

NEW MOVER CASE STUDY

Quantifying the Success of a New Mover Program

Response Rates, Utilization of Services and Control Group Analysis

Situation Analysis

In addition to maintaining current market share levels, a major health system in northern Ohio was interested in increasing new patient acquisitions that would ultimately create a positive swing in revenue generation. One objective from the beginning was to measure and report on the success of the program. Analytics were to go beyond response rate to include utilization of services. In addition to measuring utilization, which would provide a cost per new patient acquisition metric, control groups were also implemented to answer the question that most healthcare marketers have heard before, “Wouldn’t they have come anyway?”

Health System Profile

- Moderately competitive healthcare environment
- Ranked first in market share
- Comprised of three metro hospitals, three community hospitals and one children’s hospital
- Diversified socio-economic structure between the three acute care hospitals

Program Overview

The initial objectives of the program were to welcome new movers to the community and introduce them to the health system’s products and services. Secondly, a personalized reply form (PRF) was designed to encourage a relationship with the new mover through a request for either additional information or a physician referral.

The first contact includes a tri-fold brochure, inserts, personalized letter, PRF with a first aid kit offer, magnet and a business reply envelope (BRE). Each new mover also receives hospital-specific inserts.

Follow Up Communications*

- Email confirmations to online respondents
- Phone calls from physician referral representatives to respondents who request referrals
- Fulfillment packages to respondents with a personalized letter and requested items
- Direct mail 1:1 communications based on the respondent’s indicated areas of interest; limit of two letters per respondent. A decision tree was used to prioritize letters based on potential return on investment (ROI) so that, during processing, the highest-ranking letters were sent.

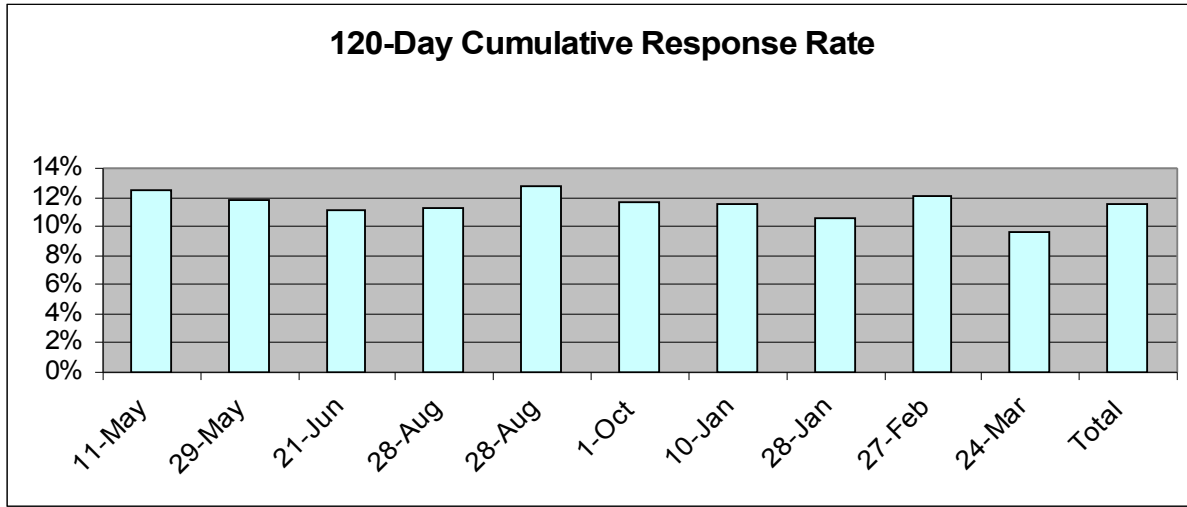
**Number of follow up communications varies based on each interaction.*

Target Audience

The target audience consists of new movers who move into the community from outside the designated market area. Female names take precedence, when available. An average of 1,500 movers are mailed monthly.

Response

Throughout the lifetime of the program, response rates have averaged 10.5% to 12%. The chart below details response rates over a 12-month time period.



In addition to the stellar response rate, it is also important to dissect these responses and review the respondents' areas of interest. Gaining this information strengthens the value of future 1:1 communications. The chart below lists a few of the most requested items.

Requested Item	Requested Rate
Monster Deterrent Kit (Night Light)	46.68%
Fast Food Nutrition Guide	43.08%
Emergency Guide	38.50%
Healthy Heart Kit ***	32.17%
Life Saving Tests for Women	30.79%
Parents Newsletter	29.18%
Breast Self Exam Shower Card	27.57%
Family Doctor physician referral	27.30%
Women's Heart Care	24.20%
Centers for Health Promotion Class Guide	20.27%

***The Healthy Heart Kit is requested by 32% of the new movers who respond. Given this client's mail quantity and response percentages, they annually populate their new mover database with over 650 consumers who have identified themselves as being interested in their cardiac health.

Data Management for Tracking and Measurement

On an annual basis, the health system transfers hospital billing files to CMPkc. These files are cleansed and prepped for the annual utilization analysis. Utilization analysis is run to quantify patient influences as a result of the new mover program. While some clients choose to review new as well as existing business, this client chooses to focus on new acquisitions. Existing patients are excluded from the analysis.

In addition, based on a sophisticated match logic, influences are reported from an exact as well as a probable scenario. As a result, reports include individual matches as well as household matches for a more comprehensive view.

Exact matches are based on name and address, with a mail date at least seven days prior to first visit date. Probable matches are based on address only; MFDU addresses are limited to those with apartment numbers. Mail date has to be at least seven days (and no more than six months) prior to first visit date. Only 50% of the probable matches are included in the reporting data.

Utilization Analysis

Because the new mover program is an ongoing, monthly program, it is important to view utilization of services based on a window of opportunity to utilize services. The numbers represented below detail utilization from a group of new movers who had from 12 to 25 months to utilize services.

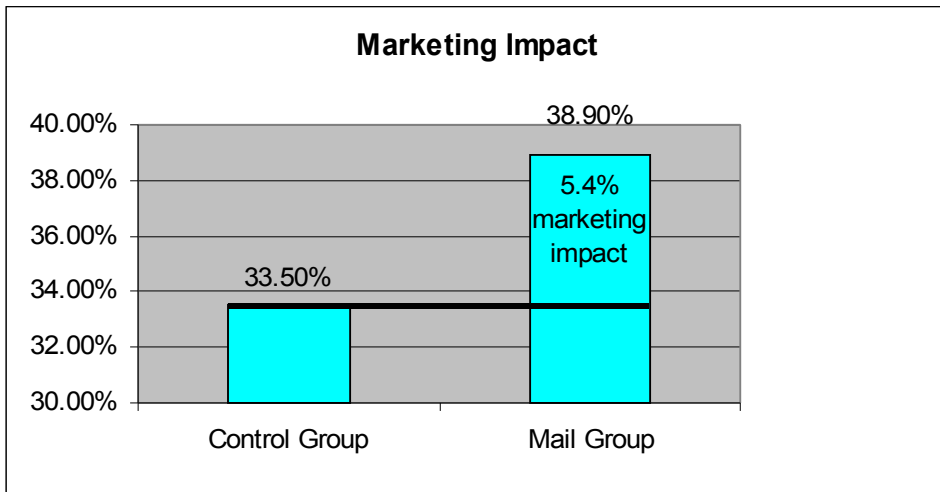
Households Contacted	15,296
Cost Per Household	\$4.83
Total Revenue Generated	\$35,139,079
Total Patient Influences	4,365
Utilization Rate	28.54%
Average Revenue Per Patient	\$8,050.19
Average Collection Per Patient (39%)	\$3,139.57
Cost Per Patient Acquisition	\$16.93

It's important to note that respondents showed up in utilization at a much higher rate than non-respondents (22.51% vs. 18.03%). This is compelling evidence that communications need to motivate consumers to action.

Control Group Analysis

In order to measure the true lift in utilization as a result of the New Mover program, a control group was created and subsequently analyzed. While control groups can be ongoing throughout the life of the program, this client chose to suspend their control group after the first analysis. Convinced of the true value of the program, they elected to forego the control group and instead mail to that group to further increase new patient acquisitions.

The utilization rate of the mail group outperformed the utilization rate of the control group by a 38.90% to 33.50% margin, demonstrating a 5.4% marketing impact/lift. By applying the control group utilization rate of 33.50% against the mail group count of 3,618, we can conclude that 195 additional influences to the hospital were a result of receiving the new mover package as opposed to those that did not receive any communications. Based on the average collected revenue of \$1,211.47 per patient for the three-month test period, the new mover mailing accounted for a lift in revenue of \$236,236.65. Based on program costs of \$17,474.94, the corresponding ROI for this time period is 13:1.



Plans

Given the ongoing success of the program, the client is continuing the program and hopes to expand it to include some regional facilities. In addition, a TouchPoint Database is facilitating relationship-building efforts across all touchpoints and media channels.

As a result of a successful new mover program as well as a multi-media cardiac promotion, similar campaigns for other key product lines are currently in the planning phase.

*This study is not intended for general distribution beyond your organization.
Creative Marketing Programs considers this proprietary information.*

*For more information, please contact us.
Creative Marketing Programs
412 Oak Street, Kansas City, MO 64106
(800) 373-6843*