Executive summary

Referrals are an essential part of healthcare, and more than one-third of all patients in the U.S. are referred to a specialist each year. However, there are few streamlined systems for ensuring effective two-way communication between providers involved in the referral process, which can delay diagnosis, impede treatment and create gaps in follow-up care.

Additionally, there is a notable lack of research on the referrals process, making improvements difficult. This white paper draws on the results of a 35-question survey of 174 healthcare providers and administrators, conducted by Phreesia in November and December 2020. Our goal with this paper is to shed light on referral pain points and areas for improvement, and to provide recommendations for improving the referrals process.

This white paper outlines key takeaways from the survey, including:

1. How providers decide when to refer patients and to whom
2. Referral senders’ goals and the challenges they face regarding communication with referral receivers
3. Opportunities for technology-based referral solutions to support all providers and eliminate these obstacles to high-quality care

Key points

✔️ Senders most commonly provide a referral when a patient’s health concern is outside of their professional expertise.

✔️ Regardless of the referring provider’s specialty, referrals are most commonly made to cardiology, gastroenterology and behavioral health.

✔️ Nearly half of referrals give patients instructions to see a specific provider.

✔️ Senders draw on many factors to decide where they will refer their patients, including having referred other patients to the same receiver in the past, patient satisfaction, quality and outcomes from the receiver’s care, and open lines of communication between themselves and receivers.

✔️ More than half of senders report sending at least some of their referrals via paper fax.

✔️ Both senders and receivers see opportunities for improvement in the referral process, with a majority of senders saying that they want to find ways to get their patients the best, most appropriate care for their needs.

✔️ Providers face many challenges with referrals and have particular concerns about communication between senders and receivers.
Referrals are an essential part of medical and behavioral healthcare, expanding the set of providers who care for a patient by bringing necessary expertise to treatment plans.¹ In an ideal world, there would be seamless communication and integration among all providers who care for the same patient, creating continuity of care and assurance that treatment plans are aligned and being followed.

However, the referrals process is riddled with issues that create barriers to high-quality healthcare. National surveys find that as many as half of all specialty referrals are not completed.² These missed opportunities demonstrate a significant and avoidable underutilization of healthcare that can lead to negative patient outcomes ranging from compromised quality of life to mortality—and they can affect practices’ bottom line.³

The disconnect between the providers who send referrals (senders) and the providers to whom patients are referred (receivers)* is a major contributor to the problematic referral process.

Even with the widespread adoption of electronic health records (EHRs), and increasingly, health information exchanges, senders often have little visibility into whether their patients ever see the provider to whom they were referred or the outcome of that visit. Receivers, in turn, frequently have little information about or context for the patient’s current complaint and their other medical conditions, and they have no streamlined way of communicating with other members of the patient’s care team—which illustrates just how fragmented healthcare can be. This lack of information limits receivers’ ability to treat the patient within the context of their whole-person health and contributes to delays in diagnosis, treatment and follow-up.⁴ Furthermore, medical errors are more likely to occur when providers cannot easily communicate with each other.²

Survey respondents’ roles and specialties

The most common survey respondent roles within their healthcare setting were:

- **25%** Office Manager
- **16%** Physician
- **25%** Medical Assistant

In this white paper, we use the term “provider” to encompass all healthcare professionals involved in sending and receiving referrals.

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*While referrals are typically sent from primary care providers to specialists, this is not always the case. For the purposes of this white paper, we use the term “senders” to describe providers who are sending referrals and “receivers” to describe those who are receiving referrals. We use the general term “providers” to describe all healthcare professionals involved in the referral process.*
The federal government has weighed in on the need for more coordination and visibility in referrals. The Centers for Medicare and Medicaid Services (CMS) has included a measure in its Merit-based Incentive Payment System (MIPS) gauging how well providers “close the referral gap.” The measure, which is part of the quality performance category, measures the percentage of patients for whom senders receive a follow-up report about their visits with receivers. While this metric provides an incentive for improving how referrals are handled, it does not provide specific guidance or support about how to close the referral loop.

The referrals process is ready for change

Despite the clear need to improve the referral process, there is little research that has delved into providers’ perspectives on the topic. Understanding their views and pain points is a vital first step in restructuring the referral process to create intuitive, useful interactions between healthcare professionals working together to care for their patients.

Patients, providers and administrators would all benefit from a more unified, technology-enabled system that facilitates easy communication and record-sharing.

To learn more about their experiences and issues with their current referral processes, Phreesia surveyed 174 healthcare professionals in late 2020. The survey included 35 questions covering how they send and receive referrals, the challenges they face and the improvements they would like to see. Respondents received a $25 gift card for completing the survey.

Respondents represented the following specialties and organization types:

- Allergy/Immunology
- Behavioral Health
- Cardiology
- Dermatology
- Family Practice/General Practice
- Federally Qualified Health Centers
- Gastroenterology
- Internal Medicine
- Neurology
- Obstetrics/Gynecology
- Ophthalmology
- Orthopedics
- Otolaryngology
- Pain Management
- Pediatrics
- Surgery
- Urgent Care
- Urology
Referrals are very common and are often sent to a few predominant specialties

Referrals are an essential part of getting patients the care they need. Providers have deep knowledge of their own areas of expertise, but their patients’ medical issues sometimes may require input from other healthcare professionals. In our survey, almost three-quarters of senders said they referred patients to receivers when patients’ care needs did not correlate with their own areas of clinical expertise. More than half of senders referred patients whose medical conditions were more complex than the sender could appropriately handle. And nearly 4 in 10 senders sent referrals to find an answer to a clinical question or to get a second opinion.

<table>
<thead>
<tr>
<th>Why senders refer:</th>
<th>71%</th>
<th>58%</th>
<th>37%</th>
<th>37%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient's needs are outside of sender's professional expertise</td>
<td>Patient's condition has become too complex for sender to manage</td>
<td>Specific treatment question</td>
<td>Second opinion</td>
<td></td>
</tr>
</tbody>
</table>

Senders also tend to send patients to the same types of specialists. Providers responding to our survey said they most commonly refer patients to cardiology, gastroenterology, behavioral health (including mental health and addiction services), orthopedics, endocrinology and dermatology.

**Most common referral specialties**
(excluding lab and radiology)

- Cardiology
- Dermatology
- Gastroenterology
- Behavioral health
- Endocrinology
- Orthopedics

Providers vary in the criteria they use when deciding to whom they will refer their patients

Most referrals are relatively prescriptive, giving patients clear instructions about where they should seek additional care. Although this direct approach takes the guesswork out of the referral process, it also has the potential to make some patients feel disengaged from their care. Approximately half of senders recommend that their patients see a particular provider, but others give broader direction, with 29% sending patients to a specific medical group and 5% sending them to a specific hospital or health system. However, 29% of senders give patients several options. This allows patients to assess suggested providers themselves, which may support patient engagement, but it also puts significant responsibility on the patient to choose a provider and to schedule the appointment.
Regardless of the specificity of their referral instructions, senders use similar criteria to decide which receiver is right for their patient. Habit is the main criteria, with 60% of respondents saying that they choose receivers based on having referred to them in the past. Patient satisfaction (58%) and quality and outcomes (56%) also motivate their decisions. Almost half of referrals (49%) are based on how quickly the patient can get an appointment with a receiver, and 45% of senders refer based on how well the receiver closes the referral loop and communicates patient-visit results back to them.

There is vast variation in how referrals are sent, with more than half of providers reporting that they use traditional fax and paper referrals.

Legislation over the past decade and a half, including the Health Information Technology for Economic and Clinical Health (HITECH) Act and the Affordable Care Act (ACA), have solidified the critical role that EHRs play in improving care coordination, reducing errors and promoting better patient outcomes. While many EHRs have digital-referral capabilities, our survey found that only some providers send e-faxes (41%) and referral orders (30%) through their EHRs (30%). It was more commonly reported that referrals are sent via traditional fax (56%) or by handing paper referrals to patients (45%). About one-quarter of providers report simply giving patients verbal instructions. Just 22% of providers use software specifically designed to facilitate electronic referrals. This wide variation in referral processes, as well as continued reliance on outdated tools like fax machines, hinders communication between senders and receivers, leading to administrative waste and fragmented care.
Providers see many opportunities to improve the referral process for themselves and their patients

While every provider’s perspective on the referral process is different, our survey found some common themes around areas for improvement. More than half of senders said they want to ensure the best provider match for their patients, based not only on receivers’ clinical knowledge, but also on factors such as whether they take the patient’s insurance and are conveniently located for the patient. Senders also want to be able to track the referrals they make (48%); verify that referral appointments have been scheduled (48%); and have access to receivers’ schedules so that they can make appointments on their patients’ behalf (21%). Almost half of senders (47%) also want receivers to be able to send them post-visit appointment summaries via their EHR.

Senders want to be able to

- Find a referral match for patients based on location, insurance coverage, appointment availability and receivers’ clinical expertise: 52%
- Track outbound referrals: 48%
- Ensure referral appointments are scheduled: 48%
- Have EHR integration that allows receivers to send appointment summaries back to patients’ charts: 47%
- Get automated prior authorization from payers: 35%
- Access receivers’ schedules so they can book appointments on their patients’ behalf: 21%
Referral process challenges fall into two main categories: communication with other providers and getting patients to the right provider

Communication is the most common referral challenge providers face. In our survey, 4 in 10 senders said that one of their biggest communication challenges was not receiving post-visit care summaries from receivers, while 38% said that an overall lack of communication between senders and receivers was a major challenge. Administrative and technological barriers were also cited, with 36% of senders reporting that prior authorization hindered their referrals, and 22% saying that gathering and sending appropriate demographic and clinical information was a challenge. Others mentioned specific challenges in identifying receivers who took the patient’s insurance or who had the right clinical expertise for the patient’s health condition. Identifying Spanish-speaking providers was also noted as a challenge.

Providers also said they would benefit from

- Easy and convenient feedback loops between providers and with patients
- A clear list/summary of all information that a receiving provider needs in order to accept a referral
- Knowledge of receivers' clinical interests
- Cost summaries for uninsured and cash-pay patients
- Information about whether a particular provider is accepting new patients, by insurance plan
- Up-to-date provider contact information

Biggest sender challenges

Communication with other providers:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Challenge Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>Not receiving timely post-visit care summaries</td>
</tr>
<tr>
<td>38%</td>
<td>Overall poor communication between senders and receivers</td>
</tr>
<tr>
<td>22%</td>
<td>Gathering and sending patient information that receivers need, such as demographics, insurance, clinical history and images</td>
</tr>
</tbody>
</table>

Getting patients to the right provider:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Challenge Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>Getting prior authorization</td>
</tr>
<tr>
<td>23%</td>
<td>Finding receivers who have expertise with the patient's specific health condition</td>
</tr>
<tr>
<td></td>
<td>Additional challenges: Finding receivers who take patient's insurance; finding Spanish-speaking receivers</td>
</tr>
</tbody>
</table>
The future of referrals

This survey illuminates the previously underexplored challenges that providers face in sending and receiving referrals. Providers know what they want and need—a clear way to communicate with other providers and the tools to help them find the right fit for their patients—but current systems are clearly falling short.

Care can be well-coordinated and patient-centered with the right resources. Automated solutions that support referrals can make healthcare organizations more efficient and free up the staff time needed for optimal patient care. Similarly, technology-enabled services that allow sending and receiving practice staff to talk directly to each other can streamline communication and eliminate faxes and phone tag. Such solutions create better experiences for senders, receivers and patients alike.

The referrals process presents an exciting opportunity to improve healthcare and expand care coordination. As medical practices look for ways to provide high-quality, efficient and effective care, fixing the needlessly complex, ineffective and fragmented referrals process is a major step in the right direction.

Learn how Phreesia can help you streamline the referrals process and get patients the care they need sooner.

About Phreesia

Phreesia gives healthcare organizations a suite of robust applications to manage the patient intake process. Our innovative SaaS platform engages patients in their care and provides a modern, consistent experience, while enabling healthcare organizations to optimize their staffing, boost profitability and enhance clinical care.

End notes


3) “Closing the Referral Loop: An Analysis of Primary Care Referrals to Specialists in a Large Health System.” Journal of General Internal Medicine, March 2018.
