



A B O U T TM

Patient Leakage & Keepage Report 2021-22

State of the Industry

ABOUT THE REPORT

ABOUT commissioned an independent market research firm in October 2021 to survey a random sample of double-verified health system executives about patient leakage and care access.

All 138 survey respondents hold executive-level positions—C-level through director—at U.S. regional and community health systems and hospitals and are responsible for patient care, hospital administration, finance or operations. Margin of error was +/- 8.5% at the 95% confidence level.

Survey questions delved into many areas of patient leakage, defined as when a patient leaves a health system's network of care, as opposed to "keepage," which is when the patient remains. Questions explored whether leakage is an organizational priority; whether it has become more important due to the pandemic; and the amount of revenue executives estimate is lost due to patients leaving the system, among many others.

All told, 65% of health system leaders say patient leakage blocks them from reaching their financial goals; 27% say they believe patient leakage has increased since the pandemic began, but they can't fully measure it.

These results indicate that the time is now to implement better access and orchestration technology, processes, and clinical and operational consultants to improve navigation and address this issue, especially given the financial crisis hospitals and health systems are facing amid the pandemic. Results also show that among health systems that are addressing patient leakage, many are experiencing significant financial ROI in terms of additional revenue and reduced losses in as little as a year.

Executives represented health systems or hospitals with the following number of beds:

Hospital sizes, by beds

1 to 100	7%
101 to 250	21%
251 to 500	25%
501 to 1,500	25%
1,500 and greater	22%

EXECUTIVE SUMMARY

Healthcare access has been a challenge for decades. In that time, patients have faced issues such as overcrowded emergency rooms, narrow provider networks, and waiting months to see a physician specialist or for a procedure. COVID-19, however, brought care access—and lack thereof—into stark focus. Consumers—and likely quite a few health system leaders—were reminded in devastating terms of the life-saving importance of prompt, efficient access to hospital care.

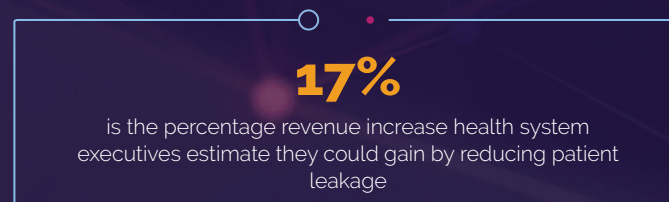
In August 2021, for example, an unheard of 77% of the nation's intensive care units were occupied by patients thanks in part to the delta variant of the coronavirus. This was more than a year after similar reports of hospitals across the U.S. with full ICUs, postponing elective care, and transferring patients to other states with available beds. Now with ever-shifting demand due to COVID-19 variants, healthcare resources once again are stretched to the limit. As a result, ensuring access to care regardless of public health circumstances has become a new mission imperative for health systems.

The second annual "Patient Leakage & Keepage Report: State of the Industry" from ABOUT reflects this new awareness, but also demonstrates an immediate need for health systems to achieve greater visibility and tighter controls over patient care access and orchestration. Expanding their patient navigation capabilities outside of the health system can drive stronger financial performance, but more importantly, improve patient outcomes by more rapidly delivering care in the appropriate setting.

Beyond inpatient settings, the pandemic laid bare for many health systems the importance of holistic, continuum-wide perspectives and data-driven, automated workflows to expedite care access for patients through transportation, faster admissions, and discharges to post-acute care facilities or homes. By optimizing access, health systems can maximize their capacity while protecting patient safety and promoting better outcomes.

Survey results also show that recouping financial losses incurred during the pandemic could be accelerated by remedying these access and orchestration processes and data gaps. This unified, technology-enabled perspective enables organizations to efficiently operate as Real-Time Health Systems as defined by Gartner and connected networks of care regardless of the circumstances within their community, state, or country.

Major findings in this year's report include:



Results also show that when and why patient leakage occurs is unknown for many health systems. Nine out of 10 executives are not highly confident in their visibility into patient leakage and 75% are not sure which service lines have been most impacted. Similarly, 91% are not sure they can calculate the exact costs associated with leakage.

Only by understanding the effects of leakage with quantifiable data can health systems correct this mission-critical problem.

OVERALL, THIS YEAR'S PATIENT LEAKAGE AND KEEPAGE REPORT REVEALS THREE CLEAR THEMES

1

COVID-19 has been a major disruption to health systems' patient leakage and keepage initiatives

2

Progress on reducing leakage has been slow among health systems addressing the issue, but many are noticing improvement

3

Health systems still lack visibility into patient leakage as well as its impact on financial performance

HIGHLIGHTS FROM THE REPORT

77%

of health system administration leaders say that addressing patient leakage is more important as value-based payments have increased in health systems

65%

of health system leaders say patient leakage blocks them from reaching their financial goals

\$31.36

is earned for every dollar health systems spend to reduce patient leakage—as much as \$500 per dollar by one estimate



OTHER INSIGHTS FROM THE PATIENT LEAKAGE & KEEPAGE REPORT

60%

of health systems do not have a definite plan to reduce patient leakage

66%

of specialty center referrals come from outside a health system's emergency departments

45%

of health system leaders say competition from other health systems is one of the top 3 biggest challenges in reducing patient leakage & the most common reason selected among respondents

2X

as many health systems said reducing patient leakage was more important than updating facilities

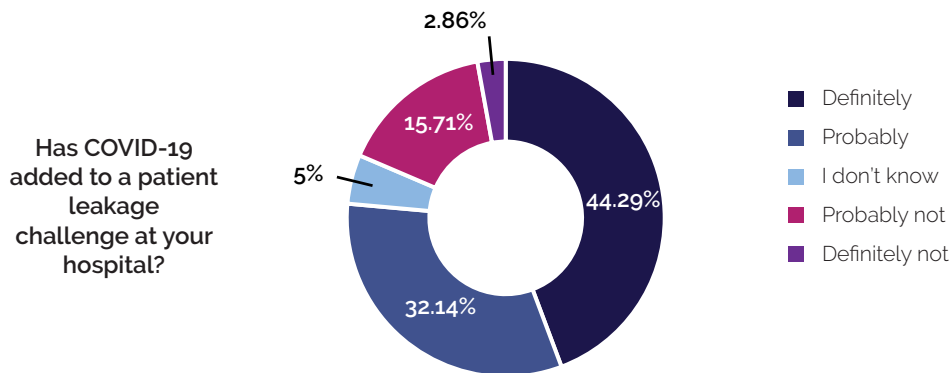
3X

as many health systems said reducing patient leakage was more important than managing changing payment models

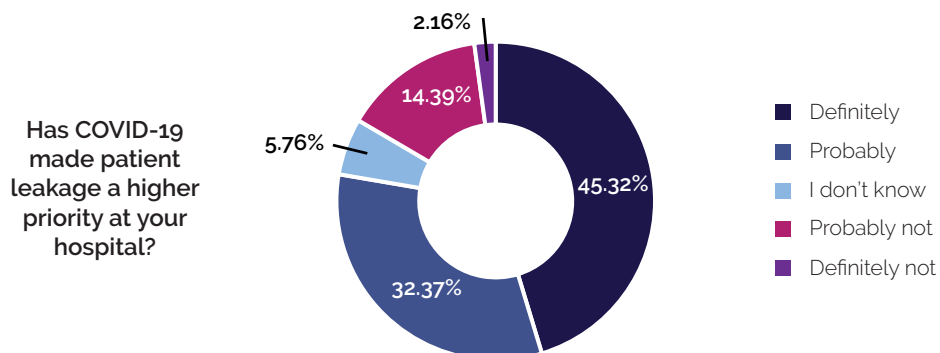
COVID-19 IMPACTED PATIENT LEAKAGE AND HIGHLIGHTED ACCESS CHALLENGES

During COVID-19, intensive care units in many hospitals have been overcapacity, elective care was postponed—and despite lower volume—emergency departments' wait times increased. A public health emergency and its impact on care access is certainly a crisis all hospital leaders prepare for, but the pandemic nonetheless exposed gaps in health systems' ability to orchestrate care for their patients. In greater detail, here is how COVID-19 affected patient care access, leakage and retention, according to survey results.

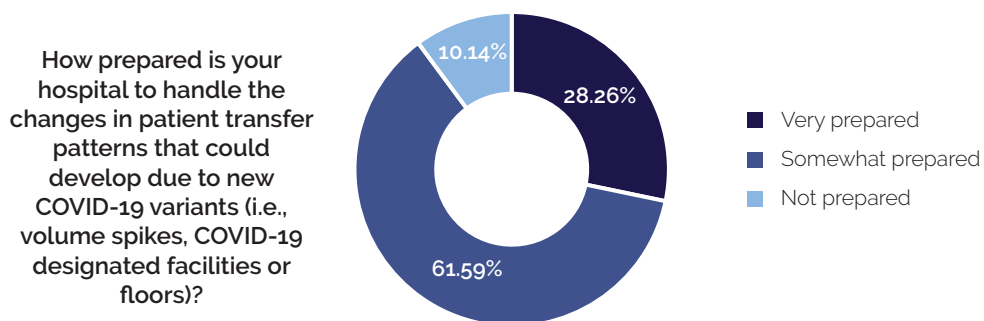
76% of health system leaders say COVID-19 has added to patient leakage challenges



78% of health systems say COVID-19 has made patient leakage a higher priority



Only 28% of health systems are well prepared to handle the changes in patient transfer patterns that could develop due to new COVID-19 variants



Health system leaders cited capacity problems/not enough beds at hospitals (54%) as the top reason why COVID-19 contributed to patient leakage, followed by service line gaps (25%) and competitors making it easier to get access to services (22%).

HEALTH SYSTEMS MAKING SLOW PROGRESS, BUT CHALLENGES REMAIN

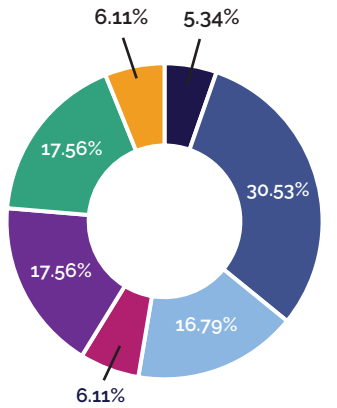
Reducing patient leakage and improving patient retention were priorities for many health systems years before the pandemic. While our report indicates some improvement with this strategic priority, the progress has been slow and is not always noticeable. Health system executives who participated in our survey also indicate that they lack clarity into whether their efforts are delivering ROI.

41% of health systems have been working on reducing patient leakage for at least five years

60% of health systems trying to reduce patient leakage have seen an impact after two years

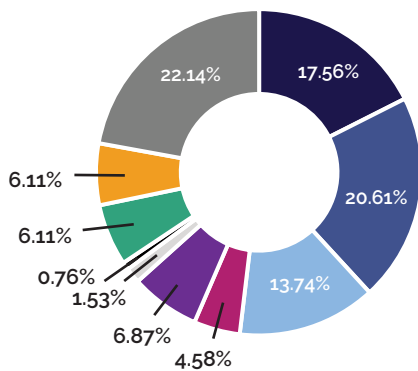
62% of health systems are training their employees on how to keep patients within their healthcare system

For how long has your organization been trying to reduce patient leakage?



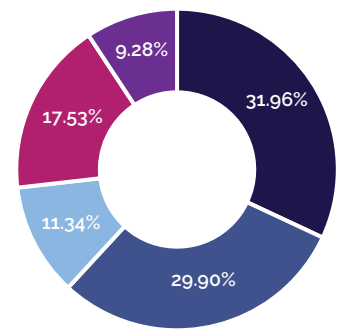
- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
- Over 7 years
- I don't know

When did you start to see a decrease in patient leakage?



- 1 year
- 2 years
- 3 years
- 4 years
- 5 years
- 6 years
- 7 years
- Over 7 years
- I don't know
- We haven't seen a decrease in patient leakage

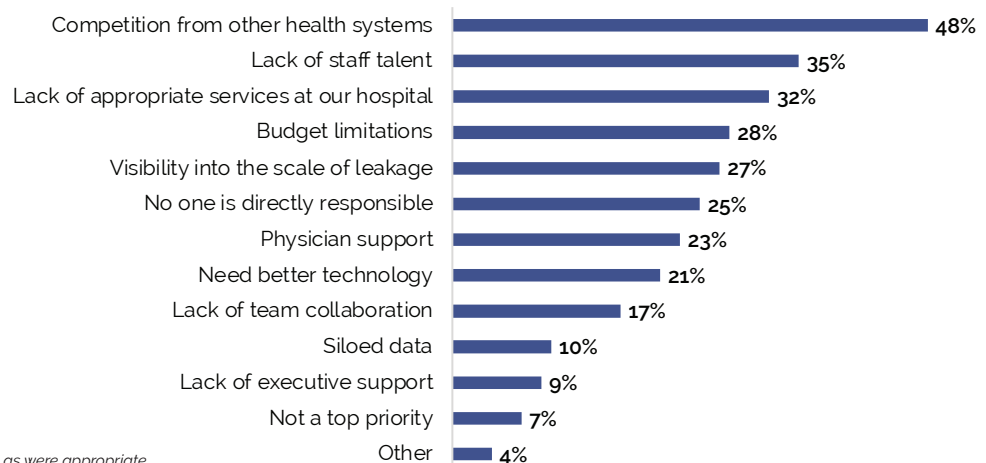
Does your hospital network train employees how to keep patients within the system?



- Definitely
- Probably
- I don't know
- Probably not
- Definitely not

Health system leaders who have been able to reduce patient leakage cite educating and aligning providers (48%), offering an outreach program to referring providers (42%), and adding capacity to the hospital (41%) as the most important improvement factors.

Which were the largest contributors to patient leakage?



*Respondents could select as many challenges as were appropriate

HEALTH SYSTEMS STILL LACK VISIBILITY AND INSIGHT INTO LEAKAGE

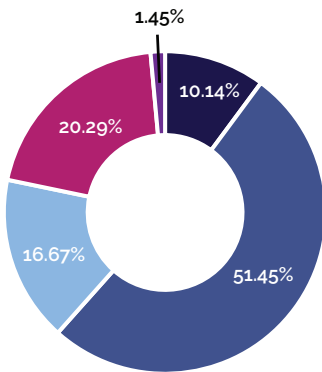
Any type of performance cannot be improved unless it can be measured. However, the vast majority of health system leaders have faced challenges in tracking this metric and are uncertain if their efforts to retain patients within their network have been effective. For example:

90% of health systems are not highly confident in their visibility into leakage

91% of health systems are not sure they can calculate the costs of patient leakage

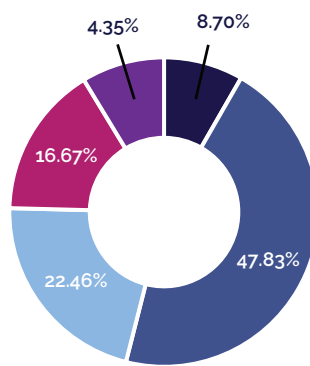
27% of health systems say their patient leakage has increased since the pandemic began, but they can't fully measure it

How confident are you that your organization has visibility into how many patients are leaking from your system?



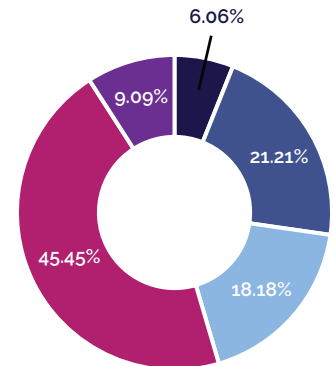
Very confident Unconfident
Confident Very unconfident
I don't know

Is your hospital able to calculate the financial costs of patient leakage?



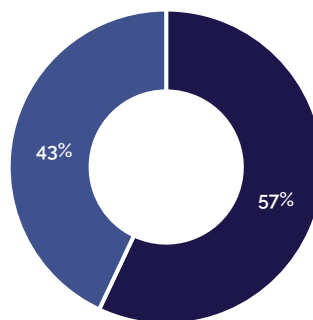
Definitely Probably I don't know Probably not Definitely not

Do you think that patient leakage has increased, but you're not able to fully measure it?



On top of these concerning findings, 50% of health systems are not confident they have the tools to address patient leakage and 75% of health systems are not sure which service lines are most impacted by it. The processes and tools, however, to closely measure and improve patient leakage and retention performance across the enterprise are available and in use at health systems that operate across all types of communities on a national and local level.

Does your hospital use technology to quantify the movement of patients out of their network?



Yes
No

CONCLUSION

Health systems can apply the lessons learned so far from the pandemic to increase patient retention, reduce leakage and improve financial performance. Encouragingly, survey participants that have measured the ROI from preventing leakage have found that for every dollar they spend on improving retention, they receive \$31.36 in return on average—or as much as \$500 per dollar by one leader's estimate. Health systems participating in the survey have recouped \$2.1 million per year on average that is lost every year to leakage, and as much as \$25 million by one leader's estimate.

As these health systems have discovered, reducing patient leakage requires adopting a truly systemic approach to care, connecting the disparate entities within a health system, and uniting them as a cohesive whole. Moreover, high-performing health systems have visibility over the entire patient journey and have seamless collaboration with the other providers across the continuum of care—from physicians at referring hospitals to transportation companies to post-acute care facilities and providers.

By looking holistically outside the hospital walls and implementing the processes and tools to deliver critical information that enable rapid clinical and operational decisions, these providers can operate as real-time health systems in a connected network of care.

Using this strategy enables health systems to identify and root out leakage in their networks. This technology-enabled, patient-centered perspective empowers organizations to grow with resilience, drive clinician effectiveness, and improve patient outcomes—no matter what the future holds.



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- ¹ Reed, Tina. "ICU beds are running out again." *Axios*. August 25, 2021. [See article](#).
- ² Lucero, A, Sokol, K, Hyun, J, et al. Worsening of Emergency Department Length of Stay during the COVID-19 Pandemic. *JACEP Open*. 2021; 2:e12489. [See article](#).

About Us

ABOUT offers a flexible, purpose-built solution that empowers hospitals and health systems to operate as one connected network of care. We enable easy access for clinicians to move patients into and out of the acute care setting—getting them to the next, best care setting faster and easier. Complemented by our clinical experts and best practices, we provide health systems with the necessary controls and insights to grow with resilience, drive clinician effectiveness and improve patient outcomes. For more information, visit www.abouthealthcare.com.



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