

Effectiveness Review

Brazzell Marketing Agency's "Referral Doubling Strategy"

Abstract

Background: Brazzell Marketing Agency promotes a package called the "Referral Doubling Strategy" based on a success achieved in at Southwest Virginia Home Health Care. The strategy has since been used by home health, physical therapy, hospice, and other healthcare providers benefiting from physician referral. Now that Brazzell Marketing Agency has the ability to obtain cost report information for almost every home health agency in the country, Brazzell can further analyze the success of this strategy in a more comprehensive way.

Methods: We identified all home health agencies using the strategy for at least three months for whom we were also able to collect reliable cost report data for two consecutive years. We selected twice as many non-strategy home health agencies to use as a comparison control group. Comparison agencies were chosen based on proximity to the test agencies and similarity in size to each of the test agencies.

Results: Providers using the *Referral Doubling Strategy* demonstrated an average rate of growth that was 375% greater than the control group (38% vs. 8%). One of the eight agencies in the strategy group more than doubled total census from one year to the next.

Introduction

Brazzell Marketing Agency promotes a marketing strategy titled *The Referral Doubling Strategy*. This title is based on a success achieved at Southwest Virginia Home Health Care, where the strategy was first used. Since that time, Brazzell has helped many other health care providers implement the strategy. Provider types have included home health, physical therapy, hospice, home medical equipment, pediatric occupational therapy, pain medicine, and physiatry. Ongoing assessment of the effectiveness of the strategy has been based on two things: anecdotal reports from clients and client retention ratios. Eighty-five percent of clients who contract for the "Referral Doubling Strategy" continue their service past the contract

minimum of three months.

Home health care is experiencing rapid change. Consolidation of referral sources and barriers to discharge planning departments has made some older marketing strategies less effective. Additionally, Medicare continues to certify hundreds of new home health agencies each year. These changing circumstances suggest an ongoing evaluation of the cost-effectiveness of "The Referral Doubling Strategy."

Brazzell Marketing Agency now has the ability to obtain all Medicare cost reports for home health, hospitals, skilled nursing

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facilities, and hospice. Having almost all home health cost report information provides an opportunity to perform more thorough analysis of the ongoing effectiveness of "The Referral Doubling Strategy."

Methods:

We obtained two consecutive years of cost reports for the entire United States. For the first of those two years, we identified every Medicare-certified home health agency that started Brazzell's strategy and used it for the three-month minimum or more. Eleven strategy agencies were identified. Then, using cost report data, we picked two control comparison agencies for each agency in the strategy group. Comparison agencies were either direct competitors of the strategy agency or in the same geographic region. We chose comparison agencies that were as close as possible to the same size as the strategy agency.

Looking at cost report data for two consecutive years, we found problems with the cost report

data on file that caused us to throw out three of the strategy agencies and six of the comparison controls. Reasons included: the agency merged with another agency or the needed cost report data was missing. Therefore, our results were based on data from eight strategy agencies and 16 control agencies. The agencies were located in North Carolina, Oklahoma, Illinois, Virginia, Texas, Michigan, Alabama, Missouri, and Mississippi.

Results:

Home health agencies using Brazzell Marketing Agency's "Referral Doubling Strategy" averaged a 38% increase in total census from one calendar year to the next. This compares well to the control comparison group. Home health agencies not using the strategy averaged an 8% increase in total census for the same time period. One of the eight strategy agencies more than doubled its census. Another strategy agency increased its census 65%.

Figure 1

Strategy Group vs. Control Group

	Average Change in Census	Median Change in Census	Percent Experiencing a Positive Change in Census
Strategy Group (BMA Clients)	+38%	+32%	63%
Control Group (Agencies matched by location and size)	+8%	+2%	50%

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Discussion:

Upon request from verifiable health care providers, Brazzell Marketing Agency sends a free presentation explaining exactly how to perform the "Referral Doubling Strategy." Brazzell refrains from sending this information to providers in competition with a BMA client. One can request the free presentation at the company website:

www.BrazzellMarketing.com.

The use of the "Referral Doubling Strategy" correlates with an increased likelihood of agency growth and a greatly increased rate of growth. On average, agencies using the strategy experienced growth that was 375% greater than the growth experienced by the matched control group.

If we estimate that an agency clears \$700 profit per patient (all episodes included), this would mean that even agencies receiving only three referrals per month have an average chance of achieving a 33% return on investment. Before this review, Brazzell Marketing Agency would state that "based on reports from clients, the

median success is a 15% to 25% increase." Brazzell would use this estimate to caution agencies receiving fewer than ten referrals per month against using the "Referral Doubling Strategy." The current effectiveness review calls into question that position. It would seem that agencies as small as three patients per month have a fair chance of achieving positive return on investment. One of the eight strategy clients had a baseline annual census of only 50 patients. This increased to 74 in the following year, representing an estimated 134% return on investment.

Positive results seemed equally likely for clients in both urban and rural settings. Positive results also seemed equally likely regardless of the size of the agency. Agencies realizing positive results ranged in annual census from 50 to 5,892 patients.

One of the eight strategy clients more than doubled total census during the study period. The other positive gains were +16%, +48%, +50%, and +65%. The most current and comprehensive review possible for this marketing strategy demonstrates that it is fair to continue calling it "The Referral Doubling Strategy."