

MARKET ANALYSIS

- Organization Analysis
 - Geographic
 - Disease Mix
 - Site of Care
- Market Analysis
 - Market Size, Share, Concentration & Penetration
 - Competitor Analysis

MARKET ANALYSIS(con't)

- Environmental Review
 - Reimbursement
 - Healthcare Delivery
 - National
 - Local
- SWOT Analysis
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats

GEOGRAPHIC ANALYSIS

COUNTIES	2005 ADMITS	2005 SALES	2006 ADMITS	2006 SALES	2007 ADMITS	2007 SALES

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DISEASE MIX

DISEASE	2005 Admits	% of Total	2006 Admits	% of Total	2007 Admits	% of Total
Cancer						
Cardiac						
Alz/Dementia						
Respiratory						
Neurological						
Kidney						
Other						

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SITE OF CARE ANALYSIS

	2005 Patients	% of Total	2006 Patients	% of Total	2007 Patients	% of Total
HOME						
NURSING HOME						
HOSPICE FACILITY						

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MARKET METRICS

- Market Size
- Market Share
- Market Concentration
- Captive Market
- Market Penetration

MARKET SIZE

- *Why Important*
 - Determines how big is the opportunity to grow
 - Benchmark your growth rate against market's
- *How Measured*
 - Admissions/Discharges
 - Revenues
 - Days
 - Patients Served
- *Sources*
 - State gov't, state association, commercial vendors

MARKET SHARE

- *Why Important*
 - Economies of scale generate better financials
 - Positive cycle of more patients enhancing reputation which, in turn, generates more patients
- *How Measured*
 - % of Admissions --% of Revenues
 - % of Days --% of Patients
- *Sources*
 - State gov't, state association, commercial vendors

CAPTIVE MARKET

- *Why Important*
 - Determine how much of market is available to be realistically captured
- *How Measured*
 - Subtract market share of captive situations from overall market size to determine *Available Market*
- *Sources*
 - State gov't, state association, commercial vendors

MARKET CONCENTRATION

- *Why Important*

- Determine how amenable referral sources will be to try new providers
- High concentration usually means referral patterns are established

- *How Measured*

- Combined market share of 3 largest providers; high concentration >65%

- *Sources*

- State gov't, state association, commercial vendors

MARKET PENETRATION

- *Why Important*
 - Determines relative acceptance level of hospice services
 - “Grow the pie” versus “fighting for a larger piece”
- *How Measured*
 - Hospice Deaths/Anticipated Deaths
 - Patients Served/Medicare Eligible
- *Sources*
 - State gov’t, state association, commercial vendors
 - CMS website, State Dept of Health website-mortality data

COMPETITOR ANALYSIS

HOSPICE	CLINICAL FOCUS	ACCESS FOCUS	GOVERN- ANCE	SITE FOCUS	PATIENT FOCUS	OTHER/ CENSUS

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MARKET ANALYSIS

	COUNTY 1	COUNTY 2	COUNTY 3	COUNTY 4	TOTAL
MARKET SIZE					
MARKET SHARE					
CAPTIVE MARKET					
MARKET CON-CENTRATION					
MARKET PENETRATION					

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ENVIRONMENTAL REVIEW

- Medicare hospice reimbursement will likely decline, in real terms, at some point in the next few years, possibly focused on long term and /or nursing home patients
- Cancer screenings will lead higher early detections and fewer deaths; advancements in cancer treatments will lead to slower disease progression and fewer symptoms
- No meaningful progress in slowing or halting disease progression of Alzheimer's and Dementia
- Obesity crisis will lead to higher incidence of cardiac disease and diabetes

SWOT Analysis

- The purpose of a SWOT Analysis is to provide a foundation upon which develop strategies
- Strategies should either
 - Capitalize on strengths
 - Overcome weaknesses
 - Seize opportunities
 - Counter threats

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

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GEOGRAPHIC ANALYSIS

COUNTIES	2005 ADMITS	2005 SALES	2006 ADMITS	2006 SALES	2007 ADMITS	2007 SALES
Adams	20	\$210,000	22	\$230,000	25	\$260,000
Jefferson	30	\$270,000	35	\$320,000	37	\$340,000
Washington	45	\$500,000	41	\$370,000	38	\$300,000

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DISEASE MIX

DISEASE	2005 Admits	% of Total	2006 Admits	% of Total	2007 Admits	% of Total
Cancer	45	47.3	42	42.9	40	40.0
Cardiac	18	18.9	19	19.4	20	20.0
Alz/Dementia	15	16.3	16	16.3	17	17.0
Respiratory	4	4.2	4	4.1	3	3.0
Neurological	3	3.2	3	3.1	4	4.0
Kidney	2	2.1	2	2.0	2	2.0
Other	8	8.4	12	12.2	14	14.0

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SITE OF CARE ANALYSIS

	2005 Patients	% of Total	2006 Patients	% of Total	2007 Patients	% of Total
HOME	75	71.4	78	69.6	84	66.7
NURSING HOME	25	23.8	26	23.2	22	17.5
HOSPICE FACILITY	5	4.6	8	7.1	20	15.9

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COMPETITOR ANALYSIS

HOSPICE	CLINICAL FOCUS	ACCESS FOCUS	GOVERN- ANCE	SITE FOCUS	PATIENT FOCUS	OTHER/ CENSUS
Freedom Hospice	ALS	Open	Independen t Non-Profit	Community	Black & Hispanic	
Incarnate Hospice	Dementia	Open	For-Profit Chain	SNF	Jewish & Hindu	
Sisters Hospice		????	Religious Non-Profit	Community		
Hospital Hospice		Limited	Hospital Affiliate	Inpatient	Hospital Inpatient s	

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	COUNTY 1	COUNTY 2	COUNTY 3	COUNTY 4	TOTAL
MARKET SIZE	\$6,000,000	\$7,000,000	\$8,000,000	\$9,000,000	\$30,000,000
MARKET SHARE	10.0%	25.0%	15.0%	20.0%	16.6%
CAPTIVE MARKET	15.0%	0.0%	10.0	0.0%	5.6%
MARKET CON-CENTRATION	60.0%	80.0%	30.0%	50.0%	53.6%
MARKET PENETRATION	33.0%	22.0%	62.0%	35.0%	38.0%

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SWOT ANALYSIS

STRENGTHS Medical Director Hospice House	WEAKNESSES New account executive
OPPORTUNITIES Low Penetration	THREATS Hospital Inpatient Unit National Chain “Leapfrog”

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