



Market Planning with One Hand Behind Your Back?

For hospital strategic planners, the notion of competition isn't limited to hospitals within close proximity. The push to build broader, diverse networks has coincided with the emergence of convenient care providers (retailers, urgent care centers, free-standing ED's, etc.) and growth in the number of ambulatory surgery centers. These factors have all converged to redefine how strategic planners think about their market.

The picture painted over the course of the last 12 months depicts providers and other healthcare organizations moving aggressively for the largest slice of patient volume in markets from San Francisco to Columbia, South Carolina. The number of urgent care centers nationally is within a whisker of 10,000 with 22% of all urgent care facilities are *owned* by a hospital. CVS is now operating pharmacies and minute clinics within Target stores across the nation, and within days of the New Year, United Healthcare announced a \$3.2 billion acquisition of Surgical Care Affiliates. And when it comes to physicians – an important factor in those 'networks' – 1 in 4 practices is now hospital-owned, representing an 86% increase since 2012.

Time to Move from Static to Dynamic Planning

In an environment like this, planning and marketing can't be static – they have to become dynamic; tapping into advanced market-based analytics and visualizing how different data sets overlay and the lens they create. For as much insight state-level data sets or standard U.S. Census data can provide, they are limited in their ability to sufficiently answer the questions today's competitive environment generates. Nor can free online geo-coding or legacy mapping products. If these tools are the focal point of your planning/marketing toolbox, are you confident they could help you to answer questions like:

- Where do the service areas of key competitors overlap with our primary service area and what's the profile of our patient volume within this area?
- On an inpatient basis, how loyal are specialists to our facility/system and how loyal are they to our primary competitors?
- Are there locations within our secondary service area that are under-served for certain types of services, and thus a potential location for expanded services?

3 Steps to Better Planning

No planner or marketer wants to carry out their role as if one hand is tied behind their back. The stakes are simply too high for decisions based on a limited view, guesswork or instinct. As you think about market-based analytics, the breadth (or lack thereof) of different data sets and the tools you rely on consider:

1. **Widening the Lens:** No matter how current or robust a state data set may be, none is perfect. You have to be able to augment state data sets with other public data sets – such as MedPAR, OP SAF and Hospital Compare – to help create a more thorough view of your market. And when it comes to demographics, don't settle for age, ethnicity and income. That's just your baseline. What are the lifestyle habits of a population, how do they consume healthcare, what's the percentage of insured? Remember, the goal is *to know as much as possible about all of the factors and components that combine to create your market*. Not just 75%. A wide lens is essential if you are working to build out an integrated network and/or trying to understand the changing composition of a competitor's network.
2. **Making Technology Your Ally:** Free mapping tools may not hit your budget hard but that benefit is quickly (and painfully) offset by a lack of sophistication and usability. Same for older software products (many of which are no longer supported). Tools predicated on manual geo-coding or unable to overlay multiple visual representations of data aren't worth the hassle. When your CEO looks at a map in your strategic plan and then asks 'But what about...' or 'Can you add in...' it's much better to be able to show them what they want versus pausing the discussion (or making it a to-do item) to create a new map from scratch.
3. **Become a Cartographer:** In working with hospital planners and marketers across the country, I can't stress enough the value associated with working across data sets to create maps. You know so much about your market, patients and facility. Be sure you don't forfeit the ability to think outside of the box or identify trends that may be invisible to something with less in-market familiarity.



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In addition to leading the development and go-to-market strategy for iVantage's strategy & planning solutions, Kyle works closely with hospital and health system clients to address complex planning challenges through the use of advanced analytics and GIS-based tools.

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