

Regional Referrals Go South...*CHG helps a hospital identify shifts in physician referral patterns to retain market share*

Background

A 450-bed hospital in a two-hospital town had historically drawn its outlying-area referrals from an area north and west of the hospital. The competitor historically drew from the south and east, given its proximity to that region. It was understood that respective areas were the other person's turf. But historical patterns started to change as the space between outlying areas and the city shrank.

Problem

The hospital came to CHG and essentially asked, "What can we do?" 60% of inpatient volume came from outlying areas, and referral patterns were clearly shifting. The Board wanted to shore up relationships with referring physicians from outside the area and perhaps develop a dedicated role for physician relations within each department. Or maybe centralized? Or maybe other duties as assigned for department heads?

Examination and Diagnosis

Because of the tacit understanding and historical turf boundaries, communication with outlying referring physicians was informal and sporadic. In fact, we found the internal assumption was "Isn't that the specialist's job?" Apparently not, we learned from the specialists. Given that discovery, leadership began to panic, and we cautioned them to evaluate further.

That's because we also looked deeper into where the referral-pattern shift was occurring. They needed a starting point. Oncology was still doing well, for instance, so we helped the hospital find its acute point of pain, and develop the right message to take to physicians. Cardiology was our subject.

After studying the competition, we also found that the root of the problem ran deeper than a mere lack of communication and relationship building. The competition was willing to provide and do more for outlying physicians who sent referrals their way, such as discharge planning and physician-to-physician calls and updates.

Prescription

The hospital needed a dedicated person to call on physicians in outlying areas. Not to sell them, but to establish and maintain a dialog with doctors. Find out their needs, wish lists and ultimately what it takes to earn their referrals. With this knowledge, the hospital had to be ready to evaluate and change operations, job descriptions, product offering and scope of services accordingly. They had to be able to deliver on their promises.

Result

The hospital was able to recapture its share of the cardiology market and prevent the shift in referral patterns from becoming permanent. Relationship-building activities were implemented for orthopedics, rehabilitation and maternal fetal medicine...and referrals never slipped.

