

Service Recovery in Health Care

Why it Matters



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Hello! My name is Carrie Howard and a proud member of the Stratis Health staff. This session is the first in a 4-part series on Service Recovery in Healthcare. This session is an introduction and overview of Service Recovery with 3 main objectives:

- To define service recovery
- To describe the 3 degrees of service failure
- And to explain why service recovery matters in the healthcare setting

Health Care Value Equation

$$\text{Value} = \frac{\text{Quality} + \text{Experience}}{\text{Cost}}$$



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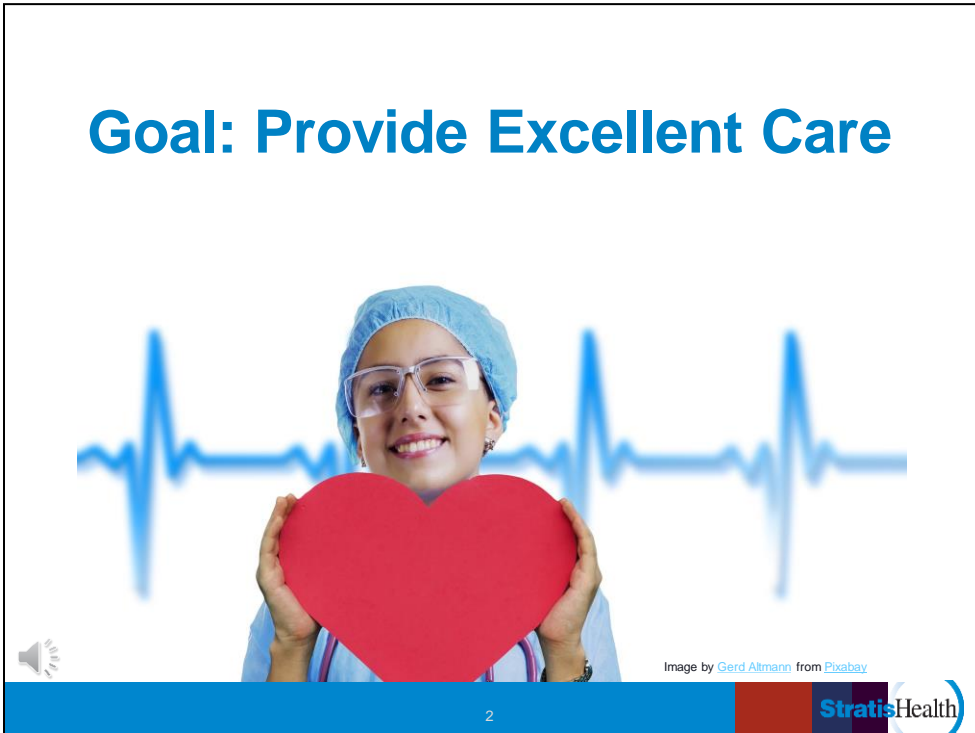
In order to understand Service Recovery, we start with a basic understanding of the healthcare value equation. Value is ALWAYS measured from the perspective of the customer. **In direct delivery of care**, our customers are patients, their family members, our co-workers, other health services or vendors, and community members. The value equals quality plus experience over cost.

Quality refers to how well we deliver the technical aspect of our care. The Institute of Medicine (IOM) identified the components of quality care as safe, effective, patient centered, timely, efficient, and equitable. Safety is listed first as it is the foundation upon which all other aspects of quality care are built.

Experience is how people feel. It is entirely from the perspective of the individual as they interpret the world around them including interactions, tone, body language, environment, extended wait time, and much more. Our thoughts, words, and actions can greatly impact others either positively or negatively. We must be simultaneously self-aware of ourselves and perceptive and sympathetic of others.

Cost is what people must give up in order to receive care. Usually, we think of cost as dollars and cents, but cost can also be time away from school, work, or family; the difficult task of arranging transportation or childcare; or confronting fear or anxiety. For some, the cost of care is a major barrier and it is what keeps them from coming in for preventive care.

Goal: Provide Excellent Care

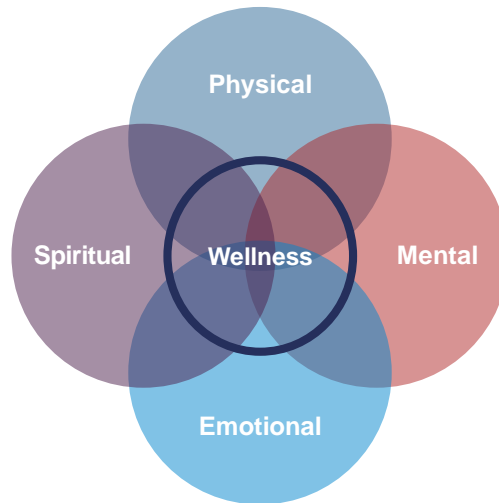


The Agency for Healthcare Research and Quality (AHRQ) describes high quality care as “Doing the right thing, at the right time, for the right person, and having the best quality result [outcome].” But *excellence* requires a bit more... Excellence occurs when the *patient perceives* their individualized care has been delivered by **competent and caring** individuals. – This means we also have to deliver care *in the right way*.

Dr. Ronald Wyatt, patient safety and health equity leader, describes the “right way” as “the HEART work”. Providing excellent care, not just competent care, is all based in love – love and respect for our patients.

Service excellence is providing the right care in the way the patients want to be cared for. Patients expect competency and high technical quality in the transactional health services provided AND they want to feel included, valued, and respected. Patients will seek out relationship-based care, and their experience, or how they feel when they are with you or in your facility, matters.

Whole-Person Wellness



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As we all know, we as humans are more than our physical bodies. We have mental, emotional, and spiritual identities and states that all contribute to our overall well-being.

Healthcare is generally focused on the physical body and the technical or scientific approaches to healthcare, but the work of Patient Experience and Service Excellence, including Service Recovery, is largely spent in the mental, emotional, and spiritual realms. Service Recovery is one approach that helps us provide care in a way that considers and addresses each of the 4 components leading to balance and whole-person wellness.

Studies have shown that Patient Experience, or how people feel mentally, emotionally, and spiritually, while we are providing care, is an integral piece to patient healing and wellness. In a systematic review by Doyle, Lennox and Bell, a review and summary of 55 different studies, results indicated “consistent positive associations between patient experience, patient safety, and clinical effectiveness for a wide range of disease areas, settings, outcome measures.” They went on to state that, “patient experience is one of the central pillars of quality in healthcare. Clinicians should resist sidelining patient experience as too subjective or mood-oriented, divorced from the clinical work of measuring safety and effectiveness.” In short – experience matters and is the key to excellence in care.

We need to turn our focus to the individual perspectives and perceptions of those we serve and ensure we view and treat them as holistic human beings, not as a primary health complaint, diagnosis or appointment slot. We must intentionally truly LISTEN. What are their needs and preferences? How can we make them feel cared for?

Service Recovery is...



The process used to 'recover' dissatisfied patients by identifying and fixing the problem or making amends for the failure in customer or clinical services. - AHRQ



Image by [Monstera](#) from [Pexels](#)

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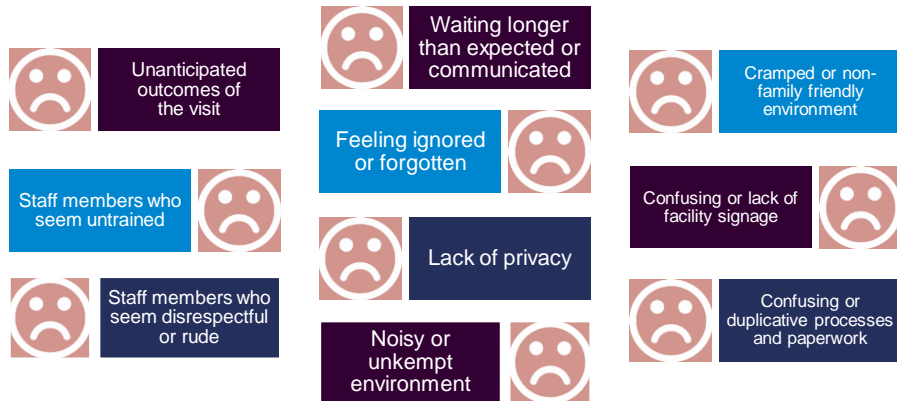


Though we are always striving for excellence in care delivery and experience, health care organizations are caring for people who are almost always anxious or afraid. When stakes and emotions are high, as they are in healthcare settings, problems or difficulties are inevitable. Some may be serious, some may be minor, but they all play a role in shaping the perceptions of the organization. What differentiates patient-focused organizations from others is if and how they handle these incidents to ensure that unhappy people feel like their concerns have been heard, addressed, and that the organization values them. Good Service Recovery helps organizations repair damaged trust and relationships.

AHRQ defines Service recovery as the process used to "recover" dissatisfied patients by identifying and fixing the problem or making amends for the failure in customer or clinical service." Service recovery is about restoring trust and confidence in your ability as an organization to "get it right." When people repeatedly experience breakdowns in service, they begin to lose confidence in the quality of care they receive. If we can't get the small things right, how can they trust that we will do well with the complicated processes required to deliver high-quality care? Service recovery is the role and responsibility of every employee. It is a skill that needs to be practiced, promoted, permeated, and perpetuated throughout the facility.

Service recovery can range from listening to an upset patient to giving free parking to patients who have to wait a long time for their doctor visit. It can *also* mean providing solutions or making amends for problems that the patient created. For example, 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" or "It's against our policy." Good service recovery programs can turn frustrated, disgruntled, or even furious patients into your most loyal partners and advocates.

Sources of Service Failure



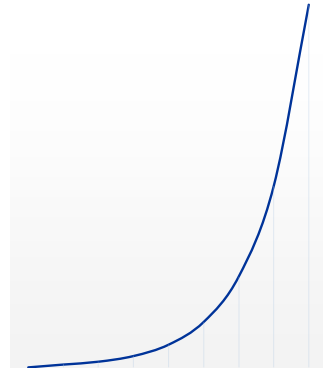
Every point in the healthcare experience has the potential to result in a service failure. Here are just a few examples – feeling ignored or forgotten, waiting for long periods of time, being left in a noisy or unkempt environment, feeling like staff are untrained and don’t know how to help you, perceiving rudeness or disrespect from others, complicated and confusing processes - I’m sure you can think of many more.

People have general expectations for our care – they want to feel safe, comfortable, and respected by the facility and staff. People want to be served in a neat, clean, well-maintained environments by kind, inviting, and communicative staff.

As described in the healthcare value equation, experience is entirely based on the perception of the customer. The patient or customer determines when we have failed, not us.

Degrees of Service Failure

- F - Service Failure
 - When a person perceives their expectations are not met
- F² - Second Degree Failure
 - When there is no acknowledgement or apology
- F³ - Third Degree Failure
 - When there is no corrective action taken



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Earlier, it was noted that in healthcare, our customers are patients, their family members, our co-workers, other health services or vendors, and community members – All of these people experience service failures – but how we do or don't recognize and respond to those failures impacts the severity of the situation exponentially, meaning severity of dissatisfaction escalates very quickly if the service failure is not addressed.

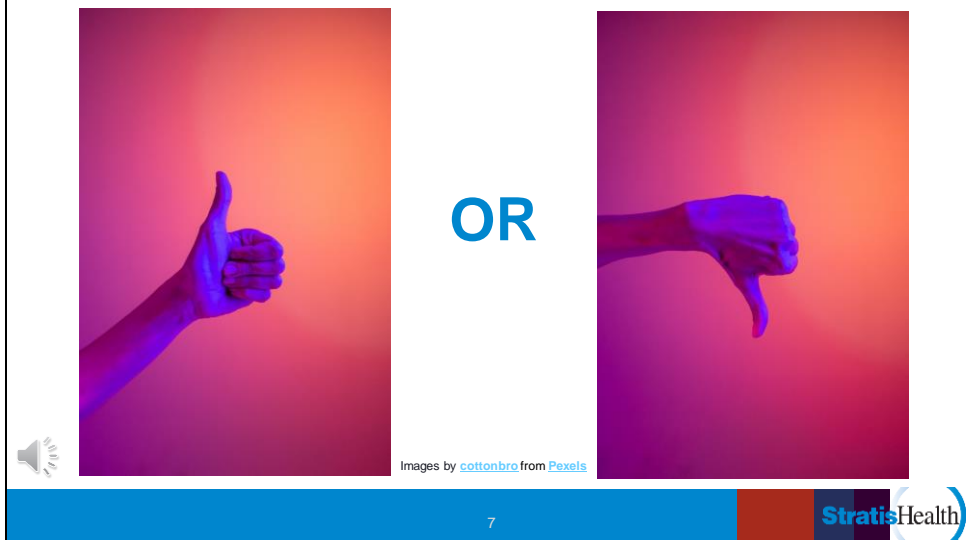
There are 3 degrees of service failure – the service failure itself, when a person perceives that their expectations have not been met; the second degree failure, when there is no acknowledgment or apology for the service failure; and the third degree failure, when there is no corrective action taken for the current situation or to prevent the failure in the future.

When something goes wrong, people want to know that something will be done to correct the issue for them in the moment AND to ensure it doesn't happen to them or others in the future.

For this reason, the Second and Third Failures actually hold more weight and have an exponential negative impact. People are fairly tolerant of service failures if they are quickly and effectively addressed, but people are NOT very tolerant of poor service recovery. If someone experiences the same service failure twice, it is unlikely we'll regain that person's trust. A study conducted by Bowen and Johnson suggests that people get more upset by the belief that the system in which the service failure occurred remains unchanged than their initial dissatisfaction with the service itself.

BUT! There is hope! THE SECOND AND THIRD FAILURES ARE PREVENTABLE THROUGH SERVICE RECOVERY! ☺

Service Recovery Matters



As previously mentioned, in systems and processes that involve humans like healthcare delivery, mistakes and problems are inevitable and how we respond impacts the organization in countless ways. To name just a few, how well you handle service recovery will impact your:

Patient outcomes – studies show that patients that reported positive care experiences also got better faster and those with good experiences are likely to seek your services again, also known as:

Patient retention – or keeping your patients and customers for a lifetime. As accessibility and choices increase, patients need more reasons to stick with you. A study performed by Reichheld and Sasser found that reducing patient defection by just 5% can raise profits between 25%-85%. And each patient's experiences and stories contribute to:

Your organizational reputation – or your customer-defined uniqueness and identity-shaping practices maintained over time: good or bad, it's what you're known for. Many healthcare providers 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 people take advantage of the Internet to voice their complaints. Many Internet sites allow patients to evaluate their experiences with

a doctor, group, or facility and post written comments online. A good reputation can lead people to clamor for your appointments, but a negative reputation may leave your waiting room, and therefore your coffers, empty. Which leads to the next category:

Finances – not only do patient retention and your organizational reputation impact the bottom line, but patient experience is also a key component of value-based payment programs. Your reimbursement from federal or private health insurance providers is impacted by how people feel mentally, emotionally, and spiritually while they're in your care. And not only your patients, but your staff as well! The next category of impact is:

Employee engagement and retention – meaning the level of each employee's commitment and connection to the organization and if and how long we can keep our team working effectively together which also impacts your general:

Internal organizational culture – or the values, expectations, and practices that guide and inform the actions of all team members. It's the way we behave and "how we do things".

Now, it is important to note that these impacts will be positive or negative depending on how you handle second and third failure opportunities. Good Service Recovery is a foundational value and skill to ensure your organizational success and growth. Research shows at least 65% percent of complaints are received by frontline staff and point of service issue resolution results in a decrease in complaints and grievances. Additionally, patients have a better experience when issues are addressed before they leave. So again, Service Recovery is the role and responsibility of every employee and is a skill that needs to be practiced, promoted, permeated, and perpetuated throughout the facility.

Finally, failures and complaints are opportunities to gather information that can then be leveraged for proactive performance improvement. These situations, though they may be uncomfortable or difficult at the time, are invaluable pieces of data and feedback that should be used to continuously improve your care delivery and service.

**“Although we cannot control the direction
of the winds, we can adjust our sails”**



Image by Johannes Plenio from Pixels



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Service Recovery reminds me of a favorite saying: “Although we cannot control the direction of the winds, we can adjust our sails.” This saying is attributed to many, but in 1910 a column by poet Ella Wheeler Wilcox included a thematic verse titled “The Winds of Fate”:

One ship drives east and another drives west
With the self-same winds that blow.
**‘Tis the set of the sails
And not the gales
Which tells us the way to go.**
Like the winds of the sea are the winds of fate,
As we voyage along through life,
**‘Tis the set of a soul
That decides its goal**
And not the calm or the strife.

This is the perfect illustration for Service Recovery. Though we can’t always control what happens or how people perceive interactions or the environment, we can control how we respond to concerns and service failures. Are you going to allow your organization to be drawn into the storm or steer into the peaceful waters?

Summary

- Service recovery matters in the health care setting
- Service recovery is the responsibility of all staff
- Service recovery needs to be practiced and embedded in everyday practice



In summary, service recovery matters in healthcare, it is the responsibility of all staff, and it needs to be embedded in everyday practice. Consistently providing excellent service is necessary and will improve patient and staff experience, your organizational culture and reputation, and your bottom line.

As this series session ends, it is important to note, that the “Grapevine Effect” described earlier also applies to positive experiences. People excitedly share amazing service recovery stories far and wide!!! We need to acknowledge and act to correct the things don’t go as expected. We must each do our part to foster a culture of caring. It’s simply the right thing to do.

Thank you for your time and effort to ensure excellent service in our healthcare settings!