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## ABOUT JARRARD PHILLIPS CATE & HANCOCK

Based in Nashville, Tenn., with an office in Chicago, Jarrard Inc. is the premier strategic communications and public affairs firm for any hospital or health system in the nation experiencing a time of significant change, crisis or opportunity. The firm ranks among the top 15 healthcare PR firms in the U.S. For more information, visit www.jarrardinc.com or follow us @JarrardInc.
INITIAL THOUGHTS

The American health system is experiencing unparalleled change. A new focus on innovation has created value re-engineering; new reimbursement models; mergers, acquisitions and partnerships; population health and wellness programs; and a variety of other transformative initiatives.

Change brings the need for more strategic communications and engagement with employees, patients, physicians, legislators, community leaders and other constituents.

Making life even more interesting is the seismic shift created by social media and other communication tools in how we engage with these important audiences.

It’s not surprising, then, that the Jarrard Phillips Cate & Hancock team has heard a common theme running through discussions with healthcare communications and marketing executives across the country: Just when more is needed – more staff, more skills, more bandwidth – we’re being called on to re-engineer our department with an eye toward effectiveness and efficiency, while still embracing new technologies and reflecting innovative approaches to delivering care.

To learn more, the Jarrard team took to the phones. We had extensive conversations with more than two dozen of our friends at top health systems across the country. We asked them to share insights about their organizations, their departments, their relationships, their challenges and their solutions.

We asked them about:

• **Structure:** What is the department model?
• **Staffing:** What are positions, FTEs, roles and reporting structure of the department?
• **Functions:** What combination of disciplines falls under the communications and marketing umbrella?
• **Budget:** How much money does each organization allocate to communications and marketing, and how do they allocate their budget?
• **Measurement:** How do they measure the success of their efforts?

This document is designed to summarize what we learned. It includes what we hope is pragmatic and timely best practice information and trends that communications and marketing executives can use as ammunition during conversations with leadership or if they are called upon to re-engineer their functions.

What you will not find here is a map that will lead you straight to the Promised Land. That map has not yet been drawn.

While we did find trends and common elements in our conversations, there are nearly as many ways to structure, staff and budget a communications and marketing department as there are departments. The interview process did affirm for us what we already suspected: We are pioneers in a brave new world, and it’s an exciting (and exhausting) time to be a healthcare communications and marketing professional.
PARTICIPANTS

This publication is the culmination of conversations and interviews with some of healthcare’s best and brightest communications and marketing professionals. They represent a diverse group of high-performing health systems.
PARTICIPANTS

All of the systems included in our qualitative research are highly complex, integrated (either vertically or horizontally); employ physicians (anywhere from a few dozen to several thousand); have been involved in various mergers, acquisitions and partnerships; and/or have adopted (to varying extents) a model that may include such entities as ACOs, multi-specialty group practices, urgent care centers, research and academic programs or payers.

The authors would like to thank the following organizations:

- Beaumont Health System Royal Oak, MI
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- Geisinger Health System Danville, PA
- Genesis Health System Davenport, IA
- Henry Ford Health System Detroit, MI
- Lahey Hospital and Medical Center Burlington, MA
- MedStar Health Columbia, MD
- Mercy St. Louis, MO
- Mission Health Asheville, NC
- Norton Healthcare Louisville, KY
- Ochsner Health System New Orleans, LA
- OhioHealth Columbus, OH
- PeaceHealth Vancouver, WA
- Saint Thomas Health Nashville, TN
- Summa Health System Akron, OH
- University Hospitals Cleveland, OH
- University of Michigan Health System Ann Arbor, MI
- Westchester Medical Center Valhalla, NY

This is not an inclusive list; other organizations participated but asked to remain anonymous.

A proviso about our methodology: Due to the interview format, this information is qualitative in nature. It is designed to offer ideas and suggestions that represent what we’ve seen and heard in our work with healthcare organizations across the country. It is best used in combination with quantitative data, such as the Society for Healthcare Strategy & Market Development (SHSMD) "By the Numbers" benchmarking survey.
STRUCTURE

How do health systems structure and staff their departments?
STRUCTURE

We began our discussions by asking about department structure and staffing. What we learned is that titles, reporting relationships and staffing models are in flux as a result of mergers, acquisitions and partnerships and the changing role of communications. We also discovered that health systems are demanding an unprecedented level of coordination and sophistication from their communications and marketing teams, putting increased demands on staff recruitment, training and retention.

Below are the most common department titles, structures and staffing models:

**Department Leader Title:**
- Three-fourths of the interviewees held the title of Chief Communications Officer or Senior Vice President of Communications (or Marketing).
- Less common were Vice President or Assistant Vice President. ¹

**Department Title:**
- A significant majority of those we interviewed call their department “Communications and Marketing” or “Public Relations and Marketing.”
- Less common were “Public Affairs” or “Corporate Communications.” ²

**Reporting Structure:**
- Half said they reported to the Chief Executive Officer; others reported to a Senior or Executive Vice President.
- Interestingly, the larger the health system, the less likely it is that communications and marketing reports directly to the system CEO.
- The Chief Communications Officer tends to be a member of the senior leadership team, but may not be a member of the C-Suite.
- If communications and marketing are each led by a different vice president, those two VPs generally report to the same senior executive.

¹ We will refer to the senior communications and marketing leader as Chief Communications Officer throughout this document.
² We will refer to the department as “Communications and Marketing” throughout this document.
Model:
- As health systems expand, merge, partner and/or acquire entities, they tend to adopt a centralized structure for communications and marketing.
- If, however, a system is dispersed over a wide geography, the centralized function tends to be smaller, and regional leadership plays a more dominant role.

FTEs and Staffing:
- There is no straightforward model or formula for staffing.
- Departments varied in size from a handful to nearly 100. There are myriad reasons for the variance:
  - Scope and size of the health system
  - Range of responsibilities under the communications and marketing umbrella
  - Number of outsourced vs. in-house functions
  - Structure of the department
  - Competitive environment
  - Strategic goals of the system
  - Geographical reach

THE IMPORTANT ROLE OF EMBEDDED RESOURCES
Regardless of the model you choose (centralized, regional or local), communicators embedded at the facility level can provide extraordinary value to your team. They can provide:
- Support for local leadership
- Local media, events and community relations expertise
- Entity-specific intelligence
FUNCTIONS

*What combination of disciplines resides beneath the communications and marketing umbrella?*
FUNCTIONS

The lines between the traditional functions of marketing, public relations and communications are blurring, reflecting the move from hospitals to integrated health networks.

So, too, are the functions for which we are responsible. Not only must we lead traditional communications and marketing disciplines, but several organizations have charged their CCOs with leading - or at least playing a key role in - patient engagement, patient portals, data management, employee satisfaction and physician communications.

Most of the functions below have, at one time or another, fallen under the purview of communications and marketing. The Chief Communications Officers we interviewed are responsible for the following functions today.

<table>
<thead>
<tr>
<th>Internal communications</th>
<th>Advertising</th>
<th>Issue and crisis communications</th>
<th>Leadership communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media relations</td>
<td>Digital media</td>
<td>Content marketing</td>
<td></td>
</tr>
<tr>
<td>MORE THAN 75%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Physician relations</td>
<td>Community relations</td>
<td>Quantitative/qualitative research</td>
<td>Primary research</td>
</tr>
<tr>
<td>50/50</td>
<td></td>
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<tr>
<td>Government relations</td>
<td>Planning</td>
<td>Fundraising</td>
<td>Business development</td>
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<td></td>
<td>Patient experience</td>
<td></td>
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<tr>
<td>LESS THAN 25%</td>
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Internal Communications

Respondents acknowledged that, in the past, employee communications was not a high priority. Even in the largest, most sophisticated systems, employee communications was assigned to an individual who was responsible for benefits communication and the employee newsletter. This has changed over the past few years as health system leaders embrace the value of building a unified, engaged and supportive workforce.
Today, the trend is for Communications and Marketing departments to empower a team of communications professionals to develop strategic employee communications programs aligned with an organization’s mission, vision and values. One communications leader told us, “If I could focus on just one thing this year, it would be internal communications.”

Other trends for internal communications include:

• Concerted efforts to arm managers and supervisors with the right tools so that messages can be cascaded more effectively
• Multiple, overlapping methods of communication
• A combination of online and print materials that are accessible at home as well as in the workplace
• Facebook-like platforms such as Yammer or Jive
• Public-facing internal communications platforms so that both internal and external audiences see the same messages

Advertising
With the rapid rise of digital and web advertising and social media, pundits have been predicting the demise of traditional (newspapers, magazines, billboards, radio and TV) advertising. Our research contradicts that. Most health systems are utilizing a healthy mix of traditional and online advertising. One participant said: “There is absolutely still a place for traditional advertising as long as it is focused and strategic. We see a significant impact from our advertising and plan to continue it.”

Issue and Crisis Communications
Issues management and crisis communications remain fully under the umbrella of the communications and marketing team. Respondents reported that their relationships with the CEO, as well as with the Chief Medical and Chief Nursing officers, and members of the legal, compliance, finance and quality teams, are key to their successful management of both issues and crises. Ongoing relationships with key community leaders and members of the media – relationships that have been built over time – also were cited as important. Many respondents also reported that they have crisis communications plans in place, and that those plans included sections on scenario visioning.

Leadership Communications
It may seem like a no-brainer to some, but in the majority of organizations, the Communications and Marketing department is responsible for C-Suite communications. This role enables the
communications team to integrate consistent messages across the full span of audiences. This emerging specialty means that we must have a deep understanding of and ability to communicate about complex and timely issues such as reimbursement, new models of care, insurance and more.

We found that in only four organizations was leadership communications the responsibility of a third party, partly due to legacy issues. For this model to succeed, we believe, the individual must maintain a close relationship with the Chief Communications Officer.

**Media Relations**

No matter what people say about the current state of the media or the future of newspapers, media coverage - local, regional and national - plays a vital role in maintaining and building an organization’s reputation, and CCOs still view it as a vital ingredient to success.

So what are the best ways to reach today’s reporters?

The old-fashioned “push” approach to media relations, whereby press releases were distributed via PR Newswire or mass email, worked well under the traditional, old-fashioned media paradigm. But that world has long since faded. There has been a fundamental shift away from interruption-based, “push” tactics to inbound or “pull”-based tactics that attract interested audiences to your content. The magic of inbound media relations is that when interested reporters are looking for you – that is, when they’re ready to research a service or topic – they find you. For this reason, online newsrooms have become tremendously important. In fact, one interviewee argued that “managing a dynamic online newsroom may be one of the most important media relations functions today.”

However, there is still a need for good, old-fashioned relationship building with reporters. The idea that one can work facelessly with the media has always been less than ideal and has become more difficult at a time when hundreds of emails hit inboxes daily. The key to effective media relations is getting the right information to the right reporter, and tailoring the messages to get the best result.

**Digital Media**

Savvy marketing and communications leaders know that digital media is the future of healthcare communications, but leaders are finding it difficult to know how to staff, manage and grow digital media. One participant said: “We haven’t moved away from traditional newsletters, ads and direct mail, and now I need to add digital media to our work load. I can’t add staff,” she said. “But, even if I could, it’s hard to find qualified people who understand healthcare. That means we’ll have to look outside our regular networks to hire.”
We found that digital media falls into a variety of buckets:

- Traditional external web
- Consumer social media (ex: Facebook, Twitter)
- Online newsroom
- Employee communications (intranet, internal social media including Jive, Yammer, SharePoint)
- Clinical digital (patient portal, mobile apps)

There is no true consensus on where digital communications “lives” within the department, but in general:

- Newsroom, consumer social media and employee communications are the responsibility of communications.
- External-facing website and service line-specific digital are marketing functions.
- Patient portal and clinical apps report to clinical or operations departments with support from communications and marketing.

Content Marketing

Content marketing is - in its simplest form - using content to communicate with your audience. Content marketing goes hand-in-glove with digital media. One could argue that there is no digital media without strong content. Content marketing is forcing communicators to become expert content creators who can produce a wealth of interesting, relevant and on-brand content to reach consumers through their platform of choice. Because
consumers control when they want to be interested in a specific aspect of their health, content provides the right information for consumers to make better healthcare decisions when THEY decide to engage.

**Physician Relations**

Hospitals, health systems and physicians are aligning in staggering numbers. Today, nearly 50 percent of all physicians are employed by hospitals and health systems, and nearly 80 percent of all physicians have some sort of financial relationship with a hospital. 3

Health systems are designing clinically integrated networks and ACOs for shared savings; entering into joint ventures and co-management agreements; connecting through health information exchanges; offering a vast array of management services; and buying primary care and specialty physician practices as we prepare to move away from fee-for-service reimbursements to a system that pays for value and outcomes.

It’s no surprise, then, that hospitals and health systems are highly motivated to develop an effective strategy to engage, align and energize physicians. In essence, in order to achieve their goals and objectives, hospitals and health systems must build and maintain strong physician relationships by building a culture that embraces and supports their clinical partners.

There is a growing need for an engagement strategy in order to ensure physicians become productive, successful and satisfied members of the system. CCOs are devoting resources to ensure that happens.

**Community Relations**

Community relations has the most muddied definition of any of the functions. In some organizations, it’s about health screenings and special events. Sometimes, community relations focuses on community involvement, contributions and sponsorships. In other organizations, it’s about relationships with legislators and civic leaders. Regardless, community relations is about developing and maintaining relationships that will help your organization achieve its goals and fulfill its mission.

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3 Becker’s Hospital Review
BUDGETS

How do peer organizations allocate their budget both overall and within the various disciplines of the department?
BUDGETS

We asked participants about their budgets. In the past, they told us, there was at least a modicum of a relationship between budgets and net patient revenue and/or bed size. This tenuous relationship is now nearly irrelevant in today’s complicated health systems.

Frankly, we found that there were no patterns or formulas at all. One might hope that innovative, growing health systems would grow their budgets accordingly, but we did not find that to be the case. Nor did we find that size or scope or structure of the system was necessarily indicative of budget size. Of those we interviewed, communications and marketing budgets ranged from $2 million to $30 million.

This variability is confirmed by other sources. According to the “By the Numbers” benchmarking study from the Society for Healthcare Strategy & Market Development, “The average marketing communications budget varies considerably, by organization type and bed size.”

One trend we are seeing is the move toward centralizing all dollars related to communications and marketing, although it has been difficult for many to capture all related monies in one bucket.

Several reasons were cited for this:

• Budgets are often allocated by finance and leaders are asked to “back into” those budgets.
• Advertising dollars can be captured in several areas of their P&L (purchased services, miscellaneous, sponsorships, etc.).
• Newly acquired hospitals often maintain their legacy budgets.
  − As one participant said, “My budget is based on history. I don’t mess with it even though it’s an odd mishmash of legacy budgets.”
• Service lines may have marketing dollars in their individual department budgets.
• Pockets of special interest money or “slush funds” continue to exist.
  – “Some facility CEOs still hold on to marketing and sponsorship dollars for their pet projects.”

Our research did reveal some overriding themes, including:
• Budgets are flat.
• Budget restraints do not allow systems to add new staff.
  – If a department requires additional staffing in emerging areas like digital or employee communications, they are retraining existing staff members and re-engineering the current workload.
  – CCOs are trying to prioritize work in order to make room for additional or new assignments, but “project creep” persists, the demand for traditional advertising and newsletters has not abated, and the realities of organizational politics continue.
  – Systems that are acquiring hospitals – and their communications and marketing staff members – are retraining and integrating those new team members.
• Sponsorships – large and small – continue as major line items in most budgets.
  – Large, marketing-generated sponsorships (football or baseball teams for example) are generally paid for out of the marketing budgets.
MEASURING RETURN

How do organizations measure the success of communications and marketing efforts?
MEASURING RETURN

The gold standard for measuring success - return on investment or ROI - means there is a financial return directly attributable to the communications/marketing effort. These financial metrics are the most valued of marketing measurements; they’re also the most difficult to generate. 4

Chief Communications Officers are using multiple methods to measure success. Although that measurement may not be true ROI, interviewees are tracking and reporting success in various ways, depending on goals:

- Calls—number of calls into the call center from a particular marketing effort
- Clicks—how many times online visitors clicked on your materials
- Visits—the number of unique sessions initiated by website visitors
- Email open rates—how many people opened your electronic mailings
- Attendees—how many people attended an event, seminar, screening, etc.
- Volumes—increase in the number of patients to a service line
- Net revenue generated—dollars generated from a specific effort
- Awareness—top-of-mind awareness as measured in perception surveys
- Share of voice—relative amount of exposure (media and/or advertising) your organization has received within a defined market space
- Referrals—recommendations from physicians or other allied healthcare professionals to your services
- Market share—percentage of the healthcare “business” you own in your area

Participants identified some keys to success:

- Collaborate with operations and finance to ensure your goals are aligned with their goals.
- Determine how to track prior to the beginning of the campaign.
- Make sure to include all communications and marketing activities in the campaigns to be tracked. Examples: physician outreach, media coverage, advertising, digital initiatives, special events, direct mail

Call Centers
The role of call centers is becoming more important as CCOs are being asked for solid metrics that demonstrate success. As one multi-state system CCO said: “Creating one consolidated call center is a strategic priority for us this year.”

“Call centers are critical if you are tracking true ROI.”

- Communications and Marketing departments either operate their own call center or contract with an outside expert for a marketing call center.
- Centralized consumer call centers report to operations or medical affairs.
  - This service is increasingly being used for outward-bound calls, including automated appointment reminders and pre-admission preparation.
  - Call centers are supplemented by patient portals or web-based appointment capabilities.
CLOSING THOUGHTS

The tumultuous changes in the business of healthcare and in how consumers communicate today have created the perfect storm. Never before has there been a greater opportunity for us to effect change and take our place as leaders.
CLOSING THOUGHTS

As hospitals and health systems across the country position themselves to thrive in this transformative, complex and challenging post-ACA world, the role of communications and marketing professionals is increasingly more important. This reality was reflected in the one-on-one conversations we had with the more than two dozen highly regarded, senior communicators who participated in this project.

They and their teams have feet in both the old and new worlds. On one hand, they are still using traditional tools to meet business and relationship-building goals. So, too, are they turning to data warehouses, mobile devices, patient portals and digital platforms as they begin to focus on patient engagement, population health, physician and employee satisfaction, and reputation management. They are also being asked to have a deep understanding of and ability to communicate about issues related to Medicare and Medicaid, insurance exchanges, value re-engineering, LEAN, the Three AImS, ACOs, CINs, and the list goes on and on.

Clearly, in this evolving environment the demand for increased communications — with employees, patients, physicians, legislators, community leaders and other constituents — is escalating.

Resources, however, are not. Our sources told us repeatedly that they — and their teams — are being asked to do more with less, to reallocate existing resources and to learn new skills. Healthcare organizations across the country are cutting budgets, reducing the size of their workforces and/or capping salaries. Knowing this, we asked participants to give us insights into how they determined their budgets and staffing models. Not one of our expert respondents had “the answer.” In fact, they were all looking for a formula, a best practice that operations and finance executives would accept as “the holy grail.”

While the magic bullet does not exist, we do refer professionals to SHSMD’s “By the Numbers.” Although it does not provide communications and marketing executives who work in complex, integrated health systems all the answers, it certainly offers some direction. Our advice? Use the information, but be sure to adjust it for: geography (are your facilities widespread or close together?); your portfolio (are you responsible for public affairs, corporate communications or marketing, for example?); health system model (are you in a hospital-based system or one that includes ambulatory care or physician practices? centralized or decentralized?); and, perhaps most importantly, the expectations of your leadership team.

So what do we see in our crystal ball? We see a changing role for communicators and marketers — a role that is deeper and broader and more strategic than ever. The tumultuous changes in the business of healthcare and in how consumers communicate today have created the perfect storm. Never before has there been a greater opportunity for us to effect change and take our place as leaders. Excellent communicators with an understanding of their organizations’ cultures, strengths and strategies, as well as of the issues facing providers, employers and legislators, will be in high demand. Welcome to the world of strategic communications. The world we were meant to live in.
SAMPLE
ORGANIZATIONAL
CHARTS
CENTRALIZED STRUCTURE

System CEO

Chief Communications Officer

VP Brand Strategy
- Director Marketing
- Marketing Specialties
- CRM/Call Center
- Community Outreach Coordinator
- Special Event Team
- Director Digital Strategy
- Content Creators
- Web Team
- Creative Services
- Service Line Marketing Managers

VP Corporate Communications
- Director Media Relations
- Media Relations Specialist
- Leadership Communications Manager
- Change Management Communications Coordinator

VP Employee & Physician Engagement
- Physician Communications Manager
- Writer
- Employee Communications Manager
- Writer
- Intranet Team
- Physician Liaisons
ABOUT THE AUTHORS

Susan M. Alcorn

Susan Alcorn brings nearly 30 years of hospital marketing and communications experience to Jarrard Phillips Cate & Hancock, Inc. As the former chief communications officer of Geisinger Health System, one of the country’s most recognized, innovative healthcare systems, Alcorn brings national perspective to clients navigating the challenges of today’s environment.

At Geisinger, Alcorn was responsible for all communications, public relations, marketing and advertising initiatives across the system. During her 15-year tenure with the organization, Geisinger grew to be a nationally recognized organization and emerged as a model for U.S. healthcare delivery systems.

Alcorn is a nationally recognized speaker on healthcare marketing and communications. She is an active member of the Society for Healthcare Strategy & Market Development, having served as president and as a member of the board of directors, and having received the society’s highest honor, the Award for Individual Professional Excellence. She is co-author of the book, Healthcare Mergers, Acquisitions and Partnerships: An Insider’s Guide to Communications, and is a member of the Healthcare Insight magazine editorial advisory board.

Kim Fox

Kim Fox brings nearly 25 years of experience in healthcare marketing and communications and an in-depth understanding of multi-hospital systems and the healthcare marketplace to her clients.

Prior to joining Jarrard Phillips Cate & Hancock, Inc. in 2006, Fox was regional director of marketing for investor-owned IASIS Healthcare, where she managed the marketing departments of its Texas and Florida hospitals.

Prior to IASIS, Fox served as director of marketing and communications for Adventist Health System’s Tennessee Christian Medical Center for 13 years, where she directed the internal and external communications, marketing and public relations activities for a multi-campus, not-for-profit medical center.

Fox is a member of the Society for Healthcare Strategy & Market Development and also serves as president of the Tennessee Society for Healthcare Marketing & Public Relations. She is a noted speaker and author on marketing and communications issues and is a regular contributor to Jack of All Trades, a healthcare marketing blog that helps marketing and communications executives master the new realities of healthcare communications.
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The good-natured authority for news, commentary, trends and actionable tips – with a dash of rumor – about Nashville’s biggest industry: healthcare.

A leadership blog written for senior-level healthcare executives, High Stakes offers insights and counsel on the communications challenges of today’s transformative hospital environment.

A marcom blog that harnesses more than 100 years of collective in-house hospital expertise, Jack of All Trades helps marketing and communications executives master the new realities of healthcare communications.