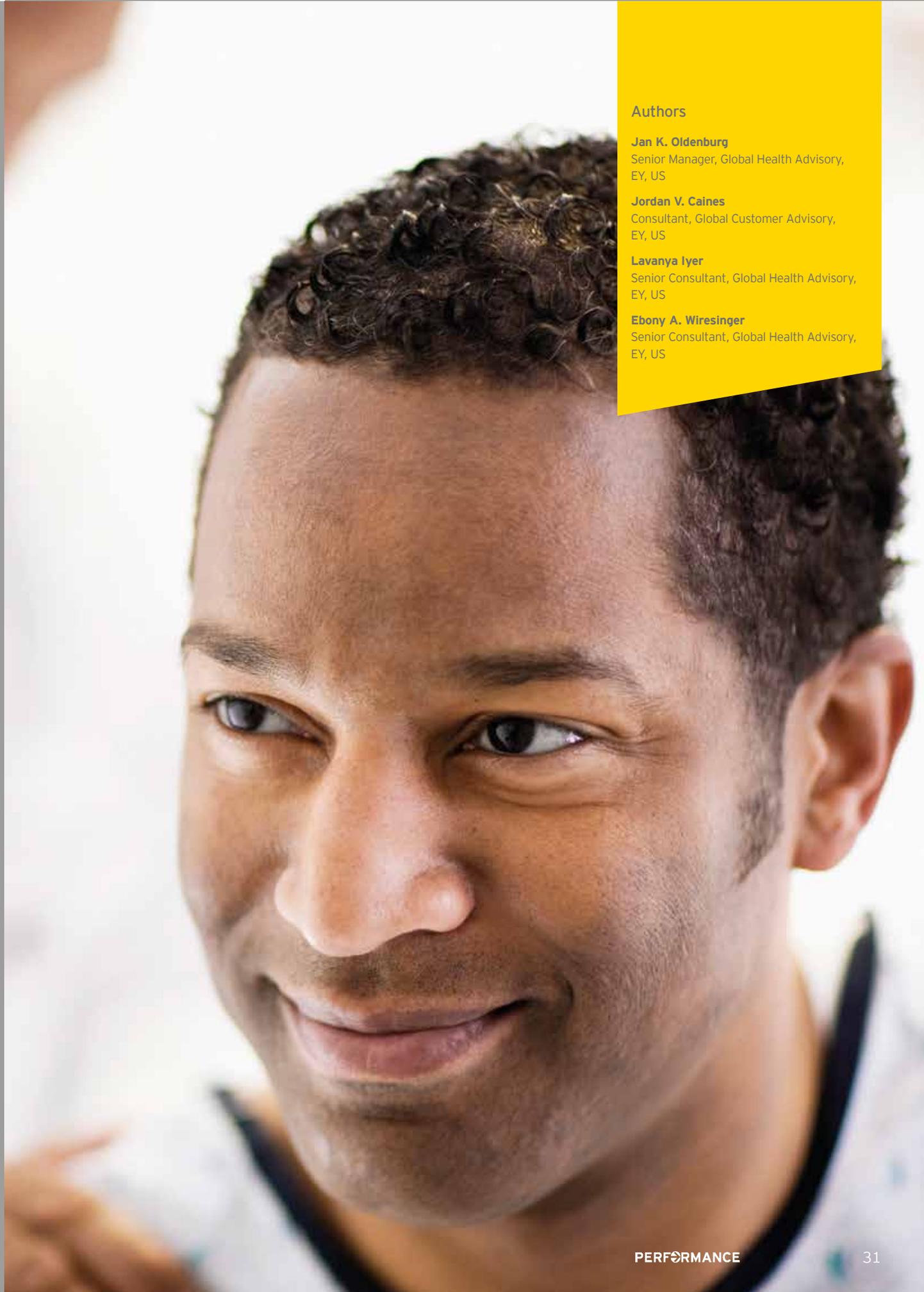


Patient engagement: a powerful remedy for health care organizations

This article explores the value proposition of patient engagement for US health care providers, but it also gives insight that is relevant for many other health care providers around the world. Active patient engagement is rapidly becoming a leading indicator of a health care organization's long-term viability. This is, in large part, due to the transition to value-based payment models as well as changing consumer health expectations. Providers stand to gain sustained financial value by promoting and enabling patient activation.



Authors

Jan K. Oldenburg

Senior Manager, Global Health Advisory,
EY, US

Jordan V. Caines

Consultant, Global Customer Advisory,
EY, US

Lavanya Iyer

Senior Consultant, Global Health Advisory,
EY, US

Ebony A. Wiresinger

Senior Consultant, Global Health Advisory,
EY, US

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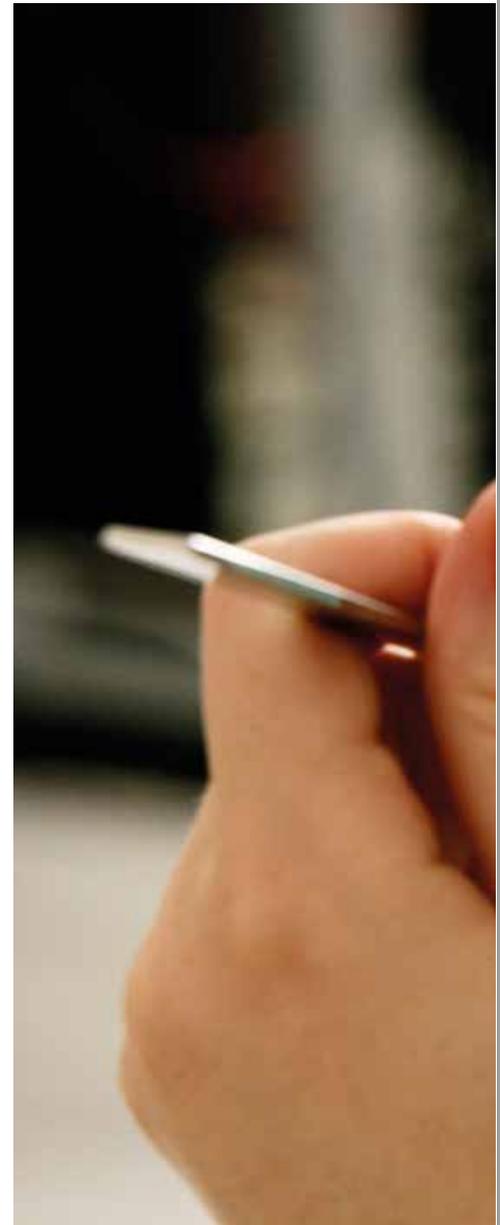
Most health care providers and payers have made significant investments in people, process and technology to comply with regulations and to decrease overall costs. But have they realized that investing in patient engagement activities can bring them three-fold benefits? Patient engagement is bringing patients to the center of their care, engaging them in the care process and empowering them to take accountability for their overall health and wellness. Engaging patients has tremendous potential for helping health care organizations reduce costs, earn bonuses and, most importantly, benefit from patient loyalty and retention. It is a key component of the movement from volume to value-based care.

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Why patient engagement now?

The driving forces for this focus on patient engagement are the Affordable Care Act and changing customer expectations. The Affordable Care Act implements guidelines for greater technology enablement, changing reimbursement structures and stricter quality control. The providers who thrive in the current environment are those who understand that succeeding in value-based care means recognizing the importance of engaging individuals in their health. As early as 2011, Press Ganey's *Pulse Report* identified the top 25% of hospitals in the US as those at the forefront of patient engagement.¹ That momentum has continued to grow. Indeed, there is evidence to show that successful hospitals are incorporating patient experience and call center professionals into their population health strategies. The message is clear: patients appreciate a seamless approach.² As health care institutions are experiencing a technological boom, their patients are also becoming savvier with the use of fitness trackers, smartphone apps, social media support and easy web access to health care knowledge and tools. Patients expect convenient, high-quality and digital services from health care on par with other industries.

Both in and out of the health care setting, patients are consumers of care and want to be partners in health decisions.³ This article focuses on the value proposition of patient engagement for providers⁴ and highlights the implications of patient engagement to enhancing provider revenue as well as customer retention levels.



1. *2011 Pulse Report: Perspectives on American Health Care (Hospitals)*, Press Ganey, 2011, http://helpandtraining.pressganey.com/Documents_secure/Pulse%20Reports/2011_Press_Ganey_Pulse_Report.pdf, accessed December 2015.
2. F. Horner and S. Marks, "A single, complete touch: population health, the health contact center, and the patient experience," *Patient Experience Journal*, Vol. 2, Issue 2, Article 20, 2015, <http://pxjournal.org/journal/voi2/iss2/20/>, accessed December 2015.
3. W. Lynch, K. Perosino and M. Slover, *Altarum Institute Survey of Consumer Health Care Opinions*, 2014, <http://altarum.org/sites/default/files/uploaded-related-files/Altarum%20Fall%202013%20Survey%20of%20Consumer%20Opinions.pdf>, accessed December 2015.
4. Health care providers regularly refer to health care clinicians, dentists, psychiatrists, etc. Within health care, providers and their regular settings (clinics, hospitals systems, office practices, etc.) are used interchangeably to refer to the stakeholder group.



Three benefits of patient engagement

1. Enhanced reimbursements

A provider's ability to increase patient engagement data enables it to benefit from a healthier patient population, and also enables increased revenue from the Centers for Medicare and Medicaid Services (CMS)⁵ and, potentially, other third-party payers.

Value-based reimbursements: the U.S. Department of Health and Human Services (HHS) publicly set a goal in 2015 that 50% of Medicare⁶ reimbursements be tied to value-based

care by 2018. The Value Based Program assessment contains eight patient experience measures that account for 30% of the score. Under this program, approximately 1,716 hospitals have had their Medicare payments boosted; up from 500 hospitals last year.⁷ A good example is Summa Health System in Akron, Ohio. Summa Health System implemented pre-visit multimedia patient engagement and post-visit centralized follow-up as a means to promote the active engagement of patients in managing their care. This initiative helped decrease readmissions, improved patient

satisfaction scores significantly using a nationally recognized measure and achieved 100% of its 2012 Pay for Performance initiatives.⁸

5. The Center for Medicare and Medicaid Services (CMS) is a US federal agency within the Department of Health and Human Services (HHS) that administers the Medicare program

6. Medicare is a US Government-administered national social insurance program that provides health insurance.

7. J. Rau, "1,700 Hospitals Win Quality Bonuses From Medicare, But Most Will Never Collect," *Kaiser Health News*, January 2015, <http://khn.org/news/1700-hospitals-win-quality-bonuses-from-medicare-but-most-will-never-collect/>, accessed December 2015.

8. *Summa Health Network, LLC Improves Screening Rates For Diabetic Retinopathy with Emmi Solutions Technology*, Emmi Solutions, July 2013, accessed December 2015. <http://www.emmisolutions.com/emmi-newsroom/summa-health-network-llc-improves-screening-rates-for-diabetic-retinopathy-with-emmi-solutions-technology>

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An organization that is able to engage its patients successfully, by providing a positive experience at all interaction points, will be able to capture new customers and retain those it already serves.

Improved health outcomes: engaging patients can help improve patient health literacy and enable them to manage their health and chronic conditions better. The Healthcare Effectiveness Data and Information Set (HEDIS) is a widely used set of performance measures developed and maintained by the US National Committee for Quality Assurance (NCQA). The rating system is used by the majority of the health plans to define the reimbursement rate for health care providers based on performance. Patients' health outcomes have a direct bearing on HEDIS scores and thereby influence contract negotiations with payers. Key HEDIS measures that are directly influenced by a patient activation levels include: immunizations, annual well visits and routine exams for patients with chronic conditions, such as diabetes and hypertension, and cancer screenings and medication management. Fairview Hospital in Minnesota conducted a study of patient activation, between 2010 and 2012, using the Patient Activation Measure (PAM) developed by Judith Hibbard PhD.⁹ The study scored patient activation between one and four, with one being least activated and four being more activated. The study showed that patients with activation scores of three to four were more likely to complete yearly physicals, immunizations and timely screenings – the very same activities measured by HEDIS.¹⁰

2. Financial management

Lower readmissions: an in-patient provider organization's 30-day readmission rate is an important indicator of value and readiness for value-based care. CMS, in accordance with the Affordable Care Act, enacted the Hospital Readmissions Reduction Program, which requires CMS to reduce payments to inpatient prospective payment systems (IPPS) hospitals with excess readmissions. Failure to reduce readmissions in compliance with this program can result in the loss of millions of dollars for hospitals that receive payments from CMS.¹¹ According to the Fairview study results mentioned previously, the likelihood of a patient being readmitted drops from 28% to 13% as their PAM score increases.¹²

Leading practices aimed at lowering readmissions rates include early and proactive discharge planning and a post-discharge follow-up requiring providers to promote patient engagement. At discharge, many clinicians and patients use a teach-back method that increases patient literacy and shows a positive

9. <http://www.cfah.org/about/judith-hibbard>, accessed December 2015.
 10. J. Hibbard, J. Greene and V. Overton, "Patients with Lower Activation Associated with Higher Cost; Delivery Systems Should Know Their Patients' Scores," *Health Affairs*, Vol. 32, no.2, 2013.
 11. A. Whitehead, "The key to reducing readmission rates? Patient engagement," *Becker's Hospital Review*, 2015, <http://www.beckershospitalreview.com/quality/the-key-to-reducing-readmission-rates-patient-engagement.html>, accessed December 2015.
 12. J. Hibbard, J. Greene and V. Overton, "Patients with Lower Activation Associated with Higher Cost; Delivery Systems Should Know Their Patients' Scores," *Health Affairs*, Vol. 32, no.2, 2013.

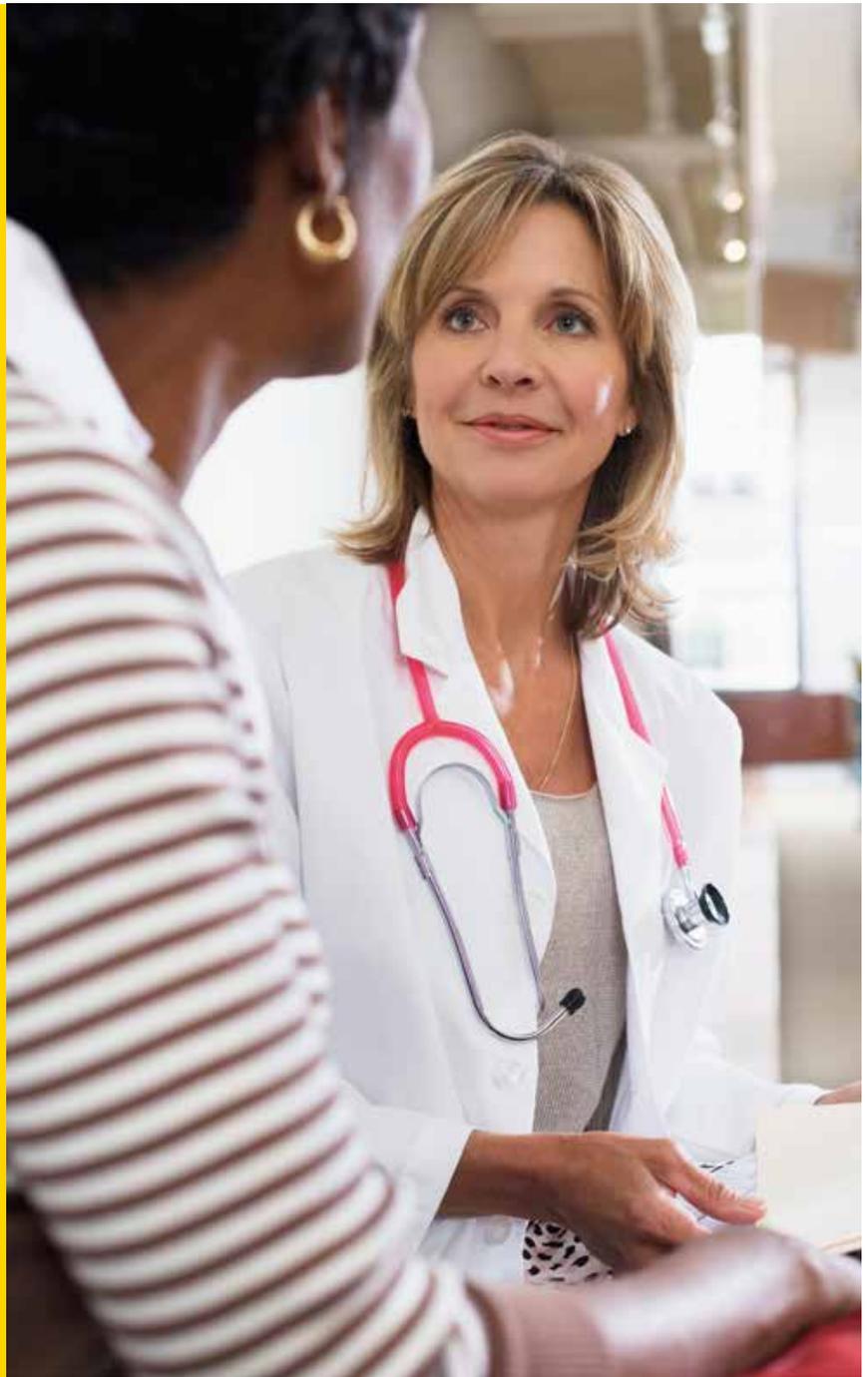
Additional benefits from patient engagement

In addition to the three benefits we have highlighted in this article, increasing patient activation and engagement reduces costs on varying levels for hospitals in a value-based care system. These represent good population health outcomes; they also financially benefit providers in value-based reimbursement systems.

Other opportunities for savings

Medication adherence: patients who do not take medications as prescribed account for more than 10% of all hospital admissions and cost over US\$290 billion annually. Non adherence is estimated to cause approximately 30% to 50% of treatment failures (as of 2010).¹³ According to Dr. Hibbard, as the activation level of a patient rises from level one to four, the adherence to prescription medication goes up. For example, for diabetic patients, as activation levels increase from levels one to four, the adherence to medication rises from 57% to 86%.¹⁴

Decrease in medical errors: another opportunity to create savings is by decreasing medical errors. The total yearly cost of measurable medical errors, in 2008, was US\$17 billion. The median cost per error for a hospital ranges from US\$892 to over US\$12,000. According to a report by the American Association of Retired Physicians (AARP), the likelihood of a patient experiencing a medical error decreases from 36% to 19% as the activation level of a patient rises.¹⁵



correlation to medication adherence. Additionally, some clinicians are calling the patients within one to two weeks post-discharge. These calls are designed to answer questions the patient and their caregivers might have, determine patient adherence to medication and, ultimately, address issues proactively before readmissions occur.¹⁶ Some

hospitals are using advanced data analytics to monitor the progress of their patient populations, while others are using less advanced data solutions.

3. Customer retention

The Affordable Care Act has provided the health care market with a growing population of insured patients. This creates an opportunity for health care

13. PharmaAdva website: the cost of non-compliance, <http://www.pharmadva.com/compliance>, accessed December 2015.
14. J. Hibbard, "Increasing Patient Activation to Improve Health and Reduce Costs," University of Oregon, 2008, <http://iom.nationalacademies.org/~media/Files/Activity%20Files/Quality/VSR7/C%20Meeting%20Docs/VILC%20Patients%2010-04-11/Judith%20Hibbard2.pdf>, accessed December 2015.
15. *Chronic Care: A Call to Action for Health Reform*, Chapter 3, "Patients and Caregivers Report Problems With Care," AARP Public Policy Institute, http://assets.aarp.org/rgcenter/health/beyond_50_hcr_problems.pdf, accessed December 2015.
16. *Health at a Glance 2013*, Organization for Economic and Cooperation and Development (OECD), 2013, <http://www.oecd.org/eis/health-systems/Health-at-a-Glance-2013.pdf>, accessed December 2015.

Patient engagement: a powerful remedy for health care organizations



Payers can empower patients by helping them choose the right physician, by providing health education materials and by assisting with chronic condition management.

organizations to position themselves as trusted partners in a new patient's health by making patient experience a priority. Patients expect to be engaged and treated as partners in their health, particularly as the average patient is paying more for care than ever before. An organization that is able to successfully engage its patients, thus providing a positive experience at all interaction points, will be able to capture new customers and retain those it already serves. Most recently, Geisinger Health System has taken a strong position on the importance of a patient's experience by announcing a refund program for patients that are not satisfied with their interactions with the organization. Geisinger's President and CEO stated that they are dedicated to refocusing health care, providing comparisons with companies such as Starbucks that redefined an industry and quickly outperformed the competition by focusing intently on the experiences of customers.¹⁷

Consumers are attracted to organizations that meet and exceed their expectations. Some organizations have been able to demonstrate that the human connection factor has the ability to help patients heal faster and boost immune systems. Patients rely on their own experiences and those they read and hear about first-hand. Focusing on patient engagement provides an organization with the opportunity to have its loyal customers share positive experiences on its behalf, thereby promoting brand awareness and attracting patients as new customers. A Stanford Health Care study suggests a strong degree of correlation between a patient's likelihood to recommend and their overall satisfaction and loyalty.¹⁸

17. <http://www.geisinger.org/pages/newsroom/articles/ProvenExperience.html>, accessed December 2015.
 18. <https://stanfordhealthcare.org/about-us/quality/data/patient-satisfaction.html>, accessed December 2015.

It has become clear to policy-makers, payers and providers alike that the status quo must change. Central to this change is a progressive view of involving patients in their own care.



Positive experiences are the foundation to patient loyalty. According to an Advisory Board report, improving the experience for only 5% of patients can help providers earn over US\$2.5 million in just one year.¹⁹ Studies show that, when an organization engages its patients, there is a high degree of customer retention. Retention can reduce traditional marketing and advertising costs and improve overall brand perception. According to The Fairview study of PAMs, engaged patients are more likely to return and are more satisfied.²⁰ For example, digital methods of engaging patients through portals and other applications create conveniences that offer reliability and foster loyalty or “stickiness.” According to the CEO of Health Perspectives

Group, online tools and other programs established by a personal connection with patients are essential to building brand loyalty.²¹ This is a critical component to retaining patients as customers.

Patient engagement is key to patient-centric health care

While this article has focused on benefits of patient engagement from a provider perspective, patient engagement has similar value for payers as well. Payers can empower patients by helping them choose the right physician, by providing health education materials and by assisting with chronic condition management.

Many efforts are underway to achieve the Institute for Healthcare Improvement’s

(IHI) triple aim: improve overall health of populations, decrease costs and improve the care experience. Patient engagement has the power to impact all dimensions of IHI’s triple aim positively. As Nick Dawson, Executive Director of the innovation at Johns Hopkins Sibley Memorial Hospital, once noted, “Margins are not what they used to be, physician reimbursement is not what it used to be and the entire payment structure is changing. *What we’ve learned from other industries is that companies that fail to pivot during times of great change risk getting left behind.*”²² It has become clear to policy-makers, payers and providers alike that the status quo must change. Central to this change is a progressive view of involving patients in their own care. ■

19. “Patient experience: An investment worth making,” The Advisory Board Company, February, 2014, <https://www.advisory.com/technology/round-for-patient-experience/infographics/patient-experience-an-investment-worth-making>, accessed December 2015.

20. J. Hibbard, J. Greene and V. Overton, “Patients with Lower Activation Associated with Higher Cost; Delivery Systems Should Know Their Patients’ Scores,” *Health Affairs*, Vol. 32, no.2, 2013.

21. R. Robinson, “Digital Patients: Disrupting the Status Quo,” *Pharma Voice*, 2014, https://aws-mdsol-corporate-website-prod.s3.amazonaws.com/PTC_Digital-Patients_20140901_PharmaVOICE_Article.pdf, accessed December 2015.

22. S. Barnett, “Hospital innovation centers think outside the box to solve healthcare’s biggest problems,” *Becker’s Hospital Review*, 2015.