GETTING STARTED GUIDE TO
GRATEFUL PATIENT
FUNDRAISING
WHY DO GRATEFUL PATIENT FUNDRAISING?

Fundraising is becoming ever more important as a source of revenue for healthcare organizations. The Association of Healthcare Philanthropy (AHP) reports that in 2011, $8.9B was contributed to healthcare organizations. That is an increase of 8% over 2010, and gifts from individuals represent 85% of this total. Of the gifts from individuals, 21% were from patients, a number that grew from less than 7% just ten years ago. Overall, patient fundraising represents nearly 18% of all healthcare philanthropy and is clearly a growing source of revenue for the industry. Many organizations are eager to begin or grow their grateful patient fundraising programs.

Additionally, patients represent a very significant volume of prospective donors. The American Hospital Association estimates that in the United States in 2010, there were:

- **35M** hospital discharges
- **100M** outpatient visits
- **130M** emergency room visits

Within this ocean of prospective donors, many have formed uniquely strong and emotional ties to their healthcare providers and caretakers. These are “grateful” patients, and given the opportunity, will support your organization. Some of these may have experienced transformative, life-saving or life-changing care, and a few of these may have the ability to make a transformative gift in response.

WealthEngine has worked with hundreds of healthcare organizations and understands what it takes to create a manageable, productive program. We can help you give your grateful patients the opportunity to give back.

The following six practices, gleaned from studying the most successful programs, will assist the fundraiser just beginning a grateful patient outreach, as well as those who are looking to take the next step in their program or improve productivity or return on investment.
1. **ALLOCATE BUDGET AND RESOURCES**

As with most things worth doing, a grateful patient program will require an investment of time and resources. One of the most important resources is a "point person" or key staff member who will be responsible for running the program and ensuring that the processes and actions associated with best practices are implemented and tracked. Whether you are considering a program that begins with annual giving and direct response outreach, one that focuses on major gift cultivation and solicitation, or a hybrid of the two, someone must coordinate the many moving pieces of the process. Depending on the size of your philanthropy unit and scope of your plans, this may be a full-time position, or a portion of someone’s overall duties.

In addition to designating a point person, there must be adequate budget allocated to the program. For those beginning with annual giving tactics, patient fundraising is similar to other acquisition programs. It may be several years before the cost of acquisition is recovered. In the meantime, you will incur costs for wealth screening, mailings, gift processing, stewardship, recognition, events and staff time. For those who are primarily prospecting for major givers, it will likely take 18 months to several years for gifts to mature and for the program to see a positive return on investment. And again, costs will be incurred in the interim. Recognizing this in advance, and properly managing the expectations of leadership and other stakeholders, is an important part of initiating a productive grateful patient fundraising initiative.
2. DESIGN YOUR PLAN

Grateful Patient Fundraising can be a complex undertaking, requiring the participation of numerous stakeholders and consisting of many interlocking processes. In order to ensure that the initiative has the best chance for success, a well-conceived plan is imperative. The plan should address:

- Budget and resources
- HIPAA compliance and data security
- Data screening goals and frequency
- Data transfer procedures including IT/IS resources required
- Process documentation
- Strategies and actions for major gifts
- Strategies and actions for annual giving
- Tracking metrics and return on investment
- Roles and responsibilities

By developing an implementation plan prior to beginning your grateful patient program, your organization can maximize results and ensure the success of fundraising efforts. A poorly conceived or conducted program will cost the organization in both immediately incurred expenses, as well as lost fundraising revenue for years to come.
3. **DETERMINE SCREENING GOALS AND FREQUENCY**

One of the essential ingredients of a successful grateful patient program is insight into the capacity and propensity of patients using the healthcare facilities. Lacking personal knowledge of each patient, there is no smarter, faster or more efficient way to quickly ascertain potential for fundraising than to enlist the help of wealth intelligence through regular list screening.

Screening can be conducted daily, monthly or quarterly. Your decision concerning the frequency of screening will depend on your goals and your resources. Many organizations start with monthly screening before accelerating to daily screening as experience, confidence and success grow.

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**Daily**
- To affect the patient’s experience of your facility while they are a patient, select daily screening. This may be for the purpose of beginning positive relationships with potential major givers, or to steward current donors and VIPs.

**Monthly**
- To identify recent clients for prompt, post-discharge follow up, select daily, monthly or quarterly screening. The purposes here may include identification of major gift potential for qualification through contact, and/or segmentation for direct response (telephone, email, or mail) appeals.
4. **DOCUMENT YOUR FUNDRAISING PROCESS FOR TIMELY AND CONSISTENT ACTION**

It is well documented that gratitude fades over time. In grateful patient fundraising, positive response to solicitations occurs most frequently within 30 days of discharge. After 90 days, response rates drop significantly. Therefore, it is essential to have a process mapped to provide rules for segmenting potential donors into groups, and outlining the actions that will be associated with each group.

Visualizing your fundraising process with a flow chart is one way to ensure that you have all the bases covered and that the entire team and all stakeholders understand the big picture as well as their individual roles within it.

In this process, lists are sourced from IT, names are screened and the resulting list is segmented based first on whether or not the patient is already a donor or prospect. Next, they are segmented by propensity to give, or P2G, score. Based on the segmentations, specific actions are prescribed.

Your organization may employ different criteria for segmentations, and different processes for major or annual giving prospects. But whatever your needs, designing a visual representation of the process will streamline your internal communications and the assignment of roles and responsibilities.
5. FOSTER AN INTERNAL CULTURE OF PHILANTHROPY

A successful healthcare fundraising effort involves many people – doctors and nurses, administrators, board members, technicians, volunteers and others, in addition to fundraising staff. While many of these internal stakeholders understand the need for and the beauty of philanthropy in action, many others will not.

A culture of philanthropy cannot be grown overnight, but through a series of small actions, you can begin or continue to nurture an appreciation for philanthropy within your organization. Consider implementing one or more of these activities:

- **Create a staff giving program**: This provides opportunities for education on the role of philanthropy, and fosters a sense of ownership within staff.
- **Create an ‘honor your caregiver’ program**: This allows patients to honor special caregivers and provides fundraising staff the opportunity to recognize excellence and educate around philanthropy.
- **Distribute a philanthropy newsletter**: This enables you to showcase the results of philanthropy and staff giving.
- **Distribute community impact report**: This quantifies philanthropy’s impact on the community and to the organization and is another chance to educate stakeholders on the importance of philanthropy.
- **Promote giving clubs & societies**: These are a great way to keep giving top of mind.

Once your stakeholders recognize and understand the need for and the value of philanthropy within the healthcare environment, they will begin to champion the cause. It is through this multi-layered and integrated network of champions that your fundraising efforts will truly take off.
6. MEASURE PROGRESS AGAINST METRICS AND CALCULATE RETURN ON INVESTMENT

Depending on your goals, budget and program focus, you will want to select several metrics to serve as key performance indicators (KPIs) for your grateful patient program.

For annual giving, these may include:

+ Response rate
+ Average gift size
+ New donors acquired
+ Total dollars raised
+ Cost to raise a dollar (CRD) and return on investment (ROI)

For major giving, you may want to consider some of the following metrics:

+ Number of prospects identified
+ Number of prospects qualified
+ Number of solicitations
+ Number of gifts closed
+ Average gift size
+ CRD and ROI
+ Length of time from identification to gift closure

You will want to track metrics separately for different populations, inpatients vs. outpatients or ER visitors, for example. You will also gain valuable insight by tracking major gift identifications by source, for instance, doctor referrals vs. wealth screening.

Lastly, you will want to track your patient giving into future years, paying special attention to renewal and attrition rates and how these compare to donors acquired through traditional means. By tracking fundraising results over time, you will be able to calculate lifetime donor value, which is an excellent indicator of the success of your fundraising programs.
CONCLUSION:

There are many challenges and hurdles facing organizations wishing to fund and implement a grateful patient program:

+ HIPAA and other regulatory compliance;
+ Data management and analysis;
+ Educating and recruiting internal ambassadors; and
+ Achieving timely and effective outreach and engagement, to name a few.

Yet patients are clearly an important and growing constituency for healthcare organizations of all types and sizes. Knowing the challenges you face up front, and having the knowledge of successful ways these have been mitigated, is your key to creating and implementing a program destined to provide sustainable value and revenue for your organization for years to come.
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