Provider+ Web Conference Series

Health Market 2.0 Provider + Innovators – The New Catalyst to Health

Tuesday, December 8, 2015 – 12:00 p.m. – 1:30 p.m. Central

FOLEY
FOLEY & LARDNER LLP

OLIVER WYMAN

Welcome

Today's Speakers
- » Frank Williams, Evolent
- » Jan Berger, M.D., M.J., Quantum Health
- » Sanjay K. Shetty, M.D., Steward Health Care Network
- » Jeff Micklos, Transformation Task Force

Moderators
- » Sam Glick, Oliver Wyman
- » J. Mark Waxman, Foley & Lardner LLP

Evolent Health

vision — Build a national network of providers transforming care under value-based payment initiatives

what we do — Provide integrated technology, intellectual capital and scalable services to enable clinical and business model transformation

differentiation — Provider-driven, broad integrated platform, payer-agnostic, proven clinical / financial results

key metrics — 25 markets, 950+ employees, $150MM invested in technology / infrastructure, platform deployed across 3.0M+ lives

MedStar Health   Indiana University Health   Deaconess

Propel Health   Premier Health Partners   WakeMed   LEGACY HEALTH

evolent HEALTH

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The Consumer Quandary

FROM BEWILDERED

TO RELIEVED

Quantum HEALTH

FACED WITH AVERAGE OF 41 DECISIONS

3 / QUANTUM HEALTH / CONFIDENTIAL AND PROPRIETARY

Steward Healthcare System is the largest community-based health system in New England

- Steward by the Numbers:
  - 9 hospitals on 10 campuses
  - 25% of acute hospital beds across eastern MA
  - ~3,000 affiliated and employed physicians, including ~700 primary care
  - \> 300,000 managed risk lives, commercial and government
  - Extensive experience in value-based contracts
    - Commercial
    - Medicare (including Pioneer/NextGen ACO and BPCI)

Health Care Transformation Task Force: Our Shared Commitment

75% of all business activity will be in alternative contracts by 2020
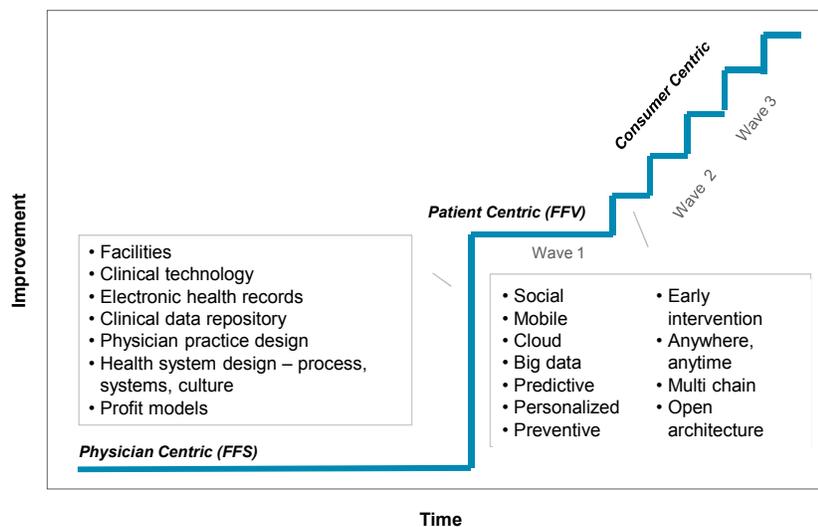

Patients, Payers, Providers and Purchasers:
Committed to Better Value Now

The Task Force's guiding principles outline a financially and operationally viable and sustainable approach

Shift 75% of our respective businesses to be under value-based care contracts by 2020

Design programs that provide reasonable returns to deliver the triple aim of better health, better care and reduced total cost of care at or below GDP growth

Equip market players with all tools necessary to compete in new market focused on people-centered primary care

Encourage multi-payer participation and alignment to create common targets, metrics, and incentives

Share cost savings with patients, payers, and providers to ensure adequate investment in new care models

Foster transparency of quality and cost metrics in a manner that is accessible to, and easily understood by, consumers

Support the needs of disadvantaged populations and help strengthen the safety net providers who serve them

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Raising the bar for innovation

Improvement (vertical axis)

Time (horizontal axis)

Consumer Centric — Wave 3, Wave 2

Patient Centric (FFV) — Wave 1
- Social
- Mobile
- Cloud
- Big data
- Predictive
- Personalized
- Preventive
- Early intervention
- Anywhere, anytime
- Multi chain
- Open architecture

Physician Centric (FFS)
- Facilities
- Clinical technology
- Electronic health records
- Clinical data repository
- Physician practice design
- Health system design – process, systems, culture
- Profit models

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Evolve the core business, across the value chain

Clinical Programs	Holistic Care	Patient Interactions

Evidence based medicine	Process improvement	Transitions in care	Integrated care management	Referrals and scheduling	Tele/ digital health	Patient navigation	Digital patient engagement	Patient engagement at site of care

Components

Standardize and optimize clinical procedures to improve clinical outcomes

- Clinical standards and best practices by patient segment
- Gaps in care
- Lean
- Workflow optimization
- Optimized supply chain
- Hospital operations

Design patient-centered care models to improve clinical outcomes and increase affordability

- Proactive patient management
- Connection to community resources
- Remote monitoring
- Ease and convenience of scheduling
- Availability of specialists

Design patient-centered interactions (on-site and digital) to increase loyalty and retention

- Comfort and personalization of care setting
- Staff engagement
- User friendly apps, patient portals, social communities
- Wellness and education
- Family engagement

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Examples: Addressing consumer health hassles
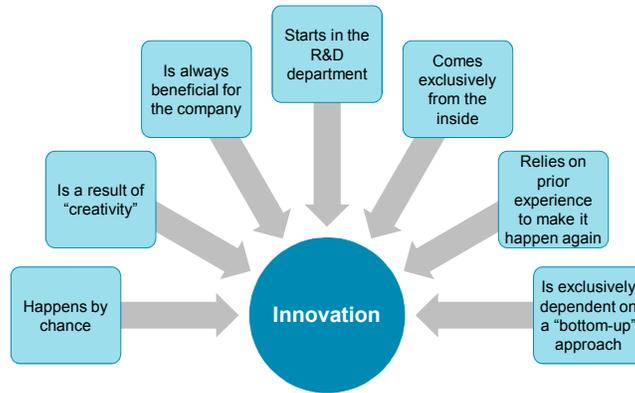
The 5 great consumer hassles

Example solutions

1 Quality
…Do not receive the best possible care and feel that the system can do better

- Patient experience customized for health needs and preferences

2 Affordability
…Healthy consumers see no return, and others pay too much for the results they get – feel that there is a more affordable way

- Great outcomes and patient experience for lowest possible cost

3 Convenience and accessibility
…Cannot get all of their health needs addressed in a simple, convenient, "one-stop-shop" fashion

- Easy access to the right level of care 24/7

4 Engagement and rewards
…Do not get enough help to "get off the couch" nor get rewarded for healthy lifestyles and smart decisions when they do

- Peers to share experiences, challenges and help hold accountable

5 Accountability
…Are unable to understand who is accountable for the cost and quality of their service and what their role is as a consumer

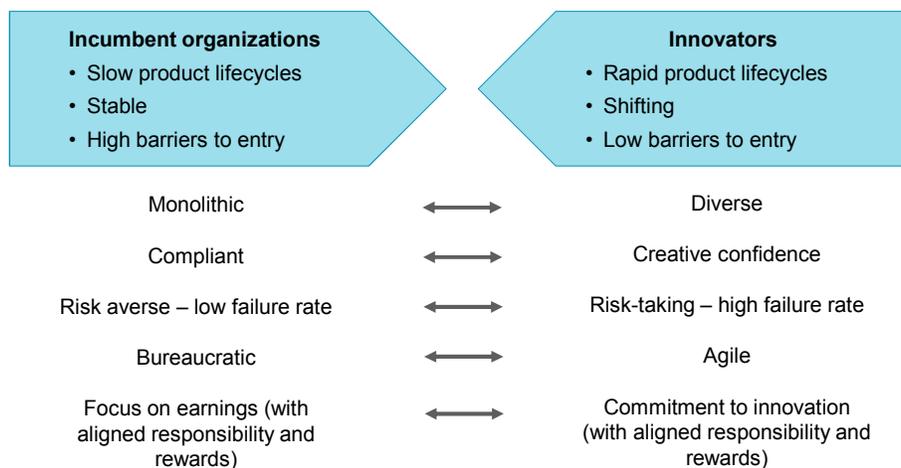- Information to make informed decisions about healthcare

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Innovation myths

Is always beneficial for the company

Starts in the R&D department

Comes exclusively from the inside

Is a result of "creativity"

Relies on prior experience to make it happen again

Happens by chance

Innovation

Is exclusively dependent on a "bottom-up" approach

Myths associated with implementing value-adding ideas, concepts, products and services

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Making it work

Incumbent organizations
- Slow product lifecycles
- Stable
- High barriers to entry

Innovators
- Rapid product lifecycles
- Shifting
- Low barriers to entry

Monolithic	⟷	Diverse
Compliant	⟷	Creative confidence
Risk averse – low failure rate	⟷	Risk-taking – high failure rate
Bureaucratic	⟷	Agile
Focus on earnings (with aligned responsibility and rewards)	⟷	Commitment to innovation (with aligned responsibility and rewards)

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Discussion

■ What are the innovations that you think are most likely to make a difference in how health care is delivered today?

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Discussion

■ What are aspects of the provider that make one "ready" for innovation? What is getting providers interested in innovation and what is keeping other on the sidelines?

Discussion

- What do you see as the key "barriers to entry" and what should innovators do to overcome them?

Discussion

- Does the use of innovators who are outside the existing structures result in reduced cost of care, or simply shift the costs, so less is spent in traditional providers and more in innovation and technology?

Discussion

- Has physician buy-in been a problem, will it be a problem, in implementing innovations?

Discussion

- How can innovators integrate or insinuate themselves into an increasingly established patterns developing at providers? (For example: dealing with a large incumbent EHR or established platforms for analytics/population health/care management)

Discussion

■ Are there any misconceptions you have found with respect to the ability to bring "innovation" to the system?

Discussion

■ Where does innovation fall apart? The bridge between ideation and integration?

Discussion

- What steps might prevent picking the wrong innovation?

Thank You

- If you have any questions, please type them into the Q&A tab on the bottom of your screen.