

Growing Your Home Health & Hospice Business In 2010

By Stephen Tweed, CSP

Back in 2004, I was involved in designing and conducting the first sales and marketing survey for the home health and hospice industry. We surveyed the CEOs and senior executives of hundreds of home health agencies and hospices across the country. They were the readers of our electronic newsletter, **Stephen Tweed's Leading Home Care Report**, which was the predecessor of our current newsletter, **Home Health Care Today**. (sign up for a free subscription at www.leardinghomecare.com)

In our first survey, 177 home health care and hospice CEOs and executives responded to the survey and gave us some terrific data about best practices in home care marketing.

We have continued to survey our readers, and to refine and update our marketing study. Each year, we update the **Top Ten Techniques of Highly Effective Home Care Marketers**. One of the things that has happened as we have refined the survey results is to separate out our top ten lists for home health and hospice from our list for private duty home care. We have come to realize that these businesses are different, and your approach to the marketplace needs to be different.

The other thing that has become very clear to us is that about 75% of home health and hospice referrals that turn into admissions come from hospitals and physician offices. The remaining 25% come from skilled nursing facilities, rehab centers, and other healthcare providers. We're also seeing an increase of self-referrals as families are taking the initiative to search out home health and hospice providers.

What Discharge Planners Say About Home Health Referrals

Several months ago, while working on a sales and marketing planning and training project for a successful hospital based home health agency, I had the opportunity to conduct some focus groups with discharge planners from the hospitals. We had about twenty discharge planners and case managers from two hospitals in the system, and they were very open about their perceptions of home health and the referral process. Here are some of the things we learned:

- The discharge planners have a very positive opinion of the home health agencies with which they work.
- Their process for making referrals to home health care is based on “Freedom of Choice” and “Patient Choice.”
- The home health market is very competitive with many agencies competing for the time and attention of the discharge planners.
- Approximately 15% of medicare patients discharged from the two hospitals are referred to home health.
- It appears that discharge planners do not all have a clear understanding of the benefits of home health to the patients. Their thought process regarding referring to home health is focused on payers and geographic areas.
- There is not a clearly focused effort to use home health care as a vehicle to reduce patient length of stay (LOS) in the hospitals.
- Efforts to reduce LOS in the hospitals seem to be broad brush, and not focused on specific DRGs or areas of the hospital.

With this information in mind, we made some specific recommendations to our client home health agency. They have built these recommendations into their 2010 business development plan, and are moving forward with implementing their plan. Based on our work with hundreds of home health agencies and hospices, I have adapted those specific recommendations for you:

1. To increase your number of home health referrals from the hospitals will require a significant investment in consumer marketing in order to increase the percent of patients who recognize your agency name and choose your agency over the competition.
2. A more likely goal is to increase the percentage of discharged Medicare patients who are referred to home health. We see many opportunities to educate discharge planners about the benefits of home health to their patients and their hospital.
3. Achieving this goal will mean providing more education and communication to discharge planners so that they think differently about how they make referrals to home health.
4. The biggest opportunity for collaboration between home health and hospitals is to reduce LOS for specific disease states by developing clinical pathways from inpatient care to home health and discharging patients sooner. This process will require a strategy to address Freedom of Choice / Patient Choice and help patients see that they will be able to go home sooner when they select home health care clinical programs. This strategy will focus on creating a seamless transition from hospital to home health.
5. Another big opportunity is to work more closely with targeted physician groups so that they specifically write orders for your home health agency.

This strategy is based on communicating your competitive advantage of innovative specialty programs to the physicians, and getting them to specifically request your agency.

Building Relationships With Physicians

Recommendation number 5, above, is based on a home health agency's ability to make focused, effective sales calls on physicians. It means being able to have a meaningful dialog with the doctor so that he or she understands the benefits of home health to the patient and to the physician's practice. Then it means presenting your programs and services in such a way that the doctor selects your agency over the many that he or she has to choose from.

In our sales training for this home health agency client, I brought in my friend and colleague, Dr. M. Tray Dunaway, from Camden, SC. Dr. Dunaway is a physician, a surgeon, a former referral source for home health, and now a professional speaker and author. Dr. Dunaway is also on the faculty of our **Home Health and Hospice Business Builders Workshop**, held each September.

In the sales training program, Dr. Dunaway talked with the sales and marketing team about how to get past the gatekeeper, how to build relationships with other members of the doctor's office staff, and how to have a meaningful dialog with the physician.

The keys to success in selling home health and hospice services to physicians are to:

1. Make sure you are calling on the right doctors.
2. Learn how to get past the gatekeeper without buying lunch.
3. Develop rapport with the doctor and office staff based on comfort, trust, and confidence.
4. Determine the doctor's needs and wants by asking great questions.
5. Tailor the presentation of your programs and services to the doctor's needs and wants.
6. Learn to handle objections.
7. Ask for the referral. Learn to close the sale.

By developing your sales knowledge, skills, and strategies for calling on hospital discharge planners and physician offices, you'll be able to increase the number of referrals that you receive that turn into admissions. You'll be able to serve more patients, grow your business, and have more resources to reinvest in the future.

In the next issue of ***The Home Health and Hospice Educator***, we'll talk more about the specifics of how you can apply this seven step process to selling home health and hospice to physicians.

In the mean time, stay focused, define your competitive advantage, and ask great questions of your referral sources. Now is the perfect time to master the art and craft of selling and marketing home health and hospice services so that you can grow your business and get ready for the future.

About the Author. Stephen Tweed, CSP, is chairman and CEO of **Leading Home Care ... a Tweed Jeffries company** based in Louisville, Kentucky. For the past 27 years, he has worked with home health agencies, hospices, and private duty home care companies that want to grow their businesses, and with home health and hospice leaders who want to get ready for the future. He can be reached at www.leadinghomecare.com or www.privatedutytoday.com

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