

The Healthcare Challenge— What Marketers Should Know

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Agenda

- The issue and landscape
- Developing the Value Proposition
- Connecting the Value Proposition
- Translating the Value Proposition
- Implementing the Value Proposition
- Additional resources

We Have Heard the Stories

- *Rhode Island Hospital Fined for Fifth Surgery Error in Two Years*
- *Wrong Baby, Search for Parents*
- *My Mother Went in for a New Hip, and Never Came Home*

28 'Never' Events¹

Surgical Events

- Surgery on wrong body part
- Surgery on wrong patient
- Wrong surgery on a patient
- Foreign object left in patient after surgery
- Post-operative death in normal health patient
- Implantation of wrong egg

Product or Device Events

- Death/disability associated with use of contaminated drugs
- Death/disability associated with use of device other than as intended
- Death/disability associated with intravascular air embolism

Patient Protection Events

- Infant discharged to wrong person
- Death/disability due to patient elopement
- Patient suicide or attempted suicide resulting in disability

Care Management Events

- Death/disability associated with medication error
- Death/disability associated with incompatible blood
- Maternal death/disability with low risk delivery
- Death/disability associated with hypoglycemia
- Death/disability associated with hyperbilirubinemia in neonates
- Stage 3 or 4 pressure ulcers after admission
- Death/disability due to spinal manipulative therapy

Environment Events

- Death/disability associated with electric shock
- Incident due to wrong oxygen or other gas
- Death/disability associated with a burn incurred within facility
- Death/disability associated with a fall within facility
- Death/disability associated with use of restraints within facility

Criminal Events

- Impersonating a health care provider (*i.e.*, physician, nurse)
- Abduction of a patient
- Sexual assault of a patient within or on facility grounds
- Death/disability resulting from physical assault within or on facility grounds

NQF Serious Reportable Adverse Events

Hospital CEO Concerns

Patient safety and quality ranks second behind financial challenges²

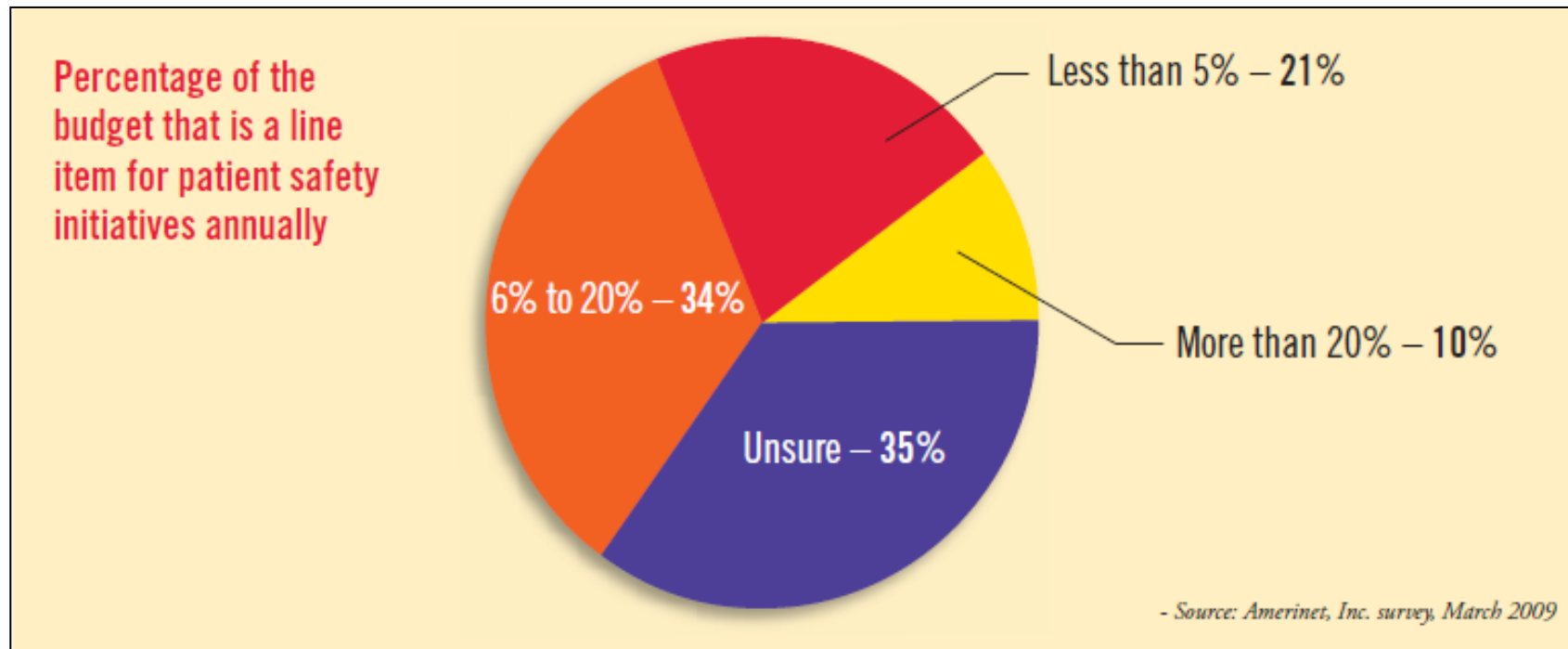
Issue	2008	2007	2006
Financial challenges	77%	70%	72%
Patient safety and quality ¹	43%	NA	NA
Care for the uninsured	41%	38%	37%
Physician-hospital relations	32%	35%	40%
Personnel shortages	30%	30%	30%
Governmental mandates	26%	22%	23%
Patient satisfaction	22%	17%	16%
Capacity	16%	11%	11%
Technology	9%	8%	8%
Issues about not-for-profit status	2%	4%	3%
Malpractice insurance	2%	2%	3%
Disaster preparedness ²	1%	1%	1%
Patient safety	NA	29%	27%
Quality	NA	33%	29%

Patient Safety and Quality Specific Concerns²

- Redesigning care processes 66%
- Redesigning work environment 66%
- Compliance with accred. orgs. 60%
- Medication errors 57%
- Nosocomial infections 47%
- Nonpayment for “never events” 43%
- Pay for performance 41%
- Leapfrog demands 40%
- Public reporting of outcomes data 40%
- Surgical mistakes 24%
- Other 7%

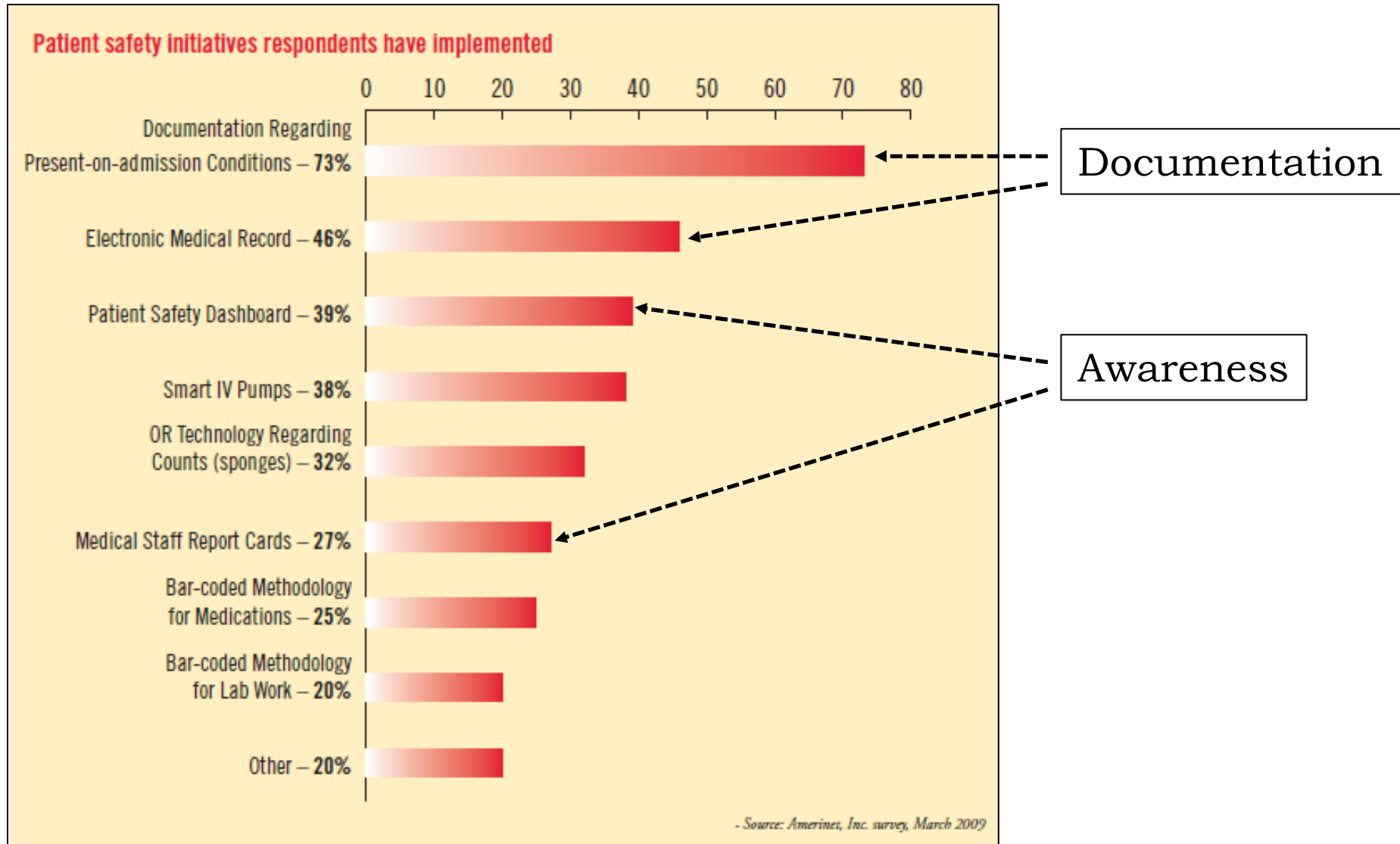
²American College of Healthcare Executives, 2008 survey, www.ache.org

Hospitals are funding patient safety initiatives³



³Quality and Patient Safety: A Sharper Focus; Amerinet Executive Briefing, May 2009; http://www.amerinet-gpo1.com/anetpub/uploads/2009_Executive_Briefing_QualityDrKaplan.pdf

Where is the money going?³



³Quality and Patient Safety: A Sharper Focus; Amerinet Executive Briefing, May 2009; http://www.amerinet-gpo1.com/anetpub/uploads/2009_Executive_Briefing_QualityDrKaplan.pdf

HOW DO YOU GAIN THE COMPETITIVE ADVANTAGE?

**And your share of the
patient safety expenditures?**

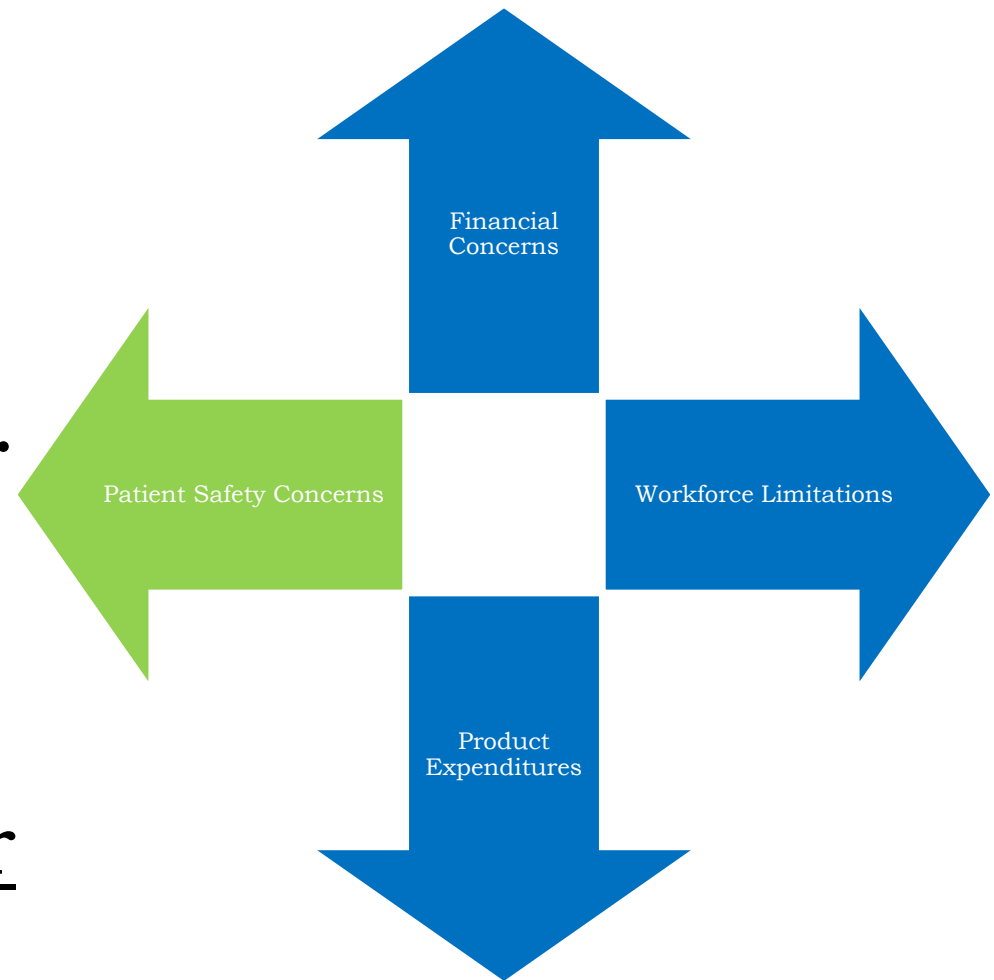
Multiple Stakeholders

- Clinical Buyers
 - Nursing
 - Physicians
 - Infection Control
- Gating Resources
 - Risk Management
 - Facilities Management
- Economic Buyers

Healthcare Provider Challenges

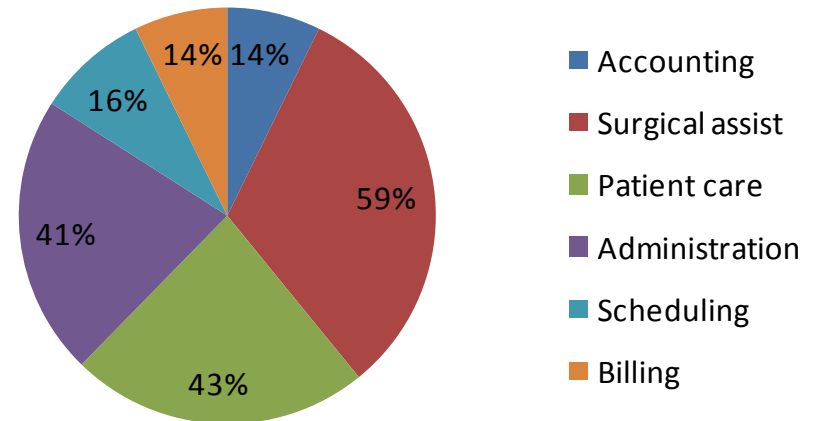
Patient Safety is a major concern for providers; however, it is certainly not their only challenge.

How do their challenges impact the adoption of your products?

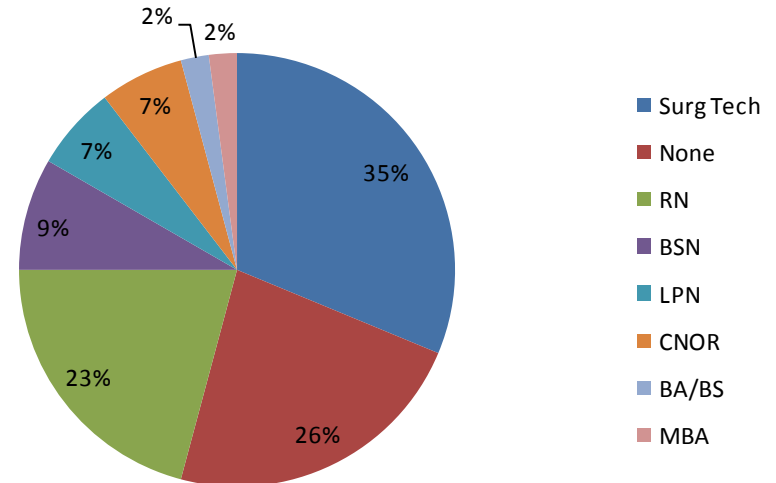


ASC Roles

- Of the survey participants, 37 order supplies as a secondary role, ordering is the primary role for 6 participants

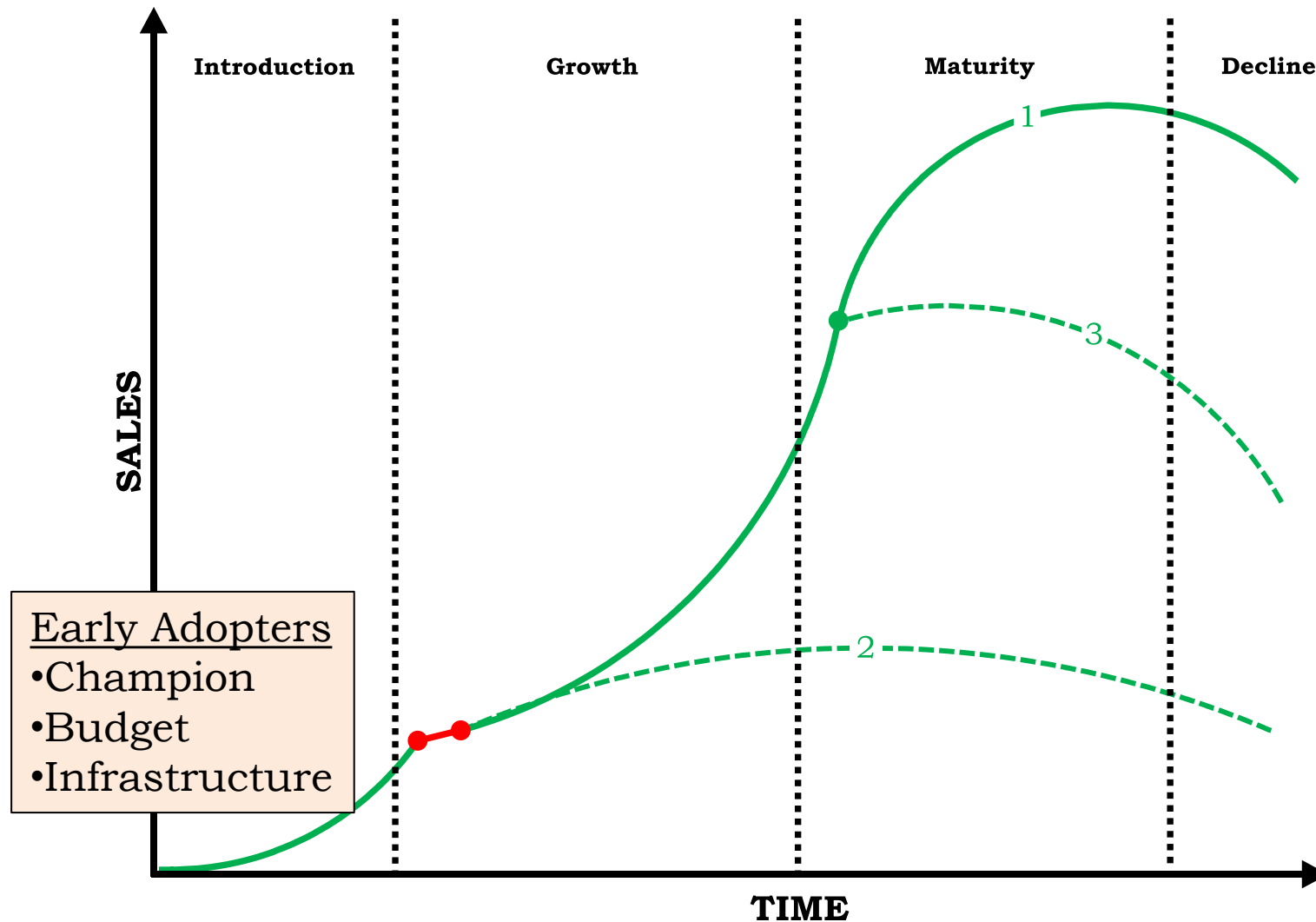


- The majority of those ordering the products have a clinical degree or certification



Maloy Group Survey of Product Perceptions in the ASC, October 2009

Critical Points in your Product Lifecycle



Product #1 – The Boppy® HC

- Protecting the smallest patients
- Feeding Success
- Maternal Bonding

What is the impact?

We're expecting!



A new addition to
The Boppy Family is due
June 28, 2009

The Boppy® HC Pillow

Our newest family member has been specifically designed for the healthcare setting, addressing healthcare infection control issues. It is wipeable, durable and comfortable for both mom and baby.



Please stop by at our booth #1107 at AWHONN in San Diego on June 28th to visit with our newborn product!

Go to www.boppy.com/healthcare for more information.

*Announcing
the newest
addition to the
Boppy Family.*


Introduced to the world on
June 28th, 2009 at AWHONN.

Please stop by our booth #1107 to meet
The Boppy® HC Pillow
Reverse baby shower at our booth on June 28th!
Shower activities include:

- First 50 people to complete a 3-question survey receive a coupon for a free Boppy HC Pillow
- Next 50 people to complete the survey receive a purchase coupon. Buy 2 cases of disposable gloves, get a Boppy HC Pillow free!
- Everyone completing the survey will be included in a drawing where one lucky winner will receive two Boppy HC Pillows for their hospital (one/practice) (limit 20 pillows)
- Save this postcard and bring it by our booth #1107



Go to www.boppy.com/healthcare for more information and a list of medical distributors for the Boppy HC Pillow




*First photos
of our newest
addition to the
Boppy Family.*

The Boppy® HC Pillow

Baby is doing well,
and has been accepted at leading
medical centers across the country.

All those who came to see our
newest addition at AWHONN
are raving about its durability, comfort
and infection control features.
They say it helps moms and babies
bond right from the start!



To order directly and for a list of distributors
go to www.boppy.com/healthcare

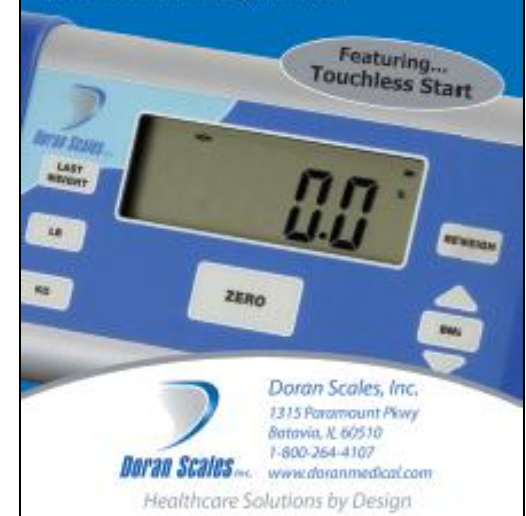
Find the Connection

Influenza Viruses
Live up to
48 Hours Outside
the Body.

Think about that the next time you're touching your medical scale to turn it on or adjusting the weights. You won't have to give it a thought if you are using a Doran Medical Scale with the **Touchless Start** feature.

Years before the current H1N1 flu pandemic began, our engineers created a line of accurate, digital medical scales with specific needs of the healthcare staff in mind. The **Touchless Start** feature, found on all of our medical scales, was created to power on the scale to prevent possible cross-contamination and reduce the time spent weighing patients.

The **Touchless Start** feature means that a patient's weight can be acquired in as little as two seconds - without pressing a power button or moving a weight. Once the patient steps off the scale, it's immediately ready for the next patient. Quick, accurate, **and germ-free**.



Develop the Value Proposition

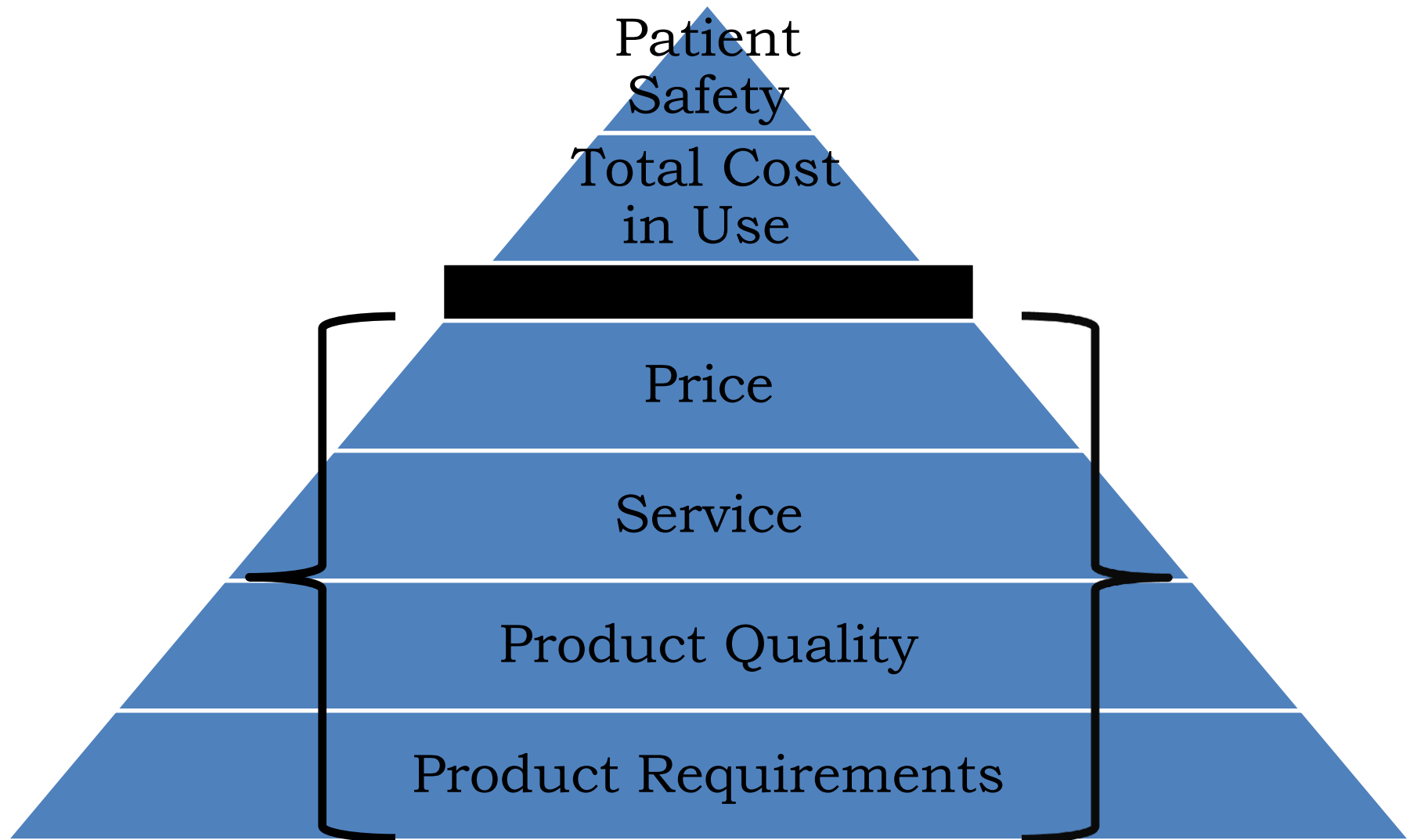
- Define what your product accomplishes in terms of Patient Safety
 - Our X protects patients by ...
 - Our Y prevents infections ...
- Target your messaging to the provider, and their needs
- Quantify the benefits – address the economic factors which point to the adoption of your solution

Two Very Different Value Propositions

Our product enhances patient safety by reducing the infection rates by X%.

By reducing infection rates by X%, our product reduces nosocomial infections and saves the average hospital \$Y annually for every 500 surgical procedures.

Moving Up the Value Pyramid



“Everything has become a spreadsheet sale.”

- Field Representative, major healthcare supplier

Your solution must make sense financially

- Budget neutral, or
- Savings in cost of use, or
- Savings based on clinical outcomes

Economic Model

- Inputs should be standard measures
 - Admissions, procedures, APD
 - Infection rates
 - Re-admission rates
- Output should include savings and quality improvements
 - Total savings, Net savings (less cost of product)
 - Savings per X (procedures, APD)
 - Reduction of Y%
 - Elimination of Z days of uncompensated care
- Model should have baseline data from other facilities
 - Validation
 - Standard factor
- Model should be user-friendly for all user

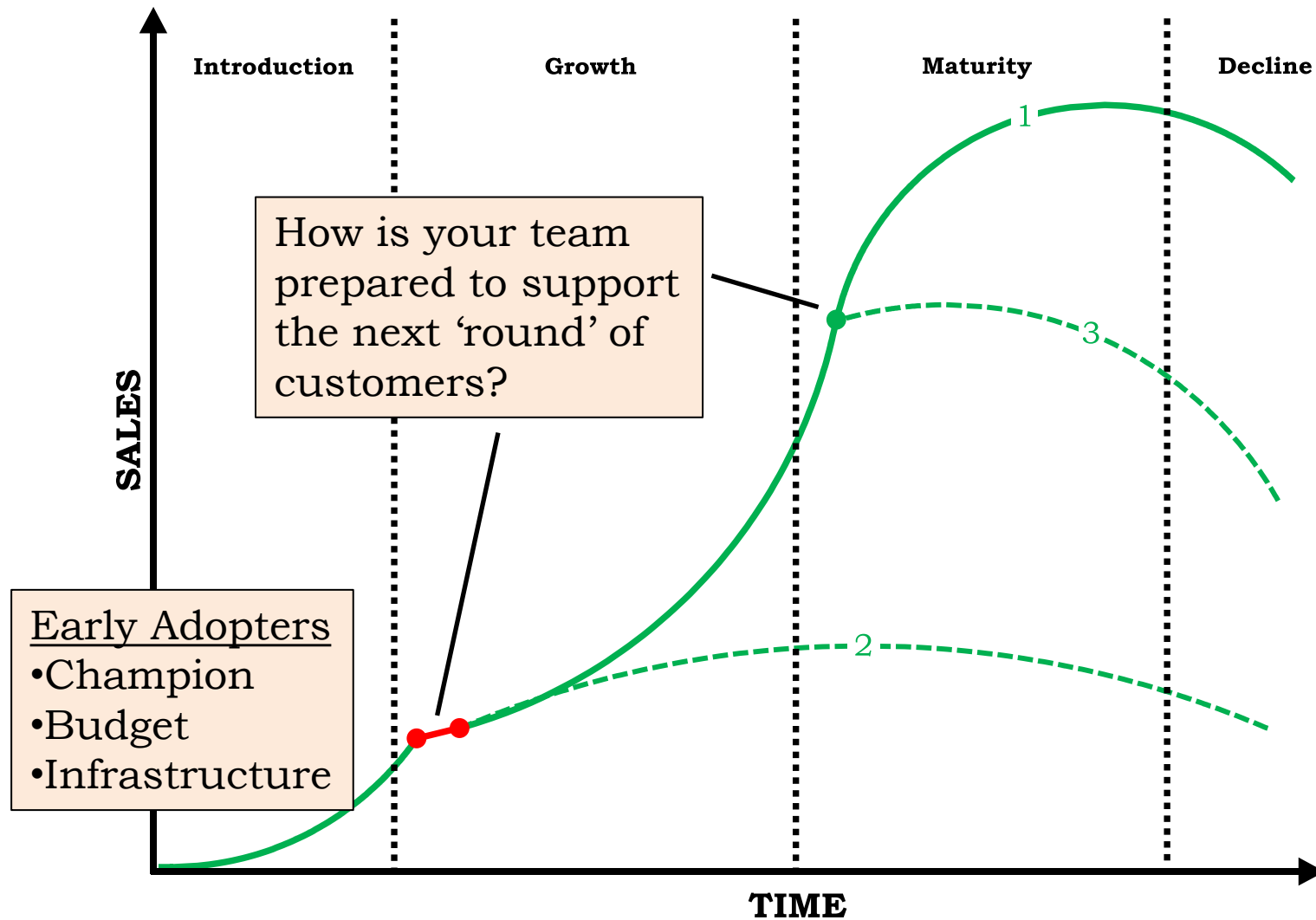
Connect the Value Proposition (seed the market)

- Find the appropriate organizations
 - Clinical (i.e. AORN, APIC, etc.)
 - Providers (i.e. AHA)
 - ‘Issue based’ (i.e. EpiNet)
 - Group Purchasing Organizations
- Connect to their initiatives
- Support their organization
- Support their initiatives
- Connect to their leaders

Translate the Value Proposition (engage locally)

- Market your product and solutions to the various stakeholders (clinical and administrative) at the provider level
 - Raise awareness
 - Generate interest
 - Identify your champions
- Connect to organizations
- Connect to individuals
- Identify thought leaders

Critical Points in your Product Lifecycle



Implement the Value Proposition

- Provide tools to support the internal sales efforts of the customer champion
 - Economic models
 - Clear outline of implementation support and training
 - Customer success stories, clinical data, etc.
- Develop the tools to facilitate your customers' implementation of your solutions
 - Training tools
 - Pre-packaged implementation kits
 - Online training
 - Reporting tools
 - Monitoring tools
- Align your resources to support the customer
 - Economic 'seller'
 - Clinical support

Support Tools⁴

The screenshot displays the Sandel Medical Industries website. At the top left is the Sandel logo with the tagline "Leaders in Healthcare Safety". To the right is the slogan "Safety. Savings. Sandel." written in a purple marker. A navigation bar contains links for HOME, COMPANY, NEWS & EVENTS, PRODUCTS, HOW TO ORDER, SUBMIT IDEAS, and SAMPLES & LITERATURE. Below this is a purple button labeled "TIME OUT® PRODUCTS". The main content area is divided into a grid of product categories: "No-Roll" Skin Markers, Time Out® Sleeve, Time Out® Hood, and Time Out® Beacon. Each category includes an image of the product. To the right of the grid is a "Problem" section (Wrong-site surgery) and a "Solution" section (Sandel Medical Industries' Time Out® Products). Below these are four orange buttons: "Contact a Sales Representative", "Request Samples", "View Product Literature", and "Watch a Demonstration Video". The video thumbnail shows a "Sandel Skin Marker" being used on a patient's skin.

⁴ <http://www.sandelmedical.com/time-out-products.asp>

Are you ready to PARTNER?

- ✓ Demonstrate how the product satisfies the customer's patient safety goals
- ✓ Share economic models to understand the impact of the change
- ✓ Engage in planning dialogue
- ✓ Provide resources to support implementation

? Share risk with customers

Top 10 things every marketer needs to know about marketing to medical practices:

1. Know the issues
2. Understand that relationships matter
3. Pay attention to declining service reimbursement
4. Don't be overwhelmed by technology solutions
5. Reporting on quality initiatives can position the practice to improve reimbursement
6. Look for efficiencies to reduce operating costs
7. Make transitions to your products/services easy
8. Understand that practices have multiple decision makers to sell to
9. Reduce risk in decision making to close the sale
10. Improve profitability and win the deal

Source: MGMA, The Medical Practice of the Future: Competitively position your products and services

Product #2 – PROTECTIV*

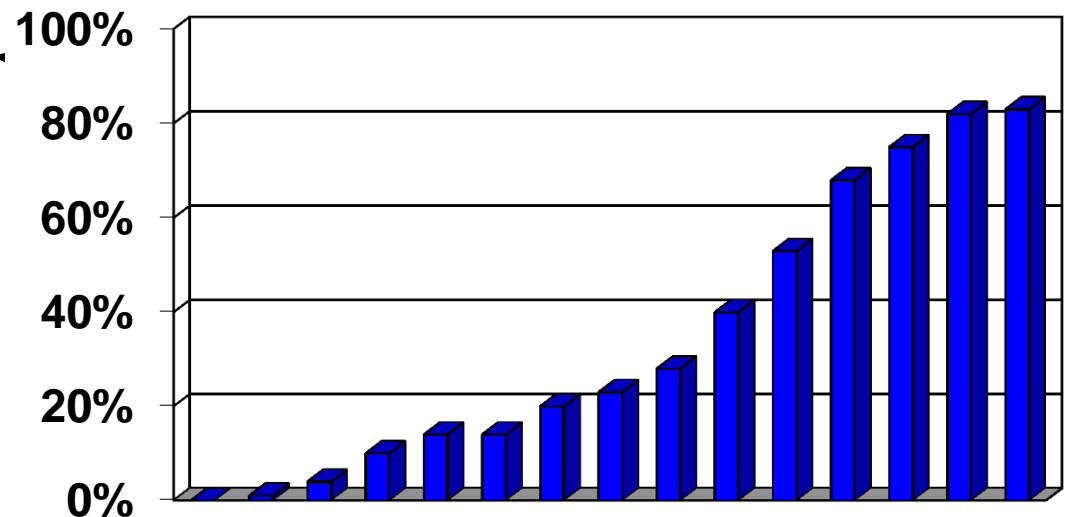
- Introduced in 1988
- First Safety IV Catheter
- Designed to protect patient and caregiver from accidental needle sticks



Past Successes

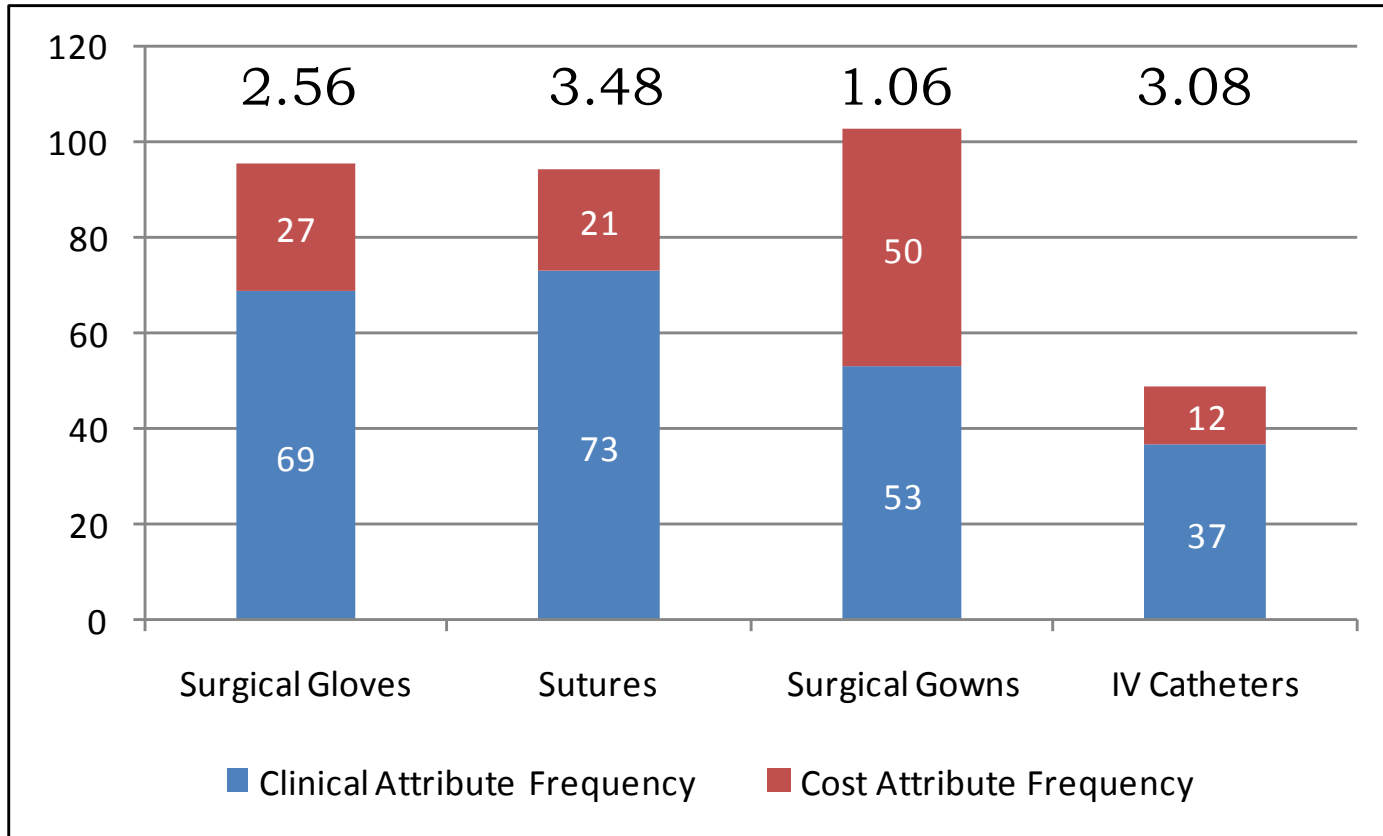
- Silver coated urological catheter
 - UTI reduction guarantee
- BIOPATCH®
 - Clinical studies
- Safety IV Catheter
 - Slow adoption
 - Legislation

Safety Catheter Adoption
1990-2004 (2000-4 proj.)



Clinical vs. Cost

Ratio of Clinical to Cost Attribute mentions



Cost Attributes:

- Price
- Value
- GPO Contract

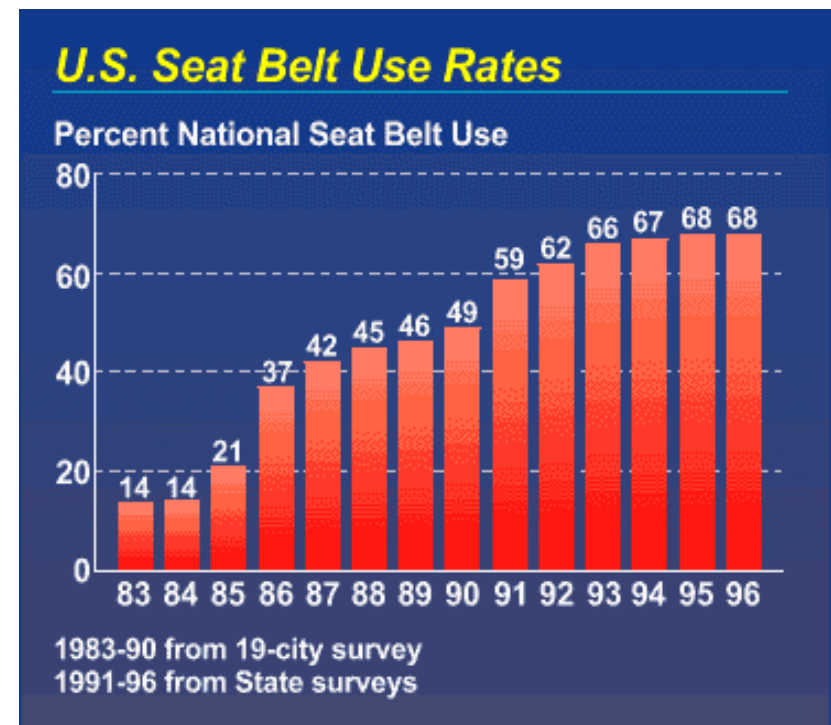
Clinical Attributes:

- Surgeon Preference
- Quality
- Clinical Preference

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Recognize the Challenge

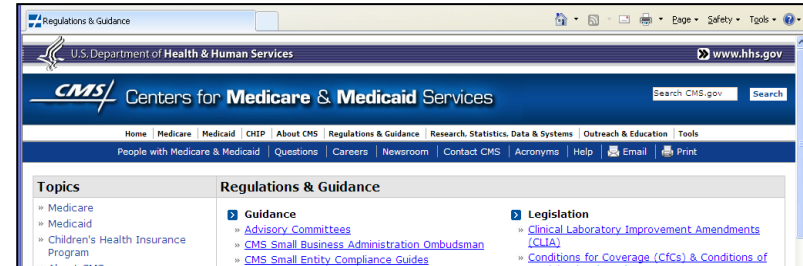
- Seatbelt usage has grown as awareness and penalties have grown.
- Despite this, approx. 20% of US drivers still do not buckle up.



Additional Resources

- Government:
 - CMS, HHS, etc.
- Organizations:
 - JCAHO, APIC, SHEA, etc.
 - List of organizations:

[http://www.firestone-callahan.com/image/Professional Organization Patient Safety Initiatives.pdf](http://www.firestone-callahan.com/image/Professional_Organization_Patient_Safety_Initiatives.pdf)



QUESTIONS?

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