Healthcare Marketing Plans That Work

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Agenda

- Purpose, Politics, Process and Format
- Market Audit (Process, What to Look For)
- Market Position (Brand vs. Commodity)
- Marketing Strategies
- Measurement and Quantifiable Objectives
- Market Actions (Budget, Priorities)
- Appendix One– Market Audit Data
- Appendix Two – Patient Pathway Mapping (for Marketing)
- Appendix Three – ROI Tracking (The Short Course)
- Appendix Four – Example Marketing Prioritization Model

Purpose, Politics, Process and Format

What is Marketing?

- “Marketing is the management of exchange”

-Philip Kotler

What is Marketing?

- Marketing is the enhancement of anything that "helps" a desired exchange and the minimization of anything that "hinders" a desired exchange.

-Strategic Marketing Concepts

Marketing Plan Axioms

- A Marketing Plan goes beyond communications - sales, pricing, access, product mix, key audience relations, research, etc.
- There is no “right” format for a Marketing Plan or a right way to do one.
  - The proof is in the content, not the format!

Marketing Plan Axioms

- The Plan is a “blueprint” - it does not delineate every detail and step.
- Needs to be flexible, but not fluid.
- Marketing plans have learning curves
- A Marketing Plan is near term in scope – 12 to 18 months (beyond that - fiction).

Marketing Plan Axioms

- A Marketing Plan coordinates with and **follows** other plans:
  - Strategic Plan – Ideally 3-5 years out
    - Operating Plan – 12 Month cycle of Strategic Plan
  - Facilities Plan – Up to 10 years out
  - Financial Plan – Ideally 3-5 years out
  - Medical Staff Plan – 2-3 years out
  - Business Plans– 2-3 years out

Marketing Plan Axioms

Coordination with Strategic Plan

Organizational Strategic Goal	Possible Marketing Strategies
Achieve Top 10% Level for HCAPHS "Recommend" Score	• Qualitative research • Customer relations training • Service recovery standards • Promotion of improvements
Expand referral base for transplant program	•Develop current/potential referral source database. • Research among referral sources • Targeted promotion campaign – referral sources in 3 states
Increase PSA Cardiology Share from 50% to 60%	• Recruit 2 cardiologists and 1 CV surgeon • Add .50 dedicated liaison • CRM driven screening promotion via direct mail
Develop two urgent care sites to support Employed Physician Group patient population (including risk plan enrollees)	•Research current urgent care utilization patterns •Support site selection analysis •Develop targeted promotional campaign upon opening

Marketing Plan Axioms

- A Marketing Plan involves the entire organization/division/service line - or else it is only the Marketing Department work plan.
  - This includes operations staff, nursing – even the CEO and CFO!

Marketing Plan Axioms

- There must be measurable results from the implementation of the plan – and these measurements and objectives need to be determined in advance.
  - More about categories of objectives and metrics later.

Marketing Plan Axioms

- If done right, a Plan gets marketing into a pro-active mode..
  - ... and out of the “Brochure of the Week” syndrome.
- In the end, a Marketing Plan is only worth the effort if it is used and becomes part of the culture.

Organizing for a Marketing Plan

- Involve the implementers - data, objectives, actions.
  - Nursing, Service Lines, CEO, CFO, Employed Group Leadership – everyone!
- Have background data in hand.
- Anticipate a need for original research (lead time, costs).

Organizing for a Marketing Plan

- Timing - Do before the budgeting process.
  - Seems like a “no-brainer but…
- Time Frame - 60-90 days the first time out.
  - Ideally quicker after that – but not always.
- Using Internal vs. External resources.

Organizing for a Marketing Plan

- Leadership Involvement:
  - Support/understand the concept of a Marketing Plan.
  - Approve assumptions (Audit), Position, Metrics and Strategies.
  - NOT overly involved in Market Action design unless they are leading that Action.

Issue – One Marketing Plan – or Many?

- Provider organizations are getting more complex.
  - 2000 – Memorial Hospital included 300 bed hospital, 10 employed doctors, home health agency, 1 DI center.
  - 2014 – Memorial Health System includes 2 general hospitals (same market), a branded Children's Hospital (within main campus), 225 employed physicians, 2 urgent care centers, 2 DI centers, home health agency, 2 SNF's, start-up insurance joint venture.

Issue – One Marketing Plan – or Many?

- Should there be one “Marketing Plan” for Memorial with different sub-sets? Or 3-4 separate plans (or more)?
- Depends upon:
  - The brand focus of the organization (Branded House? House of Brands?)
  - The structure of the Marketing Function (Centralized, Semi-Centralized, Largely Decentralize)

Suggested Plan Format

- Market Audit
  - Key Observations/Major factors driving "marketing" for the entity.
- Market Position
  - Overall, Key Entities if different
- Market Strategies
- Quantifiable Objectives

Suggested Plan Format

- Market Actions
  - Description
  - Priority
  - Time Frame
  - Resources
  - Responsible Parties
- Monitoring Process
- Data Appendices

Example Marketing Plan Process
(AMC w/FMG, Satellites)

- FY is Calendar Year
- July/August – Update Research
- Sept./Oct. – Update Background Data/Market Audit
  - Planning, Decision Support, Finance, FMG, etc.
  - Business Plans, Volumes, Share, Insurance Contracts, Service Line Profitability, Patient Satisfaction, etc.
  - Annual Environmental Scan (Planning).
- October - Key stakeholder meetings
  - Goals, objectives, issues, hindrances for next FY
  - Led by Marketing Account Reps

Example Marketing Plan Process
(AMC w/FMG, Satellites)

- October – System-wide Marketing Strategies and Objectives submitted for Leadership approval.
- November/December – Prepare service line Market Audits, Priority levels, Market Action grids.

Example Marketing Plan Process
(AMC w/FMG, Satellites)

- Final AMC Marketing Plan includes:
  - General Market Audit (Consultant supported)
  - Service Line Market Audits (Staff developed)
  - Market Position (Staff/Consultant but little changed since 2005)
  - Marketing Strategies (Staff/Consultant)
  - Objectives (Staff developed)
  - Market Action Grids – General, Service Line (Staff developed)

Example Marketing Plan Process
(AMC w/FMG, Satellites)

- Impact of a 10 year ongoing process (Started in 2005):
  - The "Plan" process has become part of the AMC organizational culture. Operational leaders expect it and want to be involved.
  - The process has shifted from majority consultant driven in 2005 to majority staff driven in 2014.
  - Strategies have evolved over time as AMC strategies and market issues change.
  - The Plan process drives the Marketing budget.

Market Audit

The Market Audit - General

- 1-2 pages per major element if possible.
  - Save the data dump for the appendices
  - Make it a quick read
- Take a “broad” view. Be creative – you never know where the “gems” are.
  - Items of information that lead to “ah ha” findings that have to be addressed in the Marketing Plan.

Market Audit – What to Ask
(Specific Service or Entity)

- What is the structure/nature of the service, program or entity?
  - What is provided?
  - Who can provide it (or likely does provide it)
  - Episodic or chronic in nature
  - Technical needs (have to have Equipment X)
  - Legal/regulatory restrictions
  - Is it consumer driven (level of choice)
  - Site basis (IP, OP, both)

Market Audit – What to Ask
(Specific Service or Entity)

- What is the channel of distribution and access?
  - Locations, time to get in
  - Insurance limitations
  - Service Pathway Map – How do patients get there?
- What are the volume and share patterns?
- Is Price an issue and to what degree?
  - Wholesale level
  - Retail level (price shopping)

Market Audit – What to Ask
(Specific Service or Entity)

- Who are the competitors?
  - Direct (other similar providers)
  - Indirect (other options)

- What differentiates your service/program?
  - Location, technology, reputation, quality, contracts, price?

Market Audit – What to Ask
(Specific Service or Entity)

- Where is the program/service/entity headed strategically?
  - Grow, maintain, phase out?
  - New locations, partners
  - New approach (contract vs. own)?
  - How will it be impacted by ACA issues (narrow networks, exchange growth, EMR)?

The Market Audit- Data Examples

(See Appendix One for Broader List)

- Strategic Plan, Business Plans
- Program/Service Structure (locations, hours, access, etc.)
- Market Share Patterns over time
- Payor Mix, profitability
- Insurance contracting limitations
- Public image, user satisfaction
- Marketing system effectiveness

Market Audit – Micro Analysis

- If possible, take the analysis down to the most finite level to find the market threats and opportunities.

Market Audit – Micro Analysis Examples

- Zipcode – Why is Primary Service Area share 55% but Zipcode 23456 (in the middle of the PSA) only 36%?

- DRG's/Leakage – Your share of General Surgery is 62% but your share of 10 key DRG's within G.S. is 40% or less - why?

Market Audit – Micro Analysis Examples

- Referring Doctors – Why does FP #1 refer 75% of his cardiology to your group but FP #2 only sends 25% - and they are in the same office.
- Audiences – Top of mind awareness, preference, perceived quality are consistently lower among seniors – why?

Market Audit – Micro Analysis Examples

- Intra-System Access:
  - DI Site A has an MRI queue of 10 days for non-urgent cases. Leakage to a competitor has been documented because of the waits.
  - DI Site B (same system, 5 miles away) has same day access virtually all the time.
  - What's wrong with this picture?

Market Audit – Micro Analysis Examples

- Patient Satisfaction:
  - Hospital B gets HCAPHS scores in the 70's for all ratings…
  - … but only 50% for "Would Definitely Recommend"!
  - Why? And what are the implications for CMS $$ penalties?

Market Audit – Micro Analysis Examples

- Pricing/Price Shopping
  - Memorial is losing OP DI volumes to independent sites. Research reveals:
    - 45% of consumers using independent sites note price as a driver.
    - 18% of area consumers note price shopping, with DI the leading clinical service price shopped.
    - Anecdotal evidence that 2 area Health Plans are directing members based on price.
    - Mystery shopping shows 20-25% price differential

Market Audit – Micro Analysis Examples

- Meaningful Use Portal Sign-Ups
  - 30% of the System provider entities achieved target goals for sign-ups…
  - …but 70% didn't even come close.
  - Why?

The Market Audit – Key Observations

- This is the “art” of the Marketing Plan process.
- No magic number – whatever number is needed to focus on the key issues.
- Boil down “data” into key issues that the Plan can react to.

The Market Audit – Key Observations

- Observations need to be useful:
  - “In the World Cup finals, the team that scored first won 7 out of 14 times”

-Commentator During 1998 World Cup

The Market Audit – Key Observations

- Observations need to be useful:
  - "Of the state's 45 hospitals tracked from July 2009 to June 2010, 23 scored better than average."

-Baltimore Sun (2/25/11)

The Market Audit – Key Observations

- Observation:
  - Referral volume to ABC Surgery group has dropped by 30% over the past year from PCP groups C, D and E.
- Observation:
  - ER Market share from the east side of town (3 zipcodes) has declined by 22% from 2 years ago.

The Market Audit – Key Observations

- Observation:
  - The preference share for Hospital X's cardiology services is 20% higher than its actual market share.
- Observation:
  - Mercy Hospital has contracts with all major managed care plans in its market. However, most of the surgeons on the staff of Mercy will not contract with the two largest plans in the area.

The Market Audit – Key Observations

- Observation:
  - A developer acquires farm property on the edge of a suburban area and plans to develop over 3,000 units of housing. This is in a "no-man's land" between Hospitals A and B.
- Observation:
  - 35% of area employees have access to flexible savings accounts and a study shows that over 40% have money left in those accounts by December of each year.

The Market Audit – Key Observations

- Observation:
  - The Booth Memorial service area has a service area population that is 20% Asian based (primarily Chinese and Korean). But research shows that Booth captures only 10% of the projected utilization volume from this sub-segment.
- Observation:
  - The Kantor Plastic Surgery Group splits its privileges between Butler County General and St. Jerome Hospitals. The group does pretty much even levels of emergency and trauma surgery at each hospital but over 80% of the group's elective plastic work is done at St. Jerome.

The Market Audit – Key Observations

- Observation:
  - Riverside AMC consistently has a positive preference share to reported utilization share ratio, indicative of an opportunity to capture patient volumes via pent-up demand.
- Observation:
  - Mystery shopping shows that non-emergent access to on staff Orthopedic Surgeons, Urologists and Vascular Surgeons is at 6-8 weeks.

Market Audit – Key Observations

- Observation:
  - The Jones Cancer Institute is a top 25 (national) provider and operates in 3 states. Jones is currently included in only 25% of the health exchange offerings in 2 of those 3 states (60% in the third state).
- Observation:
  - By March 1, 2014 the ABC Family Practice Network (60 physicians, 18 sites, division of ABC Health System) has achieved 20% sign-up overall – but only 6% among two key local ethnic populations.

The Market Audit – Key Observations

- Observation:
  - XYZ Health System has established a private label insurance product joint venture with ABC Health Plan. Initial employer direct and private exchange sales projected for Spring 2015.
- Observation:
  - Children's Hospital plans 2 branded management agreements (NICU, Peds Units) with local community hospitals in 2015.

Sidebar - Industry Issues 2014 Factor Driving Marketing

Affordable Care Act Implications

- "Volume" vs. "Value" has become one of the industry mantra's. But what does this mean for Marketing?
  - **Can we really provide any "value" if we don't have any "volume"?** The question is – what type of volume?
  - More realistically, the impact relates to connecting a degree of payment to perceived returns – outcomes, access, satisfaction, savings, etc.
  - For Marketing it means demonstrating the "value" of the brand to the audiences making the "purchase" decision – and those audiences vary and don't always have the same value sets.

Affordable Care Act Implications

- One key by-product of ACA/Exchange insurance offerings is the creation of “narrow networks” – essentially limited provider panels based on a variety of factors including price.
- Marketing implications:
  - Ensuring that your entity is not locked out of key narrow networks.
  - Shifts plan buyer (employer) and consumer decision point to which network to join before which provider to use.

Affordable Care Act Implications

- In some markets, the line between provider and insurer is blurring as providers return to risk-bearing models (including creating their own insurance products).
  - Means selling insurance plans, enrollment, re-enrollment marketing issues.
  - Question – will the existing Marketing function support this or will there be two parallel marketing functions?

Affordable Care Act Implications

- Role of Provider Marketing gets murkier:
  - Image/Brand identity management – yes
  - Traditional volume role – yes, for now.
  - Support physician integration - yes
  - Support patient experience efforts – yes
  - Support population health management – yes (Means new partners, messages and metrics)
  - Provision of quality and price information – yes but the role and methodology is unclear.
  - Sell health plan participation, enrollment and re-enrollment – maybe.

Ethnic Audiences

- 1,000,000+ per year growth in U.S.
- In major cities – and some unexpected smaller communities. Nebraska??
- Significant marketing implications:
  - Communications
  - Medical needs
  - Cultural issues
  - Decisions made now can have an impact for 2-3 generations.

Technology

- What's coming down the pike that can be disruptive?
  - Smart surgical suites, nanotechnology, wireless technology, remote diagnosing, artificial organs, etc.
  - Implications:
    - Pressure on providers to keep up.
    - Pressure on marketing to promote technology as a differentiator.
    - Remember WIIFM – Translate technology to value for end users in communications.

Access

- Major marketing differentiator for provider entities:
  - Insurance coverage
  - Locations
  - Hours of operation
  - Ease of use:
    - On line appointment scheduling
    - Centralized scheduling – best time options
    - Live ER wait times, purchase of non-emergent ER time slots, ER alternatives
    - Concierge practices, NP/PA Retail Clinics, web-based treatment (remote), etc.

Physicians

- ACA may eventually add 30,000,000 more insured consumers – and the physician supply is NOT going to keep up.
  - Growing pressure for alternatives including giving PA's and NP's more autonomy.
  - The pattern of employing doctors and creating large employed physician groups continues unabated.

Physicians – Consequences of Large Scale Employment

- "Employees" have less incentive to plant roots and stay – quite willing to pick up and move in a few years. (Means constant recruitment and marketing support).
- Will we see the end of the traditional "Medical Staff" with bylaws and officers?
- Will we see the day when a hospital or system has a sufficient pool of physicians in key specialties in an employed mode and tells the independents they aren't needed any longer? (Closed panel)

Physicians – Consequences of Large Scale Employment

- That large, employed group your hospital has created now has demands for marketing support.
  - Conflicts with independents?
  - Do you have the resources?
  - Will they work with you or do they go “rogue”?

Price Shopping by Consumers

- Levels have been increasing in recent years.
  - 15% having “price shopped” a health care service in the past year is fairly common.
  - 25%+ level in some markets.
  - Often higher among younger, better educated consumers and (interestingly) higher income consumers.

Price Shopping by Consumers

- Will continue to grow, especially for exchange based health plans and services that fall into high deductibles.
  - Is your organization ready? Is there a strategy in place (and “transparency” isn’t a strategy!!)

E-Health (M-Health?)

- Web Site – Not just an information tool but an ACCESS tool (interactivity) and a tool to support population health.
  - Access - Registration, appointments, bill payment, test results (Patient Portals)
  - Population Health – Information, screening, communication with providers, alerts, etc.
- Search Engine Planning – Organic (SEM) and paid (SEO).
  - Do you have a dedicated budget for SEO?

E-Health (M-Health?)

- Social Media
  - Rapidly growing with mixed results in health care.
  - A key tactic, not a replacement for other outlets.
- Phone/Tablet Apps
  - Growing exponentially for health care but slowly for providers.
  - Replace traditional web sites over time?

Big Data Marketing

- The shift is definitely on from traditional mass media vehicles to targeted, data-base driven communications (Digital, CRM, etc.).
- Two big caveats, however:
  - Targeted approaches may be more effective but they aren't cheaper.
  - Going this route requires systems and the manpower to manage them.

Market Position

Market Position

- A “market position” is the place where the organization sits in the mind of the consumer.
- It isn’t essential to have a clear, definitive “position” but without it the organization is unlikely to ever become a true brand.

Market Position

- Position is something that evolves in the consumer's mind through the synergy of:
  - Organizational actions
  - Personal experience
  - Market culture
  - Pure circumstance and dumb luck!

Market Position

- Consumers will accept only one entity in each position in a finite market.
  - There can be only one hospital in a specific position in a specific market….
  - But that position can be owned by 50 different hospitals in 50 different markets.

Market Position

- The Market Position must be:
  - Credible - internally and externally
  - Unique in the market
  - Defensible (Culture vs. Assets)
- Many entities never achieve a specific position. In turn they also will likely never become a notable “brand”.

Market Position

- There are essentially 5 position categories:
  - Best
  - First
  - Niche
  - Against
  - Combination (of 2 of the above)

Market Position

- Health Care Examples:
  - Hopkins/Mayo - Best Clinical (National Level)
  - Major Medical Center - Best Clinical (Local)
  - Dominant Single Market IDS (ACO?) - Best Source
  - Easier Access - Niche or Against
  - Single Specialty Provider - Niche
  - Lowest Price – Niche
  - Warm, Caring – Niche, Against
- *Note: First really isn't viable for providers – unless it translates to "best" over time.*

Market Position

- No position category is better than any other. The key is to be clearly defined in one category in the consumer mind.
- Warning! The Leadership loves “Best” but this may not be reasonable or available.
- Warning! “First” is really not viable for health care providers unless it translates to “Best” (via experience) over time.
- A Position is not an advertising tag line.
- The Position defines the market strategies and market actions to come.
- A defined Market Position is for the long term - it does not change from year to year without extraordinary circumstances.

Market Strategies

Market Strategies

- The general “paths” to follow to achieve and support the desired market position.
- There is no limit but 8-10 is a reasonable and viable number for most organizations.
  - Strategies can have a multi-year shelf life…
  - … but Market Actions (see below) are annual.

Market Strategies

- Have to be connected to the findings of the Market Audit.
- Have to be connected to the overall strategic direction and goals of the organization.

Market Strategies

- Strategies define the parameters for the Market Actions. They are general in scope with no specific details.
  - What you are going to do.
  - Not necessarily how you are going to do it.

Market Strategy Examples

- Provide support for the Memorial Hospital Phase II expansion and renovation project.
  - CON communications support
  - Local community communications
  - Way-finding during construction
  - Ongoing construction updates (web camera, etc.)
  - Grand opening support

Market Strategy Examples

- Provide marketing support XYZ Medical Group (Employed) to position as “preferred” group in the market.
  - Geographically targeted promotion of PCP’s
  - Regional promotion of specialists
  - CRM File Mining of current patient pool
  - Promote Urgent Care capabilities internally
  - Develop/promote “value addeds” (e-mail to doctors, on-line scheduling, etc.)
  - Income targeted promotion of internal Concierge group.

Market Strategy Examples

- Expand participation in community-based events in the Secondary Service Area.
  - Follow XYZ System Event and Sponsorship Policy
  - Develop list of event options in the area.
  - FY 2015 – Add 5 events to current base, goal of 3,000 participants total.

Market Strategy Examples

- Support membership development for FitnessWorks health clubs.
  - Conduct monthly health screenings
  - CRM-based direct mail
  - Social media site
  - Adult sports sponsorships
  - Short term visitor targeted promotion and special pricing (Tourist Area)

Market Strategy Examples

- Upon completion of a provider contract with XYZ Health Plan, develop targeted campaign to alert enrollees that they can utilize Memorial Hospital.
  - (Note: Hospital has been out of network for 4+ years).

Market Strategy Examples

- Provide support for ACO development and implementation efforts.
  - Physician participation communications
  - Membership enrollment materials
  - Membership communications channels (web, newsletter, etc.)
  - Screening, health education content and promotion within membership.

Market Objectives/Metrics

Categories of Marketing Metrics

- Three Categories Exist:
  - Production Outcomes Measures
  - Marketing Outcomes Measures
  - Strategic Outcomes Measures

Production Outcomes Metrics

- The quantification of marketing work
  - Number of collaterals produced
  - Number of events sponsored
  - Number of press releases sent
  - Number of press inquiries handled
  - Number of tours given
  - Number of micro-sites developed
  - Number of videos produced
  - Number of apps developed

Marketing Outcomes Metrics

- Quantification of marketing-generated “results”
  - Number of attendees at events or screenings
  - Number of placements or minutes of media coverage
  - Call center activity
  - Web site unique visitors or other web activity metrics
  - Newsletter readership levels
  - Social Media “Friends”/”Followers”

Strategic Outcomes Metrics

- Quantification of the return from marketing results that supports organizational development
  - Awareness, Preference, Image
  - Volumes, Share
  - Referrals, Active Referral Sources
  - Membership (Fitness Center, etc.)
  - Satisfaction (HCAPHS, Other metrics)
  - Enrollment (ACO, Insurance Product)
  - **ROI (Specific $$ tied to marketing effort)**

Side Note – ROI Tracking

- Been on the horizon for close to a decade now, but usage is still in its early stages.
  - Marlowe (Healthleaders 2007)
- ROI must track financial return or it is NOT ROI
- Easier to do for services with a higher degree of "electiveness" and where there is one finite marketing modality.
- Logical first candidates – PCP Practices, Joint Replacement, Bariatrics, Screenings, Occ. Med.
- SEE APPENDIX THREE FOR MORE DETAILS

Measurement Guidelines

- All three categories are important and should be considered in any marketing plan…
- …but the organization's leadership is going to care most about Strategic Outcomes Measures.
- Any Plan that lacks some Strategic Outcomes Measures is in trouble.

Quantifiable Objectives

- The specific measurements that the Plan is trying to accomplish.
- Guidelines:
  - Reasonable – Not so high that they are doomed.
  - Challenging – Not so low as to happen by osmosis.
  - Quantifiable – A must.

Quantifiable Objectives – Key Factors

- The market objectives don't always have to increase. Sometimes just holding on to what is already there or minimizing a likely loss is a major accomplishment.
- Quantifiable objectives should be based on reliable sources of information.
  - E.G. – OP Market Share is a good measure but a less than useful one if there is no viable or timely source of results.

Quantifiable Objectives – Key Factors

- Quantifiable objectives should be aligned with the effort(s) being undertaken.
  - An ad campaign is designed to drive awareness with no real attempt to drive usage.
  - But the organizational leadership insists upon using volumes gained as the measure.

Quantifiable Objectives - Wrong

- Increase referrals from PCPS in County B.
- Increase memberships in the hospital owned fitness centers.
- Improve ER patient satisfaction ratings.
- Increase consumer overall preference scores.
- Increase consumer participation in hospital sponsored events, screenings.

Quantifiable Objectives - Right

- Increase referrals from PCP's in County B from 250 in FY 2014 to 325 in FY 2015.
- Increase memberships in the hospital owned fitness centers from 2,325 in FY 2014 to 2,650 in FY 2015.
- Improve "Would Definitely Recommend" on HCAPHS from 50% to 60% by end of CY 2015.

Quantifiable Objectives - Right

- Improve Overall Preference in the Primary Area for Memorial from 32% to 40% by end of FY 2015.
- Increase consumer participation in Memorial Hospital events from 3,200 in FY 2014 to 4,200 in FY 2015.
- Maintain OB market share at 45% during FY 2014 - 2015 renovation project.

Market Actions

Market Actions

- The “nuts and bolts” of the Marketing Plan.
- This is what the organization is actually going to do in the upcoming 12-18 months.
- There is no “right” number – enough to go beyond the normal flow and not so much as to paralyze the organization.

Market Actions

- Don’t try to put in every detail or the Plan will never get done.
- On the other hand, there is a minimum degree of detail that has to be there or this isn’t really a Plan. (See Below)
- Actions should involve finite, significant efforts (not every press release, meeting or update to a brochure).

Market Actions

- Actions do not have all to be new, but some should be.
  - A few new ones each year for competitiveness
  - Many continue many year after year because they work.
    - Estimate 60-70% of Hospital or Health Care Provider Marketing Plan actions are “ongoing” over multiple planning cycles.

Market Actions

- Ideally, should flow from defined Strategies.
  - However, sometimes this just isn't viable.
  - Some actions are "general" in nature and support a number of strategies.

Market Action Format

- List in a summary table under each Strategy:
  - Identification
  - Description (Optional – Target Audience)
  - Priority
  - Time Frame (When vs. Start/End)
  - Resources (Staff, $$, etc.)
  - Responsible
  - (Optional – Expected Results)
  - (Optional – Status Update)

Market Action Format

Action	Description	Priority	Time Frame	Resources	Responsible

Market Actions

- Add notes after the summary table if a more detailed description of the Market Action is needed.

Market Action Example One

- Strategy 12 – Examine the market potential for capturing health care usage from the “Winter Visitor” population.
  - Identification - Action 12A
  - Description – Conduct a study (methodology TBD) among winter visitors relative to awareness, opinions, usage, etc. (Possible JV with Chamber of Commerce)

Market Action Example One

- Continued…
  - Priority – One
  - Time Frame – Winter 2014-2015 if JV can be arranged with Chamber.
  - Resources:
    - Est. 25-50 staff hours
    - Est. $25,000 for research (% from Chamber TBD)
  - Responsible:
    - Director of Marketing (Hospital)

Market Action Example Two

- Strategy 5 – Improve relations and communications with service area "Leaders" (Civic, Business, Government, Religious, etc.)
  - Identification – Action 5B
  - Description – Develop a periodic (4-6X per year) newsletter in the guise of a "Letter from the CEO". Distribute via e-mail or mail per recipient preference. Target designated list of area leaders (N = Appx. 500)

Market Action Example Two

- Continued…
  - Priority – One
  - Time Frame – Start by September 2015, then ongoing quarterly or bi-monthly as determined.
  - Resources:
    - Est. 75-100 staff hours
    - Est. $4,000 for printing/postage
  - Responsible:
    - CEO
    - Director of Marketing

Market Action Example Three

- Marketing Operations – “Core” actions for marketing that support all areas and strategies.
  - Identification – PUB-1
  - Description – Continue “Healthy You” community quarterly publication.
    - Print for 2014-2015, starting shift to e-mail based on available CRM database.
    - 70,000 HH circulation
    - PSA and key SSA zipcodes

Market Action Example Three

- Continued…
  - Priority – One
  - Time Frame – Ongoing, Quarterly
  - Resources:
    - Est. 125-150 staff hours
    - Est. $120,000
  - Responsible:
    - Director of Public Relations

Setting Priorities

- Different organizations use different methods based on a variety of factors (profitability, resources required, capacity, etc.) and some type of weighting process.
- Some have very formal process and some do it more intuitively.
  - See Appendix Four for an example of a Marketing Resource Allocation Model (Prioritization)

Setting Priorities

- But for the MARKETING PLAN, the priorities need to come from the Strategic or Operational Plan and Executive Leadership.
- If Heart, Neuro, Primary Care Practices, getting physicians involved in an ACO and the South Service Area are the strategic priorities…
  - …guess what the marketing priorities are!

Setting Priorities

- Generally, Marketing Plans have two priority levels:
  - Priority One – Needs to be done this year to meet strategic expectations.
  - Priority Two – Useful to do this year/won't cause harm if not done/supports programs not considered a priority by the organization.

Setting Priorities

- A good mix is best – everything can't be a "First Priority" or in reality nothing is a priority.
- Priority Two's can be given up during budget cuts.
- Priority Two's might become One's next year as issues change.

Setting Priorities

- The responsibility for setting priorities at the Strategic level should rest with Senior leadership.
  - The end result is a determination of “A” Player efforts, services, programs and “B” Player efforts, service, program.
- But this only works if the leadership follows the priorities!

Priorities and MarCom Support

- The “top” priority areas (“A” Players) get the whole deal – PR, events, advertising, etc.
- The “second” tier priorities/programs (“B” Players don’t get that level of support – but you need to have a portfolio of available vehicles for them.
  - Web site page, coverage in newsletter, collaterals, press releases, speaker’s bureau, etc. (Existing channels)

Implementation and Monitoring

Implementation and Monitoring

- Review the Marketing Plan every 30 days.
- Make the Marketing Plan part of the agenda of the regular senior management meetings.
- ?? Tie compensation and bonuses to Plan achievements??

Implementation and Monitoring

- Require written (e-mail) updates from all parties who have responsibilities for specific market actions.
- Send reminders 30 days prior to the start of an action, especially for those not directly in the Marketing function.

Implementation and Monitoring

- Create a “Marketing Monitor” (Dashboard) – a regular, periodic report on marketing numbers, issues and results.
- Monthly? Quarterly? – Depends upon the timely availability of information, staff resources to get this done and candidly the level the C-Suite can tolerate.
- Should include Production Outcomes, Marketing Outcomes and Strategic Outcomes from the original Marketing Plan

Appendix One - Plan Data Examples

Strategic Data

- Strategic Plan Goals
  - Quality, Patient Experience, IT, Mergers, Insurance, etc.
- Financial Plan Objectives
- Facility Plans
- Medical Staff Development Plan (recruitment targets)
- New Program/Business Plans

Market Definition Data

- Service Area Definitions
- Service Area Demographics
- Facility locations, hours, etc.
- Projected development in the area
- Local health issues
- National health issues

Organizational Activity Data

- Historical volumes (as relevant to the entity)
- Market Share
  - By clinical category
  - By geographic area
  - By payer class
  - Other
- Referral Sources – volumes, patterns
- Out-Migration/Leakage

Medical Staff Data

- Number of physicians by specialty, age (medical staff manpower analysis and potential shortages).
- Employed vs. Independent Mix
- Distribution
- Activity/Loyalty levels
- Access (by patients)
- Managed care participation

Financial Data

- Payer mix
- Service line/program profitability
- Price position and pricing strategies.
  - Consumer price shopping
  - Ability to provide timely price information
- Managed Care Contracting Status, payment type, restrictions, etc.
- Narrow network participation.

Competition

- Capabilities
- Ownership
- Locations, Hours, Access
- Volumes, Share
- Price Position
- Image
- Promotional efforts
- Known plans for expansion, etc.

Key Audience Research

- Patient satisfaction
- Consumer opinion
  - Key leader opinion
- Medical staff
- Employees
- Area employers
- Enrollees (if applicable)
- Members (if applicable)

Marketing "Systems"
(Are They Working?)

- Graphics and identity standards/consistency
- Policies – Community events, social media, HIPAA, Crisis (Ebola??), etc.
- Range/distribution of publications
- Current nature of collaterals (are they being used? Are they even still needed?)
- Research process – scope and timing
- Marketing Dept. Profile – Staffing, budget, capabilities vs. competitors.

Marketing "Systems"
(Are They Working?)

- Project tracking – is there a system in place (Basecamp, etc.).
- Internal communications scope and effectiveness.
- Sales – Program structure, database, conflicts (e.g. – 3 different groups calling on the same doctors)
- Timeliness – Sales follow-up, inquire and order fulfillment.

Marketing Systems
(Are they Working?)

- Data Bases – Completeness, ability to access.
  - Market share patterns.
  - Medical staff activity.
  - Referral sources and referral patterns
  - Employer insurance coverage and plan usage.

Marketing Systems
(Are they Working?)

- Call Center – Capabilities, activity levels.
- CRM Systems – Exist? Extensiveness.
- Advertising effectiveness (GRP's, recall, resulting actions)
- Press relations, media coverage
- New resident contact
- Community events/sponsorships – how many, types, costs, impact.

Marketing Systems
(Are they Working?)

- E-Health/Digital:
  - Web Site – Ease of use, activity levels, current nature of information, interactivity capabilities, search engine optimization
  - E-Mail databases
  - Social Media activity, tracking
  - Apps
  - SEO/SEM efforts and budget

Marketing Systems
(Are they Working?)

- Results Tracking:
  - Metrics built in to Plans
  - Metrics in all categories – Production, Marketing Outcomes and Strategic Outcomes.
  - Organized, regular “Dashboard”
  - At least initial attempts at hard ROI.

Appendix Two - Patient Pathway Mapping

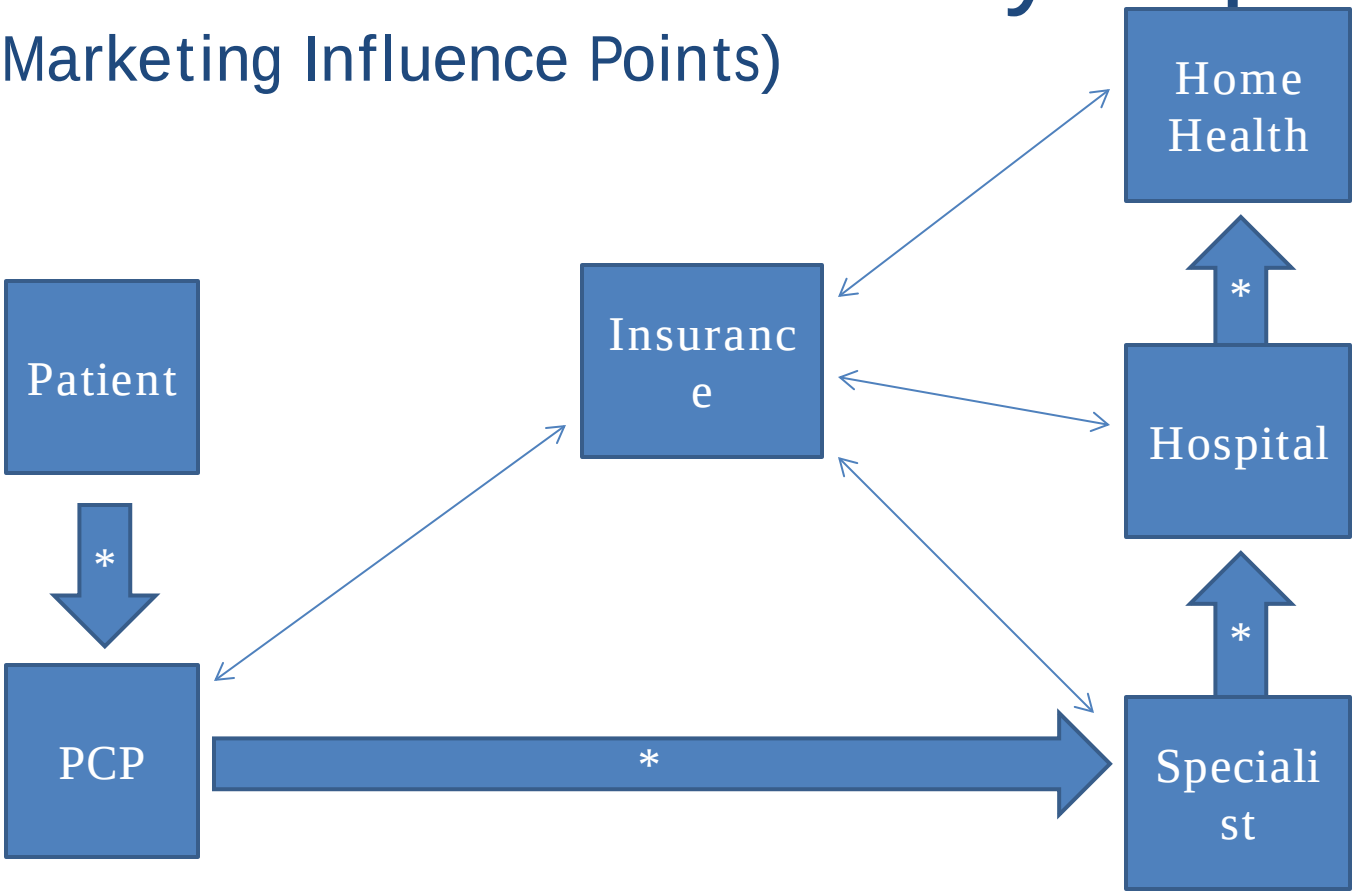
[For Marketing]

Patient Pathway Mapping (Marketing)

- Essentially a profile of how Patient X gets to Provider Y…
- …highlighting points where marketing may be able to influence the process (or may not).
- This is not “clinical” in nature – we aren’t tracking testing or treatment paths.

Generic Patient Pathway Map

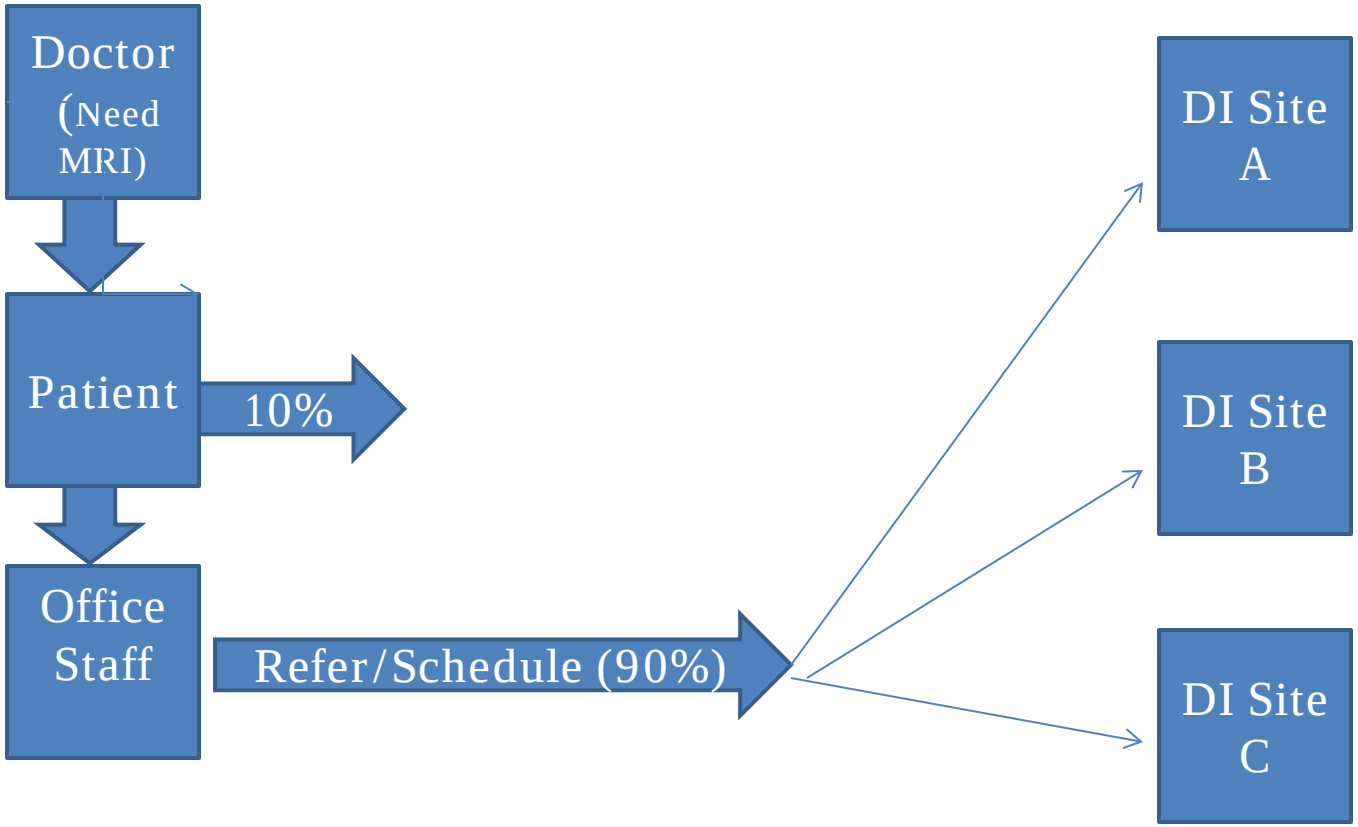
(* = Marketing Influence Points)



Generic Map – Influence Points

Point	Influence	Methodology
1	Consumers to PCP's • Location, Access	Direct Mail, Web, Local Events
2	Consumer/PCP's to Specialists • Reputation, Location, Access, Insurance	Targeted Promotion; Relationship Management; EMR
3	Specialists to Hospital • Access, Capabilities, Reputation, Location, Insurance	Relationship Management, Access to OR Time
4	Hospital to Home Health • Capabilities, Access, Insurance	Relationship Management; Targeted Promotion

Pathway Map – OP Diagnostic Imaging



Diagnostic Imaging – Influence Points

Point	Influence	Methodology
1	Doctor to DI Site • Quality and timeliness of results	Relationship management, EMR
2	Patient to DI Site (Self-Directed 10%) • Convenience, Insurance, Prior Experience	Visibility, targeted promotion, on line appointment scheduling
3	Office Staff to DI Site (90%) • Doctor preference • Location • Insurance coverage • Convenience for patient • Ease of use	Relationship management, updated information, ease of use (dedicated phone line or on-line appt. scheduling)

Appendix Three - ROI Tracking

The (Very) Short Course

ROI Tracking – Key Parameters

- **If it doesn't involve $$, it isn't ROI – period.**
- If the measurement doesn't involve all the elements noted below, it's on the right path – but it isn't ROI.

ROI Tracking – Key Parameters

- Many things done by provider marketing functions aren't designed to generate near-term revenues – and this ROI is the wrong metric.
  - Billboard in the Little League outfield – No
  - Free health screenings – Maybe
  - Direct mail for a newly recruited PCP - Yes

ROI Tracking – Key Parameters

- Systems and assumptions related to ROI need to be in place up front, not after the fact.
- There are few absolute “rights and wrongs” on assumptions. They will vary by organization.
- There are – unfortunately – no “standards” in place yet as to what is a good Return on Marketing Investment.

Factors that Inhibit ROI Tracking

- Time delay in the actual usage of services.
- Is there a “choice” possible?
  - Colonoscopy vs. trauma neurosurgery
- Can internal systems provide us with the needed information – and by when?
- Marketing “systems” are often not in place to connect marketing efforts to specific utilization.

Factors that Inhibit ROI Tracking

- Organizations often look for “ROI” when return on investment is not the appropriate measure…
- … and (as noted) many things we do in health care marketing are NOT designed to drive volumes.
  - The 4th of July Parade sponsorship

Factors that Inhibit ROI Tracking

- Health care marketers are usually not trained in financial methods, so this doesn't come automatically.
  - Then again, we wouldn't hire your CFO to develop the brand campaign.
- And sometimes health care marketers claim too much of a return.
  - Unless the program is brand new, some volume existed before.

Factors that Inhibit ROI Tracking

- Marketing efforts often involve many elements (radio, web, print, etc.). It may be impractical to try to split out the “ROI” by communication element.
- Organizational leadership often has an unrealistic expectation of how long it will take for a return to occur.

ROI – Key Elements to Implement

- Consensus – What service being marketed?
- What will be counted as a return from the marketing effort?
  - OB Campaign:
    - Do you count OB?
    - Do you count GYN?
    - Do you count Orthopedic Surgery from someone you know was impacted by the OB campaign?

ROI – Key Elements to Implement

- What is the cost of the marketing effort?
  - Ad design and media placement
  - Events, sponsorships
  - Indirect (cost per call at the call center)
  - Staff time

ROI – Key Elements to Implement

- Tracking returns
  - Directly (unique identifier)
  - Change over historical (consensus assumptions apply)
  - Control groups (viable with CRM)

ROI – Key Elements to Implement

- How long will we measure?
  - Minimum for 6 months – up to 1 year preferred
  - Major Cancer Center – Measured for 2 years
  - Interim measurements are okay.

ROI – Key Elements to Implement

- How much is “Business we would have gotten anyway”?
  - Proxy – Current Market Share
- What is a “new” patient?
  - No hard and fast rule
  - Usually has not been a patient with us for the clinical service being marketed for X years (2 to 5).

ROI – Key Elements to Implement

- What are the collected revenues (net)?
  - For “ROI” to occur, money has to be collected.
  - Another reason for measurement out over 6 months.
- What are the direct costs (costs of services provided)?
  - Staff, supplies, food, drugs, etc.
  - NOT overhead
  - Contribution margin

ROI Tracking - Example

- Time frame to track – 6 months from classes
- Business would have gotten anyway – proxy is market share (20%)
- New patient definition – has not been at XYZ hospital in past 3 years

ROI Tracking - Example

- Results:
  - 18,000 people reached
  - 62 attend classes
  - 11 have knee surgery (Net 8 after deductions)
  - Net Revenue = $131,600
  - Direct Costs = 45%
  - Net Contribution = $72,380

ROI Tracking - Example

- ROI Analysis:

  Percentage = [(Net Revenue – Marketing Expense)/Marketing Expense] x 100

  Percentage = [($72,380 - $32,000)/$32,000] x 100

  ROI = 126% (with 100% = Breakeven]

ROI –Best Targets to Start

- Services that are elective and/or have a high degree of consumer participation.
- Finite, single modality marketing effort.
- Strong tracking methodology to connect marketing to usage.
- Clear ability to provide financial results.

ROI – Best Targets to Start (Examples)

- Marketing employed PCP practices
- Bariatric Surgery
- Joint Replacement
- Screening events (cancer, diabetes, heart, etc.)
- Occupational medicine

ROI of the Future?

- Likely to focus on 3 areas:
  - Traditional – Return on efforts to drive usage.
  - Global Payment – Return on efforts to capture enrollment, members.
  - Reverse ROI – The use of marketing to direct usage and thus “save” pre-paid $$.

Appendix Four
Marketing Resource Allocation Priority Model

Marketing Resource Allocation Model

- Utilizes a three-stage process:
  - Determination of 4-6 decision criteria
  - Determination of “levels” within each criteria
  - Weighting of value of decision criteria determined by senior leadership.

MRA Model – Decision Criteria

- Examples:
  - Strategic Importance
  - Market Potential
  - Competitive Structure
  - Program “Readiness”/Capacity
  - Profitability
  - Medical Staff Relations

MRA Model - Levels

- "Levels" Example: Profitability
  - 3 points – Profit margin in excess of 10% (4 Pts for 20%+)
  - 2 points – Profit margin of 5% to 9%
  - 1 point – Profit margin of 1% to 4%
  - 0 Points – Break even or loss on operations

MRA Model - Weighting

Critera/Levels	Weight (of 100 Points)	Value (Level x Weight)
Market Share/Volume Opportunity: • Loss of share/volumes possible (-1) • Minimal or no share/volume gain likely (0) • Share/volume gain of up to 3% in 2 years (1) • Share/volume gain of 4 to 6% in 2 years (2) • Share/volume gain of over 6% in 2 years (3)	25	
Margin Potential: • Break even or loss after 2 years (0) • Margin of 1% to 4% after 2 years (1) • Margin of 5% to 9% after 2 years (2) • Margin of 10% plus (3) •Margin of 20% plus (4)	30	