



The CAHPS Ambulatory Care Improvement Guide

Practical Strategies for Improving Patient Experience

Section 6: Strategies for Improving Patient Experience with Ambulatory Care

6.P. Service Recovery Programs

To download the Guide's other sections, including descriptions of improvement strategies, go to <https://cahps.ahrq.gov/quality-improvement/improvement-guide/improvement-guide.html>.

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6.P. SERVICE RECOVERY PROGRAMS

6.P.1. The Problem

No matter how well you manage the customer service at your organization, problems are inevitable. Some may be serious, some may be minor, but they all play a role in shaping the member's or patient's perceptions of the organization and its responsiveness to their needs. Marketing researchers have found that the most satisfied customers are ones that have never experienced a serious problem or product defect. The next most satisfied customers are those who have experienced service difficulties—sometimes significant ones—that have been redressed by the organization. The least satisfied customers are those whose problems remain unsolved.

For health plans, the number of people with outstanding customer service problems can be significant. In 2014, approximately one-fifth of members of Medicaid and Medicare health plans reported “never” or “sometimes” when asked whether the plan's customer service gave them the information or help they needed.¹

*“When it comes to service recovery, there are three rules to keep in mind:
1. Do it right the first time.
2. Fix it properly if it ever fails.
3. Remember: There are no third chances.”*

Berry L. *Discovering the soul of service: The nine drivers of sustainable business success.* New York: Free Press; 1999.

Most health plans and physician practices have some sense of the cost of replacing a lost member or patient. But many are not aware of how powerfully the “grapevine effect” can affect their reputations. Several marketing studies have confirmed that only 50 percent of unhappy customers will complain to the service organization, but 96 percent will tell at least nine or ten of their friends about their bad experience.

The “grapevine effect” can become an even more powerful force when your members and patients take advantage of the Internet to voice their complaints. Many Internet sites allow patients to evaluate their experiences with a doctor, group, or plan and post written comments online. Several health plans also publish ratings of patient experience as part of their online provider directories, and a few are starting to include anecdotal reports as well. Consider the influence that consumer ratings have on restaurants, books, and other products.

In the same way that it can be helpful to remember that some problems or difficulties will always be with us, it is important to acknowledge that complaints are inevitable. Health care organizations are caring for people who are almost always anxious and afraid, so the stakes are higher. What differentiates member- or patient-focused

¹ Agency for Healthcare Research and Quality. CAHPS Database Online Reporting System. Health Plan Survey Results, 2014. Available at <https://cahpsdatabase.ahrq.gov/CAHPSIDB/Public/About.aspx>. Accessed on July 31, 2015.

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organizations from others is whether and how they handle these incidents to ensure that unhappy members or patients feel like their concerns have been addressed and that the organization values them.

6.P.2. The Intervention

Service recovery is the process used to “recover” dissatisfied or lost members or patients by identifying and fixing the problem or making amends for the failure in customer or clinical service. Excellent service recovery programs are an effective tool for retaining members or patients and improving their level of satisfaction. Good service recovery programs can turn frustrated, disgruntled, or even furious patients or members into loyal ones.

Service recovery is about restoring trust and confidence in your ability as an organization to “get it right.” When members or patients repeatedly experience breakdowns in service, they begin to lose confidence in the care they receive. If you cannot get the small things right, how can they trust that you will do well with the complicated processes required to deliver high-quality care?

6.P.3. Implementing This Intervention

National experts in service recovery recommend a well-tested process for service recovery. This 6-step process details how to handle a range of problems from the mildly irritated to the malpractice case in the making.

1. Apologize/acknowledge.
2. Listen, empathize, and ask open questions.
3. Fix the problem quickly and fairly.
4. Offer atonement.
5. Follow up.
6. Remember your promises.

Service recovery can range from listening to an upset patient to giving free parking to patients who have to wait more than a specified time for their doctor visit. It can also mean providing solutions or making amends for problems that the patient created. Making sure that someone gets to see a doctor when they show up on the wrong day is an example of the kind of customer service patients never forget. Service recovery programs ensure that patients never hear, “I can’t help you with this. It’s against our policy.”

According to Dr. Wendy Leebov, a national expert on service recovery in health care, service recovery is everybody’s job. When people complain, they usually address those complaints to front-line staff—but these staff do not necessarily have the skills or the resources to fix “system issues” that are often the source of the problem. Managers and

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the executive leaders have responsibility for redesigning dysfunctional work processes and systems, or reassigning staff if needed.

Dr. Leebov suggests that the following five components must be in place to handle customer complaints and consistently impress your members and patients:

- Effective systems for inviting/encouraging customers to complain.
- Guidelines for staff and latitude to act and atone. (See the box at right.)
- Documentation and a feedback loop that channels problems revealed through service recovery into an improvement or problem elimination process.
- Clear protocols for handling customer complaints effectively.
- Staff skilled in service recovery: aware of protocols and able to listen non-defensively, empathize, handle emotion, solve problems, and follow through to closure. Read the axioms of service recovery in the box below for an overview of what employees need to understand about complaints and service recovery.

Learn more about the components of service recovery in Leebov W, Afriat S, Presha J. *Service savvy health care: One goal at a time*. Lincoln: Authors Choice Press; 2007.

Guidelines for Staff and Latitude to Act and Atone

Staff need to have the authority to make decisions about handling complaints autonomously so they can act quickly. Specifically, they need:

- Clarity about the extent of their authority to act on complaints without getting approval from managers.
- Defined courses of actions for most frequent complaints.
- Minimal red tape.
- A clear system of resource people, clear authority lines, and backup systems for dealing with difficult situations or those with financial, legal, or ethical implications.

The Axioms of Service Recovery

When problems with service do occur—and they will—your organization has to be prepared with a service recovery program that is designed to turn a disgruntled patient or member into a happy, loyal one. Based on previous work in this area, researchers have developed what they term the “axioms of service recovery.”¹ The more your staff understand these axioms, the easier it will be for them to respond effortlessly and appropriately to service problems when they arise.

Axiom 1: All customers have basic expectations.

Researchers have found that these five categories of customer expectations account for 80 percent of the differences between high and low customer satisfaction.²

These factors are as follows:

- **Reliability** signals organizational competence and promotes confidence and trust in the organization or clinician. It is the most important of the five.
- **Assurance** involves reassurance that everything is going as it should or, if it isn't, that something will be done to remedy the problem quickly.
- **Tangibles** are the visible, concrete signs that influence the other expectations. When the furnace repair person shows up with dirty hands, no one is surprised. When the doctor walks in the room with a filthy white coat and dirty hands, something else is communicated quickly and convincingly to the patient. Old magazines in the waiting room, dirty bathrooms, and chaotic registration areas all suggest that an organization is not under control.
- **Empathy** conveys that you are listening and concerned about the experiences and care of your members and patients. When something happens to disrupt trust, reconnecting with the patient or member in a personal way that conveys you understand is critical to the service recovery process.
- **Responsiveness** refers to the expectation that things should happen in a timely fashion and that people should be kept informed about where they are in the process. The opposite of responsiveness is indifference and lack of communication. Solutions to problems need to be timely and responsive to the person's need.

(continued on next page)

¹ Zemke R, Bell CR. *Knock your socks off service recovery*. New York: American Management Association; 2000.

² Berry L, Zeithaml V, Parasuraman A. *Five imperatives for improving service quality*. Sloan Management Review 1990 Summer: 29-38.

The Axioms of Service Recovery (*continued*)**Axiom 2: Successful recovery is psychological as well as physical.**

Perhaps the most important step in the recovery process is listening to the person and letting them vent their frustration and blow off steam. Letting the person tell their story and describe the impact of the failure is essential.

Axiom 3: Work in a spirit of partnership.

Involve the person in helping to solve the problem. However, this does not mean that the first question should be, “So what do you want me to do about it?” Work cooperatively to come up with a solution that makes the person feel like part of the problem solving and that acknowledges his or her needs.

Axiom 4: Customers react more strongly to “fairness mistakes” than “honest mistakes.”

Research on service recovery indicates that the only effective solution when a person feels like they have been unfairly treated is extreme apology and atonement. When a situation like this occurs, the patient or member is a prime candidate for overt retaliation.³ Communication about what went wrong and compensation or atonement are essential in these situations. From the patient safety movement, we know that a critical component of resolution in these kinds of situations is letting the person know that you and your organization will make sure this never happens to the patient or anyone else again.

Axiom 5: Effective recovery is a planned process.

In health care, certain problems are highly predictable. Surgeons get delayed in the operating room, flu season packs the appointment schedule, implementing a new call center system inevitably causes service glitches—but we often act like these problems are a surprise. Preparing your staff with solutions for predictable problems and teaching them how to offer and implement these solutions is essential. Even though you may have planned solutions in place, they must be offered in a very customer-sensitive way so that you do not leave people with the impression that the problem is common or your staff behave like robots.

Think about how you could translate these principles into planned protocols for the common problems your patients and members experience.

³ Seiders K, Berry L. *Service fairness: What it is and why it matters*. *Academy of Management Executive* 1990;12(2):8-20.

Adapted with permission from: Zemke R, Bell CR. *Knock Your Socks Off Service Recovery*. New York: American Management Association; 2000.

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Complaint management is also an important aspect of service recovery. Complaints can be a useful source of information about the organization; improvements in customer service depend on the organization's ability to elicit and monitor customers' complaints. In particular, service recovery cannot take place if the provider does not know that the member or patient is unhappy. Many people would rather "switch than fight," especially in a health care environment, where people fear that complaining could jeopardize the quality of the clinical care they receive. Also, minorities and people from underserved communities tend to avoid complaining, even though they may have significant problems with the delivery of care.^{2, 3}

Health care organizations that are truly committed to improving the member's or patient's experience of care can make this commitment obvious to their staff and their members by encouraging complaints and offering members and patients multiple ways to give you feedback and help you improve your service. If you make it hard for members or patients to complain, you will continue to miss important service failures that shape your reputation in the community and the quality of care. There are many tools for cataloguing patient or member complaints that allow you to track the problems by CAHPS composite or other typologies that support linking the qualitative complaints to improvement activities.

As indicated in the table below about complaint management, good service recovery programs go beyond the "quick fix." They include a process for tracking problems and complaints to help identify the source of the problem so the right improvement can be put into place. Some complaints arise from experiences with a specific person in the service process, which reflects a training problem, while others are the result of system problems that require a totally different process to resolve. The tactic of assigning complaint letters received by the CEO to middle managers for resolution as if they all reflect a one-time event or an employee that needs disciplinary action is outdated, and will never result in permanent solutions to long-term problems. Many staff know immediately which situations or patients will end up in the CEO's office. Organizations with good customer service and service recovery programs are proactive and let the CEO, clinic manager, or chief medical officer know about these situations right away so that the person can be contacted *before* they have the time to file a formal complaint.

Learn more about complaint management in the table below.

² Schneider EC, Zaslavsky AM, Landon BE, et al. National quality monitoring of Medicare health plans: the relationship between enrollees' reports and the quality of clinical care. *Med Care* 2001;39(12): 1313-25.

³ Zaslavsky AM, Zaborski LB, Cleary PD. Factors affecting response rates to the Consumer Assessment of Health Plans Study survey. *Med Care* 2002;40(6): 485-99.

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Table 6P-1. How To Use Complaint Management as an Effective Service Recovery Tool

| Complaint Management Process Step | Actions to Take |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Encourage use of complaints as a QI tool | <ul style="list-style-type: none"> Let your staff know that complaints are valued and essential for QI. Display complaints in public areas to reinforce the value you place on them. Make it easy for customers and staff to complain. |
| 2. Establish a team of people to respond to complaints | <ul style="list-style-type: none"> Include in the team people from the front lines as well as senior management. Use this team to develop planned protocols for service recovery for your most common service failures. |
| 3. Resolve customer problems quickly and effectively | <ul style="list-style-type: none"> Commit the organization to resolving complaints quickly to avoid the waste of repeated contacts. Train and empower frontline employees to resolve problems and give them the authority to fix problems on the spot. |
| 4. Develop a complaint database | <ul style="list-style-type: none"> Develop a computerized database that catalogs complaints by CAHPS composite or question. Use the database to identify trends and generate regular reports to staff and management. |
| 5. Commit to identifying failure points in the system | <ul style="list-style-type: none"> Using complaint data, identify failure points that are root causes of low satisfaction. Be proactive, not reactive; try to anticipate negative situations from occurring in the first place. |
| 6. Track trends and use information to improve service processes | <ul style="list-style-type: none"> Stop handling problems one at a time as if they have never occurred before. |

Adapted from Bendall-Lyon D, Powers TL. The role of complaint management in the service recovery process. *Jt Comm J Qual Improv* 2001 May;27(5):278-86.

6.P.4. The Impact of Service Recovery Programs

Studies indicate that when customers' problems have been satisfactorily handled and resolved, their loyalty and plans to use the services again were within a few percentage points of those who had not experienced a problem.⁴

In other service industries, service recovery has proven to be cost-effective. Also, retention benefits the bottom line: Because of their word-of-mouth referrals and willingness to purchase ongoing services and premium products, customers retained over five years can be up to 377 more profitable than a "revolving door" customer who uses your services once.⁵

Read More About Service Recovery

- Berry L. *Discovering the soul of service: The nine drivers of sustainable business success*. New York: Free Press; 1999.
- Schweikhart SB, Strasser S, Kennedy MR. Service recovery in health services organizations. *Hosp Health Serv Adm* 1993 Spring;38(1):3-21.
- Zemke R, Bell C. *Knock your socks off service recovery*. New York: American Management Association; 2000.

⁴ Goodman J, Malech A. Don't fix the product, fix the customer. *The Quality Review* 1988 Fall: 8-11.

⁵ Reichheld F, Sasser E. Zero defections: Quality comes to service. *Harv Bus Rev* 1990 September-October;105.