

Net Promoter™ Score: A Proven Measure of Loyalty

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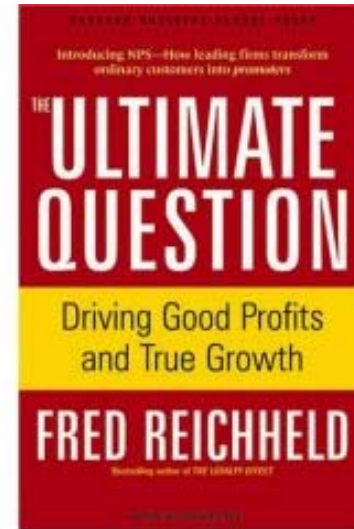


What does NPS tell us?

NPS Is the Best Predictor of Customer Likelihood
to Repurchase or Refer...



- ✓ 4,000 customers
- ✓ 12 industries
- ✓ 10 years



...By Segmenting Promoters From Passively
Satisfied From Detractors

Which Hospitals are Using NPS?



Cancer Treatment
Centers of America®

Winning the fight against cancer, every day.®

 **NorthShore**
University Health System

 **ASCENSION**
HEALTH

Lovelace

 **Hillcrest**

 **EXPERIAN HEALTH**

The Premise of Net Promoter Score

The best way to grow a business is to get customers to come back for more and tell their friends and colleagues

- A Loyal Customer Tells 3 Others to Purchase
- A Dissatisfied Customer Tells 9 Others NOT to Purchase
- It Takes 12x to Win Back a Dissatisfied Customer

How is NPS Determined?

“On a scale of 0 -10, how willing would you be to recommend Company X to a friend or colleague?”



9 - 10
Promoters

10
9



7 - 8
Passively
Satisfied

8
7



0 - 6
Detractors

6
5
4
3
2
1
0

% Promoters

— % Detractors

=
% Net
promoters

"Satisfaction" vs. "Loyalty"

Satisfaction (*noun*).
The fulfillment or gratification of a desire or need

"The customer is always right"

- Working Harder
- Not Correlated to Growth

Loyalty (*noun*).
Feelings of devoted attachment and affection

"The customer is our partner"

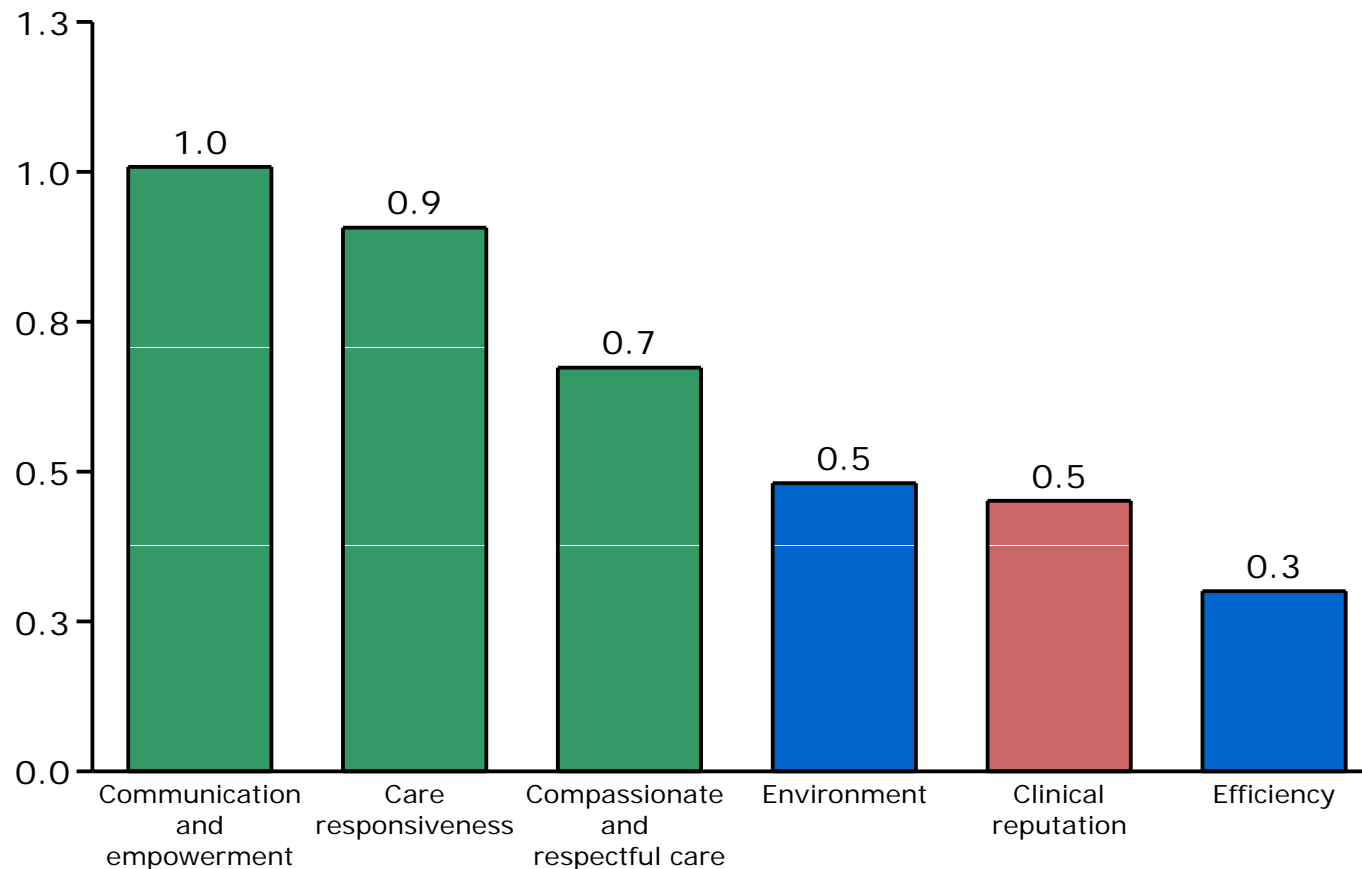
- Working Smarter
- Correlated to Growth

Definitions from *The American Heritage Dictionary of the English Language*, New College Ed, Boston

Ascension Health Experience Drivers

Emotional support and fulfillment has the greatest impact on NPS

Change in NPS from a 1 point increase in attribute satisfaction



1

Safe, effective evidence based care

2

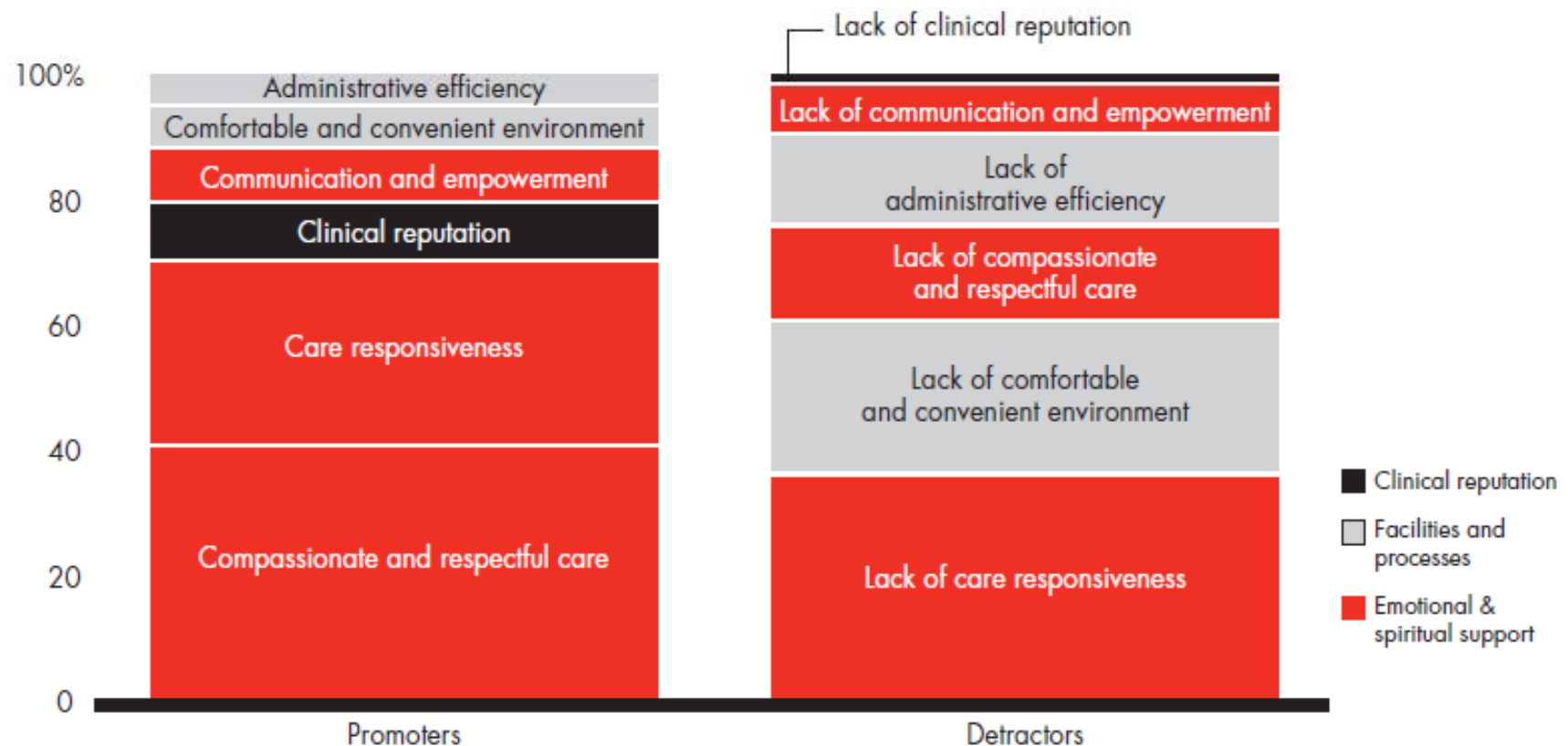
Coordinated, efficient administrative process

3

Emotional support and fulfillment

Bain on Healthcare Loyalty Drivers

Figure 3: Emotional experience is a key element of a patient's willingness to recommend



Note: Based on primary patient research, 2006

HCAHPS Drivers – Consistent with NPS Drivers

*PATIENT-LEVEL CORRELATIONS of HCAHPS MEASURES**

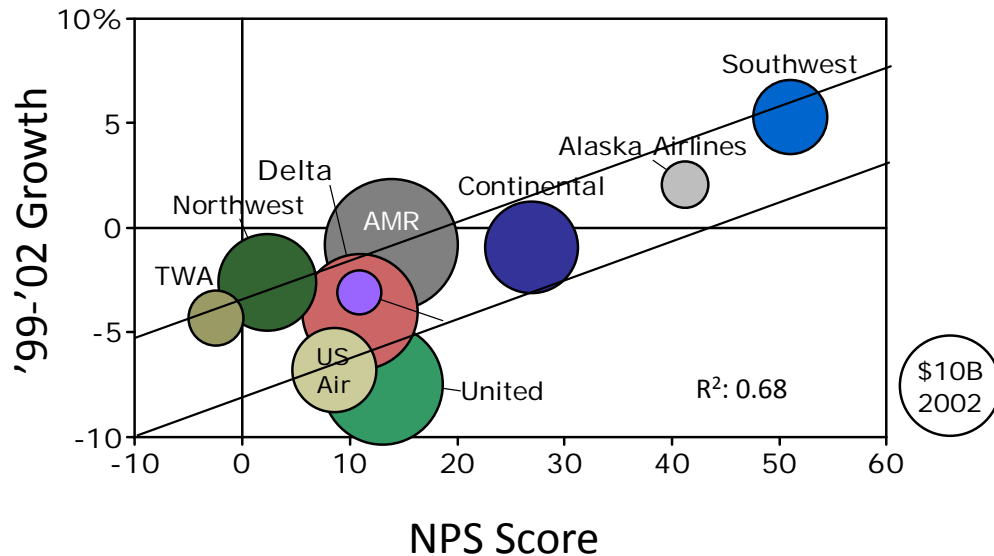
	Communication with Nurses	Communication with Doctors	Responsiveness of Hosp. Staff	Pain Management	Comm. about Medicines	Cleanliness of Hospital Env.	Quietness of Hospital Env.	Discharge Information	Overall Hospital Rating	Recommend the Hospital
Communication with Nurses	1	0.52	0.60	0.59	0.52	0.41	0.35	0.26	0.66	0.59
Communication with Doctors		1	0.37	0.44	0.42	0.26	0.26	0.26	0.47	0.43
Responsiveness of Hosp. Staff			1	0.52	0.44	0.37	0.34	0.21	0.55	0.48
Pain Management				1	0.46	0.33	0.32	0.25	0.56	0.49
Comm. about Medicines					1	0.34	0.31	0.37	0.50	0.44
Cleanliness of Hospital Env.						1	0.31	0.18	0.44	0.39
Quietness of Hospital Env.							1	0.15	0.38	0.32
Discharge Information								1	0.29	0.27
Overall Hospital Rating									1	0.77
Recommend the Hospital										1

*Patient-level Pearson correlations of linear means of HCAHPS measures, for patients discharged between July 2007 and June 2008 (2.2 million completed surveys).

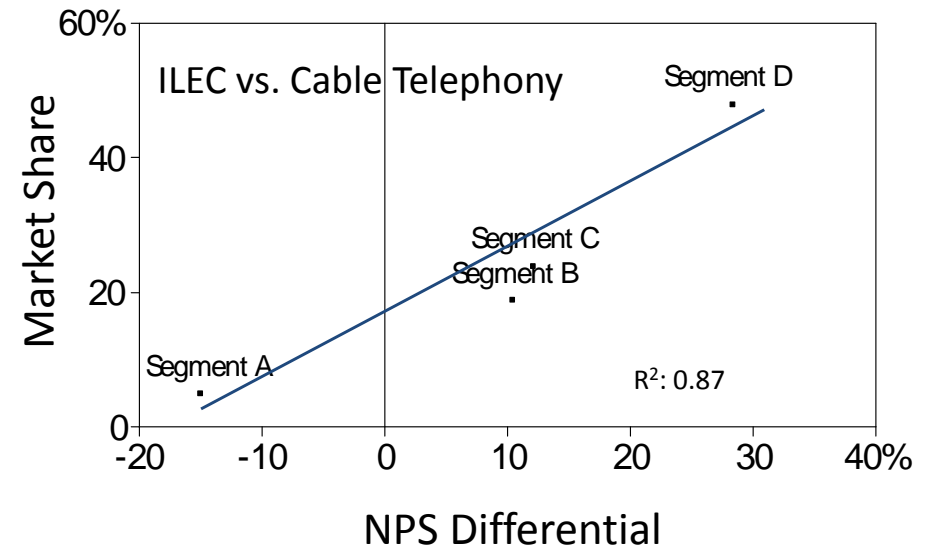
Note: All correlations are significant at $p < 0.001$.

Why NPS?... It's a growth tool

NPS and Growth



Relative NPS and Market Share



- NPS is correlated with growth across a wide range of industries and markets

- NPS market/competitor differential is strongly Linked with market share

Best metric across sectors

Source: Fred Reichheld, Bain & Company

Ascension NPS Action Plan

Staff Empowered & Equipped to Solve Problems

Empower staff to put patients' needs first, raise productivity, and eliminate waste

- Lean 6-Sigma
- TCAB
- Adaptive Design
- Communications Strategies Plan*

Emotional, Social and Spiritual Support

Make providing emotional, social and spiritual support an intentional part of the "Ascension Health Way" through initial workshops and follow-ups

- Formation Programs
- Providing Holistic, Reverent Care*
- Leadership Development

Real-time Closed Loop Feedback

Provide the means for associates to receive and respond to feedback from patients and families in a more real-time manner

Feedback Tactics:

Rounding*
Post Discharge Calls*
In-house surveys

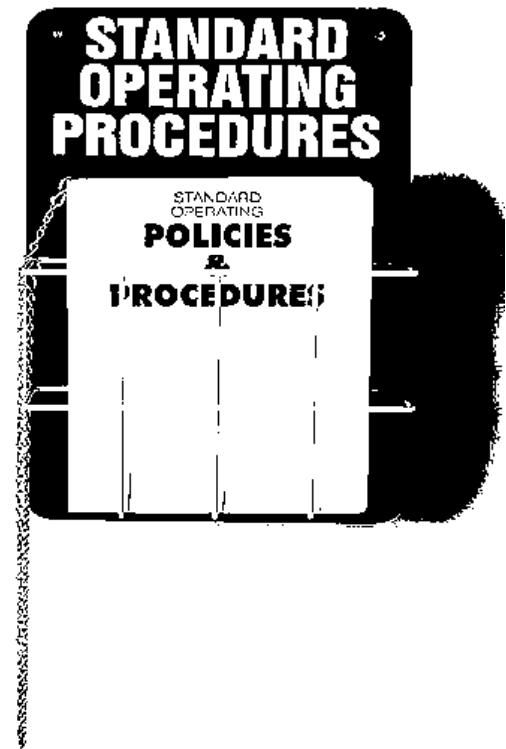
Aligned People Practices

Implement HR policies and practices which reinforce delivery of the desired experience—including addressing experience detractors, model community

Hiring/On-boarding*
Reward & Recognition
Performance Management

NPS Standard Operating Procedures

1. Ask 5 or fewer questions, lead with the NPS question
2. Set sample size to balance statistical rigor with capacity
3. Rely on follow-up to probe root causes, enhance customer touch
4. Use NPS to drive transformative, wing-to-wing process improvements
5. Establish a comprehensive program to leverage promoters
6. Elevate NPS in existing meetings, operational reviews, and communication processes



Common Errors

- **Adding vs. Replacing** - Bolting NPS onto existing (failed) feedback processes or surveys
- **Focus on Negative and Ignoring Positive** - Emphasizing detractor resolution while ignoring promoter creation
- **All Measure, No Action** - Obsession with the metric with too little attention to developing practical closed loop diagnosis and practical actions.
- **Failure to Gather Input on Solutions** - Failure to involve front line staff, patients, and families in the development of solutions
- **Lack of Integration with Operations** - Failure to integrate into management rhythm and day-to-day operations
- **Bias from Linking to Compensation** - Linking scores to compensation/rewards without sufficient consideration of bias/manipulation, team vs. individual accountability, and audit procedures.



Who is Ardent?



Hillcrest HealthCare System

Tulsa, Oklahoma

- 6 acute care hospitals
- 1,151 beds
- 217 employed physicians
- 55 clinics
- 30% market share, No. 2



Lovelace

Lovelace Health System

Albuquerque, New Mexico

- 3 acute care hospitals
- 1 rehab hospital
- 580 beds
- 300 contracted physicians
- 240,000 member health plan
- 11 retail pharmacies
- National medical laboratory
- 27% market share, No. 2

Why NPS?

- Believe in metric at the very top
- Voice of the customer is powerful change agent
- Leading indicator of HCAHPS & VBP
- Managing to one number vs. 10 themes of numbers

1 vs. 10

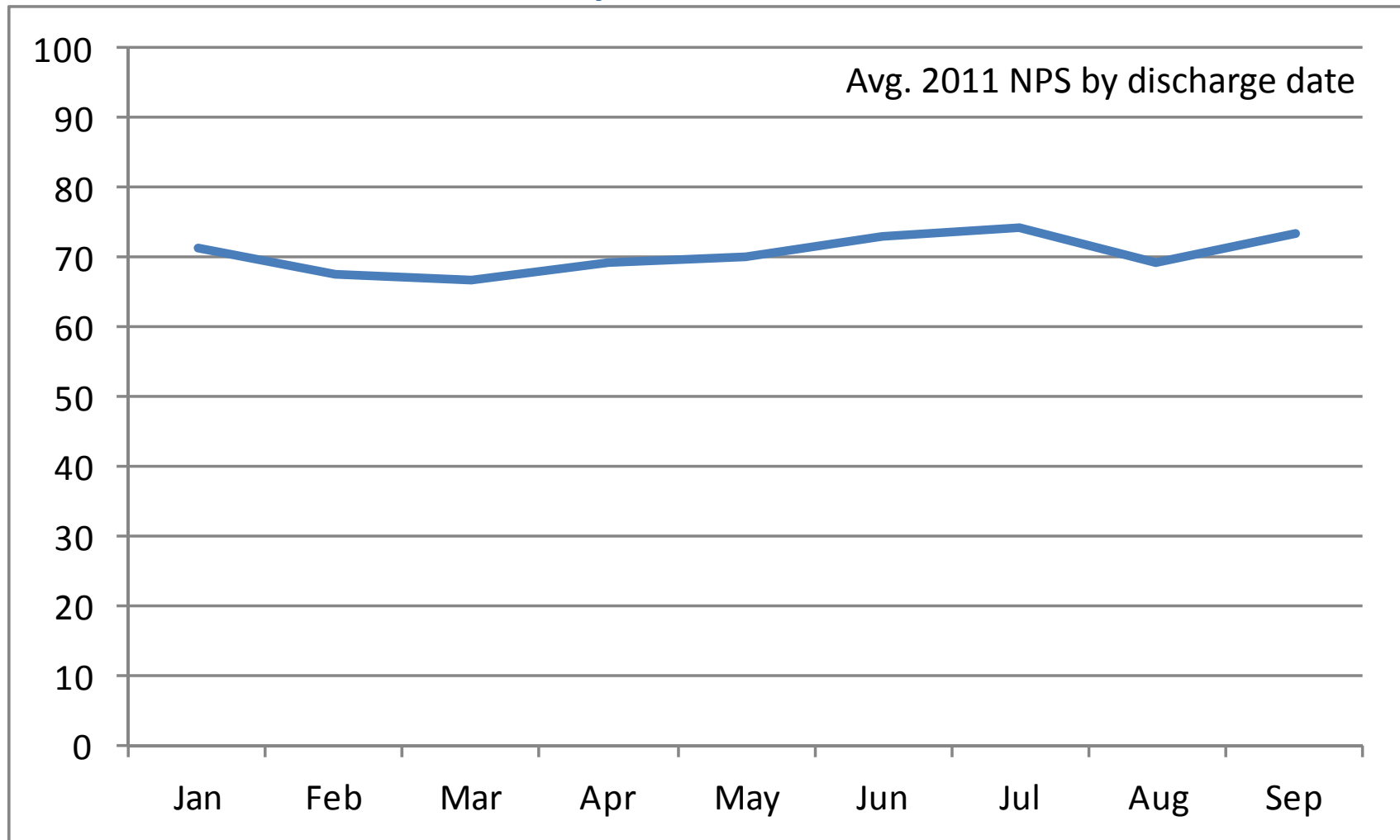
How we execute



- Inpatient: Piggyback on HCAHPS
 - Phone
 - Weekly updates to a monthly score
 - Contact detractors to learn more
 - Use promoters to advance
- Pharmacy & labs: Point of Service
 - Wireless device
 - Weekly scores (work toward overnight numbers)
 - Anonymous

Executing NPS in the Hospital

Hillcrest & Lovelace systems consolidated



Size Matters

The larger the facility... the more difficult to move the score

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov
Hillcrest Medical Center	50	66	71	64	44	52	66	59	56	61	67
Lovelace Medical Center	62	72	70	53	68	75	69	55	53	54	72

Small facility... strong scores

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov
Bailey Medical Center	86	70	84	88	88	88	91	86	79	78	100
Cushing Regional Hospital	79	75	79	79	64	69	85	83	90	75	89
Lovelace Westside Hospital	71	55	63	94	69	94	82	61	67	67	75
Lovelace Women's Hospital	82	60	56	67	85	81	77	66	79	64	78

Executing NPS in Ambulatory Care

Use wireless, tablet-like device to capture results

- Easy way for patients to respond (2-5 questions)
- Questions can be changed quickly to zero in on successes & challenges
- Overnight results



Early Results



S.E.D.
Medical Laboratories

Lovelace
Pharmacy

- High NPS (98.7% lab) (100% pharm)
- Weak response rates
- Too much variation in execution
- Spanish overlay
- Good lessons
 - Pharmacy wait times
 - Lab friendly staff

Next Steps



- Launch with select physicians
- Focus first on response rates
- Begin anonymous, evolve to patient-specific



- Shift from satisfaction to loyalty
- Launch in ED & outpatient
- Roll out to other hospitals

What's the Real Purpose of NPS?

It's Not Really About the Score...

It's Not Even About the Change in the Score...

It's about understanding the expectations of our patients so that we can exceed those expectations and grow the hospital system.





Humanizing the Healthcare Experience