

The Physician IS Your Customer Focus on Developing Win-Win Strategies

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Depending on which study you read, physicians still control 70% to 80% of patient decisions about outpatient procedures, from where they're admitted for in-patient hospital care, to which specialists they see¹. So, although consumer strategies are effective for some services—obstetrics and treatment centers, for example—the majority (including the most profitable services) are still heavily influenced by physicians.

"It's no secret. Physicians are often the key to a healthcare organization's success or failure," says Kriss Barlow, Senior Partner with Corporate Health Group, Hudson, WI. "Healthcare executives should embrace physicians as valued customers." Barlow suggests these five strategies for developing win-win physician relations initiatives.

- 1. Revitalize Referral Development.** "In the 1990's, physician relationship efforts revolved around managed care activities," Barlow says. "But exclusive referral relationships never materialized and managed care dwindled." Today's reality is that most physicians have a choice about where they admit or refer. Strong referral relationships ensure they refer to your organization.

Marketer's Action: Use data to evaluate existing referral relationships, then target those that need improvement or maintenance. MD Anderson Cancer Center, Houston, TX, began taking its physician referral relationships to the next level several years ago. "We always had a physician focus, but we wanted to do better," says Lyle Green, Assistant Vice President for Referral Development. Green used data to identify existing referrers, understand where they came from, and recognize which ones sent repeat referrals within a year. He then worked with the Medical Director to determine what MD Anderson could do to both improve and support those relationships. "Physicians told our physician liaisons what we needed to do in order to get their business, and we listened," Green says.

¹ D. Fell, Physician Marketing: Not Overlooking the Obvious, October 17, 2001, HealthLeaders, <http://www.healthleaders.com/news/feature1.php?contentid=28575>

- 2. Set Your Sights on Satisfaction.** "Physician satisfaction has real value whether your beds are full or not," says Barlow. And because retaining existing admitters is easier than attracting new ones or getting splitters to become exclusive, it's important to keep physicians happy.

Marketer's Action: Survey physicians continuously and ask them what you can do better. "Then do it," Barlow says. "If you don't, you will perpetuate physician cynicism that hospitals ask what they can do better, but never follow through." At MD Anderson, representatives scored when they solved a major communication problem. "Referring physicians told our field reps that receiving consultative reports took too long. So we purchased a document management system that automatically prints the report for the physician following transcription and electronic signature," says Green. The system performs a mail merge with referring physician data, which allows reports to be distributed quickly. "We believe this is one reason that satisfaction with the follow up communication has increased from approximately 50% rating M. D. Anderson very good or excellent in August 2000 to over 70% through May 2002."

- 3. Facilitate Physician-to-Physician Referrals.** Solid referral relationships drive hospital volumes. But often, referring physicians have a difficult time getting appointments with specialists or access to them on the phone. "That's where you can step in to help," Barlow says.

Marketer's Action: Dartmouth-Hitchcock Medical Center, Lebanon, NH found that referring physicians had difficulty accessing its specialists, so it set up a Physician Connection Line. "Focus groups and satisfaction surveys indicated that physicians needed better access to the appropriate specialist or section," says Mary Beth Eldredge, Director of Referring Physician Services. "A comment such as 'I can't get through,' summed up the need for improvement."

So Dartmouth-Hitchcock created a single point of entry for referring physicians and their office staff. With one phone call, they reach a service representative who assists them with physician consults, referral appointments, and inquiries regarding clinical services and programs. After only eight months, the service logged its 5,000th transaction. According to Eldredge, "Referring physician's office staff love the attention they get. Many of them call with patient 'batches'—eight patients who need eight different specialty appointments. The service has made our decentralized systems transparent to the outside customer."

- 4. Rev Up ROI.** Like any marketing initiative, physician relationship programs must show measurable results. But this is often easier said than done, simply "because tracking relies on adequate systems, consistency and accuracy, and internal consensus regarding your 'credit' for results. Finance wants you to prove your programs yield financial results, but it's often a challenge to access benchmark data such as referring physicians for each patient," says Barlow. "The key is combining both quantitative and qualitative information to support your success."

Marketer's Action: Don't worry if you can't get access to every piece of data. Pick a starting point—physician satisfaction data and trends, or current volumes by physician, are both options. Then track improvements for the specific physicians being targeted, perhaps after six months of working with them.

- 5. Revisit Recruitment.** With warnings about a long-term shortage of physicians, physician recruitment is on the radar screen of healthcare strategists. "Physician demand is increasing at a time when old recruitment strategies may not work," Barlow points out. Recent data indicate that many younger physicians prefer more interesting work environments, professional freedom, and flexible hours over more money.² "Plus, the American Hospital Association has estimated that 38% of America's physicians are 50 and over, and many of them will be considering retirement in the next several years," Barlow says. That means succession planning is more important than ever.

Marketer's Action: The time is NOW to develop a strategic plan for growing your medical staff. Determine the proper mix of medical and surgical specialists, gain the support of your medical staff, and don't forget the IRS and OIG regulations. "And make sure your business development supports the hospital's recruitment initiatives," Barlow advises. "If your hospital is two FTE cardiologists short, and it's hard to get patients on the limited cath lab schedule, don't launch a full press cardiology services campaign until you fill the open positions. Make sure your messages to consumers and referring physicians are consistent with existing capacity."



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² HealthLeaders.com and MEDSTAT, Physician recruitment: physicians want more than money, August 2002, <http://www.healthleaders.com/magazine/factfile.php?contentid=37158>