

Hospital perks: How much should hospitals be rewarded for the patient experience?

December 2 2010

From hotel-style room service to massage therapy to magnificent views, hospitals are increasingly touting their luxury services in a bid to gain market share, especially those in competitive urban markets. An important new article, published today in the *New England Journal of Medicine*, raises crucial questions about the role of amenities in hospital care, explaining that how we decide to value the patient experience can have a significant effect on health care costs.

"Though amenities have long been relevant to hospital competition, they seem to have increased in importance — perhaps because patients now have more say in selecting hospitals," explained corresponding author John Romley, an economist with the Schaeffer Center for Health Policy and Economics at USC and research assistant professor in the USC School of Policy, Planning, and Development.

Empirical evidence and surveys seem to confirm that patients increasingly value the nonclinical experience more than measures of clinical quality, such as a hospital's risk-adjusted mortality rate.

In a "Perspectives" piece in [New England Journal of Medicine](#), the authors cite their own research showing that Medicare patients often do not choose the hospital nearest to them. They are willing to travel — and not necessarily for better clinical care, even in cases involving heart attack, where risk of death should be an overriding concern.

Rather, the proportion of patients who received care at a given hospital

was strongly correlated to the quality of amenities. Improved perks also have a significant effect on hospital volume.

"On a societal level, the value of amenities is important because our [health care](#) system currently pays for them," explained lead author Dana Goldman, director of the Schaeffer Center at USC and Norman Topping Chair in Medicine and Public Policy at the USC School of Policy, Planning, and Development. "A hospital seeking to strengthen its financial position might view investment in amenities as a sound strategy to attract patients. The question is, however, what effect such a strategy might have on patients' outcomes as well as on overall [health care costs](#)."

The researchers note that if amenities create environments that patients and providers prefer, the result may be better treatment and improved health outcomes. Accounting for [patient experience](#) can either help us determine whether amenities are necessary to better performance or tell us if hospitals should shift their focus entirely to clinical quality instead.

"As health care reform moves forward, we need to decide whether amenities are a valuable part of the hospital experience," Romley said. "If they are, policymakers should include them in the measures for overall quality, prices and productivity."

More information: Goldman, et al. The Emerging Importance of Patient Amenities in Hospital Care. *New England Journal of Medicine*. December 2, 2010.

Provided by University of Southern California

Citation: Hospital perks: How much should hospitals be rewarded for the patient experience? (2010, December 2) retrieved 19 April 2024 from

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