

WHITEPAPER

Unlocking the Value of Integrated Physician Enterprises

Cross-Journey Patient Outreach Strategies to
Build Loyalty and Drive Health System Growth



CipherHealth
The Patient Engagement Company

Introduction

After years spent building out physical assets, expanding service lines, and upgrading technology infrastructure, health systems are looking for a path forward to maximize returns on these capital outlays. In particular, healthcare organizations have made significant investments in their physician enterprises, many of which struggle with bottom line returns.

To ensure the long-term, sustainable growth of integrated provider networks, it's important that health systems prioritize building patient loyalty and increasing retention. Ambulatory care can champion these efforts by driving consistent, meaningful, and timely interactions with the providers patients know and trust – their doctors. As this whitepaper explores, using an automated outreach platform to not just engage patients before visits (i.e., appointment reminders), but across the entire patient journey, is a scalable and cost-effective way to achieve profitable results.

Readers will learn the following:

1. The role ambulatory care can play in helping to keep patients in-network and spurring organic growth.
2. The importance of ongoing proactive outreach to improve overall patient engagement.
3. How to leverage automated outreach to increase net new visit volume and enhance patient loyalty.



Industry Landscape: Health Systems Are Growing Their Ambulatory Care Footprint

For more than a decade, there has been unprecedented consolidation of provider organizations. Large health systems have expanded their service offerings through acquisitions and partnerships with providers across the care continuum, including hospitals, physician practices, ambulatory surgery centers, post-acute care providers, and even health plans.

In the midst of this flurry of growth activity, there has been a notable uptick in the number of physician practices acquired by health systems. Between 2012 and 2016, the number of hospital-owned practices doubled (*Exhibit A*), and by 2016, less than half of physicians owned their medical practices.¹

The strategy behind building out expansive physician enterprises varies amongst health systems, but is generally driven by one or more of the following benefits:

Increased Market Share

Health system-owned physician practices help to ensure all services and testing remains within the health network and mitigates patients seeking ancillary care from other local systems. It also enables organizations to respond to the growing demand for outpatient services² and hedge inpatient losses.³

Improved Care Coordination

Consolidation promotes effective sharing of patient information and plans of care, which leads to better outcomes and reduces duplicative services. This also improves transparency amongst providers and narrows gaps when it comes to communicating pertinent information.

Greater Payer Bargaining Power

Health systems that corner the physician market have more leverage at the negotiating table and can potentially enjoy more favorable rates and terms with health plans.

Better Positioned for Value-Based Success

With employed physicians, health systems can better align value-based incentives across care settings. When the constraints of the fee-for-service (FFS) system are no longer driving business decisions in the future, integrated networks can focus on value and quality, rather than revenue primarily linked to volume.

Number of Hospital-Owned Physician Practices (000s)*

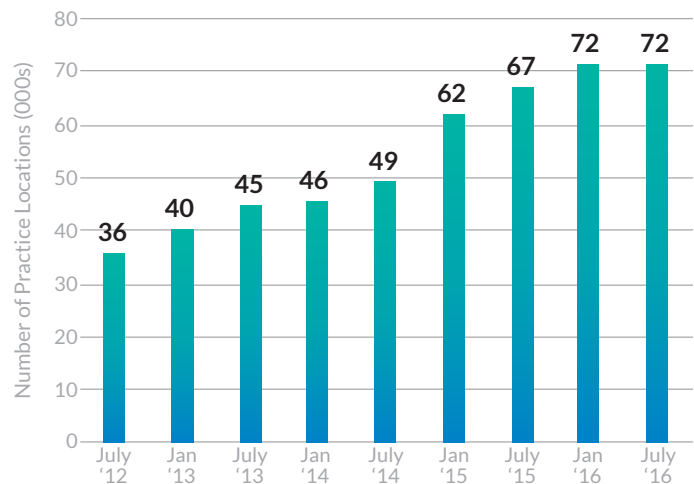


Exhibit A: 2x increase in number of hospital-owned practices (July 2012 - July 2016)¹

By leveraging these benefits, health systems with integrated physician networks can grow both their top and bottom lines by capitalizing on new sources of revenue, generating efficiency savings, and improving payer margins. However, not all organizations actually achieve these synergies as quickly as they might have hoped.

While health systems have seen a modest increase in gross revenue from their medical practices, net returns have decreased and the median operating loss per employed physician has grown.⁴ For many organizations, high operating expenses and flat reimbursements, coupled with costs stemming from physician integration challenges, can make clinical consolidation an unprofitable venture.

In the face of underperformance, there is an opportunity for health systems to drive the organic growth of their physician enterprises with limited financial investment. One way to accomplish this is to shift focus from managing down loss to boosting revenue by proactively engaging patients and keeping them coming back. Forward-thinking organizations are waking up to this and taking proactive steps to increase patient loyalty and reduce out-of-network leakage.

Patient Loyalty & Retention Challenges

Countless studies have demonstrated that it's more costly to acquire new customers than to retain existing ones. While this concept certainly applies to healthcare, it has not always been the prevailing mindset for practicing physicians. This is largely due to how the system was designed.

Survival Now Dependent on Patient Loyalty

In traditional FFS environments, it didn't matter as much if patients leaked out because there were always others to take their place. As long as volume was steady and clinicians were able to continue billing for each and every service performed, patient loyalty and retention were less material.

However, in light of the ongoing shift to value-based care as well as consumerism in healthcare, ensuring that patients receive coordinated, high-quality care in the most cost-efficient manner is increasingly becoming critical to physician performance. To thrive in this new era, it's largely beneficial for patients to stay loyal to an integrated provider network for all care needs.

Health Systems Have Sprung a Leak

Today, the vast majority of healthcare executives cite patient leakage as an organizational challenge, with nearly half claiming that their systems are losing more than 10 percent of revenue due to patients seeking care outside of their provider networks. For large health systems, this can translate into millions of dollars in lost revenue as well as diminish providers' ability to remain transparent in their

care, which ultimately reduces quality and often increases redundancy. But when it comes to addressing leakage in their organizations, most admit that they don't fully understand where and why patients leak out nor are they managing it very well.⁵ To ensure health systems remain

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profitable and competitive in the long run, medical group leaders can play a bigger role in helping to actively increase patient retention, especially as it relates to primary care and specialty physicians.

Embracing Ambulatory Care

Physician practices, namely primary care providers (PCPs), are on the front lines of healthcare and are increasingly expected to be master care coordinators, in terms of helping patients navigate the system and collaborating with other care team members. Organizations can better leverage their physician enterprises to give patients reasons to stay loyal and make it easy to choose their system. This can be driven by consistently engaging patients by adding interactions throughout care journeys.

i 10% OF REVENUE IS LOST due to patient leakage in healthcare organizations⁵

i HUNDREDS OF THOUSANDS OF DOLLARS ARE SPENT on duplicative testing performed during new patient onboarding processes each year⁶

i LIKELIHOOD TO RECOMMEND MOST INFLUENCED by the perception that the care team is working well together on patient's behalf⁷



Proactive Outreach Across the Patient Journey

Consumer-driven businesses have long understood the value of high customer engagement and outstanding experiences. Not only does it help to attract new customers, but it also enables them to retain the ones they already have.

Meeting Patients Where They Are

Innovative health systems are beginning to adopt this approach and understand that patients not only expect their care to be high quality but accessible and personal. Digital tools that empower providers to proactively engage patients help healthcare organizations meet these expectations because it places patients at the center of their care and empowers them throughout the process. However, when it comes to patient engagement, some health systems underestimate the value of using simple, intuitive technology. Oftentimes the most effective method is to use a tool that enables providers to engage patients in their preferred ways, such as phone calls and text messages, as well as at their convenience.

It is for this reason that automated outreach should also be regarded as a solution that can drive measurable returns, in addition to efficiency savings. Patients are more likely to interact with communications via the channels they feel most comfortable using, even if they have not had any recent interactions with their doctors or other providers within the health system. Instead of asking patients to log into a portal or download an app on a mobile device they may not have, automated outreach can reach patients where they are and break down barriers to engagement.

Beyond Appointment Reminders

For many providers, automated outreach has become synonymous with appointment reminders, but this is only one piece of the larger equation. Although taking



steps to ensure that patients keep their appointments can have a measurable impact on revenue and outcomes, health systems should also be thinking about strategies to proactively prompt patients to schedule appointments within their physician network and optimize care transitions. Remaining connected to patients after they leave the exam room, hospital bed, or Emergency Department (ED) allows providers to capture meaningful clinical information to guide patients on their path to recovery, as well as creates opportunities to intervene before adverse events occur.

To stem the flow of patients leaking out and increase ambulatory care ROI, health systems should use a centralized automated outreach system that is capable of engaging patients across care journeys, beyond appointment reminders. Specific opportunities for proactive outreach include:

- Preventive Health Outreach
- Post-Visit Follow Up
- Post-Discharge Follow Up

Examples of Patient-Provider Interactions Outside the Exam Room

Pre-Arrival

- ▶ Appointment reminders
- ▶ Education about upcoming exams and procedures
- ▶ Surveys to collect patient data that streamline visits, such as previous health history, pre-appointment testing completion status, and risk assessment information

Post-Visit

- ▶ Surveys to collect patient experience and satisfaction data
- ▶ Monitor adherence with medications and plan of care
- ▶ Post-discharge follow up to optimize care transitions

Between Visits

- ▶ Reminders for recommended screenings and immunizations
- ▶ Chronic disease management

According to a recent study, only eight percent of adults over the age of 35 received all recommended high-priority preventive healthcare services, with five percent receiving none at all.⁸ While there are numerous factors outside of providers' control that reduce the likelihood of preventive services being used, such as high-deductible plans and social determinants of health, the reality is even the most compliant patients struggle to keep track of when their next screenings are due. This presents an opportunity for health systems to intervene to help patients become more proactive about their health.

Specifically, organizations can leverage automated outreach to remind patients via phone calls and text messages of when they're due for preventive care exams, including mammograms, colonoscopies, and annual wellness visits. By integrating these platforms with electronic medical records (EMRs) or patient registries, providers can identify defined patient populations with gaps in care and launch targeted preventive health outreach campaigns to narrow these gaps.

These programs should not only aim to alert patients of when they're due for these exams, but also provide the opportunity for them to schedule appointments. If patients indicate that they are interested in screenings or immunizations, issues can be generated and routed back to the appropriate care team within the health system. This helps to ensure that patients stay up-to-date with preventive care and reduce the chance of acute adverse events, as well as drive net new revenue from additional visits within the network.



CASE STUDY

Achieving Population Health Goals at UCSF

The University of San Francisco Medical Center (UCSF Health) is one example of an integrated healthcare network that achieved considerable success by partnering with CipherHealth to develop a preventive outreach program.

The academic medical center augmented its care management processes for cancer prevention by using CipherHealth's enterprise outreach platform, CipherOutreach. Using a data-driven approach, UCSF Health was able to identify patients overdue for routine screenings and reach out to all eligible patients with automated reminders. Compared to traditional manual outreach efforts, automated outreach helped the system increase screening rates three-fold (*Exhibit B*). The program has since been rolled out across all affiliated primary care practices, helping to proactively detect cancer across a population of 80,0000 patients.⁹

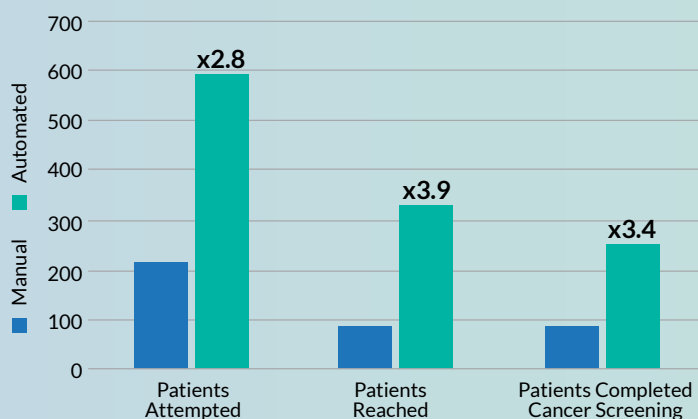


Exhibit B: 3.4x increase in cancer screening rates (February -July 2017)⁹

UCSF Health also leveraged CipherOutreach to remind their patients of the importance of receiving the flu vaccine. Using automated reminders at specific times throughout the flu season, the health system educated primary care patients about the benefits of annual flu shots, as well as where they can receive them within the provider network. As a result of the program, UCSF Health noted a marked increase in the number of walk-in visitors requesting flu vaccinations (*Exhibit C*).¹⁰

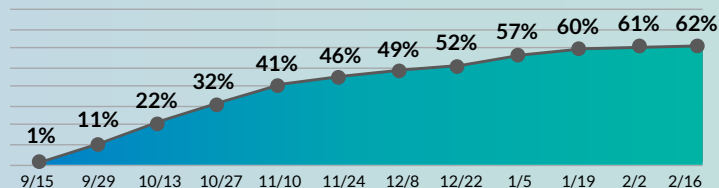


Exhibit C: 38% increase in flu immunization rates (September 2014 - February 2015)¹⁰

In addition to UCSF Health seeing an increase in preventive care visits, they were also able to capitalize on value-based financial incentives through California's Public Hospital Redesign and Incentives in Medi-Cal (PRIME) and the Delivery System Reform Incentive Pool (DSRIP) program.

✓ Post-Visit Follow Up

Health systems can also use automated outreach to ensure timely follow up with patients after office visits. Communications at these touchpoints can be especially critical because it enables providers to quickly address patient issues and increase the likelihood that patients understand and remain compliant with their plan of care, all of which can drive positive outcomes and impact patient loyalty.

By using an automated outreach platform, health systems can develop scalable short- and long-term follow up programs that are deployed after patient visits with PCPs and specialists. Outreach programs that leverage calls and texts can be designed to probe patients for questions about medications and treatment instructions, as well as give patients the ability to request a callback from the care team if they are experiencing complications or need further assistance. These interventions allow physicians to identify patient issues before they evolve into more complex

36% of patient injuries tied to non-compliance with follow up calls and treatment plans¹¹

problems, and help to mitigate costly acute encounters in the future.

Post-visit follow up can also provide the opportunity to collect valuable patient experience feedback. Patient satisfaction has been found to be one the primary drivers of patient loyalty to physicians,¹² and in order to improve service recovery, it's imperative that health systems take measures to understand patient perceptions about their care experiences. Health systems can incorporate questions that gauge overall satisfaction, which allows providers to discuss concerns and address service gaps in a timely manner.

CASE STUDY

Enhancing Care Transitions at Choptank Community Health

Choptank Community Health, which is part of the Maryland Community Health System, leveraged CipherHealth's post-visit follow up solution to optimize care transitions and keep patients engaged with their health and primary care resources.

Choptank directly integrated CipherOutreach with Maryland's State Health Information exchange to identify patients needing follow-up after discharge from the hospital or ED. By leveraging automated calls, the health center saw significant reductions in 30-day

Post-Discharge Follow Up

Another opportunity for follow up is when patients are transitioning between care settings. After an ED visit or hospital stay, health systems can use proactive outreach to ensure timely and appropriate follow-up care. This not only helps to improve health outcomes and reduce the chance of avoidable return visits or readmissions but also increases retention by steering them toward network providers.

inpatient readmission and 7-day ED return rates (*Exhibit D*). They were also able to identify actionable improvements to bring patients back into the care community, which would not have been possible without the information obtained from the calls. These opportunities included scheduling PCP follow up visits and connecting patients with other healthcare resources in the system. By proactively reaching out to patients following a hospital visit, the health system reduces the likelihood of adverse events such as readmissions.¹³

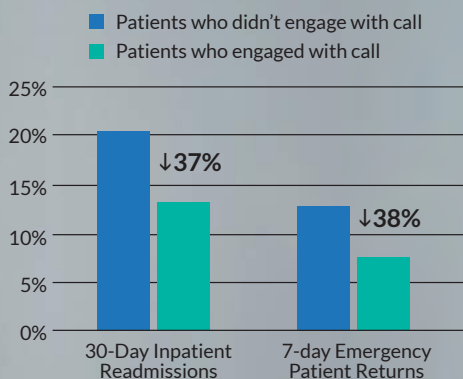
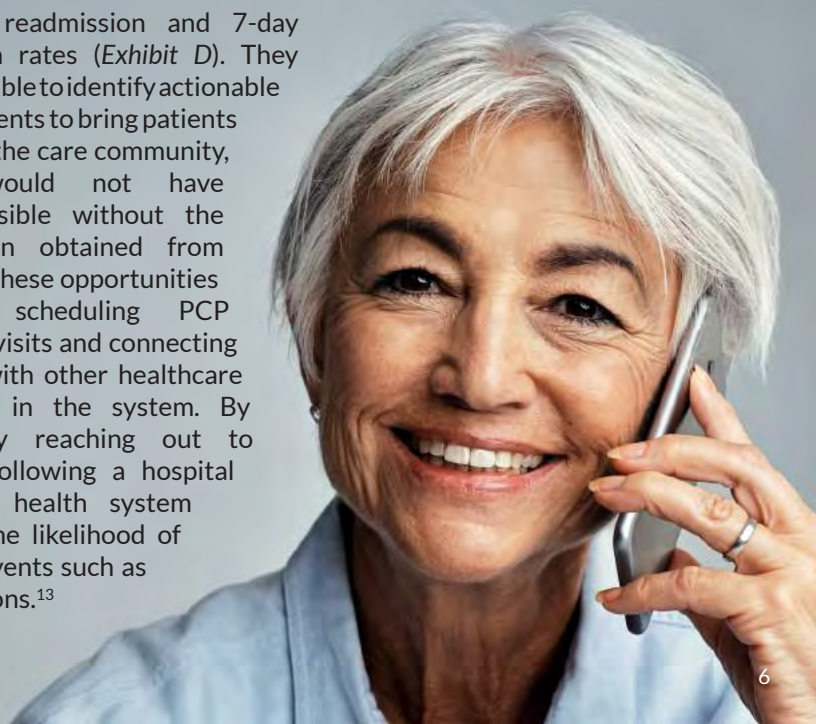
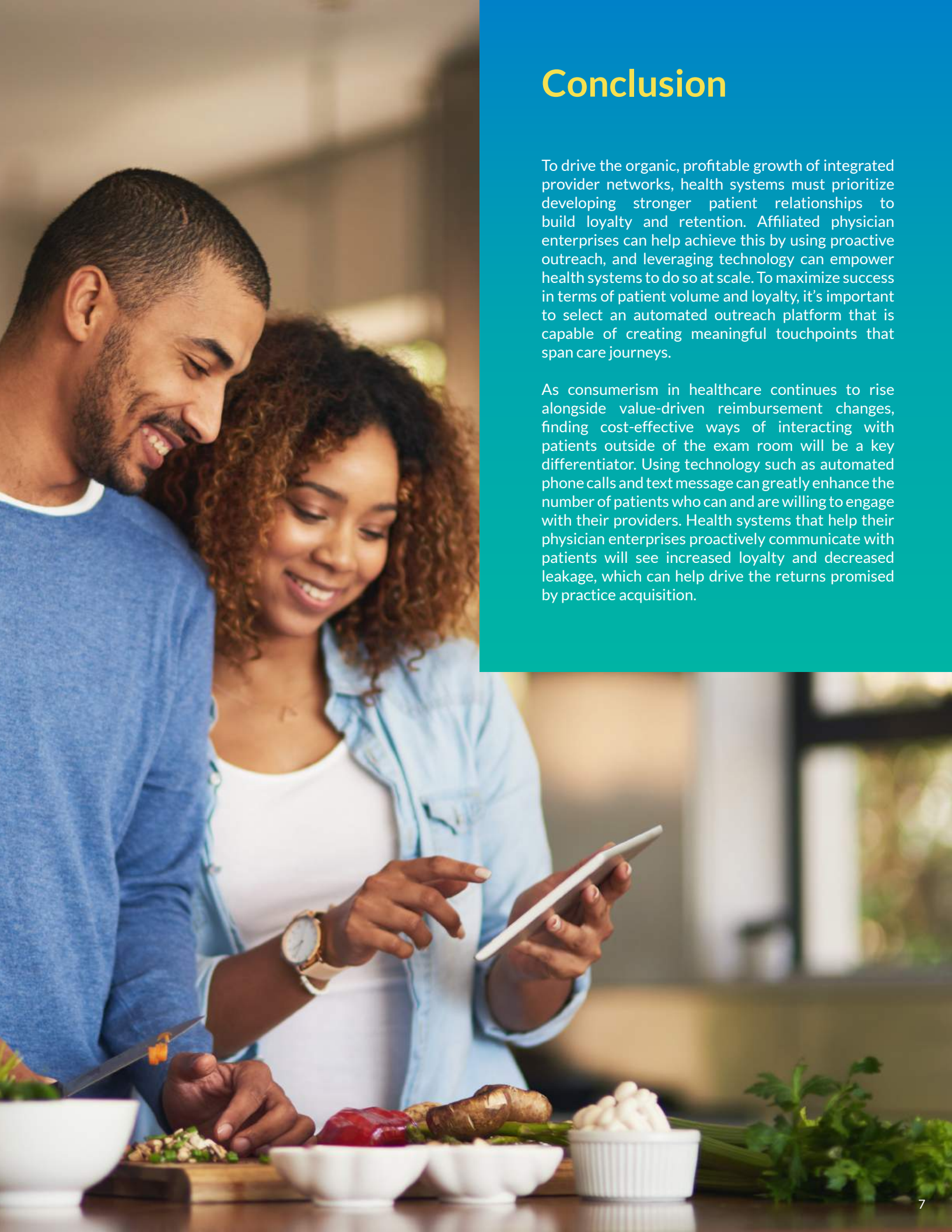


Exhibit D: Reductions in acute care encounters (July 2017 - January 2018)¹³





Conclusion

To drive the organic, profitable growth of integrated provider networks, health systems must prioritize developing stronger patient relationships to build loyalty and retention. Affiliated physician enterprises can help achieve this by using proactive outreach, and leveraging technology can empower health systems to do so at scale. To maximize success in terms of patient volume and loyalty, it's important to select an automated outreach platform that is capable of creating meaningful touchpoints that span care journeys.

As consumerism in healthcare continues to rise alongside value-driven reimbursement changes, finding cost-effective ways of interacting with patients outside of the exam room will be a key differentiator. Using technology such as automated phone calls and text message can greatly enhance the number of patients who can and are willing to engage with their providers. Health systems that help their physician enterprises proactively communicate with patients will see increased loyalty and decreased leakage, which can help drive the returns promised by practice acquisition.



About

Since 2009, CIPHERHEALTH has been innovating and delivering patient engagement technologies to help providers effectively and efficiently provide high quality care for their patients. By harnessing technology to improve patient outcomes and experiences across the continuum of care, our solutions are driving the evolution of patient-centered and data-driven healthcare.

Ranked by KLAS as the Patient Outreach category leader, CIPHERHEALTH provides medical groups with an enterprise platform for improved patient engagement before, during, and after visits. Our solutions help providers proactively identify and address patient issues with enhanced communication and care team coordination, all while leveraging data to track and trend insights for actionable improvement.



Learn More

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