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2019 CEO Forum

The Convergence of Digital Strategy, the Healthcare Consumer, and Employee Engagement

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2019 CEO Forum

The Convergence of Digital Strategy, the Healthcare Consumer, and Employee Engagement

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For CEO Forum video interviews, visit
www.guidehouse.com/2019CEOForum

Foreword

Consumer demands for a more connected experience are turning traditional care models upside down, all at a time when growth and margin compression are being exacerbated by persistent reimbursement changes. As a result, care delivery must evolve in real time. This requires providers to operate at the nexus of performance improvement, strategic growth, and digital health — all while building care around the consumer.

Health system executives from across the country convened in Chicago in late 2019 to discuss these and other key issues at the third annual Guidehouse (formerly Navigant*) CEO Forum. Specific themes covered included:

- Gaining a competitive advantage from digital health strategies.
- Leveraging other industry strategies to improve consumer engagement.
- Overcoming healthcare pain points, such as margin preservation and reimbursement obstacles.
- Driving value from electronic health records and other advanced digital investments.

Following are the collective insights, lessons learned, and best practices from CEO Forum executives and experts on overcoming current and future healthcare pressures.

Rulon Stacey
Partner, Guidehouse

* Navigant was acquired by Guidehouse in October 2019: https://www.navigant.com/news/corporate-news/2019/guidehouse-completes-acquisition-of-navigant.

Healthcare's Big Business Transformation

Make no mistake — the healthcare provider industry is big business, and hospitals and health systems must operate like large corporations from other industries to enhance performance and drive value. Nowhere is this more apparent than with the need to leverage digital capabilities to improve operations and consumer and employee engagement.

"As providers, we need to understand what technology can be for us and how to best utilize it across what we do on a day-to-day basis," said Sandee Moore-Gehrke, vice president of operations for Boise, ID-based St. Luke's Health System, a regional healthcare system with eight hospitals and more than 200 clinics staffed by roughly 14,000 employees. "We have to be willing to take a step back and consider what other industries are doing with technology, and be open to bringing that into healthcare so we can progress in a different way than in the past."

For providers, enhancing consumer engagement means giving people the same sort of experience they are having in retail, travel, banking, and other aspects of their lives, suggested Guidehouse Partner and Chief Medical Officer Harry Greenspun, MD. "Providers need to do the things that large businesses do, and that's moving us beyond many of the traditional platforms that we've relied upon in healthcare," Greenspun said.

As 2018 CEO Forum attendees discussed, while it was anticipated that electronic health records (EHRs) would be the main driver of broad provider performance improvement, that has not been the case for many providers.

"We all thought the EHR was going to solve these massive problems in our organizations, but the reality is we did a great job of putting modern technology on old processes," said Russell Branzell, FCHIME, CHCIO, president and CEO of the College of Healthcare Information Management Executives (CHIME), a member-based organization serving more than 3,200 CIOs and healthcare digital executives in 56 countries. "The EHR is the foundation of the house, and now we have to build the structure through a multiphased process."

One of the challenges in generating value from the EHR is how providers' needs have evolved compared to when many systems were developed.

"Back then, it was moving from paper to plastic," Greenspun said. "Now it's about value-based care, sharing information, coordinating care, engaging consumers, and truly using analytics. It's going to take thoughtful actions by the CEO, the CIO, the board, and others to convert what was built before into something that can really be useful now."

The significant capital and resource investments made in EHRs have many organizations working to overcome unrealistic expectations that have led to an overreliance on these systems as a one-stop solution.

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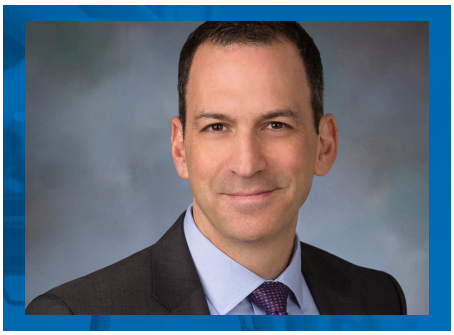
Russell Branzell
CHIME



"Providers need to do the things that large businesses do, and that's moving us beyond many of the traditional platforms that we've relied upon in healthcare."

Harry Greenspun, MD
Guidehouse

2. https://www.navigant.com/-/media/www/site/insights/healthcare/2018/navigant_2018ceoforumpaper.pdf

"How do we create an overarching solution that relies on the EHR as a foundation, but that we don't just say because we invested here, we're only going to have that as an opportunity?" Moore-Gehrke said. "There's a lot more out there that we need to be thinking about to wrap around the EHR."

Providers that have their EHR foundation in place are now looking to optimize their digital capabilities, including leveraging advanced technologies that have improved consumer and employee engagement in other industries.

Altamonte Springs, FL-based AdventHealth took a page directly from NASA's playbook with the development of its "Mission Control" command center, designed to make the health system's clinical operations as streamlined and efficient as possible to benefit both consumers and employees.

Mission Control features 60 monitors that continually display near-real-time information, such as patient bed counts and helicopter and ambulance status. The 12,000-square-foot high-tech center is staffed around the clock by a team of clinicians and other specialists who use artificial intelligence to inform and guide decision-making in areas including patient transfers and prioritization of placement and treatment.

"We're only six months into the process, but it is starting to help us better match what a patient needs with what's available to us in the marketplace in a way that's easy for clinicians to use and navigate," said Terry Shaw, president and CEO, AdventHealth.

Mission Control is currently deployed across eight of AdventHealth's central Florida campuses, with plans to eventually roll it out across the entire organization, which includes nearly 50 hospital campuses and hundreds of care sites in diverse markets throughout almost a dozen states.

"We're pivoting away from being an organization that you visit for an acute episode into an organization that's going to help you navigate your care," Shaw said. "The command center is going to be an important part of the process going forward."

"We have to be willing to take a step back and consider what other industries are doing with technology and be open to bringing that into healthcare so we can progress in a different way than in the past."

Sandee Moore-Gehrke
St. Luke's Health System

Building Care Around the Consumer

Shaw agreed that an impactful digital structure cannot be developed in the way providers traditionally think about care delivery.

"Healthcare has been built around the provider and not the consumer. Getting the whole system to build care delivery around the consumer is the key," he said.

AdventHealth recently asked consumers from across the communities they serve what they thought the health system's consumer promises should be. They then asked organization leaders what they believed consumers really want. In many cases, each entity selected aspects that were not on the other's list.

"It was a very revealing process for us," Shaw said.

For consumers, price transparency was at the top of the list. In addition, consumers want to be navigated to the lowest-cost option, and they want to know somebody will be there to help them across their care journey, Shaw said.

"Our country's healthcare system has to get much better at putting care navigation in the gaps," he said. "We're finding that when you help people with the care navigation process, they'll have a better overall experience and come back to you for services."

Minnesota-based HealthPartners, the largest consumer-governed, non-profit healthcare organization in the nation, also continuously tracks the needs and preferences of those they serve. The organization, which operates both a multi-specialty care system and a health plan, finds affordability, personalization, and no-surprises experiences top consumers' wish lists.

"Above all, what our members and patients want is clear: Make it simple and affordable," said Andrea Walsh, HealthPartners president and CEO. "That includes convenience, being known and understood, and understanding out-of-pocket cost. This is always important, but it becomes even more so as conditions become more complex and expensive."

Walsh also stressed the importance of trusted, one-to-one relationships, and the power of data in building them.

"Every single encounter — from the time our patient enters our parking lot to the time they leave it — is a chance for us to either build trust or break it," said Walsh. "Data is giving us more and more insight into how we can understand and meet changing needs."

For instance, Walsh cited a HealthPartners pilot with the aim of boosting mammography screening rates. While the organization had strong screening results, it found a subset of women for whom personalized outreach wasn't performing as well. By further analyzing the consumer styles and preferences of this subset, HealthPartners was able to increase screening rates by 20%.

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HealthPartners

"For some women, we found that personal outreach from their doctor was the most effective engagement strategy, and for others it was clarifying that a mammogram is free and convenient," Walsh said. "It really shows the power of insight-based communication in building and strengthening trust."

"Today's CEOs must understand the importance of having the right data at the right time for patients," said Shafiq Rab, MD, senior vice president and CIO at Rush University Medical Center and chair of the CHIME Board. "Because if you don't have the data, you won't be able to truly serve your patients."

According to Rab, the key thing that providers have, and large retail organizations don't, is "the goldmine of data that we sit on. These big companies, they want to mine our data. It's what they don't have."

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Rush University Medical Center

Empowering Clinician Engagement

The technology and data that hospitals and health systems utilize should also focus on educating and informing clinicians about their performance, CEO Forum attendees agreed.

Take physician preference items, an area where many physicians believe they are getting the best price from vendors. Massachusetts-based Wellforce, whose members include Tufts Medical Center, Circle Health, MelroseWakefield Healthcare, and Home Health Foundation, leverages a transparent, data-driven approach with its vendor negotiations.

"To find out that an organization that does a quarter of the implants is actually getting a lower price for a device makes physicians realize the importance of following a very disciplined approach with regard to how we negotiate with vendors," suggested Michael Wagner, MD, chief physician executive at Wellforce.

Sharing quality, patient experience, and cost-of-care data can be a major eye-opener for clinicians who believe they are doing an optimal job practicing according to evidence-based standards, but who may not be performing as well as they think.

"We've found that clinicians will improve their performance when information is shared and they can see how they're really doing," said Walsh.

Organizations are also leveraging leaders from other industries to engage care teams on delivering more reliable care.

AdventHealth hired "Navy Bob," a retired U.S. Navy officer who previously commanded a nuclear submarine, to help the health system with safety and security.

"The Navy is maniacal about safety and about every voice counting," said Shaw. "In our settings, it's about making sure that a physician doesn't gloss over what a tech is saying, for instance." He also suggested having care teams hear from people they both respect and admire is key to the process.

HealthPartners has worked with NASA astronaut Nancy J. Currie-Gregg, who led the Space Shuttle Program Safety and Mission Assurance Office, assisting with NASA's Return to Flight efforts following the 2003 Columbia tragedy. Currie-Gregg has presented to HealthPartners' physicians and leadership team around what a culture of high reliability needs to include.

"She is powerful in terms of her presence and storytelling ability," Walsh said. "We've found in high reliability that the power of storytelling is as effective as it is in consumer experience work."

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Michael Wagner, MD
Wellforce

Maneuvering Payment Challenges

To date, the Trump administration's healthcare actions have centered around a handful of key objectives. For providers, the most notable one has been trying to control Medicare spending by strengthening Medicare Advantage (MA) and overhauling provider payments.

However, the Trump administration's cost-cutting actions have fallen short against growing federal deficits, leaving public health programs facing increasing budgetary pressure. Moreover, its MA-related efforts have further championed private payers' presence in Medicare, all at a time when cost pressures in the private insurance market are increasing the importance of these public programs.

"We want our patients to be happy, we want our employees to be happy, and we want high-quality care. But we have to have financial strength," suggested Rab.

It's a situation that prompted Shaw to say, "The future for us is not whether we're going to be busy, it's whether we'll get paid to take care of the business that we have."

A unique feature of the U.S. system is health insurance as an employment benefit, said Guidehouse Partner David Burik. "The margin on this business allowed health systems to cross-subsidize money-losing services and payers, but that model is now under pressure."

Like all hospitals and health systems, margin preservation is a major pain point for Wellforce, according to Wagner. "It's preservation of margins on your clinical operations at a time when revenues are declining, there isn't more money in the system, and cost pressures continue to go up," he said.

New care models are also putting existing value chains at risk with established entrants playing a role, Burik suggested. For example, Walmart now offers both payer and care services, including pharmacy and retail clinics, and it recently opened its first Walmart Health Center for basic healthcare services. Considering its immense scale, the retail behemoth's goal of becoming "America's neighborhood health destination" poses a major threat to providers, not to mention partnership opportunities for payers.

According to Branzell, hospitals are particularly vulnerable to outside organizations disrupting their traditional revenue streams through such advancements as home lab work and phone-based X-ray — things that are moneymakers for them today.

He cited Blockbuster's failure and the fact that the former video-rental giant — and not Netflix — basically put itself out of business. "Netflix owned the technology and the platform Blockbuster needed to go digital and Blockbuster was aware of the market demand," Branzell said. "But they couldn't get out of their own way, and chose not to execute because the previous success at that time was too attractive."

This is not a new phenomenon, Burik said. "The invisible hand has for a generation been supporting the growth of higher-value substitutes for hospitals and their core product, the inpatient stay."

Considering the margin preservation and care-delivery issues hospitals and health systems are facing, Burik discussed pathways for health systems to grow. Chief among them is for leaders to better understand the services their organizations will be paid to provide and how it will be paid.

For instance, volume may be up for many organizations, but commercial revenue is down. Leaders can no longer rely on historical revenue projection methodologies and anecdotal explanations when they miss revenue projections or embark on new strategic initiatives. Instead, they need to:

- Proactively manage their revenue like a portfolio to be periodically examined, compare it to existing strategic and clinical initiatives, and rebalance it according to performance.
- Know their data as well as payers do and develop a customized revenue portfolio strategy for the future. Data analytics can help identify the root causes of a health system's revenue changes across such areas as collections, volume, and unit reimbursement.

Such a portfolio approach can create a single source of truth and allow leaders to fully understand current performance while accurately projecting future scenarios, Burik said. This includes primary drivers of revenue risk and their potential unfavorable financial impacts.

Accepting risk can also represent a lever for revenue growth, as long as providers clarify internal accountabilities and commit enough of their resources to risk models.

Wellforce is committed to taking on increased risk for the total cost of care across its Medicare, Medicaid, and commercial reimbursement, said Wagner. "This is an opportunity but also a potential pain point for us because if we don't perform well, it can have a pretty devastating impact on our organization," he said.

As more care is provided outside hospital walls, Wellforce is exploring ways to leverage its risk-based programs.

"If there's a successful model of hospitalization at home or some other diversion, the margin of many hospitals will be eviscerated by the loss of that volume," Wagner said. "We are actively looking at opportunities for taking advantage of this with pilots on hospitalization at home and, since we're in so many risk contracts, there's a real benefit if we can do it well."

St. Luke's has focused on flipping its employees' thought processes from how to behave in a fee-for-service environment to how to behave in a value-based healthcare environment.

"It's about helping not just our clinicians, but all of our employees, understand and approach care delivery as a cost center, instead of a revenue growth center," suggested Moore-Gehrke. "We're working to relate the total cost of care back to what we do every single day, instead of relying on contracts and pricing to continue the stability of our health system."

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