

PR Campaigns May Improve Payer Negotiations, Enhance Market Value

Health systems and hospitals are finding benefit in PR campaigns. For example, one organization used a targeted communication strategy to gain a three-year payer contract with an 35-to-1 ROI.

Suppose your health system has to renegotiate a key payer contract, and you anticipate the payer will draw out negotiations and possibly launch a public campaign that does not paint your hospital in the most favorable light.

What do you do? How can you respond to the problem and perhaps even avoid it in the future?

One way is to pursue a public relations (PR) campaign that emphasizes your organization's strengths and engages several audiences—patients, physicians, the business community, and local media—in support of your organization.

There are two types of PR campaigns that can help organizations with their payer negotiations, according to Brandon Edwards, president, Revive Public Relations, a Santa Barbara- and Nashville-based firm.

- A transactional strategy, which is typically used in response to a specific payer interaction and involves a short-term, reactive approach
- An employer engagement strategy, which focuses on establishing the healthcare organization's value in the marketplace

A Transactional Strategy

"A transactional PR campaign tends to gear up quickly, get the message out fast, and wrap up once the hospital has achieved its goals," says Edwards.

Consider this example: A four-hospital health system was having trouble negotiating a contract with a large insurance company. Not only could the two entities not come to an agreement, the insurer was engaging in public attacks on the health system. The system used an integrated PR campaign to reach out to various audiences.

- Hospital leadership
- Members of the board
- Internal audiences (employed physicians, referring physicians, administrators, and employees)
- Community stakeholders (employers, brokers, and thought leaders)
- Patients
- Local media

The campaign branded the health system as a valuable community resource that deserved a fair contract from the payer and a fair offer at the negotiating table. As a result of the effort, more than 8,000 patients identified themselves as supporters of the health system, and more than 3,500 patients directly pressured the payer through letters, calls, and emails.

While the PR campaign was brief and intense, it resulted in a multi-year

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An Employer Engagement Strategy

This type of PR campaign is less common but probably more important, according to Edwards. The effort takes a proactive approach and focuses on establishing the healthcare organization's value in the marketplace. It does not target specific payers or transactions but reaches out to employers and healthcare consumers and builds relationships over time.

"Health reform is changing the way hospitals, payers, consumers and employers interact," notes Edwards. "By directly engaging those who will ultimately pay for health care in conversations about the value of your health system and its services, you can ensure your place in the changing healthcare landscape. We call this getting closer to the money."

Those health systems that have a positive and consistent message can further their relationships with employers and patients, as well as possibly head off the negative, short-term, transactional problems discussed above. "These campaigns can help introduce and support direct contracting relationships, risk-sharing relationships, and much tighter integration between employers and the healthcare organization," comments Edwards. "For example, a proactive campaign may result in the creation of a clinic affiliated with the hospital that is located onsite at an employer facility. A direct and collaborative partnership could exist between the clinic and employer."

While the benefits of an employer engagement campaign can be difficult to quantify, they can ultimately surpass the benefits of a more transactional effort. "Transactional campaigns address one problem at a time; engagement campaigns address the fundamental market position of the organization and improve relationships across the board," says Edwards. "This cannot only support better contract negotiations but establish the organization as an essential part of any health care network."

Related tool: [A Sample Employer Engagement Campaign](#)

Brandon Edwards is president of Revive Public Relations (be@revivepr.com).

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- Have you ever used a PR campaign to help with contract negotiations? How did it go? What were the results? Would you consider this approach again?
- Do you think it's beneficial to take a broader, more proactive look at positioning? Have you ever considered this strategy? Why or why not?
- Do you think payers are becoming more aggressive in their PR efforts against hospitals?

Or perhaps you have another discussion starter?

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Tool: A Sample Employer Engagement Approach

Employer engagement is a public relations approach that focuses on establishing a healthcare organization's value in the marketplace—which can ultimately improve payer contract negotiations.

As discussed in the article, [PR Campaigns May Improve Payer Negotiations, Enhance Market Value](#), employer engagement involves reaching out to employers and healthcare consumers and building relationships over time.

Access tool: [Sample Employer Engagement Approach](#)

"These campaigns can help introduce and support direct contracting relationships, risk-sharing relationships, and much tighter integration between employers and the healthcare organization," says Brandon Edwards, president, Revive Public Relations, a Santa Barbara- and Nashville-based firm. "For example, a proactive campaign may result in the creation of a clinic affiliated with the hospital that is located onsite at an employer facility. A direct and collaborative partnership could exist between the clinic and employer."

In the tool that Edwards provides, he breaks employee engagement into four steps.

- Build relationships
- Differentiate in the market
- Position for the future
- Lead the way

Edwards then illustrates how one health system went through these steps to establish a branded PR effort—A Healthier Future—that was used in communications with employers, patients, and others.

Brandon Edwards is president of Revive Public Relations (be@revivepr.com).

Access tool: [Sample Employer Engagement Approach](#)

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