

Optimizing Patient Attraction and Retention Strategies Increases Contribution Margin \$10M+

SOUTHEAST HEALTH SYSTEM

OVERVIEW

A Southeastern multi-hospital independent system located 45 minutes from a large tertiary market has historically struggled to attract patients from local competitor markets. Simultaneously, the system was also losing patients from its home market to tertiary health systems, specifically for high-complexity services.

CLIENT QUICK FACTS

- ✓ Based in Southern U.S.
- ✓ 188-bed acute care hospital
- ✓ 50+ employed providers
- ✓ \$330M net revenue
- ✓ Client since: 2019

“HSG started working with this system to address these issues, beginning with an investment in building strategic outreach. Growth team members were directed to focus on building relationships with key primary care and specialty care providers in an eight-county region.

– D.J. SULLIVAN, HSG DIRECTOR

CHALLENGES

This hospital has a central initiative focused on attracting new patients for key service lines while maximizing patient retention within the employed network and closely aligned primary care providers. The hospital had a blind spot regarding specific patient leakage volumes and no systematic way of prioritizing provider liaison initiatives. Utilizing **HSG Patient Flow™**, which measures provider volumes and relationship patterns in 90-day timeframes (optimal for patient access), the organization was then able to focus on two key areas:

- 1 Identify top referring providers on a quarterly basis.** Prioritizing the practices according to the data will inform opportunities to optimize patient retention from local primary care providers.
- 2 Measure patient leakage amongst area practices on a quarterly and annual basis.** Prioritizing the practices according to the data will inform opportunities to optimize patient retention from local primary care providers.

THE PROCESS

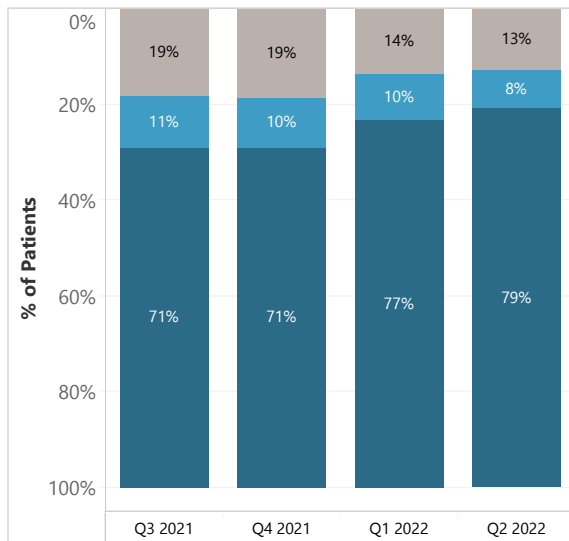
The strategy and business development teams utilized key data insights to optimally prioritize their time (by review of practice and provider data volumes), resulting in the fastest return on their investment in strategic growth initiatives. **In a 12–18-month timeframe, the health system was able to grow its total contribution margin by over \$10M.** Its strategic growth investment in data and personnel were identified as the major contributor to the system’s success.

THE RESULTS

Example 1

The health system was focused on building new neuroscience capabilities to serve its population. They were able to increase patients from a singular independent primary care group to its employed neuroscience specialists by more than 200 unique patients, increasing patient keepage from that one practice by 8% over the 12 months.

Independent Primary Care Group
Volume to Neuroscience Specialists



LEGEND
■ Other
■ Aligned Specialists
■ Employed Specialists

Overall SL Table - Med

	Sum of Patient Count				% of Patient Count			
	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Employed Specialists	1,863	1,657	1,807	2,065	70.9%	70.9%	76.7%	79.1%
Aligned Specialists	277	240	228	211	10.5%	10.3%	9.7%	8.1%
Other	488	440	322	336	18.6%	18.8%	13.7%	12.9%
Total	2,628	2,337	2,357	2,612	100.0%	100.0%	100.0%	100.0%

Rendering Employment Status1
■ Employed Specialists
■ Aligned Specialists
■ Other
■ Total



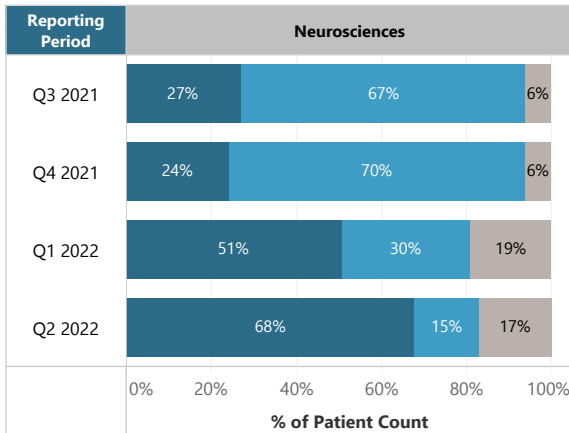
KEY FINDINGS

Some of the most significant impacts on the organizational contribution margin **came from transitioning patient volumes from specialists on the medical staff (but not performing procedures at the hospital locations) to employed specialists.**

Example 2

The example below shows patients from an individual primary care provider transitioned to neuroscience specialists (medical staff aligned vs. employed) in a 90-day timeframe. The patient keepage to employed neuroscience specialists increased from 27% to 68% over a 12-month timeframe. While the patient volumes are not as significant at the individual primary care provider level, minor changes such as these extrapolated over an entire market resulted in substantial financial returns for this health system.

By Provider - Med



LEGEND
 ■ Other
 ■ Aligned Specialists
 ■ Employed Specialists

Practice SL Table - Med

	Sum of Patient Count				% of Patient Count			
	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Employed Specialists	22	19	64	63	26.8%	24.1%	50.8%	67.7%
Aligned Specialists	55	55	38	14	67.1%	69.6%	30.2%	15.1%
Other	5	5	24	16	6.1%	6.3%	19.0%	17.2%
Total	82	79	126	93	100.0%	100.0%	100.0%	100.0%

Rendering Employment Status1
 ■ Employed Specialists
 ■ Aligned Specialists
 ■ Other
 ■ Total

These examples of increased patient attraction and leakage prevention by practice and provider were consistent across primary care practices throughout the entire 8-county region and across numerous prioritized specialties (cardiology, general surgery [bariatrics], urology). All these efforts working in tandem lead to the \$10M+ increase in contribution margin for the health system.



To learn more about HSG’s proprietary approach to patient attraction and retention measurement and implementation of strategic plans to support growth, or to request a complementary **HSG Patient Flow™** report, contact **DJ Sullivan** directly at djsullivan@hsgadvisors.com

ABOUT HSG

HSG builds high-performing physician networks so Health Systems can address complex changes with confidence.

SERVICES



PHYSICIAN STRATEGY

Driving a common strategic focus with engaged physicians.



NETWORK INTEGRITY

Leveraging claims-based data to create and monitor strategies for patient attraction and retention



PHYSICIAN LEADERSHIP

Identifying and engaging strong physician leaders is integral to the network's development and success.



PHYSICIAN COMPENSATION

Aligning physician compensation with Health Systems and employed network goals.



PERFORMANCE IMPROVEMENT

Improving the performance of employed physician networks.

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