



Health Care Law Today

Health Care Law Today Podcast

Episode 15: Advocate Aurora Enterprises: Commitment to Whole Person Health

In this episode, Foley Of Counsel [Mike Lappin](#) talks with [Michael Grebe](#) and [Scott Powder](#) of Advocate Aurora Health, to discuss Advocate Aurora Enterprises, a subsidiary of Advocate Aurora Health responsible for advancing the system’s purpose of helping people live well through a commitment to Whole Person Health.

Mike Lappin is Of Counsel and a business lawyer with Foley & Lardner LLP. Mike practices primarily in the areas of Mergers and Acquisitions, Corporate Law, and Health Care. In 2009, Mike joined Aurora Health Care, the largest health care system in Wisconsin, as its first general counsel, and later was promoted to Chief Administrative Officer. In 2018, Aurora merged with Advocate Health Care, the largest health care system in Illinois, to form Advocate Aurora Health. At the request of the Advocate Aurora Co-CEOs, Mike led the successful integration of the two systems which resulted in hundreds of millions of dollars of annual synergies and laid the foundation for the organization to effectively navigate through the COVID-19 pandemic.

Michael Grebe is the Chief Legal Officer at Advocate Aurora Health, and is responsible for leading the Legal Department and providing counsel to the Board of Directors, and Executive Leadership Team. Michael joined Aurora Health Care as Chief Legal Officer in 2017 and prior to that served as General Counsel at HUSCO International for two years. Prior to joining Husco he had a career for more than 20 years at Quarles & Brady, where he provided legal counsel to clients across a variety of areas focusing on corporate and transactional matters, as well as serving as Chair of the Business Law Practice and a member of the firm’s Executive Committee. Michael was named the “Corporate Counsel of the Year” in Wisconsin by Best Lawyers in America.

Scott Powder is the President of Advocate Aurora Enterprises, and is responsible for leading Advocate Aurora Health’s whole person health strategy, which includes the development of a consumer health and wellness division, growth of new and adjacent revenues and corporate venture investing. A national strategic thought leader, Scott has served as the Chief Strategy Officer of Advocate Aurora Health prior to the formation of AAE. Scott joined Advocate Health in 1993 where he held multiple business development and strategy positions, including Chief Strategy Officer, Vice President Business Development for Lutheran General Hospital, and Vice President Business Development for Advocate Medical Group.

Please note that the interview copy below is not verbatim. We do our best to provide you with a summary of what is covered during the show. Thank you for your consideration, and enjoy the show!

Mike Lappin

Hello everyone, my name is Mike Lappin. I'm an attorney at Foley & Lardner practicing in our transactions and health care groups. I've been practicing law for almost 30 years, primarily as a transaction attorney. I joined Foley about two months ago, and 11 years before that, I was deep into health care. I served as the Chief Legal Officer and then Chief Administrative Officer of Aurora Healthcare—the largest health care system in Wisconsin—and then as the Chief Integration Officer and Chief Administrative Officer of Advocate Aurora Health, the system formed by the 2018 merger of Aurora with Advocate Healthcare—the largest health care system in Illinois. I'm very pleased today to be joined by two of my former Advocate Aurora colleagues, Scott Powder, who is the President of Advocate Aurora Enterprises, and Michael Grebe, the Chief Legal Officer of Advocate Aurora Health. We're going to discuss Advocate Aurora Enterprises, which was launched recently as an investment arm of Advocate Aurora late last year, but first a little context.

As I'm sure most of our listeners know the health care industry is going through a period of significant transformation. This transformation has been driven by a number of forces, including the economics of health care, changes in technology, and changing consumer demands and expectations. And we can see this play out in the industry in many ways, such as the continued consolidation, which has been getting a lot of attention these days, changing locations of care, moving care outside of hospitals, and new technologies to monitor, treat, and interact with patients.

And this is even before the COVID pandemic hit and it is very well that that this pandemic could exacerbate many of these trends. To me, as a transactional and health care lawyer, one of the more interesting trends though is that, while hospitals and health care systems continue to grow and enhance their traditional business of providing care in hospitals and clinics and other settings, they're moving into new and different businesses under a much broader umbrella of health, wellness, and health care services. And that is what we'd like to explore today. Before we do that, let me have our guests introduce themselves. Scott, why don't I start with you?

Scott Powder

Thanks, Mike. It's great to be here. I'm Scott Powder. I'm President of Advocate Aurora Enterprises. Before that I was Chief Strategy Officer for Advocate Aurora Health and served in that same role for Advocate Healthcare prior to the merger and creation of Advocate Aurora Health, and I've been in health care for nearly 28 years now.

Michael Grebe

Thanks Mike. I'm also very happy to be here. As you mentioned, I'm the Chief Legal Officer for Advocate Aurora Health. I joined Aurora in early 2017 in that same capacity after practicing in private practice for more than 20 years and working as a general counsel at another Milwaukee area business before joining Aurora.

Mike Lappin

The way we're going to approach this discussion is to talk with Scott about various aspects of Advocate Aurora Enterprises, and then I'll turn to Michael to get some input on some of the legal issues that he faced. Let's start at the beginning. I mentioned before that Advocate Aurora is a large health care system in Wisconsin and Illinois. Can you give us a little more background on the system?

Scott Powder

As both of us mentioned, Advocate Aurora Health was created in 2018, April 1st, so just a little over three years ago, and it was the merger of really two large health care systems in adjacent states. It was somewhat pioneering in health care in the sense that there hadn't been a lot of cross-state (I'll call them) "mergers of equals." Oftentimes it's been either large multi-market systems, or gobbling up smaller players, or a lot of in-state mergers, but doing a merger across state lines with two well-respected health systems was somewhat unique in pioneering. There hasn't been a lot of that, so that's the creation of Advocate Aurora Health.

I'd probably say the interesting thing to me is when we—as both you and Michael will recall—both predecessor organizations were called Advocate Healthcare and Aurora Healthcare. When we renamed the system, it was Advocate Aurora Health, not that we're not in the health care business, but we acknowledged at the time and continued to acknowledge. It certainly plays out in what we're doing at Advocate Aurora Enterprises, that our role is more than just great health care, it's to positively impact the health of the people we serve, which of course is impacted by care, but it's impacted by many other things. I find that to be particularly interesting talking about where Advocate Aurora Health is going.

Mike Lappin

That's a great point, Scott, and I think that leads directly into the creation of Advocate Aurora Enterprises. That was a concept that came out of the strategic plan that was developed upon the consummation of the merger. As you said at the time you were the chief strategy officer and led the development of that plan. Can you talk a little bit about the plan, the key elements of it and how that led to the development and implementation of Advocate Aurora Enterprises?

Scott Powder

You spoke to this at the very beginning. We've had a point of view about where we saw health care going as we created Advocate Aurora Health, and as we launched the strategic planning immediately after the merger, and a big piece of that point of view is that a person's health and wellbeing is ultimately, as I said, impacted by great medical care, but probably even more impacted by things that are outside of traditional care delivery. Things like access to secure housing, financial security, food security, access to good food and nutrition, personal lifestyle decisions, levels of stress, ability to sleep, things of that nature.

So we knew when we created Advocate Aurora Health, we actually were very explicit that our purpose is to help people live well, and knowing that our purpose is to help people live well and that this point of view that health is impacted by a lot of things other than not just care delivery. We said, "we're going to need to participate in the broader health ecosystem in some form or

fashion.” So that was one of the big conclusions from the strategic planning process that we embarked on.

The other kind of important piece of this is the care delivery business is a really tough business for a lot of reasons. One, heavily regulated. Two, at the end of the day your sources of payment, your revenue, typically at least 40, 50, sometimes even a larger percentage comes from the federal government, so unlike other industries where you can set prices and impact your revenue, we really don't have that ability for a big chunk of our business and health care. And the costs are going up dramatically. There's labor shortages, which always impacts our cost structure. There are specialty pharmacy and drug prices are going up, medical devices are going up, and so our revenue isn't going up nearly as fast as our expenses, and over the long-term, that's a really challenging position to be in for any organization in any industry.

So, we sort of acknowledged that in addition to needing to participate in this broader ecosystem as a mechanism to really fulfill our purpose, we also recognize that there's a financial imperative as well to diversify our revenue and seek new opportunities for revenue growth and profitability, which is important. We're a tax exempt organization, but that doesn't mean that we deliberately lose money. We need to generate a surplus to be able to reinvest in technology equipment, clinical programs and services, and things of that nature that allow us to better serve the communities that we operate in.

That is where a lot of the Genesis of Advocate Aurora Enterprises came from. The idea in a nutshell, was that if we're going to fulfill our purpose of helping people live well, and if we're going to participate in the broader health ecosystem, we need an entity that is specifically focused on that. We designed Advocate Aurora Enterprises to really build a presence in what we call the consumer health sector. So investing in, acquiring, and building businesses that are serving consumers broader health needs, not just pure care delivery, and we set it up specifically as a separate subsidiary because we're serving people differently than we do in our core care delivery business.

Our marketing strategy is different, our funding strategy is different, the kinds of companies that we're investing in are very different than things we've done in the past. And we felt there was really a need for a certain amount of autonomy and separation without losing the connection to the core, which again, I can talk about in more detail.

Mike Lappin

Can you get to that a little bit of what really is Advocate Aurora Enterprises? I refer to it in my introduction as an investment arm, and that's what I seen it referred to recently in several articles, but I'm not sure that that description really does it justice.

Scott Powder

I think that's right, Mike. I am still trying to figure out what's the right one or two word description of what we are, so let me try to unpack it a little bit and maybe you'll come up with a better descriptor because we do look a little bit like an investment arm, but that's not really the whole story.

In a nutshell, we are a for-profit subsidiary of Advocate Aurora Health, and our goal is to build over the long-term a company that operates in, invest in, and grows consumer health and wellness products and services. We've identified three particular areas that we're focusing on—and I can go into those in more detail, but the quick summary is—aging independently, the second is parenthood, and the third is personal performance.

So for each of those, again, we're trying to build a portfolio of companies and products and services for the long-term. When people hear investment arm, they think of us often as kind of an in-house private equity or venture capital arm, meaning we go out, we find attractive companies to invest in, and then we look to exit and generate a financial return for our limited partners. In this case, our limited partner is in effect Advocate Aurora Health, and that is not entirely accurate because we go into these as long-term investors with a buy and hold mentality, because again, we're trying to build a business, not necessarily get in and exit in a defined period of time. It doesn't mean that exits won't occur, but we're certainly not going in with that in mind, so that definitely distinguishes us from classic investment arms, and that's why I can't quite figure out what to call us.

Mike Lappin

If you're looking for the lawyers here on the call to give you some help in that, when marketing comes to us that usually it's a problem.

Scott Powder

That's true. I hear you loud and clear. I'm waiting for Grebe to give me, tell me what I can and can't say on this.

Mike Lappin

You've mentioned a little while ago about the purpose of Advocate Aurora of helping people live well. What are the goals for Advocate Aurora Enterprises? I assume you have some financial goals, but I'm particularly interested in what would your non-financial goals be? How do you help fulfill the purpose?

Scott Powder

You're right. We do have financial performance objectives, but those are not the sole objectives. If they were, we would truly be a private equity or venture capital arm simply trying to get the highest return on invested capital. But, we start with what we call our strategic objectives.

The first one is probably going to be the most interesting to measure over time, and the hardest to exactly figure out, but we call it healthy days. So there is a metric that the CDC developed a number of years ago that they call healthy days where you literally ask people over the past 30 days, how many days have you perhaps been compromised from a physical health standpoint and how many days has your mental health not been great?

And then you sort of do the math: 30 minus that number of days, and the difference is how many healthy days did you have? Our goal over the long-term is to increase the number of healthy days that the people we serve enjoy. And so, again, it's a very broad and self-reported metric on health. That is our first and foremost strategic [goal], and over time, I hope to add additional ways of measuring health and wellness among the people that we serve, but that's at least a starting point. So that's part one.

Part two, and again, another strategic goal is we are trying to impact the total cost of care for the people we serve. So one of the unique things about Advocate Aurora Health is that we're probably one of the largest participants in what's often known as value-based care. Of the roughly 3 million people we serve, nearly half of them come to us under some value-based contract, and nearly half of those come to us under a contract in which we have significant financial downside risk. In effect, we are at risk for the total cost of care for the people we serve, which is interesting because my job within Advocate Aurora Enterprises is to develop services, and companies, and products that actually can help manage that total cost of care. So that's where you get some real strategic alignment between what Advocate Aurora Enterprises is doing and what Advocate Aurora Health is doing. So those are two examples of non-financial goals that we are trying to impact.

And I'd probably say the third one, which bridges into financial a little bit, is we're trying to increase the number of people we serve and the depth of our relationships with the people we serve. I think, you know this Mike, the health care is very oftentimes very episodic. I can count on less than one hand, how many times I interacted with my health care provider, which happens to be Advocate Aurora Health over the last year and a half. And obviously some people interact more than I do, but they tend to be episodic in nature, and there's usually time in between, and care delivery addresses certain aspects of health, but not the entire ecosystem of health.

So we're trying to kind of fill that interstitial space between episodic visits to the health care provider system by filling in the gaps with other health and wellness services on a more frequent basis. One way we measure that as what we call "share of wallet," which is a sort of a retail measure of how many times and in what ways are we interacting with the people we serve beyond just traditional care delivery, and does that generate more revenue?

It bridges into financial, but it does have its roots in, are we building deeper and more frequent relationships with the people we serve?

Mike Lappin

Michael, let me bring you into the discussion here. When I listen to Scott talk about a new business, a different business, a for-profit business under the Advocate Aurora umbrella, one of the first things I think about as a business lawyer is, is how is this going to be governed both from a kind of a management over oversight perspective and from a board oversight perspective? I know you were involved in those discussions, can you talk a little bit about the different ideas and concerns that you were considering as you worked through those issues?

Michael Grebe

We just heard Scott share a very compelling vision of Advocate Aurora Enterprises. How Advocate Aurora Enterprises will support the broader mission of Advocate Aurora Health and maybe most importantly how that mission is going to benefit our patients in our communities. I think what Scott lays out is really a pretty exciting vision, and frankly, a significant part of the legal department's job is just to support Scott and his team, and putting in place structures, management arrangements other legal structures that give his team the best opportunity to be as effective as they possibly can because the benefits of Advocate Aurora Enterprises being effective extend far beyond just Advocate Aurora Health.

Having said that, the business that Scott describes is different from the core business of Advocate Aurora Health, whether it's operating as something of a private equity funder, a VC investor, or some of the other things Scott walked through it necessitates an approach that is distinct from the standard hospital system governance.

So what we have tried to do is really two things at the same time that exists somewhat in tension, but I think can be mutually supportive. One is to create a structure that permits Advocate Aurora Enterprises to act nimbly and quickly in a way is both responsive to, and business aware, in terms of the different context of Advocate Aurora Enterprises as opposed to Advocate Aurora Health.

And we've tried to do that both in terms of establishing smaller, different governance teams and in entities having a separate board that is permitted to operate with more nimbleness than the broader organization. But also tying what Advocate Aurora Enterprises does back to Advocate Aurora Health in terms of things like making sure that we are being mindful of potential liability that could attach to Advocate Aurora Health. Making sure that there is appropriate governance, compliance, legal oversight of the business operations at Advocate Aurora Enterprises.

So those two things exist in some tension as I mentioned, but I think that we're getting it pretty close to right in terms of protecting the organization but also giving Scott and his team, the absolute necessary latitude to operate nimbly in the business environment that he operates in.

Mike Lappin

Beyond governance, were there other significant issues from a legal perspective that you dealt with in relation to the formation of Advocate Aurora Enterprises?

Michael Grebe

In connection with the formation of Advocate Aurora Enterprises, there are a few specific issues that the legal department and the lawyers had to address, one, which Scott alluded to, is the fact that Advocate Aurora Enterprises is a for-profit entity.

Doing that helps shield Advocate Aurora Health from some liabilities arising out of what again is a very different set of business operations that is likely to continue to diversify significantly. It gives Scott and his team the opportunity to partner, potentially, with outside investors in terms of

the corporate structure and the management team in their ability to conduct business a little more independently.

Something Scott and I have talked about, I think there is also something of a public perception that either in the market, or more broadly, that is benefited by having Advocate Aurora Enterprises stand on its own to some extent, and be able to hold itself out as that more nimble entrepreneurial organization. That's something that we've tried to establish through management arrangements, again, through different forms of legal or compliance oversight while still providing protection to the organization. And I think is going to prove to be very beneficial to, again, not just Advocate Aurora Enterprises but our patients and communities for all the reasons that Scott described.

Mike Lappin

Thank you, Michael. Scott, coming back to you, you mentioned a few minutes ago three different areas of focus for Advocate Aurora Enterprises. Can you elaborate on that please?

Scott Powder

One thing I sort of go back to that Michael Grebe just referenced that I'd just add one comment, and that is that point about being held out and being perceived as maybe different and perhaps nimbler than the core business is actually a really important insight. So we just announced a couple of deals that I can tell you more about, but one of the deals was an auction process where the private equity firm was looking to exit and they brought in an investment banker and sort of sent out offering memoranda to a whole bunch of different players. And one of the questions that came up repeatedly, I'll just say was, we were one of the few, maybe the only strategic investor to participate in the process. And we kept getting asked to what extent are we going to be able to complete our activities and put our offer on the table and do our diligence in a timely manner, because just as a rule of thumb, strategics are typically viewed as slower and less nimble and less able to get deals done than some of the investment oriented organizations. So the fact that we actually ended up consummating that deal and were successful and sort of met the timeline requirements, that is incredibly important particularly in those kinds of processes, so I just thought I'd reinforce that.

But to your question, so three that I mentioned, I'll go a little bit deeper that the theory on these is that we wanted to identify areas in consumer health, where there is we believe large, unmet needs and challenges, where there is significant growth, and where we have capabilities in our core business that might be helpful in allowing us to compete successfully in these particular, what we call, categories or sectors.

So that was kind of the general thinking of how did we identify these? The first is aging independently. So the idea of helping seniors age safely in their homes and providing them and their loved ones with peace of mind. And obviously that's an area where there's huge unmet need. Every person probably over the long-term wants to stay in their home as long as possible, and as someone who had to deal with aging parents with health challenges, knowing that there's ability to provide support and infrastructure, particularly when you're remote from your

parents, is critical. And there was almost an unlimited amount of money that I'd be willing to pay to help keep my parents safely and effectively in their home, so that's one.

The second is parenthood, the idea of helping people navigate everything from trying to get pregnant, the actual pregnancy journey, the delivery, and then trying to raise a happy and healthy kids in a more confident manner. And again, huge challenges, lots of information out there, and raising kids particularly now is more challenging than ever and there's more issues and more complexities, so helping people do that and being a trusted source of information and services is really an interesting opportunity.

And then the last is personal performance. So this is the idea that by aligning mind, body, and nutrition, you can help individuals achieve their peak performance and accomplish their personal goals. We all know, and I think the pandemic has sort of reinforced this that, access to good food, having mental resilience, managing stress, and taking care of your body are critical to performing your best whether it's in your role in work, your job, or just in your own personal fulfillment, or in your relationships with friends and family.

So those are the three areas that we are focused on today. I would say they are all evolving they're fluid. We have specific growth strategies for each of those areas but those strategies will evolve and over time we may have to drop one, we'll certainly probably add categories over time, so this is an ever evolving strategy.

Mike Lappin

Before you talked about the difference between Advocate Aurora Enterprises and a private equity firm as you look at opportunities, private equity firms usually have a very relatively narrow band of types of deals that they would do, whether it's a control deal within certain industries within a certain size range, from what you've described it sounds like you have a much broader range of investment and opportunities that you'll be pursuing.

Scott Powder

That's right. We have a lot of flexibility in what we can do. We can be a minority equity holder. We could have a controlling interest. We could do a full acquisition and own all of the equity. We also can even do what we call corporate venture investments where we're taking a much smaller slice of equity on the front end, but I will say that we like to try to get to 20% equity because if you're not at 20%, you don't have the ability to have an income statement impact. And part of my job is financial in nature, and generate over time an accretive and recurring stream of cash flow for the organization, so having the ability to record the activities on our income statement is important. But again, that's still gives me a lot of flexibility in a pretty wide range of transactions that I can look at.

Mike Lappin

When you talked about the transaction you just completed and it being a competitive process, how do you differentiate yourself from other potential buyers or investors you've talked? One of the things you mentioned is the expertise that you bring to the table as a health system. Is that one of the things you focus on?

Scott Powder

I would say yes. That is certainly something we bring to the table. And obviously every transaction is different—and the transaction we're referring to is Senior Helpers where we acquired that company—that was basically almost all of the equity was owned by a private equity firm that had reached the end of its life cycle, and they were looking for an exit. In that case, they quite frankly—I don't want to put words in their mouth—but I don't think they really cared what about our clinical expertise or any of that. I think what differentiates there is they're looking for maximizing their return on investment, so did we have a competitive offer and could we get the deal done, and all that kind of stuff, so you have to be a little bit careful in some of these cases. All that, what we think is great advantage around clinical expertise and reputation and relationships with, and as I mentioned, 3 million people that we serve today, those are all great things, but in certain transactions doesn't mean a lot to the seller.

On the other hand, we also announced, I will say this, the Senior Helpers team that is now part of Advocate Aurora Enterprises, appears to be thrilled with the some of those things that I mentioned. They love the idea of being able to access geriatric expertise and care around seniors and some of the clinical programs that we have, some of the capabilities of serving people in the home that compliment what Senior Helpers do. So I think that those things are differentiators. It didn't necessarily help us win the transaction, but I think it's going to help us going forward, post-transaction.

On the other hand, we also just completed an investment in Foodsmart, which is a digital food and nutrition platform that came out of that personal performance category. And in that case, we are a minority equity holder, and they are extremely excited about some of those differentiators that we bring to the table, the ability to bring some clinical expertise to their program. For example, we have a research institute within Advocate Aurora Health, and Foodsmart would like to expand on some of the clinical trials that they're doing where they couple their food and nutrition activities with certain drugs to, again, have a better long range efficacy. So they get excited about that capability that we have. They love the idea that we're a huge player in value-based care, and can we help them prove out some of the positive impacts that access to good food and nutrition will have on total cost of care. So, it depends on the transaction, but those are things that, again, make us different than a typical financial investor.

Mike Lappin

You just mentioned the two recent transactions that you completed, and I think good examples of different ends of the spectrum. One a hundred percent acquisition, and one on minority investment. If you want to expand a little bit on either of those investments and why they were attractive to you, that would be great, and one of the questions I have is when you look at this—and you obviously will look at the businesses independently and how they stand on their own—but how important is it for you when you're looking at an opportunity like that to relate it back to the rest of Advocate Aurora, and how it promotes, or works with, the rest of the system, and the interactions there?

Scott Powder

I already mentioned Foodsmart, so what they do is they have the ability to provide consumers with a tele-health consult or series of consults with a registered dietician, and dietician helps you

design a meal plan that meet your personal needs that could be related to chronic disease. It could be just trying to improve fitness. It could be weight loss et cetera. They help you identify through a huge database of recipes what worked for you, and then inside the platform that translates into a shopping list. You can press a button and it translates into a food delivery order. So it's a really convenient way, takes out a lot of the friction of getting access to food, and one of the cool things they've done they integrate food stamps and they allow for price comparison between different groceries and delivery options. It's a way to allow people who struggle economically to very easily or much more easily sort of get financial support and pick the most economical way to get access to food. We think it's super cool and fits a whole bunch of not just personal performance, but there's clearly nutrition plays a huge role in aging independently, and plays a huge role in parenthood, both maternal nutrition, nutrition during pregnancy, immediately after delivery like child nutrition, et cetera.

And then the second, Senior Helpers, again, they're one of the largest providers of in-home personal care, essentially aimed at seniors to help keep them, either delay or hopefully avoid altogether, needing to leave their home and be put into an institutional setting. So they're providing support services in the home: light duty household chores and support for activities of daily living. So, again, both of these kind of fit the strategy, and to your question, we kind of look at this as three levels of potential synergy, the first, and kind of the one that everyone goes to, is what is the synergy between these companies that we're investing in are requiring and the core business of Advocate Aurora Health. And what I would say there is in both of the cases of the first two deals we've done, we think there is synergy with the core, however, as a general philosophy, while all other things being equal, we want there to be synergy with our core Advocate Aurora Health business. It's not a prerequisite; the way I look at it is we are building our own business and consumer health, and by definition, it's almost always going to have synergy with the core, but it's not again a prerequisite.

So if we find a great company in one of these categories, and it doesn't have synergy with the core, but it makes sense for what we're trying to do in consumer health, we would we have the ability to pursue that. The second layer synergy is really within the category itself. Presumably over time, and we're in our journey, but we'll assemble, and acquire, and invest in more companies in one particular category, and we want to find a synergy between and among those companies. So now that Senior Helpers is in the fold, we are looking at companies within aging that provide different services, but that would be synergistic for the clients of Senior Helpers. So that's the second layer of synergy.

And then the third one is cross-category synergy. I mentioned our first two deals, and since we did the deals simultaneously, actually yesterday, we introduced the CEOs of the two companies to each other. They're both really interested in each other's capabilities and think that there's some interesting synergy opportunities between Foodsmart and Senior Helpers, and vice versa. So that cross-category synergy is really, to me, kind of the holy grail of what we're trying to accomplish within an Advocate Aurora Enterprises.

Mike Lappin

I take it that's the ecosystem you mentioned at the beginning.

Scott Powder

That's exactly right, and as it all comes together, I'm envisioning that as we mature and we bring more companies in, we're going to start seeing a lot of cross pollination between and amongst the companies within the category across categories, and again, ideally also helping be synergistic with Advocate Aurora Health.

Mike Lappin

Michael, let me come back to you. I'm very familiar with your legal department, it's a great department, but they're built to serve a traditional health care system enterprise with hospitals, and clinics, and surgery centers, and urgent care centers, and the home health business. Now you're having to help Scott and his team with developing this for-profit entrepreneurial very different business that you've had to deal with before. How do you as a department and your attorneys pivot to support him and to meet the needs that he has?

Michael Grebe

That's a great question. I think the short answer, sincerely, is we need to do that with humility. It's my view that there is not a better legal department at any health system across the country. I sincerely believe that, and I believe that that's too, regardless of, or perhaps in spite of the leadership of the department. But we are a legal department, as you pointed out Mike, that has been developed and exists to support a health system, and the businesses that Scott is talking about, including Advocate Aurora Enterprises itself, are not within that traditional model.

So it is I think, imperative for us to keep our eyes open, and again, act with humility and understand that there are legal issues that are going to arise that we do not have the capability of handling in-house, or I should say we don't have the capability of handling them in-house with the level of expertise that is required.

So one of the things we need to do in the near term, that we are doing, is partner with our outstanding law firm partners, and work with them and bring in that expertise where needed. Scott referred to Senior Helpers has a significant franchise component to its business. Not surprisingly, we don't have a lot of franchise law experience within the legal department, so it's important for us to find that, and supplement what we're able to provide internally. As Advocate Aurora Enterprises grows and invest in more in different businesses. I think that it's likely that that need will grow for us.

At the same time, that's something of a shorter midterm approach. One of the things that Scott and I have talked about is, as Advocate Aurora Enterprises develops and matures, there may be areas that we'll need to add internally where we will need new members of our team. We're able to support effectively what Scott and his team are doing. I couldn't map that out right now, but it's certainly something that we keep our eyes open for going forward.

Mike Lappin

Thank you, Michael. One final question directed at Scott, but Michael, you can weigh in too, I know the strategic plan that was developed really had a timeframe about to 2025. If we were

having this conversation in 2025 looking back as to what's happened, and we say that Advocate Aurora Enterprises has been a great success, what would you be talking about Scott as what's happened?

Scott Powder

I think a lot about that because I think if we don't lay out a sort of compelling and aspirational set of objectives and goals for five years out, it's hard to then say, are we doing the right things today to move towards that? So certainly one of the things that I think will be a measure of success is if we have made some kind of impact on healthy days for the people we serve.

I mentioned that earlier, and if we're improving, if we're kind of fulfilling our purpose of helping people live well, they should be telling us that they're experiencing more healthy days. I mean, it's as simple as that. And I understand that's not always possible for everyone given their circumstances, but overall, we should be improving the number of healthy days. I haven't quite figured out exactly how much we should be impacting, but if we show an improvement, I think that's at least a start.

The second is we need to be serving more people. And it's hard to kind of figure out exactly what the right number is because a lot of the businesses we're looking at—and Foodsmart's good example of that—they interact with people through digital platforms. You can interact with a lot of people that way, you're not bound by geography. On the other hand, are you also having deep connections with them and ongoing, lifetime relationships? So probably some kind of metric that we've increased, not only the number of people we serve, but we've increased what we will call the lifetime value that they represent to us so that they're staying with us and that they're continuing to find new ways to do business with us. That'll be another measure of success.

And clearly a third is, have we created a portfolio of companies, and products and services, that is generating a meaningful and accretive cash flow for Advocate Aurora Health. I don't want to ignore that part of this is to, in fact, contribute to the financial health of the organization. So I think if we've done all three of those things, I think people would be cheering for us.

Mike Lappin

Michael, anything to add to that?

Michael Grebe

As a legal department, we take a lot of pride in supporting Advocate Aurora Health systems mission and values. It's very meaningful to us. What Scott is doing, not only drives that and supports those mission and value ideas, but it's exciting work, and it's interesting work. For the lawyers on the team, it's really enjoyable to be able to engage with Scott and his team, and the companies that they're looking at acquiring or investing in, and being involved on something that's a little closer to the cutting edge of whole person health and how we really live out that mission to help people live well. So it's something that we enjoy and are looking forward to a lot more of in the future.



Mike Lappin

Thank you. And with that we are out of time, I would really like to give a big thanks to Scott and to Michael for sharing time with us today, and really appreciate talking to us about the new and exciting venture Advocate Aurora Enterprises is becoming and one of the leading health systems in the country and really plowing new ground in health and wellness can be going forward. So again, thank you very much.