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American College of  
Healthcare Executives  
*for leaders who care*

**VHA and ACHE Present:**  
***The Management Series for Health Care Leaders***

**Part Four:**  
**Building Revenue Through Patient Acquisition And Retention**

**Wednesday, May 17, 2006**  
**1:00 – 3:00 p.m. ET**

**Phone Number for Q & A:**  
**(800) 842-2032**

**Questions can be emailed on the day of the broadcast (until the end of the program) to:**  
**[vhatvlive@vha.com](mailto:vhatvlive@vha.com)**

**Satellite Reception and Authorization Problems:**  
**(800) 688-8421**

## **VHA and ACHE Present:**

### ***The Management Series for Health Care Leaders***

In its ninth year, “The Management Series for Health Care Leaders,” brought to you by VHA and ACHE, provides information focusing on strategic issues and solutions to health care executives. Join us this spring when we feature experts on preparing health care facilities for catastrophic events, improving margins in specialty services, lessons from Fortune 100 Best Places to Work and building revenue through patient acquisition and retention.

#### **Who Should Attend:**

- chief executive officers
- chief operating officers
- chief financial officers
- chief nursing officers
- chief information officers
- department directors and managers

#### **Part 4: Building Revenue Through Patient Acquisition And Retention**

**Wednesday, May 17, 2006 1:00 p.m. – 3:00 p.m. ET**

#### **You will learn:**

- Ways to improve revenue by developing strategies to acquire and retain patients.
- Opportunities to better serve your existing customer by mining your existing patient population data to cross market services.
- Steps to profile your patient population in order to develop new service lines, expand clinical usage and develop loyal customers.

#### **Presented by:**

***Arthur Sturm***

President & CEO

SRK

Chicago, IL

## **ACCREDITATION**

Each course has been approved for 2.00 hours of Category 1 ACHE educational credit toward advancement or recertification in the College. Each program must be viewed at the time of broadcast for credit.

Notes:

## Why Are We Here?

- Most executives agree there is “nothing left to cut”; building revenue is only choice
- Management demanding higher accountability, “What did I get for the money?”

1

## Are CEOs Perceived Metrics of Success How You Want to Be Measured?

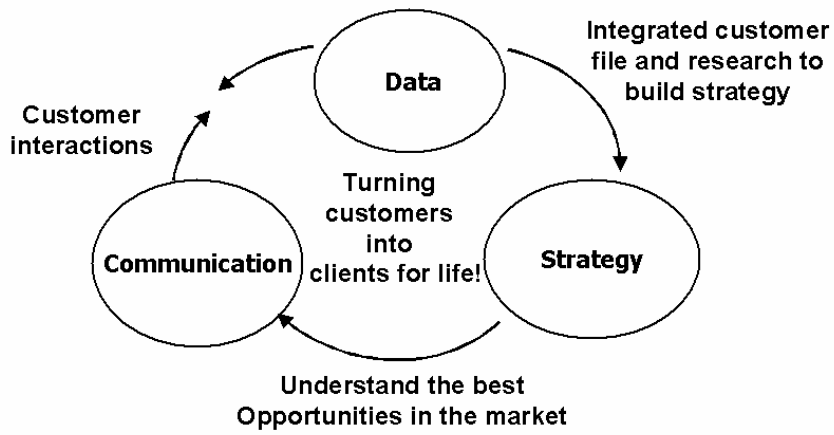
CEOs Metric of Success for Marketing	
Increased market share	76.7%
Changes in utilization	66.0
Patient satisfaction	61.7
Awareness and preference	53.2
Cost per new patient, cost per lead, cost per 1% of market share	8.5

Source: *Impact Marketing: Optimizing Value and Return on Investment*. Society for Healthcare Strategy and Market Development, 2004

2

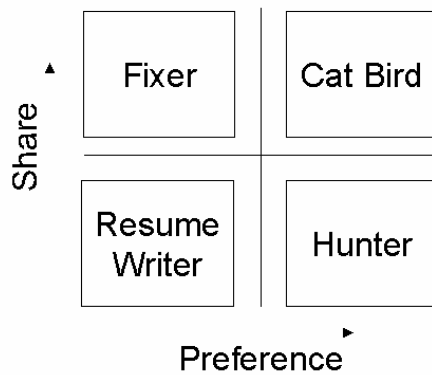
Notes:

## Acquisition and Retention is Truly Connecting the Dots



3

## Understand Your Readiness Internal vs. External Focus

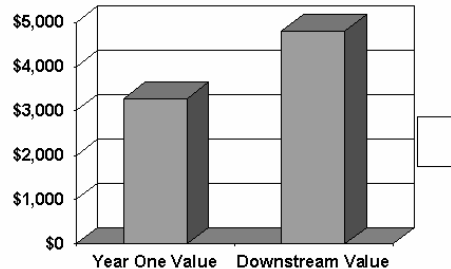


4

Notes:

## Value of CV Patient Doubles When Downstream Activity Is Included

- Overall average margin per CV patient for initial year: \$3,282
- On average, 64% had subsequent activity an average of seven encounters
  - Generates an additional \$4,813 in margin



5

## Downstream Use Of Non CV Services Identifies Cross Sell Opportunities

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Inpatient downstream utilization (other than cardiology or CV services)           <ul style="list-style-type: none"> <li>– Orthopedics 13%</li> <li>– Gastroenterology 12%</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Outpatient downstream utilization (other than cardiology or CV services)           <ul style="list-style-type: none"> <li>– Endocrine 34%</li> <li>– Musculoskeletal 20%</li> <li>– Digestive 16%</li> <li>– Trauma 15%</li> </ul> </li> </ul> |
|--|---|

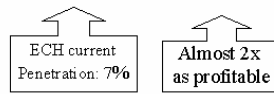
**ECH can offer screenings and educational events to current patients based on past patient's usage**

6

Notes:

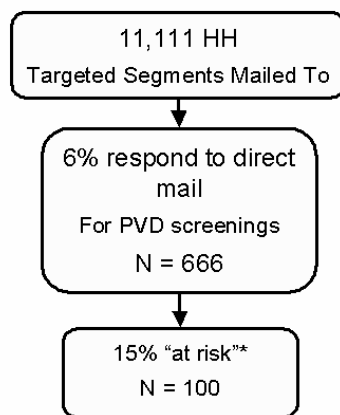
## Segmentation Let ECH Focus On Those With Highest Potential

Segment	Age	HH Comp	Inc	Market HH	ECH CV HH	% of ECH CV Biz	CV Margin	Prevention Index
Segment A	35-44	MK	U	27,562	724	5.7%	\$2,963	Average
Segment B	35-54	SM/SMK	U,UM	4793	455	3.6%	\$4,365	Above Avg
Segment C	45-54	MK	U	12540	850	6.7%	\$3,747	Above Avg
Segment D	45-54	M/MK	U	7,880	500	3.9%	\$7,119	Average
Segment E	55-64	SM/SMK	All	1063	303	2.4%	\$7,929	Above Avg
Segment F	55-64	M/MK	U	1959	256	2.0%	\$5,072	Above Avg
Segment G	55-64	M/MK	U	12,346	1560	12.3%	\$5,605	Above Avg
Group Totals				68,143	4648	36.7%	\$6,239	



7

## Targeting Allows For Higher Efficiencies And Predictability



\* Source: Association of Interventional Radiology

8

# The Acquisition Math For Heart Track

Increase ECH CV utilization by 5%	325 pts
Conversion required of target universe	1.03%
Acquisition cost/pt (=10% of year one margin of targeted groups)	\$623
Budget required to get 325	\$202,475
Estimated margin	\$2,027,675
Estimated ROI	10:1

9

## Offered Only Through Direct Mail. Prospects Opt In And Identify Interests/Needs

Package A

Response card focuses interests - creates personal track

Package B

10

## Significantly Different Response Rates



- Overall response rate of 2.57%
- High opt in rates for additional content

Source: SRK as of 2/19/06



- Overall response rate of 4.73%
- High opt in rates for additional content

11

## Members Receive Customized “Offers” Based On Age/Gender Track Or Risk/Interest

January	February	March	April	May	June
Education	Screening	Interest/ Risk	Education	Screening	Interest/ Risk
July	August	Sept.	October	Nov.	Dec.
	Screening	Interest/ Risk	Education	Screening	

12

## Highly Successful PVD Screenings

- Screened 374 adults
  - 47% had some cardiovascular risk
    - 19% at risk for vascular disease
    - 26.7% elevated BP
  - 78% of all attendees requested additional info on ECH
  - 8% downstream

Peripheral Vascular Disease affects nearly 10 million Americans, and yet most people have never heard of it.

**FREE PVD Screening**

**MARCH 19, 2009**  
9 a.m. to 3:30 p.m.  
at El Camino Hospital

A PVD Screening is an ankle-brachial index (ABI) which involves taking a blood pressure reading from each arm and leg. A health educator will be available to explain your results. There will also be a nurse on-site for assessment.

Registration is required, and space is limited. To register now for your free screening, call 800.765.5188 today. And get the right care, right now.

El Camino Hospital  
The Right Care. Right Now.

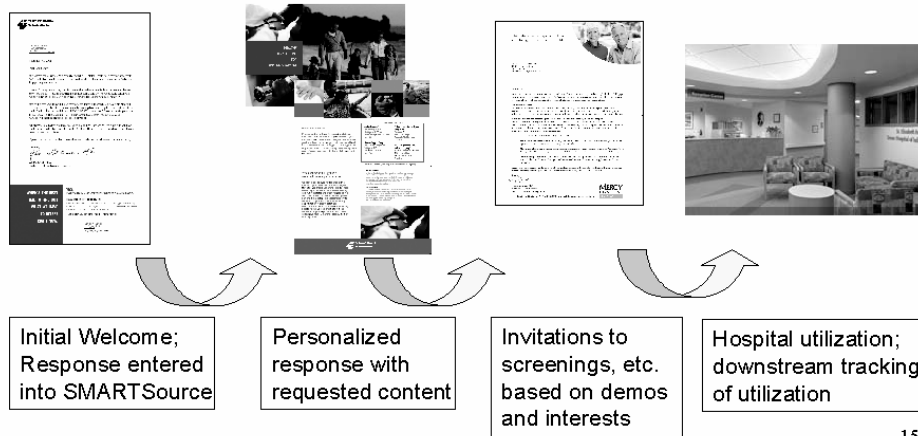
13

## But Do Managers Understand What Drives Loyalty?

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Consumers say they do not return for                     <ul style="list-style-type: none"> <li>– 74% bad service</li> <li>– 32% poor quality</li> <li>– 25% price</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Managers say                     <ul style="list-style-type: none"> <li>– 49% price</li> <li>– 36% customer had new needs</li> <li>– 22% service</li> </ul> </li> </ul> |
|--|--|

14

## Goal: Create Relationships; Sell Opportunities



15

## Summary of Key Learnings

- Marketing needs to move to a more granular level of accountability
- Focusing on patient acquisition and retention gives sharper edge to strategy and greater ability to measure
- Your own data should drive strategy and measure results
- Understand your probability of success based on market position, perception and service

16