

Making referrals work: The 4 pillars of successful referral management

According to a study by the Archives of Internal Medicine, in 2009 105 million patient visits resulted in a specialist referral, but “only about half of referrals result in a completed appointment.”¹ Our analysis shows that less than 25% of referrals are completed as intended by the sending provider. While all hospitals focus on high quality care, relatively few tie this to excellence in referral management. We believe, and the data shows, that referrals are a high-frequency transaction with significant implications for providers, patients, and payers.

For providers, referrals represent a unique inflection point where the next step in care is driven not only by clinical goals, but also by plan design and the resources available within the provider’s own organization. Providers can also use referrals to connect to a broader network across multiple EMRs.

For patients, a referral is a critical moment that reflects a change in diagnosis or an escalation in care. Today, many patients experience the burden of navigating the next step on their own, often without understanding whether suggested providers accept insurance or the urgency of the appointment and how soon they need to see the specialist.

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Payers know that each primary care provider (PCP) commands, on average, \$10 million in annual revenue, of which only 5% is attributed to primary care spending -- the remaining 95% is attributed to downstream care including specialty referrals, imaging and other medical testing, invasive procedures, and hospitalizations². Payers are motivated to ensure that patients receive the highest-quality, lowest-cost care that meets the patient’s clinical needs. In order for successful referral execution, payers understand that it matter who you refer to, how you refer, and whether the process is simple and scalable.

The purpose of this paper is to present the four components of successful referral management, gathered over four years and one million referrals across a range of providers, payers, and self-insured employers. We have found that while technology is a necessary prerequisite to success in referral management, it is not sufficient by itself. The process of implementing referrals within existing workflows, and the people involved in creating organizational change, are as important as the platform itself.

These four components are:

- Integrating referral management into the EMR workflow
- Engaging patients throughout the referral process
- Analyzing referral metrics to improve outcomes
- Keeping key players and influencers engaged

Integrating referral management into the EMR workflow

Referral management typically impacts the clinical workflow in at least two places within the organization. First, the initiating or “sending” side of the organization (usually a PCP office or urgent care), and second, the “receiving” side (usually a specialist office). As such, integration is incredibly important to driving adoption. Providers recognize that EMRs can provide a key foundation for referrals, but often fall short in terms of real-time decision support and analytics.

An ideal referral-EMR integration has three components:

1. **Trigger.** A trigger is something that is “wired” into the EMR and automatically initiates the referral process within the referral management system.
2. **Easy assimilation into existing workflow.** User adoption and satisfaction drop dramatically if successful use requires multiple sign-ons and manual duplication of patient and appointment information.
3. **Data exchange.** The referral system should be able to read information such as insurance plan, ICD-10, and lab results from the EMR, and send and receive documents such as continuity of care documents (CCDs). Information such as a patient’s insurance plan can be used by the referral management system to match specialist recommendations with the needs of the patient.

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Engaging patients throughout the referral process

Engaging patients often starts with understanding patients’ needs. By remaining engaged with the patient throughout the referral, not only does it provide an opportunity to measure a health care system’s success and priorities related to patient care, it also encourages a patient’s participation in their care. These factors may seem unimportant, but the effects are tangible, both in terms of cost and patient satisfaction.

As mentioned earlier, the moment of referral is a critical junction because it often means that patients have experienced an escalation of care or change in diagnosis. This junction presents a unique opportunity for health care systems to provide the utmost in patient care. By implementing strategies and using various technologies to ensure patients have clear expectations and visibility into their care transitions, patients gain peace of mind knowing that the responsibility to continue care is now shared between the patient and the provider’s offices, and providers gain an increase in both scheduled referral appointments and patient access due to decreased cancellations.

We see two kinds of patient engagement strategies. First, a provider can focus on increasing process visibility for the patient, so that the patient has clear expectations regarding the next steps in care. This strategy could be as simple as dialogue and shared decision-making that helps the patient decide which specialist to see based on clinical need, insurance acceptance, and time frame. Educational materials and appointment notifications can reinforce what was covered during an information-heavy appointment, while email, text, and/or phone notifications can make it easier for the patient to confirm, change or cancel appointments. When a patient is asked to confirm an appointment, not only is

the patient more likely to attend the appointment, but related cancelations can increase patient access by opening up appointment availability.

The second patient engagement strategy involves using tools such as referral reports to ensure that the health system has a lens into and accountability for transitioning patients to the next step. For example, report analysis has shown that when practices set expectations around how soon a patient is contacted to schedule a referral appointment greatly influences the likelihood of the patient scheduling the appointment, which directly influences the standard of care the patient receives. In the event that a patient has not been contacted, a sending office can reassign the referral to a different provider and give feedback to the original receiving provider regarding access and patient follow-up. Engaging patients in this way can both prevent patients from “falling through the cracks” and help referring providers select more available specialists during future referrals.

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Analyzing referral metrics to improve outcomes

A major part of referral management is change management. If a health organization decides to adopt an improved approach to transitioning patients throughout its system of resources, these resources, and all of the employees running them, will have to adopt a new process of engaging with the patient. In order to precipitate change, leadership needs a “burning platform”. Measuring “just how bad things are” usually does the trick.

In addition, the visibility provided by a referral management solution sheds light on referral patterns. Key questions, such as where referrals are sent, to how quickly they are being converted into patient appointments, can now be answered. These insights help an organization begin to understand how to open up access to match the urgency and nature of a patient’s needs. Real-time, highly customized analytics help identify service line capacity issues and detect areas in which customer service is lacking. par8o has learned that analytics reporting on a weekly basis is critical for successful deployments.

One client used par8o’s reports to learn that following up with patients quickly to schedule a referral appointment increased the chance that the appointment was scheduled. Across 41,349 appointments, calling a patient within a half day resulted in an 84% chance that the appointment was scheduled. However, calling within 2.5 days resulted in a 79% chance that the appointment was scheduled. The 5% difference is significant across the thousands of appointments that providers schedule; in this instance, following up within a half day would mean an increase of 2,067 appointments. Small changes in provider follow-up resulted in large changes in referral follow-through.

Keeping key players and influencers engaged

It is almost a cliché that you need organizational alignment to drive outcomes in healthcare organizations—of course this is the case. For referral management, this is particularly true since referrals touch so many aspects of the organization, from the CMO to the front desk staff person at an individual provider’s office. Without broad buy-in from each part of the organization, changing the referral process is nearly impossible to implement.

In particular, we have found that providers need to be engaged in order to drive results. In general, providers set the culture of what is considered important in an organization; their priorities are reflected in every aspect of an office. Providers also recommend the level of clinical urgency of the patient referral, which in turn affects how quickly the patient should be seen. Their ability to do this consistently and accurately greatly affects patient access — with too many “urgent” referrals, specialists cannot meet patient needs. Adding various levels of urgency increases the ability for patients to be seen within an appropriate time frame. Thus, though providers are not responsible for referral follow-through, their support and engagement is critical.

We have also found that in order to affect change in referrals, you need to assemble a steering committee that can shepherd change within the organization. This committee should include providers, as well as the individuals responsible for clinical integration, network management, and patient access. Change often starts at the top with the CEO or CMO, but quickly needs broader buy-in and regular monitoring in order to be implemented effectively.

Having successfully deployed a number of referral management systems date, we are often asked by prospective provider systems “is it worth it?”. A well-implemented referral management system should reduce out-migration and leakage by at least 20% over the first six months, creating a financial return that far outweighs the cost of a deployment. However, we believe this underestimates the longer-term impact that a useful referral management system has on an organization. In practice, if an organization cannot effectively manage its referrals, it has little chance of being successful in population health, narrow networks, or ACOs.

References

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