

# The Five Components of Successful Referral Management

*After seven years in referral management and having processed over 1.5 million referrals for over 850,000 patients, our core belief stands: While technology is a necessary prerequisite to successful referral management, the implementation process and the people involved in creating organizational change are equally as important.*

Referrals are a critical moment in a patient's journey with significant implications for providers, patients, and payers. However, many referrals are not sent "successfully," i.e. to a provider that meets the patients needs, within the time frame the patient needs it.

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."<sup>1</sup> 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.

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 organization. Providers can also use referrals to connect to a broader network across multiple electronic medical record systems (EMRs).

For patients, a referral is an important 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 their insurance or can see them when needed.

Payers know that each primary care provider (PCP) determines, 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 hospitalizations<sup>2</sup>. Payers are motivated to ensure that patients receive the highest-quality, lowest-cost care that meets the patient's clinical needs.

## REFERRAL FACTS BY THE NUMBERS

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ONLY ABOUT 50% OF  
REFERRALS RESULT IN A  
COMPLETED APPOINTMENT

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LESS THAN 25% OF  
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COMPLETED AS INTENDED  
BY THE REFERRING  
PROVIDER

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OF THE \$10M IN ANNUAL  
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OTHER MEDICAL TESTING,  
INVASIVE PROCEDURES, &  
HOSPITALIZATIONS

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A WELL-IMPLEMENTED  
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In order to have successful referrals, payers understand that it matters where you refer, how you refer, and whether the process is simple and scalable.

The purpose of this paper is to present the five components of successful referral management, gathered over seven years and over 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 just as important as the selected referral platform.

These five components are:

- Integrating referral management into the existing clinical workflow
- Maintaining an accurate and up-to-date provider directory
- Engaging patients throughout the referral process
- Analyzing referral metrics to improve outcomes
- Engaging key players and influencers

## Component 1: Integrating Referral Management Into the Clinical Workflow

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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. Often, there is a centralized referral center or access center that also manages referrals. In order for PCPs to adopt a referral management platform, clinical integration is required.

An ideal EMR integration has three components: a trigger, easy assimilation into the existing workflow, and data integration. A trigger is something that is “wired” into the EMR and automatically initiates the referral process within the referral management system. This is usually a HL7 or Direct message coming from the referral order in the EMR, but can also be part of an API integration. Secondly,

easy assimilation into an existing workflow matters because user adoption and satisfaction drops dramatically if successful use requires multiple sign-ons and/or manual duplication of patient and appointment information. Ideally, the provider should not need to change his or her existing workflow. Finally, the referral system should be able to read information such as insurance plan, ICD-10, and lab results from the EMR, as well as receive and deliver files 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.

While EMR integration is ideal, in some cases it is not possible or practical to integrate, especially in situations in which the health system has many independent provider groups on many different EMRs. In this scenario, a referral management platform can still be beneficial if there is an access center focused on referral management, and if there are features built into the platform to import patient and provider data to reduce the need for double entry.

## Component 2: Maintaining an Accurate and Up-to-Date Provider Directory

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Keeping provider data up-to-date is a challenge that almost every health system faces. This task is critical for effective referral management in particular because if the underlying data is not correct, referrals can be sent to the wrong providers at the wrong locations. For example, if a provider is shown as practicing at three different office locations, but he/she in fact practices at one, a patient can be referred to the wrong office. In addition, slight differences in provider names or office locations (St. versus Suite, for example) can cause duplications in provider data. Finally, accurate data reflecting which insurance a provider accepts can vary wildly by source, making it difficult to determine where to refer a patient.

Provider data can come from multiple sources: online directories, the EMR, a CRM system, or a credentialing system. A referral management system must be able to combine data across sources, reconcile it, deduplicate, and create a "single source of truth." Then, on an ongoing basis, the platform needs to enable this data to be managed -- and this is the key -- in a decentralized way by the office manager who knows his or her office best.

Enabling this kind of editing, while it may seem simple, is actually very complex. Some pieces of information are at the provider level, some are at the office level, and some apply only to the provider at a specific office location. The functionality needs to allow these data to be edited for all entities associated with that particular piece of information. For instance, if an office manager wants to change the fax number listed at his/her office, the referral platform needs to update the fax number for all provider profiles associated with that office. The office manager also needs to be able to edit and update insurance information for their providers at the office level, because the insurances that providers accept can vary by office; Dr. Smith might accept Aetna at one location, but not another.

## Component 3: Engaging Patients Throughout the Referral Process

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As mentioned earlier, a 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 concierge-level patient care. By implementing strategies to ensure patients have clear expectations and visibility into their care transitions, patients gain peace of mind knowing that the responsibility to continued care is now shared between the patient and the provider's offices, eliminating one of the barriers that can deter patients from attending recommended specialist appointments.

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 cancellations can increase patient access by increasing 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.

## Component 4: Analyzing Referral Metrics To Improve Outcomes

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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. This 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.

## Component 5: Engaging Key Players and Influencers

It is almost a cliché that one needs organizational alignment to drive outcomes in health care systems. 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, changes to the referral process are 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

### How Referral Analytics Can Improve Outcomes

Across 41,349 appointments, calling a patient within 4 business hours resulted in an 84% chance that an appointment was scheduled.

Calling within 2.5 business days resulted in a 79% chance that an appointment was scheduled.

The 5% difference equates to a potential increase of 2,067 scheduled referral appointments.

and regular monitoring in order to have a successful implementation.

## Is A Referral Management Solution Worth It?

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

1. Barnett M, Sirui S, Landon B. Trends in Physician Referrals in the United States. Arch Intern Med. 2012; 172(2): 163-170. doi:10.1001/archinternmed.2011.722.
2. Mostashari F, Sanghavi D, McClellan M. Health Reform and Physician-Led Accountable Care: The Paradox of Primary Care Physician Leadership. JAMA. 2014; 311(18): 1855-1856. doi:10.1001/jama.2014.4086.

### ABOUT PAR80

Boston-based par80 is among the largest referral management providers in the country, coordinating care for thousands of patients each year on behalf of health systems, employer networks and payers. Our solution is designed to optimize not only the referral process and care transition, but patient access to care, care coordination, and interoffice communication, with the ultimate goal of ensuring patients are never lost to follow up after a referral has been made.

With par80, decision support including network participation, plan design, provider clinical preferences, and appointment availability is visible to referring providers and staff right at the point of referral.

par80 integrates with any EMR so that your referral workflow remains seamless and managing your provider network and patient referrals becomes a standardized process across your enterprise, making us an ideal solution for a variety of healthcare systems, from large hospital systems to ACOs and CINs with both employed and independent offices.

***Schedule an intro call to learn how par80 can assist your organization.***

Contact [sales@par80.com](mailto:sales@par80.com).