

PAYERS & PROVIDERS

Hospitals, Healthcare Systems Need to Engage Patients Directly *The Demographic Data Suggests They Have No Choice*

For the foreseeable future, the strength and sustainability of healthcare providers will depend on their capacity to capture and maximize revenue from commercially insured patients. But this imperative brings with it significant challenges given that the number of these would-be patients shrinks every day, and the direction the demographic pendulum is swinging is not kind: 10,000 citizens are aging into Medicare every day, while at the same time 57% of the roughly 10,900 babies born daily are funded through government reimbursement. This creates a negative sum game for commercial market share.

The answer to this conundrum lies in healthcare systems learning to do what few, until now, have been able to do: Engage with individuals with the same rigor and data-driven insight that the nation's most adept retailers routinely use to speak with their customers. If Amazon can send shoppers tailored messages about products they bought previously or recommendations about new products that may be of interest, why can't healthcare providers do the same? No longer can or should healthcare lag behind the rest of the economy in customer relationship management.

Rising to this level of sophistication will require hospitals to take a 360-degree view of each consumer in its market — as an employee, patient and customer — to create a longitudinal record that helps healthcare systems fully understand each individual's personal healthcare needs. Only then can a hospital truly grasp where their greatest opportunities exist, where their best customers reside, what these consumers are searching for, and what is the best way to communicate with them on an ongoing basis.

Make no mistake; a shift to this individualized customer mindset and retail approach would be revolutionary for an industry that yields most painfully to change. What would it mean?

1. It requires healthcare systems to reconsider their historical attitude toward patient acquisition. Instead of a reactive approach that only engages patients after a visit, health systems would be focused on understanding every commercially insured person in their market, including their competitors' patients, and thus be able to compete effectively for this desirable population. After all, aren't all consumers, by definition, potential healthcare customers?
2. Instead of depending on a physician referral, employer benefit decision or website search for business, healthcare systems would focus on influencing an individual's decision to access care in the way that the healthcare system wants, whether based on convenience or efficiency or cost. The combination of unlimited access to information on the internet, widely available decision support tools, and increased personal financial responsibility for utilizing health care has created savvy consumers who are actively

shopping for care with increasing expectations of an exceptional patient experience.

3. Hospitals must be far more strategic in their marketing. Rather than mass media campaigns that bring high cost and high waste, campaigns would be highly targeted both in message and communication vehicle. By combining demographics, psychographics and dynamic response tracking, a hospital would be assured that messages have individualized content and are delivered in the ways to which each consumer is most likely to respond.
4. Healthcare systems must identify and deliver individualized content to "chief health officer mom" or whoever is making the household healthcare decisions. These communications should be based on the care the family needs and in the channel they prefer — email when it's time for their third graders to get shots before going to camp or text reminders (with one-click scheduling) when it's time for routine colorectal screenings.

What has prevented this progress from occurring in the past has been the shortcomings of existing CRM tools that are basically "transactional" or "operational" in nature, built "inside out" with a focus on gathering intelligence on existing customers but lacking the high level of sophistication needed to target potential new customers. Healthcare systems need a recommender system to advise them on the market opportunity for each service line, with an automated engine to deliver the communications.

The world healthcare systems live in today is a highly competitive negative sum game, which sees fewer commercially insured patients every single day. That makes the healthcare industry ripe for the development of analytical customer relationship management systems — built exclusively for healthcare — through which providers can deploy novel and much-needed acquisition and retention strategies.

The good news is that we are now seeing the emergence of just such systems. Their introduction into the marketplace is moving healthcare CRMs from transaction based to fully automated and, in doing so, are showing hospitals how to maximize their growth and revenue potentials. And by leveraging expansive claims and consumer analytics as its infrastructure, these systems are providing hospitals with the real-time information required for sound and strategic decision-making.

Smart healthcare executives understand that this wave of the future is now upon us, and they are seizing these opportunities before their competitors beat them to the punch. Is it time for you to get on board?

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