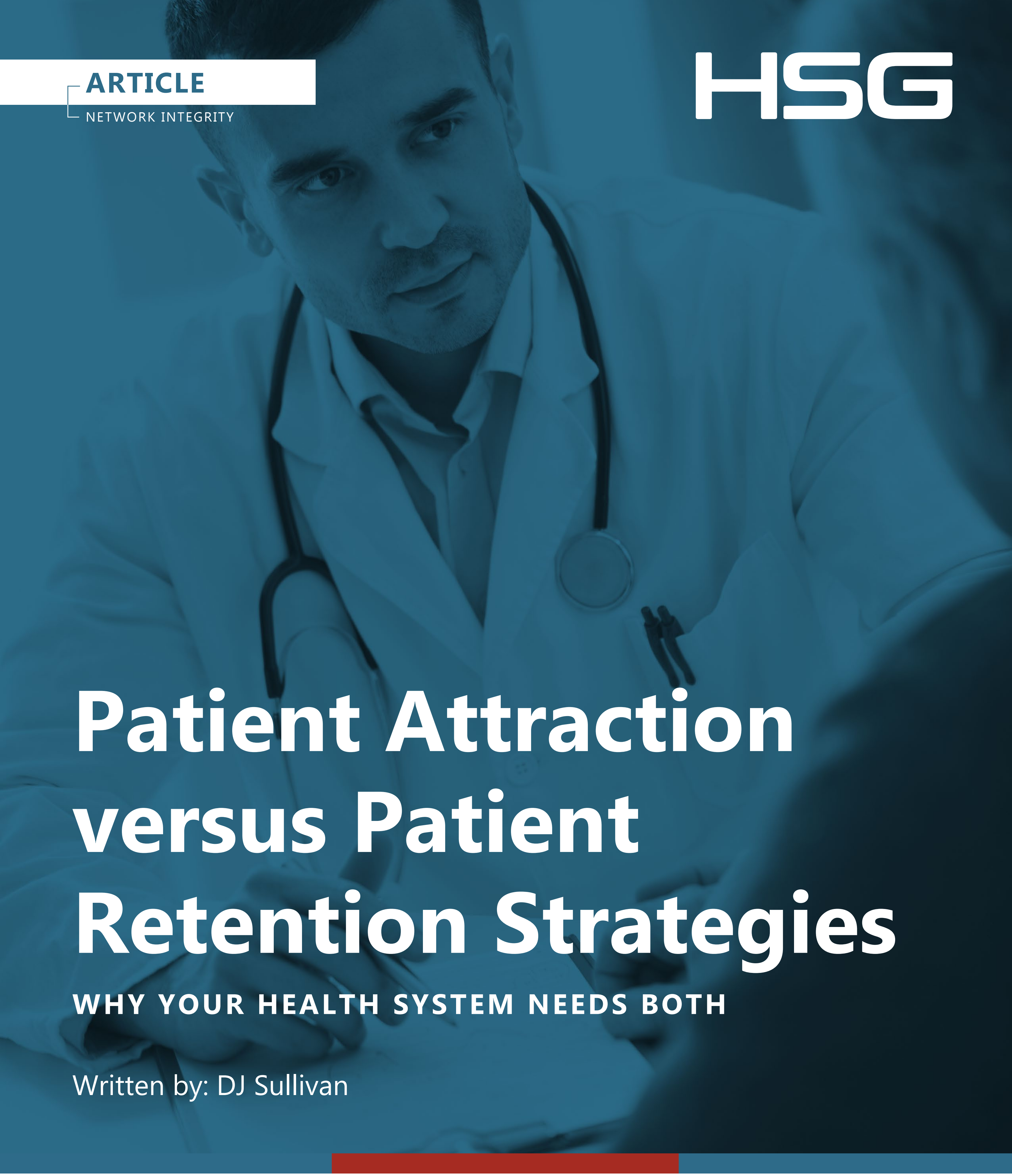


ARTICLE

NETWORK INTEGRITY

HSG

Patient Attraction versus Patient Retention Strategies

WHY YOUR HEALTH SYSTEM NEEDS BOTH

Written by: DJ Sullivan

Health systems continue to live in a predominantly fee-for-volume world while slowly transitioning towards a fee-for-value environment. The dynamics of trying to operate in two different environments produces a polarizing effect on patient growth strategies. Fee-for-volume is focused solely on attracting and pushing more patients through the system. Fee-for-value is looking to manage the care of a specific population in a more cost-effective and quality manner. To survive in both worlds, organizations currently need strategies to support each. Patient attraction strategies will support organizations continuing to thrive in today's current fee-for-volume environment. Patient retention strategies support the latter.

PATIENT ATTRACTION

1 | Referral Source Alignment

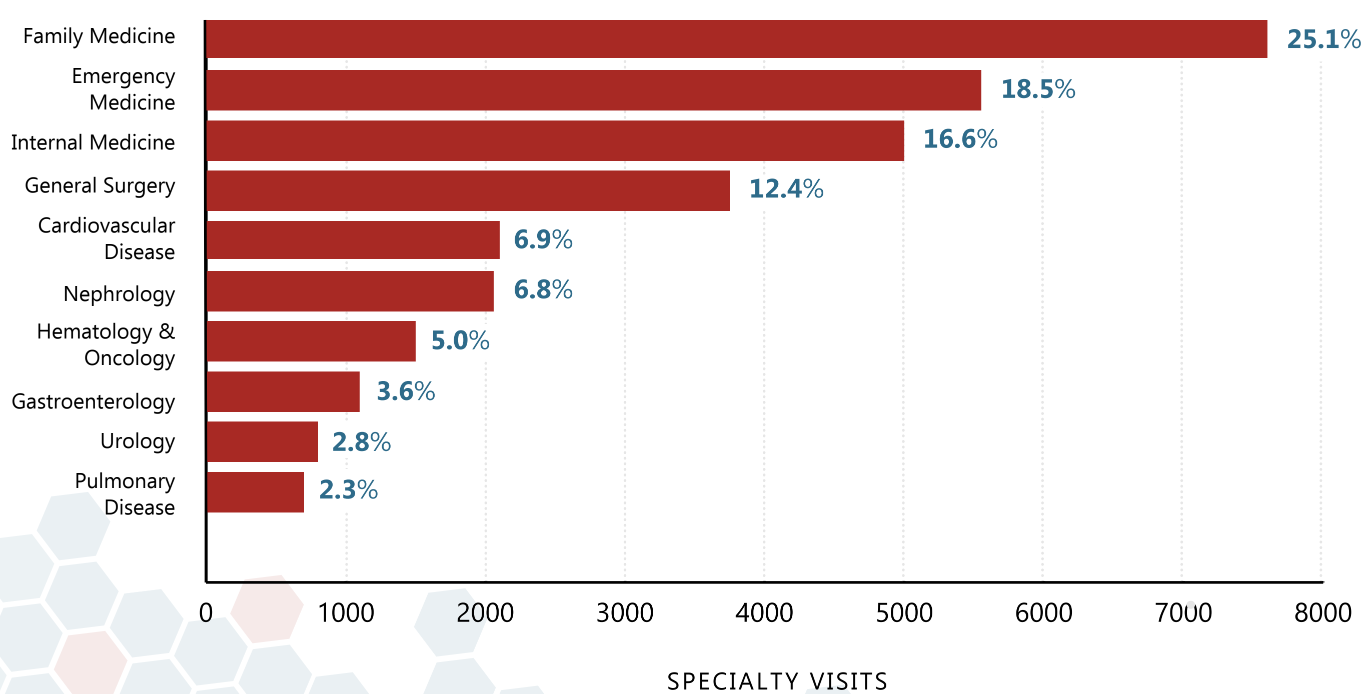
The most immediate opportunity for your health system to attract patients is by closely aligning with physicians and advanced practice providers (APPs) that are already sharing patients with your sites of service. Comprehensively evaluating current provider alignments and developing a strategy to tighten those relationships will support short- and long-term growth objectives.

In Figure 1, you will see an example of using claims-based data to identify key referral sources to an orthopedic practice to support prioritization of patient attraction and provider alignment opportunities.

FIGURE 1

TOP FEEDING SPECIALTIES

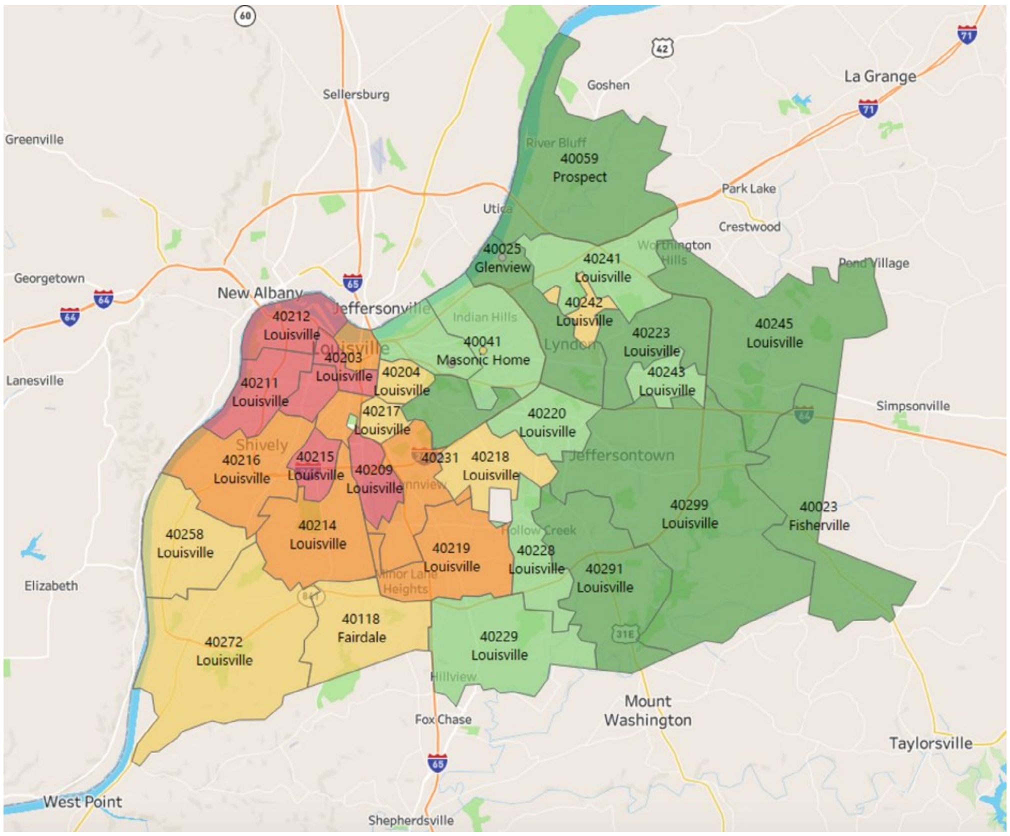
All visits occurring up to 90 days before a visit with an included orthopedic provider
Grouped by the specialty categorization of the provider
Label indicates percentage of total



2 | Market Attractiveness

Factors such as population size, population growth, household income, and percentage of residents with private insurance can provide valuable directional support for initial markets to explore expansion opportunities. Figure 2 is showing an example of a Louisville market analysis based on zip code market strength.

FIGURE 2



Zip Codes are compared to national rates based on:

- Median Income
- Population Growth
- Percent Private Insurance

An absolute score category from Very Weak to Very Strong is determined based on the average result for the zip code for each category.

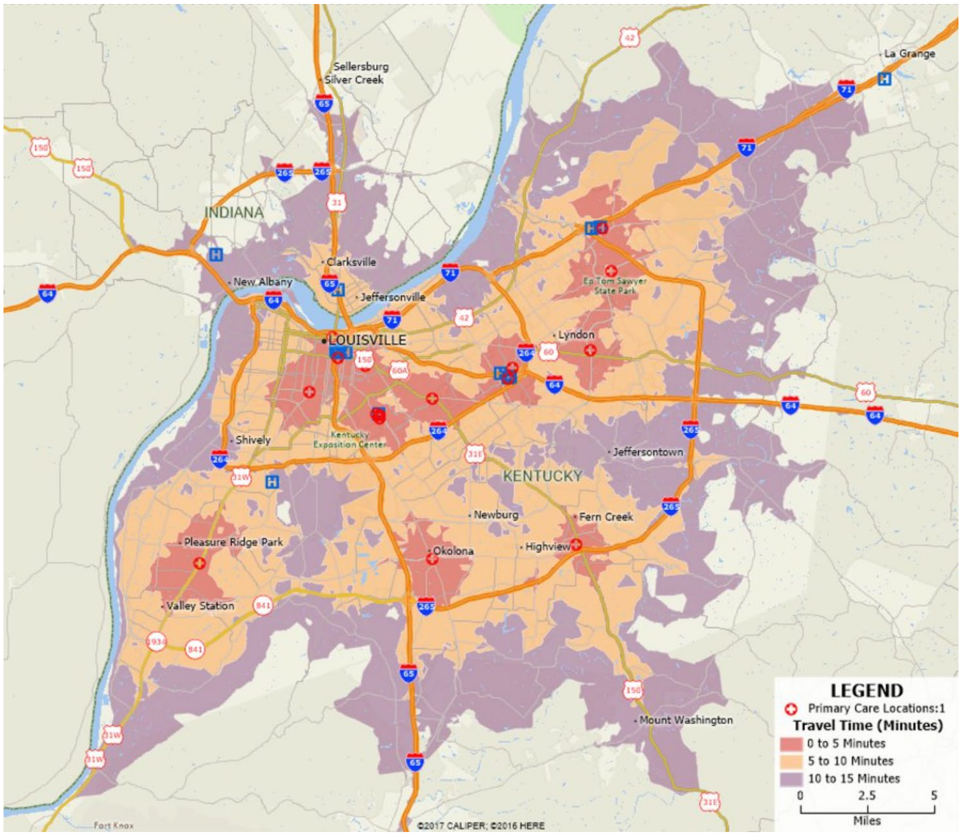
- Very Weak
- Weak
- Moderate
- Strong
- Very Strong

3 | Patient Drive Time and Travel Patterns

Evaluating patient access to care and its impact on attracting new patients is beneficial. Patient drive times to hospital facilities, primary care, or specialty practices, along with other ambulatory service sites, may influence patient choices. Exploring high volume traffic areas, resident travel patterns, and tertiary orientation in specific markets provides guidance for areas of growth for a physician practice or ambulatory care access placement.

Figure 3 illustrates a sample Louisville market analysis based on drive time to primary care locations in the surrounding area.

FIGURE 3



Drive Time	Population
Less than 5 min	187,917
Less than 10 min	606,038
Less than 15 min	854,940

- 0-5 Minutes
- 5-10 Minutes
- 10-15 Minutes

4 | Primary Care Physician Need

Primary care need directly impacts your organization's ability to build and sustain a new patient base within a market. Markets with a strong primary care need and the ability to draw incremental patient volumes from surrounding locations may be ideal for geographic expansion. Figure 4 illustrates a market analysis of Primary Care Need by Geographic Region.

FIGURE 4

	Downtown Louisville	North East Louisville	West Louisville	South East Louisville
Physician Demand	**46.6**	**12.4**	**53.2**	**26.7**

PHYSICIAN SUPPLY DETAILS

	Downtown Louisville	North East Louisville	West Louisville	South East Louisville
Traditional PCP Physician	51.5	5.6	42.4	40.8
Urgent Care Physicians	5.0		3.8	3.5
Gross Need	**-9.9**	**6.8**	**7.1**	**-17.7**

APP SUPPLY DETAILS

	Downtown Louisville	North East Louisville	West Louisville	South East Louisville
Primary Care APPs	20.0	6.1	24.0	12.0
Urgent Care APPs	5.0		5.0	10.0
Total APPs	**20.0**	**6.1**	**29.0**	**22.0**

NET NEED AT VARYING APP EQUIVALENCIES

	Downtown Louisville	North East Louisville	West Louisville	South East Louisville
0.4 FTEs	-17.9	4.3	-4.5	-26.5
0.6 FTEs	-21.9	3.1	-10.3	-30.9
0.8 FTEs	-25.9	1.9	-16.1	-35.3

5 | Market Share

Inpatient and outpatient market share analysis can classify service areas based on the greatest market change (positive or negative), potential patient growth opportunities, and overall market competitiveness. It can help you determine:

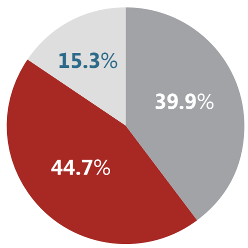
- What patient share your organization is currently losing that you should be winning.
- Which markets offer the largest opportunity for increasing your patient share and attracting new patients into your system.

In Figure 5, you will see a sample dashboard measuring patient leakage for outpatient orthopedic services.

FIGURE 5

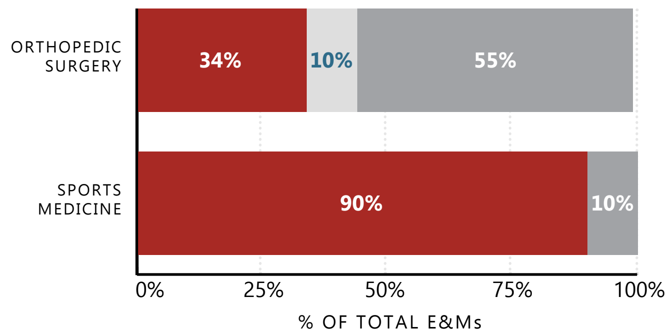
Outpatient Claims Summary for **Orthopedics** for Patients in **CLIENT Service Area**

Total Charges	$190M
CLIENT % of Charges	73%
Total Patient Count	139,790
CLIENT % of Patient Count	44.7%



Other
Regional Competition
Client Hospital

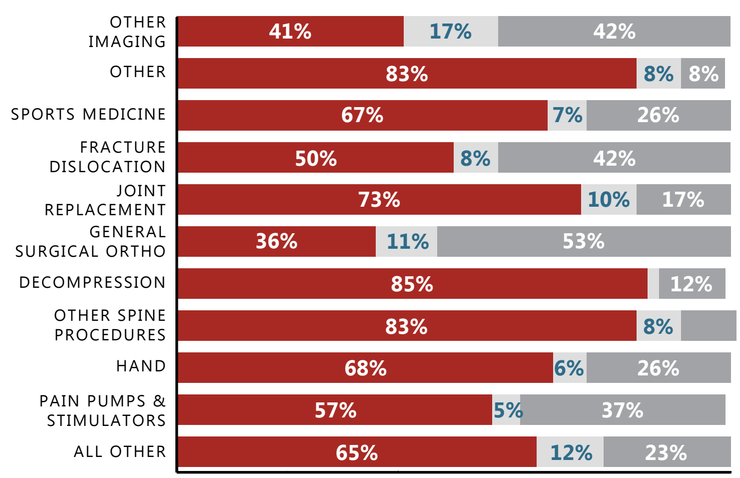
E&M: OFFICE VISITS CAPTURE RATE BY SPECIALTY



TOTAL CHARGES AND PATIENT COUNT BY SUB SERVICE LINE

	TOTAL CHARGES	TOTAL PATIENT COUNT
OTHER IMAGING	$80,905,695	109,079
OTHER	$37,945,086	2,490
SPORTS MEDICINE	$16,608,867	3,715
FRACTURE/DISLOCATION TREATMENT	$11,386,354	6,822
JOINT REPLACEMENT	$9,553,437	1,246
GENERAL SURGICAL ORTHOPEDICS	$6,400,197	7,291
DECOMPRESSION	$5,685,039	1,011
OTHER SPINE PROCEDURES	$5,609,092	2,359
HAND	$4,956,397	1,841
PAIN PUMPS & STIMULATORS	$4,188,517	583
ALL OTHER	$6,535,387	3,353

DISTRIBUTION OF TOTAL PATIENTS BY SUB SERVICE LINE



PATIENT RETENTION

A patient retention strategy needs to be defined more specifically on the site of service in which patients are entering your system. By definition, the goal with patient retention strategies is to maximize the utilization of services for patients already touching your sites of care. These strategies differ by site of service. The three most critical entrance points to your health system that need to be addressed include: Primary Care Patients, Emergency Department Patients, Urgent/Immediate Care Patients.

1
PRIMARY CARE
PATIENTS

How loyal are our established patients on our primary care provider panels?

2
EMERGENCY
DEPARTMENT PATIENTS

Where do our ED patients receive care after receiving services at our facilities?

3
URGENT/IMMEDIATE
CARE PATIENTS

What opportunities exists to maximize retention of patients utilizing our urgent care locations?

1 | Primary Care Patients

Patients utilizing your primary care physicians and APPs on a regular basis are inclined to be a more loyal patient base. These are traditionally patients that are willing to utilize services predominantly based on physician recommendations. Internal processes and workflows need to be optimized so that patients can easily remain within the system.

2 | Emergency Department Patients

Emergency department (ED) patients are traditionally less loyal than primary care patients. There are often two key groups of patients utilizing the ED:

- Patients that are unsure of the appropriate site of service for their healthcare needs.
- Patients with true emergent care.

Building internal processes to educate the first grouping of patients about different sites of service and the capabilities within each while building internal follow-up plans for the latter patient group can provide opportunities to increase current capacities as well as simultaneously maximize your ability to retain patients.

3 | Urgent/Immediate Care Patients

Urgent care patients are typically the least loyal of any of the patient cohorts defined. Urgent care patients are often the most educated on service offerings and most likely to shop around for healthcare services. Educating these patients while they are in your sites of care on your providers' capabilities and skillsets can lead to fruitful returns over time.

As the healthcare ecosystem continues to evolve and shifts towards fee-for-value, but predominantly still remaining fee-for-service, your health system should have strategies to support the attraction and growth of new patients into your system while simultaneously retaining current patients to optimize the comprehensive care requirements they are receiving.

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ABOUT HSG

HSG is a national healthcare consulting firm that focuses on building high-performing employed physician networks and physician integration so health systems can address complex changes with confidence. We work as a part of your team to build an operationally efficient, strategically valuable provider network. If physician employment is not an option, we define the best model for integration of private groups, the model that best aligns strategy and incentives.

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- Physician Strategy
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