The United States healthcare industry has experienced more changes in the last three years than it has since the advent of Medicaid and Medicare in 1965. One of the biggest transformations associated with the Affordable Care Act is the alteration of the healthcare business model.

In the past, compensation to both hospitals and providers was mostly paid on volume; however, most industries outside of healthcare base their compensation on market share and value. As healthcare compensation shifts from “Fee for Service” to “Fee for Value”, these changes will have a profound impact on the way the industry does business.

In the new compensation model, patient satisfaction represents one of the key factors in the formula. For the first time in healthcare history, physicians, hospitals, and healthcare companies alike must determine if patients are happy. In the past, even though providers were paid on volume, they were still highly focused on outcomes and quality of care (i.e. patient malady improvement, readmissions, and mortality). Yet, they did not concentrate on whether or not the patients were happy with their healthcare experience.

As we look to control spending and improve the patient experience, we still must determine if higher patient satisfaction equates to improved healthcare quality in the United States.

Patient satisfaction has often been considered an indicator of healthcare quality and a key component of pay-for-performance metrics as I noted in one of my previous blog posts, “Volume to Value? The Triple Aim? Ready, Fire?”, in August 2013. Yet, several recent studies have indicated that patient satisfaction does not always translate into greater overall quality of care.

A recent UC Davis study indicated the patients who are most satisfied with their physicians are more likely to be hospitalized, to spend more on healthcare and pharmaceuticals, and to have higher mortality rates. Prior studies on patient satisfaction have also highlighted that patient happiness parallels the efforts of doctors to fulfill patient expectations. In their desire to satisfy patients, physicians have ordered procedures requested by patients even though they may not have been necessary. For example, from 1998 to 2012, the number of MRIs more than quadrupled although many of these procedures were unneeded.
Many physicians that I have spoken to find it difficult to describe to patients that a certain examination may not be essential or that a generic drug can be just as effective. They are struggling to find the balance between patient satisfaction and reducing healthcare spending.

Patient satisfaction is a conundrum, and it can be very challenging to define. Patient expectations, their attitude toward their physician, and the trust they have in their physician are keys in enhanced satisfaction scores. Yet, at times, patient satisfaction can interfere with providing the best overall quality of care and improving the healthcare industry. In order to solve this conundrum, we have to continue to close the gap between what a patient desires as a healthcare consumer and what a physician feels is best for their medical needs.

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*A Raised Hand* addresses the questions and concerns of healthcare facilities on emerging trends and offer practical solutions to some of the most pressing staffing challenges today. Inspired by actual questions proposed by healthcare leaders during his nationwide presentations, Kurt seeks to share understanding of changes and concerns facing physicians, hospital executives, medical directors and patients in today’s changing healthcare environment.

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