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First Steps for Successful Grateful Patient Fundraising

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Executive Summary

For any healthcare institution, an excellent source of new donors can be grateful patients. Programs that reach out to these individuals can form the cornerstones of successful healthcare fundraising operations. A grateful patient program can only be strong when it meets development, institutional, and donor needs. This white paper outlines a plan for organizations that are developing a new grateful patient program or revitalizing an existing one.

Introduction

Today's healthcare organizations continue to serve a growing population. It is increasingly important for healthcare fundraisers to produce results by expanding and better targeting their organizations' prospects. The good news is that healthcare fundraisers have the potential to increase donations by engaging with the very constituents who walk through their doors everyday … grateful patients.

Developing a successful grateful patient program will be a significant undertaking for any organization; therefore, it should be regarded with care. To ensure that grateful patients are cultivated appropriately and effectively, it will be important for your organization to take a thorough review of several key factors. The details need not be overwhelming; however, the approach for putting together a program of this type should be methodical and well planned. You will need dedicated resources and staff time to ensure its success. You will also need to secure buy-in from various stakeholders: administration, physicians, and board members to name a few.

The steps outlined below are intended to guide healthcare organizations through some of the questions that should be reviewed prior to and during the development of a grateful patient program. They are not exhaustive — each healthcare organization must develop a program that speaks to their unique needs. The best way to begin is to make sure your team is prepared to manage this special type of constituent while achieving successful measurable results.

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Review privacy laws and consult with general counsel

The first step you should take is to simply find out if you can have access to patient information. You'll want to refer to your organization's policies regarding HIPAA and any applicable state laws. While all healthcare institutions are subject to HIPAA, internal compliance officers may add additional restrictions on the type of information you may access. You will want to make sure your patient program is in line with state and federal laws as well as your organization's policies.

Be prepared to explain what pieces of information you need and for what purpose. A good rule of thumb is to ask, "What is the minimum amount of information I need to do my job?" The Association for Healthcare Philanthropy's analysis of HIPAA provides a comprehensive review for these situations. Anticipating the questions your legal team may ask ahead of time will strengthen your case and prepare you for productive dialogue with this group.

Evaluate the data you need and plan for software and it resources

Avoid reviewing patients who are Medicaid eligible or are receiving the equivalent in state funded health benefits. Persons under 18 should also be removed from the patient list along with individuals receiving mental health care. Speaking with finance or billing departments can provide further clarification and insight on this issue.

At minimum, you will want patient names and home addresses. Business addresses and phone numbers can also prove useful for prospect research. In addition, birth dates and gender information are good pieces of information to incorporate. You may also choose to include flags for "VIP" patients (such as board members) or individuals who have previously made donations. Patient management systems have varying capabilities of recording and returning this information. Speak with your IT personnel to clarify what may be possible in this area.

While developing the patient fundraising process, you will need to think about the database system you will need to use to manage patient information. For most groups, the main constituent relationship management (CRM) system will not be enough. To help determine whether you need a separate prospect research system or if a simple spreadsheet will suffice, you'll need to think through the number of names you anticipate managing, the frequency with which you will be receiving those names, and what your follow-up plans will be. The answers to those questions should help drive your decision.

Basic questions include:

- How much data will you be reviewing? Do you have 100 beds or 1,000? This is ||important because the more data you manage, the more sophisticated your research system will need to be.

- What vendor currently supplies the CRM? It may make sense to partner with the same ||CRM vendor for continuity. However, it is important to explore several options to make sure you select the best product for your organization's needs.

About the Author

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Page Bullington joined Target Analytics in November of 2007. She has over seven years of experience working in the nonprofit industry with a focus on healthcare and political organizations. Prior to joining Blackbaud in 2007, Ms. Bullington was responsible for successfully securing over $2 million funding for Roper St. Francis Healthcare Foundation. As part of the Target Analytics team, Ms. Bullington has worked to offer professional development seminars for Healthcare organizations focusing on both Major and Annual Gift strategies. She has developed a unique consulting offering centered on assisting healthcare organizations in using their patient data to enhance fundraising. Ms. Bullington works with Target Analytics clients across sectors and enjoys getting to coach clients within the K–12, higher education and cultural areas. She is an active member of the Junior League of Charleston and is a member of the Winthrop Fund annual giving team for her alma mater. Ms. Bullington has a B.A. in English from Winthrop University and a M.P.A. with a concentration in Non-Profit Management from the College of Charleston.

- What type of files will you be receiving from your patient management system? And what ||kind of access will you have to those files? To answer these questions, you will need to consult with members of your IT team. They should also be involved in vendor discussions since they will most likely be involved in providing you with patient data.

- How many users will be accessing this information? And from where? You may be able to ||manage data through a shared spreadsheet or your team may need to access a database from multiple locations. In this case, a SaaS (software as a service) solution may be the best choice.

Determine how patient data will be accessed and managed

A crucial step in the planning process will be to determine which individuals will be responsible for accessing and managing data. The administration of patient data and any subsequent wealth screenings should be met with a team approach. An example of this type of process would be to have the database administrator oversee the transfer of data and have primary responsibility for getting patient lists and/ or wealth screened names to the director of development. The director of development can then review the names and filter information to major gift officers for patient visits and also ensure that the remaining names receive appropriate solicitation via direct mail. Development officers can then target visits not just on geographic location or internal flags but on capacity as well. During these visits, it may be appropriate to provide light touches to let the family and the patient know they have a resource in the development office during their stay. These items can include flowers sent to the patient's room or even smaller gestures such as a gift card for free coffee from the hospital gift shop.

It will be important regardless of staff size that the members of the development team understand their roles in the process and that actions associated with those roles are tracked and measured. You will want to ensure your organization has enough data to allow for meaningful decisions but not so much that it becomes overwhelming to supervise.

Another vital component of successful grateful patient programs is having the ability to screen potential donors for wealth. This type of screening can be done in a variety of ways. One of the most effective is to conduct daily screenings based on the patient census. Often, this type of screening will provide an estimated wealth figure that corresponds to a wealth ranking. The idea is that the summary screening can be done very quickly on a specific set of data sources and returned by a vendor within a short time frame — often before the patient leaves the facility. Screening in this manner allows development officers to target visits to the highest capacity patients while they are in care. For this type of brief visit, a full wealth screening is typically not needed prior to the visit.

Individuals that do not rate as high on initial wealth screenings can then be approached via direct mail. The organization can adapt the wealth data to appropriate annual fund amounts. When targeting a broader population, it is crucial that a system is in place to handle the additional information. You will want to track appeal information and store constituent details so they can be moved to the fundraising database once patients become donors.

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Establish staff and budget resources for patient fundraising

The correct level of staffing and budget resources dedicated to patient fundraising will vary from organization to organization. Regardless, healthcare development officers often face unique challenges when advocating for staff and budget resources. The investment opportunity to be found in a full-time employee (FTE) dedicated to fundraising may be harder to translate to the organization's CFO than the potential income generated from the installation of a new X-ray machine. It will be important to carefully articulate how much staff time your program will require and what other costs you plan to incur. Following best practices for calculating both direct and indirect costs will be helpful in advocating for the funds you need.

An organization that plans to use direct mail as their only solicitation following patient discharge will need fewer FTE resources for their purposes than an organization that plans to solicit using direct mail and conduct daily patient visits. Resource allocation may be guided by the number of beds in a facility or whether or not the program will include both inpatients and outpatients. It is likely that you will start with patient fundraising duties being added to current development staff roles with budget and staff growing as the program becomes more successful.

Prepare to work with the entire healthcare organization

Think carefully about how your new development activities will impact the staff and clinical team in your organization. Work in tandem with these individuals to educate the entire healthcare organization about your new program. Communication to other hospital employees should be twofold at minimum: written and verbal. While sending a simple email might seem like the easiest way to unveil the new program, it may not reach some of your key partners (i.e. nurses, personal care technicians). You will need to meet these team members where they do their work. This may mean making a brief presentation at employee forums or perhaps stopping by nurse manager meetings to discuss the program.

This type of training may be outside of the norm for many development professionals. The sessions with the clinical teams do not need to be lengthy but should help prepare your co-workers for participation and make them feel comfortable with your efforts on behalf of the healthcare system.

Program structure and follow up

A thriving grateful patient fundraising program will have implications for the larger healthcare organization. Some iterations of this type of program include providing concierge services such as laptop use during hospital stays for major donors. Other programs simply try to ensure potential donors receive a visit from hospital staff while they are in care. This activity will be more focused if your organization opts to screen these individuals for wealth on a daily basis. Regardless of donor capacity, visits by development staff should be brief and as unobtrusive as possible.

In deciding what types of services you will offer, it is important to note that the "perks" associated with grateful patient programs must never be related to clinical care. If possible, the benefits given to program

participants should be available to all patients and their families perhaps on a pay-per-use basis. While there is no right or wrong answer as to which type of program is best, it will be crucial to clearly define the activities that will best complement organization. You will want to think about what program functions your office can support and how they fit into the larger fundraising picture.

Once visits are made, contact information should be logged in the main CRM. Next steps can then incorporate detailed prospect research including full wealth screening and discovery calls. While grateful patient relationships are unique, their cultivation still lends itself well to traditional moves management and fundraising best practices.

For patients not receiving visits while in care, solicitation can be incorporated into a direct mail campaign. Verify that none of the individuals solicited in this manner have opted out of receiving fundraising materials. Messaging and length of time between discharge and solicitation should be tested. You do not want your grateful patients to receive their solicitation letters the same day they receive their bills. Working with the billing department can help alleviate overlap in this area. It is also a good idea to have the compliance office review any solicitation materials to ensure they follows state and federal privacy laws.

Once the campaign is in place, you should determine a system for tracking the success of the appeals. In addition to dollars raised, organizations will also want to track size of gift, variances between grateful patients and regular donors, and the length of time from solicitation to gift. This type of knowledge will be useful for further refining annual fund appeals for this population.

Return on investment measurement

Consistent grateful patient cultivation is unlikely to happen unless someone is looking to measure the results from those efforts. Institutions will want to make certain they review length of solicitation, visits made versus dollars raised, and percent of donors giving repeat gifts after their initial contribution. Another important piece of data to track and manage will be stewardship. This will help ensure individuals are thanked for their contributions and the program sees long term success.

This is not to say that you will want to ignore bottom-line dollars raised, but with initial program startup, that number may be a lagging indicator of success. One important measurement that can be tracked from day one is how long it takes for a donation to be received following patient discharge and/or initial contact from the healthcare organization. For example, it is useful for the fundraising team to know that on average most grateful patients who give $50-$250 do so approximately three weeks after discharge and within one week of receiving a solicitation letter from the development office. Understanding donor feedback such as this can help development staff optimize direct mail, ensuring the best solicitation plan is in place.

Despite individuals having been in care, a systematic moves management plan will still need to be developed. From there, organizations can begin to track what moves seem to work best (i.e. peer-to-peer solicitation or staff cultivation) along with how many steps it takes to move an individual from patient to

major donor. Metrics reviewed should be aligned with larger healthcare system goals. Be sure to review actions that have a shorter return on investment. For major gift prospects, this may simply be whether or not they take a call from a major gift officer following their release from care. Monitoring this metric could include reviewing the number of newly identified prospects and tracking how quickly the development team moves these individuals to cultivation.

Summary

It is possible to develop a strong grateful patient program that meets both institution and donor needs. Members of the development office should drive these efforts, but in doing so, they should take care that they do not operate the program in a vacuum. The entire organization should work toward developing a culture of philanthropy that ultimately benefits the community and its needs. Thoughtful planning that takes a broad approach will yield the best results and help organizations maximize both internal resources and fundraising dollars.

About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit www.blackbaud.com.