

Chapter 1

Introduction

Background and Significance of Research Problem

1. Background of medical services

Since the 18th National Congress of the Communist Party of China (which was held on November 8, 2012), building a harmonious society and realizing the re-emergence of Chinese civilization became the consensus of the whole Chinese society. The 20th National Congress of the Communist Party of China (held on October 16, 2022) also emphasized the need to "continue to build a high-quality and efficient medical service system and improve the medical service environment."

Quality management of medical services was the core of hospital management and an eternal theme of hospital management. Since the 1980s, Chinese medical institutions had started to delve into theories related to comprehensive medical quality management. In 2016, the state issued the "Medical Quality Management Measures," which pointed out that medical management in hospitals should be centered on medical quality management, and medical institutions themselves were the main body of responsibility to effectively strengthen medical quality management to ensure medical safety. In July 2017, the State Council explicitly required the establishment of a medical quality management and control work system with full participation and coverage of the whole process of clinical diagnosis and treatment services.

It can be said that both the government and the whole industry paid more and more attention to the quality management of medical services and carried out ongoing research and exploration. However, these studies referred to the theory and practical experience of total quality management of enterprises and did not pay attention to the particularity of medical services themselves, especially ignoring the characteristics of psychological and social medical services. The hospital studied in this paper is a general hospital. With the increasing demand for medical services, people's concern for physical health, and the tension of medical resources during the past two years' epidemic, the public has put forward higher demands on the quality of medical services. Complaints within medical institutions occurred almost every day, and people paid more attention to the satisfaction of medical services.

2. The link between complaint management and service quality

In order to further regulate the management of complaints in medical institutions and improve the quality of medical services, China issued a series of relevant legal documents in the past, such as the Trial Measures for the Management of Medical Complaints (2009), the Regulations on the Prevention and Handling of Medical Disputes (2018), and the Measures for the Management of Complaints in Medical Institutions (2019). The Measures for the Management of Complaints in Medical Institutions required, among other things, that medical institutions set up designated departments to undertake medical complaints, allocate full-time and part-time staff to handle specific complaints, take the responsibility of unified acceptance of complaints, investigate and verify complaint matters, handle disputes between doctors and patients, give feedback and suggestions, and respond to complainants in a timely manner.

Through the continuous requirements and rectification of medical services, the number of complaints accepted showed a downward trend in the past. There were about 82,000 medical complaints nationwide in 2019 (China Statistical Yearbook 2020), 61,000 medical complaints nationwide in 2020 (China Statistical Yearbook 2021), and 63,000 medical complaints nationwide in 2021 (China Statistical Yearbook 2022). The release of this data aimed to promote the continuous improvement of medical service quality and urged medical institutions to strengthen self-management, continuously dig deeper into the reasons for complaints through service evaluation in the process of medical service, correct the problems of unsound mechanisms and unreasonable disposal processes in the work, and promote the improvement of service capacity of the medical and health system. Therefore, it is necessary to study from the perspective of management and find improvement strategies.

3. The link between customer relations and service quality

While searching through the China National Knowledge Infrastructure, there were 3306 papers on customer relationship management, and 1691 studies involving the direction of customer relationship management and service quality, with these articles involving companies in various industries, such as banks, express delivery, logistics, etc. Among them, only 234 were related to medical institutions, and medical institutions were special here; they had the nature of social welfare and the nature of profit of companies, and the target groups were public-oriented, covering various age groups and industry personnel, so it was necessary to introduce customer relationship management into medical institutions.

In recent years, cases of contradiction between doctors and patients occurred constantly, each time triggering social concern and discussion, and the relationship

between doctors and patients increasingly drew discussion from all walks of life. The concept of customer relationship management (CRM) was introduced to respond to customer (patient) complaints, combined with patient service satisfaction assessment, to understand the problems in hospital medical services and provide a reference for hospital managers to improve service quality.

Customer relationship management became increasingly important in the healthcare industry, particularly in the context of managing patient complaints (Bhalla, Evgeniou, & Lerer, 2004, pp. 34-35), and in recent years, there was increasing interest in the relationship between CRM and patient satisfaction in healthcare settings. Despite a large literature on the topic, the relationship between responses to patient complaints in healthcare settings had not been adequately studied (Black, et al., 2018, p. 91). Patient complaints were an important source of information for hospitals, as they provided valuable feedback on the quality of care provided. According to a study by Bendall-Lyon and Powers (2004, pp. 278-286) and Thi, Mirzoev and Morgan (2015, p. 1438938), responding to complaints could improve service quality, restore patient satisfaction, and prevent future complaints.

CRM was a strategy that focused on building and maintaining long-term relationships with customers. In healthcare settings, CRM involved understanding the needs and preferences of patients and implementing strategies to meet those needs. A well-designed CRM system could help healthcare organizations to improve patient satisfaction and loyalty, as well as to reduce complaints and enhance the overall quality of care provided. According to a study by Baashar, et al. (2020, p. 103442), Customer relationship management was an essential component of healthcare quality management that enabled healthcare organizations to respond to patients' needs and preferences.

Despite the importance of responding to patient complaints in the context of customer relationship management, there was a lack of research on this topic. Existing research had focused on the relationship between CRM and patient satisfaction but had not yet explored the role of CRM in responding to patient complaints. This was a significant knowledge gap, as responding to complaints was critical to improving the quality of services provided and maintaining patient satisfaction. Further research was needed to explore the relationship between CRM and responding to patient complaints in a healthcare setting.

Research Objectives

1. To study the current situation of complaint management in hospitals
2. To analyze the quality of healthcare services in general hospitals based on patient complaints on the online platform.
3. To propose guidelines for optimizing medical service quality in general hospitals by utilizing the concept of customer relationship management to respond to patient complaints.

Research Hypothesis

1. Patients' complaints on online platforms will provide valuable information into the problems related to medical service quality in general hospitals.
2. The implementation of customer relationship management will be effective in addressing patient complaints and improving the quality of medical services in general hospitals.

Scope of the Research

1. The data collected for this study consisted of incidents handled by integrated healthcare organizations accepted through the complaint platform from January 1, 2019, to December 31, 2022, and were analyzed, sorted, and summarized for cause, type of incident, complainant identity, treatment outcome, and satisfaction.
2. The city where the medical institution is located had six districts, one county, and five county-level cities, with a total area of 7,446 square kilometers, a resident population of 10,352,000 people, an urban population of 7,721,000 people, and an urbanization rate of 74.6%. In 2020, the GDP of the region was 120.3 billion yuan.
3. The medical institution studied covered an area of 71 mu (4.733 hectares), with a construction area of 74,000 square meters and six hospital areas. The hospital had 600 beds, with a daily outpatient volume of more than 1,600 people, and more than 5,000 employees, including 340 staff with senior technical titles and more than 1,200 doctors and masters. There were more than 40 clinical and technical departments, such as internal medicine, surgery, obstetrics and gynecology, pediatrics, orthopedics, ophthalmology, stomatology, dermatology, rehabilitation, oncology, and rheumatology, interventional therapy, radiology, laboratory, functional medicine, preventive health

care, and other special outpatient clinics, such as breast, pain, tinnitus, anorectal, and psychological counseling.

Conceptual Framework

This conceptual framework was used for the overall study of this paper. By analyzing the complaint management of medical institutions, the complaint data collected in the past four years, and the satisfaction survey of complaint handling, we found out the deficiencies of the complaints in medical institutions, introduced the relevant theories of customer relationship management, and integrated and combined the research results.

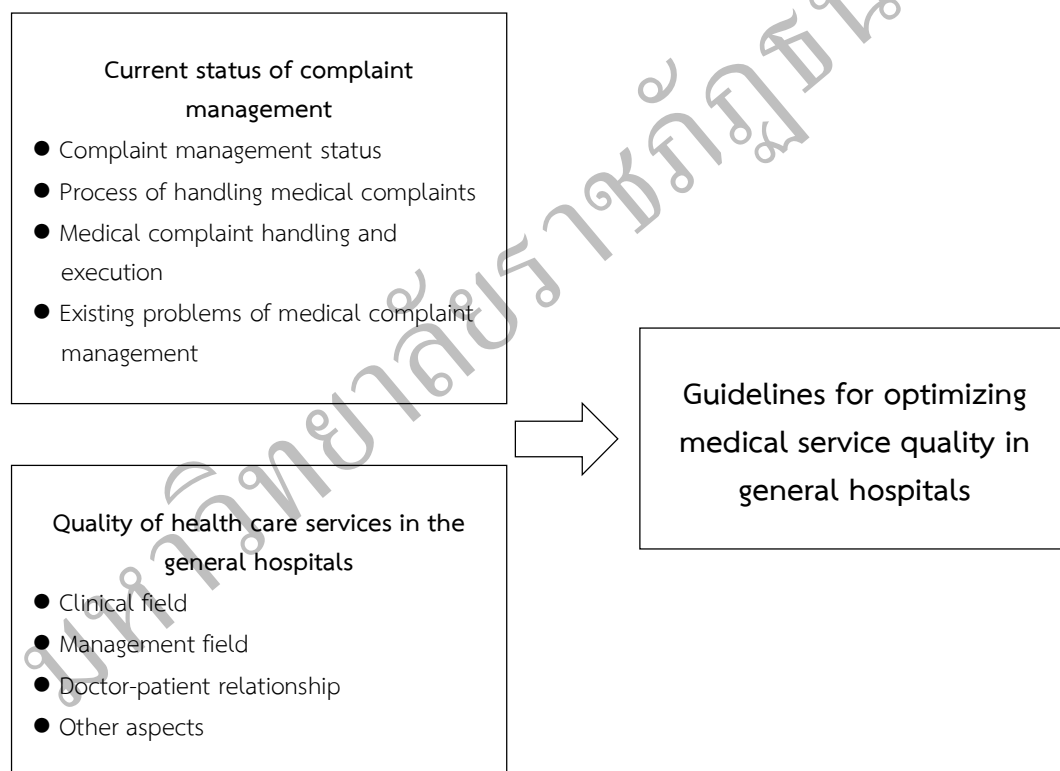


Figure 1.1 Conceptual Framework

In the Conceptual Framework, it could be observed that this research aimed to study the past status of complaint management in hospitals and analyze the quality of healthcare services in general hospitals based on patient complaints on the online platform for the period between January 2019 and December 31, 2022. This was done in order to generate findings that would lead to the establishment of guidelines for

optimizing medical service quality in general hospitals. These guidelines would have utilized the concept of customer relationship management to respond to patient complaints.

Definition of Terms

1. Service quality (Terms of General Practice and Community Health) refers to the sum of the capabilities of the service provider to meet the needs of the service object. The degree to which the service specified or potential features meet customer requirements. Medical service quality (Terms of General Practice and Community Health): the performance of the medical results achieved by the hospital in providing medical services and the degree to which the needs of the people it serves are met.

2. Medical complaints mainly refer to the opinions of patients and their families, and other relevant personnel on the medical care services and environmental facilities provided by the hospital to the medical departments or relevant competent departments through various means of communication, and put forward specific treatment results and suggestions.

In this study, medical complaints were defined as: patients, family members or related personnel are dissatisfied with any links or elements in the patient diagnosis and treatment service process, and then give feedback and express dissatisfaction through the complaint platform, and ask the medical institutions to correct or put forward their own subjective requirements.

3. Doctor-patient relationship refers to the interactive relationship between doctors and patients objectively formed in the medical service activities, and the interactive relationship between social groups and individuals closely related to the interests of both parties.

"Medical treatment" refers to the group of medical staff including doctors, nurses, drug examinations and managers, and "patient" refers to the group including patients or direct or indirect relatives, guardians, work departments and units.

The concept of this study is defined as: if one or more parties believe that the other party or more parties assume medical services or legal obligations, when they cause significant damage to one or more parties, they should bear illegal or tort liability, but the disputed facts of the parties dispute each other.

4. Customer relationship management: in 1999, the related concept of customer relationship management was put forward, the abbreviation for CRM, it refers to the current interaction with customers, its core is the "customer-centered" business philosophy,

the enterprise (hospital) customers (patients or relevant stakeholders) as the most important potential resources. Through perfect customer service and in-depth customer analysis to meet the customer needs, to realize the balance between enterprise value maximization and customer value maximization, and to achieve the virtuous cycle.

Customer complaint management is an important way to improve customer relationship management (Alam, 2013, pp. 39-45), through which can greatly reduce the marginal cost of the development of new customers. This study uses the customer relationship salvage theory in CRM theory. On the one hand, by analyzing and studying hospital medical complaints, we can formulate corresponding improvement measures so as to effectively prevent and reduce medical complaints. On the other hand, through the study of medical complaint management, the problems existing in the management process are identified, and the targeted macro management methods are improved according to the existing problems. Improve the quality of medical services by combining micro and macro services.

5. Customer Satisfaction Management (Customer Satisfaction Management) (Cui, 2013, pp. 118-120) From the mid-1980s to the 1990s, customer satisfaction management emerged as a management method to pursue customer satisfaction (Chen, 2013, pp. 112-113). It transforms the pursuit of customer satisfaction into the concept of enterprise management activities, plans the target products of the enterprise from the feelings and satisfaction of customers, attaches importance to the positive interaction with customers, actively collects the feedback information of customers after using the products, meets customers' expectations and provides them with satisfactory services. This study will analyze the reasons for dissatisfaction through the satisfaction survey of complaints, and find out areas where the hospital needs to make adjustments to improve the quality of medical service.

6. Chinese scholar Zhu Meiyuan (Salazar, et al., 2013) established a model of customer complaint behavior through the study of domestic and foreign customer complaint literature (see Figure 1.2 for details). According to the model, the customer will measure the time cost and economic cost required for the complaint, and determine whether there will be a loss after spending the time cost and economic cost. Once the patient thinks it will lose money, he will give up the complaint. After determining that there will be no loss, the patient will begin to think about the obstacles and difficulties he may encounter in making a complaint, and finally judge the result of the complaint. In the whole thinking process, once the customer thinks that the complaint cannot change the status quo, it is likely to give up the complaint. Therefore, only when the benefit of the complaint result is greater than the cost of the complaint, the

complaint behavior will occur. When the benefit appears "losses", it is very likely to choose other complaint methods, that is, a negative description to the people or the media around them, and once the customer chooses this way to complain, it will cause a greater negative impact on the enterprise.

Studies have shown (Liu, 2013, pp. 31-32) that when a customer is dissatisfied with a product or service and once the customer chooses to complain to people around him, the company will lose six customers. Therefore, the hospital should manage the medical complaints and establish a perfect medical complaint management system, which can not only reduce the negative impact of the patients' dissatisfaction, but also help the hospital to self-improvement and self-adjustment with the complaint information.

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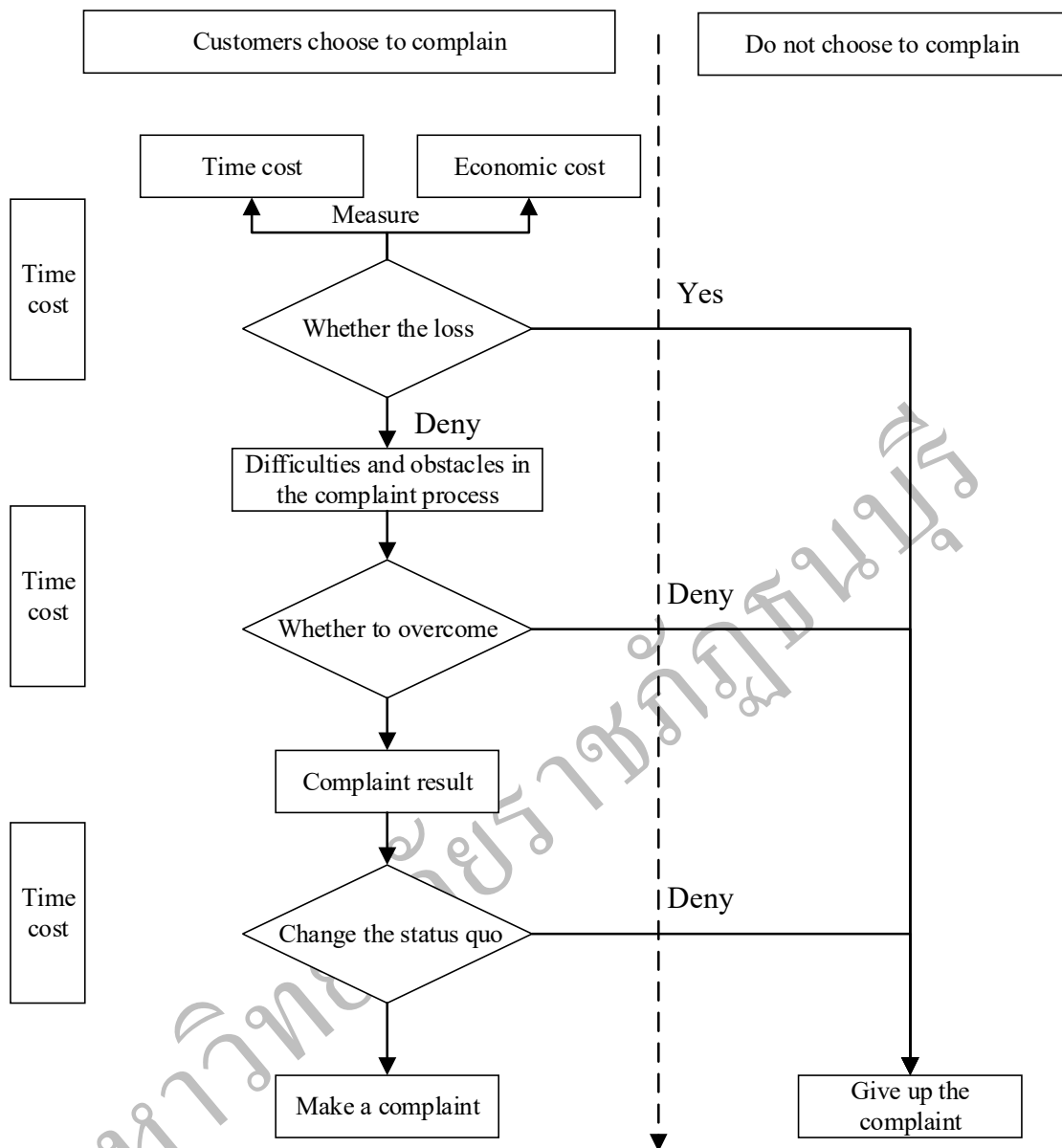


Figure 1.2 Medical complaint management system

Expected Benefits

1. Identifying common types of patient complaints related to medical service quality in general hospitals and prioritizing areas for improvement based on the frequency and severity of complaints will facilitate hospitals to provide actionable recommendations to optimize their medical service quality, which can improve patient satisfaction and loyalty, and increase positive word-of-mouth referrals.

2. The proposed guidelines are expected to reduce the workload of complaint handling staff, simplify and standardize the complicated complaint management process. Additionally, it can prevent medical complaints from upgrading into medical disputes, ensuring the normal operation of the hospital and medical work, and promptly intervene in weak links while taking corrective measures and regular personnel training with specific goals can also be implemented.

3. The proposed guidelines can help to prevent and minimize the occurrence of medical complaints. By identifying and addressing the potential needs of patients and optimizing facilities, the basic rights of patients and the hospital can be protected. It can establish a good social image and promote the long-term development of hospital. Timely handling of medical complaints can also effectively prevent medical disputes, maintain social public order, and promote the harmonious development of society.

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