and out-of-pocket payments are important. In the United States, a whole new advertising industry has evolved around providers competing for better patient flows from around the country and abroad. Many of these healthcare companies now employ their own advertising departments and run largescale advertisement and TV commercial campaigns.

Hospital performance has become increasingly transparent due to digital media and concerns over increasing healthcare costs. As a result, cost bearers, policymakers in the health sector, and patients are becoming increasingly critical of medical providers' quality and prices. If hospitals are to withstand this critical scrutiny, they have to become more effective in managing their reputations. The following sections will provide recommendations for tackling these challenges, to help ensure that your hospital's reputation is managed in the most timely and effective manner.

## **1. Think “customers,” not “patients”**

“Where will I get the best treatment?” is an important question that patients are asking more frequently before selecting a hospital. In fact, a 2014 German study found that 76 percent of patients took a hospital's reputation into account when choosing a hospital. The study used a subjective reputation score to assess coronary artery bypass graft patients' perceptions of hospitals and their effect on their hospital selection.<sup>1</sup>

In addition to seeking out institutions with a well-established track record for successfully treating specific health conditions, patients also value healthcare professionals who treat them with empathy and respect. A study published in the *Journal of Participatory Medicine* found that the majority of patients cited the following three characteristics most frequently as being critical to their healthcare experiences: having a doctor who listens to them, having a doctor who is caring and compassionate, and having a doctor who explains things well.<sup>2</sup>

Along with healthcare provider interactions, patients also consider broader factors, such as waiting times and overall quality of the experience when choosing a hospital. Patient safety expert Peter Pronovost, MD, PhD, noted in a post for U.S. News & World Report that, according to a large volume of Johns Hopkins Medicine's customer responses, patients want high-quality clinical care and safety – but also a good night's sleep, with no one interrupting them throughout the night to take their vital signs or draw blood. They want the nurses' station to be quiet at night and the television in their rooms turned off, he added. Furthermore, they want healthcare workers to show them respect by knocking on the door before entering patient rooms, introducing themselves, and looking their patients in the eye when speaking to them. Finally, healthcare workers must carefully explain what they are doing before and while they do it, using plain language to communicate medical information.<sup>3</sup>

As you can see, attracting new patients requires going beyond accurate diagnostics and efficient treatments. It requires a compelling relationship management approach that includes outstanding patient education, fast appointment scheduling, effective communication, and short waiting times – all of which help increase patient satisfaction. In short, it requires treating patients as “customers” and catering to the myriad of aspects that influence the patient experience and make one hospital a more appealing place to seek care than another.<sup>5</sup>

## **2. Patients make assumptions about your hospital**

Patients often form preconceptions about a hospital based on its business model. According to a survey by consulting firm PwC, when a hospital is known to be in poor financial health, many patients fear that this will negatively affect their medical care or the condition of their medical equipment. In Germany, for instance, large, well equipped teaching hospitals tend to have the best reputation, followed by privately run hospitals. Municipal or religious facilities received the lowest ratings.<sup>4</sup> In the United States, a similar trend has been observed, with patients tending to regard nonprofit hospitals more favorably than for-profit ones and government affiliated hospitals least favorably of all.<sup>5</sup>

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While hospitals have little control over what business models they use, they can at least be cognizant of the effect that this may have on their reputations and take steps to counteract any possible negative preconceptions.

## **3. Keep a watchful eye on the Internet**

Word of mouth has traditionally been the primary medium through which hospitals' reputations were spread, and it still remains a vital channel today. However, around the world, the Internet, with its online review sites and social media platforms, is rapidly becoming more and more important for a hospital's reputation and its selection by partners – especially among younger, well-educated patients and potential employees. This is true both in established economies, such as Europe and the United States, and in many emerging economies. For example, more than a third of the Indian population uses the Internet to search for health information, with similar percentages of younger, more educated people seeking health information online in Brazil, Mexico, and China.<sup>6</sup>

In Denmark, patients can grade hospitals on a special website – giving them scores that range from one to five stars, as if they were hotels, with service-level indicators as well as actual results, including case fatality rates

for specific diagnoses. In Germany, the neutral BQS-Institut provides online comparisons on its website. The Spanish research institute Consejo Superior de Investigaciones Científicas compiles global rankings online.

In the United States, patients and referring physicians can compare hospitals online – via the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. According to HCAHPS, 30 percent of all newly discharged patients would not recommend their hospital, and larger hospitals come off far worse than small ones in many respects, especially in staff-to-patient communication.<sup>5</sup>

But many other less formal venues also exist for posting positive and negative reviews of healthcare providers in the United States, including social media platforms (especially Facebook and Twitter), as well as customer review forums such as Yelp, Healthgrades, Zocdoc, and Vitals.

Since customers are more likely to post reviews of negative experiences, it is easy for these forums to be dominated by complaints that can paint a lopsided picture of a provider's overall quality. Hospitals are encouraged to monitor such sites so that they are at least aware of what their customers are saying.<sup>7</sup> Hospitals should attempt to positively influence their online reputations to the fullest extent possible by responding to discouraging comments, and by creating the kinds of patient experiences that lead to positive reviews.<sup>8</sup>

#### **4. Be mindful of public performance reporting**

In order to facilitate patients' choice of a healthcare provider, a recently drafted German bill seeks to improve the mandatory quality reports that hospitals produce annually. As such, health insurance companies will have to publish their data online, making it broadly available to the public. Moreover, the bill requires indicators of hospitals' processes and outcomes to be included in patient-friendly quality reports.<sup>9</sup>

Policymakers in other countries are increasingly demanding similar approaches as well. In 2014, as part of the annual Euro Health Consumer Index, the Swedish research team at Health Consumer Powerhouse found that hospital quality rankings were available in an increasing number of European countries, including Denmark, Germany, the Netherlands, Norway, Portugal, and the United Kingdom. Analysts believe that this exhibits a trend towards supporting active consumer choice.<sup>10</sup>

Furthermore, many national health systems with high scores in the care quality transparency category also led the overall European ranking for consumer friendliness. A United States study, using a controlled experimental design, produced strong evidence that such public performance reporting can have a strong effect on customers' perceptions of a hospital. Wisconsin consumers were surveyed two months after the 2005 release of "QualityCounts," a public performance report, and the results demonstrated that their views regarding the relative quality of community hospitals in their region had changed. They also accurately recalled which hospitals ranked as higher or lower performers.<sup>11</sup>

Further analyses, nine months after the release of this report, found that hospitals were significantly more likely to be engaged in quality improvement efforts than those that were given either a confidential, private quality report or no report at all.<sup>11</sup> These examples illustrate that today's demand for greater transparency motivates hospitals to connect the dots between quality improvement, customer reputation, and the bottom line.

#### **5. Good staff means a good reputation – and vice versa**

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While many hospitals are attempting to score points with convenience features such as accessibility, cleanliness, staff friendliness, and meals, medical quality is still the most important criterion in patients' choice of a hospital.<sup>12</sup>

Even though hospitals are progressively taking steps to ensure a consistent quality of care within and among departments, the reputation of individual specialists can still play a decisive role in patients' decisions when seeking treatment. Hospital reputation can also influence primary care doctors and other referring clinicians, whose recommendations are often instrumental in leading patients to choose one institution over another.

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HCAHPS results show that open-minded, responsive staff can significantly and positively influence a hospital's patient satisfaction and its subsequent reputation.<sup>5</sup> "When consumers can shop around for the best value, providing quality care is essential – but not sufficient," writes the international analysis and consulting firm Gallup. In fact, close and personal patient engagement is required, which can only be achieved through dedicated, satisfied employees.<sup>13</sup>

Gallup studies show that high levels of staff engagement are closely correlated with good HCAHPS ratings. Moreover, investments in employee satisfaction seem to pay off financially. Research from Gallup indicates that committed or "engaged" physicians are more productive and garner considerably more favorable recommendations. Gallup estimates that a doctor who is "engaged" can generate an average annual increase in hospital revenues of \$460,000, compared to a doctor who is not engaged.<sup>14</sup>

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Therefore, attracting and retaining high-quality staff is an essential strategy for enhancing a hospital's reputation and consequently attracting more patients.

## **6. A strong reputation can attract new international patients**

A good reputation not only can help hospitals attract patients in their immediate vicinity, but also can enable them to expand their catchment area. More than 40 percent of Germans would be willing to travel 50 km or more to the hospital of their choice,<sup>4</sup> and 17 percent would even travel more than 100 km. This opens up opportunities for pooling capacities and increasing specialization. These findings don't even encompass the growing medical tourism market, whereby patients travel to completely different countries in search of particular health services.

Excellent and reasonably priced care, a good international reputation, and a focus on the needs of foreign patients are some ways in which successful hospitals can secure lucrative patient flows from abroad. Experts peg the global market volume for medical tourism at around \$38.5 to \$55 billion, based on approximately 11 million cross-border patients worldwide spending an average of \$3,500-\$5,000 per visit.<sup>15</sup>

Many medical tourists from the United States or Western Europe are looking to save money through treatment abroad. However, globally, only about one in every eight patients is going abroad primarily in pursuit of less expensive treatment.<sup>16</sup> Instead, the majority of medical tourists want better medical care. According to a study by McKinsey, advanced technology, better quality of care, and quicker access to medically necessary therapies are the main motivations for medical tourism.<sup>16</sup>

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Given that patients' research into medical tourism destinations primarily takes place online, hospitals that want to benefit from this emerging market should attempt to ensure that their online reputation bolsters their status as a desirable place to receive care.

## **7. When a reputation suffers damage, respond immediately**

Sometimes, incidents occur that can have a rapid and drastic impact on a hospital's reputation. In these circumstances, it is best to publically acknowledge the incident instantly, demonstrate that the institution is taking it seriously, and take rapid corrective action as appropriate.

In January 2016, a fourth-year neurology resident at a hospital in Miami, Florida, engaged in a drunken tirade against an Uber driver. The incident was captured on a video that went viral, and the resident was suspended. The driver did not press charges. The hospital swiftly issued a statement announcing that the resident had been "placed on administrative leave, effective immediately, and removed from all clinical duties." The statement added that the hospital was conducting an internal investigation, the outcome of which would determine whether any disciplinary action would occur, potentially including termination. The resident also appeared on a television talk show a week after the incident and apologized for her actions.<sup>17</sup>

Hospitals are extremely vulnerable to public relations crises of this kind, given how quickly word can spread via public media and other channels. For this reason, it is essential that hospitals have a crisis communication plan in place involving legal, operations, and public relations departments/personnel and take rapid action to respond to any potentially troubling incident.<sup>17</sup>

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