

Grow Your DPC Practice: 5 Top Strategies to Add New Patients



Whether you've already launched your direct primary care (DPC) practice or you're still planning for it, you've likely been putting significant thought into how you can find and attract new patients. Your goal may be a panel of five- or six-hundred total, or maybe you want to open multiple locations and care for thousands. Maybe you're still working out back-of-the-napkin math and simply wondering where your first ten or twenty people will come from.

Whatever the case may be, we've heard it all from the DPC physicians who use our Spruce Care Messenger platform. Finding an optimal approach to patient acquisition is clearly a problem that every practice must face, but luckily, some of the potential solutions appear to be just as common and generalizable. We noticed enough similarities, in fact, that we recently decided to research the topic formally—seeking out and interviewing DPC practices that have made the model work for years, combing our user feedback for successful tactics, and searching through the available academic literature—and now we're excited to share our findings with you.

Read on for our distillation of what we uncovered: five of the top strategies for finding and acquiring patients for any DPC practice. Because we all need to keep the lights on...

David Craig, MD
Medical Director



#1: Understand and Leverage Word of Mouth

This one may seem trite at first, but we're starting with it for a reason: Word of mouth, perhaps unsurprisingly, emerged consistently from both our practice interviews and literature searches as the most oft-cited and electric force for patient acquisition.

"The best source of referrals is your own patient base," said Dr. Ryan Neuhofer of [Neucare](#), unequivocally. "At some point, that will always take over. Nothing can top someone recommending you because they've experienced the practice." Jason Larsen, CEO of [Assurance Healthcare](#), agreed: "Word of mouth is still our dominant attractor. We don't do anything specific to encourage it, but it's still the biggest thing bringing people into the clinic."

The anecdotes supporting word of mouth are unmistakably encouraging and plentiful, but it can be hard to judge what, exactly, you should do based on them. Like staring at a raging river, understanding that a thing is powerful is different than knowing how to harness it or how many lightbulbs it can turn on.

"The best source of referrals is
your own patient base."

- Dr. Neuhofer

Therefore, to avoid wasting your time, we're going to dig significantly beneath the surface of the usual generic advice for word of mouth and present you with an evidence-based case for three concrete points:

- Word of mouth is unique among growth strategies
- Word of mouth is quantifiably powerful
- Word of mouth is controllable

A) Word of Mouth Is Unique Among Growth Strategies

In the pantheon of growth tactics, word of mouth is special for two important reasons: It can exhibit "virtuous cycle" dynamics, and it is free in its pure form.

In a virtuous word-of-mouth cycle, your current patients spread the good word about your clinic, which directly causes new signups. These new patients then are similarly energized and begin to spread the word

Word of mouth is more valuable, pound for pound, than any other growth strategy.

themselves, which once again leads to new signups, and the cycle continues on. No other form of advertising can compare with this, since every other type requires constant renewal and investment; even the most effective newspaper ad can't magically spread itself to other newspapers. Pure word of mouth is also free, of course, which allows it to scale in such a virtuous cycle without costing you anything.

These two features alone make word of mouth more valuable, pound for pound, than any other growth strategy, and it is crucial to keep this distinction in mind when deciding how to prioritize your patient acquisition efforts.

B) Word of Mouth Is Quantifiably Powerful

Even without considering its unique features, word of mouth is still an objectively powerful engine for growth.

In 2010, for instance, the Director of Marketing for the Mayo Clinic, Laurie Wilshusen, shared internal Mayo survey results showing that 86% of the clinic's patients "have recommended Mayo," with each of those patients advising an average of 24 other people to visit the clinic. Furthermore, for the real bombshell, she also reported data indicating that such recommendations led to a new patient visit 25% of the time (6 new patients per recommender).¹ "One word-of-mouth recommendation is worth 600 media impressions," said Wilshusen in an interview.²

These are tantalizing but extremely high numbers, as echoed by at least one industry commentator, who noted that "the standard marketing experience" is that a satisfied customer will tell three other people about their experience.³ The Mayo figures, assuming perfect retention, also imply a patient base that would grow by a factor of more than five every year, causing a panel of 100 patients to expand to nearly 14,000 after just three years from this effect alone.

These Mayo data, then, appear to give an upper bound to the possible impact of word of mouth. Other sources also show positive results, however, even if they are somewhat more tempered.

One set of especially useful comparison points can be found in the dental literature. As with DPC, many dental practices are independent healthcare businesses, and they also often rely on cash-pay billing, transparent pricing, and at least some degree of necessary marketing. Unlike DPC, however, this model of dentistry is fairly old and has therefore been subjected to more study.

A 2016 report by the large dental organization Futuredontics, for example, found that patients looking for a new dentist used the recommendations of their friends, family, and coworkers more often than they did any other source of information.⁴ More than 80% of people surveyed in the study reported using word-of-mouth referrals in their deliberations, as opposed to online searches or insurance lists, which were the second and third most popular sources but used by only about 50% of respondents. Studies outside of dentistry have also found that greater than 80% of patients use word of mouth when choosing a physician, and it is again the leading source of information in at least some settings when insurance coverage is not a consideration.^{5,6}

Other work has evaluated dental patient recommendation behavior, with one study finding that a typical patient will make four to seven referrals during their time with a practice.⁷ These numbers are lower than those from Mayo, but they are more in line with referral reports from other industries. They are also based on patient survey results, however, so they may be inaccurate. Notably, a separate study, which polled several dentists instead of their patients, reported soberingly that they thought that only 2.5% of their patients had come from direct referrals.⁸

More than 80% of patients use word of mouth when choosing a physician.

More rigorous studies of word of mouth are available outside of healthcare, and these may ultimately provide the best estimate of the tool's true power.

One such report in the Harvard Business Review tracked actual customer referral behavior for two companies in separate industries (telecommunications and financial services), following through to determine which referrals led to successful new-customer

**For every two existing patients,
one new patient will be gained
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acquisitions. The authors found that about a third of each company's customers made at least one referral, though they did not report how many made more than one. They also found that about an eighth of all total referrals resulted in new customers. Taken together, these figures imply a worst-case scenario of roughly 5% growth from direct word of mouth.⁹

If we instead use the dental-literature figure of four referrals per average patient, then the same one-eighth conversion probability yields a 50% growth rate for word of mouth; that is, for every two existing patients, one new patient will be gained via word of mouth.

"Yeah, I'd say that about half to three-fourths of my panel now were direct referrals from other patients," said Dr. Neuhofel, who has largely capped his current DPC practice at about 600 patients after more than five years in operation. "The first several hundred patients, you have to work for those, but word of mouth really becomes significant after that."

C) Word of Mouth Is Controllable

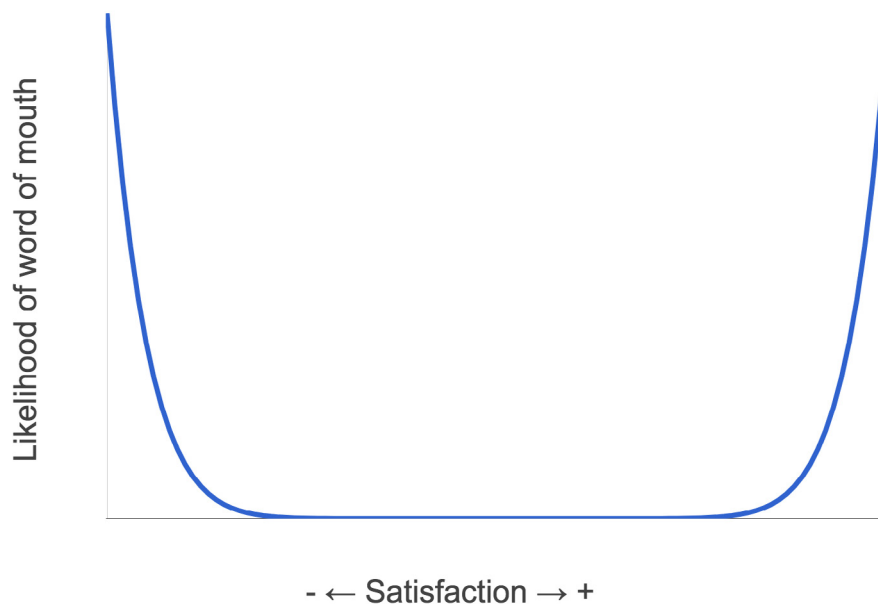
Word of mouth may be unique and powerful, but it doesn't merit much attention if it can't be controlled. Luckily, both DPC physician experience and the published literature suggest that there are numerous ways to increase not just the frequency but also the strength of your practice's word of mouth.

Your Patients Can't Get No Satisfaction

Most importantly and unsurprisingly, your patients' satisfaction will factor highly in their word-of-mouth behavior. This has been shown numerous times in marketing studies, but there is an interesting catch: the relationship between satisfaction and word of mouth is not linear. Instead, just those people who have had an exceptionally good (or bad) experience are likely to talk about it at all. Only after crossing this word-of-mouth

threshold will a person's level of happiness or anger then predict the strength of their recommendation.^{10,11}

Likelihood of Word of Mouth vs. Satisfaction



This type of relationship, often called a "U-shaped" or "bathtub" curve because of its shape, has two important and actionable implications. First, it means that merely providing a decent or good experience is not enough; you need to truly impress your patients to get them talking even a little bit. Second, you should make sure that you're identifying and addressing any poor patient experiences. A vast number of happy patients can easily be outweighed by a few loud malcontents, since the pleased majority may also be silent.

Fortuitously, the DPC ethos lends itself naturally to creating high levels of patient satisfaction, so you should already be well on your way to good word of mouth. We've also written previously about evidence-based ways to increase patient satisfaction, if you want more ideas to take your practice to the next level.

"Just take care of people. That's what we do, and that's been the biggest thing," said Mr. Larsen. "When we hire, we look for people who love to take care of people, and that seems to be working."

Be Novel, Be Sympathetic, Be Human

There is a tendency in medicine to maintain a formal presentation at all times and to hew closely to the mainstream, but this approach can be kryptonite for your word of mouth.

"The most engaging things I do have nothing to do with the details of my practice."

- Dr. Neuhofel

While you never want to be unprofessional or entertain quackery, your patients simply won't waste their breath passing on lukewarm news about blood pressure targets or a generic new primary care practice in their area.

Dr. Neuhofel has noticed this especially when reflecting on his clinic's word of mouth on social media. "The most engaging things I do have nothing to do

with the details of my practice," he related. "It's just me being silly or slightly provocative. I'm professional, but I try to avoid the cliché, like 'let me teach you about diabetes.' That will get you no traction."

The research agrees: people will talk about things that they find novel. They also tend to share more when they trust a source and when they feel sympathetic to it and want to see it succeed.¹² What you're doing in DPC truly is different from the norm, so don't be afraid to keep the focus on what makes you new, special, and worthy of support.

"When you do want to talk about your practice, it's much better to tell a story than to list off particulars," added Dr. Neuhofel. "If I have a notable encounter with a patient, especially if DPC really worked well for them, I'll write a 'timeline' story: '8:35am broke arm, 9:15am X-ray, 9:20am splint for \$20, 10am home comfortably.' That kind of story really gets people engaged and thinking, comparing it to their previous medical experiences. You don't even have to criticize the normal medical system; people will see it and get it."

Dr. John Birky of [Wellspring Family Healthcare](#) has also discovered, albeit accidentally, the powerful effect that novelty and human connection can have on word of mouth. When he and his practice partner, Dr. Scarlett Gard, launched New Hope Together, a nonprofit medical clinic for Somali refugees in their community of Garden City, Kansas, they certainly weren't intending to run a controlled experiment on marketing. However,

Dr. Birky couldn't help but notice that the nonprofit created "more life on Facebook in six weeks than we had in a whole year for the DPC practice." After reflecting for a moment, he added, "There just isn't quite the same emotional tug with the DPC practice."

Dr. Khayriyyah Chandler of [Chandler Wellness Care](#) also has advice for DPC doctors who want to attract new patients via word of mouth: "You need to find a niche. I'm vegan, for example, and I've got lots of vegan patients. I can talk about diet and plant-based angles on medicine and lifestyle modifications with them, and it's definitely drawn some new patients to me who were looking for that in a doctor."

Sweeten the Deal

One final way to promote word of mouth for your clinic is to sweeten the deal with incentives. They can be tricky to do well, but there is a large body of literature showing that incentives can increase buzz levels around nearly anything.^{9,10}

One common incentivization tactic, called a "give/get" promotion, involves giving a reward to both the referring patient and the new person they bring in. If you're looking to drum up business, consider offering a month or two free to both people when the new patient signs up for a year of membership. Providing the reward on both sides gives the promotion an altruistic element that will make your existing patients more likely to share the good deal with their social circles.

Incentives can increase buzz levels around nearly anything.

You can also consider one-off promotions, such as free sports physicals or blood pressure screenings at community health fairs. DPC practices have successfully used these to generate word of mouth, especially on social media, but it's less clear whether such tactics lead to enough new patients to justify the investment.

"You can skip the community health fairs unless what you want to do is help at community health fairs," offered Dr. Neuhofel.

Mr. Larsen also had a cautionary note about the need to structure incentive programs

carefully: "When we first opened, we said we were billing month to month and waiving the enrollment fee, but we saw some people trying to game the system. A few came in and paid for the first month and then immediately canceled after their full-physical visit, which is probably \$500 worth of medical care. Now we say we have a six-month commitment, and we say that we ask you to commit to us because we're committing to you, and that's worked great."



#2: Advertise, but Do so Carefully

Word of mouth is fantastic for growth, but there is still a place in DPC for more typical advertising. In fact, many of the practices we spoke with have tried everything short of skywriting to get their messages out, and they all had valuable advice to share on what has worked and what hasn't.

"Some of the whole 'getting your name and face out there' thing turned out to be worthless and time-consuming."

- Dr. Chandler

"I did everything from print to shopping carts," Dr. Chandler told us. "I've done some speaking events. I ran all over the place. Some of the whole 'getting your name and face out there' thing turned out to be worthless and time-consuming."

To make matters more complex, not every practice has the same experience with every advertising strategy.

"I tried a local radio station with a few advertisements, and honestly, I don't think it was worth it at all," reported Dr. Neuhofer. A few states away, however, Jason Larsen had found a different result: "Radio is one of our more successful mediums, for sure."

Such disparate outcomes may seem confusing, but they're not incompatible; there's simply no one-size-fits-all answer for advertising. Thinking of things through the lens of a few common marketing principles can help things make sense, though, and may help you avoid reinventing an often costly wheel.

Consider Your Funnel

The business concept of a "funnel" is a useful way to consider the entire process that a person goes through to become your patient. They must first, for example, see an ad for your clinic on social media. Then they have to click on the ad to go to your website, where they have to decide to fill out a registration form. Maybe then they need to book an appointment and show up for it before they can be considered a new patient. For a variety of reasons, some percentage of prospective patients will fall off at each step of this funnel, which narrows down the initially large pool of people to a smaller final number.

If you take this funnel view of the patient acquisition process, it becomes clear that there are only two ways to improve it: You can either fix "leaky" funnel steps so that the fraction of people who make it through increases, or you can concentrate on getting

"We see a 90% signup rate from our seminars."

- Jason Larsen

more total people into the beginning of the funnel, so that bad conversion rates are overwhelmed by raw numbers. An example of the former would be creating a more compelling ad with a higher clickthrough rate, and an example of the latter would be increasing your advertising budget to get the same ad in front of more eyes. Both tactics result in more new patients.

"We discovered that the least successful thing we were doing was trying to explain everything all at once, packing it all into one brochure or radio ad," related Jason Larsen of Assurance Healthcare. "That approach had very low conversion, so we changed the funnel to start with a short, focused message, be it a YouTube video or whatever, which entices people to sign up for live seminars that explain our model. These seminars are all hosted in person with our doctor and staff there, and we see a 90% signup rate from them. With that type of conversion, we can just focus on getting people to the seminars, which is way easier to do than getting a signup straight from an ad."

Instrument and Collect Data

In describing his approach to the Assurance Healthcare funnel, Mr. Larsen also implicitly touched on another important concept: instrumentation. You can't optimize your funnel if you don't know the relative success of each step in it, and implementing ways to measure this is called "instrumentation."

"Our front desk always says, 'Thanks for calling; how'd you hear about us?' So we can track where people are coming from," added Mr. Larsen. "That's how we knew that a full-page print ad wasn't working."

Some things are easier to instrument than others, however. Social media ads can tell you exactly how many views and clicks you've had, for instance, but it may be impossible to figure out that somebody visited your website because they read a newspaper article about you. In any case, the more data you can collect, the better you'll be able to

determine which funnel steps are working and which need attention.

Hone Your Call to Action

In marketing, a "call to action" (CTA) is the crucial part of an advertisement that directs its target to do something specific, such as "Visit our website!" or "Call now for a free quote." The point of a CTA is to move your would-be customer through an important step of the funnel, and a good CTA can easily be the difference between an ad that simply raises awareness for your clinic and one that puts you on the phone with a potential patient two minutes later.

"We did a direct-mail campaign early on that didn't really work, and I think it was mostly because we didn't invite people to do anything other than to join the clinic," said Mr. Larsen. "We didn't have any other specific call to action."

A CTA to "join your clinic" would, of course, be great if it worked, but it is often too much to ask right off the bat. Just as Assurance Healthcare found success by changing their CTA to invite people to an informational seminar, you can make your CTAs effective by keeping them clear, compelling, and context-appropriate. Somebody seeing your Facebook post may click to "learn more about a primary care doctor with same-day appointments," but they almost certainly won't click to "enter a credit card number now to join for \$600 a year," even if that is actually the end goal.

"Capturing email addresses
has been magical."

- Jason Larsen

Mr. Larsen noted that he's experimented with numerous CTAs at Assurance Healthcare and has especially liked ones that collected an email address. "Capturing email addresses has been magical. On the website, if we don't have an upcoming seminar, we'll ask people to enter their email address, and that gives me a list of people I can contact about our clinic and events."

Perfect Your Message

Along with a motivating CTA, you should also make sure that the rest of your advertising message is persuasive and compact. "We sent out a two-page letter once, front and

back," said Mr. Larsen, "and we would get calls with questions that had answers literally on the backside of the paper. We learned from that one."

Dr. Neuhofer had a similar perspective: "DPC can be so different across the board, and sometimes doctors try to give people the whole spiel all at once; it's overwhelming. I tell them to start with something specific and lightweight instead, and then, when the next questions come up, take the opportunity to open up a bigger conversation."

Many practices we spoke with had also found success when they highlighted the unique advantages of DPC. Points that came up frequently in our interviews included:

- Same-day appointments
- Longer appointments (e.g., 30 minutes instead of 10)
- Greater doctor and clinic accessibility (e.g., direct numbers, after-hours or weekend availability)
- In-office pharmacy
- Low-priced connections for lab testing and imaging
- Better technology (e.g., patient smartphone apps for convenient, secure texting and telemedicine)

The latter point about technology may be especially salient, as research indicates that about two-thirds of patients are open to virtual care in lieu of office visits, with a full 50 to 70% saying that they would choose a primary care doctor who offers a patient app over one who does not.¹³ Perhaps even more tellingly, 11% of millennial patients report that

If you don't already have a solution in place to handle patient texting, telemedicine, and other advanced communications, it's time to address that.

they would go so far as to leave their current doctor for one who provides online visits, and 3 to 5 percent of baby boomers share that sentiment.¹⁴ If you don't already have a solution in place to handle patient texting, telemedicine, and other advanced communications, it's likely time to address that.

Choose Your Medium

Even though it is just one consideration within the full patient acquisition funnel, your choice of advertising medium can have an outsized impact. There is no universally right or wrong answer, but the available options all have important differences that can help you make a decision. Things to consider:

- **Cost**

The cost of advertising can range from free or nearly free (e.g., social media) to mind-bendingly expensive, but you don't always get what you pay for.

- **Reach**

Your expected audience will vary between media, both in terms of size and likely demographics. Consider carefully how many people you want to reach, what they should be like, and which media will let you target them effectively. A scatter-shot ad to ten-thousand Medicare patients will likely be less useful for a DPC practice than a targeted pitch to a hundred people on high-deductible insurance plans.

- **Available CTAs and Instrumentation**

Your funnel design will inform some media choices based solely on the calls to action that you plan to use. If you are going to tell people to visit your website, for instance, then online ads will almost certainly have a better conversion rate than other options. Some media types are also easier to instrument, which will help you know how well your strategy is performing.

When you assess these factors for the complete array of media choices, one clear bifurcation emerges: new vs traditional media.

Internet and New Media

The practices we spoke with had variable experiences with most types of advertising, but they agreed nearly universally on one thing: social media is worth it. Especially Facebook.

"For attracting patients, Facebook is the most effective," said Dr. Neuhofer succinctly. "If you have a post on Facebook that is getting good traction, it's probably worth the ten or twenty bucks to boost it up," he expanded, referencing the social network's feature that

lets businesses pay to promote posts they have made. "Those dollars are going to go a lot further there than they would with newspaper or radio."

This experience was mirrored by Dr. Jeffrey Davenport of [One Focus Medical](#): "I had a person doing marketing for eight or nine months and didn't get a whole lot of traction. Facebook, though, has become by far my number-one advertiser, even though I don't spend money on it. It's all word of mouth. People will post that they can't afford insurance, and somebody will recommend me."

Mr. Larsen has used Facebook at Assurance Healthcare, too, with a call to action for attending their seminars: "What I did on Facebook was to write posts inviting people to our seminars, and then I'd boost them for \$20 or \$25. It was fairly successful at getting people in, I'd say."

Social media can be powerful, but it is only at its best and most cost-effective when your advertising exposure there is organic. That is, when people share what you have posted on their own instead of you having to pay the network to do it. This type of media, then, blurs the line between traditional advertising and word of mouth, and this can have an impact on which types of messages are successful.

"Just try to connect with people, and once you do, then you'll have an opportunity to educate them. Don't try to oversell or make it too technical," said Dr. Neuhofer. "We have a bunch of people who started following us just because we posted something interesting, not even necessarily about DPC, but it got them engaged. Good example: Yesterday morning, I flipped my coffee over on myself, and my nurse was laughing at me. She took a picture and we [put it on Facebook](#) and it got like 150 likes and 20-some comments in a day. For a doctor's office, that's crazy. Those type of things, I have found, those type of personal things, even if they're not direct, engage people."

You can also consider investing in social and content networks outside of Facebook, such as Twitter or YouTube, but there was less enthusiastic support



for these among the DPC physicians we spoke with. This was potentially due solely to limited experience, however, with Mr. Larsen noting: "Our YouTube trial is pretty fresh. We ran ads for four days over a weekend recently, and the response seemed to be good. Out of a thousand views, a couple hundred watched the whole ad and another half went to the site. We're still seeing if it converts to members coming in."

Outside of social media, search engines are also worth considering in your advertising strategy. Having a useful and professional website is essentially mandatory now, the table stakes of a modern business, and you may benefit further by raising your ranking in search results with the help of a "search engine optimization" (SEO) firm. If you have extra time and motivation, you can also host a blog on your site and keep it updated to help drive extra traffic to your site and into your funnel, a tactic known as "content marketing."

Search engines are also worth considering in your advertising strategy.

Search engines will let you pay to play, too, of course, and programs like Google's AdWords are worth investigating. "AdWords I did early on, and it was semi-successful," reported Mr. Larsen. "We were finding people who were searching for some type of health insurance, and then they would see our listing and check us out."

While the various new-media options do have some differences, nearly all of them offer the ability to target specific user demographics as well as to track explicit metrics for how your ads are performing. Used correctly, these features are crucial advantages over the more diffuse and opaque options in traditional media. "Online, we're generally able to geotarget people close to the clinic who are above 18 years old, and that has been useful," said Mr. Larsen.

Traditional Media

Traditional advertising includes channels such as newspapers, magazines, direct mailings, and radio. In our conversations, the DPC physician opinion of these options ranged from cautious at best to near-apocalyptic at worst.

"I have seen doctors that do traditional advertising, but it's really expensive, and it's a huge risk. I've seen way more doctors flush thousands of dollars down the drain than

ones who thought it was worth it. Like ten to one," said Dr. Neuhofer. "I'm pretty skeptical that any of those things are worth it, especially for a DPC practice that is trying to be lean and have small overhead. You shouldn't be budgeting tens of thousands of dollars for advertising. For the budget you should have for advertising, traditional methods likely won't work. I tried a little bit of it in the beginning when I was scrapping for every patient, including a few advertisements on a local radio station, and honestly, I don't think it was worth it at all. It could have been my market or my community, but it didn't work for me."

As Dr. Neuhofer pointed out, however, his experience with radio might have been specific to his situation. If you think radio or another traditional medium could work for your practice, it might be worth a trial, especially if you're willing to gather data and tweak your approach.

"I experimented quite a bit with radio," said Mr. Larsen of Assurance Healthcare. "We had an ad we were running on a group of radio stations for \$600 a month, and at the time, we were averaging around 24 to 26 new members per month. I stopped the ads one month

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- Dr. Neuhofer

to check the impact, and we dropped down to just eight new patients. We started the ads again and jumped right back up to 24 new patients the next month. Radio is probably the second biggest thing attracting patients to our clinic, right after word of mouth."

Mr. Larsen also did a bit of extra legwork to increase the effectiveness of Assurance's radio presence: "We tried a bunch of stations initially, like pop music, other types of music, talk

radio. In the end, the best one was a conservative talk radio station, followed by an oldies station, so we use those now. A lot of businesses in our area end up playing that oldies station in their offices, and I think that helps."

While radio may be a bit exotic, nearly every practice we spoke with had tried print advertising in some form, and most had a story of pain about it.

"We tried print media, and it did not work at all," said Mr. Larsen. "We had ads in the local

business paper a few times, and we saw very little uptake from that."

Dr. Chandler agreed: "Advertising does get you some face recognition, but I can say that walking around with my kids every day and talking to people was probably just as effective as most of that print advertising."

Print did seem to work sometimes, though, and the circumstances were always similar when it did. Inevitably, the key difference was that the coverage was organic rather than paid.

"We've had a few articles written about us, and those have worked well," said Mr. Larsen. "I reached out to a few papers and found out who was writing about healthcare and then just emailed those people, letting them know that we were a new medical practice in town that was doing things a little differently. That worked pretty well, and we got a number of calls from those."

"The best print I've had was an article about me instead of an advertisement," said Dr. Chandler plainly, echoing the experience of Assurance. "Creating press, to me, is always a good thing."



#3: Get Patients Who Fit and Then Find More of Them

Your practice will be a natural fit for certain types of patients, which will make them far more likely to join than you might otherwise predict. This seems like a straightforward notion, but the key is to realize that the factors which determine fit often have less to do with you and your medical abilities than they do with economics and other pragmatic issues.

As Dr. Neuhofel illuminated, "I have one guy who ran the math on his meds and labs alone and realized that I'd be saving him 70 bucks a month over using his high-deductible insurance plan, even with an in-network doctor. I mean, that guy, he could hate me and he would never leave. There's so much obvious value for him."

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In business terms, patients like Dr. Neuhofel's are said to have incentives that are "aligned" with the DPC model. Their personal situations, for a variety of possible reasons, act to magnify the strengths of DPC for them while minimizing the impact of any gaps. Finding such patients is an obvious priority, and fortuitously, many of the factors that predict incentive alignment are easy to identify. Once you know these factors, you can then use them to tailor your advertising and outreach strategies so that you're always fishing in the most well-stocked ponds.

Demographics

Patient demographics are always important in medicine, and this continues to be true when it comes to assessing fit for DPC.

"Eighty percent of our demographic mix comes from families with young kids and people ages 50 to 60-something," said Dr. Neuhofel. "I mean, that covers a wide gamut, because the parents of those kids are in their 30s and 40s, but we don't have a lot of elderly people or the really young and healthy."

Mr. Larsen also noted a similar trend: "Yeah, we usually don't even see those people sign

up, the healthy 20-year-olds."

"20-year-olds are tough," Dr. Neuhofer continued. "I've seen so many that ended up in the ER for something acute and then found out about us later, but it's water under the bridge by that point. I think they're going to sign up and stay because they realize our value after that ER bill, but it's not always the case. People often see the money now and not down the road."

Dr. Neuhofer also had advice for turning demographic tendencies into actionable strategy: "Whenever you're talking to people who don't know what DPC is, you have to find some small aspect of DPC that will appeal to them, something they might be interested in. If someone calls into my practice and I realize they're young, for instance, I might talk about how we use technology and can do texting and remote communications. I might mention we don't charge for Strep tests. Those are the types of things they want and need, and they probably won't be interested in how I can save them money on medications and labs. You have to size up your audience and know who you're trying to reach, rather than having a generalized pitch."

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- Dr. Neuhofer

Other physicians brought up the importance of considering the demographics local to your clinic, too. "You need to make sure that your prices and your messaging are right for your area," cautioned Dr. Chandler. "Figuring that out may take longer than people think."

Insurance Status

A person's existing health insurance will highly affect how attractive they find DPC to be, and patients who are uninsured or on high-deductible plans are much more likely to see value in your model than those who have a fully insured platinum plan.

Dr. Pouya Bahrami of [Essential Medical Clinic](#) in Los Angeles has noticed this effect, and he remarked that it has impacted his strategy. Because his practice is a hybrid of the DPC and fee-for-service models, he said, "when a patient comes in with high copays or no insurance, I'll talk to them about the membership option. They don't know what DPC

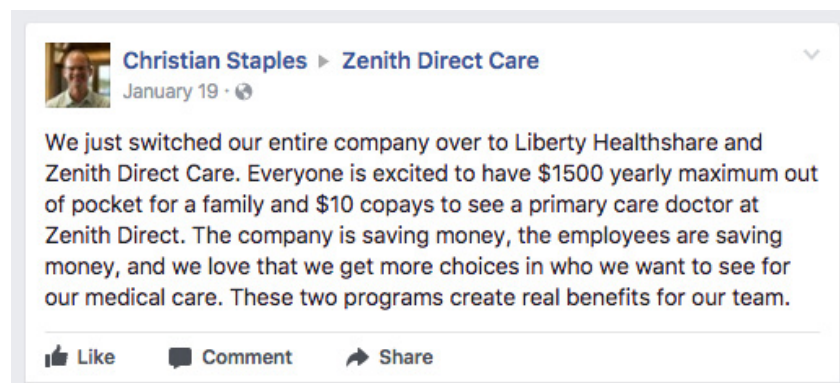
is, but that is an opportunity to tell them, and I've added some patients that way."

Insurance status sometimes also tracks with demographic traits, which can lead to especially powerful predictive forces. The most obvious instance of this occurs, unsurprisingly, with the Medicare program and its starting age of 65.

"Older people are very difficult because of Medicare," said Dr. Neuhofer. "Most won't even consider an option that's not part of Medicare, no matter what."

There are, additionally, people who pay for their health care via entities outside of the typical insurance industry, and these patients are often a great fit for DPC. Perhaps the most notable example of this is found in the "health care sharing ministries" (HCSMs) that are used by more than 600,000 Americans. HCSMs collect ongoing fees from their members and then pay certain types of their medical bills when needed, and we heard from several DPC practices that had added patients after connecting with these quasi-insurance organizations.¹⁵

"I've had more than one article written about me by Samaritan Ministries," said Dr. Davenport. "People in my area are turning to these ministries, and they fit naturally with DPC. There's great word of mouth within their memberships, too."



Aaron Monson, COO of [Zenith Direct Care](#), also noted "good traction after we connected with Liberty HealthShare." In that case, the HCSM also functioned to let Zenith land a contract with a local business, which brought its entire workforce over to the clinic. The arrangement had such good alignment that the owner of the business even [posted as much to Facebook](#), concluding, "The company is saving money, the employees are saving money, and we love that we get more choices in who we want to see for our medical care. These two programs create real benefits for our team."

Employer

If you know a person's employer, you can make a good guess about how attractive they will find DPC. This is mainly due to the fact that employment predicts so much of insurance status, but it is important to remember, because employers are your ticket to finding sizeable groups of potential patients with similar insurance situations.

Dr. Chandler has noticed this in her state of New Jersey, for instance, since the government there recently began a program to give its public sector employees access to DPC healthcare options. "People are telling each other at work that they're eligible, and then they're coming to me. Word of mouth at workplaces is definitely contributing."

Dr. Davenport also recommended finding out where your patients work, since at least part of the reason they were attracted to your model of medicine likely had to do with the benefits situation at their job. "Get a couple people in the door, and they'll tell everybody else at the company how fantastic it is. You get that word of mouth inside a company of 300 people that already has an HRA (Health Reimbursement Account) set up, and the news will spread like wildfire."

We covered the ins and outs of employers and DPC extensively in a previous eBook, ["Secrets of Direct Primary Care: 5 Keys to Landing Employer Contracts."](#) Don't miss it if you want to understand this powerful dynamic fully.

"Word of mouth at workplaces is definitely contributing."

- Dr. Chandler

Health Issues

A person's health issues and their stage of life are also factors that can determine their likelihood of fitting well with DPC. As Dr. Neuhofer noted, for instance, families with small children have a predictable ongoing need for healthcare, as do people who have chronic diseases with recurring labs and medications. Crafting your approach to appeal to patients like these will improve your chances of getting a signup when the chips are down.

Health needs are not foolproof predictors, however, and your results might sometimes

be surprising. "We had someone quit who felt like he wasn't using us as much as he expected, but he had been in four times that year," said Dr. Neuhofer. "Other people stay with us even though we have to drag them in. One guy stayed on who hadn't seen us in three years; he just kept saying he was healthy and wouldn't come in. People's perception of the value they see in us varies hugely, and there's often no connection with their health status. If someone has more health issues, though, sure, it's easier to show them value and have more opportunities to interact with them."



#4: Be an Educator Not a Huckster

The difference between selling and educating may come down to a matter of perspective and cynicism, but the DPC doctors we spoke with consistently noted the distinction and how important it can be.

"You're a product but you're not a product; you're a service and an important part of society," said Dr. Chandler. "You don't want to put yourself out there like a piece of chicken, and you have to be careful not to be perceived as cheesy or like you're out to take people's money."

"The DPC model is unfamiliar to most people, and education is the biggest barrier to people signing up for membership medicine."

- Jason Larsen

Dr. Davenport had a similar sentiment: "Nowadays, I focus on teaching about DPC, rather than talking about my clinic. I try to educate on the concept, because trying to get everybody to understand the concept is what will really spread the ability for people to think outside the box. Many of them do sign up, but it's not how the effort starts."

Mr. Larsen continued the thought: "The DPC model is unfamiliar to most people, and education is the biggest barrier to people signing up for membership medicine. When we can get someone into one of our seminars and tell them what we can do for them, they will often sign up."

There are many possible venues for spreading the word about DPC, and Dr. Neuhofel advocated that physicians pursue as many as they can find time for. "I would encourage people to seek out local community organizations that are not related to healthcare," he said, "like small business groups, senior centers, religious groups, Lions Clubs, anything you can get involved in."

"You don't have to approach it like you're selling DPC to them. Most of these groups would be happy to have a local doctor come in and give a short presentation on diabetes or tick bites or really anything. It gives you a foot in the door to talk about yourself, of course, but you don't have to approach it as sales. Doctors have a unique position when

it comes to marketing; we have a great skill, and people are surprised that a doctor would come in and talk to them. In the beginning, I did that a lot and pounded the pavement looking for groups to talk to."

"I don't know how often people look at a print, radio, or TV ad and think, 'You know, that's where I want to get my healthcare,'" Dr. Neuhofer then mused. "Maybe it's true outside of healthcare, but it seems less likely to work for us. If you can get yourself directly in front of five people, though, you're way more likely to pick up one of them as your patient than if you reach five-hundred with an ad."



#5: Grow by Preventing Loss

We've been focusing on how to attract new patients, but holding on to the ones you already have may actually be better for helping your practice grow. The fraction of your panel that stays with you from year to year is called your "retention" rate, as compared to the "churn" rate of people who leave, and it's worth your time to understand and optimize.

Typical Churn Rates

"I've heard to expect at least 5 to 10% to leave in any given year," said Dr. Neuhofer, "and some other DPC doctors have told me that they really do have a 90% retention rate, but mine has been lower than that." He went on to estimate that he has lost a total of 400 to 500 patients over the six years that he has been in practice, which works out to a yearly churn rate of 30 to 40%, if you assume steady overall growth from a small starting point to his current panel size of 600.

For comparison, these numbers match those found in commercial dentistry, a field with business characteristics reasonably similar to those of DPC. Reports and studies from dental practices suggest that they often have a 50 to 60% patient retention rate in the absence of optimization, and that dedicated effort can improve this figure to 90% in at least some cases.^{8,16} Overall, practices appear to have a 75 to 85% retention rate.

Overall, practices appear to have a 75 to 85% retention rate.

With these baseline numbers in mind, it's helpful to consider what makes patients leave and how you might prevent it.

Low Value-Realization

"I once read that a local DPC practice had signed up a trucking company with 85 employees," said Mr. Larsen of Assurance Healthcare. "So I gave that company a call to ask what had attracted them to DPC and to learn how we could go after similar deals. They told me, though, that they had canceled after just a year because their employees had only used the clinic three times. Out of 85 people. So I learned from that, just not

what I was expecting to learn. The DPC practice really missed the ball on something there."

Your clinic and services are valuable, but you need to make sure that your patients see things the same way or else they will be liable to view their monthly fee as expendable. "You can feel a bit like a gym membership at times," said Dr. Kenneth Rictor of [Scotland Family Medicine](#) in Pennsylvania.

Of course, showing value to patients who have frequent need of typical primary care is mostly straightforward. Studies indicate that satisfaction and trust predict retention likelihood, and there are natural opportunities to build both of these when patients know they need to see you.¹¹ It can be trickier, however, to satisfy someone and make their membership feel worthwhile when they're healthy or simply don't realize that they need you.

One important tactic is to make sure that patients get engaged with your clinic shortly after they sign up. This goes double if they were only added to your roster through an employer contract.

"We've started sending out welcome letters to new members," said Mr. Larsen. "They all get a phone call, too, which asks them to come into clinic for a first visit to establish care. We make sure that we get them in as soon as possible after they sign up, and that's the biggest thing for retention: getting them in to see us and making sure that they understand who we are, how we work, and what we offer."

Another important strategy is to ensure that your patients stay consistently reminded of your clinic and how you can make their lives better. This is accomplished through so-called "internal" marketing, which comprises activities such as monthly newsletters, appointment reminders, check-in messages, new service announcements, event invitations, and anything else that gives you an opportunity to communicate with your

"That's the biggest thing for retention: getting them in to see us and making sure that they understand who we are, how we work, and what we offer."

- Jason Larsen

panel. It may seem strange to consider advertising to patients who have already signed up with you, but any business that depends on recurrent billing must continue to prove its worth.

"We send out monthly newsletters with topics of the season and other items that invite patients to come in and see us," shared Mr. Larsen. "We also have a health coach that

works alongside us, and sometimes we'll even refer people to healthy cooking classes or other lifestyle activities. We're always looking to improve our ability to make the membership valuable for people, even when they're not sick."

"About a third of the people we lose leave because they got a new insurance plan."

- Dr. Neuhofer

Just as Mr. Larsen and Assurance Healthcare have done, expanding the services that you offer is another way to make your membership valuable. "I've

had people say, 'Hey, I really want you to be my doctor, but I don't know if I need this,'" said Dr. Birky of Wellspring Family Healthcare. "It's useful, then, to have ways to show them a benefit, and being able to offer telemedicine on the Spruce platform has been very positive for that."

Change in Job or Insurance

As we've discussed, a person's employer and insurance status are highly predictive of their fit for DPC. If either of these change, a previously satisfied patient may turn into a churn risk.

"Most of our turnover for individuals comes from people who didn't have health insurance, or who had only a high-deductible plan, but who have recently moved to an employer with a full-coverage insurance option," related Mr. Larsen.

Dr. Neuhofer's experience has been similar: "About a third of the people we lose leave because they got a new insurance plan, and they make a decision to stop so that they can try it out, even though having insurance is not the same as having a doctor. Most people probably haven't had a personal relationship with a doctor, so they don't know

what primary care really can be. We see value in the relationship and continuity, but it's not always easy to communicate that."

Mr. Larsen also reported that he typically has limited success retaining such patients, but he has been refining a strategy that has shown some promise.

"When I hear that a patient is changing jobs and insurance, what I do is offer a consultation appointment, saying 'Congrats on the new job, I'd love to speak with you about your upcoming health plan options. If you've enjoyed your experience with us, it can probably continue.' And then we sit down and see if staying on a bronze plan might work for them. If it can, then it often makes sense to stick with us, and that's worked a number of times."

"People moving out of town
probably explains another third of
the patients we lose."

- Dr. Neuhofel

Both NeuCare and Assurance Healthcare have also had a number of patients who have changed jobs in the other direction. "We have a high proportion of lower income people," said Dr. Neuhofel, "and it can be challenging for them at times. We usually find something that works, though."

Mr. Larsen agreed. "Sometimes people call and say, 'I lost my job, I need to postpone for a few months.' What we do depends on the specific situation, but we often say that we'll cover them for a few months, and we set a date to resume payment. We've found that the wording is important; we don't say that it will be free but, rather, that we're paying the bill. And that keeps the mindset right, and it's been great. People are thankful, they stay on as members, and really regularly, they end up paying again."

Moving House

"People moving out of town probably explains another third of the patients we lose," said Dr. Neuhofel, via phone call from his office in Lawrence, Kansas. "They move out of town, and there's no way to retain that person. It's going to depend on local factors, but I'm in a very mobile college town, and people just move to Portland because it's just that time of year. I've literally heard that story like ten times. We're like a Berkeley of the plains here."

It may not always work, but Dr. Linnea Meyer of [Wellscape Direct MD](#) notes that telemedicine (yes, on the Spruce platform) has allowed her to retain some of her patients who now live far away. "I have patients who live hours away who have known me in the past, and we make use of telemedicine to stay in touch," she said. "Telemedicine makes it convenient for me to keep in contact with them, to address their concerns when they arise, and to avoid unnecessary trips into the office. We can handle a lot of things by text, phone, or video."

Unsolved Mysteries of Panel Shrinkage

No matter what you do and no matter how much you optimize, you will lose some patients. Perhaps even more frustratingly, for some of them, you will never know why.

"Sometimes people just stop responding to us. They just don't pick up the phone anymore," said Dr. Neuhofer. "That's the last third of the people who leave. I've had somewhat higher turnover than I wanted, but I think most clinics have, and I try to provide people a good experience."

Even with that, Dr. Neuhofer is up to a full panel that he has had to purposefully limit while he considers adding another physician. Retention and churn issues may be a gut punch, but they are also universal and survivable.

"It can really hurt bad when you have a small panel size," reflected Dr. Neuhofer. "Once you're on the other side of that, though, you can relax a bit."



Bonus Strategy: Launch Like a Pro

If you haven't launched your DPC practice yet, then you're in a great position to make a large impact on your initial patient recruitment. It's important to know the right early tactics, though.

"What I've found with DPC is that the people who have the greatest success fall into two categories," said Dr. Birky, "1) physicians with existing practices of 2,000-plus patients, who keep 10% of them when they convert to DPC, and 2) physicians who connect with employers right off the bat. Outside of those two scenarios, it can take a long time to grow."

If you want to get a leg up on plotting employer contracts before you even turn the lights on, check out our guide, "[Secrets of Direct Primary Care: 5 Keys to Landing Employer Contracts](#)." There are also ways to optimize your panel conversion, though, if your plan is to rely most heavily on that.

"We did an initial letter mailing to our existing 3,500 patients when we were launching," said Mr. Larsen, "and we got the typical 10% over the first three months that stayed with us from that panel, but I think we could have been a lot more successful if we had done other things. I would definitely do it differently now, with more engaging calls to action and better follow-up."

Dr. Neuhofel also recommended not taking your transition for granted. "I've seen a few conversions where the doctor did a great job transitioning and branding, but I've also seen several that went poorly. It's important to get right, but it's stuff that doctors aren't necessarily good at doing. Doctors don't like to think of themselves as salespeople, but at this stage of DPC, it's almost a requirement for them to put themselves out there or they're going to flounder."

"Doctors don't like to think of themselves as salespeople, but at this stage of DPC, it's almost a requirement for them to put themselves out there."

- Dr. Neuhofel

Apart from lining up your marketing and transition plans well before you hang out your

new shingle, you can also test the waters ahead of any significant investment. "If you have the opportunity to do a pre-enrollment before opening your practice, that will tell you a whole lot," advised Dr. Neuhofer. "You should be marketing months before you open, like at least six months. Then, give people an opportunity to sign up and get a credit card on file so that you know they're committed. If you don't get any pre-enrollment, then that's a good gauge. Maybe rethink your plan."

Go Forth and Add Patients

Whether you have a longstanding DPC practice or just an idea, a stuffed fee-for-service panel or simply a fresh residency certificate, multiple offices or only a PO box; there is still a way for you to grow and add new patients.

Direct primary care is beneficial, young, and ready for you to push it forward. So go forth and grow.

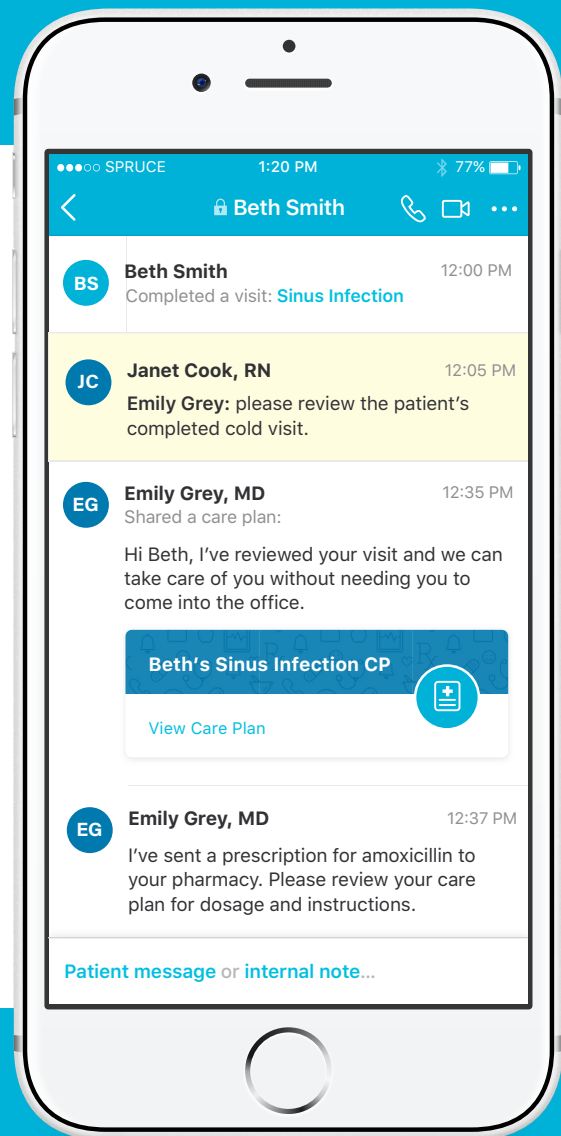


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know if we could exist without it."

- Dr. Radley Griffin
Griffin Concierge Medical





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