

Call Centers in Health Care: Effect on Patient Satisfaction

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Abstract

Call centers in health care services provide a variety of communication challenges. This case study of a call center for a health care plan in Central Florida correlates survey results on customer satisfaction with employees' self-reported customer-oriented behaviors, and management ratings of employee attitudes.

Keywords: *customer service communication, health care, customer satisfaction*

Introduction

It is a well known fact that technology has revolutionized every facet of the health care industry. While the most obvious technological impact has been on the practice and delivery of medical services, the impact of information technology has virtually revolutionized the customer-provider relationship. For example, more and more patients are accessing their basic records, managing their insurance claims, and researching medical information online.

While internet capabilities often successfully replace the need for human interaction, many consumers continue to seek services with their telephone, although even telephone services are being enhanced through technology. To interact with many businesses by telephone, customers first come into contact with a call routing system that requires a response to a variety of prompts, as well as an Interactive Voice Response (IVR) system that offers self-service functionality by interfacing with company databases. These applications have become commonplace for the modern consumer, and have in fact, become an expectation. Like customers in all facets of the marketplace, health care customers are increasingly sophisticated in their use

of technology and have increasing expectations about the level of service they receive. It remains clear, however, that customer satisfaction and loyalty are connected more closely to the quality of personal service that is provided than to the technology that may expedite their request.

Approximately two thirds of all U.S. hospitals employ call centers for a variety of purposes and that number is steadily increasing. Hospital call centers often consist of traditional "switchboard operators" that triage calls to the appropriate provider, department, individual, or patient room. They might also have a more sophisticated call center that supports business-related efforts such as billing and collections. Health care call centers are also represented by nurse advice lines, disease management programs, and marketing campaigns for health-related programs such as seminars, exercise classes, or training courses. In an integrated health care delivery system, call centers of varying sizes could also be operated to support affiliates such as physicians, suppliers, and health plans. In many ways, the call center of a health plan has become the strategic call center within any health care system because of its increasing visibility and oversight.

Successfully managing a health service call center depends on effective two-way communication. As with all organizations, communication is used for everything from instilling the corporate vision in all employees to discussing specific tactics of service delivery. Managerial communication must be open, supportive, motivating, and empowering. Great service leaders realize that to achieve a competitive advantage, they must constantly build and nurture a desirable organizational culture and empower and encourage their employees. Every employee-customer encounter must be considered to be an invaluable opportunity to improve customer service and engender customer loyalty. In addition, the

organization must actively solicit feedback from customers. It must let the customers know they care what the customer thinks and will use the comments and suggestions to enhance future service offerings.

Customer Loyalty and Its Effect on Business

Health care organizations must confront the same questions that all other businesses face: what effect does the use of call centers have on customer satisfaction? How satisfied are customers with the telephone service they receive? How much loyalty do customers have toward the organization, and how can it be increased?

There is solid evidence of the importance of customer satisfaction for business success. For example, research sponsored by the Marketing Science Institute [1] suggests that corporate strategies focused on customer satisfaction, revenue generation, and service quality are in fact more profitable than strategies that focus on cost cutting or strategies that attempt to do both. Evidence also suggests that higher customer satisfaction should increase customer loyalty, insulate a company's current market share from competitors, lower transaction costs, reduce failure costs and thus lower the cost of attracting new customers, and help build a firm's reputation in the marketplace.[2]

Much has been written about the benefits of customer loyalty across a wide variety of business and industry types. The Service Profit Chain, which was developed by Harvard Business School service experts [3] and The Loyalty Effect, developed by Reichheld [4] are theories of linked causes and effects whose basic tenet is that employee satisfaction leads to customer satisfaction, which is linked to corporate profits. These and other theories of customer loyalty are discussed in Grönfeldt and Strother's recent book, *Service Leadership*. [5]

A commonly quoted version of Pareto's Law is that up to 80% of a company's business can come from 20% of its loyal customers.[6] Research demonstrates that a firm spends much more money attracting new customers than retaining current ones. While the studies providing this data were not specific to the health care industry, the underlying principles are the same: Any organization,

regardless of type, can benefit by cultivating customers who appreciate a high level of service excellence, who use the organization exclusively, and who will enthusiastically recommend it to others.

Health care call center services – intangible products – that are rendered quickly and courteously by a knowledgeable and helpful service provider are almost certainly valued highly by most customers. This translates into a high level of customer satisfaction, which is an essential condition to achieving customer loyalty. Loyal customers contribute solidly to an organization's bottom line, thus producing a positive Return on Investment (ROI) for the organization.

There is no doubt that high-quality service is an important determinant of patient loyalty, but most of the studies have dealt with the patient-doctor relationship.[e.g., 7, 8]

While few studies have actually quantifiably correlated customer satisfaction with ROI of health care call centers, a four-year study of 25 hospitals and 807,000 call center callers (representing 1.9 million calls) succeeded in linking the caller/patient activity to clinical transaction data. On the basis of its study, Solucient, a repository of healthcare intelligence and benchmarking information, concluded that "call centers generate a ROI of at least 3 to 1 and are an essential driver of hospital revenue, profitability, and patient loyalty." Since patient loyalty translates into ongoing revenue for a hospital, building loyalty must be the primary goal of any call center. Solucient's conclusions include the following: [9]

- 60% of callers are repeat callers.
- 20% of all hospital customers use the call center in a given year.
- Repeat callers use more hospital services than one-time callers.
- The retention rate of callers over three years is 70%, compared to 46% for non-callers.
- Previous callers respond to marketing campaigns at a rate twice that of non-callers.

The above findings clearly emphasize the obvious – that it is essential for an organization to keep its customers happy. However, this is more easily said

than done, as demonstrated by the amount of bad service that is delivered daily. It is a well-established fact that when people experience bad service, they usually tell others about it. The following data provides a sobering reminder of just how critical the results of bad service can be: [10]

- The average customer with an unresolved complaint will tell 9 to 10 people.
- 13% of customers with an unresolved complaint will tell more than 20 people.
- As many as 90% of complainers will return to the business if their complaint is resolved satisfactorily and 95% will return if the problem is resolved quickly.
- For every complaint received, the average company has 26 unhappy customers who never complain. Thus, for the organization that receives 10 complaints a week, there are as many as 260 dissatisfied former customers each week who do not talk to the company but are out there telling their side of the story to others.

Sometimes, creative approaches work well. As some health centers are doing, being creative with call center offerings brings good results. For example, United HealthCare of Alabama is expanding its Personal Service Representative Program, which pairs each member of certain patient groups with a single dedicated PSR to really personalize the service. Interestingly, this approach has led to greater efficiencies rather than greater costs.[11]

A call center must treat each caller as a valued customer. All callers have to be valued not only for their own opinions and the revenue they can generate for the organization, but also for their ability to sway the opinions and loyalty of their family, friends, and others in the community.

The Role of Service Providers

What role do the employees – the Service Providers – play in customer satisfaction? Certainly, the entire organization must have a customer-centric focus. However, the service providers in the call center must clearly and constantly demonstrate customer-oriented behaviors. To make this happen, the organization must carefully select, socialize, train, motivate, recognize, and empower its service providers. This is a particular challenge in call

centers, which are notorious for having difficulties in hiring and keeping well-educated and highly-motivated personnel.

As mentioned earlier, in models such as the Service Profit Chain, customer satisfaction and employee satisfaction are interrelated. Indeed, employee self-reported customer-oriented behaviors can be used to predict customers' perceptions of the quality of service they receive.[5] Therefore, organizations must measure employee attitudes and customer-oriented behaviors to help get a better overall picture of a department's success in producing loyal customers.

The Current Study

The current research is a case study of a call center that supports the Health Plan affiliate of an integrated health care delivery system in Central Florida (hereafter called Local Health Plan or LHP). The system also operates a variety of smaller call centers that support its hospitals, physicians, and providers; handles patient billing; and operates a physician referral service and a nurse advice line for the community. LHP's call center currently provides telephone service to members, physicians, health care providers, employer groups, insurance brokers, and others in its supply chain; however this study focuses solely on member calls and the employees who handle those calls.

LHP has been in operation since 1995 and has grown to serve over 70,000 members in its service area, with commercial and Medicare lines of business. While other affiliates within the system offer telephone customer service, this study focuses solely on the health plan's Call Center in measuring customer satisfaction. Beginning with one staff member and a traditional telephone line, the Customer Service Department has evolved over time into a high-tech Call Center that currently handles over 1000 calls on the typical business day. The equivalent of 20 full-time associates are currently dedicated to responding to customer calls, with five additional positions dedicated to administrative support including supervision, training, quality assurance, reporting, and application configuration. LHP's 20-seat call center faces the same challenges of larger call centers in managing staffing and

unexpected high call volumes, as well as the challenges of most small call centers that struggle with inflexibility resulting from small size and limited resources.

The health plan's Call Center handles calls from all customer constituencies including members (insured individuals), providers (physicians, facilities, suppliers), employers and brokers, as well as prospective customers. Member calls are of particular importance to the health plan because member Call Center performance indicators and satisfaction survey results are widely collected, publicized, and evaluated by health plan purchasers and regulators. Performance indicators must be maintained to remain competitive in the industry, to avoid penalties, and to keep customers satisfied. Member calls represent approximately 65% of the inbound call mix, but are of great concern because of the business risk associated with customer disaffection when their calls cannot be handled expeditiously and satisfactorily.

Research Questions

The research questions for this study are:

- How satisfied are the customers (health plan members) with the services provided by Local Health Plan's call center?
- How do employees evaluate their own customer-oriented behaviors and attitudes about the call center and the organizational environment?
- How does the Call Center Manager perceive of the employees' customer-oriented behaviors?

Metrics/Methods

There are key performance indicators and other minimum requirements that LHP's Call Center has to meet.

The first is The Centers for Medicare and Medicaid Services (CMS). CMS contractually binds all Medicare Prescription Drug Plans (PDPs) to achieve at least an 80% service level in its Call Center (80% of calls answered within 30 seconds). Performance is monitored by routine daily calls from the Department of Health and Human Services and is also reported to CMS by Local Health Plan on a regular basis. Sanctions can be imposed if this

standard is not met, and non-compliance could affect the health plan's ability to keep its Medicare contract. CMS' expectations are as follows:

- Service level = 80% (80% of calls answered within 30 seconds)
- Average Speed of Answer = less than 30 seconds
- Abandonment Rate = 5% or less

The second set of requirements is dictated by The National Center for Quality Assurance (NCQA) and Employer Groups. NCQA, a private accrediting body that is considered the "gold standard" for health plans, measures the quality of service by collecting and comparing City Hospital's performance data with established benchmarks. Call Center Quality Indicators are part of HEDIS (Health Employer Data Information Set) reporting requirements and include the following standards that are also adopted by many large employer group customers:

- Service level = 70% (70% of calls answered within 30 seconds)
- Average Speed of Answer = 30 seconds or less
- Abandonment Rate = 5% or less

Technology Adoption

The adoption of technology solutions occurred incrementally in response to increasing customer demand and the need to create efficiency. A basic Automated Call Distribution (ACD) system was implemented shortly after the health plan opened for business, and was upgraded in 2002 when the health plan moved into a new corporate office with state-of-the-art telecommunications technology. The ACD system primarily supported the ability to route calls to appropriate agents based on skill levels and to provide reporting for the effective management and evaluation of the Call Center's performance. The ACD system was most recently upgraded in late 2004 in order to implement IVR (Interactive Voice Response) technology with the goal of improving customer satisfaction while increasing cost-effectiveness.

Self-Service Features

The use of IVR technology has become standard in almost all Call Centers, and the self-service options it provides have become expectations for many consumers. By interfacing with the Health Plan's core administrative system, IVR technology allows callers to perform routine functions without human intervention and without delay. Examples of common activities that can be performed on a self-service basis through IVR are ordering ID cards, changing Primary Care Physicians, requesting Provider Directories or other plan documents, checking the status of claims or authorizations, and verifying eligibility.

No matter how many metrics are used, by far the most important measure is that of customer satisfaction. To quantify this important concept, three measurement methods are used, (a) employees' self-reported behaviors, (b) customers' perceptions of employees' performance, and (c) supervisors' evaluations of employees' behaviors [5]. The current study uses all three of these measures.

For the customer satisfaction data, 975 surveys were mailed to all adult members who had a documented call to LHP's Call Center within a specific week in April 2006. The mailing included a self-addressed stamped envelope for ease of response. The response rate was 27%, with a total of 268 surveys returned.

For the employee data, 20 surveys were distributed in person during a weekly department meeting in May 2006. An unbiased team member collected the anonymous responses for review. Sixteen surveys were returned, for a response rate of 80%. The third instrument was a survey that the Call Center Manager completed for each of the 16 active call center employees.

This paper reports the most important results of this data and interprets those results in terms of organizational impact. This paper can only mention a few key findings of the study. A more detailed analysis will be presented in a forthcoming article.

Results

Local Health Plan works hard to ensure customer satisfaction on all levels, and the Call Center has been an integral part of that effort. The results of the present study demonstrate that the organization's customer service efforts are succeeding.

The Customers' Perspective

The first section of the survey queried callers on their experience with automated telephone services. The survey used a five-point Likert scale with five being most positive and one being least positive. When asked about the ease of following telephone instructions and choosing options, over 90% of the callers agreed that it was *easy* or *very easy*. However, 46% admitted they had tried to bypass the instructions to get to a customer service representative. Fortunately 94% of responders reported that it was easy to reach a person if they needed one.

The second section dealt with the all-important personal interaction between the caller and a service provider. Again, Local Health Plan performed very well as the following results reveal:

- How well did the Representative understand your needs? 84% said *very well*.
- How knowledgeable was the Representative who helped you? 82% said *very knowledgeable*.
- How helpful was the Representative? 85% said *very helpful*.

When asked if the Representative had made any extra effort to help, the following results demonstrate high levels of customer satisfaction with 79% of all callers being at least *pleased* with the service they had received. *Was there any extra effort made to help you?*

- Yes, above and beyond! 46%
- Yes, I was pleased. 33%
- No, but it wasn't needed. 14% (These respondents indicated that they were very satisfied with the call but didn't particularly need special attention. They just needed basic information and were pleased to have it provided.)

Customers seeking assistance or information also reported that their calls had been answered promptly.

and most calls had resolved the callers' problems or met their needs. Medicare Plan members call most often (75% of total calls). Their calls require the longest handling time and are typically the most complex. These callers are generally over 65 years old and often have special needs due to physical and cognitive impairments related to their age. They have traditionally been considered the most resistant to telephone technology, preferring to speak to a live person immediately. The results of the survey show that the majority of respondents were Medicare members over age 65, but they were accepting of the automation. Callers found the automated system easy to use, and although a small percentage of respondents found that it wasn't as easy as they would have liked to reach a live person, this practice did not appear to negatively affect their overall satisfaction.

The primary driver of customer satisfaction for Medicare members is clearly their perception of personal assistance as opposed to telephone features. The Call Center Manager reported that, in the short-term, LHP will use telephone technology to support effective and efficient customer service, but the quality of personal assistance will play a much larger role in customer satisfaction and member retention.

As a strong indication of customer loyalty to LHP's call center, 74% indicated that they would definitely stay with the organization's health plan and an additional 16% said they probably would do so.

The Employee Perspective

The internationally validated instrument used to obtain the employee perspective is a 60-item survey, which has 17 sections dealing with customer-oriented behaviors as well as other elements of job satisfaction.[12] While this paper cannot present the analysis of all 17 subsections, results of two key sections are discussed: employees' Customer-Oriented Behaviors and feelings of job competence.

Customer-orientation is the relative tendency of an individual to engage in continuous improvement and to exert effort on the job for the benefit of customers.[13] Table 1 presents a few key self-reported customer-oriented behaviors:

Table 1. Employees' Customer-Oriented Behaviors

Survey statement	Average rating
I put a lot of effort into my job to try to satisfy customers	4.75
I get a lot of satisfaction from giving good service to customers	4.69
Customers have a right to expect superior treatment from all staff	4.88
To know that my own work had made a contribution to the good of LHP would please me.	4.87
If a co-worker is busy, I often pitch in to help.	4.63

The survey used a five point scale, with 5 = Strongly Agree, 4 = Agree, , 2 = Neutral, 3 = Disagree, and 1 = Strongly Disagree.

Organizational Citizenship Behaviors, a part of Customer-Oriented Behaviors, include helping behaviors such as assisting co-workers, being positive and courteous, minimizing small problems, and other favored characteristics that are not directly rewarded by the organization but that contribute to the organizational culture. Organizational citizenship behavior often shows how invested an employee is in the total culture of the organization and indirectly can be an indicator of employee loyalty. Interestingly, some of the items that elicited average responses just above 3 (agree) dealt with job competence and organizational citizenship behavior. A few of those are shown in Table 2.

Table 2. Employees' Job Competence and Organizational Citizenship Behavior

Survey statement	Average rating
I have the necessary skills to do my job well.	3.88
I know how to deal with most problems in my job	3.94
I often volunteer for things that are not required as a part of my job.	3.60
I often help my immediate supervisor by doing things that are not really part of	3.53

my job.	
I often make suggestions about how to improve customer service in my department	3.53

The survey used a five point scale, with 5 = Strongly Agree, 4 = Agree, 2 = Neutral, 3 = Disagree, and 1 = Strongly Disagree.

It is worth noting that, in a call center environment; there may be fewer opportunities to volunteer for non-job-related tasks.

Management Perspective

There is good agreement between the way employees feel about their own customer-oriented behaviors and the way their manager perceives their efforts. Four elements were rated as 5 (Strongly Agree) as the manager’s evaluations of employee performance and behavior reveal:

- The employee puts a lot of effort into his or her job to try to satisfy customers. (69%)
- The employee is always working to improve the quality of service he or she gives to customers. (63%)
- No matter how he or she feels, the employee always puts himself or herself out for every customer served. (63%)
- The employee often goes out of his or her way to help customers. (63%)

This demonstrates that the supervisor recognizes the call center representatives’ efforts on behalf of the customer. It is interesting to note that the three elements that got lower marks on the employee survey dealt with volunteering and making suggestions. These areas were also recognized as areas of relative weakness by the supervisor. As a matter of fact, 25% of the employees received a rating of 3 = neutral on the statement, “The employee often makes suggestions about how to improve customer service in my department.” As mentioned earlier, the call center environment may not be conducive to making suggestions or volunteering for extra tasks. If so, that is an area of weakness that the supervisor may want to investigate. Skillfully and diligently performing the job for which they were hired is, of course, the

primary goal of employees – and that is well-recognized by the manager.

Conclusion

Local Health Plan’s Call Center appears to be succeeding in satisfying its customers, as evidenced through its customer perceptions of the quality of service they are receiving. As mentioned earlier, keeping a staff of well-trained employees is a challenge. As Local Health Plan’s Call Center manager revealed, “We recruit and hire capable people and train them well to be excellent customer service representatives. It seems that as soon as they are fully trained, they are hired away by other departments in the system that also recognizes their value. The knowledge and experience gained from serving the complex needs of health plan customers is appreciated throughout the organization, and an associate with the right attitude, intelligence and commitment can go far.” Maintaining a knowledgeable and motivated cadre of representatives should result in a stable core of loyal customers who may or will contribute to Local Health Plan’s revenues for many years to come. This loyal customer base will certainly help provide a positive ROI for all the time and money invested by the organization in developing and maintaining its outstanding customer service.

Employees’ self-reported customer-oriented behaviors demonstrate their caring and concern for their customers as well as their own personal satisfaction in meeting customer needs and delivering a high quality of customer service. LHP does need to address issues of job competence through a careful review of the training process to be sure all representatives have the information and skills they need to do their job well and to feel confident and comfortable doing so. The manager concurs with these observations, which suggests that there is an open culture and good communication between management and service providers. It appears that LHP’s call center has a dedicated and satisfied group of employees – a major predictor of customer satisfaction.

All call centers such as LHP’s must cope with the ever-changing regulatory mandates that affect such issues as hours of operation. In addition, they must

keep up with technological innovations in order to stay competitive.

Call centers must deal with the continuing challenge of recruiting and training excellent personnel and attempting to increase retention rates. To improve service, management must constantly communicate with both employees and customers in an interactive multidimensional process. In the global marketplace, improvement of service is not an option – it is a matter of survival.

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