



Profit-Driven Patient Acquisition and Retention

Obtaining and retaining patients is critical for practice success.

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Hurdles Preventing Profitable Patient Acquisition within Medical Practices

For a medical practice to maximize its profits, it must be able to measure the return on investment (ROI) for its entire patient acquisition process. However, in reality, the healthcare industry has been measuring only marketing metrics due to multiple limitations. These limitations include:

- The practice's failure to use technology;
- Lack of general business knowledge on the part of the practice owner and staff; and

- Restrictions associated with the practice's marketing and technology partners.

Macroeconomic and Social Issues

Several macroeconomic and social issues prevent practices from profitable patient acquisition. These include increased consumer access to information; fragmentation in the patient acquisition process; and conflicting priorities at the front desk.

Consumer Access to Information

The Internet has made healthcare services (including your competitors' services) easier to access, empowering the consumer with information and alternatives. Whether via a practice website, a directory, a third-party review site (e.g., Google reviews), or simply social media marketing, accessing information about you and

your practice is simple and quick. This provides the consumer with alternatives to both you as a doctor and the various services you provide.

Fragmentation of Patient Acquisition Processes

Fragmentation is the separation of the steps involved in patient acquisition. These steps include marketing, phone and e-mail lead management, patient scheduling, and acquisition. Trouble arises when systems and associated data (i.e., practice management, Google Analytics, marketing partners, phone and e-mail systems, and so on) are disconnected. Failure to use technology to connect the process and data leads to inconsistency within the process itself, while at the same time, not permitting review of interdependent data.

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Competing Priorities at the Front Desk

The staff of the average practice also are overwhelmed with the day-to-day activities of running a business. The front desk staff often are simultaneously dealing with patients, answering phones, and assisting with duties of the doctor and administration. These responsibilities create so many competing priorities that patient acquisition (i.e., future revenue and profits) is sacrificed so that present responsibilities (i.e., front desk consumer or present practice needs) can be accomplished. This a major financial opportunity cost for most small businesses.

Ways to Ensure Profitable Patient Acquisition

Measuring Return on Investment

The most important step is to measure your patient acquisition and retention efforts based on your practice's exact ROI from those efforts and sources. ROI is the amount of money the practice receives from its revenue after expenses are paid out and matched against the expense (and time) spent to acquire patients. Anything less than your exact ROI leaves you open to financial inefficiency in your process, and, ultimately, leads to lower prof-

its for the practice and less income for you as the owner.

The question "What should my ROI be?" cannot be answered outright. Multiple factors work together to drive ROI. In regard to practice-specific factors, it comes down to expectation. How much time are you willing to invest in your practice? What type of budget are you

This is an interdependent set of systems and data. These KPIs should be monitored consistently, and your staff should understand them with respect to their individual responsibilities (Table 1).

Patient retention is another important KPI that all medical practices should measure to fully optimize the entire patient acquisition process. Is

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willing to spend on your marketing efforts? How long have you been in practice?

Likewise, your practice must consider certain market-specific factors driving ROI, such as the number of competitors, as well as the number of marketing channels available.

Monitor and Optimize Patient Acquisition Key Performance Indicators

You must establish consistent measurement of the actual patient acquisition process's key performance indicators (KPIs). ROI comes from patients acquired, which are generated by appointments, which come from leads (phone and e-mail) that are generated from marketing.

the patient experience in your practice leading patients to return to you for additional services? If not, your practice should address the issue to increase patient retention for overall increased patient lifetime value.

Monitoring the most important patient acquisition KPIs will allow your practice to optimize them and increase bottom line revenue. One small inch of improvement to one KPI can mean thousands of dollars in additional income, which, in turn, has the potential to become hundreds of thousands of dollars over time.

When you understand the patient acquisition process and monitor the KPIs, you can actually optimize the process. Many practices waste time on the front end trying to alter their marketing strategy, which does not always lead to the additional income they are seeking. Although one part of the patient acquisition process may work very well, if one or more of the other segments does not, there is financial opportunity cost to your ROI and personal income. The KPIs become your practice's profit compass and provide real data versus emotion or subjective opinion.

Integration of Systems and Data

You must connect your marketing and patient acquisition business processes and data into one system and reporting environment. In medical marketing, this will allow for consistent measurement of your KPIs and the ability to objectively analyze

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TABLE I:

Key Performance Indicators and Conversion Rates

Key Performance Indicator	Integrated Conversion Rate
Gross profit	Return on investment
Number of patients acquired	Patient conversion rate
Appointments attended	Scheduled to attendance rate
Appointments scheduled	Lead to schedule rate
Leads by phone and e-mail	

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and improve your patient acquisition process. You can use these data for practice growth, department management, and problem-solving.

The data can be pulled manually using exported Excel spreadsheets; however, I highly recommend using the appropriate technology partners and affordable options to integrate all of your medical practice's data into one reporting environment. This will ensure consistent and automatic conversion of such data into KPIs that can be monitored and improved.

Practice Management Technology Automation

You must add marketing and reporting automation technology to your medical practice. This will facilitate practice scale by increasing productivity of your team and your marketing efforts with the investment of less time on your behalf (or your staff's), which will increase profit margins. This also will drive your conversion rates higher due to improved patient engagement from more available staff members freed of redundant and time-consuming tasks.

The technology available in today's market allows for low-cost, automated options for patient record segmentation, which is invaluable for retention marketing. Technology capable of this detailed segmentation creates the opportunity for one-to-one relationship marketing in medical practices. Aside from taking the initial time to map out the messages for your patient lifecycle messages in the initial phases, patient lifecycle or retention marketing will not take much of your time or resources. It is a cost-effective solution to the necessity of patient retention marketing.

Automated Reporting of Key Performance Indicators

To build an integrated and automated version of your KPIs for daily guidance of your practice's patient acquisition and retention performance, you must institute the following:

- **Centralized data warehouse:** You will have to have a centralized data warehouse created that allows

for all data from all your marketing sources (e.g., website, paid placement), lead management systems (e.g., phone calls, e-mails, practice management system), and billing systems to be aggregated into one set of information matched to the patient and relevant data.

- **Daily up-dates:** Daily up-dates must transfer into the centralized data warehouse so the team can assimilate and understand your KPIs on a daily basis. This is a report that everyone

Monthly: 60-minute meeting; and

Quarterly: three-hour meeting off-site.

Conclusion

First and foremost, you must have KPIs that not only hold your practice accountable but also are utilized in measuring the performance and accountability of your marketing channels and vendors. If your team and partners are not working off KPIs

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on your team should be looking at before starting the day. Only a few conversion rates need to be reviewed regularly to identify trends. This information will help you keep focused on the priorities of the practice and allow your team to manage themselves more effectively based on well-understood goals and progress toward those goals.

- **Team meetings:** You should have team meetings once a week, at either the beginning or end of the week, to review your KPIs. These meetings don't need to last for more than 15 to 30 minutes, and should happen on a Monday or Friday to help you prepare for the week ahead. The KPIs are the agenda, and you should look at the results by week, month, year-to-date, and the same periods in years past in a year-over-year format. This analysis will allow you to see trends as needed. These trends will help you understand how to plan your marketing strategies and use of staff resources.

To stay on track to meet long-term goals, you should also hold monthly and quarterly team meetings to discuss practice acquisition performance as a whole. Your meeting agenda should include a discussion about KPIs, the practice schedule, and any issues and their resolutions. The meetings should be held consistently.

An example of a practice acquisition meeting schedule is as follows:

Weekly: 15-minute meeting;

focused on profit-driven patient acquisition, you will have financial opportunity cost within your patient acquisition process. This will cost you millions in financial gains over the course of your career.

Integrating all of your business processes and data into one consistent system and set of analyses is the only way to maximize your financial opportunities. When you have fragmentation or inconsistency within your business processes or data analysis, you face inaccurate measurement, which will lead to sub-par financial performance. Do not take "no" for an answer with respect to getting this information for your practice in a productive manner. Whether this is done manually or through modern technology, the operational and financial math behind your patient acquisition process should be available to you. These KPIs and technology will save you time and allow you to focus on patient engagement, which is where you can make the biggest difference in your financial outcome. **PM**



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