



STRATEGIC SELLING TO HOSPITAL CUSTOMERS



As a hospital sales professional, you and your team help secure and sustain access to your products in the acute care setting. And as hospitals begin to think about patient care in new ways, it's important to adapt your selling strategies as needed.

Here is some expert advice on building effective partnerships with your hospital customers.

RECOGNIZE THE FATE OF YOUR PRODUCT MAY BE IN THE HANDS OF FEWER DECISION-MAKERS.

Today, many hospitals are centralizing decision-making on drugs and devices, with pharmacy and therapeutics (P&T) and value analysis committees (VACs) that have a broader reach.

“We’re seeing the move toward centralized decision making, especially around product selection and value analysis on which products are most effective and how to use them,” says L. David Harlow, III, PharmD, assistant vice president for professional services and chief pharmacy officer, Martin Health System.

For example, many hospitals are working to standardize care pathways and the products they include. “This is true even for integrated delivery systems that are contractual in nature, such as high-performance networks,” Harlow says.

Michelle O’Connor, MEd, CMR, president and CEO, CMR Institute, says the continued trend toward centralized decision-making—meaning fewer decision-makers—underscores the importance of targeting your approach to those who are making the decision or are key influencers in that decision.

It is also important to understand the full spectrum of care provided by your customers, from acute care to ambulatory services. “You should consider your products and services that can bring the most value within those networks, because this can vary within each hospital system,” O’Connor says.

SALES IMPLICATIONS

MDs incentivized to use pathways

Fewer decision-makers

Need to position products for OP care

Opportunity to partner on innovation

TRAINING IMPLICATIONS

Need resources on improving access

Training on selling evidence-based medicine

Need to develop team’s business acumen

Training for selling “above the doc”



UNDERSTAND THE IMPACT OF MORE EMPLOYED PHYSICIANS.

Hospital employment of physicians continues at a rapid pace, says Jeffrey Farber, MD, MBA, FACP, CPE, CEO, Mount Sinai Care and senior vice president and chief medical officer for population health, Mount Sinai Health System. “What you have is a new paradigm where the hospital has more ability to control and influence care pathways and care standardization so they can think more about customer centricity, which also helps with their branding,” he says.

O’Connor says physician employment, coupled with the transition to value-based care, could have a significant impact on market access down the road. “To truly impact market access, sales professionals must have a strong understanding of current market forces that are impacting providers and payers, including the move from fee-for-service to value-based models and the implications for the products they offer,” she says.

“Most hospitals are now part of an integrated delivery network, and your team should understand that IDNs now impact treatment decisions through the clinical practice guidelines that they impose on network providers,” O’Connor says. “Physicians are typically incentivized to use these pathways, and the guidelines can vary significantly across geographic areas.”



RECOGNIZE THAT MACRA IS DRIVING MORE PHYSICIANS TO JOIN HOSPITAL'S CLINICALLY INTEGRATED NETWORKS, WHICH COULD AFFECT PRODUCT SELECTION DOWN THE ROAD.

Farber considers MACRA to be the biggest change in reimbursement since Medicare moved to the diagnosis-related group (DRG) system. "There is a tremendous amount of concern in hospitals across the country about MACRA," Farber says.

Under MACRA, physicians could see their Medicare payments swing 9 percent up or down depending on their performance. "To do the reporting required as a solo physician will be next to impossible," Farber says. "We are going to see a lot of physicians who stay independent but join clinically integrated networks, a non-employment model where they can get the support and management services that they will need to remain relevant and viable in this new system."

Farber suggests that you review MACRA's MIPS quality measures for opportunities that may support the use of your products. Performance improvement activities, such as vaccination campaigns, also present an opportunity for partnership.

Harlow agrees. "Many hospital systems are in the process of starting up networks with non-affiliated physicians," he says. "Creating a process for managing their product portfolio is certainly an inherent need, and physicians will be incentivized to have skin in the game in terms of cost containment."



Understand where
your products fit

FOCUS ON POPULATION HEALTH MANAGEMENT.

Many hospitals and health systems are adding population health management staff, including C-level executives and care coordinators, although this varies market by market, Farber says. Health systems are adding new titles like chief population health officer as well as the chief clinical integration officer, who is responsible for building the provider network.

Farber suggests that you and your team understand the hospital's strategy around population health management before calling on key executives—namely do they view the hospital as a revenue center (as they would under fee-for-service) or as a cost center (as they would under value-based care)?

Harlow adds that it is important to recognize that every hospital is in the business of population health management now. This means that leaders are thinking about the implications of product choice on care beyond the acute setting. "When we talk about care pathways now, we are not talking about order sets alone," Harlow says. "You have to consider where your product lines lie on that continuum of care."

At Martin, leaders have created a care pathway for complex chronic disease patients that spans from when they arrive at the emergency department to 240 days post-discharge from the hospital. With such a long pathway, it is important that you understand where your products fit.



BE FAMILIAR WITH THE TOOLS HOSPITALS USE TO INFLUENCE PHYSICIANS' PRESCRIBING HABITS AND MANAGE PHARMACY COSTS.

... [W]e first determine the outcome that we are trying to achieve, and then we look at the most evidence-based way to do that."

How hospitals influence prescribing and control their pharmacy costs are functions of how sophisticated they are in population health management and value-based contracting, Harlow says. "The further we gravitate toward those trends, the more preferred products and clinical pathways matter," Harlow says. "At Martin, we first determine the outcome that we are trying to achieve, and then we look at the most evidence-based way to do that. That is how our P&T committee functions."

He also stressed the importance of knowing how the P&T committee works. As a medical (not pharmacy) committee, P&T considers more than cost when evaluating products. They look at evidence on a variety of outcomes measures, such as how a drug affects the length of stay. "It's a very robust process," he says.



THINK ABOUT PARTNERSHIP AROUND INNOVATION.

A hospital's innovation office may be another entry point for a potential partnership with your company. "A lot of organizations are starting to think about how to commercialize their intellectual property," Farber says. As a result, many leading hospitals have developed technology transfer offices or innovation offices as well as joint ventures with other stakeholders in the market. This opens up an opportunity for sales teams to think about what value-added services they have in the life science industry that might work well with whatever IP the hospital or health system is trying to grow and get to market.

Michelle O'Connor, MEd, CMR, president and CEO, CMR Institute, agrees. "Hospitals are thinking more broadly about innovation and how to solve problems, and this is an area where industry can certainly help," she says. "These innovation centers may be a good opportunity to pitch a partnership or a program that your company already has in place or is thinking about putting in place."

It also helps to know an organization's willingness to use external expertise versus developing a capability in-house, Farber says. Such capabilities include motivational interviewing, which can impact medication adherence. "I would ask if the organization considers this to be a core competence and if they are developing it in-house or if they are open to assistance on this service," he says.



REALIZE THAT EACH DECISION MAKER MAY VIEW VALUE DIFFERENTLY.

“It is important to listen well and stay informed so you can respond to the needs and expectations of different customers,” O’Connor says. For example, a CFO might be most focused on how a product can reduce costs, while clinical decision makers and physician leaders on P&T and value analysis committees may be more interested in how products can assist with population health initiatives.

At the same time, you should seek out win-wins. “The most effective sales professionals that I work with are the ones that listen and understand what I am trying to accomplish,” Harlow says. “They are willing to brainstorm with me on how we can work together to meet the organization’s goals.”

KEEP UP WITH THE TRENDS.

“Sales professionals can improve their value by staying on top of market changes so they are viewed as credible and competent,” O’Connor says. “This is truly an opportunity to distinguish yourself and your expertise in an area that is important to the decision-maker or influencer.”



TOOL FOR TRAINERS: HELPING SALES TEAMS IMPROVE THEIR SUCCESS WITH HOSPITALS

AS A SALES TRAINER,

you need to prepare your hospital sales teams to adapt their strategies to a changing landscape. Michelle O'Connor, MEd, CMR, president and CEO, CMR Institute, offers the following advice for trainers working with hospital sales teams:

1. OFFER TRAINING ON A WIDE RANGE OF DECISION-MAKERS.

This will help your sales teams sell “above the doc.” Training should include the makeup of a P&T committee and a value analysis committee and what drives their decision-making. It also should cover the C-suite, as these executives may be primary influencers or decision-makers for product decisions. “To develop advocates at that level, sales professionals need training on different business models that the hospital might be involved in, as well as the reimbursement models that are impacting how products are utilized,” O'Connor says.

2. PROVIDE SALES TEAMS WITH RESOURCES THAT GIVE THEM A STRONG KNOWLEDGE OF A HOSPITAL'S REIMBURSEMENT STRUCTURE.

This helps them understand what drives purchasing decisions and how to best position their products and services.

3. HELP SALES PROFESSIONALS SELL AROUND EVIDENCE-BASED MEDICINE.

This includes understanding the best way to present clinical data as well as how the product compares with other treatment options. It is also critical that your sales professionals understand where your company's products fit into clinical pathways in hospitals, O'Connor says.



HELPING SALES TEAMS IMPROVE THEIR SUCCESS WITH HOSPITALS

4. FOCUS ON DEVELOPING THEIR BUSINESS ACUMEN.

Training on the changing healthcare market and new payment models can enhance business acumen. She recommends that trainers leverage partners who can help provide sales teams with the tools they need to stay current.

Decision makers and influencers within the hospital will define value differently depending on their role. Learning and development programs also should help sales professionals understand value from each customer's perspective. "Training can provide the tools that can help sales professionals profile and segment their customers, and identify their needs based on those roles," O'Connor says.

5. LEVERAGE FIELD TRAINERS.

"Field trainers can help implement training at a regional level that aligns to the specific market conditions in different regions across the country," O'Connor says.

CONTACT US

For more strategies for effective hospital selling, visit CMR Institute at www.CMRinstitute.org or call 800.328.2615.

