

Marketing That Generates Real Value

*Key 2020-21 Metrics for Behavioral Health
Executives and Investors*



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How does marketing affect an addiction treatment center's valuation? The truth is that some marketing factors can make a business' true valuation more difficult to discern than some people might realize.

As we consider the valuation of addiction treatment centers, it's important to remember that the most effective marketing campaigns require custom refinement to meet a provider's unique circumstances and goals. Overall effectiveness and success can be masked through volume, spend, and people's level of technical understanding. Keep in mind also that marketing methods can produce a remarkably wide spectrum of results. While most marketing tactics have varying degrees of effectiveness, not all will yield a strong return on investment.

Brand Makes a Marketing Program Effective

A truly comprehensive addiction treatment center marketing strategy begins with branding. Establishing a strong and recognized brand relies a great deal on achieving outstanding patient outcomes. Branding is the foundation for the reputation of every genuinely successful addiction treatment center.

A brand makes a promise to prospective patients. It basically says, "Here's what you can expect from our center and this is why we're different from the competitor down the street." It should be considered a key ingredient of any addiction treatment center's marketing strategies.

As we consider methods for creating value for an addiction treatment center, it's important to always begin with a discussion of brand. All of your marketing will be in some way influenced by it.

The State of Addiction Treatment Marketing

There is one problem that must be acknowledged at the outset: addiction treatment marketing is in no way standardized. There's a bewildering variety of strategies, theories, methods and tactics being used to market detox and drug rehab facilities. Those marketing in this space vary wildly in reputation, from the highly creditable to the highly questionable.

Addiction Treatment Marketing Isn't Always Ethical

Unethical marketing practices are rampant and go unchallenged in many cases, damaging the reputation of the industry as a whole. Patient brokering is another practice that hurts the addiction treatment space. Centers engaging in ethical marketing is essential for keeping a few transgressors from casting a shadow over an entire industry.

Here is one example of how unethical players operate. A recent headline from the US Department of Justice blared "Florida Doctor Charged in Massive \$681 Million Substance Abuse Treatment Fraud Scheme."¹

In June of 2020, a Palm Beach County, Florida doctor was arrested and charged with conspiring to commit health care fraud and wire fraud for his alleged participation in a massive \$681 million-dollar substance abuse treatment fraud scheme. He billed for expensive urinalysis tests, costly blood tests, non-existent therapy sessions, office visits, and other unnecessary services, regardless of whether such treatment and testing were medically necessary and/or actually provided.

Over the course of the scheme, this doctor allegedly served as a "Medical Director" for more than 50 addiction treatment facilities, and signed more than 130 standing orders authorizing such fraudulent tests.

That certainly sounds bad... and yet, there's more. The doctor also inappropriately prescribed controlled substances, including large quantities of buprenorphine/Suboxone, frequently exceeding the number of patients he was legally authorized to treat. He even provided these drugs to patients who didn't even need them, ignoring the possibility that they could then be resold to others who shouldn't have them.

As bad as this is—and it's bad—other practices out there hiding in the dark corners of the industry are worse...

1. <https://www.justice.gov/opa/pr/florida-doctor-charged-massive-681-million-substance-abuse-treatment-fraud-scheme>

Patient Brokering: An Ugly Mark on the Industry's Reputation

Patient brokering deceives people when they are at their most vulnerable. Most victims have little familiarity with addiction treatment and are easily manipulated. The scenario is generally the same. Individuals suffering addiction call some sort of an addiction treatment “hotline” without realizing they’re speaking to a broker who works with facilities that promise the broker a kickback for sending them patients. These facilities, in turn, bill the patients’ insurance for tens of thousands of dollars.

Patients may be moved around to multiple facilities within a time of just a few months in a practice often referred to as “The Florida Shuffle.” As an incentive, patients are often offered cash, clothes, drugs, and other free stuff.

When these patient brokering schemes are uncovered, it’s national news. This has been happening more often in recent years. All of that negative press ultimately proves embarrassing for all of the addiction treatment centers out there acting ethically and doing good work.

The Good News is That the Majority of Addiction Treatment Centers Do Operate Ethically

Despite the examples that have just been cited, most addiction treatment centers in the United States do, in fact, adhere to very ethical treatment standards. The introduction of LegitScript®, for example, was a step—although a small one—toward screening out unethical marketers in the addiction treatment space. Additional measures are solely needed to make it easier for ethical marketers to be recognized and rewarded for their good work.

Trends That Could Affect the Behavioral Healthcare Industry

Every day, the landscape of behavioral healthcare is changing. When the pandemic hit, it served to increase the momentum of some already-emerging trends. Next, we’re going to examine several trends that could have an enormous impact on the behavioral healthcare industry in the next five to 10 years—or perhaps even sooner.

CDC Inadvertently Contributes to Pandemic Addiction

When the pandemic first hit with force in March of 2020, the CDC recommended that health systems delay elective care. As a direct consequence, something unexpected happened.

Psychcongress.com² made the following observation: “The result is that many clinicians continue to prescribe controlled substances without drug testing and are therefore ‘flying blind,’ lacking objective evidence to assess their patients for potential drug misuse.”

How long will this continue, given that COVID cases are far from being eradicated? What are the long-term implications of this circumstance?

Amazon Launching Primary Care Centers for Employees

Amazon knows a thing or two about business expansion. Let’s not forget that 25 years ago, Amazon was nothing more than a modest online book store. Now, Amazon is joining other large tech companies in offering on- and near-site clinics to provide primary care for its employees. The health centers will provide acute, chronic and preventive primary care, along with prescription medications, vaccinations, behavioral health services, physical therapy and more, in person and via telehealth.³

Amazon’s closest competitors in the health sector are CVS and Walgreens. Both companies have also ventured into direct-to-consumer primary care. The long-term implications for the healthcare industry could be enormous. Will Amazon consider expanding this service to the public at large? The company says if its venture is successful, it will consider “expanding the program to other regions.” Will Amazon consider expanding this service to the public at large?

Amazon Wants to Acquire Manage-Provider Networks

We aren’t done with Amazon yet (and they certainly aren’t done with us either). In October 2020, it was reported that Amazon is looking for a way to shake things up in healthcare. Based on a recent job description Amazon posted, it appears that they are looking for someone (or perhaps several someones) to develop more provider partnerships and acquire provider networks.⁴

The job listing outlines several responsibilities, including defining and executing a strategy for acquiring and managing provider networks, particularly focused on high quality, low-cost referral networks.

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2. <https://www.psychcongress.com/article/positive-tests-fentanyl-heroin-opioids-climb-during-pandemic>

3. <https://www.healthcaredive.com/news/amazon-launches-primary-care-centers-for-employees/581582/>

4. <https://www.beckershospitalreview.com/consumerism/amazon-strengthening-healthcare-bench-to-acquire-manage-provider-networks.html>

Walmart Plans to Launch 22 Additional Health Clinics in Its Supercenters

Walmart Health announced its plan to establish 22 more health clinic locations in Georgia, Florida, and Arkansas by the end of 2021—adding to its 13 existing clinics.⁵

With this move, Walmart is now in a position to lure patients away from more traditional healthcare providers. Will they be successful? Only time will tell. If they are successful, that could change the healthcare landscape, at least in some areas of the country.

Google Cloud Invests \$100M in Telehealth Company Amwell

Google's cloud division on Aug. 24 partnered with Amwell. In fact, they named each other "preferred" partners. Amwell is a Boston-based company that provides telehealth for more than 2,000 hospitals in the US. According to Amwell's news announcement, the companies will employ a "go-to-market strategy alignment and execution" to increase telehealth access for their mutual customer accounts.⁶

- + Some experts expect to see an approach to healthcare services in the near future that relies heavily on digital waiting rooms.
- + After patients are evaluated by a doctor during a virtual visit, cloud-based data analytics tools could help monitor chronic conditions and flag interventions when necessary.

This news isn't surprising. Telehealth use has exploded. Data shows that before the pandemic, only 1 to 2% of patients sought virtual care. That percentage soared to 82% in April and May of 2020. It's estimated that once the pandemic begins to dissipate, the number will likely remain above 60%.⁷

Ketamine and Psychedelics Clinics Are Coming

As of this writing, the FDA is moving forward at a rapid pace toward approval of psilocybin as a treatment for major depressive disorder. The hallucinogenic substance in magic mushrooms has received "breakthrough therapy" status. As a result, it could soon find itself an established part of the treatment landscape.

5. <https://www.businessinsider.com/walmart-launching-22-health-clinics-in-supercenters-2020-9?IR=T>

6. <https://www.beckershospitalreview.com/telehealth/google-invests-100m-in-amwell-4-things-to-know.html>

7. <https://www.crn.com/news/cloud/google-cloud-to-invest-100m-in-ipo-bound-telemedicine-provider-amwell>

Phase 3 trials are expected to conclude sometime in 2021. Once those trials are successfully completed, psilocybin is believed to have a one-in-three chance of gaining approval, given the history of treatments that have earned breakthrough therapy status.

Just how big of a thing will psychedelic clinics become in the future? Consider what leading authorities have to say on the subject. Rick Doblin, PhD, an important name in the psychedelics world, recently said at a Psych Congress pre-conference that the US could have something like 6,000 psychedelic clinics in operation by 2030.

How Should We Approach These Trends? Very Carefully.

What impact will these trends have on the behavioral healthcare industry in the near future? Some may be significant, others may be too ambitious or, for whatever reason, never live up to their expectations. A year from now, Dreamscape Marketing will, no doubt, be writing about some of these same trends again.

The Best Marketing Strategies for Building Successful Addiction Treatment Centers

In any economy and during any circumstances, the most effective marketing strategies are:

- + Relentlessly Customized
- + Continuously Adjusted

When smart strategies are in place, a direct line can be easily drawn between marketing efforts and higher admissions. This can only happen when marketing strategies are relentlessly customized and continuously adjusted. To do that, it's necessary to look at key marketing performance indicators.

Key Marketing Performance Indicators for Addiction Treatment Centers

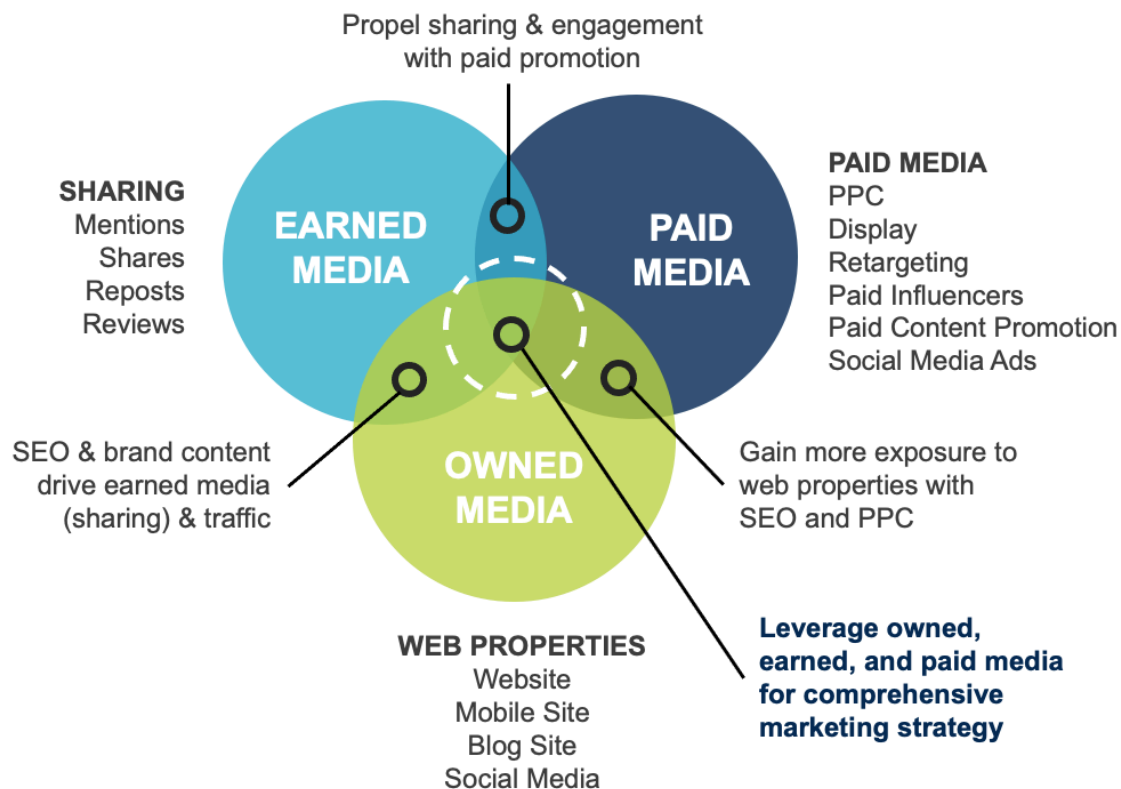
The following indicators are essential for successful business transition and growth continuity. The health of a center's marketing can be measured by many factors, including:

- + **Level of web traffic:** This is the funnel through which leads flow.
- + **Bounce rates on web pages:** The longer prospective patients stay on a facility's web pages, the more likely they'll take the next step and call.
- + **Effective keyword usage:** This is achieved through consistent, thorough keyword research. This means going beyond keyword planners and using tools such as Google Trends to discover the relative popularity of a search query (in other words, the ratio of a query's search volume to the sum of the search volumes of all possible queries).
- + **Drug trends mapping:** This enables a facility to quickly see growing addiction trends or patterns by region and respond with appropriate marketing messaging to target audiences.
- + **A website ranking based largely on organic search results:** This is how a marketing program remains robust without overspending on PPC.
- + **A vibrant social media presence:** The occasional post doesn't represent true engagement. A facility's social media must be on-going and relevant.
- + **An active alumni marketing program:** Maintaining a meaningful relationship with former patients reduces relapse rates and encourages patient referrals.
- + **A wealth of patient testimonials based on positive outcomes:** An addiction treatment center should be able to highlight positive outcome data through its marketing channels.
- + **Powerful thought leadership:** Any addiction treatment center can market itself, but only reputable facilities are listened to and respected by others (peers and patients).
- + **Effective outreach programs:** These help greatly to build a facility's reputation and achieve thought leadership credibility.
- + **Number of qualified leads contacting the center:** The funnel is only effective if the right people come through it. Remember that unqualified leads contacting a facility will have minimal impact on admission rates.

How Marketing Uses Paid, Owned, and Earned Media to Build a Center's Reputation

Digital Marketing Trifecta

EARNED, OWNED & PAID MEDIA



Earned, owned and paid media form a complete digital marketing strategy. It's a mistake to rely on one type of media alone while ignoring or underutilizing the other two. Concentrating entirely on two types of media is also incorrect. It takes a delicate balance of owned, paid and earned media to accelerate an addiction treatment marketing program. With that in mind, let's take a closer look at each type of media.

PAID MEDIA

By paying to promote content through things like PPC (pay per click) and display ads, addiction treatment centers can give themselves instant exposure. Advertising on social media sites is another option. When thinking about paid media, remember the following golden rules:

- + **Paid media isn't a long-term strategy.** It should never be viewed as anything more than a temporary focus to gain short-term exposure and interest.
- + **Paid media isn't a standalone strategy.** It's part of a coordinated, comprehensive digital marketing plan.

OWNED MEDIA

Owned media typically includes an addiction treatment center's website, as well as any blog sites and social media accounts it maintains. Any secondary media, such as blogs or social media, are extensions of the center's website and exist only to drive traffic to it.

The more owned media a facility possesses, along with the communities built from it, the more opportunities it will have to build a brand online. It's something akin to, "He who has the most toys, wins."

Owned media doesn't automatically deliver facilities the level of traffic they want. Owned media is greatly dependent on earned media to maximize its success.

EARNED MEDIA

Earned media takes the form of mentions, shares, retweets, reviews and recommendations by third-party websites. Such activity drives traffic to a facility's website, adds to its credibility and enhances its thought leadership status.

Earned media can earn a facility's website a better organic ranking from Google. High Google rankings and earned media rely on a facility's website having high quality, relevant content.

How Is COVID-19 Affecting Marketing Trends?

The coronavirus changed how virtually every business operates, including addiction treatment centers. For the foreseeable future, behavioral healthcare facilities will function outside of what would be considered the norm. The following factors are a direct result of the environment that the pandemic created:

TECHNOLOGY ADOPTION

It has changed how facilities interact with existing patients and prospective patients alike. There have been good and a few less good consequences involved. On the whole, however, the forced adoption of technology has motivated centers to be smarter and more open to innovation.

TELEHEALTH ADOPTION

Clearly, telehealth has shifted the paradigm. What will happen to it when the coronavirus is under control? As experts are already predicting, telehealth will be permanently integrated at some level.

PAID ADS MORE LOCALIZED

Paid ads have become hyper-localized because there's less desire or, in some cases, ability to travel for addiction treatment.

THE INCREASING DOMINANCE OF DIGITAL MARKETING

In truth, digital marketing never got a shutdown order. As a result, it has become more vital than ever in helping addiction treatment centers thrive despite the chaos that COVID-19 caused initially.

Conclusion

Whether you're looking for growth, sale, or investment. Keep the following in mind:

Success in healthcare marketing is the ability to build a reputation and brand, founded on industry-leading outcomes, trusted by patients, and marketing against it.

Winning addiction treatment marketing in 2021 and beyond means having a good story to tell, and being seen first where people are looking.

You will repel all comers from the local competition, to unethical programs, to patient brokers, to Walmart and Amazon, if you are seen first. There is no David and Goliath on Google. There is only Search Result Position 1, the playing field is level, and the tools to climb there are available to everyone.

+ Dan Gemp is the President and Chief Executive Officer of Dreamscape Marketing, a full service digital marketing agency, based in Columbia, MD, serving the healthcare industry. Since 2005, he has made it the company's mission to provide executive-level decision makers a trusted strategic partner in planning and executing digital marketing campaigns that achieve their business development goals.

Through a combination of healthcare industry experience, ethical marketing standards, transparent client communication, and relentless technical improvement, his team of digital marketing strategists, developers, designers, and writers deliver industry-leading custom-tailored website development, search engine optimization (SEO) campaigns, and marketing to provide their clients a complete digital presence, that develops new revenue streams, increases brand awareness, improves lead development systems, and drives direct sales activation.

+ A graduate of Villanova University's School of Business, Dan applies financial modeling to Dreamscape's business intelligence campaigns to advise clients on a cost-per-action marketing model. Gemp maintains consultative focus on extremely efficient and proprietary SEO techniques focused on ROI.

+ A nationally recognized speaker on ethical healthcare marketing, Dan maintains a year-round speaking schedule, forecasting digital marketing trends and delivering the strategies to capitalize on them. His unique perspective, at the intersection of business, digital marketing, and healthcare, has positioned him as a thought leader and go-to contributor to many healthcare podcasts, webinars, and publications including Bloomberg and The New York Times.



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