

7 Insights to Position Your Hospital for the Future

By Brandon Edwards, President of Revive

After years of focusing on the needs of physicians and patients, many hospitals are now turning their attention to a long-neglected audience in their community: employers. Until recent years, hospitals could deal exclusively with payors, who were at risk for much of their business, and focus on rates and contract language. With the seismic shift toward self-insured business, the near-disappearance of full risk business for payors, and increasing employer involvement in payor/provider contract discussions, hospitals must now dialog with an employer audience weary of high health care costs and unhealthy employees.

There are challenges, naturally, yet there is also huge opportunity for smart, forward-looking health systems to get “closer to the money” in the health care system. The right kind of employer engagement can lead to volume growth, protect margins, and ultimately open the door to new business opportunities in wellness and population health that don’t exist today.

The truth is simple – engaging with employers is not really optional any longer. Of course, the depth of engagement and the way that engagement unfolds must be specifically tailored for every hospital in every market. Yet the choice is no longer binary – start engaging or continue the old practice of bypassing employers and talking only with payors. We must engage with employers, and the only question is “how?”

The big question many hospital executives are asking is, how do we engage with employers effectively? And as a follow-up, how do I address their questions and concerns?

Talk about employer concerns, not what interests you

It may seem obvious, but hospitals need to focus on the employers’ concerns and questions – not its own interests. Every hospital loves to talk about its new technology, new services, and other factors that differentiate it from competitors. Most hospital marketing has been designed to convince the community (and employers, as a byproduct) that high-tech, high-quality care is provided in the four walls of the hospital. As an industry, we have done a remarkable job convincing our constituent groups that we can help the sick, the broken, and the hopeless.

Yet what employers are about is value, not just quality. They want to understand how we’re delivering greater value for their dollar, since that’s what their own customers demand. This may have started as a result of the economic downturn, but it now appears to be a lasting change to the evaluation criteria in the minds of consumers and employers. Value is high quality at a low price, or at least a lower price than competitors. Value focuses on the total health care equation – cost, quality, and access – not just quality. Speaking the language of employers requires this shift in language and focus.

After reviewing more than 2,500 interviews with employers, brokers, and benefit consultants all over the country during the past year, there are seven clear insights that must influence employer engagement. If you'd like to receive a brief report that highlights all seven, click here www.revivepr.com. The seven insights include:

1. Lose the mumbo jumbo
2. Quality is about people, and being treated like a person
3. Demonstrating efficiency and coordinated care will score big points
4. Employers see value in coordinated care and believe a network delivers that value
5. Transparency is closely linked with value perception
6. Tiered networks are just fine, thank you
7. Choice and competition are harder to understand than you think

Let's focus on our third insight.

Insight #3: Demonstrating efficiency and coordinated care will score big points

There's a lot of talk these days about coordinated care, but employers still need help understanding what it means for them and how it really works.

Employers want to know that their health care dollars are going toward better management of chronic conditions, fewer lost days of work, healthier employees and lower health-care costs in the long-term. This is the employer definition of value.

That means speaking the language of the business owners who want to know that the people being paid to help keep their employees healthy are focused on the same issues they care about: "cost" and "value."

Whether it's narrow networks, direct contracting or on-site wellness, the changing health care landscape, with its evolving clinical models of care and payment, demands that hospitals and health systems build closer, more transparent, more mutually beneficial relationships with the employers in their communities. That calls for something very basic to succeed: good communications and a well-conceived story. So how should providers talk to employers about coordinated care?

- Don't just tell, be sure to do. Employers respond well to actual results, and any hospital that has tackled the challenge of coordinated care and employee wellness with its own workforce has a story to tell. Start there.
- Focus on benefits, not just features and "health care speak."
- Use this opportunity to educate. Employers are unfamiliar with medical homes and ACOs but support the concepts. Even if they are familiar, they think medical homes will improve care but not reduce costs, yet most believe ACOs will decrease costs.
- Give a real-life example of coordinated care. There's value in coordinated care and wellness beyond just cost, but until we can help employers understand that value, they will continue to fixate on cost

above anything else.

- Demonstrate and articulate clinical and administrative efficiency. Employers think it's important and that it saves money.

More and more providers are engaging and communicating with employers directly as part of their business strategy. As employer engagement efforts expand, and certain programs and services grow, the focus must remain not on healthcare speak, but on the real, tangible benefits to employers — healthier employees, better management of chronic conditions, fewer lost days of work, and lower health-care costs in the long-term. Value is the key.

Coordinated care sounds a whole lot better than the alternative, right? But what are you actually doing to coordinate care and what difference does it make to patient health and to the employers' bottom line? Identify those two things, start communicating them in simple English to the business community, and see how it makes a difference to your top *and* bottom lines.

About the author

Brandon Edwards is president of Revive, one of the nation's top strategic communication firms, and has 20 years of health care experience. Focusing exclusively on hospitals, health systems, and other health services organizations, Revive has the track record and expertise to help navigate the rapidly changing marketplace. To learn more, visit www.revivepr.com or connect with Revive at learnmore@revivepr.com.