Hospitals across the country are putting poor-paying health plans on notice. Either raise reimbursement rates or risk having the contract canceled, thus forcing enrollees to switch doctors and hospitals.

Although much of a hospital's ability to secure favorable contracts lies in organizational strength, demographics, competition, and cost of care, another significant factor plays a key role in contract success—strong relationships between health care organizations and local employers.

Just ask NorthEast Medical Center in Concord, NC. Last year, when it placed a major health plan on notice that its contract would end if the insurer didn't raise reimbursement rates to reflect the hospital's rising health care costs, a great deal of support for NorthEast came from both the chamber of commerce and local employers. Businesses of all sizes—ranging from large manufacturers to mom-and-pop stores—worked with the hospital to explain the situation to their workers. Some employers even pushed up open enrollment dates so that their employees could have the option of choosing another health plan to avoid potential interruption of coverage, choice of hospital, or personal physician.

Although the health plan and medical center eventually agreed on a new contract, it was NorthEast's long-term relationship with employers that helped ensure a successful outcome.

“Throughout our hospital's 63-year history, we have always considered all our employers part of the NorthEast family,” explains Carol Lovin, vice president for strategic planning and market development. “Our business liaison and other members of our management team continually meet with employers to identify their health care needs and then offer programs such as on-site health fairs, education, screenings, and other services to ensure that we create a healthier community.”

Cultivating Beneficial Relationships

Health care organizations have relationships of varying levels of effectiveness with local employers. To improve these relationships, I suggest devising a strategy that focuses on a comprehensive, coordinated, and focused effort to better bond health care entities and area businesses. Initial activities can include research, service coordination, board member involvement, advisory councils, increased visibility, seminars, and creative ideas. Where should you begin? Here are some specific strategies that I’ve implemented with hospitals throughout the country.

Research

To determine the quality of relationships your hospital has with area employers, conduct thorough research.

- Survey employers. Create an employer database that details the employers’ services, size, locations, worker demographics, open enrollment dates, financial data, provider relationships, health and benefit plans, officers, decision makers, and program contracts.
- Determine employer satisfaction with area health services. Query employers to ascertain use of and satisfaction with providers, unmet needs, willingness to further use programs and services, and physicians.
- Use the data gathered to determine services that best fit employer needs—such as executive and/or worker physicals and screenings, worker’s comp, or workplace education.
- Conduct research among brokers and insurance consultants. Create a database of this important group. Although some experts had believed managed care would eliminate the need for these professionals, their role in helping employers determine appropriate health plans remains critical to your selection as a preferred provider.

Service Coordination

To avoid duplication of effort and to better strategize, make sure to coordinate your services across organizational lines.

- Identify all your managers and employees who have contact with area businesses. You will be surprised to learn just how many have business relationships with executive management, laboratory, imaging, public relations, fund development, occupational health, critical care, educa-
tion, behavioral health, obstetrics, risk management, ambulatory, and physician services.

- To avoid overlap, embarrassment, and multiple uncoordinated visits to employers, develop a “sales” committee that brings these individuals together on a regular basis. During the meetings, share employer experiences with each other, add the information to the database, create a common sales form to complete after each visit, and develop a plan that formalizes and centralizes cross-selling of all programs and services.

Get Board Members Involved Board members are valuable contributors who are often underutilized.

- Arrange meetings with employer executives, your board, and staff to discuss issues of concern, areas for collaboration, potential partnerships, and enhanced relationships. Determine ongoing opportunities.
- Invite board members to participate in managed care discussions with payers, insurers, and contractors.
- Ask board members to invite employer opinion-shapers to their homes for informal gatherings and discussions. Also ask board members to schedule meetings with key stakeholders within the companies they and/or their family members represent.
- Identify spouses of volunteers, management, and physicians who may also assist in these efforts.

Form Employer Advisory Councils Create small and large employer advisory councils. Have groups meet separately on a regular basis (with joint meetings, as appropriate) to address issues of interest and concern and to help your organization identify gaps in health care offerings.

Increase Visibility in Employer Organizations Your organization’s presence in the community can strengthen ties to area employers.

- Ensure that your organization is represented on the board of the local chamber of commerce and its key committees.
- Survey managers to identify their involvement with employers and other community organizations.
- Ask managers to join, participate on committees and boards, and be active members of key business groups.
- Add information gained from these activities to enhance the employer database.

Conduct Seminars Seminars can be a powerful tool for disseminating your message.

- Invite key employer representatives (benefits managers, human resource directors, financial executives, salespeople) to regularly scheduled educational gatherings. Host a speaker that will draw the biggest numbers.
- Ask the local chamber of commerce and other business associations to cosponsor some or all of the programs.
- Use the programs as a marketing and promotional opportunity to showcase your programs and services, quality initiatives, and other offerings of interest to employers and their employees. Be Creative Strive to reach as many other organizations as possible with a variety of methods.
- Ask to speak at employer orientation programs. Give an overview of health care in the community, offer a list of primary care physicians, share your web address, provide materials on classes and screenings, and ask if employers wish to be included on your mailing list or e-mail transmissions to receive further information.
- Welcome corporate philanthropy to your not-for-profit organization. Consider devising a program that “thanks” employers for their corporate giving by providing wellness and other health promotion screenings and classes at their worksites.
- Consider a quick conversion of your occupational health and worker’s compensation programs into safe, secured e-businesses. Employers want speedy information on their employees’ health status.
- Expand the parish nurse role to include visits to employers for screenings.
- Identify young community leaders for a “health care residency.” During the residency, participants can “rotate” through different areas of the hospital, home health, ambulatory sites, and physicians’ offices.
- Collaborate with unions and employee activity committees at local businesses.
- Offer to provide health articles and healthy living tips to employer newsletters or to write a health column.
- Link your web site to employers’ web sites as a place to gather credible health and medical information.
- Offer to conduct a benefits audit for local employers. During the audit, a member of your finance department, managed care team, or physical therapy department can share tips for reducing benefit costs.

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