


SECOND EDITION



THE COMPLETE GUIDE TO HOSPITAL MARKETING

PATRICK T. BUCKLEY, MPA



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GUIDE TO
HOSPITAL
MARKETING**

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HCPro, Inc.
P.O. Box 1168
Marblehead, MA 01945
Telephone: 800/650-6787 or 781/639-1872
Fax: 781/639-2982
E-mail: customerservice@hcpro.com

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This book is dedicated to those healthcare providers who are not satisfied with the status quo of healthcare in the United States but who quietly bring about positive change through their daily work. They are the real healthcare reformers.

Patrick T. Buckley, MPA



About the Author

Patrick T. Buckley, MPA



Patrick T. Buckley, MPA, is president and CEO of PB Healthcare Business Solutions LLC, a consulting firm that helps healthcare organizations with strategy, marketing, and management. Buckley has worked with many of the leading healthcare organizations across the country, providing strategic consulting to academic medical centers, healthcare integrated delivery systems, community hospitals, multidisciplinary physician group practices, physician faculty practice plans, and healthcare associations. He has more than 25 years of experience in strategic planning, brand and corporate communications consulting, marketing, advertising, and strategic business development for the healthcare industry.

In addition, Buckley is a recognized authority on service line marketing and organization and marketing planning, particularly in cardiovascular services, neurosciences, oncology, orthopedics, and women's health.

Prior to founding PB Healthcare Business Solutions, Buckley was president and CEO of Rynne Buckley Marketing and Communications. He served as the chief strategic planning and market development officer for State University of New

About the Author

York (SUNY) Health Sciences Center in Syracuse. At SUNY, Buckley directed and implemented brand and business development for the clinical enterprise. He also served as the chief strategic planning and marketing officer for Loyola University Health System (LUHS) in Chicago. At LUHS, he was instrumental in the development of the heart transplant program, the first of its kind in the state.

Buckley has been a featured speaker at national healthcare symposia, including the Society for Healthcare Strategy and Market Development (SHSMD), and at hospital and healthcare marketing associations. He was awarded the former Alliance for Healthcare Strategy and Marketing's highest achievement award in marketing excellence. He has been a featured writer in *Chicago Hospital News, Spectrum* (SHSMD's newsletter), and the *Redspring Report*. He also serves on the Editorial Advisory Board of **Healthcare Marketing Advisor**, a print newsletter published by HealthLeaders Media.

Buckley wrote the first edition of *The Complete Guide to Hospital Marketing*. He is also the author of *Physician Entrepreneurs: A Marketing Toolkit*, also published by HealthLeaders Media.

A graduate of the University of Notre Dame, Buckley holds a master's degree in public administration from the Maxwell Graduate School for Citizenship and Public Affairs at Syracuse University. He currently resides in Milwaukee.



Introduction

As I write this, a new administration is preparing to take the reins in Washington, DC. Every four or eight years, we Americans witness a gladiatorial effort on the part of legislators and members of the executive branch to enact fundamental change to our healthcare delivery system. Witness the changes that have occurred since publication of the first edition of *The Complete Guide to Hospital Marketing*:

- The ranks of the uninsured have grown by about 10%, so that today there are about 55 million people living in the United States who do not have health insurance.
- More graduating medical students are choosing careers as specialists rather than primary care physicians, thus exacerbating the need for physician extenders in many communities across the United States.
- Patient-physician relationships have become increasingly impersonal and unsatisfactory as patients are jammed through physicians' offices, thanks in part to the current reimbursement model.
- The number of Americans who are medically overweight continues to rise, with more than 60% of the adult population exceeding its desired weight.

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- Competition for the healthcare dollar is heating up as consumers get satisfactory results from complementary and alternative medicine and as retail health clinics provide easier access to office-type care.
- The number of Americans who are diabetic has continued to rise, doubling from 1990 to 2005. And one of every three children born in 2000 will develop diabetes in his or her lifetime.

What does this all mean for those of us whose primary business is to market hospital services? It means that marketers must work closer and more diligently with their community organizations to help bring about systemic change in the health status of the populations they serve. It also means that:

- Like other industries that rely upon a combination of technology and highly specialized professionals, hospital marketers must balance marketing what patients need with what they want
- Thinking inside and outside of the box and always looking for ways to simplify and humanize the patient care experience is more important than ever
- And, more than ever before, hospital marketers must lead their organizations in doing the right thing, even though the right thing may not be what brings in the most revenue

To these ends, this completely updated and revised book will introduce new approaches to marketing that some of the leading healthcare organizations in our nation are pushing forward. You will learn to:

- Transform traditional hospital marketing from a vocation obsessed with market share and return on investment to one that promotes innovative methods for disease prevention and personalized self-health management
- Involve community members in hospital services delivery
- Build and strengthen relationships with nontraditional healthcare players
- Recognize the wisdom that is inherent in our employees and focus more effort on creating a work force that revolutionizes the way in which we combine productivity with customer service

What's New in the Second Edition?

This second edition of *The Complete Guide to Hospital Marketing* integrates a bit of the old and new. Picking up where the first edition left off, the second edition aims to broaden the hospital marketer's working repertoire of skills and to infuse purpose and meaning to the everyday task of changing peoples' lives for the better. It also includes an accompanying CD-ROM, which contains a marketer's "toolkit" complete with templates, forms, checklists, and other practical applications that the reader can apply immediately to his or her own marketing program. Each form supplies what is needed to manage simple to complex marketing management and can be customized to the user's particular needs.

This edition also expands on the marketer's armamentarium of approaches to closing the gap between provider and consumer. It includes content on:

- Marketing with and without physicians

Introduction

- Customer relationship management
- The new public relations
- Media relations
- Market research 202
- Retail healthcare
- International healthcare marketing
- Guerrilla and viral marketing

It also includes information vital to niche healthcare marketers, including academic medical centers, specialty hospitals, chronic care facilities, and ambulatory programs.

While this is an unnerving time to be a hospital services marketer, it is also an exciting time. It is my fervent desire that the second edition will help you, the hospital marketer, to thrive (and not just survive) the forces of change in our healthcare enterprise.

Patrick T. Buckley, MPA



Chapter 1



What Is Healthcare Marketing?

This chapter will:

- Explain the unique challenges to hospital and health system marketing
- Describe the hospital's changing role within the continuum of healthcare delivery
- Explain how the marketing mix works in the hospital environment
- Delineate the skill sets hospital marketers need to be successful

*“The more things
change, the more they
stay the same.”*

—Alphonse Karr

In the first edition of *The Complete Guide to Hospital Marketing*, we addressed the following points:

- As a consumer shopping for a new suit at a department store, would you think it strange if none of the suits had a price tag? Would it be odd to see a sign posted above the clothing rack that said, “Suits are subject to contractual adjustments. Buyers are responsible for the amount not paid for by their clothing maintenance plan.”
- Would you go shopping for a new car without having any idea of what it really cost, or without any way to compare its features to those of other cars with similar capabilities?

- As a business owner, would you let people who are not your employees control the quality of your products and have a significant effect on your ability to create a safe, high-quality environment for your customers?
- How do you market a business that, if it is doing a good job, should not be getting repeat business from its customers?

These questions are even more relevant today. Hospitals can try to emulate the marketing practices of other industries, but in doing so, they just demonstrate how unique healthcare really is. In healthcare marketing, the more things stay the same, the more they stay the same.

Healthcare Marketers Face Unique Challenges

And yet, things *are* changing. Hospitals and health systems are continually affected by external forces over which they have no control: politics; changes in government regulations; declines in reimbursement; the growth of alternative medicine; the rise of consumerism; an increase in competition from physician-owned specialty hospitals, retail clinics, and other business models; and a host of other complications. In particular, the incredible growth in direct-to-consumer (DTC) pharmaceutical advertising has spurred change in healthcare delivery. Since the FDA deregulated DTC television advertising in 1997, there has been a 330% increase in DTC advertising.¹ According to the Kaiser Family Foundation, the annual rate of increase in prescription spending in 2006 was 9%, compared to 7% for hospital care and 6% for physician services.² This trend, along with consumers' increasing interest in managing their out-of-pocket costs, has significant implications for healthcare marketing professionals.

All aspects of traditional marketing functions—product, price, place, and promotion—are a challenge for hospital and health system marketers. In healthcare, so many processes depend on so many people performing so many specialized tasks that it is not surprising that hospital and health system marketers often struggle to explain to people outside of the healthcare field exactly what it is that they do. It's not even easy to get people inside the organization to understand what marketing is all about.

Thus, the hospital marketer must not only keep up with the most recent clinical technology, healthcare legislation, and healthcare finance trends, but also be an astute educator and mentor to his or her colleagues, helping them understand the role they play in creating trust, confidence, and value in the minds of their customers. He or she must be a diplomat but also have the toughness to go toe-to-toe with physicians when necessary. This individual must be a visionary who lets no detail escape—in short, he or she must be a marketing guru.

Hospitals Need to Be There When Needed

Further complicating matters is that hospital preference is not a top-of-mind issue for most consumers—until they are confronted with a health issue. In some respects, marketing for a hospital is like marketing for a funeral home: Each must be available whenever the customer needs its services. People don't typically spend a lot of time thinking about where they would like to be buried or which funeral home should handle the arrangements should they die tomorrow. Likewise, people don't always think about where they want to go if they have a heart attack or need to have hip replacement surgery. There are plenty of other things to worry about on a daily basis, so it's safe to assume that people's preference in hospitals is not at

the top of their list of concerns. However, when a person does have a health-related event that requires treatment, you definitely want your hospital to be at the top of his or her mind—and you want it to stay there.

People form opinions about their local hospital based on stories from their neighbors, relatives, and coworkers, or from firsthand experience. Also, going to the hospital is usually an uncommon, singular experience (unless a person is undergoing chemotherapy or having a second child, for example).

Therefore, most patients can't compare the care they receive at your hospital with the care they received elsewhere. After all, one can't take a herniated disc to two hospitals to see which one does a better job. You have one chance to do it right. This is why hospitals must do everything possible to make a patient's first experience a good one.

Hospitals spend a significant amount of money each year promoting their brand to get the consumer's attention. But all that money is wasted if the experience doesn't match the hype. That's why marketers must forever be concerned with patient satisfaction. And you don't gauge that by analyzing quarterly reports; you do it through daily monitoring of what's happening with your customers when they encounter your services.

The Value of Healthcare Marketing Is Often Intangible

All hospital marketers justifiably crave the ability to point to specific and tangible ways to show marketing's value. However, it is within the intangible that marketing's

value is proven. It isn't the 1%–2% increase in the inpatient market share that validates marketers' work. It isn't even a 10% increase this year over last in positive stories by the media. The true worth of marketing is found in the shared belief among our fellow employees that we are making life better for our customers.

When working at a hospital, we can sometimes take for granted our common purpose to restore our customers' health and well-being. As the one area of hospital management that connects all the dots, marketing redefines the role of hospitals in the health of our communities. We must always be working at developing relationships within our organizations and with key players in our service area. We cannot and never will be “all things healthcare” for the individuals and families who use our service providers. Both practically and economically, this would not be in the best interests of our communities.

Hospital care is extremely expensive—the most costly component of our healthcare delivery system. As with other businesses that seek to innovate and advance the reach of technology, hospitals have an indispensable role in the community economy. We employ highly educated executives and clinicians. Despite the need to compete, we cannot duplicate services or offer services that may be substandard. Our customers view us differently than they view hamburger chains. We must always be aware of the central role we play in contributing to the quality of life of our clientele, and thus we must be responsible with protecting the assets our communities entrust us with—their lives and livelihoods.

First Impressions Are Important

With all of this in mind, hospital marketers must take note that consumers make judgments about quality on the basis of such things as cleanliness, friendliness, and the appearance that you know what you are doing. First impressions can make and break organizations, and, in that respect, hospitals are no different from hotels, grocery stores, and other retail businesses. From finding a parking space to figuring out which building to enter, hospitals can be frustrating to navigate. Some hospitals have instituted valet services and greeters in the lobby—both are excellent customer service boosters, and I highly recommend them for larger than average healthcare facilities.

A case in point: One of the first things I do before I meet with a hospital client is to try to experience what a typical consumer (if there is such a thing) experiences when encountering the organization. One urban academic medical center in the Northeast wanted to warm up its image with the public and asked how it could do this without spending a lot of money on an image campaign. After a quick tour of the campus and conversations with a handful of visitors, here is part of what I saw:

- A scary-looking security guard in the emergency department who challenged visitors as to the purpose of their visit
- A cancer center located in a square, foreboding cement building surrounded by barbed wire
- Cigarette butts littered the entrance to the lobby, and, in the entryway, a tracheostomy patient in his hospital gown (in January, mind you) smoked a cigarette through a tube in his neck

- A sign reading “For handicapped people only” with a red push-in knob adorned the glass door to the entryway (offensive to people with or without a disability)
- The men’s restroom was unclean and a bloody plastic glove lay on the floor next to the sink

Needless to say, there were many things this organization could do to improve its image, and a “feel good” campaign would not have been advisable without first attending to these signs of poor quality.

The Unique Nature of Hospital Marketing

Effective hospital marketers must have more than a passing familiarity with the clinical and support services that work together to meet a consumer’s health needs. At Fort Healthcare in Fort Atkinson, WI, CEO Mike Wallace spent his first days on the job working in various departments of the hospital in order to experience his employees’ responsibilities firsthand.

At Blessing Health System in Quincy, IL, Mike Gilpin, corporate vice president of marketing, encourages his staff to work closely with service line managers to ensure that the managers speak Blessing’s “corporate voice.” Engaging with caregivers who have the highest “touch quotient,” he says, is also important. “To understand our customers’ desires, needs, and expectations, our caregivers must embody our corporate values, and must see their colleagues as customers, just as they see patients as customers,” he says.

Every department, from the laundry service to the operating suite, is a customer or buyer of hospital services. Ultimately, the quality and performance of the consumer’s interaction with your hospital will be determined by how well the hospital’s departments serve one another. Figure 1.1 shows how one Midwest hospital tracked the internal flow of services to discover ways it could simplify and enhance the delivery of services to its customers.

FIGURE 1.1

Interdepartmental Work Chart: ‘Who Is My Customer?’

Department/ business unit	Who are our customers?	What do we provide them?	Who are we customers of?	What services do they provide us?
Surgery	Inpatient units	Consultation	Central supply	Operating room supplies
	Referring physicians	Surgical care	Laundry	Scrubs, linens
	Attending physicians	Patient follow-up	Radiology	X-ray, MRI
			Lab/pathology	Biopsy results
			Emergency services	Preps patient

Source: PB Healthcare Business Solutions LLC.

Learn a New Definition of Marketing

According to the American Marketing Association, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.³

Classic definitions often talk about marketing in terms of the “Four Ps”—product, place, price, and promotion. Go to any department store, retail outlet, or grocery

store, and you will find products that are marked with a price. Even with services, such as a haircut or a car wash, the price may vary depending on the features or customization that the customer chooses, but he or she knows what it is going to cost before he or she makes the purchase. Marketing involves an exchange process of some sort.

These definitions are accurate—albeit not exactly easy to explain to someone who asks what you do for a living. Healthcare marketing is unique.

For those of you charged with adapting marketing principles to an industry that has misunderstood the role of the marketing discipline for years, I offer the following definition of healthcare marketing:

Healthcare marketing is educating ourselves as to the wants and needs of our potential customers and, based on the knowledge we gain, educating our customers and offering them valued services that fulfill their needs when and where they need those services.

Notice this definition doesn't include the words exchange, product, pricing, distribution (place), or promotion (the marketing mix). And yet the Four Ps are there. The emphasis is on educating ourselves (through market research), educating our customers (through promotion), and offering services (our products) such that they are valued (the price/value exchange) and fulfilled (distribution).

Of the Four Ps, promotion is often overemphasized in most hospital marketing departments. When customers describe their experience with a hospital, they don't say things such as, "They have great advertising" or "I really like the way they promote themselves." In fact, hospitals that are heavy self-promoters often reap a negative reputation among consumers. In focus groups, I often hear that hospitals "should put the money they spend saying how advanced they are into improving their operations."

Meet a New Kind of Customer

So now that we have a working definition of healthcare marketing, let's explore the idiosyncrasies of the marketing mix as it is encountered by the healthcare consumer. But first, let's be clear as to who our customers are. For hospital-based marketers, customers are individuals and groups of individuals who use our services, either to enhance delivery of their own services or to satisfy a healthcare-related need.

Under this definition, our customers can be both business to business (B2B) and business to consumer (B2C) and can include:

- Physicians on our medical staff (B2B)
- Physicians who refer patients to physicians on our medical staff for diagnosis/treatment (B2B2B)
- Consumers who use our services as patients (B2C)
- Managed care plans (B2B)
- Employers (B2B)

Hospitals have numerous other constituencies, such as those affiliated healthcare organizations or hospitals with which they have patient-transfer agreements, cancer or heart disease support groups, emergency medical providers, and community organizations that meet at the hospital, for example. In fact, any individual or group that can benefit from the hospital's services can become a customer. But for the most part, the primary customers with whom you will be dealing are physicians and patients.

Rethink Product Organization and Delivery

Historically, hospitals were organized around medical-surgical and intensive care, the emergency department, radiology, laboratory, pharmacy, and a series of support services (e.g., laundry and central sterile supply maintenance). Each area operated as a diagnosis, treatment, support, or ancillary service (nonmedical-surgical care, such as emergency care). A patient would be admitted to a medical or surgical care wing of the hospital and would experience numerous interventions by hospital staff members and physicians from different departments. Nursing staff members on various floors of the hospital were responsible for carrying out physicians' orders, whereas hospital administrators were mostly assigned to provide supervision over clinical, professional, and support services.

A patient's hospitalization regimen was determined solely at the discretion of the patient's attending physician. Reports for hospital administration focused on patient days by physical unit. Bills were generated based on the hospital's charges, which varied according to the length of the patient's stay, the type of unit the patient spent time in, specific diagnostic and treatment interventions, and the various drugs administered. Charges were paid in what was called "cost plus reimbursement."

Then, in 1982, Congress passed the Tax Equity and Fiscal Responsibility Act, a major bill affecting Medicare reimbursements. Medicare began to pay hospitals a fixed rate (with adjustments for local area wages) for categories of care. In hospital parlance, these are referred to as diagnosis-related groups. Thus, to maximize their payments from Medicare, it behooved hospitals to keep costs down by shortening lengths of stay when medically appropriate and by performing only those tests and procedures absolutely necessary for diagnosis and treatment. This payment system, with annual adjustments and tweaks, is still the principal basis for the way hospitals organize and deliver their services.

The Evolution of Service Line Management

In the mid- to late 1980s, with an eye toward minimizing costs and building profitable patient volume, hospitals began looking at how other industries developed and delivered their products and services. Hospital-based services began to be organized into what are called service lines, a term borrowed from manufacturing industries that promote product lines (see Figure 1.2).

FIGURE 1.2

Roles and Characteristics of Service Line and Marketing Executives

Service line executive	Marketing executive
Facilitator	Creative thinker
Troubleshooter	Discoverer of opportunities
Implementer	Counselor
Visionary	Visionary
Politically savvy	Marketing savvy
Clinically insightful	Marketplace knowledge
Willing to share ownership of results	Marketing expertise
	Willing to share ownership of results

Source: PB Healthcare Business Solutions LLC.

Service lines are an attempt to bring the concept of strategic business units into hospital management. In simple terms, the idea behind service line management is to bring all the production components involved in the delivery of a care process into one management chain of command, typically led by a service line director. For example, all the major components involved in the delivery of cancer care are managerially organized within the oncology service line. Because there is natural crossover of disease processes (e.g., brain cancer crosses neurosciences with oncology, pediatric heart surgery crosses pediatrics with cardiovascular surgery), service lines are often marketed through a multidisciplinary approach that requires the service line director to buy services from other service lines and from support services.

The marketing department provides technical assistance to each of the service lines, such as market research, marketing planning, and promotion. But the service line director is responsible for all aspects of the overall service—ensuring that services are what they should be, that customers receive the best possible care, and that the service line is profitable.

Hospital marketers often ask me how many service lines a hospital should have. The answer to this question depends on the capabilities of the organization's management talent and the management philosophy of the organization. Technically, a service line director should function as a brand manager, always making sure that the resources are appropriate to the customer's needs, be it a referring physician or a consumer. Organizing the resources to best facilitate the provider-consumer exchange process is essential. For example, if the cancer program is severely lacking in management talent as compared to the heart program, the hospital should seriously consider looking for such leadership.

Prepare for a New Role in Pricing

A hot issue for hospitals (and for any nonprofit organization that depends on significant funding from government sources), pricing transparency continues to confound consumer and provider alike. Is today's consumer any better informed, prior to the purchasing stage, as to how much a particular service will cost? Or as to why the cost of a procedure can vary wildly from hospital to hospital?

Increasingly, hospital chief financial officers' (CFO) efforts to communicate cost information are beginning to show that consumers are becoming more comfortable with asking questions relating to the cost of an inpatient admission. In response to the demand for transparency, several hospital associations have issued hospital pricing report cards. For example, the Wisconsin Hospital Association (WHA) instituted a Web-based pricing transparency site (www.wipricepoint.org), which, according to WHA, "allows healthcare consumers to receive basic, facility-specific information about services and charges" for selected hospital inpatient and outpatient services.

However, at least as of this writing, consumers cannot truly compare prices because many health insurance plans still interpret procedures differently and use coinsurance percentage formulas to determine what they will pay. And because there are so many variations of healthcare plans, many hospital billing departments are not always able to accurately and clearly communicate the cost of a procedure.

In other industries, competitors often use price to differentiate themselves. They may discount a price, offer incentives such as rebates, or bundle other goods in addition to the desired goods such that, were they purchased individually, they

would cost more. A corner hardware store may provide personal service, a value-added feature that a big-box store is less able to offer. Hospitals, on the other hand, do not have the complete transaction figured out at the time of purchase. Pricing is determined according to a Byzantine coding system that gives consumers no real ability to connect the bill to their hospital experience.

Historically, hospital marketers have had an almost nonexistent role in setting prices. This task has always been under the purview of the CFO. However, as more and more services are not covered by insurance (which means patients must pay for them out of their own pockets), hospital marketers are increasingly getting involved in pricing issues.

Health plans have attempted to make consumers more accountable for their use of services by making it more costly for them to access physicians outside of a prescribed network. Marketing elective services such as bariatric surgery, LASIK eye surgery, ultrafast computed tomography scanning, and mammography must be price-sensitive for consumers. The marketing strategy for promoting such services must be highly targeted and consider that not everyone who can afford them is willing to pay for them out of pocket.

One way marketers can become more involved in pricing is by testing price sensitivity for elective services through focus groups and consumer surveys. Consumers are learning to ask how much a procedure will cost and to postpone procedures or look for alternative approaches to cut down on out-of-pocket expenses. And as physicians become increasingly able to perform ambulatory procedures from their own facilities, offering patients a more convenient and comfortable setting,

hospital marketers must monitor consumers' out-of-pocket costs and determine an appropriate differentiating marketing strategy. Will you set your organization apart for its excellent outcomes? Stellar safety? The expertise and experience of its specialists?

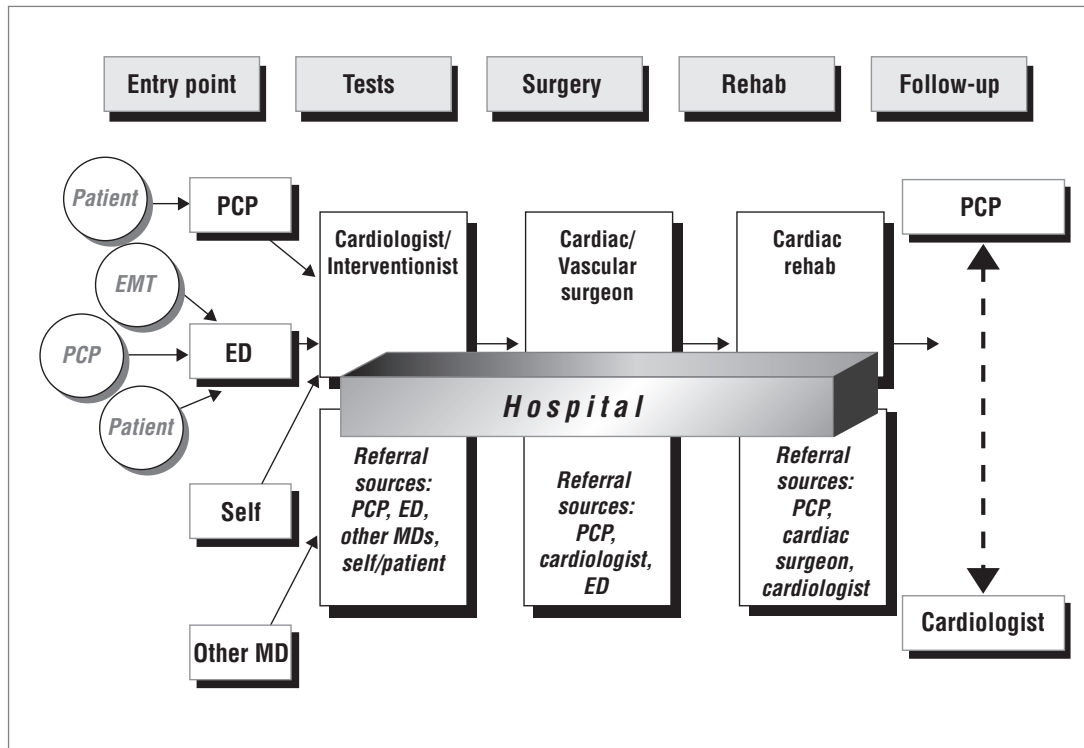
One large urban hospital I worked with learned through focus groups that consumers in the area perceived that if the hospital offered services such as health screenings for free, that it must have a lot of money, whereas a hospital that charged a reasonable fee was likely to be more caring. The same focus groups also felt that, if making a choice between one hospital charging \$125 for a healthy heart exam and another charging \$50, they were more likely to pay the higher cost because that hospital was “higher quality.” After tinkering with various price levels, the hospital found that it attracted more people by charging more for services than it did with its historic underpricing.

Understand the Consumer-Provider Interaction

It is very important for marketers to be aware of the decision-making process that consumers and physicians go through when choosing a hospital. Before a person ever steps into a hospital, he or she makes several decisions. For example, the patient pathway (see Figure 1.3) shows how a person with a heart problem accesses the hospital from entry (through referral to a cardiologist by his or her primary care physician [PCP] or admission directly through the emergency department) through post-hospitalization follow-up.

FIGURE 1.3

Understanding the Patient Pathway



Consumers increasingly have many sources to consult before selecting a medical pathway. The consumer’s experience and ultimate prognosis will greatly depend on whether the consumer self-directs his or her care or is guided by a knowledgeable provider. Musculoskeletal patients are a good example of this phenomenon. Many patients in preferred provider organization health plans self-refer to an orthopedic specialist for a musculoskeletal problem, especially if their out-of-pocket costs are not too high. Others may try physical therapy, osteopathy, massage therapy, acupuncture, chiropractic care, pain centers, and personal trainers to help with a

back, knee, or shoulder problem. Many back-pain sufferers search for relief without knowing all the potential outcomes and consequences that accompany the path they follow. Providing this guidance through educational and marketing communications presents an excellent opportunity for marketers to develop a more direct interface with consumers.

Of course, the PCP is still a patient's most important source of hospital information. And sometimes a patient has little choice about which hospital he or she goes to. His or her physician may be affiliated with only one hospital, for example, and health plans also sometimes limit patients' choices. In the case of heart care, a patient may receive a referral from the PCP or self-select a cardiologist based on a referral from a friend, family member, coworker, or another source. The patient may also enter the continuum of care through the emergency department. The consumer-provider interaction in this scenario occurs at three key points: between the PCP and the specialist to whom the PCP makes the referral, between the patient and the cardiologist's office, or between the paramedic and the hospital emergency department.

The hospital marketer's role in these referral processes is governed by the particulars of the consumer's or provider's situation. For example, it may start with a patient contacting the hospital's call center looking for a referral to a cardiologist, or it may start when marketing arranges for a hospital-sponsored continuing medical education program about cardiovascular advances for PCPs. Or it could start via the Web, such as through an online cardiac risk assessment tool on the hospital's Web site. Regardless of the means, it is most important that marketing map the process and determine the key points of interaction and what happens at

each of those points. By doing this planning, potential communication mishaps can be avoided and customer expectations can be better met.

A Service Most Consumers Don't Want

Let's be clear about one thing: Accessing the healthcare system is emotionally draining for patients as well as their friends and family. Visiting a hospital is never a person's first choice of how to spend his or her time. Patients lose their privacy, entrust their bodies to strangers they may never meet again, and have no guarantee that they will come out of the experience well—or even that they will come out of it alive.

You probably wouldn't want to buy a pizza if it came with a warning label stating, "Eating this pizza could result in death" (even though if you eat enough pizza it probably will). Yet patients who are about to have surgery must sign a consent form that includes a statement about the possibility of death, even if the chance of that happening is remote.

Hospital marketers know that each patient's experience is unique and that advertising must connect emotionally with consumers. Likewise, the stories we tell about patients or physicians must portray the hospital as a place that respects individuals and empathizes with their lack of control over their situation. Yet so much of hospital and health system advertising is focused on showing the newest imaging equipment or life-saving technology. Almost every marketer I work with wants to achieve the "high-touch/high-tech" duality in advertising. Healthcare advertising works, but if it doesn't make an emotional connection with consumers, it's better to put the money to other uses.

All Relationships Matter

Healthcare marketing is all about relationships, which take time to cultivate. CEOs will come and go, but the more successful ones realize early on that they must involve physicians in the decision-making process. One CEO I have worked with moved his office next to the medical staff lounge to be more accessible. Rather than abuse the privilege, the medical staff respected his open-door policy and only used it for major concerns. This action was in sharp contrast to the prior CEO's setup—his office was hidden away, and the entrance to it was blocked by three secretaries.

To build critical relationships, marketing professionals must also make themselves available. Some of the best intelligence information comes not from market share reports but from impromptu meetings in the hallway. One effective marketing director I know makes it a daily practice to stop by the hospital call center to let staff members there know what is happening that day and to ask them whether there's anything that might make them more effective when answering calls. Such recognition of employees' importance enhanced their productivity and gave the marketing director valuable information regarding the types of calls coming in on a real-time basis.

Likewise, if you have greeters in the lobby or a valet parking service, it will pay dividends to visit these employees and other frontline staff members daily.

Focus on Human Connections

As healthcare marketing continues to evolve, there's a danger that technology and marketing innovations will obfuscate what is and will always be a personal experience. Contrary to popular belief, automated voice mail at the hospital's call center does not simplify processes as it does when ordering a prescription refill at the pharmacy. People generally don't telephone the call center for routine reasons—they call when they need to contact a doctor, get information about a loved one's condition, or schedule a medical test or procedure.

Think about all the times you have called a business and were frustrated because you did not get a human response. Then think how even more frustrating it would be if you were trying to contact your physician while worrying about the pain of a bleeding ulcer.

Nor does overblown advertising play a role in building and sustaining trust, confidence, and dependability. "Wait," you may say. "You can't build trust unless you let people know what it is you do." True, but that's not the point. Consider the pitcher in baseball. You can have a great lineup of hitters, but if your pitching is poor, all the hitting in the world will not win ball games. Focusing on simplifying the consumer experience and delivering great service will win you more ball games than making clever television commercials.

Summary

- Marketing in a hospital environment has unique challenges that are not found in most other organizations. The product is variable, the customer is not usually a willing buyer, and there is not a true price–value exchange.
- The skills that are critical for the marketing professional are quantitative and qualitative. A critical skill is the ability to achieve consensus among the players involved in the delivery of a clinical service or customer interaction. Marketers must display skills in market research as well as willingness to work as a team.
- Marketers must integrate themselves into the hospital’s operations to truly understand the interaction between producers and consumers. If you are not meeting regularly with the people who have day-to-day contact with your patients and consumers, you cannot possibly know how effective your services are.

Endnotes

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