VITAL INTERACTION™

Implementing a Strategic, Patient-centric Scheduling System to Improve Patient Retention and Increase Revenue

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Patient attrition and retention rates are prominent, ongoing concerns among medical practice administrators and operations directors. And yet, a mere 15 percent of medical practices devote their efforts to improving patient retention.[1]

The "retailization" of health care[2] in recent years—that is, the paradigm shift from the traditional business-to-business model of care to a modern, customer service-based one[3]—has made retaining patients a harder endeavor than ever before. This monumental shift in the healthcare industry—arguably the biggest the country has seen since the implementation of Medicare and Medicaid in the 1960s—has transformed the ways in which healthcare providers deliver care and receive reimbursements.

This momentous change has also completely changed the ways in which patients approach their health care. Increasingly, patients have come to expect the same type and level of "customer service" from medical practices as they do from airlines, hotels, and other businesses. Gone are the days when healthcare providers need simply open up shop and wait for a steady flow of "customers" to come through their doors. Medical practices must invest the necessary time and money into not only acquiring new patients, but in also keeping current ones.

So how can medical practices keep pace with the modern patient and keep him coming back?

To thrive in this rapidly changing industry, healthcare organizations must have an efficient patient communication system in place—more specifically, a patient-centric scheduling process.
The first step? Assessing the cost of failing to develop and implement such a strategy or process—as well as evaluating the "cost" of taking strides to grow patient retention.

[1] https://www.practicebuilders.com/blog/a-complete-guide-to-patient-retention-at-your-medical-practice/#

[2] http://mdnews.com/power-patient-satisfaction

[3] http://www.himss.org/paradigm-shift-delivery-and-reimbursement-healthcare

An ROI Rundown

If you've ever taken pen to paper and calculated how much revenue your practice loses each year from non-returning patients, then you know the importance of having a healthy patient retention rate. Allowing patients—even a single one—to fall through the cracks is essentially leaving money on the table.

In studies we conducted with various medical practices, including pediatric, family, and endocrinology practices, we found that one in 10 patients do not return the next year for care. While losing one out of every 10 patients may not seem like a major loss, the profit losses may be heavier than you think when you consider that losing a single patient equates to losing 10 percent of your annual revenue. There are few, if any, medical practices that can afford such a deficit.

Assuming that a routine or wellness visit is worth $150 to a practice, here's a more in-depth breakdown of what a practice loses each year from non-returning patients and missed visits:

1 lost patient per day x 5 days=250 patients a year
250 patients lost per year x $150 routine/wellness visit =$37,500 annual profit loss

**Calculated at 50 weeks*

When one patient a day turns into two and then into five, and so on, the losses are even greater. The above figure does not even include losses incurred from missed follow-up visits, and other common office visits. As you can see, the losses begin to add up quickly.

Use the space below to calculate your own practice's estimated revenue loss from lost routine visits.

The Case for Retaining Patients

Though some in our industry believe it costs more to launch new-patient campaigns than it does to conduct ones focused on keeping current patients, the opposite, in fact, is true. It actually costs 90 percent less to retain patients than it does to acquire new ones.[4] What's more: On average, loyal patients are "worth" roughly 10 times their original purchase value.[5]

Furthermore, not only does it cost less to keep current patients returning, but practices stand to gain more from engaging these patients. According to research conducted by Frederick Reichheld of Bain & Company, increasing customer retention rates by a mere five percent can increase a business's profits by up to 95 percent.[6] Taking strides to toward a robust patient retention rate, then, is worth the effort.

While there are a number of operational strategies that practices can implement to increase patient retention, such as improving various facets of customer service, or the patient experience, it is not within the scope of this white paper to explore these aspects. Rather, this paper will discuss how to create a patient-centric scheduling process, based on the length of time a provider's schedule is open, to increase patient retention by up to 90 percent.

Key Definitions

Here are industry terms referenced in the following patient-centric scheduling strategy as well as throughout the white paper:

- **Recall message:** An automated reminder message send to a patient who needs to schedule a future or follow-up appointment. Vital Interaction™ can send recalls via email, text, and interactive voice recording (IVR).

  > When checking out, many patients don't know what their availability will be for a follow-up appointment, so they often opt out of scheduling in advance. By sending them a recall message, however, you help ensure they remember to reschedule when it's convenient for them.

- **Pre-appointment message:** One or more messages sent prior to appointments, informing patients of relevant information, such as upcoming appointments or required pre-appointment labwork.

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[4] http://www.healthcareitnews.com/blog/strategies-maximize-patient-engagement-retention

[5] https://hbr.org/2014/10/the-value-of-keeping-the-right-customers; https://www.salesforce.com/blog/2015/01/ten-customer-service-stats-what-they-mean-your-contact-center-gp.html

[6] http://www.bain.com/Images/BB_Prescription_cutting_costs.pdf

- **Automated Reschedules:** Automatic messages sent to patients, requesting that they call and reschedule.

  When providers' schedules change (as they often do), rescheduling patients can be a highly time-consuming task. Automated reschedules, however, save both time and frustration by facilitating roughly 80 percent of reschedules. For example, if a provider has 30 patients who need to be rescheduled, automated reschedules can ease administrative burdens by effortlessly reaching 24 of the 30 patients. That leaves only six patients left, as opposed to 30, for staff to call and reschedule.

- **Reactivations:** Programmed recalls based on certain settings—like time, age, billing codes, diagnosis codes, last appointment dates and times, and future appointment dates—that automatically determine when patients should come back for regularly occurring visits.

  Using data from both your practice management and Vital Interaction™ systems, reactivations identify those patients who meet select criteria and automate recall messages to those patients. This scheduling feature is particularly useful when determining, for example, those patients who haven't been in the office for a year and for whom recalls weren't manually entered at their last appointment.

Steps to Successful Patient Follow-up and Retention

The span of time a provider's schedule is open largely determines patients' access to care, a major facet of the healthcare experience, and can greatly affect patient retention. As such, it's wise to create and execute a patient-centric scheduling strategy based on this influential factor.

Whether your practice's providers keeps their schedules open for three months, a year, or even five years, follow these steps to reduce missed opportunities and increase your patient retention rate. Refer to Key Definitions for a glossary of terms used in the following step-by-step guide.

Length of Time Schedule Is Open	Scheduling Steps to Take
One to three months	1. Before patients leave the office, manually enter recalls and automate their delivery. 2. For those patients who don’t come back, follow up two or three times via multiple communication channels (i.e., email, text, and IVR). 3. Consider using reactivations to further reduce missed follow up appointments
Six months to one year	1. Send pre-appointment messages via email, text, or IVR when the appointment is booked with a calendar invite. 2. Deliver an additional pre-appointment notification a few weeks prior to the scheduled appointment. 3. When providers’ schedules change, use Vital Interaction™’s Appointment Cancellation and Rescheduling tools to expedite roughly 80 percent of reschedules. 4. For specialties requiring follow-up visits every two to five years, use recalls and reactivations for appointments scheduled more than a year out.
One to five years	1. Send pre-appointment messages via email, text, or IVR when the appointment is scheduled with a calendar invite. 2. Send out friendly reminders to patients at least once a year, requesting their updated contact information. 3. Use our Appointment Cancellation and Rescheduling features to facilitate approximately 80 percent of reschedules when you must change providers’ schedules. 4. For specialties requiring follow-up visits every two to five years, use recalls and reactivations for appointments scheduled more than a year out.

Employing Different Appointment Reminders to Reduce Your No-show Rate and Boost Patient Retention

Patient-centric scheduling means putting the patient first and making scheduling matters as seamless and easy as possible. When entering in recalls and reactivations, you can maximize your recall and retention efforts—and show your patients that you really care—by scheduling the delivery of these automated messages via each patient's individual communication preferences, whether email, text, or IVR. This is a crucial step, as patients are up to five times more likely to keep and attend their appointments when they receive reminders via the communication channel of their choice.[7]

Each appointment reminder channel or type has its advantages and a place in a successful appointment reminder strategy:

- Email—Though not ideal for urgent matters, email is a great tool for delivering meaningful content and expressing the voice of the practice.
- Text message—Short and sweet, texts are timely and effective—and the most popular appointment reminder type. Texts easily allow you to deliver reminders during business hours so that your staff can quickly respond to any questions or requests that patients may have.
- IVR—Voice calls are still useful, even if used as a last resort. For some patients, voice calls are the only way to reach them.

So how often should you send reminders—and when?

Again, the length of time your providers' schedules are open is a guiding factor. A general rule of thumb is that the greater the time between an appointment request and the date of service, the higher chances are the patient will need to reschedule.

At Vital Interaction™, we typically recommend sending a reminder far enough in advance to allow for easy rescheduling, which will vary from practice to practice. The key is to not only make patient scheduling easier on your staff, but at the very least, to give the patient fair warning to clear his schedule so he can attend the appointment. Some practices we work with find it effective to send the first appointment reminder one to two weeks prior to an appointment, while others send a reminder within a few days of the scheduled appointment.

There is no one-size-fits-all solution. Each practice is unique and thus has particular needs. However, two additional factors that every practice must consider when sending appointment reminders are:

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[7] http://www.medicalpracticeinsider.com/best-practices-one-way-solve-no-show-problem

- How long a patient must wait for an appointment from the time they make the request
- The practice's or dedicated scheduling staff's capabilities of handling incoming calls and scheduling requests

We often say that the "perfect" appointment reminder system is one that balances the needs of the practice (i.e., getting the patient to show up, on time and at the right location) with the needs of the patient (i.e., receiving reminders via preferred message type, remembering appointment details and special instructions). The best time to send these reminders is at times that it makes sense for both your staff and your patients.

Conclusion

The bottom line is: Increased patient retention leads to increased revenue. Medical practices can achieve higher patient retention rates and healthier ROI by implementing a strategic, patient-centric scheduling process and appointment reminder system.

Vital Interaction's Automatic Patient Interaction System has helped countless practices not only boost their patient retention rates by up to 90 percent, but also reduce their no-show rates by up to 30 percent. Deploying automated messages to patients in strategic ways is one of the many benefits and features of our software that helps medical practices like yours streamline operational processes, reduce operating costs, increase revenue, and improve patient engagement.

PATIENT RETENTION
by the numbers

VITAL INTERACTION™

It costs **90 percent** *less* to get current patients to return for future care than it does to attract new patients.

On average, **one in 10 patients** do not return the next year for care.

The loss of one patient equates to a **10-percent** annual revenue loss

Employing Vital Interaction™'s Appointment Confirmation tool facilitates roughly **80 percent** of reschedules.

Boosting customer retention by **5 percent** can increase profits by up to 95 percent.

The average no-show rate for most specialties is around **five percent.**

Some well-run practices report a **12-percent daily average** of no-shows and last-minute cancellations.

Vital Interaction™'s Appointment Confirmations can help you reduce staff time spent on appointment reminders while reducing no-shows by an estimated **30 percent.**

Loyal patients are "worth" roughly **10 times** their original purchase value.

Sources: Healthcare IT News, Vital Interaction, Harvard Business Review, Medical Practice Insider, RevCycleIntelligence, Salesforce