

Smart marketing helps ASCs attract patients and surgeons—Part 1

Recent developments, including the push to outpatient services, increased consumer engagement, and a focus on outcomes, have made ambulatory surgery centers (ASCs) well positioned in the healthcare marketplace. But as with any marketplace, it takes bold thinking and thoughtful strategy to ensure an ASC stands out to consumers, physicians, and payers.

“The competition is very fierce,” says Lauren Beasley, a senior director of sales and market development at Surgery Care Affiliates, Deerfield, Illinois. “We need to set ourselves apart and think creatively about how to do that.” (See sidebar on page 29 for other ASC leaders’ perspectives on competition.)

Standing out from the competition starts with understanding the marketplace, and then developing, implementing, and tracking a plan of action.

Market drivers

Eric Berkowitz, PhD, MBA, author of *Essentials of Health Care Marketing, 4th Ed*, identifies three key drivers in today’s healthcare market: transparency, more engaged consumers, and changing reimbursement models. Berkowitz is professor emeritus of marketing for the Isenberg School of Management at the University of Massachusetts Amherst.

Transparency continues to gain momentum. Berkowitz identifies three forms of transparency: regulatory (efforts at the state and federal levels), third party, and self-motivated.

“Third party, which includes sites such as Yelp and Angie’s list, is growing at a geometric progression,” Berkowitz says. Third-party also includes companies such as Castlight and Healthcare Bluebook, which provide pricing information for those shopping for healthcare.

Self-motivated refers to sites developed by medical groups that are voluntarily providing price and quality metrics.

“A more engaged individual is the reality of today’s marketplace,” Berkowitz says. Consumers are seeking healthcare information from the Internet through sites such as PatientsLikeMe and turning to others besides clinicians for advice.

Reimbursement changes have resulted in patients paying higher deductibles, causing them to become healthcare shoppers.

“ASCs can play an ever-greater role as a cost-effective alternative to the hospital setting,” Berkowitz says. For example, a study published in June 2016 found that ASCs reduce healthcare costs in the US by more than \$38 billion per year. Patients’ out-of-pocket costs are reduced by more than \$5 billion annually through lower deductible and coinsurance payments.

Changes in reimbursement have led to consolidation of services, which creates challenges for individual ASCs. Although market variations exist, there are still multiple customers ASCs can focus on—physicians, patients, and third-party payers, which now include employers.

“Nowhere did the importance of focusing on employers become more evident than when Boeing contracted directly for the care of their 37,000 employees with a healthcare system in Southern California,” Berkowitz says.

Survey respondents' competition strategies

In the 2016 annual OR Manager Salary/Career Survey, we asked participants to comment on what they were doing to make their ASC stand out from the competition as a place with great quality and value. Here are responses from more than 80 leaders.

Transparency and cost

Comments in this area included publishing and advertising quality scores, as well as patient education related to transparency and site of service differentials.

Some participants mentioned the center's low cost. One said, "As far as value, we make patients aware their coinsurance amounts are lower at our facility than at any other in the area, due to the lower reimbursements we receive."

Quality and satisfaction

Many respondents highlighted their commitment to excellent patient care and satisfaction. Ongoing monitoring of these components was viewed as essential.

Quality. ASC leaders highlighted several elements related to quality, such as excellent care, low infection rates, benchmarking, standards, becoming accredited, and process improvement. One noted, "Patient safety is valued above all else, and

after that excellent customer service."

Satisfaction. Both patient and physician satisfaction were mentioned by respondents, with an emphasis on customer service. One leader reported that the center had been in the 99th percentile in patient satisfaction for the last 5 months. Comments related to physician satisfaction mentioned the importance of efficiency and included:

- "Service to the physicians is the number one difference from our competitors."
- "Efficiency, efficiency, efficiency... our surgeons know they will have on-time starts and quick turnover with well-trained staff."

Staffing

Many respondents focused on the importance of staffing in standing out from the competition, citing factors such as maintaining adequate staffing levels, low turnover, education, being flexible, and engagement. A few commented on the need to ensure staff participate in the decision making process, with comments such as:

- "Engage them in process evaluation and improvement, ensuring that the end user of the process has influence on how it is implemented in a stable,

reproducible, and sustainable manner."

- "Our center demonstrates the value of employees by allowing them to participate in the decision making process of major changes in the facility."
- "We empower staff to provide suggestions for improvement and work collaboratively on creating and accomplishing the goals of our facility each year."

Strategies

Some ASC leaders mentioned specific strategies such as online patient registration. One ASC leader commented, "We ask each patient what they expect of us as an ASC and write it down for all staff to review; we contact each patient for a preop and postop interview." The staff who complete the calls are those who care for the patients, which provides continuity. At another center, an RN follows the patient from preop through recovery.

Other strategies mentioned were:

- having schedulers visit physician offices annually to meet with the surgeon and office schedulers
- adding services such as total knees
- purchasing new equipment.

Berkowitz adds that ASCs have a powerful story to tell. "Cost-effective, consumer-responsive healthcare delivery has been a hallmark of ASCs," he says. "Today's ASC needs to make that care visible to the marketplace."

All that starts with a plan.

Effective planning

It's important to take time to develop a sound marketing plan, says Stewart Gandolf, chief executive officer and cofounder of Healthcare Success, a marketing firm in Irvine, California. Too often, ASCs either don't take that time or they select consultants who simply rush in with tactics instead of developing a plan.

Gandolf uses the analogy of a patient. "You wouldn't just do surgery on a patient without knowing the problem. You would do an exam, diagnose the problem, and come up with a treatment plan," he says. "That's the way a marketing plan should be—holistic."

The plan should be built on analysis. One common analytic tool is SWOT—strengths, weaknesses, opportunities, and threats. “Strengths and weaknesses are internal to the ASC, while opportunities and threats are external,” Gandolf says.

His advice:

- Carve out quiet time; consider a retreat outside the office.
- Involve the entire team in the process.
- Obtain input from an objective third party.
- Apply context; differentiate between where the ASC is today and where it could be in the future.
- Remain open-minded and realistic; don’t automatically dismiss ideas as too costly or impractical.
- Create specific solutions, goals, and plans, along with responsibilities, timetables, and resources.
- Set times to review progress and when the next SWOT update is planned.

Another tool is Porter’s Five Forces Analysis. The five forces that determine competitive power are:

- Supplier power. How easy is it for suppliers to drive up costs? How easy is it for you to substitute or change suppliers? This is a factor of the number of suppliers you have.
- Customer power. How easy is it for customers to drive prices down? Again, this depends on the number of customers. (In healthcare, “customer” refers not just to individuals, but also third-party payers.)
- Competitive rivalry. How many competitors are there, and what are their capabilities? How loyal are customers?
- Threat of substitution. How easy is it for customers to find a different way to do what you do, and what is the cost of making a change? For example, a patient may want to go to a particular ASC for a colonoscopy but finds that his or her insurer doesn’t include surgeons at that facility.
- Threat of new entrants. How easy is it for others (such as new ASCs) to enter the market?

Berkowitz provides a list of key questions to answer:

- What is the organization’s competitive advantage?
- What are the internal barriers to success?
- Who is the competition?
- What are the organization’s strengths? He cautions that these strengths aren’t strengths unless they are recognized in the market.

Develop your brand

Once ASC leaders know the current state of the organization, they can think about future direction by developing a vision and brand. “A lot of ASCs have a name, but not really a brand,” says Gandolf. “The public doesn’t know what it stands for.”

When marketing a brand, he says, ASC leaders should recognize that a brand is more than a tagline or logo. “That is brand identity, a way of communicating the brand, but not the brand itself,” he says. The brand is much larger; it’s the sum total of experiences, for good or ill.”

A brand is consistent with a positioning statement. “A positioning statement is the rational argument of why I should come to the business,” he says. “Is it because we’re the most advanced? Is it because we’re a leader? Or is it something else?”

It may help to ask, “What is the one thing most people remember about our ASC?” For instance, ASC leaders might want to position the center as safe and convenient.

It’s also important to remember that ASCs have two target groups: patients and physicians (including referring physicians). Gandolf notes that the positioning state-

ment should be true, differentiating (so that it is not the same as others in the marketplace), memorable, and compelling.

"It has to matter to the target audience," he says. Once the positioning statement is in place, it may be refined into a tagline or slogan such as, "We make surgery as safe and stress free as possible."

Developing a brand and marketing plan requires an investment of time and money, but those dollars can pay off with more patients and more revenue. "Think about [marketing] as an investment, not an expense," Gandolf says.

ASC leaders can choose to hire an expert to develop the initial plan, and then may invest a certain amount of dollars each month for ongoing work.

Gandolf recommends ASC leaders base the marketing budget on goals. For instance, dramatically increasing the number of patients will require more money than maintaining the status quo.

Gandolf says one way to estimate costs is to divide the desired return on investment by four: If an ASC wants to grow by \$100,000, it should invest about \$25,000 in marketing. The next step is to divide that budget by 12 months, although the monthly budget will vary slightly.

Gandolf emphasizes that this calculation provides only a rough estimate and needs to be adjusted depending on progress toward the goals.

Some ASCs simply budget based on percentage of sales, typically from zero to 15%, but again, that doesn't take goals into account.

As with any expense, ASC leaders should track results of their efforts. Some companies will provide detailed analytics. For instance, Healthcare Success can link the phone number a patient calls to a specific advertisement.

ASC leaders who don't use an external company or don't have access to an internal marketing department can still track patients by how they have been referred to the center. "You want to go beyond a brochure or website and make the phone ring with patients calling you," Gandolf says of marketing efforts.

Part 2 of this article, which will be published in a future issue of OR Manager, takes a deeper dive into specific tactics of a marketing campaign. ❖

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