

Selling Outpatient Services to Referring Doctors

Published by Healthcare Marketing Report, December 2007

BY RICHARD L. COHEN

ORLANDO, FL—"We have more imaging centers in Florida than Burger Kings," Laurie Slater, Director, Business Development for BayCare Ambulatory Services told a session in Orlando at the recent Twelfth National Forum on Customer Based Marketing Strategies sponsored by the Forum for Healthcare Strategists. While perhaps overstating the case, it points to the challenge that the Clearwater, Florida-based BayCare Health System has had these last five years in marketing its imaging and surgery centers to 3,000 referring physicians in two of the counties it serves.

In these two counties, both part of the larger Tampa Bay region, BayCare has 13 imaging centers, both hospital-based and freestanding, and four surgery centers. "We have 63 competitors in these two counties," Slater said in a follow-up interview.

In the last half dozen or so years, it has changed its physician referral sales model from a liaison model to one focused on referral development.

Slater told the audience that now there are eight sales representatives focused on selling imaging and surgery services in these two counties. This service line selling structure is also followed in three other areas of the organization where physician outreach is important. For example, there is a staff of reps selling lab services, another group focusing on home health and still another handling inpatient concerns.

This organizational structure can allow representatives to "live, eat and breath the product," says Carolyn Merriman, President of the East Greenwich, Rhode Island-based Corporate Health Group and Slater's co-presenter. In a follow-up interview, she says that while organizing by service line is a viable way to handle referring physician sales one of the challenges is to make sure the sales force is not stepping over each other to visit a physician.

In other words, the doctor, or doctor's office doesn't want to feel that they have just been visited by four representatives from the same hospital trying to sell various services.

The solution, she says, is to have everything computerized so it is clear who is going where and when.

To be fair, Merriman also points out that the other form of organization, where a hospital divides its sales force by territory can also work. In this formulation, one person is responsible for a certain group of referring doctors, period. They work to sell each relevant business line to that doctor and that doctor's office staff.

Differentiate the Product

So, how does one sell an outpatient service line in a highly competitive marketplace? At BayCare a "boutique patient experience in outpatient setting sets us

apart," Slater told the group. "We have aromatherapy, TV, movies, snacks, coffee, scrubs, robes and slippers."

Merriman points out that differentiation like this is an important factor in gaining physician business. Certainly, the amenities for their patients are a great touch and are becoming more of a necessity. "Hospitals have been slow to respond to the outpatient market and their expectations," Merriman says. "The outpatient business requires hospitals to be more flexible, more adaptable. They are measured more on the retail model like Starbucks and Amazon."

"The outpatient business requires hospitals to be more flexible, more adaptable."

Gone are the days when hospitals will find success in outpatient imaging, for example, if they have their imaging in the hospital basement and commingle outpatients and inpatients, she says.

Then there's the physician side. Physicians want their patients taken care of well, but they also want to know "how quickly they can get a patient in and how quickly do they get a report as that will speed their diagnosis," she says. Then there are those added value services that go above their baseline requirements. For an imaging center, she pointed out, this could include hand delivering film to the practice and having the radiologist for certain types of reads proactively contact the patient's physician.

There are also some touches done for the convenience of the patient such as being prepared for handling obese patients and those patients who may be claustrophobic.

An Aggressive Visitation Strategy

Slater said that her sales representatives have a well thought out visitation schedule that is predetermined from strategy sessions. These sessions examine referral data and split the physician offices into three categories. "Our A list are referring physicians that bring us 80-100 percent of their business," she says. "Our B list is physicians who are giving us 50 percent or so of their business and our C list includes prospects who are giving us no business."

Loyalists are normally visited once every two or three weeks. The B list offices "need to be visited weekly as we are trying to shift patterns from 30 percent to 50 percent, for example, or from 50 percent to 80 percent," she says.

Normally, the reps visit the offices without appointments, but would seek one if they are bringing a radiologist with them. For physician offices on the C list, the first goal is to interact with the front desk. The next step might be to get in to see for five minutes and then hopefully score a brief meeting with the referral coordinator.

This strategy has been enormously successful. As of summer of 2007, they organization had a 55 percent overall ambulatory market share in these two counties and a 65 percent market share in MRI and CT, both up considerably from six years ago. The organization did not know its market share in these categories at that time, Slater says, but estimated it was in the high 20's or low 30's.

There has been a 65 percent increase in volume of procedures over this period. Its return on assets is close to 8 percent and has been constant the last few years. That is quite different than when this push was started as then its return on assets was a negative 2.2 percent, she says.

The strategy has been so successful that Slater is in the process of doing the same thing in another county in the Tampa Bay region, this one with 3,000 referring physicians and 64 competing imaging centers.



Richard Cohen, Editor, Healthcare Marketing Report

Carolyn Merriman, FRSA, President, Corporate Health Group,
www.corporatehealthgroup.com, 1-888-334-2500