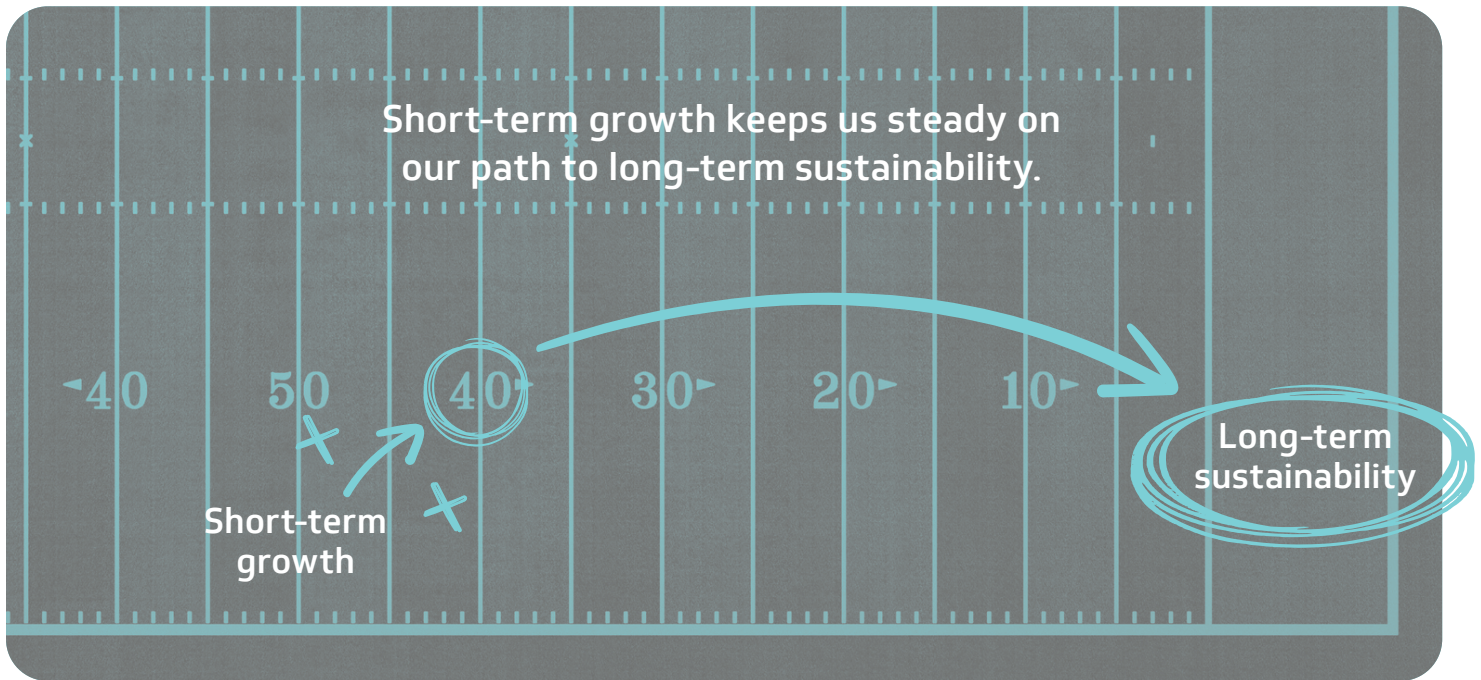


Design the ultimate playbook for your near-term revenue growth

Three key plays to achieve sustainable top-line revenue growth in the next three to 18 months



In sports, a comprehensive game plan encompasses both offensive and defensive strategies to attain success. Similarly, health systems must adopt a two-pronged approach that focuses on revenue growth now and addresses the need for consumer-focused transformation for the future. What brought you growth in the past will not bring you growth in the future. To thrive, your team needs to be proactive and challenge the existing norms. Rapid Impact Growth provides a data-driven approach that aims to deliver tangible results within a shorter time frame of three to 18 months. This approach serves as a **comprehensive game plan**, enabling providers to compete effectively and drive top-line revenue.



The current playing field

Understanding the barriers preventing success

The COVID-19 pandemic exposed vulnerabilities in the industry, including an overreliance on financially advantageous procedures to sustain traditional operations. Consequently, health systems are facing intense financial pressures, necessitating new strategies to drive growth and ensure sustainable performance. Health systems must diversify their revenue streams, engage healthcare consumers and forge a new path forward.

Consumer perspectives and feedback reveal that healthcare consumers are seeking experiences that offer them desired access, convenience and cost. To meet these demands, health systems must gain a deeper understanding of the consumer market, develop relevant services and effectively communicate their value to consumers.

Organizations need agility and a customer-centric strategy that addresses access and capacity barriers, supported by strong sponsorship by leaders.

A successful consumer strategy targets high-value procedures for your best customers and grounds them in a satisfying experience that creates customer loyalty and lifetime value. While a comprehensive consumer strategy is crucial, there are quick wins and targeted strategic plays that can kick-start progress.

Numbers to know

12.1%

increase in hospitals' gross operating revenue, 2019-2021

20.1%

increase in hospitals' total expense per adjusted discharge, 2019-2021

11%

drop in median operating margin versus pre-pandemic levels

1/3+

hospitals with negative operating margins in 2021

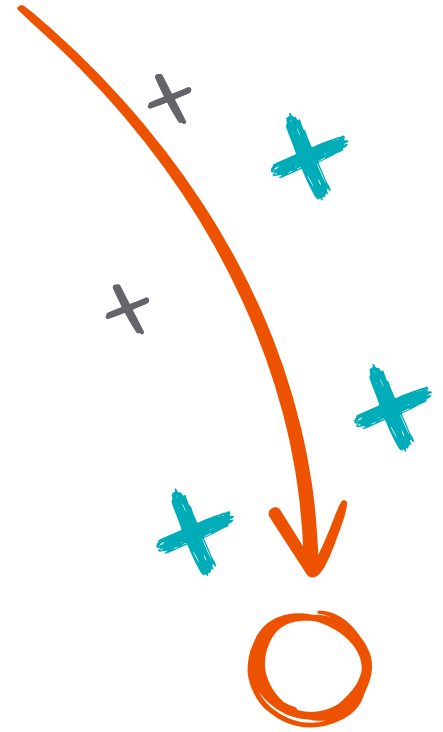
Game plan preparation

Assessing near-term revenue generation opportunities

Consumer demands continue to evolve, but healthcare systems have essentially remained the same. As a result, our traditional formulas for success no longer work for patients. Assessing your current state is critical to construct an effective growth plan. Guided by data, look for opportunities to grow revenue in the short term.

Areas requiring deep analysis and focus are:

- Your intake channels—through the assessment of access, capacity and throughput of your current footprint, you will uncover latent capacity
- Your market and service lines—to uncover revenue generation opportunities
- Your provider network integrity
- Consumer demand for the services and procedures you provide
- Organizational loyalty of your customer base
- Customer-centric service line performance and opportunity
- Consumer loyalty driver attribution analysis



There is a disconnect between how health systems have designed care networks and how the business is managed.

What does a market share of 30% truly mean, and which is better?

Serving some needs for all patients



Serving all needs for some patients



Health system focus has included building comprehensive Systems of CARE for coordinated care, yet consumers are not utilizing the system fully.

CARE = Clinical Alignment and Resource Effectiveness

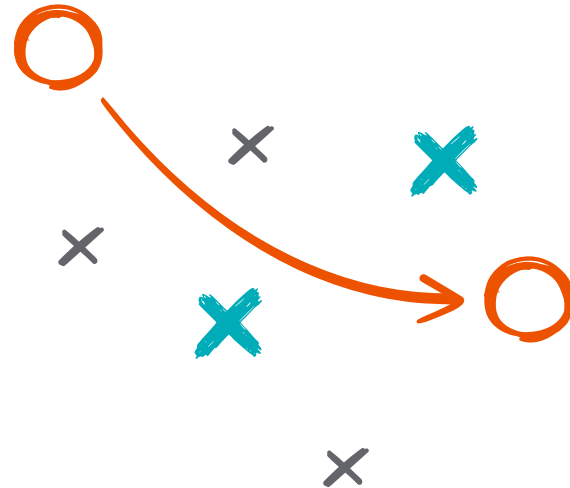
The plays

Play 1: Focus on the fundamentals

Improve capacity at key intake channels

Healthcare consumers today have specific expectations when it comes to their healthcare experience, seeking easy access, convenience and affordability. To meet these expectations, healthcare systems need to adopt a customer-centric approach, treating patients as the top priority. A crucial principle to follow is the golden rule of retail: **the customer is always right**. To attract and retain patients, it is essential to simplify the process of accessing healthcare services. By optimizing intake channels and reducing friction, healthcare providers can engage patients from the beginning of their journey and maintain that engagement throughout their care pathway.

The evolving ambulatory landscape, including the emergence of new disrupters, has given consumers more options regarding where, how and with whom they seek care. To ensure patient satisfaction, healthcare systems must address access and capacity barriers within their intake channels. Streamlining the process of scheduling appointments, internal referrals and timely access to care can significantly improve the overall patient experience and foster customer loyalty. Analyzing and addressing these barriers can result in quick wins and enhance the quality of care provided.



Seamless access

70%

of consumers are frustrated with finding a physician



Affordable, high-quality options

62%

of consumers ranked healthcare out-of-pocket and insurance costs as their top concerns



Who is changing the game?



Personalized experience

89%

of consumers value a relationship with a physician who knows their health background

Integration

83%

of consumers expect the same access and integration from healthcare as Amazon- and Apple-like companies provide



Sources: Sg2 National Health Care Consumerism and Insurance Coverage Survey, 2018; KRC Research. *Public Perspectives on Personalized Medicine: A Survey of U.S. Public Opinion*. Personalized Medicine Coalition and GenomeWeb. May 2018.

Play 2: The best defense is a good offense

Find and proactively engage qualified, high-value healthcare consumers who may not have considered your health system before

Traditional healthcare systems have relied on an unlimited supply of high-value care encounters as their patient catchment strategy. Unfortunately, this strategy is insufficient and unsustainable for your system's future growth. Consumer-focused disrupters have created customer-centric competition—they recognize that it's about engaging, activating and maintaining high-value patient-customers. While recent research shows that 81% of health systems nationwide prioritize improving the customer experience, only 11% have the capability to execute a best-in-class customer experience. To address this gap, providers are increasingly turning to specialized marketing firms to create personalized, segmented communications that build brand awareness and to digital health companies that manage new, large-scale consumer lead generation and acquisition efforts.

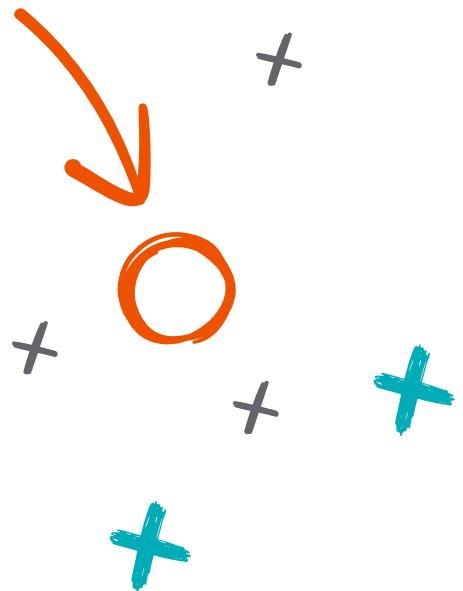
In today's environment, these efforts alone are inadequate. The bottom line is, health systems need to acquire new, loyalty-driven patients, and that requires more than finding and capturing "marketing-qualified leads." It means growing volume through your provider network and separately focusing on new patient acquisition by advancing consumer loyalty and creating a seamless consumer experience for prospective patients. The health system that can provide pre-patient outreach and educate consumers will create stronger connections with higher-lifetime-value patients who may not have even considered your services before.

Play 3: Defense wins championships

Strengthen network integrity, physician outreach and referral management

By maximizing physician outreach efforts, you can achieve both physician and customer loyalty. Creating strong physician advocates for your system decreases patient leakage and provides a seamless and cohesive experience with better health outcomes, stronger loyalty and increased revenue over time.

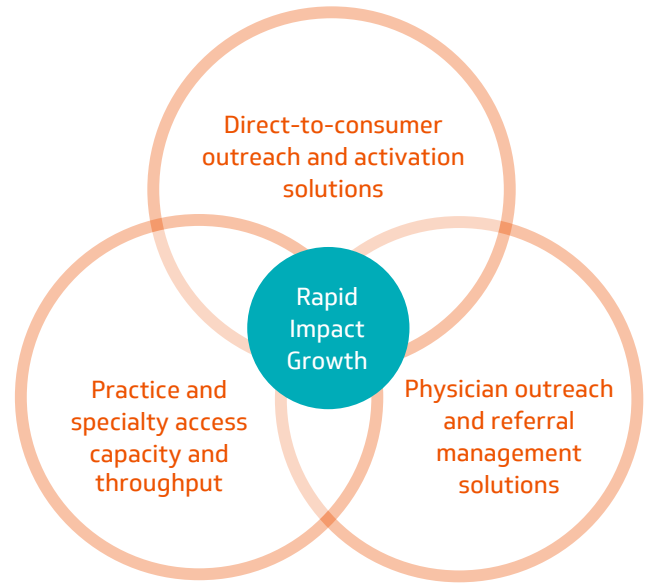
Physicians and outreach teams are your partners here. Through better understanding of referral patterns, you will have an immediate impact on both your revenue and your patients. Physicians who refer patients to affiliated practitioners are telling their patients not only that they trust these physicians but also that they trust their organization to provide the best care. As patient loyalty develops, so does the patient-customer's willingness to stay within your system. It's time to transition from simple, transactional appointments to meaningful care relationships that have longevity.



The highlights

Vizient Consumer Innovation solutions help providers generate revenue now and future-proof growth. The suite of solutions is composed of analytic tools, consulting and managed services that focus on three key areas (see diagram to the right).

Knowing that this generation of healthcare consumers prioritizes technology and positive physician relationships—and will switch providers if their current system does not have the same priorities—it's time to develop a new growth strategy. The Consumer Innovation game plan will provide health systems with the ability to improve both the consumer and physician experience and to more easily collaborate with internal strategy, marketing, business development and operational stakeholders on near-term revenue generation.



Vizient, Inc., the nation's largest member-driven healthcare performance improvement company, serves more than 60% of the nation's acute care providers, which includes 97% of the nation's academic medical centers, and more than 25% of the non-acute care market. Vizient provides expertise, analytics and advisory services, as well as a contract portfolio that represents more than \$130 billion in annual purchasing volume. Vizient's solutions and services improve the delivery of high-value care by aligning cost, quality and market performance. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at www.vizientinc.com.

vizient.



433 W Van Buren St, Suite 805
Chicago, IL 60607
847.779.5300
Vizientinc.com | Sg2.com



For more information, please contact
Jon Barlow at jon.barlow@vizientinc.com.