

strategy&

Integrated Health Network 3.0



The Leadership Institute
Millennium Group

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Topics for today

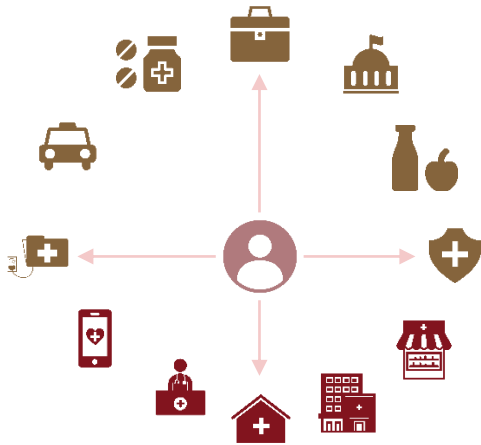
- 01** *Integrated Health Network 3.0 (IHN 3.0) is the future model for the healthcare market*

- 02** *IHN 3.0 will have fundamental implications for the provider strategic agenda*

- 03** *Your position in and evolution to 3.0 will be determined by the market you are in and the capabilities you have*

- 04** *Some next steps to consider for your 3.0 vision*

An Integrated Health Network 3.0 (IHN 3.0) model is emerging



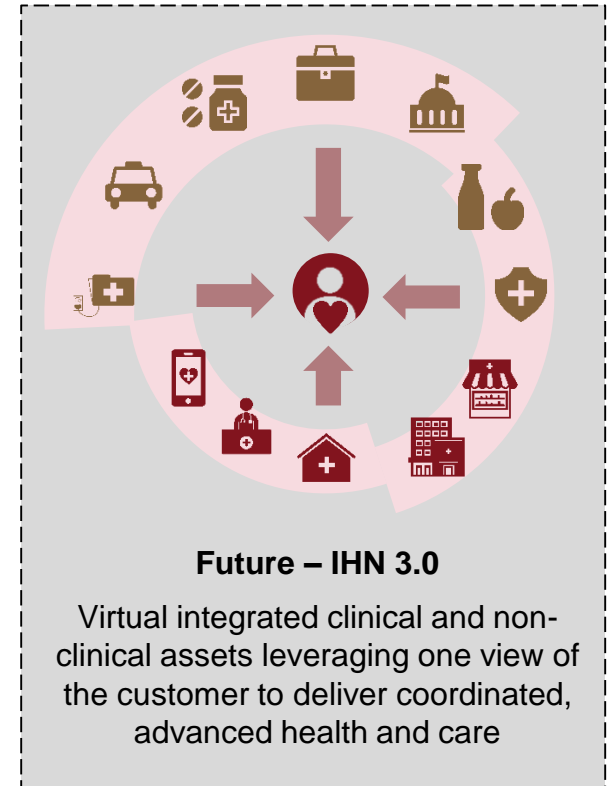
Past – Care Delivery 1.0

Expanded coverage, initial digitization, first attempts at integrated managed care



Present – IDN 2.0

Accumulation of assets and data, build-up of scale, initial efforts at connectivity, recognition of the role of social determinants



Future – IHN 3.0

Virtual integrated clinical and non-clinical assets leveraging one view of the customer to deliver coordinated, advanced health and care

Achieve superior **outcomes**

Advanced care models and solutions for both well care and sick care

Deliver excellence in **experience**

Comprehensive range of services **distributed** across the ecosystem

Curate **resources**

Integrated ecosystem that enables resource optimization and efficiency

Industry structure, economic focus, and asset mix will shift dramatically in IHN 3.0 to serve the goal of “discharge from home”

Past – Care Delivery 1.0



Present – IDN 2.0



Future – IHN 3.0



Discharge from the hospital

Discharge to home

Discharge from home

Industry structure

Fragmented institutions with competing incentives between providers and payers

Creation of mega-networks and rapid proliferation of technology-based disruptors

Mega-networks compete to own consumers, focused players compete for roles in the mega-networks

Economic Focus

Capacity optimization

Market share and share of wallet

Lifetime value of customer

Asset mix

Predominantly hospital focused e.g. 80% acute hospitals and 20% outpatient

Balanced between acute and post-acute care delivery assets

Comprehensive range of distributed wellness, retail, virtual and care delivery resources and assets with asset base ~20% acute hospitals

IHN 3.0 will have fundamental implications across seven dimensions of the provider strategic agenda

	Past – Care Delivery 1.0	Present – IDN 2.0	Future – IHN 3.0
	Discharge from the hospital	Discharge to home	Discharge from home
1 Consumer	<i>Improved patient experience e.g. HCAHP scores</i>	<i>Integrated consumer experience across payer and provider</i>	<i>Segment of one –personalized consumer experience for loyalty</i>
2 Care Model	<i>Fragmented clinical model with little coordination across teams</i>	<i>Integrated clinical model; population health</i>	<i>Holistic specialty, primary and wellness care with team-based delivery</i>
3 Risk	<i>Mainly FFS –risk/VBC contracts typically less than 5% of business</i>	<i>Increasing convergence for ~15-20% of business - typically in J.Vs</i>	<i>Dual model with risk and FFS based on consumer need and market evolution</i>
4 Community Impact	<i>Minimal, reactive investment with limited impact measurement</i>	<i>Targeted investment based on community health outcomes</i>	<i>Address social and environmental determinants, maximize investments by creating person-level simulation models</i>
5 Cost Transformation	<i>Incremental focus on standard areas: 5-10% savings</i>	<i>Significant non-clinical transformations: 10-20% savings</i>	<i>Comprehensive clinical transformation: 25% + savings</i>
6 High Performance Organization	<i>Physician focused operating model and talent focus</i>	<i>Multi-disciplinary clinical teams; integrated operating model design</i>	<i>Consumer focused operating model with enhanced teaming and metrics</i>
7 Technology	<i>Foundational technology e.g. meaningful use of EMRs</i>	<i>Data structuring and analytics to enhance clinical decision making</i>	<i>Modular platforms, Predictive technology, Personalized therapeutics</i>



A key facet of the consumer evolution towards IHN 3.0 is the personalization of experiences to boost loyalty

Consumer experience demands

Consumer 1.0

A good experience (e.g., doctor/nurse communication, convenient parking, transparent pricing, clear treatment plan) **when in a hospital/doctor's office** (measured through CAHPS scores)

Consumer 2.0

A good, **standardized experience from the time I'm searching for hospitals to billing and payment** and basic coordination between the various providers I use. Limited need for personalization

Consumer 3.0

A personalized experience in every contact I have with the healthcare system. For example, care teams should have and use all relevant information about me, appointments fit into my daily life

Consumer situation

Financial incentives

Number of options

Clinical outcomes

Information transparency

Bar for experience

Financial incentives

Number of options

Clinical outcomes

Information transparency

Bar for experience

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Number of options

Clinical outcomes

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Bar for experience

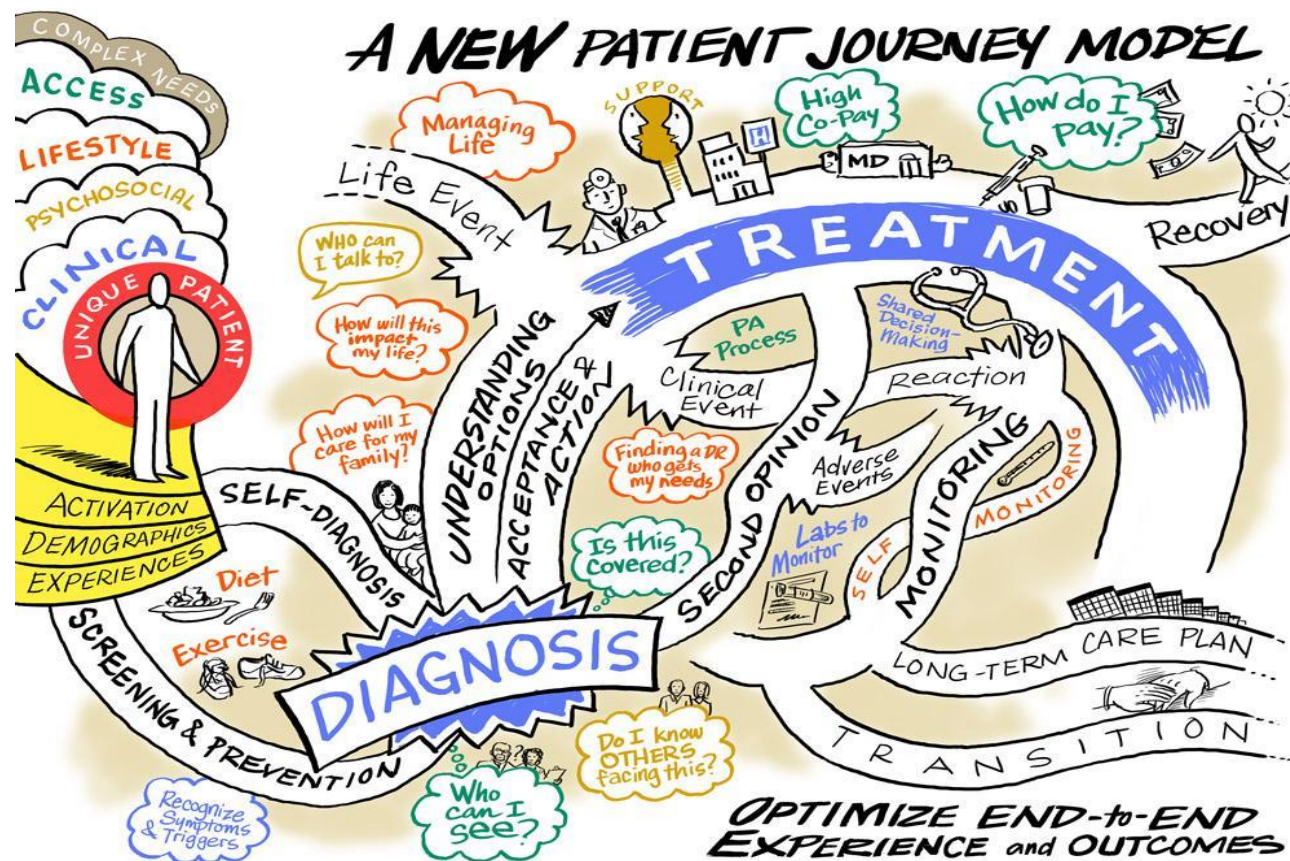
Discussion: How much of your volume is threatened by consumer oriented businesses in your market today? Have you evolved beyond a patient experience culture to a true consumer / lifetime loyalty culture?



Providers need to extend beyond transactions toward a relationship that supports consumers of the 3.0 world

The 3.0 consumer experience is personalized, value driven, and outcomes focused

Upstream and beyond the episode, Anticipatory, Curated



Health players need to think differently:



View the consumer in a new way as a compilation of all the things that make them unique and similar



Understand that the consumer journey is non-linear and that the patient and others invested in that journey will act as the navigator

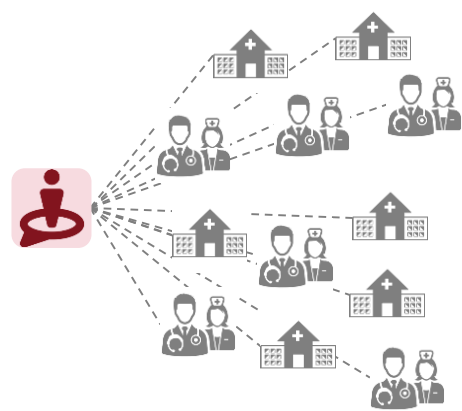


The experience curated and choreographed by multiple players that need to work together in new ways



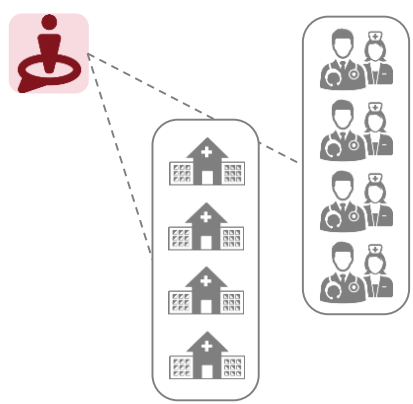
As a result, care models will also need to evolve to wrap around the consumers and their personal health journey

Care Model 1.0



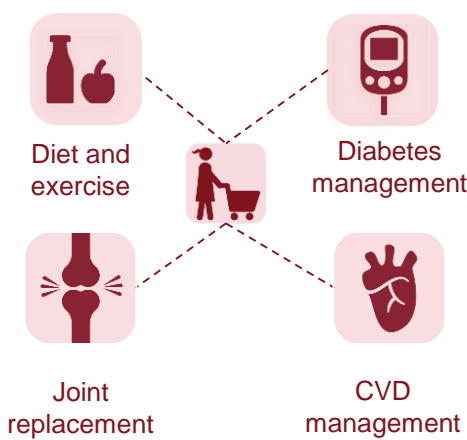
*Fragmented clinical model with little coordination across teams. **Care models is centered around physicians and facilities**, leaving consumers the burden to navigate care*

Care Model 2.0



*Integrated clinical model and population health. **Some level of integration exists across care settings and players.** Consumers still need to pull from different sources for health and well-being needs*

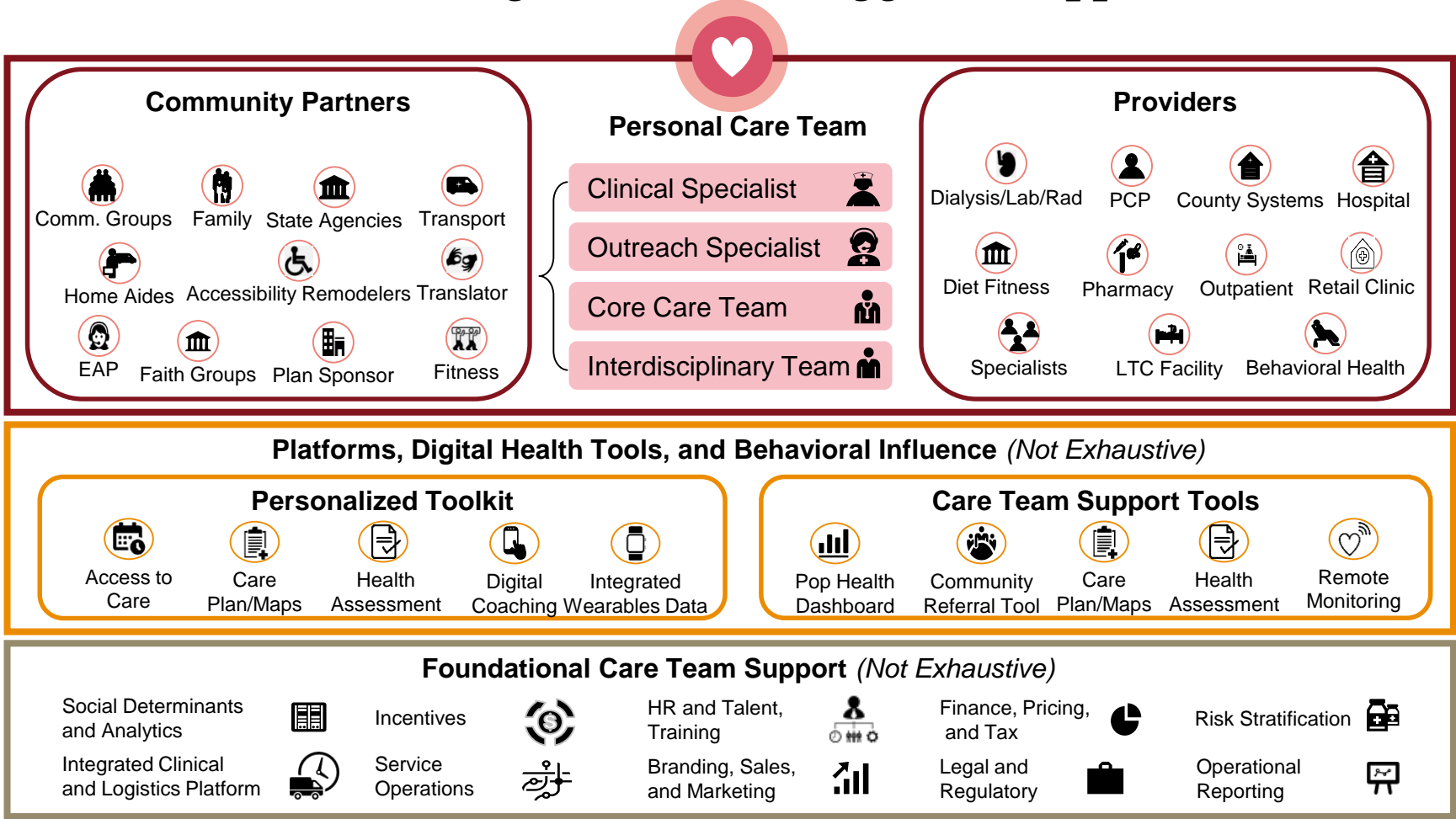
Care Model 3.0



*Care model of 1. Holistic specialty, primary and wellness care with team-based delivery. **End-to-end integrated and curated health and well-being solutions**, allowing consumers to get what they need at a one-stop-shop*



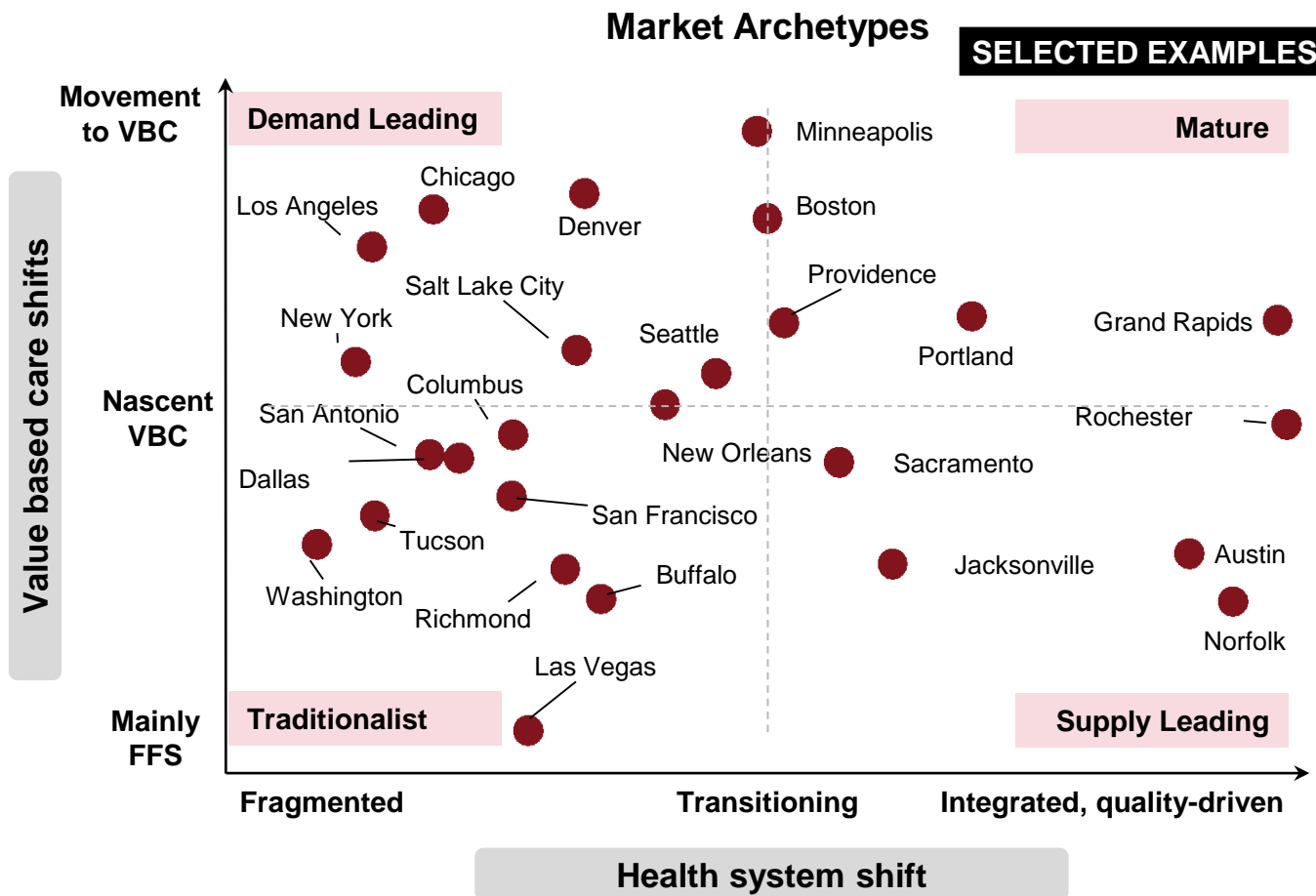
Care model 3.0 requires curated navigation, engaging consumer and care team backed by tools, technology, and support



Discussion: Will providers survive in the future unless we move further along the 3.0 spectrum in our care models? How many providers do you think have made progress on the 3.0 spectrum?



Balancing payment with evolution is critical and is driven by the market archetype you play in



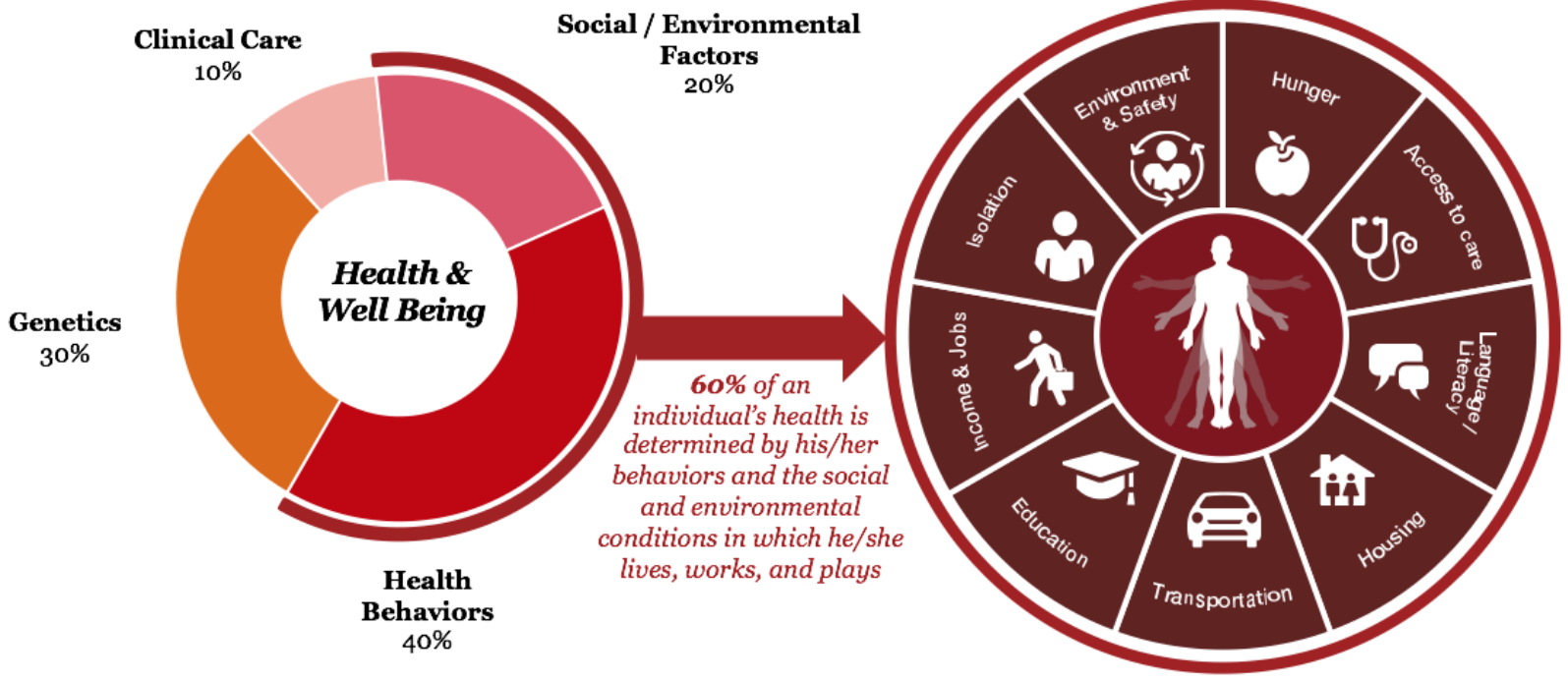
Discussion: Will employers, consumers and payers continue to pay the price premium? What capabilities are you investing in to adapt to the reality of the dual reimbursement model?



By now, the social determinants of health are well understood...

Factors that Impact Health and Well-Being¹

Social Determinants of Health (SDOH)²



1. Kaiser Family Foundation. Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity (<https://www.kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>)

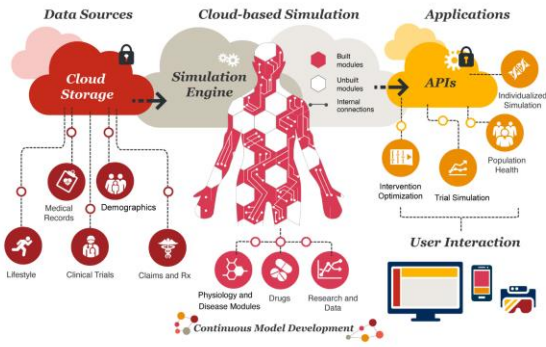
2. Healthy People 2020: Social Determinants of Health (<https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-of-health>)



...but its time to demand and deploy analytics to help focus on areas of greatest impact and measure the return on these investments in health

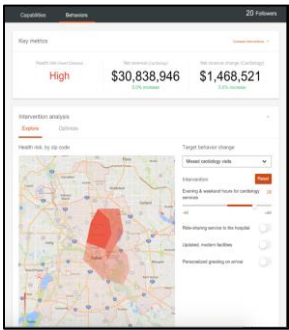
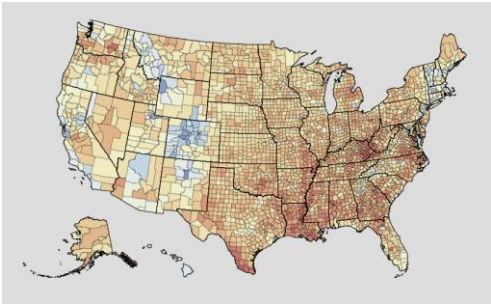
See the smoke before the fire

Person-level simulation models of physiology, and machine learning algorithms of health behaviors help **forecast future health and the underlying drivers**



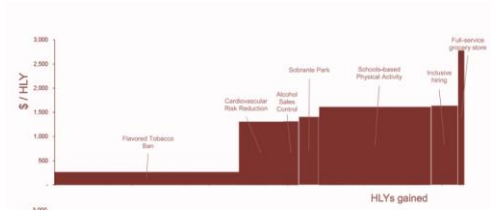
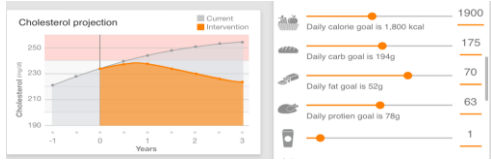
Invest wisely

These predictive models **indicate where interventions will or will not work**, informing implementation that yields the greatest impact

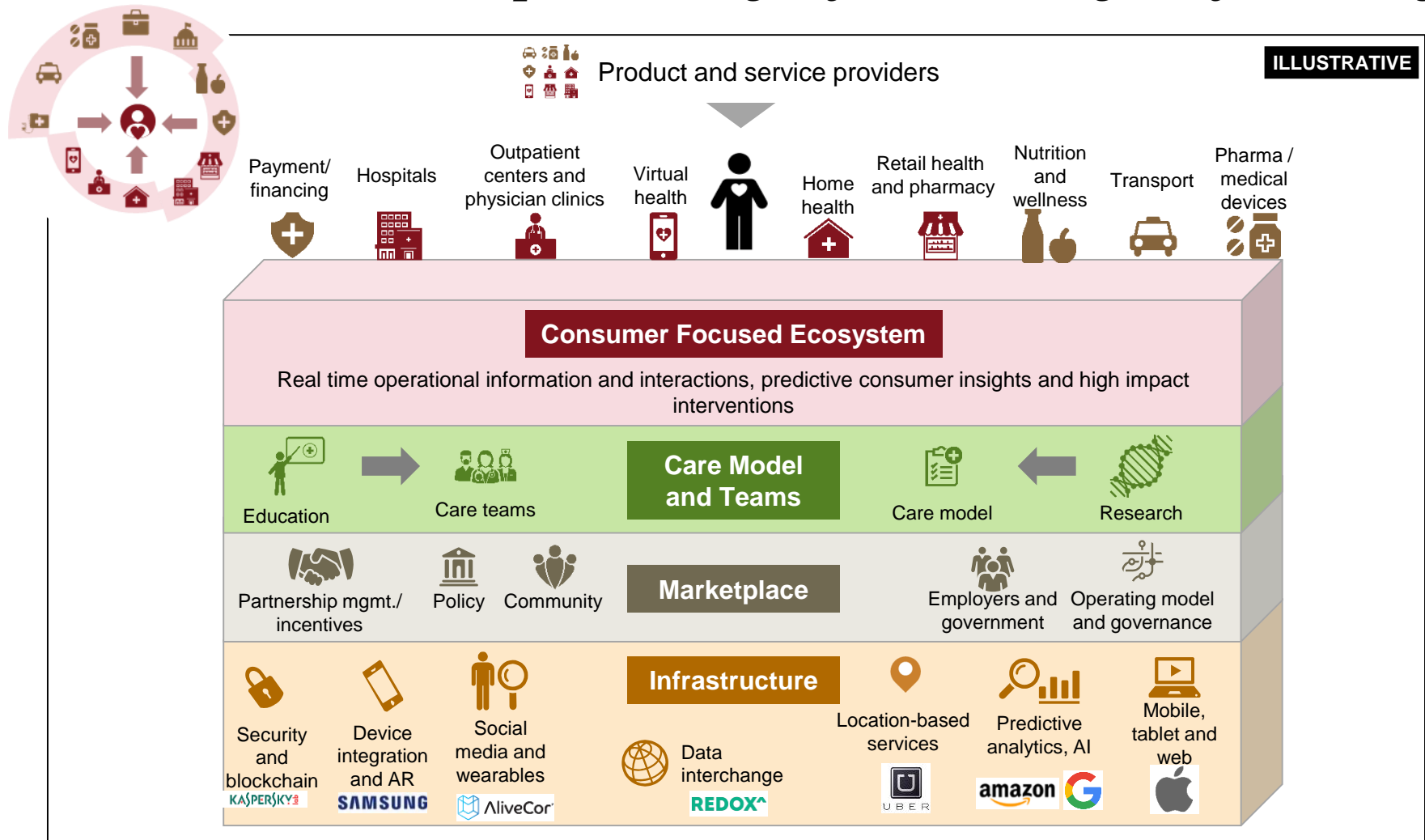


Scale sustainably

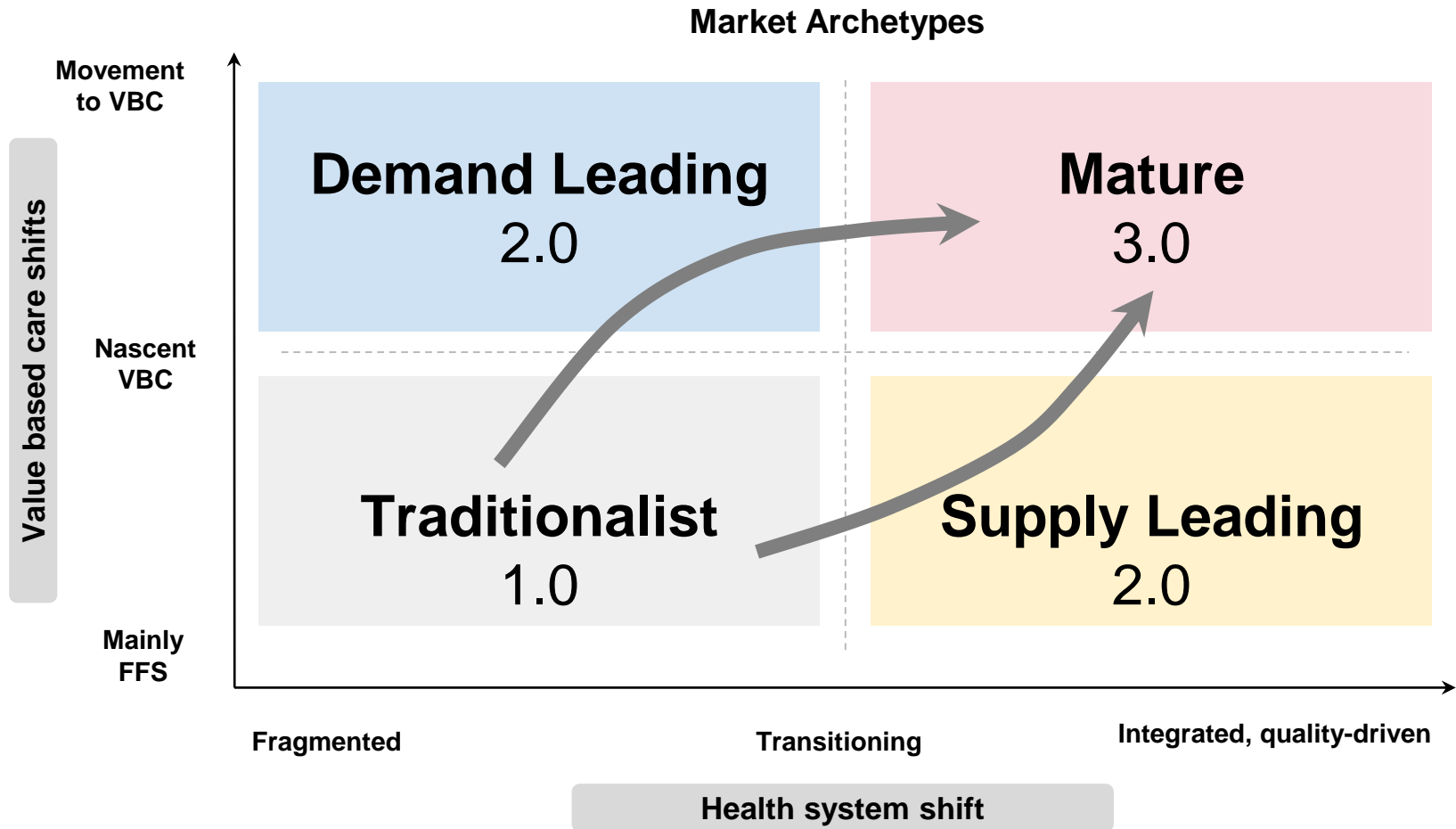
Real-time tracking of outcome metrics **enable investment decisions that are practical**, and can be scaled sustainably



IHN 3.0 will bring together a variety of participants, linking them around the consumer operationally, informationally and financially



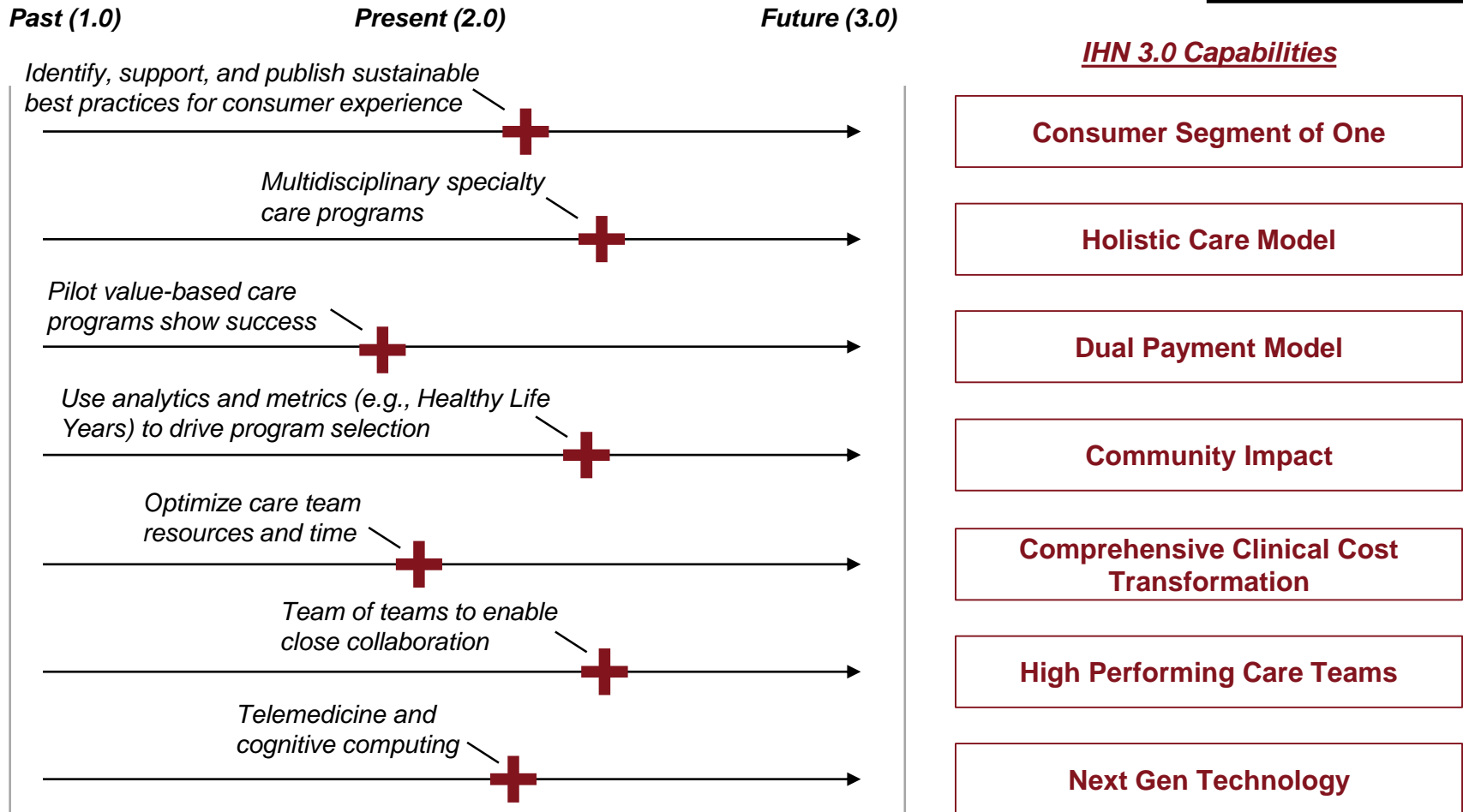
Your position in and evolution to 3.0 will be determined by the market you are in...



... and the capabilities you have

Major Regional Health System Progression towards 3.0 Capabilities

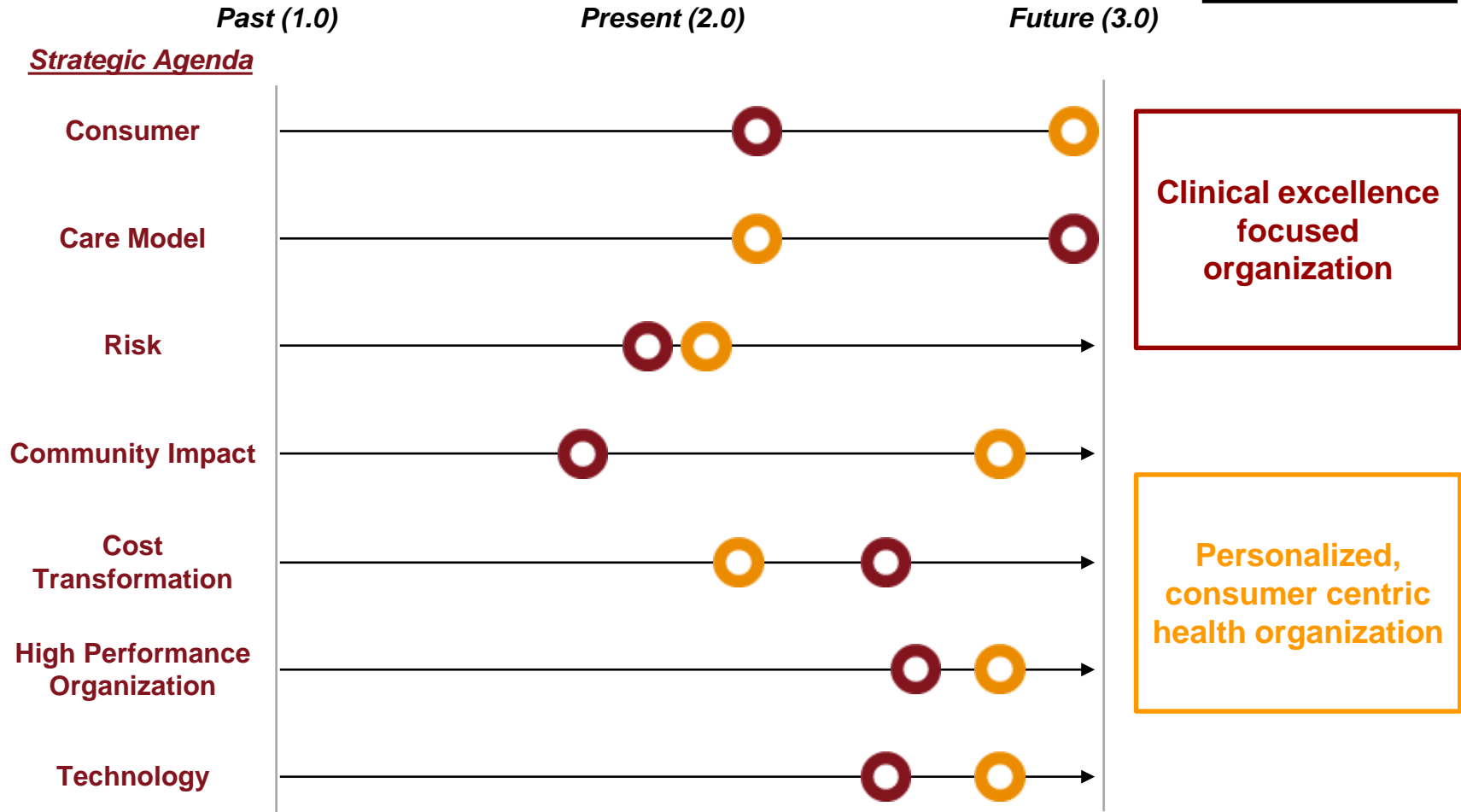
CLIENT EXAMPLE



Strategic agenda focuses will vary for different organization identities

Strategic agenda focus comparison

CLIENT EXAMPLE



What to do come Monday

- Determine where you are on the IHN 3.0 spectrum
- Evaluate where you need to be on that spectrum to compete and win
- Is your senior team aligned to an IHN 3.0 vision and the priorities it implies?
- How many of your current initiatives and your current investment are supporting your journey to IHN 3.0?
- As you reflect on the coming year, how would you change your budgets and investment to get started on IHN 3.0?

Strategy & Impact