

Value of the Employer as Customer

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In 2008, healthcare spending in the United States reached \$2.4 trillion, and was projected to reach \$3.1 trillion in 2012.¹ Healthcare spending is projected to reach \$4.3 trillion by 2016.¹ U.S. employers are undoubtedly one of the most crucial customers for hospitals today. Struggling to contain skyrocketing healthcare costs, businesses are eager to partner with providers that can help them decrease their expenses, increase their profits, enhance employee productivity, and bolster their competitive standing.

Market research indicates that employers today want:

- One-stop shopping
- Easy access to care and services
- Value-added services
- Satisfaction with health plans

Employers typically perceive quality to be consistent among hospitals and physicians. More than ever, they aggressively shop for partners that can help them proactively manage healthcare costs and get top value for their dollar. They also want long-term savings strategies and disease management programs that can give them a competitive advantage in worker retention and productivity. Finally, employers want to connect with providers that are interested and willing to work with them on both work and group health issues.

These employer expectations, which are even more challenging in a slow economy, are altering traditional thinking about occupational health and wellness services. The emerging trend is customer-focused relationship development and an inclusive package of differentiated services. Hospitals and clinics that may not have considered employer needs as a strategy in the past have an opportunity to approach business and industry in a way that says, "You and your employees are important, and we can be proactive in your employees health, make healthcare access easier and more cost-effective for you."

Perfect Timing for Target Audience

Although employers can't continue to fund healthcare for employees as they did in the past, they can't afford to walk away from some level of coverage for legal, retention, and recruitment reasons. As gatekeepers to a captive audience – employees and their families – employers are a viable target market. The overall strategy for a healthcare organization is to develop, build, and manage a long-term relationship with employers.

Differentiation is Key

One way to differentiate an organization from its competitors is to develop and implement a two-tier sales and marketing strategy. The first tier consists of employers; the second, employees and families, and in some cases, retirees. The idea is to have an ongoing relationship with both tiers. Consider a formal marketing communications plan, tying in internal communication opportunities, a coordinated health calendar, and educational and screening events. Activities should coincide or be integrated with care management, nurse triage, urgent care, and other programs and services that could also be made available to the community. The most successful plans are easy to implement, promote seamless delivery, and provide programs as value-added services, whose costs are included in the overall employer offering.

Proactive Strategy

Hospitals that take the lead in executing a customer-focused, sales-oriented strategy will generate greater employer loyalty and a healthier bottom line for the employer. A differentiated product and service model that keeps costs in line and employees healthy and on the job will also help ensure a long-lasting relationship with a very important customer group.

1. Keehan, S. et al. "Health Spending Projections Through 2017, Health Affairs Web Exclusive W146: 21 February 2008.



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