Smart approaches to top-level decision making

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Assessing Community Value

By William O. Cleverley and James O. Cleverley

A hospital's value to the community goes beyond providing charity care and other community benefits, say the Cleverleys in this thought-provoking data analysis. As leaders of not-for-profit entities scramble to meet tax-exempt status requirements in the reform bill (see page 4), they should also reflect on the community value that can be attached to providing higher-quality, more affordable care than the average hospital. What is that worth to the community in terms of jobs, liveability, etc? + +

INSIDE THIS ISSUE

COMING IN JULY

Look for your *Strategic Financial Planning* e-newsletter, which will point you to more resources.

By Daniel O'Neill

Use Central Scheduling to Market and Grow Your Hospital's Business

While the catalyst for central scheduling may be the finance department's desire to enhance the revenue cycle, it also presents the organization with myriad marketing opportunities.

At a Glance

Results:

Average weekly bookings at a 267-bed hospital increased from 562 to 916 two months after central scheduling implemented marketing and customer service techniques. Six months into the initiative, average weekly bookings reached 1,116.

Action steps:

> Explain to schedulers why marketing is part of their job

> Show them how to implement specific marketing strategies

> Measure results

> Provide additional coaching, as needed

Central scheduling can be a market differentiator for acute care hospitals in the ambulatory care marketplace by providing simplified, multichannel, and on demand contact capacity that is difficult to achieve with decentralized scheduling. Changing demand patterns can also be detected via centralized scheduling, which informs you of the potential to capture additional market share.

Although they may not realize it, schedulers are already engaged in a sales process: they qualify callers both clinically and financially, propose a service to meet the qualified caller's need, book the service, and arrange for delivery while preparing the customer for a successful outcome. To successfully grow business, however, you need to properly prepare scheduling managers and staff on how to capitalize on these marketing opportunities.

Why Marketing Is Part of Scheduling

From the perspective of hospital customers—patients' and referral sources—the scheduling department:

>Is typically their first contact point with the organization

>Helps referral sources provide their customers with excellent service

>Provides a "one call/stop" contact point for acquiring multiple services

>Functions as a help desk for patients and referral sources (especially new office staff) to deal with the increasing complexity of insurance rules, regulations, and benefits

>Can be an advocate for gaining access to hospital services efficiently and expeditiously

>Is often the contact point for the hospital's community marketing and advertising efforts for special events, new services, or new locations

To compete successfully, your organization needs to build relationships with its customers to know how to better serve them. For that to happen, department management and staff need to internalize these guiding principles:

>Central scheduling is a revenue center as well as a cost center.

>Service is the organization's competitive advantage.

>Hospital revenue increases in proportion to the extent scheduling service levels exceed that of the competition.

>Service level improvement is a result of deploying new tactics and building relationships with customers.

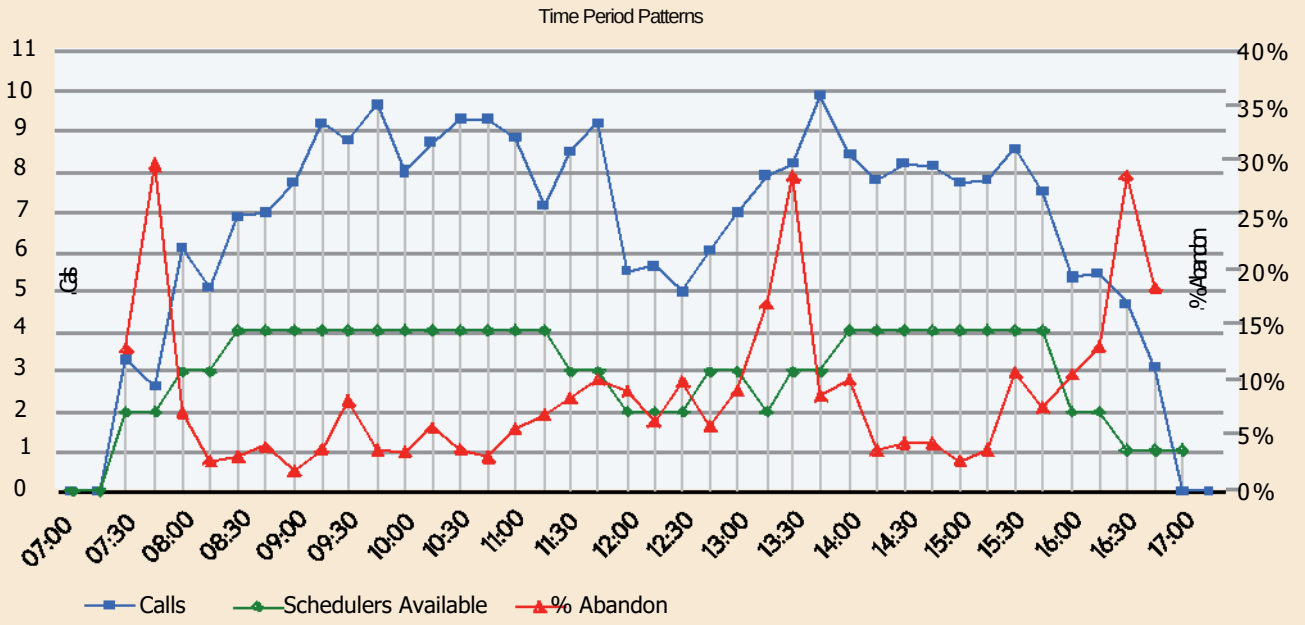
How Scheduling Can Implement Marketing Strategies

The key is to help the scheduling department focus on factors that are under its control.

Allocate resources according to demand patterns. Typically, poor service is a direct result of improperly managed demand surges. Managers need to learn how to interpret telephone system data and match resources to demand patterns. Graphing incoming calls—staffed calls versus abandoned calls—allows management to make reliable resource decisions, which helps maintain productivity regardless of call volume (see the exhibit on page 7). Well-designed scripts and proper staff training will help schedulers achieve consistent talk times and guide them in handling a variety of situations.

Develop queues for providing access and deploying resources. The organization needs to identify those types of callers who should have priority for getting

Incoming Calls to Central Scheduling



Source: Operational Management Systems. Used with permission.

Graphing incoming calls versus staffing versus abandonments helps make resource adjustment decisions.

through and develop queues to accommodate that access level. Another use of queues is for directing the call to the correct resource or skill, such as a specific language requirement or scheduling a new appointment versus confirming an existing one. Triaging calls to the correct skill level promotes improved utilization and, consequently, access.

Relationship Building Strategies with Physicians and Other Referral Sources

Offer the referral source the opportunity to outsource appointment setting to the hospital. A high-volume source, such as a clinic or treatment center, that calls several times a day may be amenable to faxing the request and letting schedulers contact the patient, especially when acquiring preap-proval is involved. The hospital scheduling department benefits by converting incoming calls to outgoing calls, which are much easier to manage.

Offer dedicated appointment slots to specialists to coincide with their office days. This way, the office can book the time with the patient and then have the scheduling department follow up to complete preregistration. These arrangements must include rules similar to those used by operating rooms to make sure the slots don't go unused.

Offer to place the scheduling system in the hands of the referral source. This would involve training office staff in the proper scheduling procedures. (Note that this might actually add work for smaller offices.)

Sponsor a Physician Office Staff Day at the hospital. Offer education sessions on relevant financial issues, alternate access channels, and use of other relevant systems, such as PACS or web portals. Also, offer tours of commonly used and new service areas.

Deploy alternative access channels with strong service level commitments. Typical alternative access channels that don't add significant cost include faxes, voicemail, and email; these permit a slower response than to incoming telephone calls. To convince customers to use these alternatives, schedulers must offer an aggressive service level and then deliver it.

Web-based technology also allows customers direct access to the preregistration or scheduling process via a self-service capability that reduces labor costs and improves access.

Apply extra effort to resolving customer access issues. When a patient has a problem completing the scheduling process for whatever reason, schedulers should place the request on a work list. The department should then solve the problems on the list as quickly and straightforwardly as possible.

Incorporate simple marketing techniques. These techniques should be geared to

what the customer needs, not necessarily to what the hospital wants to sell. Again, a good script is essential. For example, instead of asking patients what they want to schedule, schedulers might ask "What did the doctor order?" and "Did the doctor order anything else?" This approach allows the scheduler to offer a full-service appointment plan that captures all the potential business while making it easier for the patient to get all their needs met in one location.

Other low-cost marketing strategies include the following:
>Provide walk-up scheduling service; this is especially convenient for patients when the hospital shares a lobby with a medical office building.
>Track and call no-shows; this eliminates incoming calls from patients to reschedule, communicates a concern for patients, and may allow schedulers to discover if (and why) patients used other providers.
>Make it easy for patients to take information with them for potential future needs. For example, pocket-sized cards that list frequently used phone numbers.
>Make your phone number easy to find on the hospital's website by placing it (or, at minimum, a link to it) on the home page.

Build relationships with referral sources. Make it easy for physician offices and other sources to use the scheduling service. Remember that referral sources are looking to service their customers, not necessarily to give the hospital business. They are also trying to operate profitably; thus, the less effort involved in getting their patients needed services the better. Convincing referral sources to enter into these new relationships is usually dependent on their perception of the scheduling department's ability to deliver on the promised service level. See the sidebar on page 7 for specific strategies.

Key Scheduling Indices for Administration to Monitor

> % daily booking rate by cost center for next 5 to 7 days
> % booking rate by cost center for prior week
> % no shows and rebooking rate
> % telephone service level attained versus goal
—By each queue employed
> % abandonment rate
—By hour of the day
—By day of the week
> Gross weekly bookings and cancellations

Source: Operational Management Systems. Reprinted with permission.

Measure and Follow Up

Long before the results show up in financial reports, you can judge the effectiveness of marketing efforts by using three indicators: informal feedback, process indicators, and scheduling outcomes.

If the hospital is on the right track, schedulers, physician representatives, and other managers will hear positive comments about how much easier it is to get a scheduler on the phone or make an appointment. Telephone data will show reductions in average answer times and abandonment rates and increases in use rates of alternative access channels. Finally, call volumes and booking rates will increase. Revenue, typically evaluated at month's end, actually becomes a lagging indicator.

As business grows, the demand on scheduling may run ahead of both operations and financial indicators. To maintain optimal service levels, central scheduling management needs to be ready to adjust quickly. For example, as more appointments are booked and wait times for appointments increase, the organization may need to address operational capacity. Otherwise, call length may actually increase as it takes the scheduler longer to find an acceptable appointment time.

Management will need to use telephone and scheduling indices to track progress and determine when additional coaching and other interventions are required. Typically, a weekly tracking report is sufficient, unless sudden surges occur. Key data indices should be included in the report (see the sidebar above), along with an interpretation of the data and a forecast, if appropriate. The report should go to hospital executives in a position to pose questions and take any necessary actions.

Serving the Market

A lost "sale" translates to lost revenue. Partially filled schedules result in lower productivity, higher costs, and possibly longer than necessary wait times for the patient. Meanwhile, the marketplace is constantly evaluating the service level provided by the scheduling department versus the competition, and directing business to the better performer. Do your central schedulers understand these things?

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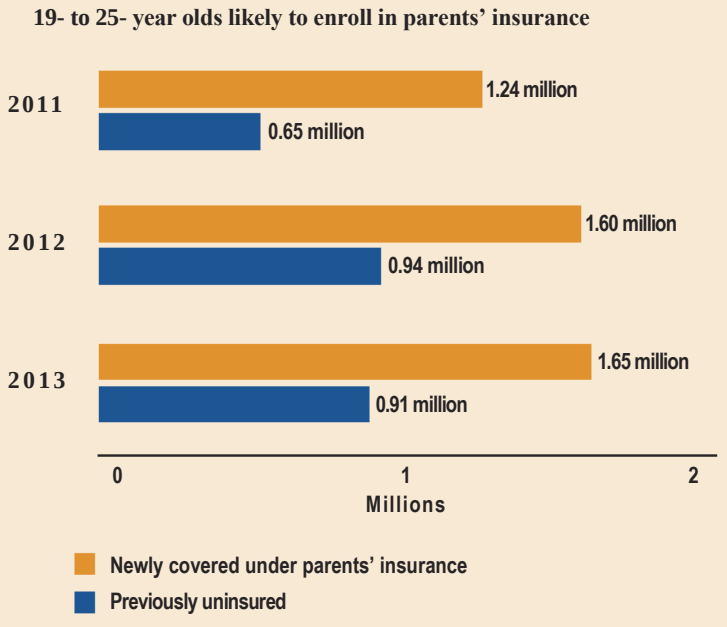
Finance at a Glance

What Will Expanded Dependent Coverage Mean for Providers?



Source: Mid-range take up estimates are detailed in *Interim Final Rules for Group Health Plan and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26, under the Patient Protection and Affordable Care Act.*

Health Risks Prevalent Among Young Adults

Obesity. 28% percent of 18 to 29 year olds are overweight, and 24 percent are obese.

Pregnancy. 3.5 million women ages 19 to 29 become pregnant every year.

HIV. Young adults account for one-third of all HIV diagnoses.

Injuries. Injury-related visits to emergency departments are more common among young adults than children or the elderly.

Source: Collins, S.R., *Testimony—Young and Vulnerable: The Growing Problem of Uninsured Young Adults and How New Policies Can Help*, The Commonwealth Fund, April 23, 2009.