MARKETING YOUR PRACTICE
By Reed Tinsley, CPA

The incomes of many medical practices will be impacted as the health-care industry continues to go through further changes and new payment patterns begin to evolve. The result could be a stagnation or decline in the revenue streams of some practice units. Therefore, maintaining and growing revenues will most assuredly become a priority for many medical offices.

How a physician practice markets itself will depend upon whether it is a primary care or referral-based practice. Regardless of the specialty of the practice, some marketing efforts are common to all medical practices.

Target Markets
Before a practice begins designing a marketing plan, it needs to know something about its target market. This can be achieved by conducting a demographic study of the practice’s geographic area. A demographic study should answer the following questions:

• Who are the practice’s main competitors and how many physicians of the same medical specialty are in the practice area?
• What is the breakdown of the population’s age, sex, household size, and household income in the practice area?
• What changes have occurred in the last five years to the area’s demographics?
• Which insurance companies have the largest market share in the area?
• What has the employment trend been in the area over the last five years?

The information gathered from the demographic study, while most valuable to primary care practices, because they typically get their patients directly from the area, is also useful for referral-based practices. A referral-based practice will need to know how its referring physicians may be affected in the future, and it will also want to know something about the patient population.

The practice can use this information to forecast any future impacts on its revenue. For example, suppose a specialty practice currently treats a number of patients who have commercial insurance, and the demographic study indicates a rapid growth in managed care or an increase in the overall ages of the patient population. Because the practice’s base of patients is shifting to managed care or Medicare, both of which reimburse less than commercial insurance plans, future revenue could be affected.

Internal Marketing Strategies
Most internal marketing strategies utilized by medical practices are common sense, but sometimes their importance is understated. The internal decor, behavior of the staff members, and policies of the practice must create a friendly and professional impression in the minds of its patients and referring physicians. At a bare minimum, the following questions should be answered during analysis of the internal office environment:

1. Is the reception area comfortable for the patients? Do the patients feel like they are sitting in a morgue?
2. Are patients provided with activities, such as a television or magazines, while they wait for their appointments?
3. Do the patients have to wait a long time in the reception area for their appointments?
4. Is the front-desk staff courteous and willing to help patients and the offices of the referring physicians?
5. How do the nurses and other clinical staff interact with patients? Do they go out of their way
to help patients? Are they friendly and composed? How helpful are they over the telephone?

6 Are the office’s policies and procedures creating bad impressions?

7 Are thank-you cards for new patient referrals, both to physicians and patients, routinely and consistently mailed out?

8 Does the physician spend adequate time with the patients in the exam rooms?

9 Does the office have a recall system? Many primary-care practices lose revenue simply because they do not have a system in place that will prompt patients to come back to the office for visits.

10 Does the practice distribute satisfaction surveys to all patients? How are survey results tabulated and analyzed?

**External Marketing Strategies**

Some external marketing strategies the office manager and physician should consider using are described here:

**Brochures**

Every practice should have a professional brochure it can hand to patients, mail out, or give to referring physicians. The brochure should provide general information about the practice, its services, and its policies. It also can convey an image about the practice. To create visibility for the practice, a primary care practice may mail the brochure to a targeted list of people in the local area. A referral-based practice can distribute the brochure to its current and potential referring physicians. Again, the goal is to create positive visibility for the practice.

**Direct mail**

A primary care office, in particular, needs to create visibility and name recognition in the local area. To create instant and ongoing visibility with direct mail, the practice could mail its brochure or similar marketing tool to targeted patients in the area. Keep in mind, however, that one mailing by itself will not create visibility. Any direct mail campaign must be consistent and long term.

**Newsletters**

A newsletter from the practice can be sent out by both a primary care practice and referral-based medical specialty practice. The newsletter, usually created and mailed on a quarterly basis, informs patients and referring physicians about clinical issues and the office.

If the office does not have the staff capacity to create a newsletter unique to the practice, consider purchasing a pre-written newsletter. Companies who create these pre-written newsletters will often personalize it by printing the office’s name, address, office hours, and phone number onto the newsletter. Some also designate a certain amount of space for the office to put in relevant information pertaining to the individual practice whether it is a letter from the physician or an article about the value of flu shots.

**Season’s greetings**

Do not forget the year-end thank-you letters to all patients and referring physicians. The letters are final notes of appreciation to patients for their patronage and to both patients and physicians for their referrals. The thank-you letters also serve as reminders that the practice is growing and would like to receive additional referrals.

**Advertising**
The success of advertising usually will depend on the medical specialty. Advertising works for some medical offices and not for others. If an office is receiving almost all of its new patient referrals from other physicians, it may not make sense to spend money on advertising. If, however, a practice does not receive much new revenue from referrals, it should investigate developing an advertising program in the yellow pages or a local newspaper or periodical.

**Relationships with other physicians or physicians’ offices**

For a practice based on referrals, the best marketing strategy is for the practice’s physician to go out of the way to meet potential referring physicians. Developing relationships is the key to generating patient referrals. To be successful, the physician should eat in the physicians’ lounge or nearby hangouts where other physicians regularly eat. The practice’s physician should take referring physicians to dinner at regular intervals or go to the offices of potential referring physicians to discuss the possibility of developing cross-referral relationships. Make sure the practice’s brochure is mailed to all potential referring physicians.

**Managed care plans**

When physicians sign with managed care plans, they often feel no further marketing efforts directed toward managed care enrollees are necessary. Typically, when managed care plan enrollees become ill, they select a physician by looking in the physician roster book or asking a fellow employee to give a referral.

The goal of marketing in a managed care atmosphere is to eliminate both of these customs. A managed care enrollee should have the physician practice in mind and call it directly when he or she needs medical attention. To achieve this, the practice must concentrate on marketing efforts that increase its visibility.

The physician practice could contact the human resources directors at the companies that pay premiums to the managed care plan and inquire about presenting a seminar to the employees. If the employer or managed-care plan has a newsletter, perhaps the physicians can submit articles. Finally, the practice can offer free services, such as cholesterol testing and blood pressure screening, to the employees at the company workplace. These kinds of activities will bring much-needed visibility to the practice and generate patients’ visits to the office.

A referral-based practice in the managed care setting should review the providers on the plan. If no referral relationship is in place, the practice should attempt to establish a relationship, so it can expand its list of potential referring physicians.

**Conclusion**

The main goal of any marketing effort is to increase the visibility of the practice, and this goal can be achieved by taking the time to develop a comprehensive marketing plan. Regardless of the avenues chosen, marketing activities should be reviewed continually to evaluate their successes and failures. At a minimum, practices should document and compile data regarding where new patients heard of the medical practice. This will help to identify the marketing initiatives that have been most successful and allow the practice to focus on these efforts.

*Reed Tinsley, CPA is a principal with O’Neal, McGuinness & Tinsley, a TMA-endorsed consulting firm, which provides practice management consulting services to physicians.*