

# A Call to Action



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# 2011: We Spent \$2 Trillion on Healthcare



1. \$700 Billion (30%) failed to improve health and often harmed our patients.
2. The status quo is a broken system.
3. Lets look honestly at the Mythology of the American Healthcare System!

# *Mythology*

Idealized and unchallenged by many



- Modern Medicine is largely backed by solid science
- Offering access to more services makes U.S. system superior
- Our safety focus over past decade has significantly ameliorated our safety issues
- Our physicians and hospitals are paid to reliably deliver the right care in a way that is expertly coordinated
- Our medical schools are the envy of the world and are graduating the skilled workforce we need for the future

# Problems



- The explosion of medical research over the past few decades gives physicians a “best practice” indicator for *only about 20% of all medical care delivered*
- *Unexplained variation* with no benefit or, worse, harm to the patient –30% of healthcare costs
- *Pharma* marketing - 8% waste
- *Defensive medicine* (fear of lawsuits) -7 to 8% waste

# Much of Healthcare Debate is Centered on Cost



1. Skyrocketing cost of medical care
2. Spiraling health insurance with huge deductibles
3. Cost to insure the uninsured
4. Administrative costs

But the core driver of that cost is the lack of consistent **QUALITY, EFFECTIVENESS AND SAFETY** of our healthcare delivery system.

# Some strategic points from Advisory Board National Meeting (2014)



- Steady shift towards *risk based payment*
- ACOs to receive *capitated payments*
- Individuals are gravitating towards leaner plans
- *High deductibles* are dominating exchange markets (\$2500-\$6250)
- Rising risk and behavioral health unmet needs go together
- Community partnerships are critical to any system's future success (e.g. ED, Retail, Work-site, Urgent Care, FQHCS, Virtual Care, Home-based)

# THE WINDOW IS OPEN... BUT FOR HOW LONG?



Issues described cannot be addressed by Obamacare as written but a true PIVOTAL moment in American healthcare has arrived.

How to move forward:

- Accept the truth
- Innovate solutions throughout the care continuum
- Support comparative effectiveness research
- Devise accountability mechanisms

# Opportunity: Incentives for Change



Keep Patients Activated, In-network, and Brand Loyal

- Provide incentives to choose lower-cost sites of care
- Incent use of preventive and self-management services
- Use market specific cost targets
- Provide timely data feeds on patient utilization of care to system and partners
- Deploy customer-service (versus clinical) oriented staff
- Step into the WEALTH FROM HEALTH® era



# WEALTH FROM HEALTH®



## Transform the Blueprint of Healthcare:

- Patient, provider, caretaker INCENTIVE PROGRAM
- Comprehensive STRATIFICATION TOOL
- VIRTUAL VISITS
- COMMUNITY HEALTH TRUST
- 25 INITIATIVES TO REDUCE VARIATION (30%waste)ACROSS THE CONTINUUM OF CARE
  - Outpatient
  - ER and Observation
  - Acute and rehab
  - Post-acute
  - Home
  - Hospice

# Contact information



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