BEST PRACTICES FOR DATA UTILIZATION, MEASUREMENT, AND GROWTH STRATEGY DEVELOPMENT

Patient Attraction and Retention Growth Strategies

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Words from the Team

Dear Colleague:

This whitepaper was created to outline best-practices for measuring, reporting, and building a comprehensive growth strategy. Growth strategy development continues to evolve as healthcare consumption continues to shift. Having strategies for both maximizing attraction of new patients to a health system and increasing retention of patients already utilizing services is becoming ever more critical to be successful.

Health systems continue to live in a predominantly fee-for-volume world while slowly transitioning towards a fee-for-value environment. True growth is going to be driven from the top down with physicians / advanced practice providers, service line leaders, inpatient and outpatient service operators, and front staff employees being the real change agents. The groups need consistent and reliable data pushed to them to make strong decisions that are focused on the long-term organizational objectives. Hospital and health system leadership need to have a tracking pulse on the success they're having operating in both competing environments. Development of key performance indicators that flow through the system on regular intervals, feeding internal stakeholders information relevant to their positions, is critical to achievement of growth objectives. Metrics need to be easy to interpret, updated consistently, and pushed in a dependable manner to each stakeholder group individually.

We hope you find this whitepaper useful in evaluating and enhancing your current growth strategies. If you need an outside perspective, HSG can partner with you to build and execute your comprehensive growth strategy inclusive of measurement, reporting, and organization specific strategy development.

We look forward to any feedback you have.

DJ **Sullivan**

> **True growth is going to be driven from the top down with physicians / advanced practice providers, service line leaders, inpatient and outpatient service operators, and front staff employees being the real change agents.**

Growth Strategy Development – Patient Attraction and Patient Retention

The mission of many health systems around the Country is to ensure patients receive timely and informed care. Being able to accomplish that mission effectively is challenging due to current healthcare dynamics in the Country. Health systems continue to live in a predominantly fee-for-volume world while transitioning towards a fee-for-value environment; this produces a polarizing effect on patient growth strategies. Fee-for-volume focuses 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 thriving in today's current fee-for-volume environment. Patient retention strategies support the latter. Health systems are required to try and optimize both strategies while simultaneously striving to ensure patients receive the proper care, at the right time and in the right location.

In a recent HSG survey, 37% of health system respondents surveyed felt they were not effectively utilizing available data in growth strategy development. This is a common theme we see when engaging with health systems.

COMPETING STRATEGIC GROWTH PRIORITIES

FEE FOR VOLUME
Attract more patients

FEE FOR VALUE
Optimize patient retention and care
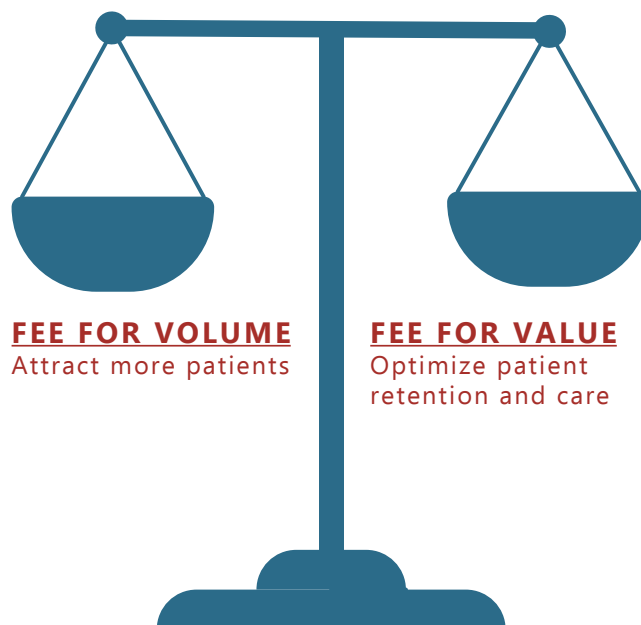
PATIENT ATTRACTION INITIATIVES

Many health systems have used patient attraction initiatives as their key measurements of organizational success. These metrics are extremely important but should not be the only metrics organizations utilize to measure overall growth. There are key patient attraction initiatives and tactics that can steer an organization's ability to achieve new patient growth. Each of these should be discussed in turn.

1. **Referral Source Alignment:**

   The lowest hanging fruit for attracting new patients into your system is by aligning with physicians and advanced practice providers (APPs) that already share patients with your sites of service. Top primary care and specialty care providers feeding your health system should be identified at the overall and service line levels. Utilizing business development personnel to develop a targeted strategy designed to tighten relationships will support short- and long-term growth goals.

   Figure 2 shows an example of using claims-based data to identify key referral sources to an orthopedic practice to prioritize patient attraction and provider alignment opportunities. 25% of visits to the orthopedic practice are coming from family medicine providers in the market. Identifying those top family medicine physicians feeding the orthopedic group and meeting with them individually will result in immediate returns.

FIGURE 2   REFERRAL SOURCE ALIGNMENT - 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


SPECIALTY VISITS
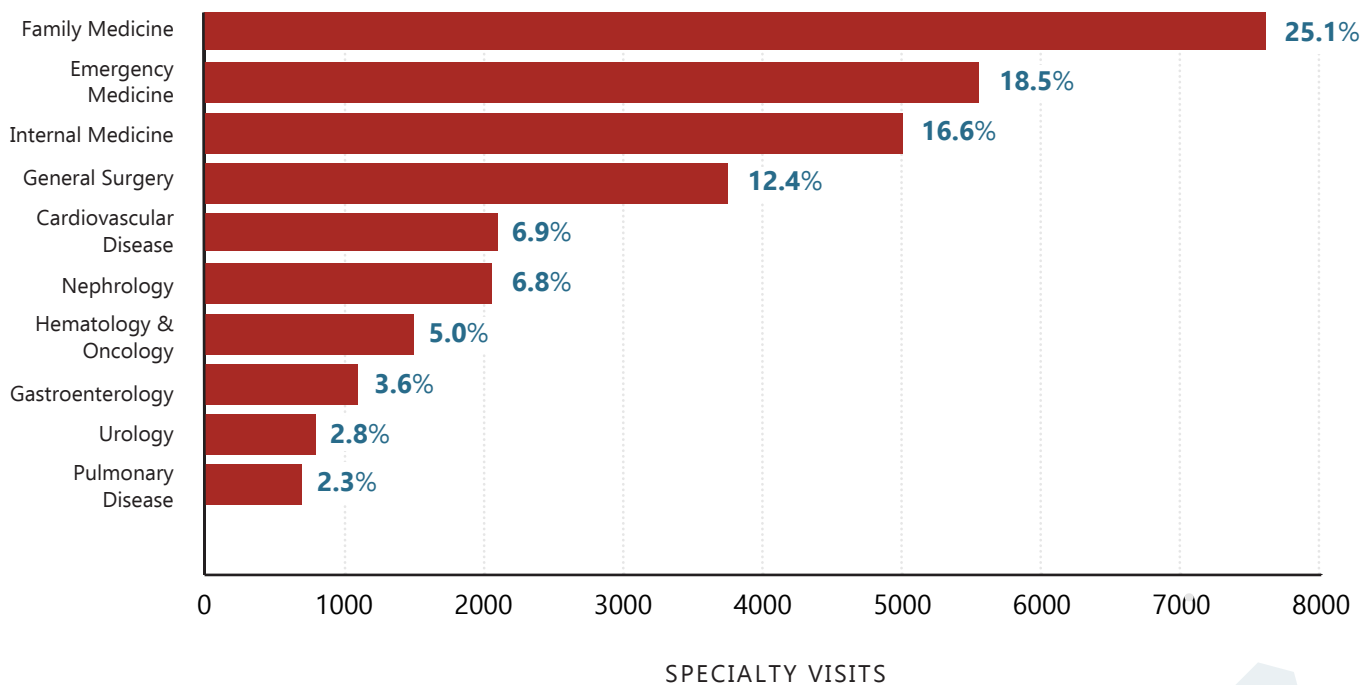
2. Market Attractiveness

Total population size, recent zip code growth, median household income, percentage of privately insured residents, and socio-economic profiles of specific populations can provide meaningful support when initially evaluating entrance into new markets for expansion opportunities.

When evaluating these factors in aggregate, it is critical to understand the impact each can have on a health system's ability to attract new patients. Service capabilities, facility access types, and provider specialty locations can all be dramatically impacted by the considerations identified and should be carefully considered when developing strategies for new market entrance.

Figure 3 shows an example of a Louisville, Kentucky market analysis based on the attractiveness of zip codes relative to one another based on the factors outlined above.

FIGURE 3   MARKET ATTRACTIVENESS
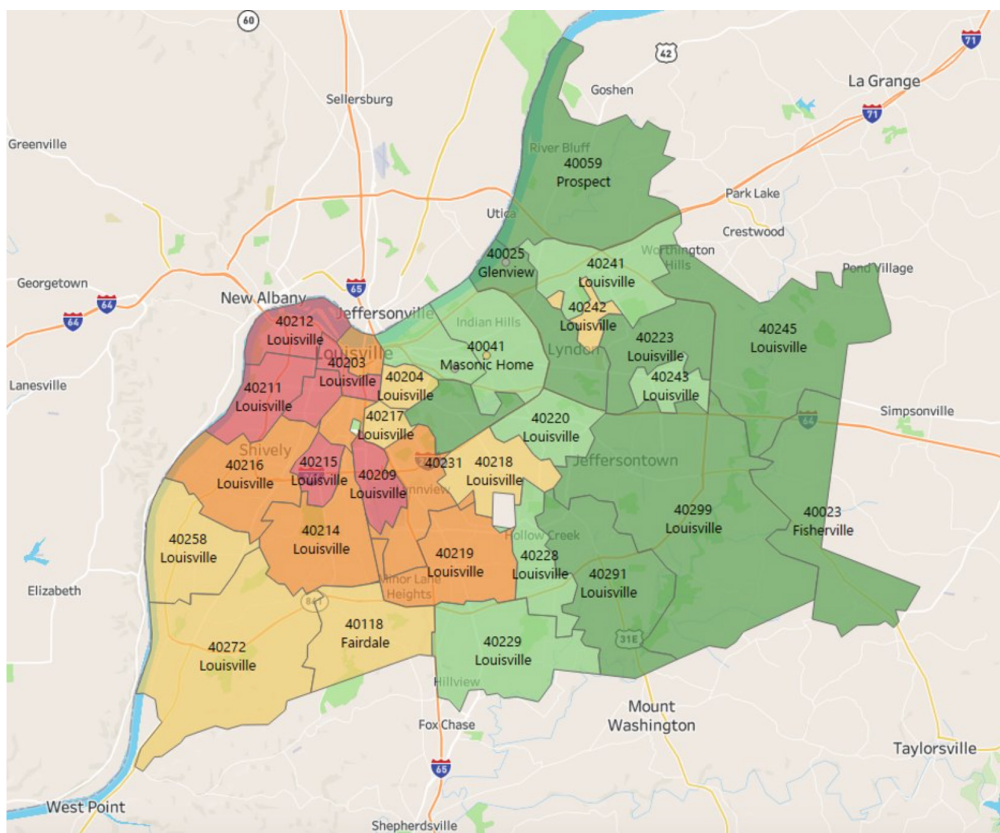
Zip Codes are compared to national rates based on:

- 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 Access

Patient access to care such as drive/travel time, timeliness to appointment scheduling, and provider availability significantly impact attracting new patients. Patient drive times to hospital facilities, primary/specialty care, and other ambulatory service sites can strongly influence patient choice. High volume traffic areas, resident travel patterns, and tertiary orientation should be evaluated for physician practice or ambulatory care access placement.

Figure 4 illustrates a sample market analysis of Louisville based on drive time to primary care locations in the surrounding area. Similar analyses should be completed at the specialty care and site of service level if the goal is the attraction of specific patient populations. Furthermore, markets being considered for potential entrance should be evaluated against each other to determine the potential impact on patient access improvement in one location versus another.

FIGURE 4   PATIENT DRIVE TIME ACCESS
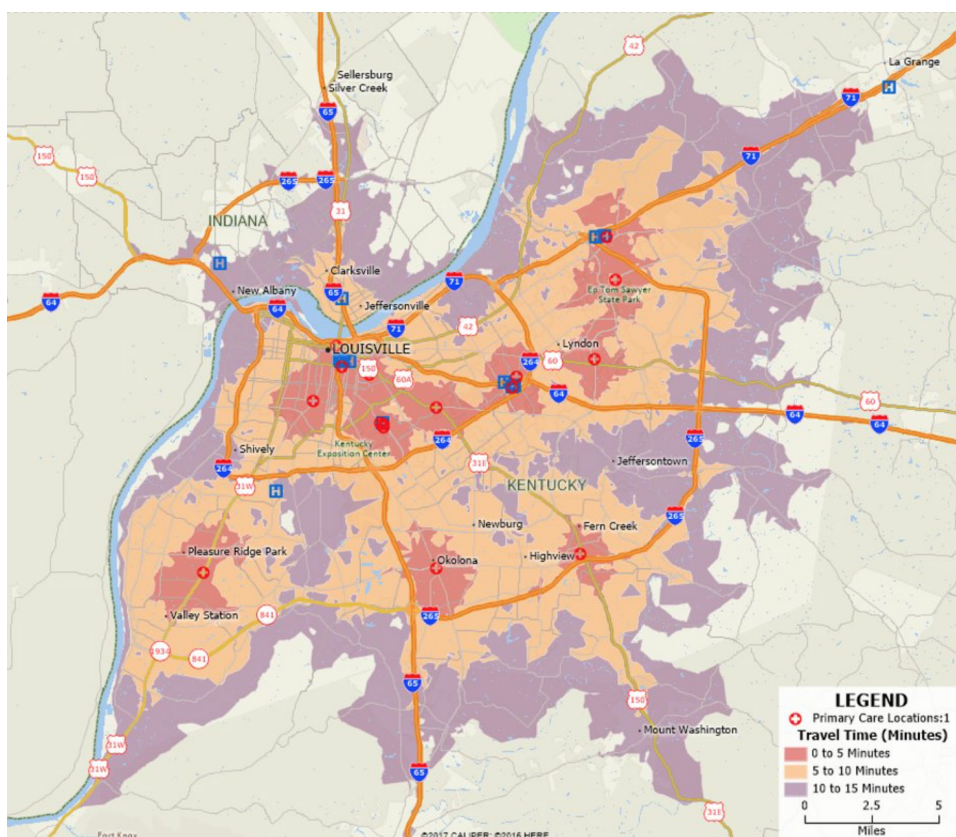
Drive Time	Population
Less than 5 min	187,917
Less than 10 min	606,038
Less than 15 min	854,940

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

4. Physician and Advanced Practice Provider 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. Depending on organizational objectives, similar analyses should be completed and compared for individual specialty and service offerings.

Figure 5 illustrates a market analysis of Primary Care Need by Geographic Region. Based on the sample figure, the net need for incremental primary care is greatest in the Northeast Louisville region according to the current supply and demand of primary care providers. Conversely, considering entrance into the Southeast Louisville region would be very challenging as there is already a large oversupply of primary care based on the region's current number of physicians and APPs.

FIGURE 5   PRIMARY AND URGENT CARE NEED BY GEOGRAPHIC REGION

	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, Outpatient/Ambulatory, and Physician Office)

Market share analysis can classify service areas based on the greatest market change (positive or negative), potential patient growth opportunities, and overall market competitiveness. The most significant consideration that needs to shift is the inclusion of outpatient/ambulatory and physician office market share to support inpatient figures. Too many health systems continue to rely on inpatient share as their primary metric for growth. With nearly 50% of health system revenues now coming from the outpatient environment, organizational growth and success measurement must reflect that.

PATIENT RETENTION INITIATIVES

Patient retention is a philosophy that has resulted in numerous naming spin-offs over the years (network integrity, network fidelity, care continuity, etc.). At the core of each of these descriptors is the ideal state in which patients continue to utilize one health system for their comprehensive healthcare needs to reiterate the desire for the patient to receive the right care, in the right place, and at the right time. Patient retention strategies need to be defined by the site of service in which the patient is entering and exiting the health system. There are three key patient populations and core sites of care that have the most immediate impact on a health system's ability to retain patients.

FIGURE 6   **KEY PATIENT RETENTION ACCESS POINTS**

1 **PRIMARY CARE** PATIENTS	**2** **INPATIENT AND** **EMERGENCY** PATIENTS	**3** **URGENT/IMMEDIATE** CARE PATIENTS
How loyal are our established patients on our primary care provider panels?	**Where do our patients receive care** after leaving our inpatient facilities?	**What opportunities exist for patient acquisition** if this practice is more closely aligned with our system?
Patients utilizing primary care regularly are prone to be the most loyal patient base. These are traditionally patients that utilize services predominantly based on provider recommendations. Internal processes will be the main driver of patient retention, and workflows need to be optimized so patients easily remain within the system.	Inpatient and emergency patients are frequently less loyal than primary care patients. There are often three key groups of patients utilizing inpatient services: 1. Patients with true emergent care. 2. Patients with significant illness or surgical services that were performed by a provider. 3. Patients that are unsure of the appropriate site of service for their healthcare needs. Building internal processes to educate patients about different sites of service and the capabilities within each is critical. Developing follow-up plans for all three groups can provide opportunities to increase current capacities while increasing patient retention.	Urgent/immediate care patients are traditionally the least loyal of the patient cohorts. Urgent care utilizers are frequently the most educated on service offerings and sites of care while being the most likely to shop around for healthcare services. Patient education while in your sites of care related to provider capabilities, service offerings, pricing transparency, and access points will lead to the most fruitful long-term returns.

Defining the Right Key Performance Indicators for Your Health System

Traditionally, health systems have cobbled together piecemeal performance metrics to understand their overall performance within a service area. Many organizations rely on inadequate data and analyses to infer patient behavior when developing key performance indicators related to their growth strategy success. Furthermore, with so many data sources available (inpatient, electronic medical record, claims-based, anecdotes, etc.), it is very challenging to turn data into meaningful knowledge and wisdom that can support patient attraction and retention strategy development.
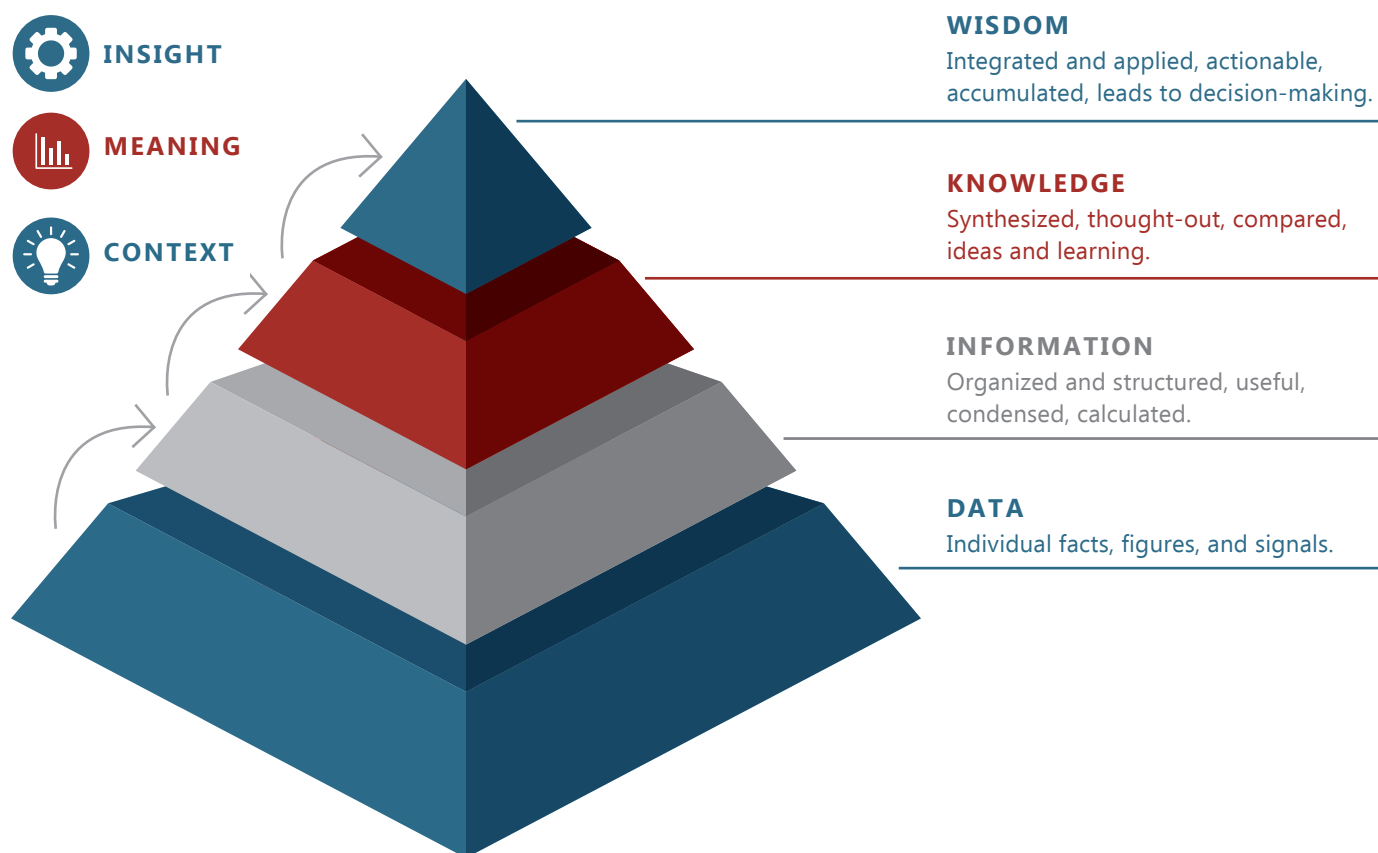
The healthcare environment rapidly moving towards more outpatient and ambulatory services and less inpatient creates a significant threat to the ability of health systems to monitor and manage their performance. Given the imperative for profitable growth that all health systems have – as expenses grow and reimbursement declines – it is critical for health systems to comprehensively understand the dynamics of how patients utilize the care continuum within a market and build their strategic plans around growing their total capture of the market.

The main goal in developing key performance indicators that measure growth strategy success is to turn numerous individual data points into knowledge and wisdom. This data can be measured and repeated to keep organizations focused on incremental improvement over time.

Figure 7 is an excellent illustration of turning data into wisdom by first organizing, then synthesizing, and ultimately applying data to specific situations to support decision-making. Organizational, market and environment-specific factors need to be applied to provide context and meaning to the data to truly support growth strategy development and decision-making.

FIGURE 7   DATA, INFORMATION, KNOWLEDGE, WISDOM PYRAMID

INSIGHT

MEANING

CONTEXT

WISDOM
Integrated and applied, actionable, accumulated, leads to decision-making.

KNOWLEDGE
Synthesized, thought-out, compared, ideas and learning.

INFORMATION
Organized and structured, useful, condensed, calculated.

DATA
Individual facts, figures, and signals.

Countless key performance indicators can be measured and managed over time based on the need of specific organizations. A few samples that have proven to be repeated while providing meaningful insights to different stakeholders within a health system include:

PATIENT ATTRACTION MEASUREMENTS

Traditional Market Share (Inpatient, Ambulatory, and Physician Office):

Market share has predominantly been measured and reported consistently for inpatient services provided by a health system. This measure needs to evolve for many organizations and consider the ambulatory and physician office environment. Building a customized dashboard that reports inpatient, ambulatory, and physician office market share capture at the overall and service line level should be updated regularly (monthly, quarterly, etc.). The detail of reporting and measurement should be customized to the organizational stakeholder. For example, service line leaders should have an overall service line, sub-service line, and geographic metrics pushed to them regularly for service lines they are responsible for. Figure 8 shows a sample of a system-level dashboard.

	Inpatient		Ambulatory (HOPD & ASC)		Physician Office	
	Q4 2021	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Q1 2022
General Medicine	61.2%	61.3%	62.7%	62.9%	39.2%	40.9%
Orthopedics	69.8%	70.3%	52.4%	52.2%	43.2%	46.0%
General Surgery	69.0%	67.4%	65.0%	64.4%	62.0%	65.6%
Cardiac Services	71.8%	72.9%	58.7%	58.9%	46.4%	48.7%
Outpatient Diagnostics			50.9%	52.0%	42.8%	44.5%
Spine	87.1%	87.1%	44.8%	46.2%	38.8%	43.0%
Cardiothoracic Surgery	67.1%	67.6%	84.7%	87.1%	19.2%	17.9%
Outpatient Treatment/Procedures			14.6%	14.6%	45.5%	46.4%
Vascular Services	71.9%	73.7%	69.6%	69.9%	43.9%	43.1%
Urology	70.7%	70.9%	54.5%	52.9%	52.5%	54.3%
Oncology/Hematology	69.9%	71.0%			44.8%	47.5%
Neurosurgery	78.5%	78.3%	38.8%	38.4%	68.3%	69.9%
ENT	71.0%	74.9%	38.5%	39.1%	46.4%	47.2%

> "
>
> The detail of reporting and measurement **should be customized to the organizational stakeholder.**

Market-Based Patient Share of Care

Patient Share of Care® is a measurement of total healthcare spend by a specific population. This measure is akin to Share of Wallet and supports a revenue-based value on organizational growth. Measuring Patient Share of Care at the facility access point (inpatient, outpatient, ambulatory health care facilities, physician offices, other access points) level gives health systems the ability to measure the impact of their patient access strategies, as well as provide insight into access points where they are more or less competitive in the marketplace. Comparison of access points against one another also provides context to the relative success, or lack thereof, of a health system's ability to attract and retain patients within different sites of care. This metric is frequently utilized as a Strategic Plan Objective – as all strategic planning actions should drive up the overall capture of patient healthcare dollar spend.

Repeating the Patient Share of Care measurement over time gives health systems the ability to measure the financial performance of their strategic plan. It also allows the health system to understand if growth is occurring due to growth in the market, or if it is directly acquiring share of patient healthcare dollars through competition.

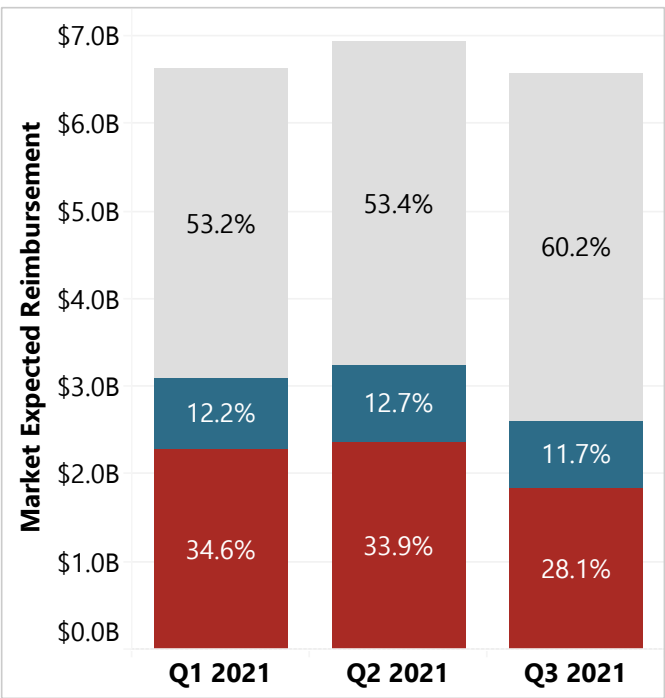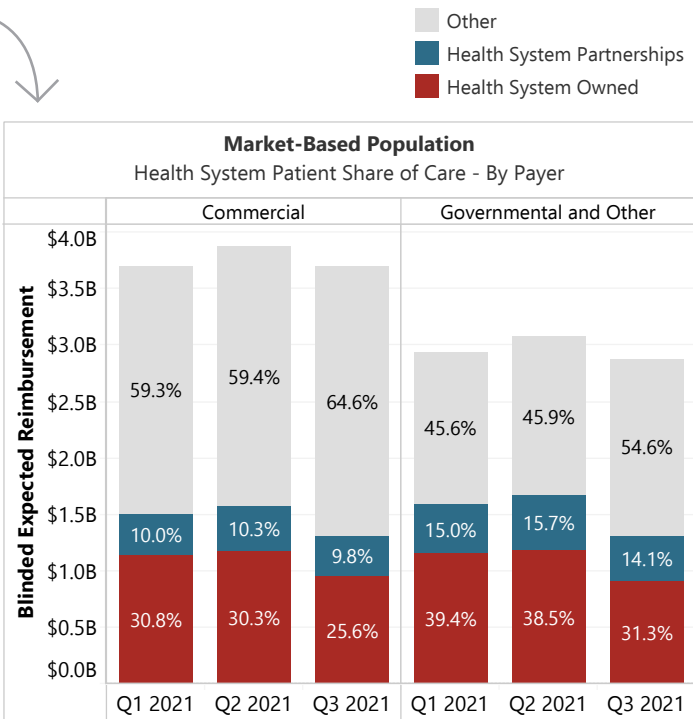**FIGURE 9**   **MARKET-BASED PATIENT SHARE OF CARE (OVERALL)**

FIGURE 10   **MARKET-BASED PATIENT SHARE OF CARE (BY PAYER)**

In the client sample above, the health system is capturing 46.8% of the total expected healthcare spend ($6.6B) for the Q1 2021 time period from patients residing in the service region. 34.6% of that expected revenue was provided at health system owned locations with 12.2% provided at joint venture or other partnership locations. Breaking that down further, the health system capture of patient spend ranged from 40% for commercially insured patients to 54% for governmental and other payers.

PATIENT RETENTION MEASUREMENTS

Primary Care to Specialty Care Leakage:

Measurement of referral activity from employed primary care to specialists at the overall, individual practice, and individual provider levels for key specialties should be a core measure of patient retention capabilities. Understanding leakage from employed and market primary care providers to competitors are often your lowest hanging fruit for incremental patient capture. This measurement should be regularly reported and fed to key stakeholders, tracking progress over time. Figures 11 and 12 provide samples of leakage from employed primary care providers to employed or aligned specialists. Having metrics similar to the below at the overall employed network and individual provider level is crucial to optimizing patient keepage within the system.

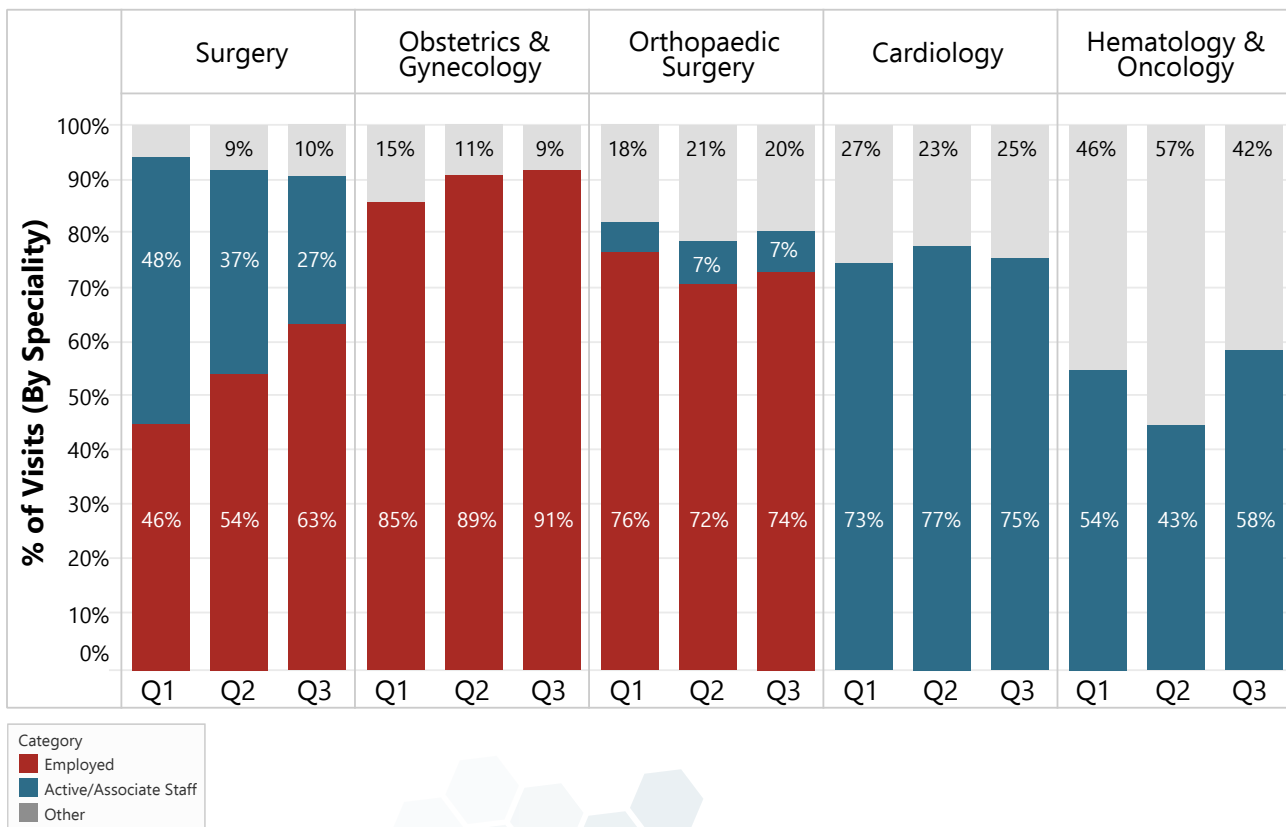**FIGURE 11** **90-DAY PATIENT FLOW FROM EMPLOYED PRIMARY CARE TO EMPLOYED/ACTIVE MEDICAL STAFF SPECIALISTS**

FIGURE 12 **90-DAY PATIENT FLOW FROM EMPLOYED PRIMARY CARE TO EMPLOYED/ACTIVE MEDICAL STAFF SPECIALISTS – BY INDIVIDUAL PCP**

Provider Drill Down Example	Source Provider Name	Obstetrics & Gynecology	Orthopaedic Surgery	Surgery	Cardiology	Hematology & Oncology	N
	PCP #1	83% 17%	91% 9%	93% 7%	48% 52%	93% 7%	595
	PCP #2	97% 3%	76% 23% 1%	60% 17% 23%	75% 25%	73% 27%	551
Visits to Key Specialities occuring within 90 days of a patient interaction with a client employed primary care provider.	PCP #3	88% 12%	83% 9% 8%	81% 8% 11%	77% 23%	25% 75%	443
	PCP #4	98% 2%	61% 39%	90% 10%	43% 57%	83% 17%	435
Grouped by primary care provider.	PCP #5	100%	63% 37%	83% 12% 4%	50% 50%	87% 13%	355
Shown as percent of total, grouped by employment and medical staff status of specialist.	PCP #6	97% 3%	81% 19%	67% 27% 6%	89% 11%	100%	344
	PCP #7	85% 15%	79% 21%	98% 2%	84% 16%	76% 24%	337
	PCP #8	60% 40%	94% 6%	94% 6%	91% 9%	36% 64%	224
	PCP #9	98% 2%	93% 7%	45% 45% 9%	78% 22%	82% 18%	217
	PCP #10	61% 39%	73% 27%	89% 11%	78% 22%	100%	145
	PCP #11	100%	87% 13%	100%	100%		75

Category
- ▆ Employed
- ▆ Active/Associate Staff
- ▆ Other

Population-Based Share of Care:

Measuring Patient Share of Care for primary care patients on the panels of a health system's employed primary care providers affords insight into a health system's ability to retain "controllable" patients within its care network. Measurement also identifies access or service gaps that result in closely tied primary care patients seeking care outside of the network. Driving overall patient dollar capture starts with Primary Care – if a health system is not successful in retaining these patients, it will likely not be successful overall.

FIGURE 13 **POPULATION-BASED PATIENT SHARE OF CARE (BY PRIMARY CARE/URGENT CARE REGION)**

Region	Reporting period				Health System Expected Reimbursement	Number of Patients
	Q1 2021 N=500	Q2 2021 N=515	Q3 2021 N=490	Q3 2021 N=495	Q4 2021	Q4 2021
Employed Primary Care & Urgent Care Overall	**68.9%**	**70.2%**	**71.4%**	**66.6%**	**$1.05B**	**325,000**
Employed Group: Region A	64.4%	66.2%	67.6%	63.2%	$500M	125,000
Employed Group: Region B	76.1%	73.4%	72.6%	71.7%	$150M	35,000
Employed Group: Region C	74.5%	77.4%	79.9%	69.9%	$300M	100,000
Urgent Care Locations	59.9%	60.4%	61.2%	61.9%	$100M	55,000

Health captures approximately **$0.67 of every $1 spent on healthcare for the identified patient population.** That varies from as high as $072 for Employed Group Region B $0.62 for Urgent Care Locations.

Expected reimbursement is estimated using Health System's reimbursement by payer.

How to Measure and Manage Growth Strategy KPIs

The goal of any successful measurement system is to create a repeatable system that keeps a health system focused on incremental improvement. This needs to be at the forefront of your mind when defining, measuring, and managing your health system growth key performance indicators. There are too many elements to get dragged into that will not consistently provide you meaningful insights into small opportunities for improvement consistently.

There are often gaps in data that health systems must be aware of when developing KPIs for patient attraction and retention. The most common gaps include utilizing anecdotal observations as a data source and/or limiting data views to only those within our owned and operated electronic medical records. Anecdotal observations limit our views as it only tells us what we "feel" is happening. Confining data views to only our EMR limits our ability to understand patient utilization comprehensively, especially when outside our sites of care.

COMMUNICATION AND DRILL DOWN

Key stakeholders within the organization all need their level of measurement pushed to them at regular intervals. Executive leadership, strategic planning and recruitment, marketing, and employed medical group leadership communication are detailed below. Other stakeholder groups that should be considered for ongoing reporting and communication of KPIs should be service line leadership and the board of directors.

EXECUTIVE LEADERSHIP

Executive leadership teams should have attraction and retention KPIs on their monthly or quarterly dashboards. Every top executive across the country can tell you their health system inpatient market share; the same should be true for their other growth metrics. Having constant insight into patients not utilizing a health system's services or those flowing in and out of the system is crucial to ensuring long-term growth. Patients leaking from a health system who already utilize services are the most immediate opportunity for incremental revenue growth. Executive teams need to have that information at their fingertips.

STRATEGIC PLANNING AND PROVIDER RECRUITMENT

The health system's strategic planning department has responsibilities over medical staff development planning, leveraging patient attraction and retention data to support their specialty and primary care recruitment efforts based on the type of patient leakage occurring based on provider specializations and service capabilities. Data reporting and insights are valuable in short and long-term service line development initiatives. You can quickly identify where patients are utilizing care, the total spend on those service offerings and understand the expected return from investing in developing a specific service offering.

MARKETING

Marketing departments require detailed information on how patients utilize healthcare based on geography, service lines, and provider types. Targeted and detailed growth metrics provide marketing departments with the tools to develop clear advertising and physician outreach efforts, often resulting in measurable patient retention improvements.

FINANCE

With many key performance indicators measuring organizational growth success becoming financial in nature, having key financial performance reported at the overall, service line, and geographic regions can be critical to determine the best areas for investment to optimize financial returns.

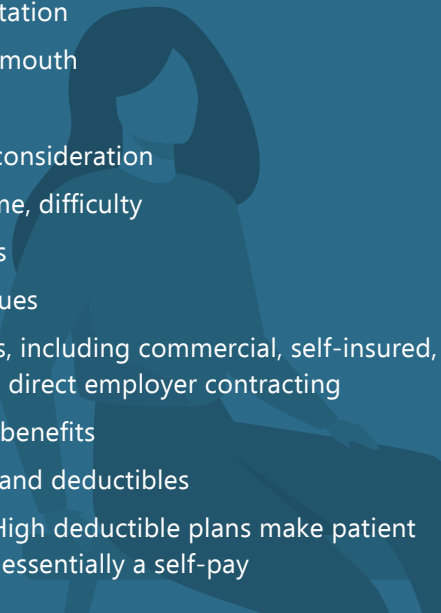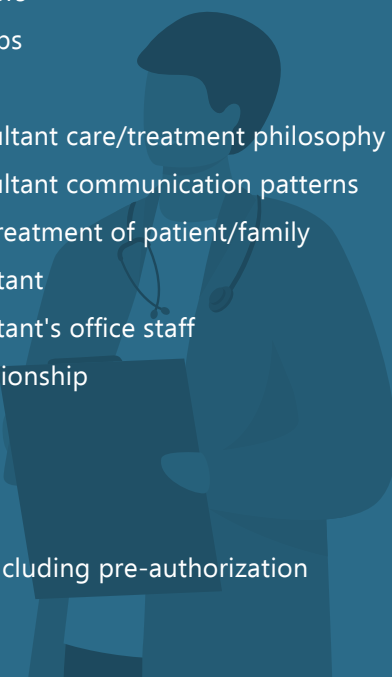### EMPLOYED MEDICAL GROUP LEADERSHIP

A health system's employed medical group is the most important asset. The employed network will be the core of long-term health system success in the evolving healthcare environment. Having full clarity on how patients engage with employed providers, the total amount they spend on their healthcare services, and how much our health system captures will enable employed medical group leaders with the insights required to build a financially sustainable network of providers that are creating long-term value for the health system.

ENGAGING PROVIDERS IN ROOT CAUSE

The last, and most crucial step in achieving growth targets, is engaging providers in consistent data review and root cause discussions. Educating and engaging physicians on patient attraction and retention data discussions have been core to the success of achieving growth targets. Joint problem solving between administration and physicians leads to informative meetings that identify common reasons patients may be selecting competitor service offerings or leaking out of the network. Often, reasons are operational and can be reconciled by identifying action-oriented next steps.

Additionally, many physicians and APPs are often unaware of where patients ultimately receive services once leaving their practice site. Once providers begin to understand where patients receive services and how they get there, educating patients on service capabilities becomes much easier.

There will always be factors (both patient and provider) that can't be controlled, ultimately impacting where patients receive care. Frequent factors we hear are identified and outlined below. Having these on-hand during contextual discussions is critical to ensure meaning and insights are applied to the data, ultimately resulting in true organizational knowledge.

PATIENT FACTORS	PROVIDER FACTORS

1. Prior experience and/or relationships with the consultant or health system
2. Provide reputation
  • Word of mouth
  • Website
3. Geographic consideration
  • Travel time, difficulty
4. Timely access
5. Insurance issues
  • Networks, including commercial, self-insured, CIN, and direct employer contracting
  • Covered benefits
  • Co-pays and deductibles
    • High deductible plans make patient essentially a self-pay
	1. Noted patient factors
	2. Existing relationships
	3. New relationships
	  • Provider/Consultant care/treatment philosophy
	  • Provider/Consultant communication patterns
	  • Interpersonal treatment of patient/family
	    • Consultant
	    • Consultant's office staff
	4. Health system relationship
	  • Own
	  • Other
	5. Timely access
	6. Insurance issues (including pre-authorization processes)

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.

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

PERFORMANCE IMPROVEMENT
Improving the performance of employed physician networks.

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

PHYSICIAN COMPENSATION
Aligning physician compensation with Health Systems and employed network goals.

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