

Breakthrough Alert: PrognostiCare™ Visualizes Patient Leakage in Industry First

Patient leakage is a persistent and financially debilitating challenge as patients silently migrate to competitors. This phenomenon, often invisible until it's too late, leads to lost revenue and additional patient acquisition cost quietly draining up to 3.1% of the operating margin from the organization each day. Even more concerning is the finding that 88% of patients didn't return if they had not been seen within 12 months. This report illuminates how **PrognostiCare™**, for the first time ever, has mapped patient leakage in paradigm altering detail.

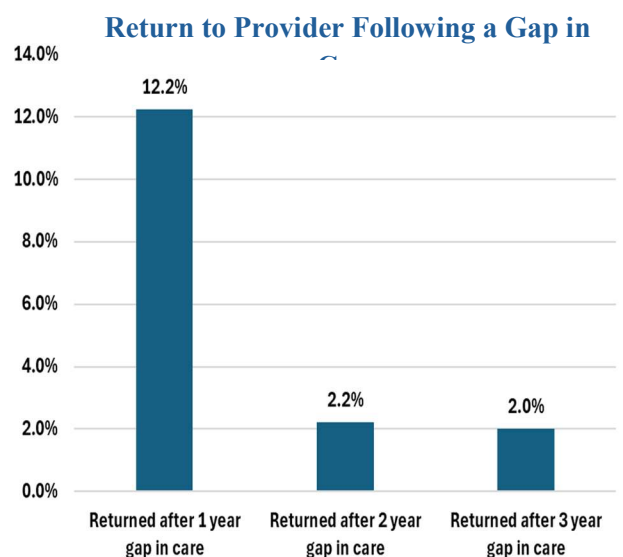
Current market share trends based upon claims data are typically 6+ months old. The age of the date combined with rolling revenue cycle issues means that an actionable level detail is elusive; leaving providers with blind spots. Claims-based data does not provide the granular detail needed to know which services and locations are driving leakage leaving executives to make educated guesses regarding strategic decisions such as provider recruitment, facility location and capital deployment. While hospitals invest heavily in new patient acquisition, the most cost-effective path to sustainable growth resides in retention using **PrognostiCare™ Market Access**.

PrognostiCare™, a pioneer in healthcare analytics and backed by over a decade of Business Intelligence, has developed **PrognostiCare™ Market Access**—a proprietary analytics platform designed to identify, predict, and prevent patient leakage. This white paper outlines the results of an anonymized study using **PrognostiCare™ Market Access** on a historical patient cohort of 12,626 individuals who had not engaged with their original provider in over three years. The insights herein are urgent and transformative for healthcare providers.

The study revealed 75% of these patients had chosen to receive care from a competitor. They were seeking high-volume, core service lines including Primary Care, Orthopedics, Physical Therapy, Cardiology, and Imaging that could have been provided closer to their homes. This white paper presents the methodology, insights, and a framework for transforming leakage into retention using data-driven strategies powered by **PrognostiCare™**.

Compelling Insights

- **PrognostiCare™ positively identified 95.4%** individuals that could be tracked in real time.
- **74.9% of patients** were confirmed to have engaged a competing provider within the last 12 months.
- **Over 50.2%** sought care from a competitor in the last 90 days.
- The **top 3 regional competitors absorbed 77%** of these patients.
- The top competitor taking 36% of the patients was identified by the health systems leadership as a “friendly” organization to them.
- **25.1% of the cohort** fully disengaged from the healthcare system, highlighting risks not only to revenue but also to community health outcomes.
- Year-over-year patient leakage surged an alarming **197% over a five-year span**.
- **More than half (54.2%)** of total revenue was attributed to patients with a 3+ year service history, revealing a core group of patients driving revenue.
- A stark trend emerged: **patients who experience a lapse in service beyond one year are 98% less likely to return** to the original provider. This undermines the historical paradigm that a patient is not considered lost until they haven't been seen in 3 years. This indicates that **once the 12-month threshold is breached the patient should be considered lost**.



Economic Impact

Data indicates average **patient acquisition cost range from \$277 to \$610** depending upon patient type to acquire each new outpatient. Replacing the 12,626 lost patients in 2021 alone would require investing between **\$3.5M - \$7.7M million** in marketing, communication and operational costs. The **5-year cumulative impact of \$18M - \$40M** substantially impacted the financial performance of the organization. This impact is meaningful as it represents a **1.4% - 3.1% degradation of margin** annually. In contrast, proactive retention powered by PrognostiCare™ delivers immediate savings and a measurable return on investment by protecting existing patients from being poached by competitors.

Geographic & Behavioral Intelligence

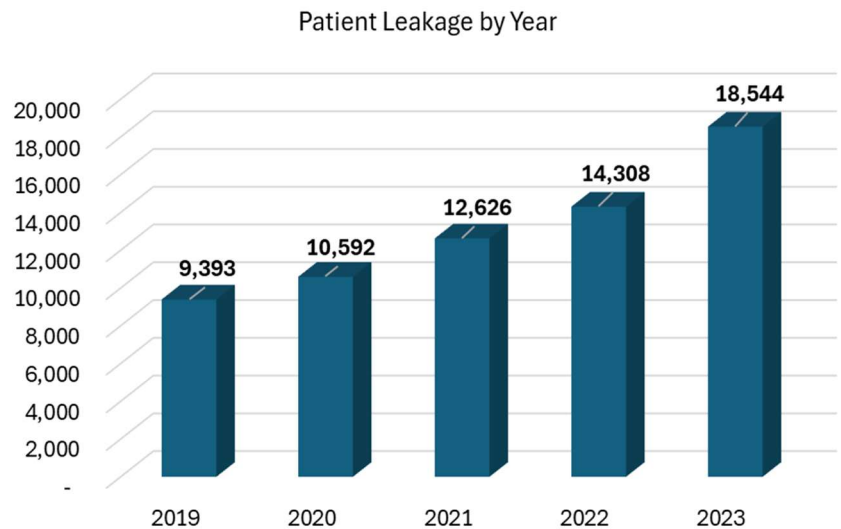
Data mapping revealed high volumes of patients bypassing conveniently located facilities in favor of distant alternatives for routine care. This suggests:

- Patients intentionally traveled for services that were available closer to home.
- Behavioral disengagement must be addressed before the 12-month threshold is reached.
- Opportunities for micro-segmentation in service line recruitment and capital allocation.

Top Leakage-Driving Services

Losses in these categories represent high-volume, high-frequency and low acuity interactions that are addressable within most regional health systems. These services have a meaningful impact on downstream specialty and surgical volumes.

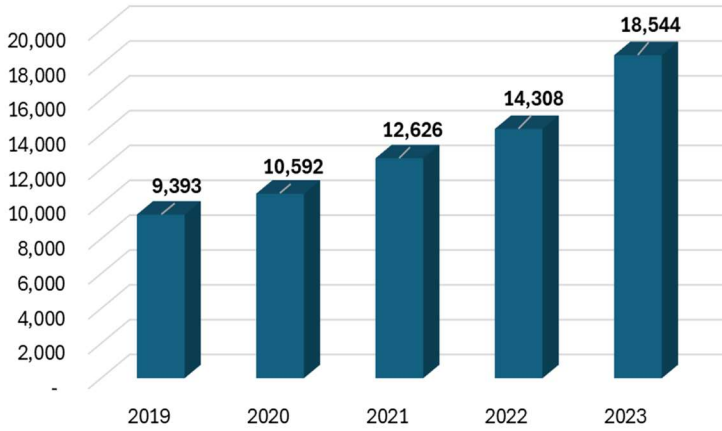
This health system experienced a nearly two-fold increase in patient leakage from 2019 to 2023. Indicating that patient turnover is escalating each year. In a 2022 Forbes article Ajay Prasad said, “The probability of your existing patients visiting your practice for healthcare services is 60%-70%. For new patients, the likelihood is 5%-20%.” Each lost patient is decreasing downstream services by 83%. Causing a double edged sword by decreasing revenues and increasing cost.



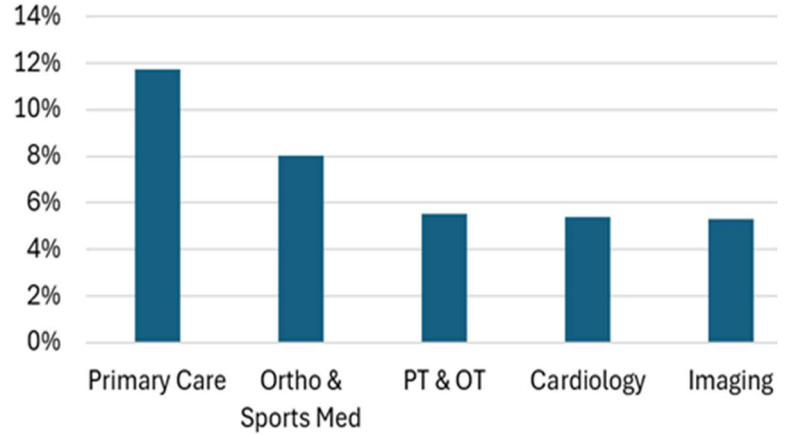
National Market Dynamics

The healthcare market is facing unprecedented challenges of consolidations, closures, regulatory uncertainty and commoditization. **Since the beginning of 2024 a hospital has closed on average every 12 days.** Overlapping services with minimal differentiation is turning healthcare into a commodity in the eyes of the consumer creating an environment where a single bad experience causes a patient to seek care elsewhere.

Patient Leakage by Year



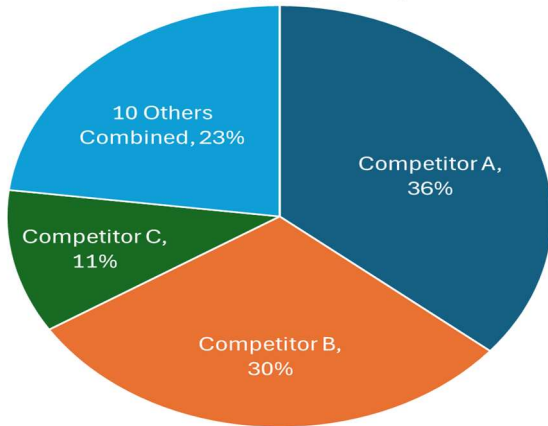
Core Service Defection



The subject group included 12,626 former patients who had not returned to their original health system after receiving services in 2021. An extraordinary 95.4% (12,050 patients) were matched and monitored utilizing **PrognostiCare™**, across **13 competitors covering 966 locations** within one of the 30 largest Metropolitan Statistical Areas in the country.

Service Line Defections: Primary Care, Imaging, Orthopedics, Physical Therapy, and Cardiology dominated the leakage profile. Losing these “top of the funnel” services has a significant impact on future financial results. Data processing served as the core enrichment and validation layer; providing unprecedented visibility into patient behaviors.

Patient Leakage by Competitor



Rank	Competitor	Location
1	Competitor B	PT & OT Clinic 11
2	Competitor A	Family Clinic 17
3	Competitor A	Family Clinic 14
4	Competitor A	Women's Clinic
5	Competitor B	Sleep Center
6	Competitor B	Pediatrics Clinic
7	Competitor A	Family Clinic 23
8	Competitor B	General Surgery
9	Competitor D	Ortho & Sports Med
10	Competitor B	Family Clinic 33

Leakage by Competitor: Three health systems accounted for the lion’s share of patient losses, absorbing over 77% of the cohort.

1. Competitor A: (3,190 patients) – Viewed as friendly by leadership
2. Competitor B: (2,691 patients) – Viewed as higher level care, but is taking core services
3. Competitor C: (1,059 patients) – Viewed as predatory, but only takes 11% of these patients
4. 10 others combined: (2,081 patients) – Competitor D is viewed as a close partner

The PrognostiCare™ Advantage

- **Micro-Segmentation:** Enables precision person level targeting
- **Pinpoint When, Where and Why** a patient disengages
- **Real-Time Risk Identification:** Alerts providers to patient defection trends
- **Line-of-Service Specificity:** Ties individual patients to services, geographies, and care gaps.
- **Scalable Deployment:** Effective in rural hospitals and multi-state systems.
- **Data Backbone:** Enables real-time matching, enrichment & validation of behavioral intent.

Strategic Recommendations

1. **Engage Patients Early within the 3-to-9-month window** after their last interaction—where the likelihood of retention is highest.
2. **Micro-Segmentation** allows you to win at the individual patient level.
3. **Target top-defecting service lines** with customized re-engagement protocols and campaigns.
4. **Retention Marketing:** Prioritize strategic retention over new acquisition.
5. **Use Competitive intelligence** to optimize provider recruitment and capital deployment.

Conclusion

PrognostiCare™ represents an innovative advancement in predictive analytics designed to assist health systems identify the underlying causes of patient leakage. By integrating real-time behavioral data with social listening techniques, the platform uncovers emerging patient utilization trends up to six months before traditional claims-based data becomes available and at a level of detail not seen before in healthcare. This temporal advantage enables healthcare providers to proactively respond to shifting market dynamics. Unlike conventional data sources, **PrognostiCare™** offers granular, actionable insights that draws out specific services at competing institutions attracting patient volume. In doing so, it equips health systems with the tools necessary to intervene early, safeguard core revenue streams, and mitigate future patient acquisition costs.

Retention of current patients is no longer optional; it must become a core competency of each provider desiring to remain relevant in the market. In a hypercompetitive, data-rich healthcare environment, knowing why one patient stays and another patient left empowers your team to take the right actions necessary to retain their business. **PrognostiCare™** empowers organizations to move from reactive service recovery to proactive relationship growth. Those who integrate predictive leakage analytics into their strategic DNA will not only mitigate loss—they will drive lasting growth.

Patient leakage is a systemic issue affecting healthcare providers nationwide. Most systems lack the granular level of data visibility needed to understand who they are losing, where they are going, and how to respond. **PrognostiCare™** bridges that gap delivering real-time intelligence that allows systems to act decisively. By shifting from retrospective analysis based on aged claims data to real-time predictive engagement, healthcare organizations can reduce leakage, improve care continuity, and drive sustainable growth. This paradigm shift is enabled by **PrognostiCare™** delivering enriched patient-level intelligence used to power predictive accuracy and future retention.

Email info@prognosticare.org or call 616-318-1934 for more information