

## How hospitals can stay relevant

by Anthony Cirillo



Highmark Inc., a Blue Cross Blue Shield carrier in Pennsylvania, has upped the ante on customer service and enrollee health and wellness with the opening of Highmark Direct retail stores in the Pittsburgh and Harrisburg, Pennsylvania areas.

The company has attracted 20,000 visitors since opening the Pittsburgh operations in March. The stores offer a self-service area with kiosks to take simple health measurements, plus classrooms where people can ask questions and work with staff on coverage or billing problems. In the future, the stores may draw health-plan customers for wellness classes in such subjects as smoking cessation or prenatal yoga. They are even tracking negative comments online and intervening to help improve people's experiences with their health plans.

As carriers prepare to compete for millions of new customers starting in 2014 and are mandated to cover all regardless of preexisting conditions, they are seeking the best of both worlds. They want their share of new customers but they also have a huge stake in keeping people well.

If not they face the possibility of doling out untold billions of dollars in medical claims in a country teeming with chronically ill people. This comes as no surprise to me. Insurers, say what you will, are progressive types. They are planning for a future where they are relevant and important.

### **So how relevant will hospitals be in the future?**

Recently returning from a speaking engagement at the American Health Care Association, a national organization that represents long-term care facilities, I was struck by the shift in language.

Nursing home operators are looking to convert to assisted living residences. Assisted living is taking on higher acuity residents. In essence, assisted living is becoming the nursing home of the past and nursing homes are starting to absorb a fair amount of medical "patients" away from hospitals.

Indeed the Health Care Advisory Board has issued statistics that show hospital growth remaining flat for years despite the millions of newly insured entrants into the system and the aging demographics of America that would have suggested an avalanche of patients.

As you face medical home and the health and wellness emphasis, more and more services will be pushed into alternative settings. And we know that hospitals missed the boat with retail clinics and are trying to catch up. But they can't because better financed and more savvy companies have capitalized on their first-mover status.

So what is left for the hospital? I contend that the hospital of the future will be a very specialized entity, even if it means doing one thing well and forsaking everything else. Look at Lowe's experiment with the Cleveland Clinic. Their goal was to send under twenty patients there for heart procedures this year. They have exceeded expectations proving that people will travel for healthcare.

And in the future, you will not only have to exceed expectations during the hospital experience but before and after it. After all, you will now be managing health. As you read about insurers tracking people online you'll notice that a new position is creeping into companies, that of the community manager.

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(continued)

According to David Armano, senior vice president at Edelman Digital, "A community manager actively monitors, participates in and engages others within online communities. These communities can be on Twitter, Facebook, message boards, intranets, wherever groups of people come together to converse and interact with each other. A community manager acts as an ambassador for your organization. A good community manager gives a human form to the faceless corporation."

So let's say you become the absolute, very best at bariatric surgery. You will most likely have a community of "graduates" from your program. You want to stay connected and relevant to this community so that they refer others and come back to you for subsequent care. You start the relationships well before care in the hospital is needed and you continue it well after. Frankly I see little of this progressive behavior from hospitals. It is easy to hide behind the "complexity" of hospitals and the "it's hard to turn a battleship on a dime" mentality. So we have business as 'fee for service' usual while others are progressively plowing ahead.

What's behind this fear of change?

Is it lack of leadership?

Is it lack of faith in leadership? (CEOs turn over quite quickly in health care.)

Are hospitals scared? God forbid marketing doesn't place an ad, reduces their spend or somehow stops mass media advertising. I truly believe that some hospital executives think that if an ad does not appear in the newspaper, the flow of patients will stop.

I think they believe if they tinker too much patient flow will somehow dry up. In many cases, they have their heads down just trying to survive in a fee-for-service world and are hoping that the reform will be overturned.

There is no lack of gumption from those outside of the hospital arena. If Lowe's management can figure out why it makes sense to go to Cleveland Clinic, it is only a matter of time before others do the same calculating.

Maybe hospitals are moving and changing--but just too slowly. What I believe is happening is that all of the forces outside of the hospital are defining what the hospital's role will be in the future. Some progressive community hospital needs to draw a line in the sand and say "we are closing this, this and that because frankly we are not the best in these areas. But we are the best at x and we are going to become the absolute greatest at x and will become a destination center for x." So maybe x should indeed mark the spot.

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