CentralLogic

FUTURE-PROOF YOUR HEALTH SYSTEM:

How to Boost Patient Acquisition, Improve Keepage and Prevent Leakage

Contents

Introduction

Health systems are faced with unprecedented change, including healthcare reform regulations, shifting payment models and market consolidation, to name a few converging forces. Amidst this change, health systems forge ahead, seeking ways to improve the quality of care, clinical outcomes and patient experience while reducing healthcare spending, which is expected to reach **$6 trillion** by 2027 if it continues at the current pace.[1]

It is no wonder then that strategic planning for health system leaders is such a challenge. The perennial question is where healthcare organizations should invest limited time and financial resources to protect their futures while also delivering quality care and outcomes to patients. The answer is to focus on the entirety of the patient's journey: improving patient acquisition; preventing leakage outside of the health system; retaining patients within the network (or "keepage"); and when patients do seek care elsewhere, repatriating them back into the system.

By focusing on patient acquisition and keepage (by preventing leakage but repatriating patients when it does occur), health systems can withstand any changes in healthcare regulations, payment models or their local market, because these strategies will enable them to grow both fee-for-service (FFS) and fee-for-value (FFV) revenue. Growth in FFS will come from a larger volume of patients and procedures, and growth in FFV will be supported by retaining patients within the network to ensure they receive high-quality care to improve outcomes and lower overall healthcare costs.

While seemingly simple, a growth strategy focused on patient acquisition and keepage can be complex and time-consuming if not executed correctly. Many hospitals and health systems do not rigorously track
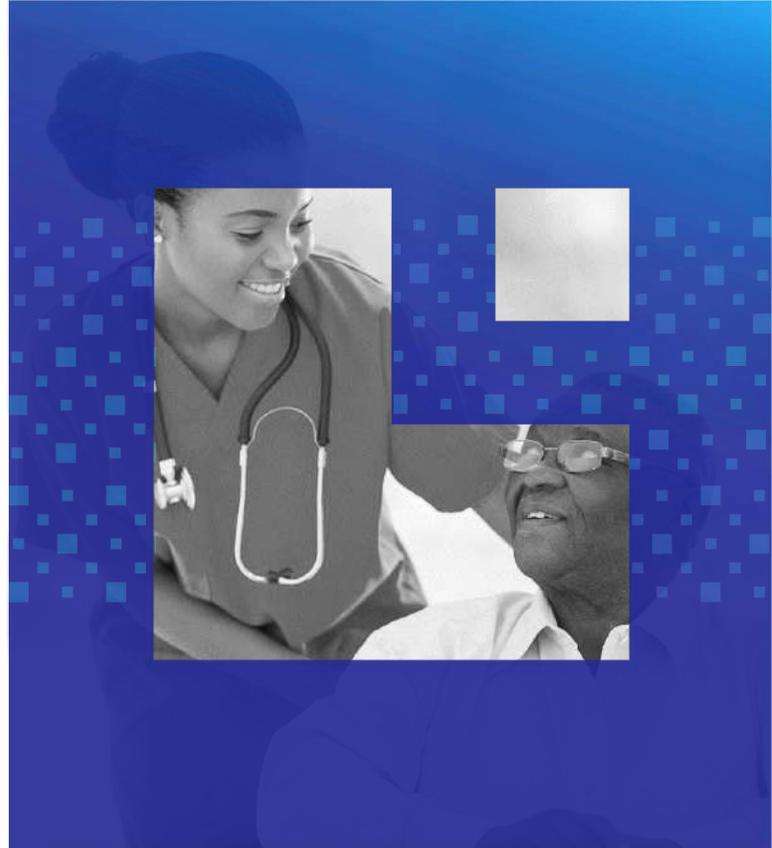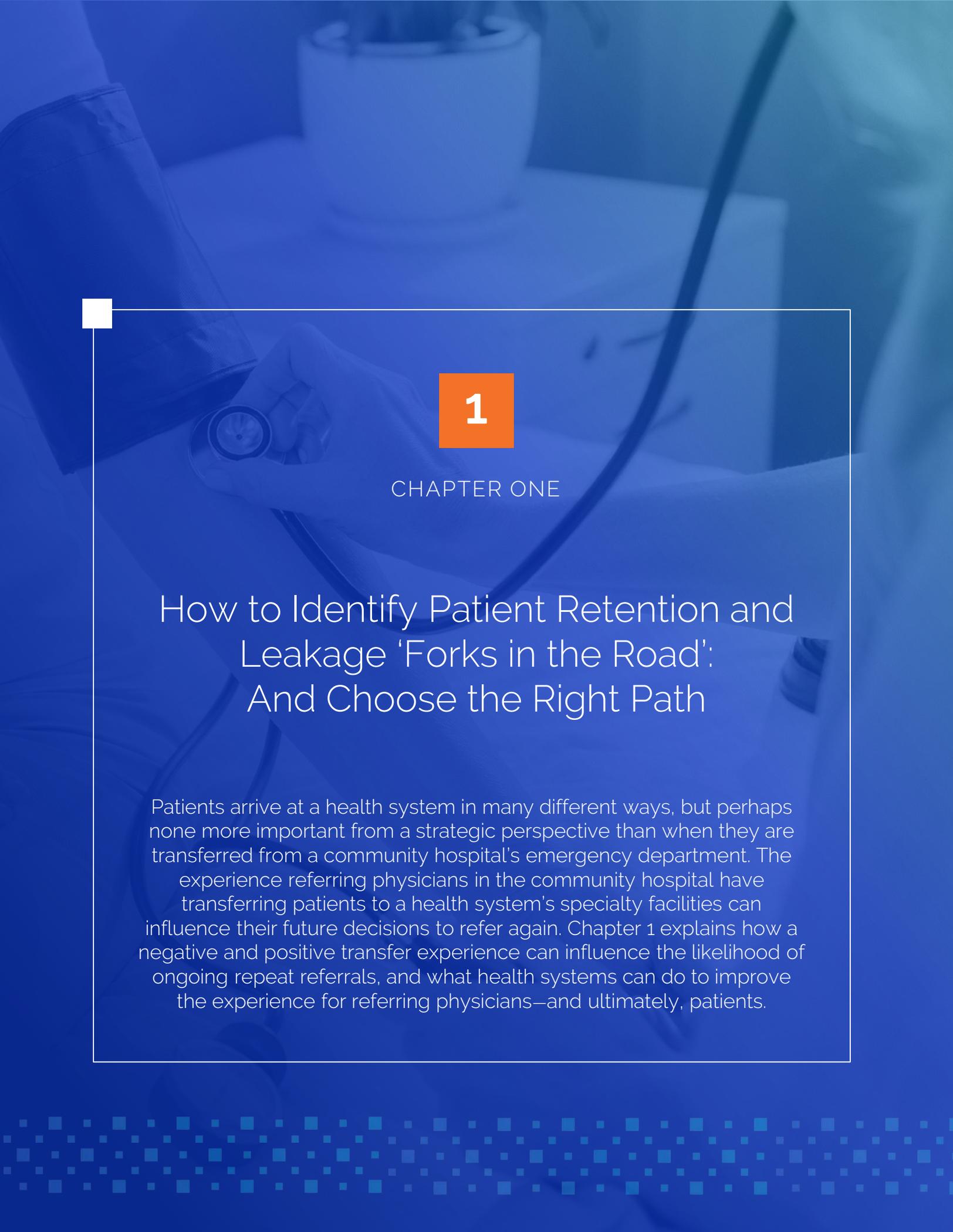
and analyze how their patients arrive in their network, or when and why they leave it. If the patient is part of an Accountable Care Organization (ACO) or other such risk-bearing care entity run by a health system that is also a "payvider," patient leakage can negatively affect the health system's financial performance. Even if the patient is not attributed to such a FFV program, losing patients to competitors or through lack of patient engagement will be detrimental to a health system's long-term success. It's important to take an approach that will result in patient "stickiness," or loyalty to the health system.

This eBook describes the importance of patient acquisition and keepage from financial, clinical and operational perspectives, while offering insight for health systems into how their organization can configure their operations to improve performance.

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[1] The Centers for Medicare and Medicaid Services. "National Health Expenditure Projections 2018-2027." https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-andReports/NationalHealthExpendData/Downloads/ForecastSummary.pdf

How to Identify Patient Retention and Leakage 'Forks in the Road': And Choose the Right Path

Patients arrive at a health system in many different ways, but perhaps none more important from a strategic perspective than when they are transferred from a community hospital's emergency department. The experience referring physicians in the community hospital have transferring patients to a health system's specialty facilities can influence their future decisions to refer again. Chapter 1 explains how a negative and positive transfer experience can influence the likelihood of ongoing repeat referrals, and what health systems can do to improve the experience for referring physicians—and ultimately, patients.

How to Identify Patient Retention and Leakage 'Forks in the Road': And Choose the Right Path

Faced with the industry and market challenges referenced earlier, patient leakage from a health system network is an emerging critical issue facing healthcare leaders. Leakage can occur at any point in a patient's journey, from referral to transport to admission to discharge and beyond. One important juncture for addressing leakage is during the patient transfer process—for example, when a patient needs specialty care.

Navigate for Referrers and Patients

The most crucial fork in the road between retention and leakage occurs when a patient arrives at his or her community hospital's emergency department (ED). The experience that a referring hospital's physicians have communicating and referring through a transfer center is often the difference between losing and retaining a patient.

Let's consider a scenario where a patient presents to a community hospital ED with stroke-like symptoms. A workup reveals a large vessel occlusion (LVO). It is clear to the ED physician that the patient should be transferred to a comprehensive stroke center for endovascular therapy (EVT) and a thrombectomy.

The ED physician calls a health system to arrange for transfer to a specialty center but must first navigate numerous phone menus. Ultimately the hospital operator connects the physician with the nursing supervisor (who often manages patient transfers). The nursing supervisor, although confident the specialty center can help, is not certain which physician to contact for this type of transfer (hospitalist? neurology? interventional radiology?) and also isn't sure whether a specialist is available and if there's bed capacity. Additionally, the on-call schedule is not clear because of constant changes.

The nursing supervisor enlists the help of the neuro-unit charge nurse, who knows the process better. They send several text messages and make multiple phone calls (in between their other numerous duties) in an attempt to contact the appropriate physician. The process is lengthy because there is no standard workflow, and physicians often take a while to respond.

Meanwhile, precious minutes, potentially hours, tick by while the community hospital ED physician grows more frustrated and concerned about the patient's status, and the effect a delay in treatment may have on the clinical outcome. Rather than further delaying care, the physician calls another health system in the area with a comprehensive stroke center—and has a much different, much more positive, experience.

How Patient Care Orchestration Should Work

The other health system that the emergency physician calls, in contrast, has an optimized patient transfer process. Only one phone number needs to be dialed to access and arrange for any type of care available across the network. The referring physician can expect to speak with a skilled and clinically experienced transfer center professional who can knowledgeably discuss the patient's condition and needs.

While on the phone, this transfer center's agent begins contacting available, on-call specialists who need to be consulted and approve the admission, and has direct visibility to bed capacity in the health system's stroke center. The agent is able to perform these tasks so fluidly because of technology that offers comprehensive, real-time visibility into the health system's facility capacity and physicians' schedules.

This health system's leadership has formally designated and communicated that growing patient transfer volume and reducing network leakage is mission-critical, which means on-call physicians promptly respond to consult requests. Instead of waiting hours for a callback, the community emergency physician is promptly connected with the appropriate physician and has an approval for transfer in less than 10 minutes. Simultaneously, agents are communicating electronically with the available transportation vendors. As a result, the ambulance or air medical helicopter is on its way before the physician hangs up the phone.

Retention and Repatriation Are Essential

Beyond acute care transfers, a fully optimized patient acquisition, retention and repatriation-focused strategy would ensure the health system follows up with the stroke patient after discharge to ensure she's feeling well and following a plan to prevent another incident or readmission. When she needs to see a specialist for a different condition, the right staff person would see that need within the integrated technology platform and proactively connect her to the right in-network facility -- and would ensure her transportation needs are met as well. All of these steps are essential elements to retain a patient within a network.

Strong transfer center technology merged with high-performance processes also offer agents or care managers analytics capabilities to deliver actionable insight on leakage trends across facilities, providers and referrers. The technology, for example, would generate reports that could be used for outreach to repatriate patients back into the network when leakage does occur. Keeping patients in network helps ensure high-quality care and prevents overutilization of high-cost resources that can impact outcomes and value-based care reimbursement.

Organizations focused on streamlining referrals are well poised to incur less leakage of patients and of revenue, no matter the types of contracts they have in place with payers. They also often see an uptick in patient satisfaction, which is vital for retention. After all, of the two transfer situations described above, which patient do you think had a more satisfying experience? Most likely the one who received the right care at the right location without delay.

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CHAPTER TWO

Sure, Technology Investments Can Be Costly: But What's the Cost of Doing Nothing?

Arriving at the optimal operations for transferring and retaining patients as described in Chapter 1 is the goal, but it's highly challenging without the right information technology systems in place. While investing in technology to deliver system-wide and patient journey-wide visibility may not seem feasible, it is much less expensive than doing nothing. As Chapter 2 will describe, having the right infrastructure in place will greatly improve the efficiency of processes as well as the overall experience for staff, referring physicians and patients. Chapter 2 will also explain how to market a new transfer service to referring providers once the right technology and processes are implemented.

Sure, Technology Investments can be Costly: But What's the Cost of Doing Nothing?

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Investments in technology aren't cheap, but what's the cost of doing nothing? Quite a lot, actually. Moody's Investors Service reports that not-for-profit hospital operating margins remained flat in 2018, after two years of declines. Flat or declining margins, however, may force cost-cutting, terminating services and closing facilities. In not-for-profit health systems, these business decisions affect the most vulnerable populations and may conflict with charitable or community-focused missions.

As described in Chapter 1, most large not-for-profit health systems have specialty centers, such as those focused on orthopedics, neurology and heart and vascular, that drive higher-margin reimbursements and attract privately insured patients. Attracting a greater share of a health system's privately insured patient volume to these service lines depends primarily on referrals from primary care physicians and emergent transfers from community hospitals.

After all, only a small percentage of a health system's specialty center referrals come from its own emergency department, which means external transfers are essential to any specialty center growth strategy. One way to drive service-line growth is to focus on making it as easy as possible for referring physicians to transfer their patients with a single phone call. Quick and efficient transfers save time and hassles for referring physicians, and also have the potential to improve outcomes when specialty care is needed emergently.

Improving ease of access for referring physicians enables healthcare organizations to evolve their transfer processes beyond mere traffic management to a strategic advantage that drives top-line and bottom-line revenue growth while helping the system operate more efficiently.
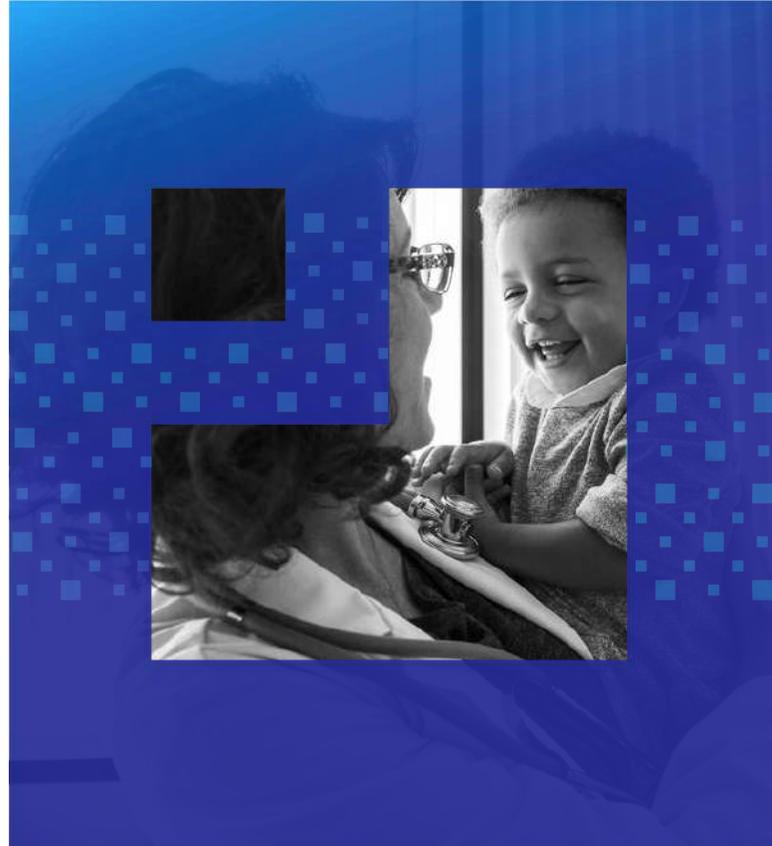
Make it Quick and Simple

To become top-of-mind for any referring clinician in a health system's region, the first priority is to make transfers quick and simple. In fact, a study of three community hospitals that included qualitative interviews with physicians, nurses and other care providers found that "arranging a patient transfer placed a significant burden on the staff," and the process was often cumbersome, lacking a focus on optimizing patient outcomes.[2]

Providing skilled and experienced agents within the transfer center with a 360-degree view of bed and physician availability enables them to confirm availability for transfers, including direct admits, in a few minutes—greatly improving the experience of the referring provider. That kind of speed, efficiency and access are memorable—for the right reasons—improving the chances that referring physicians will refer patients to the same health system in the future and recommend its specialty centers to colleagues.

Likewise, physicians at the receiving facility should always have thorough and accurate documentation of the transferring patient. One study of interhospital transfers, however, found that only 32% of transfer centers delivered needed documentation to accepting providers before the transfer.[3] Another

study found discordance in diagnoses occurred in 85.5% of transferred patients. Seventy-three percent of patients gained a new diagnosis following transfer, while 47% of patients lost a diagnosis.[4] Worse yet, diagnostic discordance was associated with increased adjusted inpatient mortality.

Technology needs to eliminate this discordance by prompting staff to capture relevant data to ensure a comprehensive care and consult record from the referring hospital so that accepting providers have ample and accurate information to support their decisions and do not need to repeat clinical testing unnecessarily. To significantly speed time to care delivery, software also needs to be fully integrated with local medical transportation vendors to ensure a more rapid response.

> The primary message to referring providers should be that **one phone call is all it takes to align their patients with the right level of care without delay** at the center of excellence.

The technology supporting patient acquisition and retention goals needs to offer insight on patient flow traffic, referral patterns and other important metrics. Ideally, a mix of dashboards should be made available in real time—with scheduled weekly and monthly reports covering operations, including crosswalk with financials and daily visibility to any lost patient opportunities, underutilized facilities or overburdened physicians. A steady stream of reporting will also keep leaders informed, operations transparent, and increase excitement about the patient transfer process changes occurring in the health system.

Another way specialty centers can simplify the process for referrers and evolve their health system's transfer center is to staff it with skilled and experienced clinicians, such as registered nurses. A higher level of expertise can drive swift and appropriate clinical decision-making based on the transfer patient's acuity and/or comorbid conditions. A well-trained, skilled, qualified clinician will know which department to contact to approve an admission and/or emergent procedure while concurrently contacting the appropriate specialists

to manage that patient's care. For example, if a patient with a traumatic injury requires numerous providers such as a surgeon and subspecialist to manage that patient's care. For example, if a patient with a Traumatic injury requires numerous providers such as a surgeon and subspecialist to ensure a more successful outcome, an experienced clinician can arrange consults with the right physicians in advance to ensure they are prepared for the patient's arrival.

Spread the Word

After a health system makes investments to optimize the transfer center process, one of the ways to maximize return on investment (ROI) (which we will explore in greater depth in Chapter 3) is to reach out to referring providers in the area to share the news. These efforts might include:

- Issuing a press release distributed to local media and referring hospitals
- Publishing a newsletter article or blog post(s) and emailing them to referring clinicians
- Holding "lunch and learn" or dinner events where referring clinicians and potential referral sources can learn more about the health system's patient transfer capabilities and ask questions
- Advertising in local publications, including regional physicians' or nurses' association newsletters or billboards
- Creating "swag" such as magnets, pens or clipboards that include the new access center name and phone number and distributing it to referring clinicians for quick reference.

The primary message to referring providers should be that one phone call is all it takes to align their patients with the right level of care without delay at the center of excellence. In short, a rapid, safe and efficient technology-enabled transfer process will help ensure that the first phone call from a referring physician leads to many more calls in the future from established and new referring providers.

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[2] (Mueller SK and Schnipper J. Physician perspectives on interhospital transfers. *J Patient Saf.* 2019;15(2):86–89)

[3] Herrigel DJ, Carroll M, Fanning C, Steinberg MB, Parikh A, Usher M, Interhospital Transfer Handoff Practices. J. Hosp. Med 2016;6;413-417. doi:10.1002/jhm.2577

[4] Usher, M., Sahni, N., Herrigel, D. et al. J GEN INTERN MED (2018) 33: 1447. https://doi.org/10.1007/s11606-018-4491-x

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CHAPTER THREE

The ROI of Preventing Leakage, Improving Keepage and Increasing Repatriation

With the optimized process and technology in place, what kind of ROI can health systems expect from this strategy focused on patient acquisition and keepage (including preventing leakage and repatriation effort when it does occur)? Very little research exists on the financial impact that patient transfers bring to a health system, so Central Logic commissioned a study by the University of Utah to measure that impact, which Chapter 3 describes. The chapter also offers insight so health systems can sustain and even grow that ROI in the coming years.

The ROI of Preventing Leakage, Improving Keepage and Increasing Repatriation

Increasing patient transfer volume is perhaps the most important aspect of the leakage, keepage and repatriation strategy. Healthcare organizations, however, rarely assess how transfers can contribute to the bottom line. Analyzing revenue attributable to each transferred patient admission is mandatory to track ROI and is a highly meaningful exercise for all health systems.

Not only does visualizing the revenue that comes from each transferred patient help leaders understand the missed opportunity of inaction on transfer optimization, it also illustrates how transfers can help overcome the health system's financial challenges before discontinuing services or reducing staff.

There is very little research concerning this important aspect of health system operations, so Central Logic commissioned the University of Utah to conduct such a study based on gross revenue, discharges, admissions by department for hospitals across the country, as well as other available data sources on interhospital patient transfers. Researchers found each patient transfer to a specialty center yields an average $8,000 to $10,800 contribution margin per patient.

Using that figure combined with the broad benchmark that a 100-bed hospital should receive 100 transfers a month, or 1,200 per year, a high-performance organization focused on increasing patient acquisition and retention could yield an additional $9.6 million to $13 million in revenue per year.

Numerous factors will influence that ROI, including the size of the health system, competition in the area, and specialty offerings—not to mention the insurance mix of incoming patients. A complete assessment would deliver a more precise idea on the kind of growth impact an optimized transfer process would offer. Such an assessment would include comparing the performance of your system against specific benchmarks of comparable health systems. One commonality, however, is that improving the efficiency of processes via centralized technology that offers an enterprise-wide overview of the system could help accelerate improvements for any health system.

When properly implemented, an optimized process and technology could increase transfers by 20 percent in the first year, based on this research.

Reinvesting the Growth

Increasing contribution margin through transfers makes it more feasible for not-for-profit health systems to fulfill their community and charitable mission while ensuring sustainability. As Medicare and Medicaid reimbursements continue to negatively affect operating margins for even high-performing health systems, competition for privately insured patients is increasing. To compensate for flat or shrinking FFS revenue from the Centers for Medicare and Medicaid Services (CMS), many health systems are participating in the agency's value-based care payment programs; while this presents new revenue

opportunities, it also puts pressure on systems to improve outcomes.

Adding to these challenges is competition among health systems as consolidation continues to shrink the number of players in markets. Ensuring a healthcare organization remains dominant, or even competitive in its market, depends on the ability to attract new patients and retain them within a health system's network.

With continued margin support from improved patient acquisition, retention and repatriation, a health system can grow existing service lines and introduce new specialty centers—which in turn can drive more referrals. This self-perpetuating cycle of growth has numerous patient care quality benefits as well, such as helping close care gaps in the community and delivering world-class specialty care to patients who may not have had it available before.

As the healthcare industry continues to balance both FFS and FFV revenue streams, investing in and optimizing acquisition, retention and repatriation processes can grow the contribution margin regardless of payment model. Not only do high-performance health systems help more patients in the community receive the right level of care without delay, but they can also support improved clinical outcomes. Meanwhile, consistent analytics generated by the transfer center software described in Chapters 1 and 2 helps identify growth opportunities and areas where patients and referring partners could be served better.

Improved transfer efficiency and referring provider experience will likewise improve care quality and drive additional patient acquisition in the future, which results in improved financial performance

and a competitive advantage in markets with numerous specialty centers and high patient demand. The ROI of these investments is clear.

Conclusion

In the near future, patient transfers will become much more than moving patients emergently to the appropriate hospital or specialty center. They will evolve into care access gateways, so health systems can deliver care and provide services to maintain retention across the continuum. Leading this charge will be the next evolution of a health system transfer center: a concept called an "access center." These centralized, wholly integrated entities will be vital to every level of care—from inpatient, to post-acute, to telemedicine, to home, and back again.

A true access center will have superior visibility into system-wide patient acquisition, retention and leakage, as well as physician and facility capacity to ensure patient loads are balanced across the network. These operational efficiencies will be enabled by automated tools and reliable, real-time answers that empower experienced clinicians managing access and tracking performance. By accelerating access to care in this way, health systems can increase patient acquisition and keepage, reduce leakage and increase repatriation to better withstand any healthcare industry changes or competitive market pressures.

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