



The Data are In:

Best Home Care Marketing

Practices Revealed

Part I

White Paper
05-003

Contents

1. Background & Introduction	Page 1
2. Best Practices	Pages 1-3
3. Mentor Agencies	Pages 3-7
4. Conclusion	Page 7

The first in a two-part series, this article provides an early look at a study evaluating the best marketing practices of home health agencies across the country. In Part I (below), we profile a few exemplary agencies with the goal of describing a set of common attributes that have lead to success. In Part II (January), we delve deeper into the component measures by exploring the first industry-specific benchmarks of marketing success! This information will also be presented in an educational session ("The Data are In: The Best Home Care Marketing Practices are Revealed") at the NAHC Annual Meeting in Seattle

Background & Introduction

What are the defining characteristics of a truly successful home health agency? This is a very large question that has gained significant attention as the market continues to undergo dramatic change. While there are many attributes that define success, sophisticated marketing has become a common trait among the industry's leading providers.

Even though agencies understand the importance of marketing in home health care, many agencies still struggle with developing a framework that will lead to success. What are the components that will lead to success? What does successful marketing look like in the "real-world"?

Best Practices

In an evaluation of home health agencies recognized for exceptional marketing ("Marketing Mentor Agencies"), we have discovered some important similarities in practice that may provide a valuable template for others.

Component 1: Marketing Mentor Agencies measure themselves against all types of businesses. These agencies aspire to be the very best when measured against all industries, not just home health. No room for complacency, their commitment to excellence is recognized through formal awards. They are also a key resource for

major publications, trade journals and other media, while routinely presenting at local and national conferences.

Component 2: Agency leadership is dedicated to sales and marketing. In every Marketing Mentor Agency, executives understand the importance of promoting continued growth through strategic marketing efforts. They recognize the value of sustaining their market position, while expanding market penetration. Investment in materials to support their message in the community is recognized as essential. Their collateral materials embody their mission, consistent in message, quality, and image.

Component 3: They prioritize ongoing communication with referral sources. Marketing Mentor Agencies' commitment to excellence expands beyond day to day operations and includes a constant focus on sustaining referral source attention. These providers know that they must earn their referral sources' trust one patient at a time, every day of the year. They know that they must continue to deliver the superior patient outcomes for which they are known and consistently reinforce this message to their sphere of influence.

Component 4: Relationships are central to success. Marketing Mentor Agencies view relationships as one of their most valuable assets. It should come as no surprise that they have therefore invested significant time and resources into the management of those relationships. Whether using a paper system or an electronic customer relationship management (CRM) solution, they understand the need to know and document critical information about their customers and their referral sources. By managing relationships in this manner, they ensure that they are able to maximize relationships while reducing manual effort. Furthermore, they ensure that if a sales representative leaves the agency, the key information about their referral sources does not walk out the door with them.

Component 5: They operate in a very competitive market. Among Marketing Mentor Agencies, competition is a key driving force that continuously motivates executives

to assess their strategies and those of their competitors with the goal of winning marketshare. Both not-for-profit and proprietary organizations demonstrated a commitment to excellence by knowing how they stack up against the competition, performing competitive analysis on an ongoing basis, and adjusting practices accordingly.

Component 6: Marketing Mentor Agencies leverage data to support niche marketing. These providers tend to use specialty programs as a mechanism to improve patient outcomes and optimize resources simultaneously. Furthermore, they recognize the marketing role of specialty programs as a means to maximize referrals and communicate value to various audiences. They share the unique stories of success as a result of these programs, while offering condition-specific data to prove that they are best at caring for specific types of patients.

Component 7: Commitment to quality outcomes for patients. Marketing Mentor Agencies understand that it is much easier to market an agency that is performing well. These agencies are highly committed to exceptional patient quality of care, and this is reflected in their outcome performance. Comparative data demonstrates that their outcomes rank among the highest not only in their markets but also in the nation. Consistently high satisfaction scores for both patients and referral sources further evidence dedication to quality at every level.

Marketing Mentor Agency Profiles:

VNA of Greater Cincinnati & Northern Kentucky

Cincinnati, OH

Winner—2005 OCS Vision Award for their Overall Vision

Winner—2004 OCS Vision Award for Marketing Success

The VNA of Greater Cincinnati & Northern Kentucky operates in an extremely competitive market, with more than 40 other home health agencies and three strong hospital-based agencies in their immediate service area. Within this

challenging environment, the VNA stands out as a leader among organizations engaged in strategic marketing largely due to their data-driven approach. In fact, over the last several years, the VNA has worked tirelessly to ensure that “business intelligence” forms the foundation of decision-making. As Angi Johnson, RN, Executive Vice President, Clinical Services, states, “We will celebrate our 100th Anniversary in 2009. It is the goal of the management team to develop, nurture and support a business-like culture, making sound decisions based on information and data so that we will be here to meet the needs of our patients well into the 21st century.” This comprehensive approach impacts many aspects of the organization, including clinical, operational and financial areas. Furthermore, the agency’s information-based efforts have resulted in new and innovative marketing approaches, as described below.

In 2002, as a part of a larger strategic planning effort, the VNA observed an opportunity to use comparative information to catch the attention of potential referral sources—including physician and discharge planners. The public relations and clinical staff teamed up to incorporate benchmarks into their sales strategy. They developed a newsletter—the “VNA Voice”—to share news and data updates with their referral sources on a quarterly basis. Not only has this method of communication proved quite successful at keeping the VNA at the forefront of their audiences’ minds, but they have also found that they are able to use this tool to share important information about clinical improvements and new agency care practices.

Beyond the newsletter, the VNA leveraged condition-specific benchmarks to successfully market specialty programs—they focused on information related to specific subsets of patients, identified potential referral sources that would find the information interesting, and then shared the resulting data accordingly. By demonstrating the efficacy of specialty programs in this manner, and leveraging targeted communication, the VNA observed a continuous increase in referrals while building stronger relationships.

The results speak for themselves; the VNA increased the number of patient referrals by almost 200 percent in the first two years of their initiative. They have grown their market share from 30 percent (2002) to 48 percent (2004) and are now a major competitor in the marketplace. There was also an unexpected positive result on staffing retention—the VNA reduced contract staff from 40 percent to 29 percent, a development that likely had a significant impact on quality of care, as evidenced by ongoing analysis of benchmark reports.

Great Lakes Home Health, Hospice and HME

Jackson, MI

2005 Ernst and Young Entrepreneur of the Year

William and Cheri Lyn Deary have built the top agency serving Mid-Michigan over the last ten years. Their uncompromising dedication to doing the right things for the right reasons has resulted in extremely loyal referral sources, patients and staff. Over 1,100 physicians have placed their trust in the agency for the care of their patients throughout mid-Michigan. With the number of patients served on a daily basis growing every day, the need to deliver a consistent message and to facilitate a two-way communication with the medical community is essential.

Great Lakes empowers their Physician Service Coordinators (PSCs) by providing continual training in the intricacies of home care, as well as the basics of sales training. Great Lakes develops specialized sales people for home health, hospice and HME to ensure that they are able to focus their efforts amidst the different dynamics associated with each service area. The Great Lakes sales team is broken up by service line and geographic territory. Each PSC is expected to manage key accounts, including identifying needs and facilitating ongoing referrals. The PSCs are required to have a goal and a purpose every time they contact a referral source. Furthermore, they prioritize accurate documentation, to include specific identified needs, personal information, history of previous calls and follow up scheduled. They (PSCs) are sales people (not marketers) with goals each month and a desire to

exceed our expectations. Since we changed and made them sales people they have exceeded their goals for each month over the last year!

Accountability is key. PSCs are reminded that the entire organization depends on their activities, as they are responsible for growing referrals. As CEO, William Deary keeps a direct connection to the referral sources, and has the PSC team reporting directly to him. Embracing the philosophy that any problem is a golden opportunity to build a stronger relationship, he believes that the PSCs must have the highest level of support to meet referral sources needs on an ongoing basis. "We must permeate the entire organization with the impact that everyone in the organization makes on the successful sales effort,"

Specialty programs enable Great Lakes to improve patient outcomes, while building stronger referral relationships through niche marketing. Currently, they offer CHF, COPD, and Hip & Knee specialty programs. They have invested in many types of state of the industry technology including HoMed telehealth to enable remote monitoring of key patient populations.

Beyond telehealth, technology is a key component of marketing success for Great Lakes. In fact, they were recently profiled by Hewlett Packard (HP) as a Case Study under the headline: "HP helps home health agency excel, prevail over industry Goliaths." They have long recognized that they must make an ongoing investment in technology to support their mission. "We're a small, independent provider of health care competing against regional and nationally integrated health care systems with IT budgets larger than our total annual revenue." Stated William Deary, "The investment we made in HP has allowed us not only to compete with larger companies but to surpass the quality of care they provide." This approach is consistent with their overall approach to providing care and operating their agency—they must be financially savvy, prudent and smarter than the competition.

Great Lakes further leverages information—including the publicly available Home Health Compare data—to lend further credibility to marketing claims. William Deary

views Home Health Compare as an asset for his organization, as it has provided the first generally available report card on agency quality of service. "If you don't have a reputation or empirical data that delineates your quality, as superior, you have nothing to sell," remarked Mr. Deary. Great Lakes has proactively discussed quality with the medical community even before the release of the first Home Health Compare data to ensure that their market is ready for the arrival of this new opportunity. The strategy worked to their advantage—throughout their 29 county service area, Great Lakes is the only provider that exceeds the state averages in all eleven categories (June 2005 data).

Conclusion

Although we profiled only two agencies, the attributes of Marketing Mentor Agencies outlined at the beginning of the article are generally consistent across most agencies recognized for best practices in marketing. Furthermore, the traits are common in all types of organizations, including not-for-profit, proprietary, hospital-based, and more. While there are similarities in practice, however, each provider offers a slightly different "spin" on the execution of their market leading strategies. In essence, this is the "X-Factor" that cannot be quantified as easily. However, we can offer significant insight into marketing best practices through comparative information, and we will do just that in January. Stay tuned for the results of an analysis conducted industry-wide!

About Outcome Concept Systems

Founded by a pioneer in the area of home care outcomes, OCS has provided organizations with performance improvement solutions since 1992. With over 1,500 clients spanning all 50 states, OCS maintains the nation's largest proprietary home care benchmark database comprised of patient-level data across all business components: clinical, financial, operational, visit utilization and patient satisfaction. OCS uses this information to provide the home health, hospice and private duty markets with relevant research and industry education, as well as business intelligence products and services. Endorsed by trade associations throughout the country and recommended by major MIS vendors, OCS is the premier quality management vendor for post acute care. For more information, access OCS' web site at www.ocsys.com or call 206.325.3396.

About Home Care Marketing Solutions

Marketing and Customer Service Experts for Home Care and Hospice

Home Care Marketing Solutions was formed to meet the marketing and customer service consulting needs of the home care and hospice industries. Founded by Michael Ferris, one of the nation's foremost experts on home care marketing and customer service, the firm provides consulting services to a select group of home care agencies.

All types of agencies benefit from Home Care Marketing Solutions' services including Medicare, private pay, for profit, not for profit, hospital based, freestanding, VNAs and hospice. Contact Michael Ferris at mike@hcmarketingsolutions.com for more information.

Menu of Services:

- Market Research and Analysis
- Market Plan Development
- On-site programs
- Customer Service Program Assessment, Creation and Implementation
- Competitive Analysis
- Training and Education
- Opportunity Analysis for Mergers
- Consulting



www.hcmarketingsolutions.com
Box 772 · Chapel Hill, NC 27514
phone 866.360.4810 or 919.933.6026
facsimile 509.271.2271

Authors: Michael T. Ferris, Heather L. Rooney, and Christine Lang



1818 East Mercer Street, Seattle, WA 98112
206.325.3396 • www.ocsys.com • www.obqi.com