



THE HIGH COST OF PATIENT LEAKAGE— AND THE NEED TO TAKE ACTION

Fibroblast commissioned an independent study of over 100 executives, most of whom are C-suite executives, and found that healthcare organizations have many strategic priorities, but one of the most important places where leaders should focus their attention is on **patient referrals and leakage**:

- A significant portion of revenue is being lost to leakage
- Leakage can impact quality care
- Most respondents do not know whether a patient actually follows through with the recommended care

4 BIG THINGS TO KNOW



1

Major Gap Between Priority and Action:

Addressing patient leakage is a high priority for **87%** of executives. However, *23% currently don't track leakage and another 20% don't understand where or why it occurs.*

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2

Revenue is at risk due to the high cost of leakage:

Patient leakage hurts the bottom line with nearly half (**44%**) of surveyed executives reporting they're losing 10% or more of annual revenues due to patient leakage. *Even more troublingly, another 19% are losing over 20% of revenue to leakage – and almost one-quarter (23%) responded that they don't know how much they are losing.*

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3

Lack of centralized ownership contributes to inaction:

There are many participants and stakeholders in the referral process, but few outright "owners." *The responsibility for tracking and managing leakage largely resides in the C-suite, but 69% say it is assigned to more than one person.*

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EMRs fall short but still persist as default option:

While EMRs are the default option for referral management, *76% of executives reported being either not satisfied or only somewhat satisfied with their EMR's referral management capabilities.*

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SURVEY METHODOLOGY AND RESPONDENTS

To learn first-hand what healthcare executives are doing to understand and manage referrals and to gain insights into how much leakage is costing them, Fibroblast commissioned an independent study which garnered **104 responses**.

Composition of respondents:

- **76%** are C-suite executives:
 - **19%** CEOs
 - **16%** CFOs
 - **18%** CMOs
 - **7%** CIOs
 - **4%** CMIOs
 - **4%** COOs
 - **3%** CNOs
 - **5%** other members of the C-suite
- The remaining **24%** include VPs, directors and a variety of other titles

Composition of respondent workplaces:

- **78%** in hospitals or health systems
- **11%** in provider groups
- **6%** in ACOs

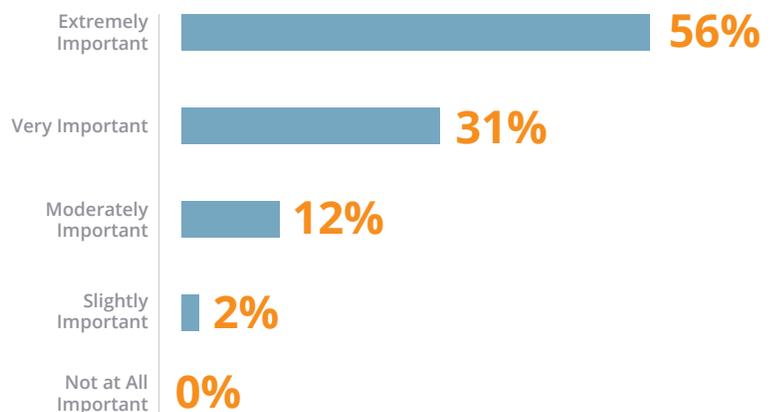
SURVEY RESULTS



Executives say that patient leakage is a high priority to tackle in 2019.

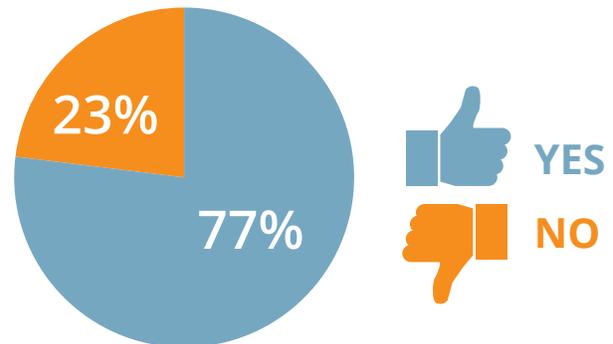
87% of respondents say that reducing patient leakage is very or extremely important and **12%** say it's moderately important.

How important to your organization is reducing patient leakage?



But **23%** of organizations currently don't even track leakage – which makes it challenging to address the problem.

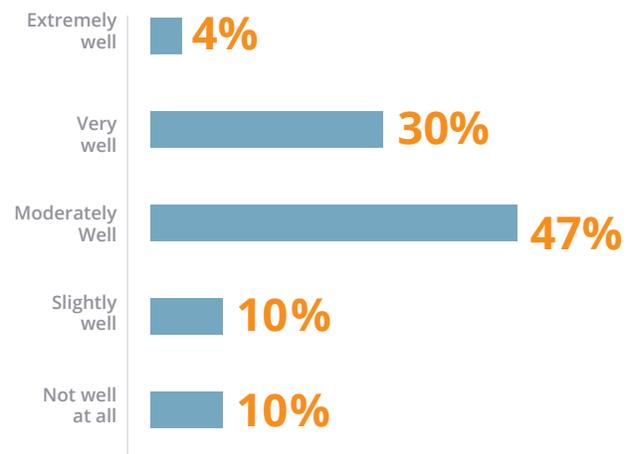
Does your organization formally track and report on patient leakage?



And most say they don't understand nor manage leakage very well.

- **20%** say they don't understand where and why patient leakage occurs.
- **47%** do it only moderately well.
- Only **one-third** claim to manage leakage very or extremely well.

How well does your organization understand where and why patient leakage occurs?



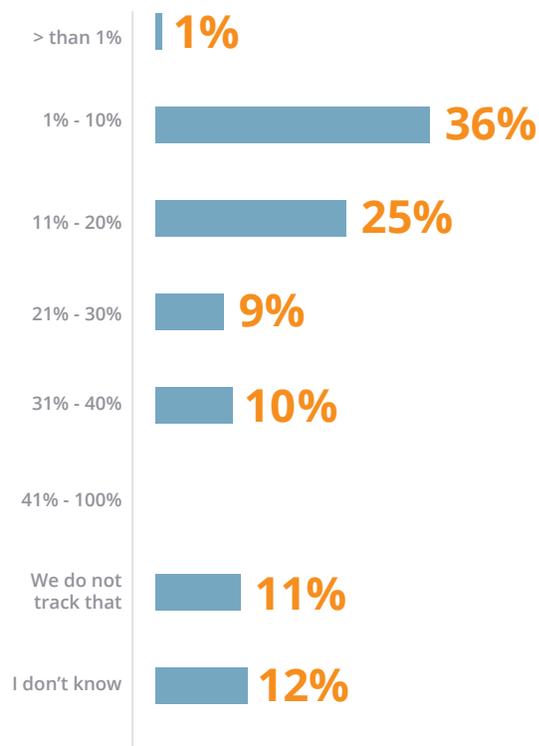
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Failing to manage referrals has a high cost and serious implications for health systems and provider groups with already narrow margins.

Many organizations are losing significant revenues due to leakage.

- **44%** are losing more than 10% of revenues and 19% are losing more than **20%** of revenues
- That doesn't include the **23%** who don't know or don't track losses

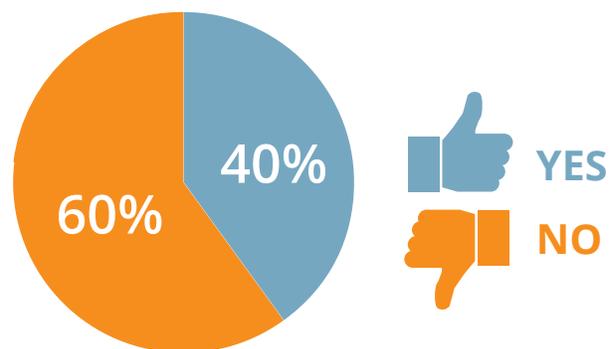
What percent of annual patient revenue do you estimate your organization loses?



There's also a clinical and quality cost when referrals aren't managed.

Some **60%** of executives reported that they don't know if patients actually received the care for which they were referred. This is extremely problematic since care coordination is increasingly important in healthcare today – both in the fee-for-service world and for the transition to value-based care.

Does your organization follow up to determine if patients received care from the physician they were referred to?



One reason that leakage isn't better managed is that there are many participants and few owners.

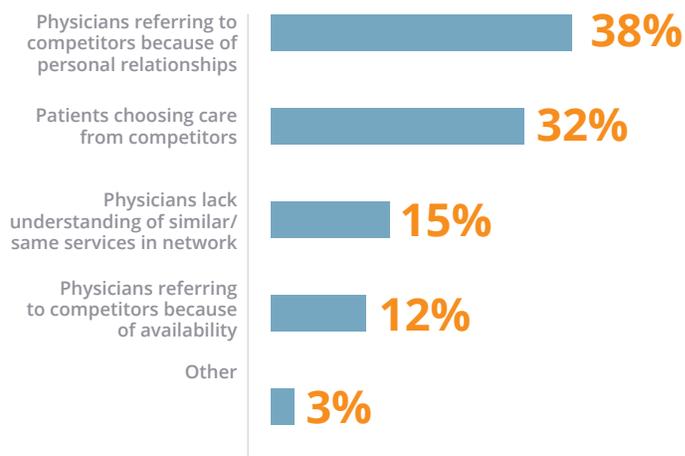
- **69%** say more than one role oversees leakage.
- C-suite executives are most likely to manage leakage; **10%** say their CEOs are responsible, **9%** say CFOs are, and **8%** say CMOs are.
- However, responsibility ranges across a vast array of titles – from office managers to medical group leadership to marketing VPs to the C-suite.

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There are multiple causes of leakage, most of which are addressable.

Executives believe that a variety of factors cause leakage — from physicians' personal relationships to patient choice. Most of these can be addressed when physicians and patients receive good data on cost and quality.

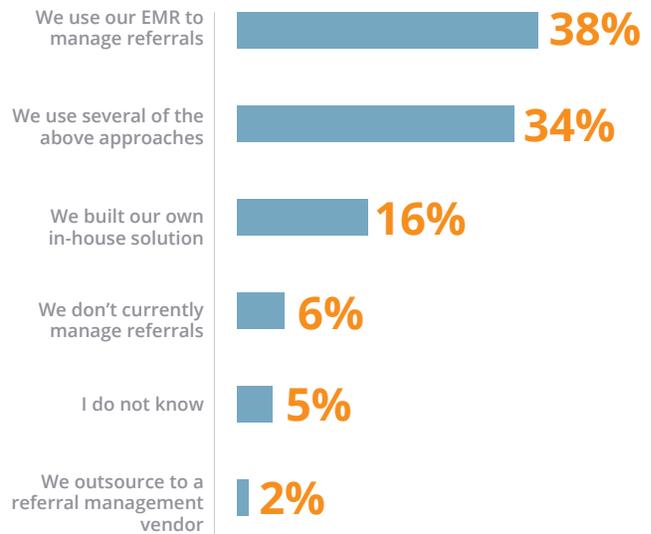
What do you believe is the biggest cause of patient leakage at your organization?



Solutions for tracking leakage aren't standardized today, but the EMR is the default approach.

- **38%** of respondents manage referrals using their EMR.
- **34%** use a combination of approaches.
- **16%** use homegrown, in-house solutions which often still rely on paper.

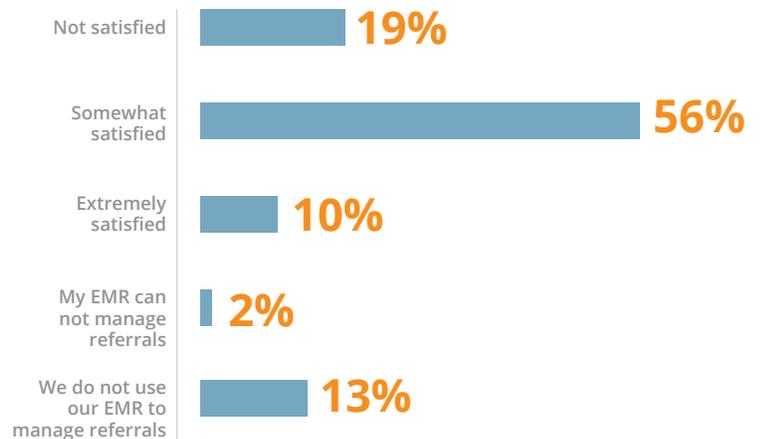
Which of the following approaches most closely matches how your organization manages referrals?



Satisfaction with the EMR's ability to manage referrals is limited.

21% of executives are not at all satisfied with their EMR's ability to track leakage and **57%** are only somewhat satisfied. A fraction of executives, only **10%**, are very satisfied.

How satisfied are you with your EMR's ability to manage referrals?



As a result, a growing number of organizations plan to purchase a third-party referral management solution. In fact, **19% of executives plan to purchase a solution in the next year or two.**

CONCLUSION



To survive, today's healthcare organizations must navigate both the fee-for-service and the value-based world. That means they need to grow revenues while demonstrating better value to payers and taking on more risk. At the same time, as organizations manage larger networks of physicians and facilities, they stand to lose considerable revenue and control when patients are referred to other networks or to poorer performing providers within their own network.

The gap between executives' recognition of and ability to solve the problem is causing many organizations to lose substantial revenue, as well as negatively impact quality and costs. To close the gap, a growing number of executives are looking beyond their EMRs and in-house solutions to third-party referral management solutions that were specifically designed to analyze referral patterns and guide patients to high-performing providers within their network.

This survey demonstrates that the **vast majority of executives** recognize the importance of referral management, but that their ability to analyze and address patient leakage lags behind.

FIBROBLAST

Fibroblast is a referral management platform that fixes the broken referral process by empowering providers with easy-to-use, end-to-end tools that actively manage referrals. By closing the referral loop, it prevents patient leakage, increasing revenues for fee-for-service organizations and lowering risks for accountable care organizations to deliver a clear, compelling return on investment.

