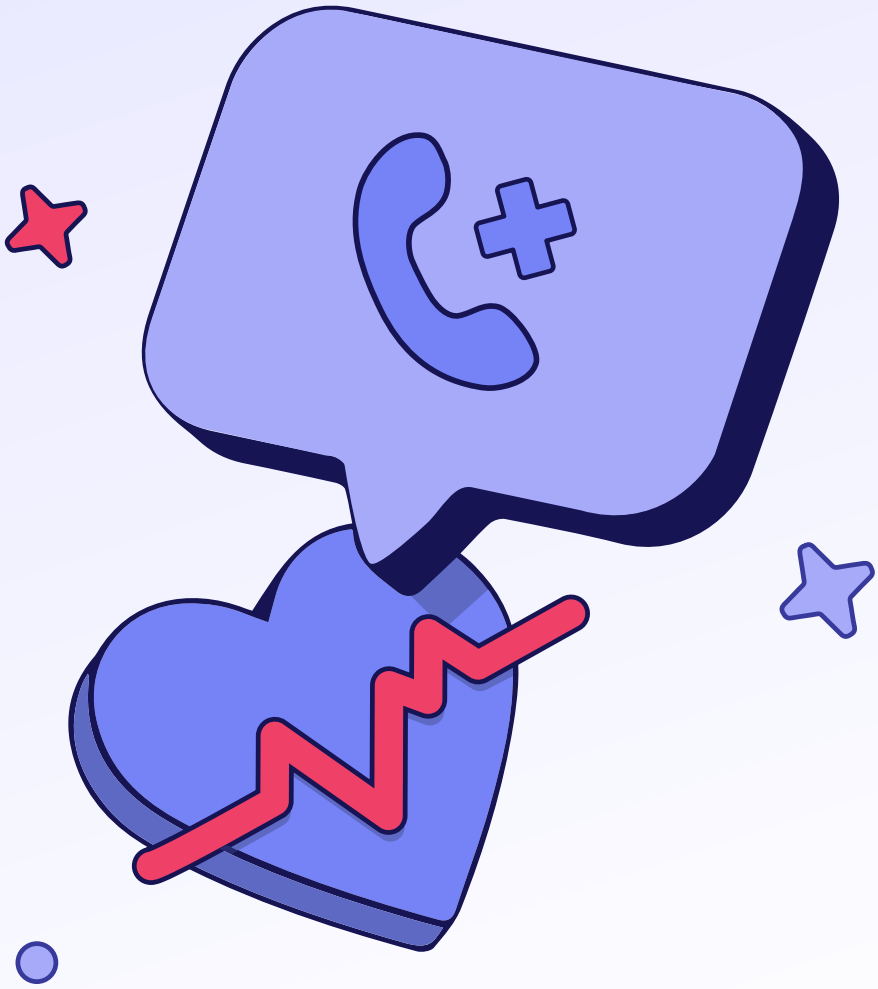
hyro

The State of Healthcare Call Centers 2023

Industry Report



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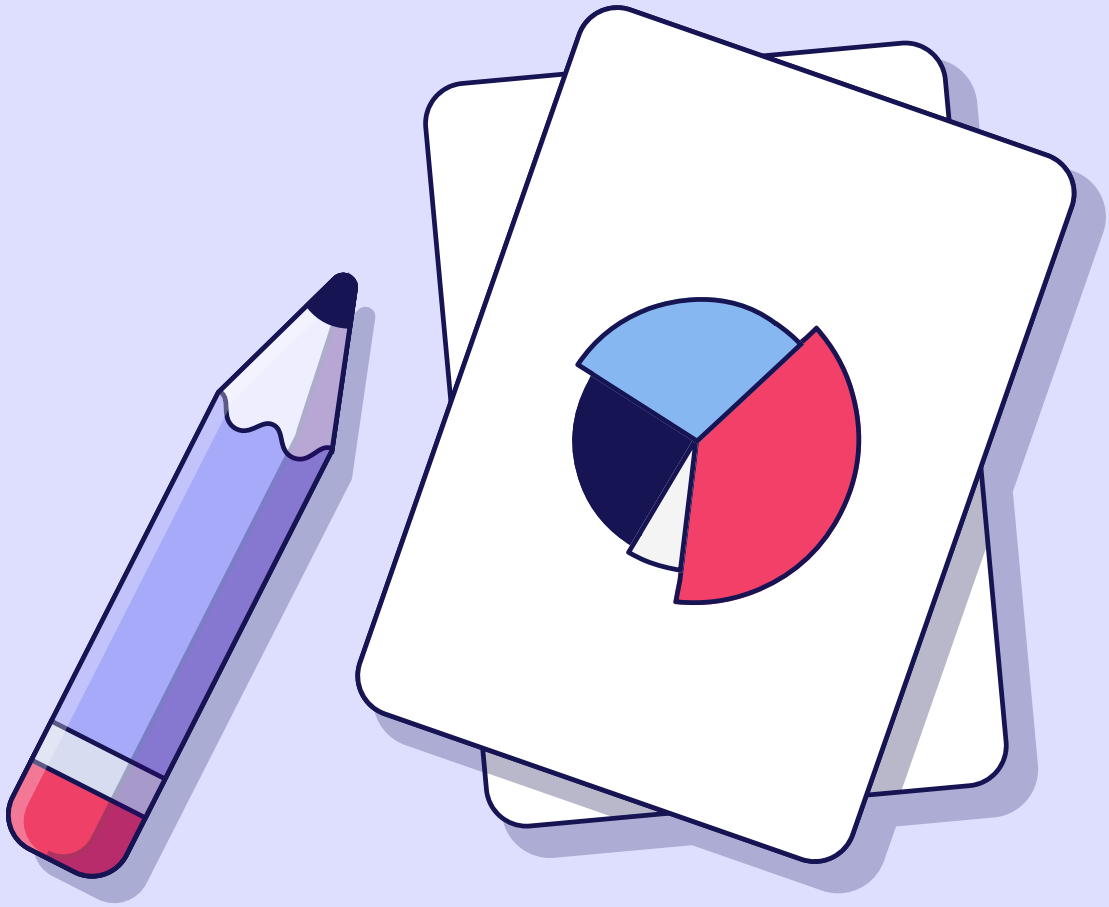
Introduction and Key Findings



1.1

Introduction

The US healthcare industry is in the throes of an unprecedented workforce crisis. According to an Elsevier report, approximately 47% of American healthcare professionals are planning to exit the industry by 2025—an anxiously awaited mass exodus likely to begin with healthcare call center employees.

Call centers play a vital role in the US healthcare system, serving as the initial point of contact for patient concerns, questions, and urgent needs. However, despite their vital role in delivering patient access, engagement, and care, these essential hubs consistently suffer from inadequate resources and organizational oversight. Often first to experience the ripple effects of economic downturns and labor shortages, call centers nationwide are grappling with record-high turnover rates, widespread agent burnout, and increasing patient expectations.

Resolving this issue goes beyond simply increasing headcount and hoping for the storm to pass; it demands swift action and out-of-the-box thinking.

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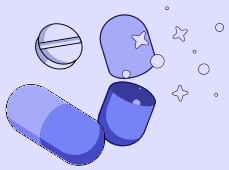


This report, tailored for healthcare call center leaders, healthcare executives, and health IT decision-makers, illuminates the pressing necessity for innovation and automation in healthcare call centers. It offers the most accurate and comprehensive overview of the current landscape of US healthcare call centers.

Methodology

To obtain a deeper understanding of the present condition of healthcare call centers, we commissioned a survey of 200 senior industry professionals from the United States. The survey, conducted by independent research firm Global Surveyz, took place in June 2023.

The respondents encompassed call center managers, directors, VPs, and C-suite executives working in patient care, engagement, access, or support departments at healthcare providers across the US. The surveyed healthcare providers varied in size, with employee counts ranging from 500 to 80,000+ and call center headcounts ranging from twenty to 1,000+ agents.

June 2023

20-1,000+ call center agent headcount

200 senior industry professionals

$100M-$20B net patient revenue

1.2

Key Findings

A LEAKING BUCKET

Healthcare call centers spend, on average, 43% of their annual operating budget on labor costs but only 0.6% on technologies to prevent agent burnout and turnover

As per survey respondents, the average annual cost of operating a healthcare call center is $13.9 million (Figure 9). Of that, $6 million is spent on labor costs (i.e., hiring, training, and benefits), accounting for 43% of total expenses (Figure 10). When asked about their annual spending on technologies to prevent agent burnout and turnover, 22% of respondents reported not having any such technologies in place (Figure 12)—a concerning finding given the fact that 39% of respondents pointed to staff burnout and turnover as the top drivers of inefficiencies in their call center (Figure 11).

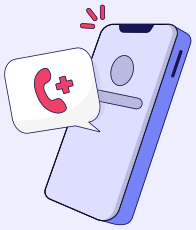
Strikingly, 30% of respondents mentioned spending between $50,000 to $100,000 on such technologies (Figure 12), with an average annual expenditure of $85,000—meaning only 0.6% is spent in total on technologies to prevent agent burnout and turnover as opposed to 43% spent in total on labor costs. This discrepancy should serve as a glaring red flag for call center leaders. It indicates a collective blind spot in technology-led short and long-term strategies to retain healthcare staff.

A GPT-POWERED FUTURE

Almost half of respondents are actively evaluating, deploying, or have already deployed Large Language Model (LLM)-based solutions such as ChatGPT to their call center

Our survey found that 46% of respondents are either in the process of evaluating, are currently deploying, or have already deployed LLM-based solutions (such as ChatGPT) to their call center (Figure 17). This is a remarkably high and unexpected percentage considering the traditionally cautious nature of the heavily regulated US healthcare industry when it comes to adopting new technology.

This surprising finding reveals that healthcare providers have been unusually quick to recognize the incredible potential of LLM-driven solutions in tackling their most pressing call center operational challenges. It signals a resounding vote of confidence in call center automation and AI that is not yet reflected in reality, as most other findings in our survey suggest.



PATIENT SATISFACTION: A REVENUE DRIVER

There is a potential positive correlation between patient satisfaction with call center service and higher profit margins

A majority of respondents (67%) projected an increase in their operating profit for the year 2023 (Figure 3), despite the fact that approximately half of US healthcare providers ended 2022 in the red.

Interestingly, our survey reveals that 69% of respondents who reported high patient satisfaction with their call center's service also said their operating profit exceeded initial projections (Figure 4). This finding highlights a potential correlation between patient satisfaction with their call center experience and the call center's operating profits, serving as compelling proof of its important role in system-wide net patient revenue generation and growth.

UNDER PRESSURE

Healthcare call center leaders are struggling to prove their call center's value internally

Our findings reveal a strained and fragmented relationship between healthcare call center leaders and their system executives and peers. Survey respondents' optimistic profit projections and actual positive performance, shown in figures 3-4, do not seem to be communicated with or understood by their superiors.

Demonstrating internally that their call center is more than a cost center poses a significant challenge for most respondents, with 67% expressing difficulty proving call center ROI internally and 74% saying they feel pressured by executive leadership to demonstrate that their call center can become a profit generator (Figures 5-6).

> These findings signal a resounding vote of confidence in call center automation and AI that *is not yet reflected in reality.*

02

Expectations Versus Reality

Projections versus actual performance

2.1

Patients Are Not Getting the Service They Expect

Only 51% of call center leaders reported that patients are satisfied with the service provided by their call centers.

In this new age of healthcare consumerism, where patients increasingly demand higher service levels from their providers, this figure leaves much to be desired. In sharp contrast, Amazon boasts a customer satisfaction score of 84.8 out of 100, and the total average score for e-commerce retail brands hovers at 80.

To measure patient satisfaction, 56% of respondents use the Net Promoter Score (NPS), while 44% prefer the Customer Satisfaction Score (CSAT).

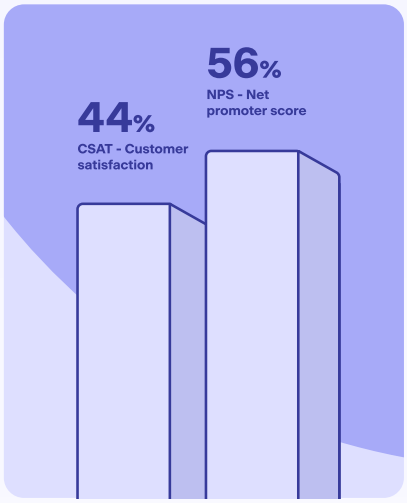
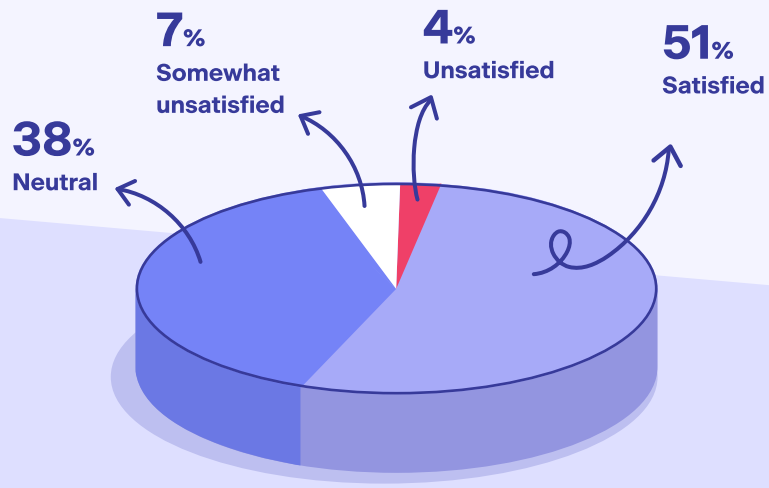


Figure 1: Which Scale Do You Use to Measure Patient Satisfaction?

> **49%** of patients are neutral or unsatisfied with the service delivered by their provider's call center.

Figure 2: How Satisfied Are Patients With Your Call Center's Service?

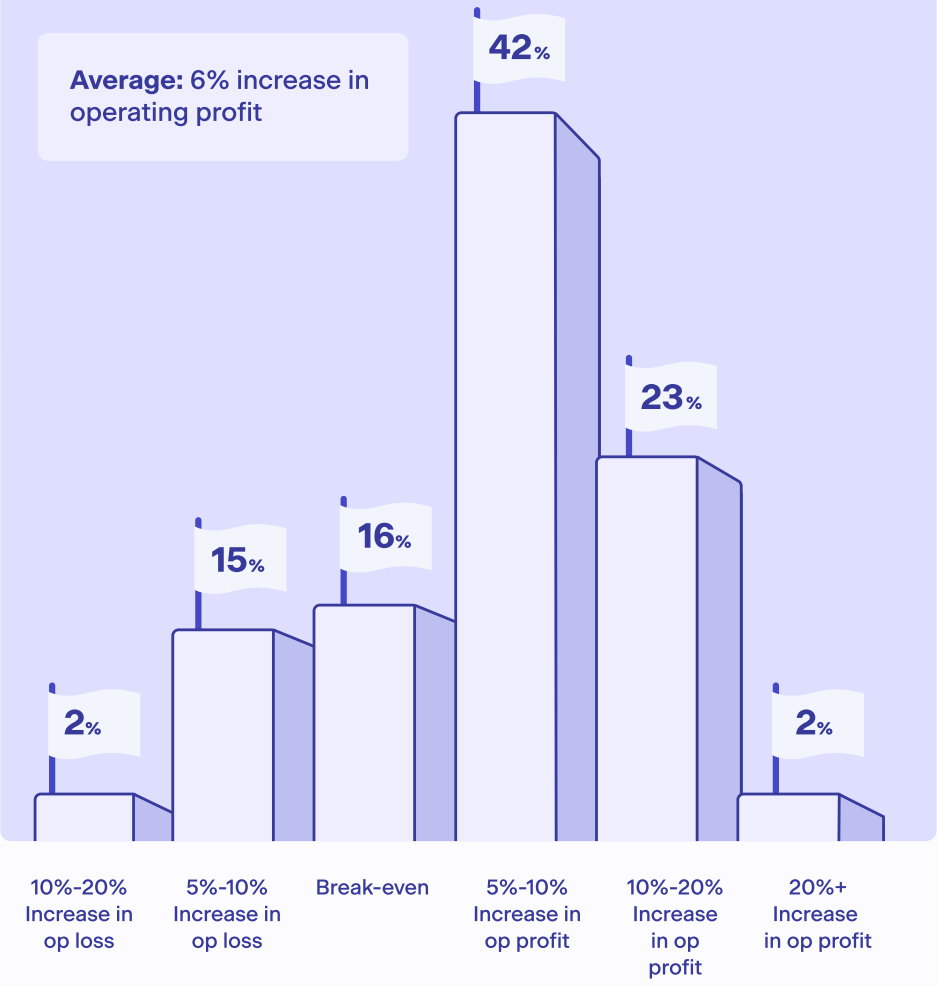


2.2

Call Center Leaders Are Optimistic About Their Profit Margins

An encouraging 67% of respondents projected an increase in their operating profit for the year 2023 versus 2022, reflecting a projected average 6% gain despite the fact that approximately half of US healthcare systems ended 2022 in the red.

Figure 3: What Is Your Call Center's Projected Operating Profit for 2023 vs. 2022?



42% of respondents projected a 5%-10% increase in operating profit for the year 2023 versus 2022.

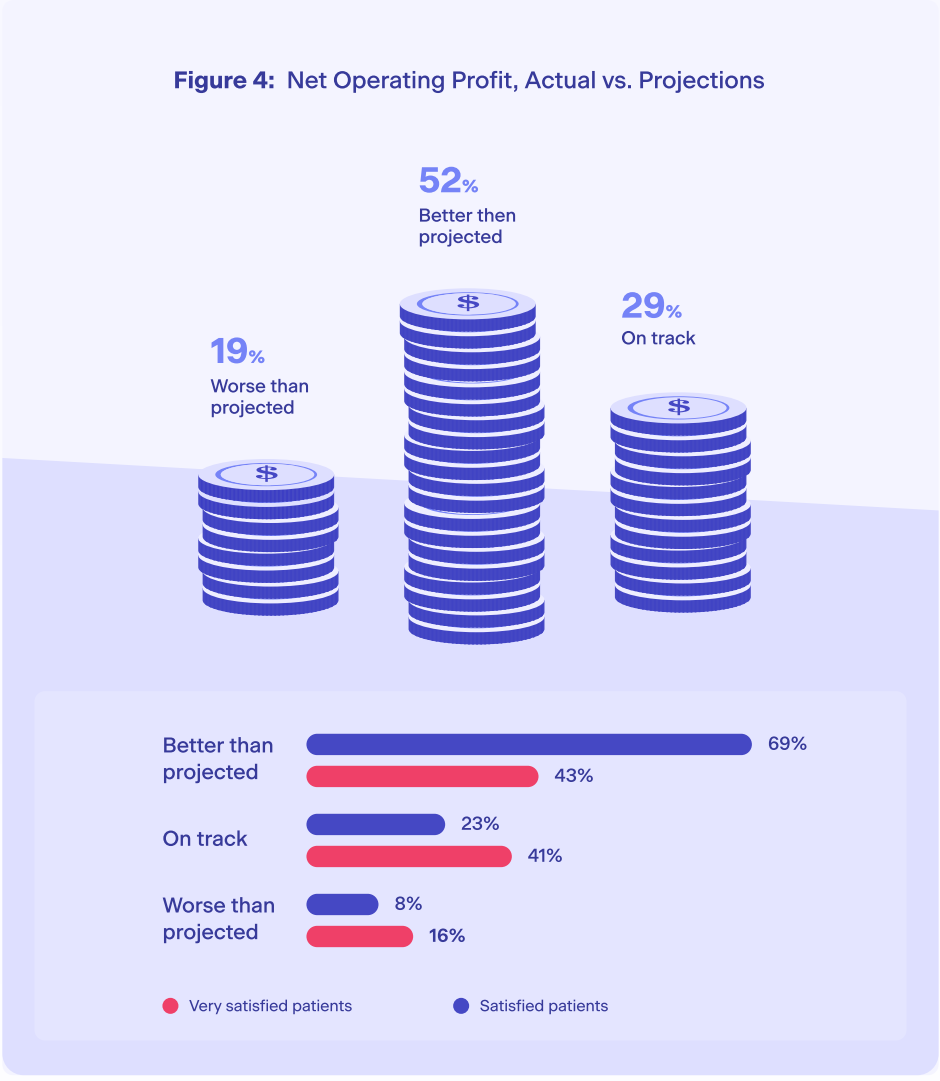
2.3

Patient Satisfaction with Call Center Service Is Critical in Driving Financial Outcomes

Based on actual performance against projections, 52% of survey respondents reported better-than-expected net profit margins (to date), while 29% are on track and 19% are underperforming.

These findings are consistent with a broader trend observed in US hospitals, which are experiencing a 19% improvement in profit margins YTD 2023 versus YTD 2022. This is primarily driven by the resurgence of in-person patient visitation volumes following the pandemic.

Figure 4: Net Operating Profit, Actual vs. Projections



Notably, among respondents who reported high patient satisfaction with their call center's service, an impressive **69%** achieved net profit margins that exceeded their projections. This reveals a potential positive correlation between patient satisfaction and revenue performance and underscores the critical role of patient experience in driving financial outcomes.

03

Under Pressure

An uphill battle to prove call center ROI

3.1

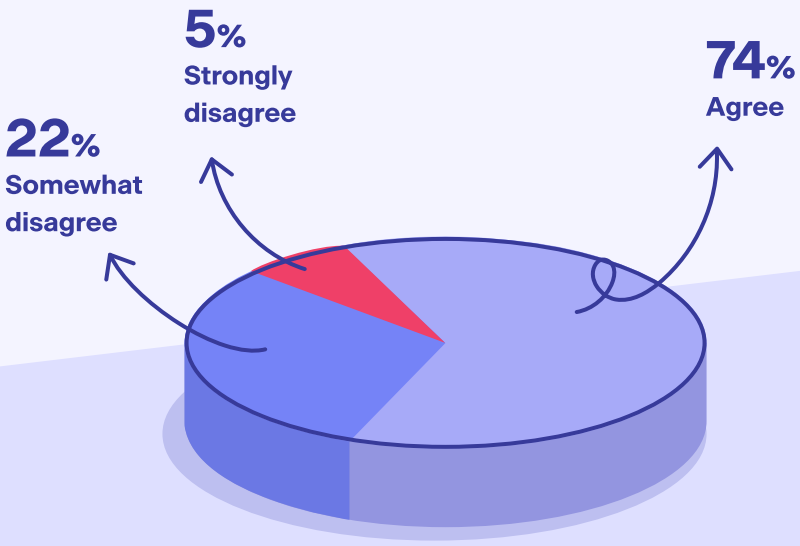
Leaders Are Under Pressure to Prove Their Call Center Is Not a Cost Center

A resounding majority of respondents, 74%, agreed that they feel pressured by executive leadership to demonstrate that their call center is not a cost center.

This finding highlights that despite the optimistic outlook regarding the profit margins of their call centers, surveyed healthcare call center leaders are under incredible pressure to showcase their financial contribution to the health system. Due to the current economic climate, it seems that all branches of healthcare systems are dealing with mounting expectations to contribute to net patient revenue.

> **74%** Feel pressured to demonstrate that their call center is not a cost center.

Figure 5: Do You Agree With the Statement: "I Feel Pressured by Leadership to Prove My Call Center Is Not a Cost Center?"



3.2

Most Leaders Have Difficulty Proving Their Call Center Is Not a Cost Center

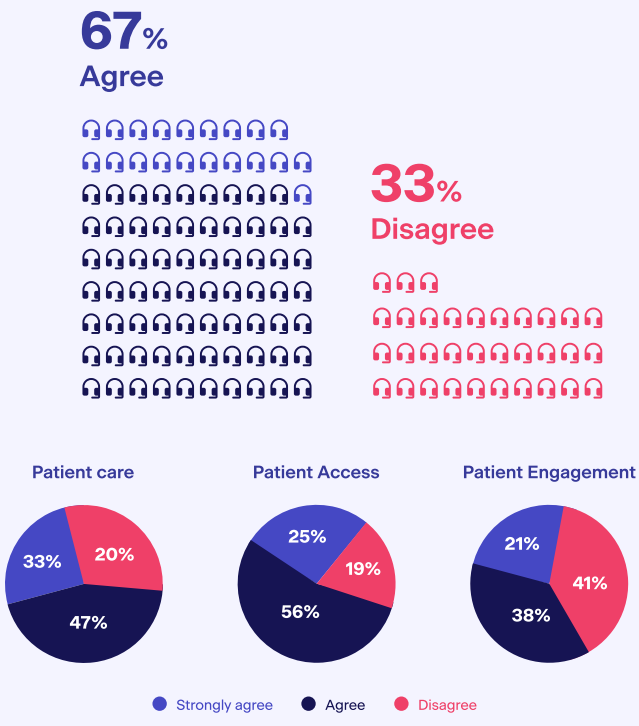
Most survey respondents (**67%**) agreed or strongly agreed with the statement: "I find it difficult to prove internally that my call center is not a cost center." This is a particularly pronounced pain point for respondents from the patient access/support department, where 81% agreed with this statement.

Our findings reveal a strained and fragmented relationship between healthcare call center leaders and their system executives and peers. Survey respondents' optimistic profit projections and actual positive performance, shown in figures 3-5, do not seem to be communicated with or understood by their superiors.

Is this an issue of traditional misconceptions about the role of the call center, or does the problem stem from a lack of technological tools that can help call center leaders accurately and compellingly communicate their call center's ROI?

> 67% of survey respondents agreed or strongly agreed with the statement: ***"I find it difficult to prove internally that my call center is not a cost center."***

Figure 6: Do You Agree With the Statement: "I Find It Difficult to Prove Internally That My Call Center Is Not a Cost Center?"



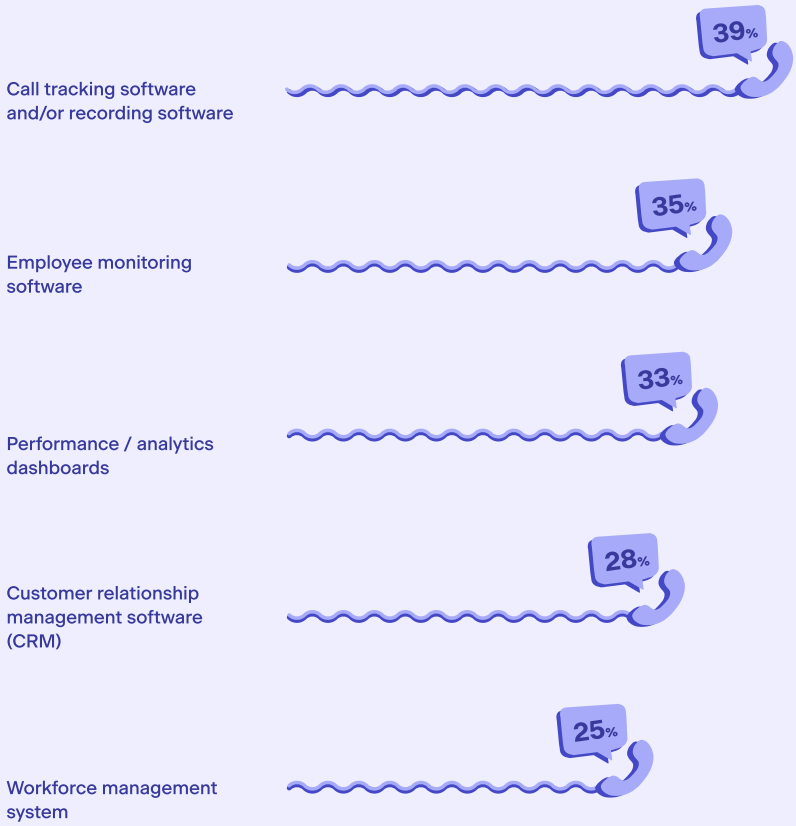
3.3

The Systems Call Center Leaders Use to Track ROI Are Failing Them

When it comes to measuring call center ROI, the primary tools in use are call tracking and/or recording software (39%), employee monitoring software (35%), and performance or analytics dashboards (33%).

The utilization of multiple tools suggests a lack of cohesive and efficient workflows and exposes underlying inefficiencies. Additionally, as findings 6-7 showcase, these systems are falling short of effectively assisting call center leaders in proving ROI internally.

Figure 7: Systems to Track and Measure Call Center ROI



*Question allowed more than one answer, and as a result, percentages will add up to more than 100%

04

A Leaking Bucket

Why annual operating budgets
are going to waste

4.1

The True Cost of Call Center Operations in Healthcare

Operating a call center requires a considerable annual investment, averaging $13.9 million, with a significant 43% (approximately $6 million) of budget allocated to labor costs (i.e., hiring, training, salaries, and benefits).

Figure 8: Total Annual Cost of Operation

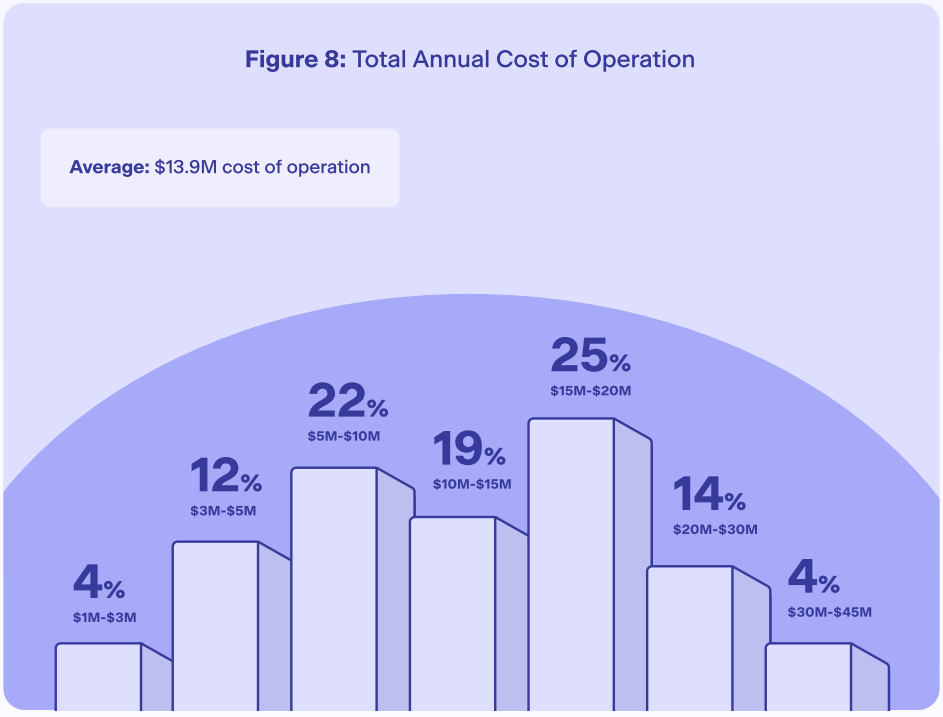
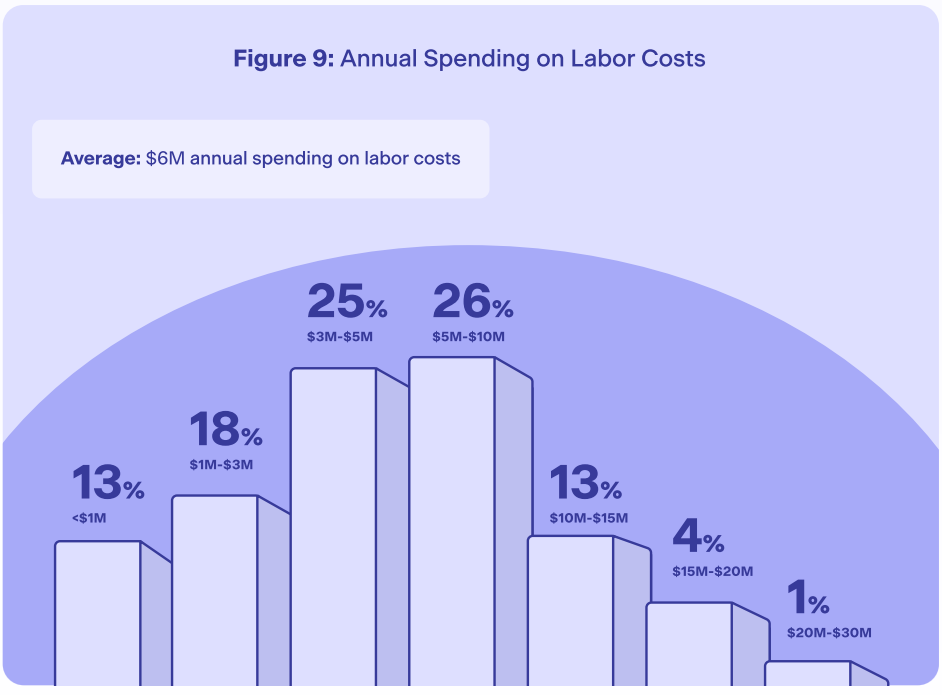


Figure 9: Annual Spending on Labor Costs



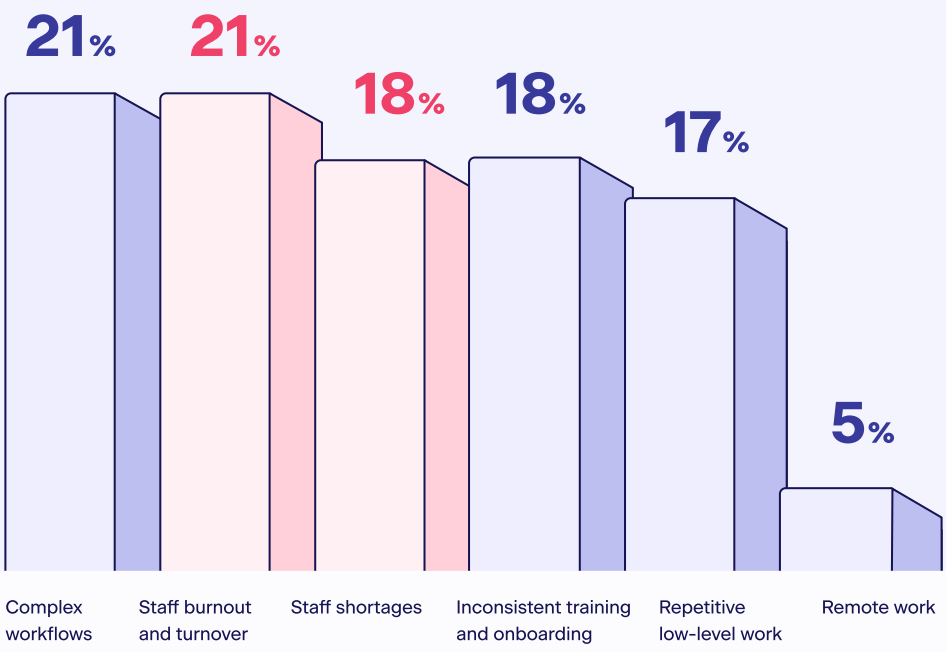
4.2

Labor-Related Challenges: The Root of Inefficiencies

39% of respondents pointed to labor-related issues such as staff burnout, turnover, and workforce shortages as the main drivers of their call center's inefficiencies. There are other contributing factors, too, like complicated workflows, the need for ongoing training, and repetitive low-level tasks.

Even though a significant chunk of our respondents' budget is sunk into labor costs, high burnout and turnover rates indicate that much of these resources are going to waste.

Figure 10: What Is the Primary Driver of Inefficiencies in Your Call Center?



> **39%** pointed to labor-related issues such as staff burnout and shortages as the main drivers of their call center's inefficiencies.

4.3

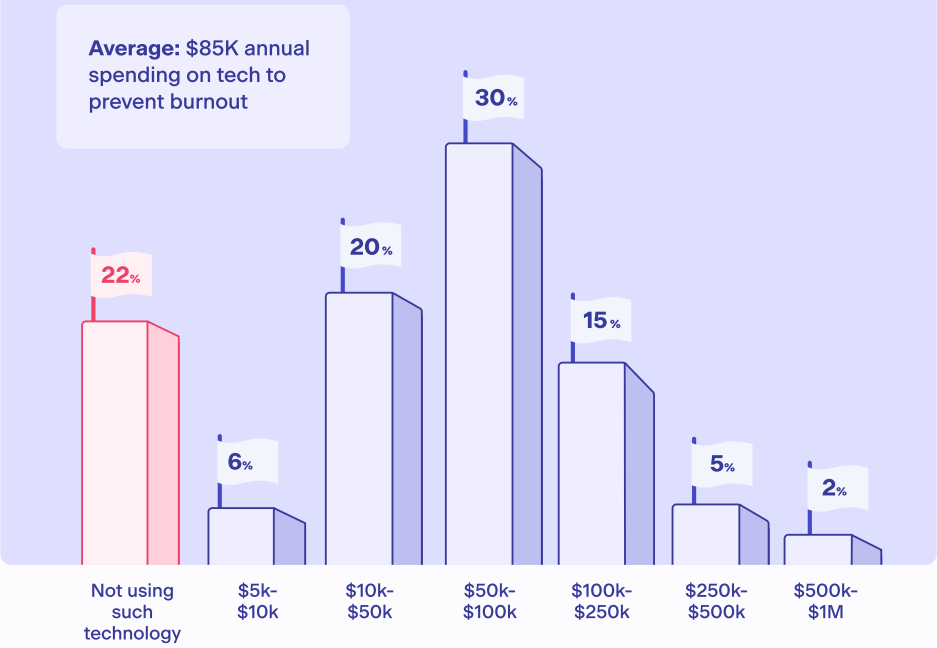
A Missed Opportunity: Investing in Burnout and Turnover Prevention

When asked about their annual spending on technologies to prevent agent burnout and turnover, 22% of respondents reported not having any such technologies in place.

Strikingly, 30% of respondents mentioned spending between $50,000 to $100,000 on such technologies, with an average expenditure of $85,000—meaning only 0.6% is spent in total on technologies to prevent agent burnout and attrition as opposed to 43% spent in total on labor costs.

This discrepancy should serve as a glaring red flag for call center leaders. It indicates a collective blind spot in technology-led short and long-term strategies to retain healthcare staff.

Figure 11: Annual Spending on Technologies to Prevent Agent Burnout and Turnover



> only **0.6%** spent in total on technologies to prevent agent burnout and turnover as opposed to **43%** spent in total on labor costs.

05

Tech Gaps

Most commonly used tech tools and their shortcomings

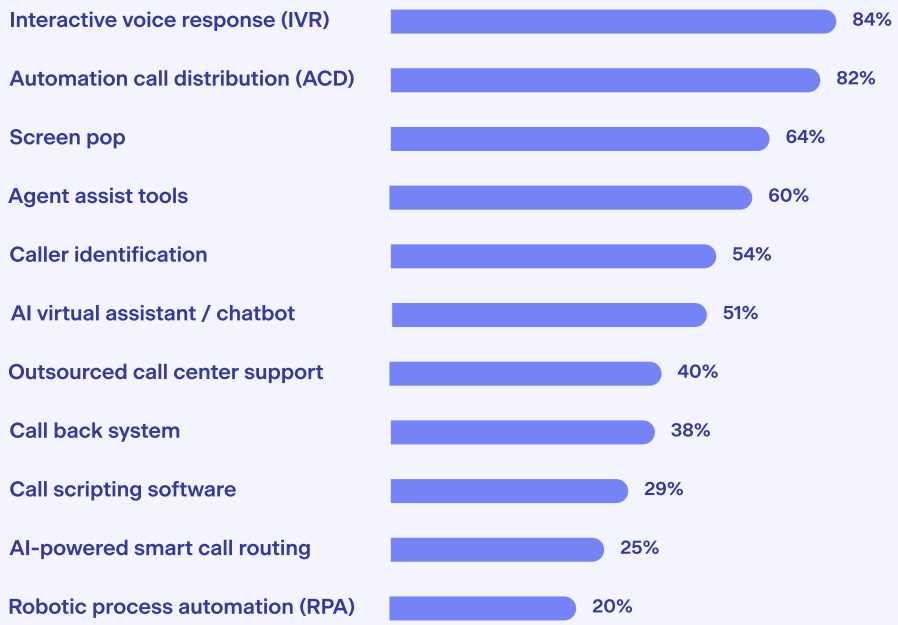
5.1

Outdated Technologies In Front

Our respondents' top technologies to assist agents with inbound call volumes (by a significant margin) are Interactive Voice Response (IVR), 84%, and Automatic Call Distribution (ACD), 82%.

Our findings suggest that healthcare call centers still heavily lean on outdated technologies such as Interactive Voice Response (IVR) and Automatic Call Distribution (ACD) to handle large inbound call volumes. This is despite the fact that 61% of American consumers believe IVR—a tool that was first introduced in 1962—makes for a poor customer experience, and 51% will abandon a business because of a negative IVR experience. On that same note, ACD systems first appeared in US call centers in the 1950s.

Figure 12: Technologies in Place to Support Agents with Inbound Call Volumes



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> ...call centers still heavily lean on outdated technologies such as Interactive Voice Response and Automatic Call Distribution to handle large inbound call volumes.

5.2

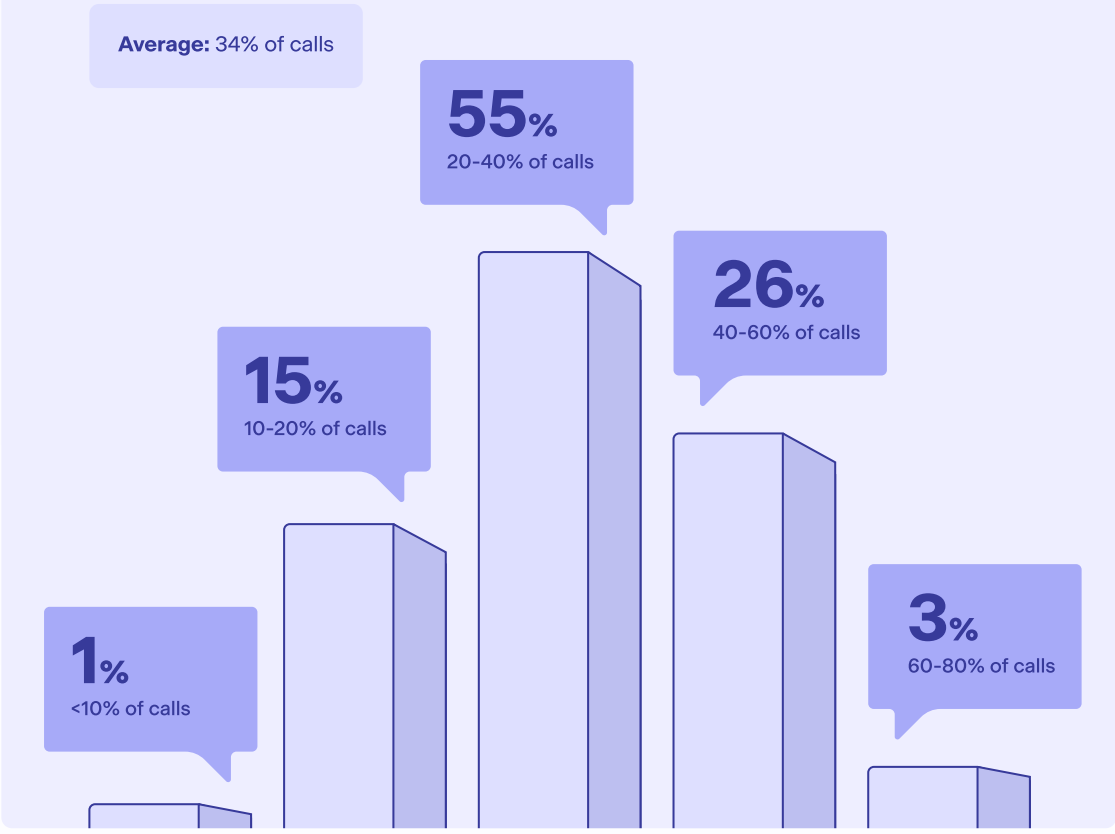
Underestimating AI-Powered Automation

Respondents were asked what level of inbound call automation they'd be happy with and expect from AI-powered solutions.

Interestingly, respondents indicated they would be content with an AI tool that could automate, on average, **34%** of inbound calls. However, it's worth noting that a number of AI solutions offered on the market can automatically field and resolve up to 85% of calls.

This disparity between respondents' expectations and the actual capabilities of AI might be due to a lack of awareness about its full potential or a degree of hesitancy in fully embracing AI-driven automation.

Figure 13: I Would Expect and Be Satisfied With AI-Powered Solutions Automating X% of Inbound Calls



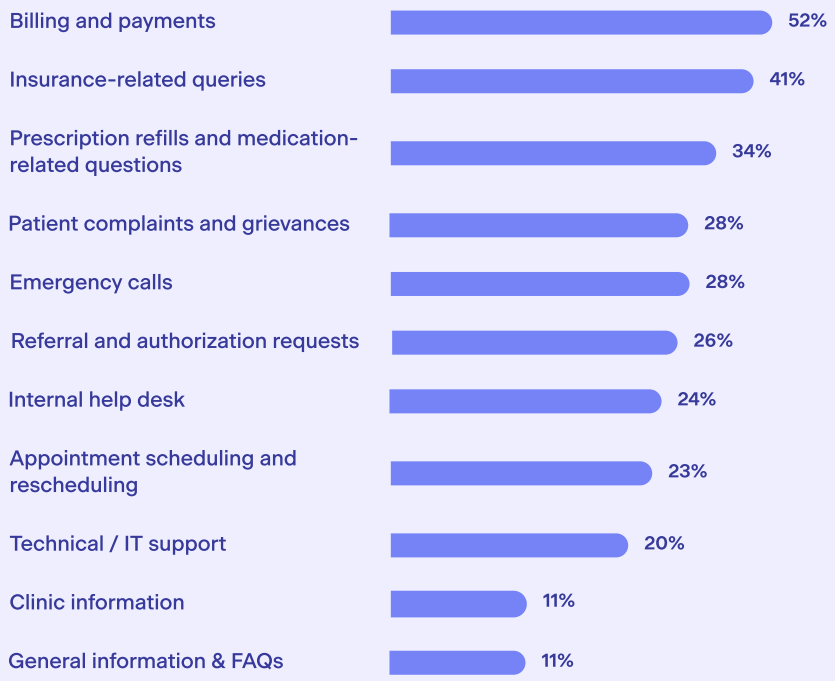
5.3

Main Call Drivers

As per our respondents, their call centers' top 3 call drivers are billing and payments (52%), insurance-related queries (41%), and prescription refills and medication-related questions (34%).

These findings should spur healthcare IT and digital patient engagement executives to develop strategies to preempt, capture, and resolve these patient call drivers via alternative digital channels. For example, offering easier routes to accomplish billing-related tasks on their website or updating their FAQ pages with relevant information on insurance and payer policies and eligibility.

Figure 14: Main Call Drivers



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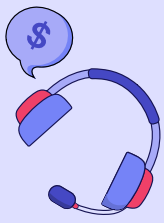


5.4

Grappling with Call Drivers in Healthcare Call Centers

84% of respondents agreed that understanding their main call drivers is important to them. When asked what systems they've adopted to measure their call drivers, 49% responded that their agents manually track, categorize, and report on call drivers, while another 49% said they use periodical agent surveys to collect this information.

The data points to a significant mismatch between the importance placed on understanding call drivers and the effectiveness of the top methods currently employed, as both systems are unreliable, non-empirical, and highly prone to human error and misinterpretation.

Figure 15: How Important Is It for You to Understand Your Patients' Main Call Drivers?

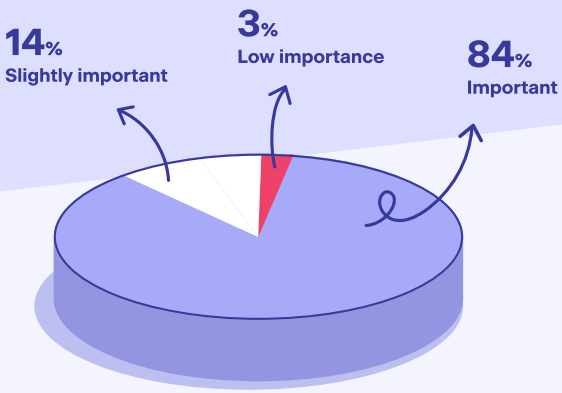
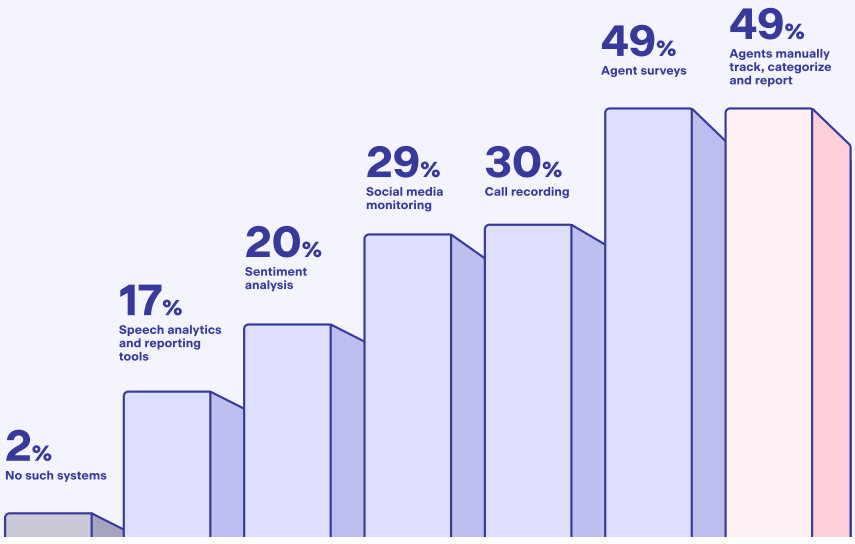


Figure 16: Which Systems Do You Have in Place to Track and Measure Your Call Center's ROI?



06

A GPT-Driven Future

Rapid generative AI adoption and areas of concern

6.1

Widescale Adoption of Large Language Model (LLM)-Based Solutions

Almost **half (46%)** of survey respondents are either in the process of evaluating, are currently deploying, or have already deployed LLM-based solutions (such as ChatGPT) to their call center—a remarkably high and unexpected percentage considering the traditionally cautious nature of the heavily regulated US healthcare industry when it comes to adopting new technology.

This surprising finding reveals that healthcare providers have been unusually quick to recognize the incredible potential of LLM-driven solutions in tackling their most pressing call center operational challenges. It signals a resounding vote of confidence in call center automation and AI that is not yet reflected in reality, as most other findings in our survey suggest.

As much as **33%** of respondents working for health systems with net patient revenue of $5B or more are contemplating deployment. In contrast, this number stands at 14% for those with a net patient revenue between $100M-$500M, suggesting that the more affordable enterprise-scale generative AI-based solutions become, the more likely smaller healthcare providers will join the trend.

Figure 17: Are You Evaluating the Deployment of LLM-Based Solutions?

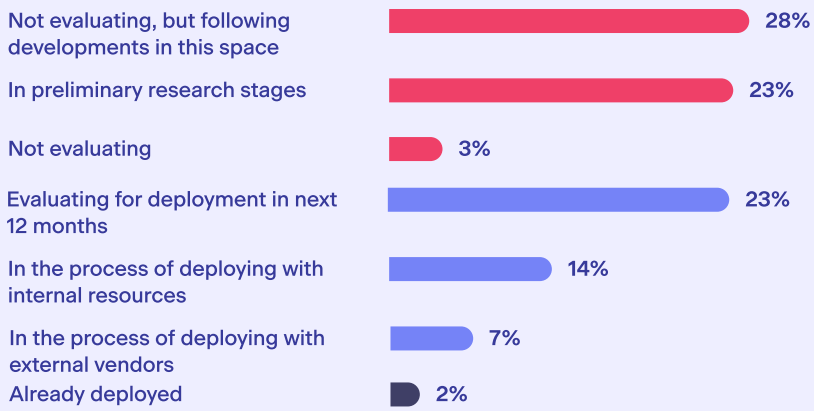
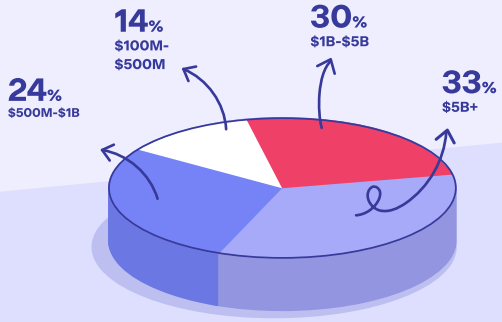


Figure 18: Evaluating for Deployment in Next 12 Months, by Net Patient Revenue



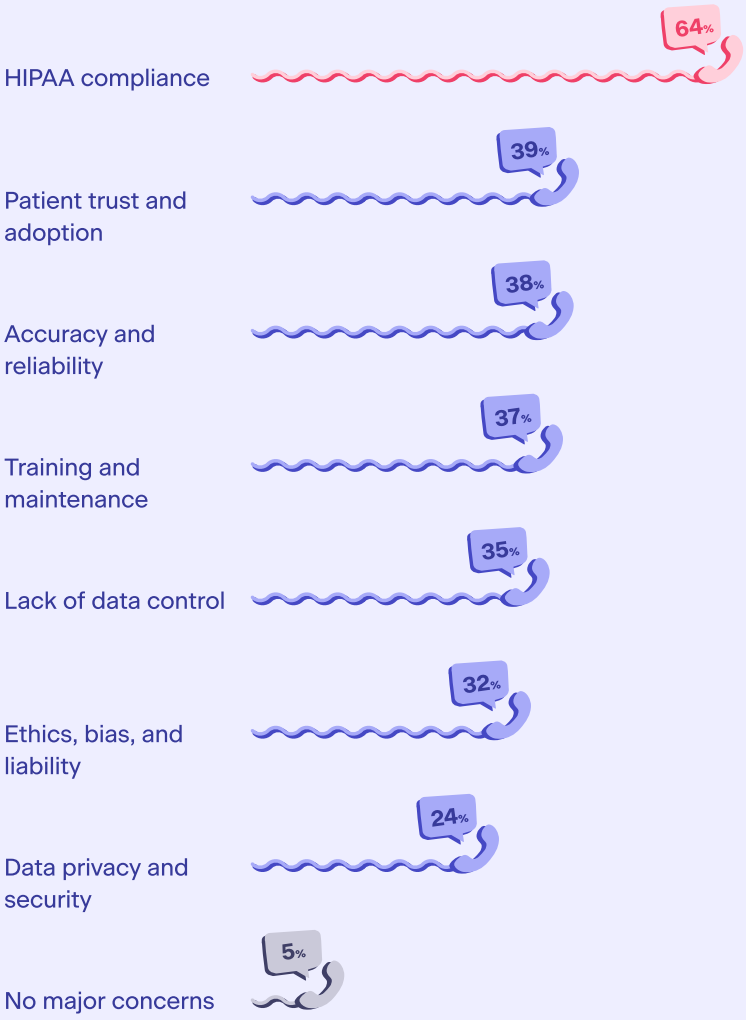
6.2

LLM Deployment Amid Compliance and Trust Concerns

A substantial **64%** of healthcare call center leaders prioritize HIPAA compliance as their primary concern when implementing LLM-based solutions. Additionally, patient trust and adoption (39%), along with accuracy and reliability (38%), are also notable obstacles. Consequently, the current utilization of LLMs as standalone solutions in healthcare is limited to administrative and clinical tasks only.

This focus on HIPAA compliance highlights the crucial significance patient privacy and data protection will hold in this emerging era of generative AI-driven healthcare communication.

Figure 19: Top Concerns About Use of LLMs

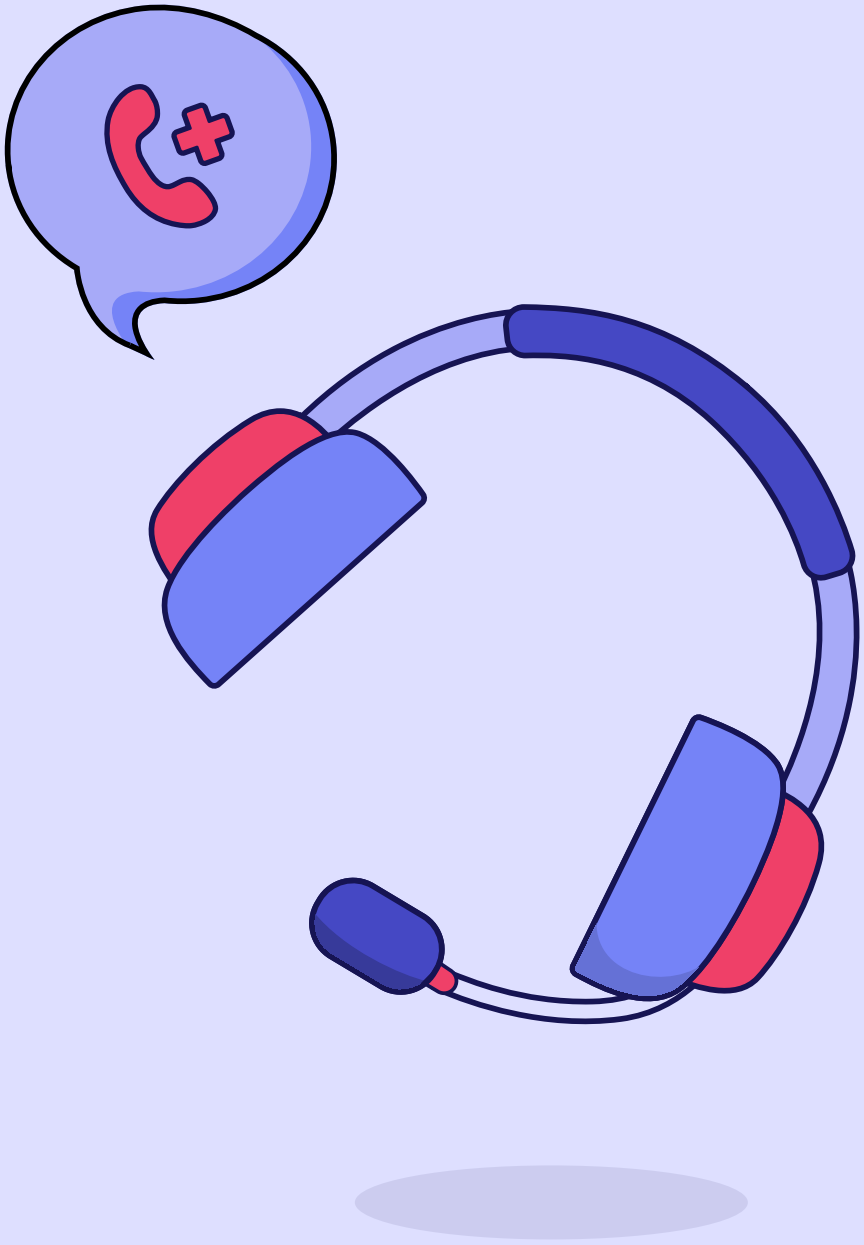


* Question allowed more than one answer, and as a result, percentages will add up to more than 100%

07

Definitive Benchmarks

Industry-wide average hold times, handle times, and more



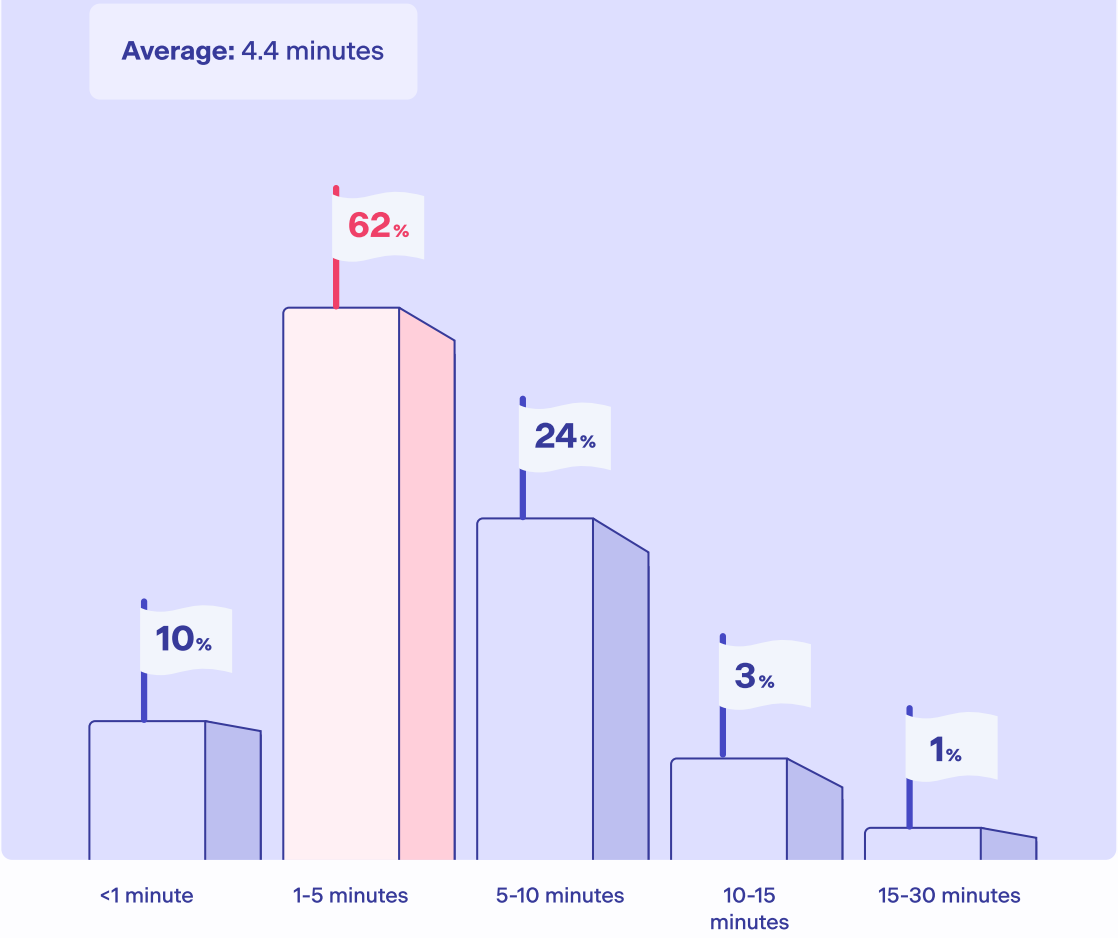
7.1

Average Hold Time

According to our survey, the average hold time for US healthcare call centers currently stands at 4.4 minutes. This falls significantly short of the Healthcare Financial Management Association's (HFMA) goal of 50 seconds, as well as the 56-second average hold time observed across US companies of various sizes and industries.

These extended hold times not only cause patient dissatisfaction but also indicate potential issues such as inadequate technology investment to reduce average hold times, understaffing, or inefficient workflows.

Figure 20: Average Hold Time



7.2

Average Handle Time (AHT)

The average handle time (AHT) for healthcare call centers is **6.6 minutes**, aligning with industry norms.

Interestingly, the difference in AHT between centers with 100 or 500+ agents is minimal. Even though more agents naturally means more calls, in essence, hiring more agents doesn't lead to significant AHT reductions. The urgent demand for innovative solutions and advanced technologies to effectively tackle this challenge becomes evident as relying solely on workforce expansion falls short of achieving significant improvements in AHT.

Figure 21: Average Handle Time (AHT)

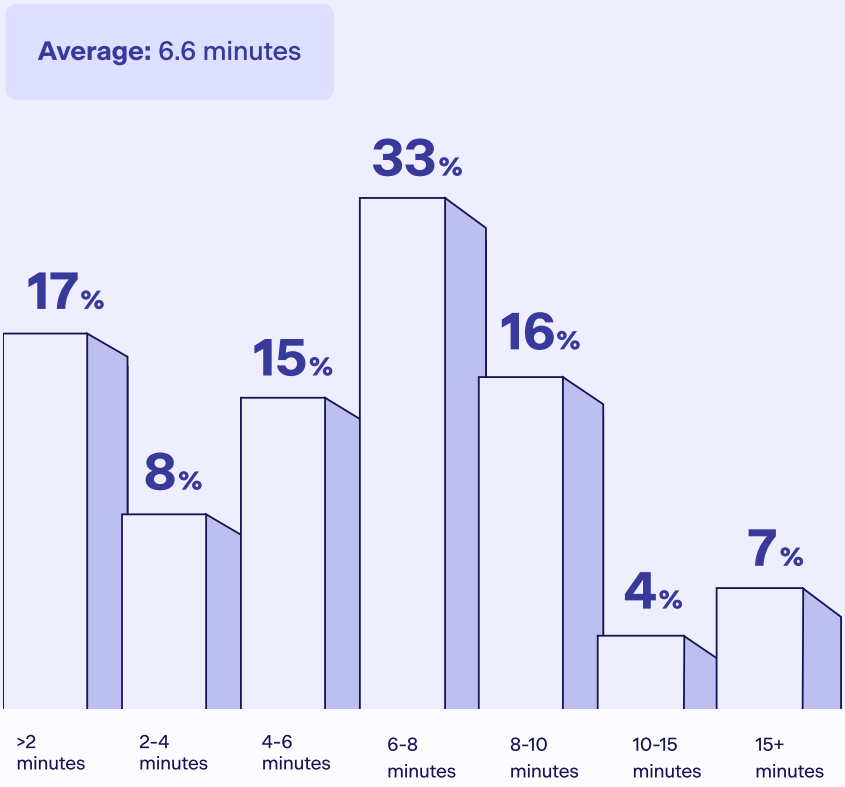
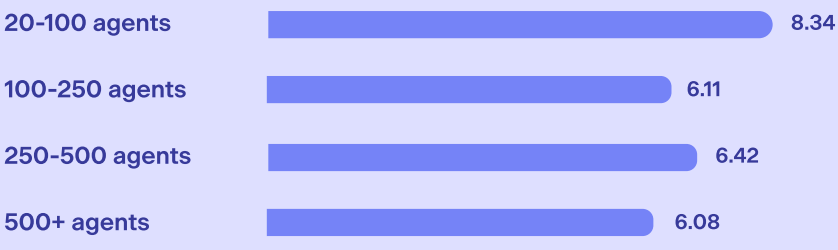


Figure 22: Average AHT in Minutes, by Number of Agents



7.3

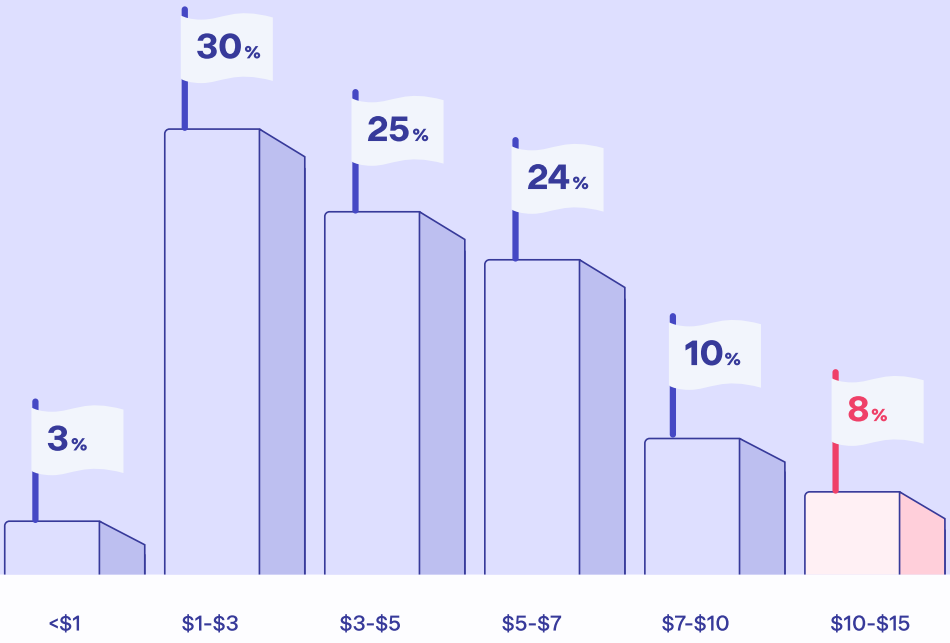
Cost per Call (CPC)

The average cost per call is **$4.9**, with 8% of respondents reporting higher figures ranging from $10 to $15 per call. Although this falls in line with industry standards, doing the math paints quite a startling picture. On average, each call center agent handles approximately 75 calls per day. With a total of 350 agents (approximate average call center size per survey results), that adds up to 26,250 calls daily—multiplying this by an average cost per call of $4.9 results in a staggering $128,625 per day.

This highlights the pressing need for cost-efficient solutions that can effectively reduce per-call expenses without compromising the quality of service delivered. By automating just 34% of these calls using AI (as shown in Figure 14), there would be 8,925 fewer calls each day, leading to cost savings of $43,702 daily.

Figure 23: Average Cost per Call

Average: $4.9 per call



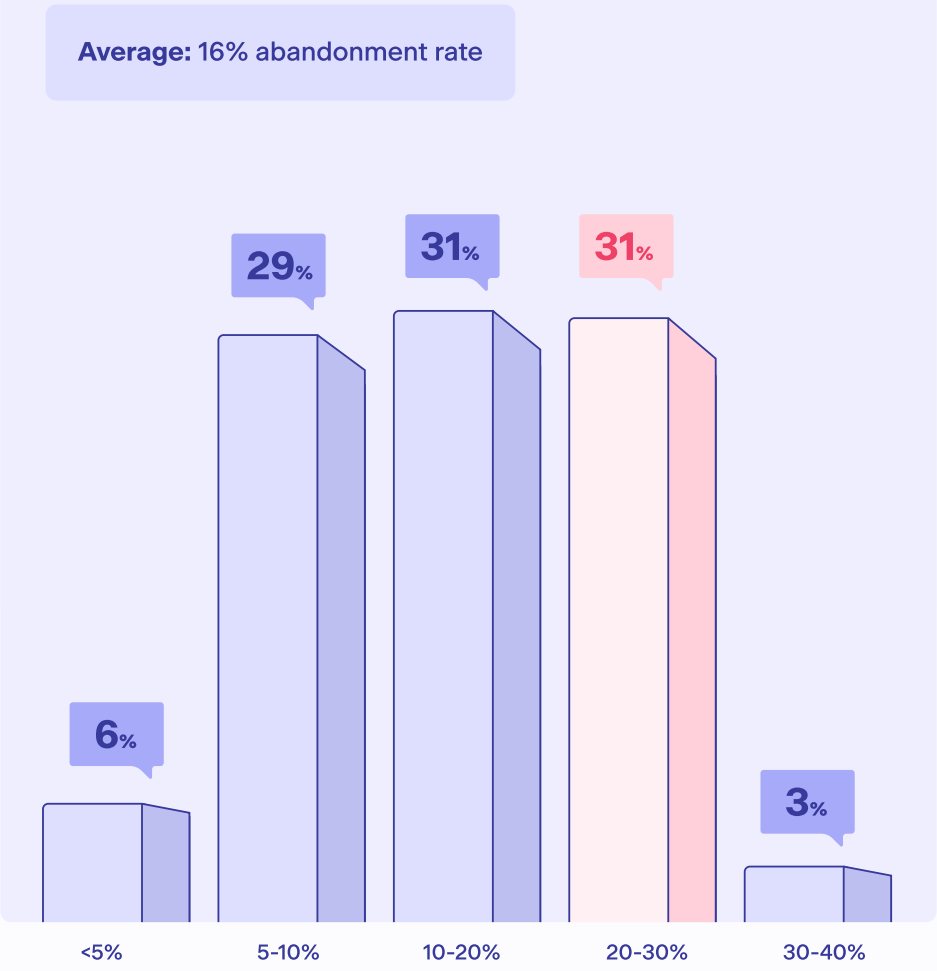
7.4

Call Abandonment Rate

The average call abandonment rate for healthcare call centers is 16%, meaning that almost one in six callers hang up before speaking to an agent.

31% of respondents report abandonment rates ranging from 20% to 30%, correlating with long patient hold times revealed through our findings.

Figure 24: Average Call Abandonment Rate



> The average abandonment rate for healthcare call centers is 16%, meaning that almost ***one in six callers hang up before speaking to an agent.***

7.5

First Call Resolution (FCR)

The average first call resolution rate (FCR) for survey respondents is **52%**, with only 1% achieving an FCR rate between 80-100%.

This falls well below the 70%-79% standard for good FCR established by SQM for healthcare call centers, and means that approximately one in two US patients must call their provider's call center more than once to resolve their issue.

> Approximately ***one in two US patients*** must call their provider's call center more than once to resolve their issue.

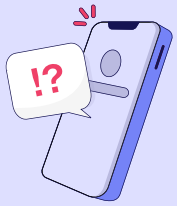
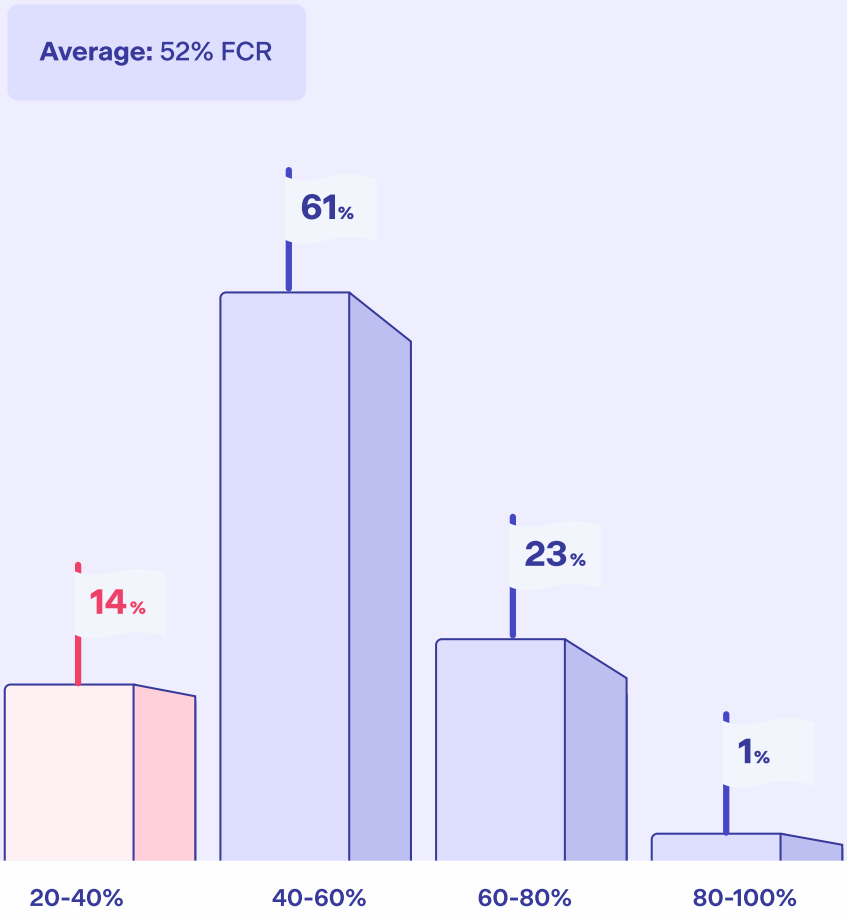


Figure 25: First Call Resolution Rate (FCR)



7.6

Call Center Hours of Operation

Only 19% of healthcare call centers operate 24/7, while 53% are almost always operational (e.g., 24/5 or 7 days a week, 9-5). Another 22% keep regular business hours but have reduced hours on weekends and holidays, and 6% operate exclusively during business hours, closing on weekends.

As per Hyro's Conversational Intelligence analysis, of 300,000 patient calls, 11% of patients call during off-hours or weekends, suggesting the need to extend service hours or explore alternative solutions such as AI-based conversational interfaces to enhance service accessibility and improve patient satisfaction.

Figure 26: Call Center Hours of Operation

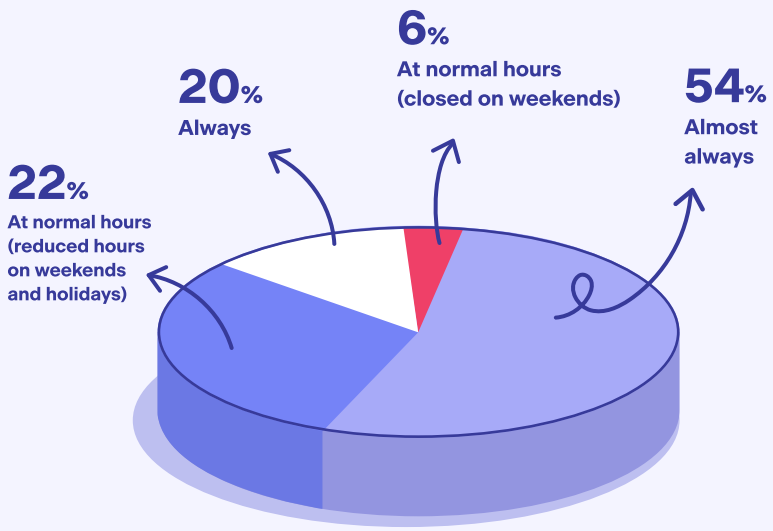
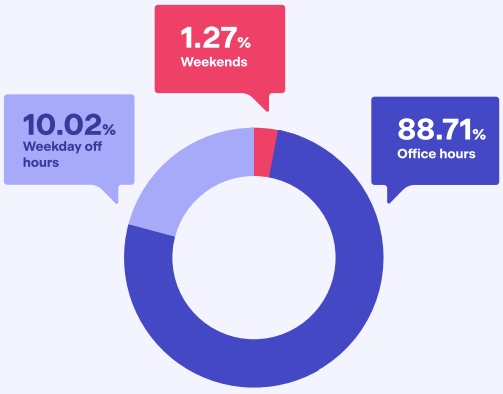
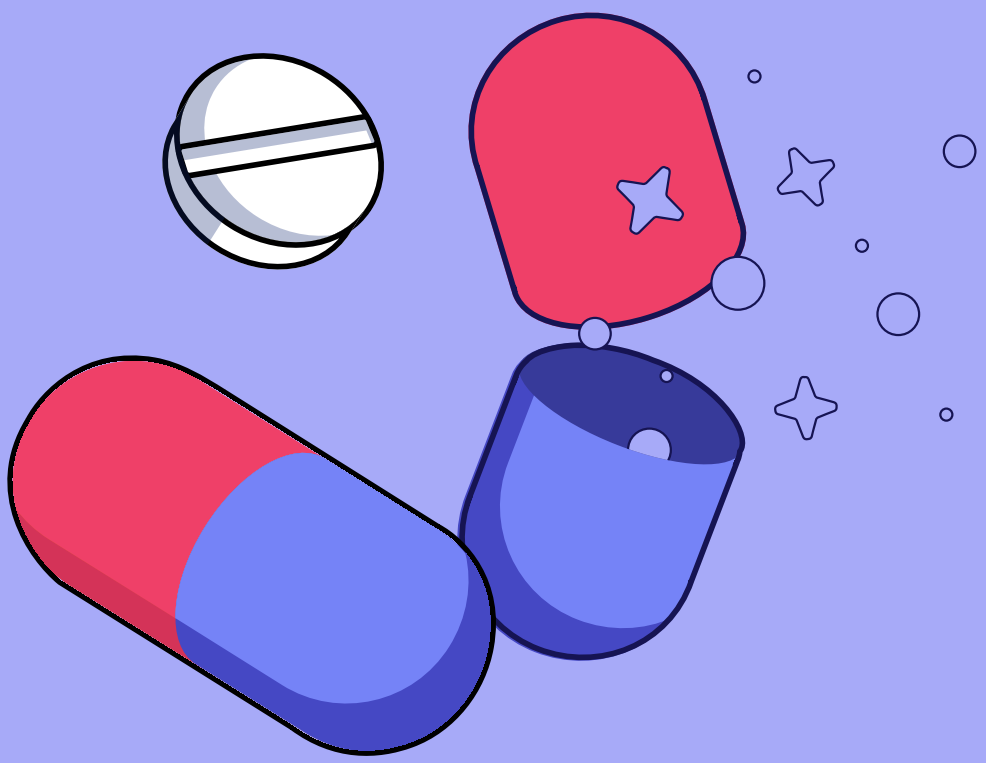


Figure 27: When Do Patients Call? Based on 300,000 Patient Interactions with Hyro's Call Center AI Assistants



08

Survey Demographics



8.1

Respondents' Job Seniority, Department, Net Patient Revenue, Company Size, and # of Agents

Figure 29: Job Seniority

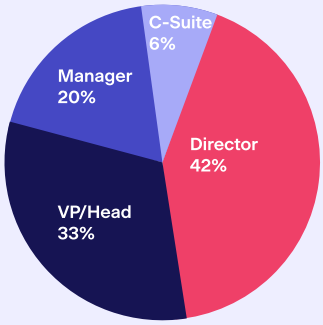


Figure 30: Department

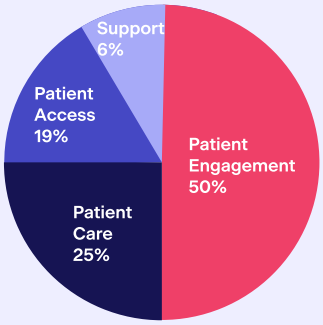


Figure 31: Organization's Net Patient Revenue

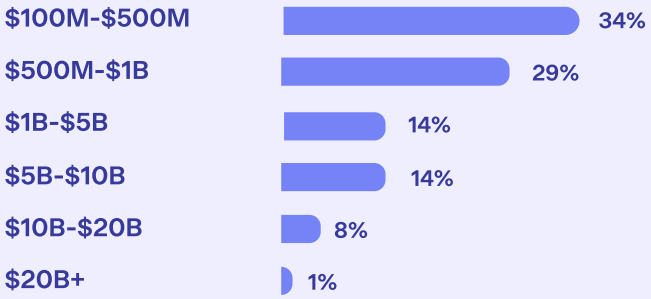


Figure 32: Total Headcount

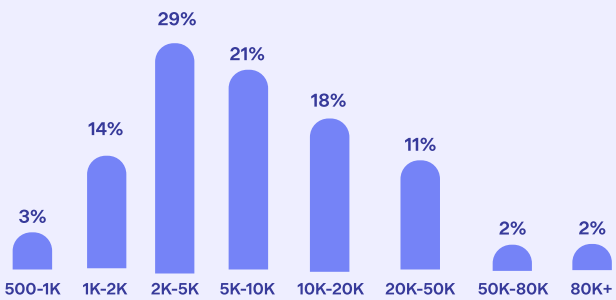
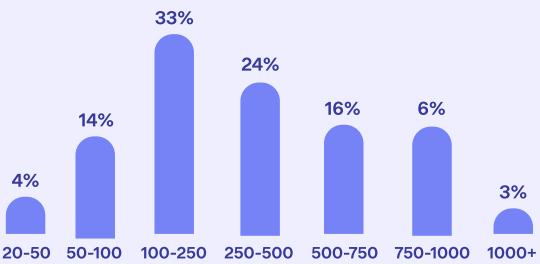
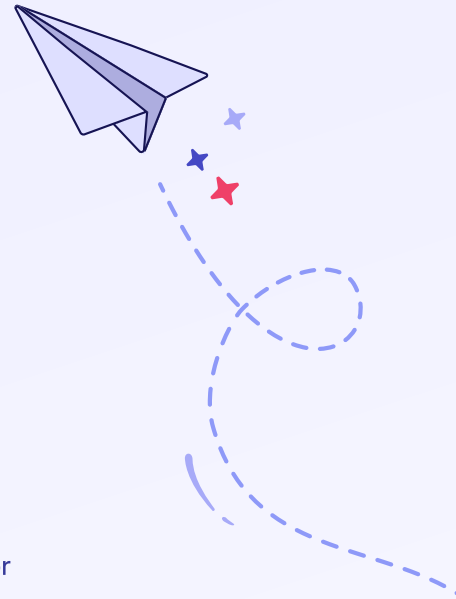


Figure 33: Overall Call Center Agent Headcount





hyro

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Hyro's clients, which include Intermountain Healthcare, Baptist Health, and Novant Health, benefit from AI assistants that are 60x faster to deploy, easy to maintain, and simple to scale—generating better conversations, more conversions, and revenue-driving insights. Learn more at www.hyro.ai

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