WebMD Ignite™

PART 1

The Referral Economy:

Why trust is becoming healthcare's greatest competitive advantage



Healthcare organizations have long understood the basics of growth: build a strong reputation, attract patients, earn physician referrals, and deliver high-quality care. For decades, that model held.

It still matters — but it no longer explains how most referral decisions are made.

Today, patients, physicians, employers, health plans, and digital platforms all influence where care happens. Decisions that once took shape inside the exam room now begin earlier, span more touchpoints, and depend on a broader set of signals — many of them outside any one organization's direct control.

This paper introduces a different way to understand that shift: the Referral Economy.

Rather than treating referrals as isolated events, the Referral Economy defines them as the outcome of a continuous process — one that begins with discovery, builds through trust, and ultimately shapes whether a patient receives care.

In the chapters ahead, we explore:

- Why traditional assumptions about reputation and referrals are breaking down
- How visibility, confidence, and access now shape decision-making
- Where referrals are won and lost
- How the Referral Continuum helps organizations better understand and measure growth

CHAPTER 1

The end of reputation as a growth strategy

Something fundamental changed in healthcare. Not in how care is delivered, but in how one of the industry's most influential arbiters defines excellence.

In the 2026–2027 Best Hospitals rankings, U.S. News & World Report made one of the most significant methodology changes in its history. In cardiology, physician reputation voting was eliminated entirely. Risk-adjusted clinical outcomes now account for 80% of the specialty score, up from 45%. Structural measures — including Magnet designation, trauma center status, staffing indicators, and some technology measures — were reduced or removed. Outpatient outcomes now carry more weight, reflecting the shift in care beyond the inpatient setting.

To many, these looked like technical changes to a hospital ranking. They were not. They signaled a broader shift in how healthcare organizations are evaluated, how trust is earned, and how referrals are won.

For decades, reputation was one of healthcare's most durable competitive advantages. Well-known academic medical centers, nationally recognized specialists, long-standing physician relationships, and respected institutional brands all shaped where patients sought care and where physicians sent referrals. Those advantages still matter, but they are no longer enough. The data shows a growing gap between reputation and patient perception. McKinsey's 2025 Consumer Health Insights Survey found that roughly one in three consumers believe the healthcare industry performs below their expectations, and half say it fails to meet society's broader needs.[1] Reputation alone is not closing that gap.

Across healthcare, excellence is being defined in more measurable terms. Patients expect transparent information, convenient access, and confidence in their choice of provider. Physicians expect reliable referral pathways, timely appointments, and measurable quality. Employers and health plans place greater weight on outcomes, access, experience, and value. AI is also reshaping healthcare discovery, surfacing providers and organizations based on structured information, trusted content, and publicly available evidence — not historical reputation alone.

Together, these forces are changing how organizations compete for growth. The revised U.S. News methodology did not create this shift. It recognized it, and formalized the same signals that now shape referral decisions every day: better outcomes, better access, better coordination, better experiences, and greater transparency. These are no longer just measures of quality. They are becoming the currency of healthcare growth.

Consumers are nearly

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when they genuinely trust it, not just feel satisfied with it.

A different kind of competitive advantage

Healthcare organizations have long invested in building awareness: strengthening brands, recruiting nationally recognized physicians, developing flagship facilities, and promoting centers of excellence. Those investments still matter. But awareness alone no longer guarantees growth.

A patient who recognizes a hospital's name may still drop out of the journey because they cannot identify the right physician. They may abandon scheduling because appointments are unavailable or hard to secure. They may receive a referral but never complete treatment because education, navigation, or follow-up breaks down. And referring physicians may turn elsewhere when communication is inconsistent or access becomes unreliable.

Each of these breakdowns represents lost growth. Healthcare organizations are learning that generating demand is only part of the equation. Converting demand into completed care is now just as important.

The organizations outperforming their peers are not necessarily creating more demand. They are creating less friction. This paper calls that shift the Referral Economy.

Trust is no longer established in one place. It is built across hundreds of interactions and information sources, many of which healthcare organizations do not own or directly control. Organizations that earn that trust consistently — with patients, physicians, employers, and increasingly AI-driven discovery platforms — will be best positioned to grow. Those that fail to earn it will find it harder and harder to compete, regardless of brand strength or market position.

NRC Health's 2025 Experience Perspective research found that consumers are nearly 300% more likely to recommend a healthcare organization when they genuinely trust it, not just feel satisfied with it.[2] Understanding how that trust is built — and how it is lost — is the focus of this paper.

CHAPTER 2

How the Referral Economy works

Every healthcare growth strategy comes down to one outcome: a patient chooses your organization for care.

That decision begins long before an appointment is scheduled. It may start with a physician referral, a recommendation from family or friends, guidance from a health plan or employer, an online search, an AI-generated answer, or a conversation in an online community. Each interaction builds or weakens confidence and helps shape where patients ultimately seek care.

The Referral Economy names this new reality. Growth is no longer driven only by physician referral networks or brand awareness. It is earned through three interconnected capabilities: being found, being trusted, and reliably converting choice into care.

Many missed opportunities remain invisible. Together, they represent substantial lost growth — not through a single dramatic failure, but through the steady accumulation of small breakdowns. Organizations pulling ahead measure not only referral volume, but how often referrals turn into completed care. That includes understanding the logistical barriers that disrupt referrals in the first place: long wait times, limited appointment capacity, insurance limitations, and other practical obstacles to access.

Visibility. Confidence. Access.

Every referral — whether it comes from a physician, a patient, an employer, a health plan, or an AI assistant — reflects a judgment about three things: visibility, confidence, and access. An organization that delivers only one or two consistently will still lose share to competitors that deliver all three. Understanding how these forces work, and how they reinforce one another, is essential to understanding how growth happens in the Referral Economy.

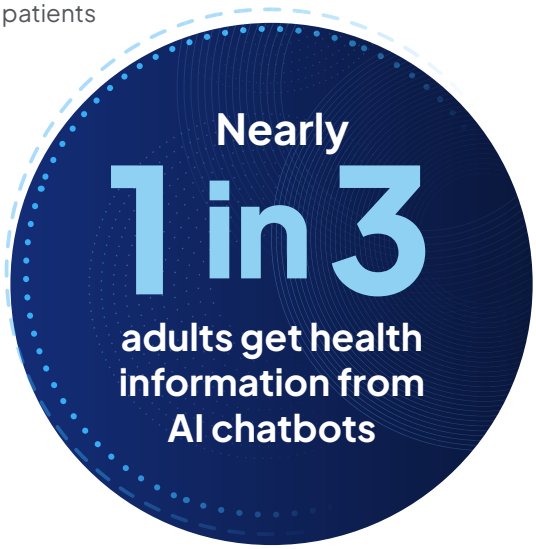




Visibility: Can you be found?

Healthcare organizations no longer compete for referrals from physicians alone. The number of people, organizations, and technologies shaping where patients receive care has expanded dramatically, and each creates a distinct visibility challenge.

Physicians continue to play a critical role, weighing clinical quality, communication, outcomes, and confidence that their patients will receive exceptional care. At the same time, patients are doing more of their own research: comparing providers, reading reviews, participating in online communities, asking AI assistants for guidance, and seeking recommendations from family, friends, and colleagues before making a decision. Health plans, employers, and care navigation services also shape where patients receive care by steering members toward preferred providers based on quality, access, cost, and network design. And AI is now a direct participant in this landscape, synthesizing information from various sources to answer questions about providers, hospitals, and treatment options before a patient ever reaches an organization's website.



That shift is happening faster than most organizations have prepared for. Pew Research Center found that 22% of American adults now get health information from AI chatbots at least sometimes.[3] A separate KFF tracking poll conducted in early 2026 put the figure at roughly one in three adults — placing AI chatbots on par with social media as a health information source.[4] Patients are no longer only searching. Increasingly, they are asking questions and receiving synthesized answers that shape their choices before an organization has any direct opportunity to influence the decision.

Each of these audiences views healthcare through a different lens. Physicians prioritize clinical confidence. Patients seek trust, convenience, and reassurance. Employers and health plans focus on outcomes, quality, access, and value. AI evaluates the structured information available across the digital ecosystem. But despite those differences, they are all asking some version of the same question: Can this organization be found — and surfaced with confidence — when a care decision is being made?

Being visible to only one of these audiences is no longer enough. Organizations that are well known to referring physicians but invisible in AI-driven discovery, or well ranked in search but absent from health plan networks, are solving only part of the visibility problem. Increasingly, visibility has become an infrastructure challenge, not just a marketing one. It depends on whether provider information, clinical content, and organizational data are structured, accurate, and accessible enough to be found, verified, and confidently surfaced across the entire referral ecosystem.

Confidence: Do people trust you?

Being discovered is not enough. Healthcare decisions involve uncertainty, risk, and deeply personal consequences. Every audience described above is also deciding whether an organization has earned their confidence.

No single factor determines whether that confidence is earned. Instead, it accumulates. Clinical outcomes demonstrate quality. Provider expertise builds credibility. Accurate information, convenient access, clear patient education, coordinated care, and positive experiences reduce uncertainty and make it easier for patients, physicians, and other decision-makers to recommend an organization without hesitation.

Confidence is also shaped by what people find before they ever enter the health system. Provider profiles, online reviews, AI-generated answers, community discussions, and digital content all shape perceptions of credibility. Every interaction — whether it happens in a physician's office, on a website, in a patient portal, through an AI assistant, or in an online community — either reinforces that impression or weakens it. Patients do not experience departments or channels. They experience one organization. And each touchpoint contributes to a single verdict: Is this organization capable, trustworthy, and easy to navigate?

The business impact of confidence is hard to ignore. McKinsey's 2025 Consumer Health Insights Survey found that highly satisfied consumers are 35% less likely to cancel or miss appointments, three times more likely to receive timely care, and seven times more likely to return to the same provider.[5] Confidence, in other words, is not just a brand outcome. It is a growth mechanism that shows up directly in completed appointments, retained patients, and fewer no-shows.

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Access: Can patients actually get care?

Visibility and confidence can bring a patient to the point of decision, but they matter little if care is not available when the patient is ready to act. Access has become one of healthcare's most consequential — and most underappreciated — competitive differentiators.

The data suggests the access gap is widening, not narrowing. AMN Healthcare's 2025 Survey of Physician Appointment Wait Times found that the average wait for a new-patient appointment across 15 major U.S. metro areas reached 31 days — up 19% since 2022 and 48% since the survey began in 2004.[6] Some specialties are even more constrained: average waits reached 42 days for obstetrics/gynecology and 40 days for gastroenterology. These are not rural or underserved markets. They are the nation's largest metropolitan areas, with some of the country's deepest concentrations of physicians.

But access is not just about how quickly a patient can get an appointment. It is also about whether the path from referral to care is navigable, coordinated, and complete.



The consequences of friction extend well beyond scheduling. A full-year analysis by Kodiak Solutions of more than 2,300 hospitals found that providers lost $48.4 billion in net revenue in 2025 to denied claims and patient balances that were never collected — a 25% increase over the prior year.[7] Not all of that loss is directly tied to access. But a meaningful share reflects the same underlying problem explored throughout this paper: patients, referrals, and revenue quietly disappearing at the seams between disconnected systems.

Every unnecessary obstacle — whether it is a scheduling delay, a confusing digital experience, or a referral that stalls between the referring office and the specialist's scheduler — makes it more likely that a patient will abandon the process or seek care elsewhere. Organizations rarely lose referrals because of a single dramatic failure. More often, they lose them one small, invisible friction point at a time.



Referral growth is earned across the entire experience

Visibility, confidence, and access are not sequential boxes to check. They operate as a single system, and no one department can own all three.

Marketing builds visibility and communicates value. Clinical teams and provider relations build confidence through outcomes, expertise, and communication. Operations, scheduling, and digital experience shape access. Individually, each function contributes real value. But marketing cannot improve appointment availability, and clinical excellence alone does not help a patient find the right provider or navigate a confusing digital front door. Digital tools alone cannot create trust, and operational efficiency alone cannot build the visibility that gets an organization considered in the first place.

This helps explain why organizations with comparable clinical capabilities so often produce very different growth outcomes. The difference is rarely clinical quality alone. It is how consistently an organization delivers visibility, confidence, and access together — without gaps between them — before, during, and after care.

That consistency is increasingly an infrastructure challenge as much as a strategic one. Provider data, scheduling systems, digital content, and patient communications often live on different platforms, managed by different teams, and updated on different timelines. Every disconnect between those systems becomes a visibility gap, a confidence gap, or an access gap somewhere downstream. The organizations pulling ahead are the ones treating visibility, confidence, and access as a connected system — not separate initiatives — and unifying the provider data, content, and scheduling infrastructure that all three depend on.

Every recommendation — whether it comes from a physician, a patient, an employer, a health plan, an AI assistant, or an online community — reflects a judgment about all three of these drivers at once. Organizations that perform consistently across all three will be best positioned to attract, retain, and grow their patient base in the years ahead. The remaining chapters examine why that consistency is so difficult to achieve, and what it takes to build it deliberately.

CHAPTER 3

Why referrals are won and lost

Healthcare leaders often assume that the organizations delivering the highest-quality care will naturally earn the most referrals. In many markets, that is no longer true.

Clinical quality remains the foundation of every successful healthcare organization. Without exceptional physicians, strong outcomes, and safe, effective care, no growth strategy is sustainable. But organizations with similar clinical strength often produce very different growth outcomes. Some consistently gain market share. Others struggle to maintain referral volume despite respected physicians, advanced technology, and decades of institutional reputation.

The difference often comes down to confidence and access — the forces that determine whether clinical excellence ever reaches the patients who need it.

Referrals are frequently won or lost long before the first appointment is scheduled.

The referral decision begins earlier than most organizations realize

Healthcare organizations often think about referrals as a discrete event: a physician recommends another physician, a patient schedules an appointment, or a health plan directs a member to a preferred provider. In reality, the referral decision begins much earlier — with a simpler question: can this organization be found when it matters?

A referring physician may wonder how quickly a patient can be seen. A consumer may compare provider profiles, online reviews, and appointment availability. A family member may search for organizations known for treating a specific condition. An employer may evaluate centers of excellence based on outcomes and value. And an AI assistant may synthesize provider profiles, quality measures, educational content, and publicly available information before offering a recommendation. By the time a referral is formally made, much of the choice has already been shaped. Organizations that fail to influence these earlier moments often never get the chance to compete.

Every point of friction reduces growth

Healthcare organizations invest heavily in creating demand: advertising campaigns, physician outreach, community engagement, brand building, digital marketing, and service-line promotion. Those investments remain important. But they often rest on an assumption that once a patient enters the system, the rest of the journey will take care of itself. Increasingly, that assumption no longer holds.

Growth depends as much on removing friction as it does on creating awareness. Patients become discouraged when they cannot identify the right physician. Referring physicians become frustrated when appointments are unavailable or communication is inconsistent. Consumers abandon scheduling when digital experiences are confusing or overly complex. And care is delayed when education fails to prepare patients for treatment. Every unnecessary step creates another chance for patients to seek care elsewhere — or to drop out of the process altogether.

The data makes the consequences of friction hard to ignore. Accenture's 2025 health consumer research found that 89% of consumers cited ease of navigation as a top reason for switching providers.[8] Another 70% pointed to access-related factors more broadly, including convenience, digital interaction, telehealth, and customer service. AMN Healthcare's wait-time survey, cited in Chapter 2, shows the operational side of the same problem: average new-patient wait times are up 48% since the survey began in 2004, with little evidence of improvement.

Referral loss is often invisible

One of healthcare leaders' greatest challenges is that referral loss rarely appears in the metrics they review most often. Organizations carefully monitor admissions, outpatient visits, procedure volumes, operating margins, and patient satisfaction. Far fewer measure how many patients tried to get care — and abandoned the process along the way.

How many consumers left because they could not identify the appropriate provider? How many referrals were delayed by scheduling constraints? How many patients never completed treatment? How many referring physicians quietly redirected patients elsewhere after repeated operational frustrations?

These missed opportunities often remain invisible, yet collectively they represent substantial lost growth — the same erosion quantified in Chapter 2's access data, most of it never showing up as a single dramatic loss but as a steady accumulation across thousands of small breakdowns. The organizations that outperform competitors increasingly measure not only referral volume, but referral conversion.

Every referral is a test of confidence

It is tempting to view referrals as transactions: a physician refers, a patient schedules, a visit occurs. In reality, referrals represent repeated tests of organizational confidence. Can this organization deliver excellent care? Can patients access it? Will the experience justify the recommendation? Can I confidently send someone I care about here?

Every interaction either strengthens or weakens that confidence. Positive experiences reinforce future referrals. Negative experiences compound quietly over time, and organizations rarely recognize declining confidence until referral volumes begin falling — by which point the underlying causes have often existed for years.

Growth belongs to organizations that remove friction — easier to understand, easier to discover, easier to schedule, easier to navigate, easier to complete.

Healthcare's highest-performing organizations increasingly share a common characteristic: they are not simply better at attracting attention. They are better at making healthcare easier. Every improvement reduces uncertainty. Every reduction in friction increases confidence. Every increase in confidence strengthens future referrals — the same compounding cycle introduced in Chapter 2, now playing out at the level of individual patient decisions.

CHAPTER 4

The Referral Continuum

Healthcare organizations often think of referrals as a single event: a physician submits a referral, a patient schedules an appointment, care begins. In reality, referrals are not events. They are the outcome of dozens of decisions that begin long before an appointment is scheduled and continue well after treatment has ended.

Every stage of that journey either increases or decreases the likelihood that an individual, a physician, a payer, an employer, or increasingly an AI assistant will confidently recommend an organization. The organizations earning the greatest referral growth are not simply managing referrals more effectively, they are managing the entire continuum that creates them, beginning with discovery and ending with advocacy, which creates the next generation of referrals.

STAGE	EXECUTIVE QUESTION	ENTERPRISE CAPABILITY
Discover	*Can people find us?*	Digital authority, provider data, SEO, AI visibility, directories, reputation management
Trust	*Why should they choose us?*	Outcomes, physician expertise, clinical content, quality measures, patient stories, ratings
Refer	*Can someone confidently recommend us?*	Physician relations, employer strategy, payer partnerships, referral workflows
Access	*Can patients receive care quickly?*	Scheduling, provider search, capacity management, referral coordination
Activate	*Will patients actually begin care?*	Education, reminders, navigation, financial guidance, care preparation
Complete Care	*Will patients finish treatment?*	Care coordination, digital engagement, follow-up, adherence, remote support
Advocate	*Will they recommend us to others?*	Experience, outcomes, loyalty, reviews, community engagement

Stage one: Discover



The first challenge is no longer awareness. It is discoverability.

Consumers search by symptoms, conditions, service lines, locations, insurance, and physician expertise — not by hospital name alone. Service-line searches are especially important because they often reflect higher intent and are more closely tied to action. They are categories health systems should aspire to own as trusted sources of answers and preferred destinations for care.

AI assistants increasingly synthesize provider profiles, service-line content, educational resources, clinical authority, and publicly available information before presenting recommendations. This shift is no longer marginal: the same Pew and KFF research cited in Chapter 2 shows AI chatbots have become a mainstream health information source for a meaningful share of U.S. adults. If organizations cannot be discovered by both people and the systems people increasingly rely on, they cannot be considered.

Stage two: Trust

Being discovered is not enough. Patients and referring physicians look for evidence that an organization consistently delivers excellent care: clinical outcomes, board-certified physicians, research, experience, patient education, transparent quality measures, reviews, and recommendations. Trust develops through the accumulation of evidence rather than a single message, which is precisely the direction reflected in the revised U.S. News methodology discussed in Chapter 1: performance increasingly matters more than prestige.

The weight of those factors varies by care context. In high-stakes service lines such as oncology, patients and families may prioritize outcomes, expertise, and clinical depth above all else. In lower-acuity settings such as urgent care or ambulatory services, convenience, speed, location, and ease of access may play a larger role. Organizations must be able to deliver both: trusted clinical credibility when decisions feel consequential, and low-friction access when convenience drives choice.

It is also worth noting that AI has not displaced this human-anchored trust so much as joined it. Pew's research found that Americans still rate information from healthcare providers as far more accurate than information from AI chatbots or social media: 65% call provider information highly accurate, compared with only 18% for AI-generated information.[9] AI is reshaping where trust-building happens, not replacing the ultimate importance of clinical credibility.

Stage three: Refer

Only after confidence has been established does an actual referral occur. Historically this meant physician-to-physician referrals; today it includes recommendations from employers, health plans, care navigators, family members, community organizations, and AI systems. Every recommendation represents confidence that another organization will deliver appropriate care, so referral growth depends on earning confidence across every one of these audiences.

Stage four: Access

Many organizations lose referrals after they have already been earned. Patients struggle to locate the appropriate physician. Appointments are unavailable. Digital scheduling becomes confusing. Call centers transfer patients repeatedly. Insurance questions remain unanswered. As discussed earlier, access has become one of healthcare's strongest competitive differentiators (and one of the most measurable).

Stage five: Activate

Scheduling care does not guarantee care begins. Patients delay procedures, cancel appointments, forget instructions, become anxious, experience financial concerns, or receive conflicting information. Organizations that actively educate, prepare, remind, and guide patients dramatically improve care completion. Patient activation represents one of healthcare's largest untapped growth opportunities because it converts existing demand into completed care.

Stage six: Complete Care

Growth depends upon successful outcomes, not simply completed appointments. Patients who complete treatment experience better outcomes, physicians gain confidence, organizations demonstrate measurable quality, and future referrals increase. Incomplete treatment does the opposite: weakening outcomes while reducing future referral confidence. Care completion is therefore both a clinical objective and a growth strategy.

Stage seven: Advocate

The continuum does not end when care concludes. Successful experiences create future referrals: patients recommend physicians, families recommend hospitals, physicians strengthen referral relationships, employers recognize high-performing organizations, positive reviews improve digital authority, and AI systems encounter additional trusted signals. Every successful patient increases the probability of future growth.

The Referral Flywheel



Unlike traditional marketing funnels that end with conversion, healthcare growth operates as a continuous cycle. Discoverability builds trust. Trust drives referrals. Referrals lead to completed care. Positive outcomes and experiences create advocates. And advocates generate new discoveries.

Growth compounds.

Organizations that strengthen each stage of this continuum do more than improve performance at the margins — they change the trajectory of their growth. Over time, that compounding effect becomes increasingly difficult for competitors to disrupt or replicate.

This is the shift: from campaigns to continuity, from moments to momentum.

Referrals are no longer the byproduct of reputation alone. They are shaped — quietly but consistently — by what patients can find, what they trust, and how easily they can act. Discoverability. Trust. Access. Not as isolated tactics, but as a connected system that determines whether demand converts or disappears.

Most organizations still optimize within stages. Far fewer manage across them. That difference is significant.

When any part of the continuum breaks, growth does not simply slow — it leaks. Patients hesitate. Referrals stall. Intent fades before it becomes action. And most missed opportunities do not return.

The organizations that outperform will not simply generate more demand. They will remove friction across the entire experience — making it easier to be chosen, easier to trust, and easier to access.

That is the Referral Economy.

And understanding how it works
has become a strategic imperative.

Part 2 is now available

Keep reading for more insights.

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