Health Research Institute

Primary Care in the New Health Economy: Time for a makeover

HFMA Lone Star Chapter Summer Institute

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pwc

Primary care is undergoing a makeover

Purchasers are banking on primary care to save money

Consumers are selecting primary care that fits their lifestyle

New entrants are disrupting the health industry with five innovative primary care models

Some traditionalists are adapting to stay relevant

Seven core consumer markets are emerging

Why primary care needs a makeover

Government /employers are making big investments

- $3.2T spent on medical care each year – 86% on chronic disease
- Billions of new funding is now allocated to new primary care programs and payment reforms
- 48% of employers making telehealth a benefit plan option

Consumers are demanding value in their terms

- 81% of consumers are open to non-traditional care delivery options
- 54% of consumers won't travel further and 81% won't pay more for best-in-class care
- Allegiance to one primary caregiver is waning as options grow

Physicians are overextended and not effectively deployed

- Wait times to see a family practitioner average 19.5 days
- Only 23% of PCP are satisfied with working at the top of their training
- 56% believe NP should lead their own patient panels
- 69% of physicians say retail health clinics improve patient access

Five modern primary care models

At-your-service care

Convenient care

Digital health

House calls

Independent practice nurse-led care

At-your-service care

Low-cost, accessible, highly personalized care without exorbitant fees. Shorter waiting times and more personal attention during appointments. Diverse care teams and savvy technology.

76% of consumers value high patient satisfaction when picking a health provider

71% of physicians think concierge care models will increase

Iora Health

Practices

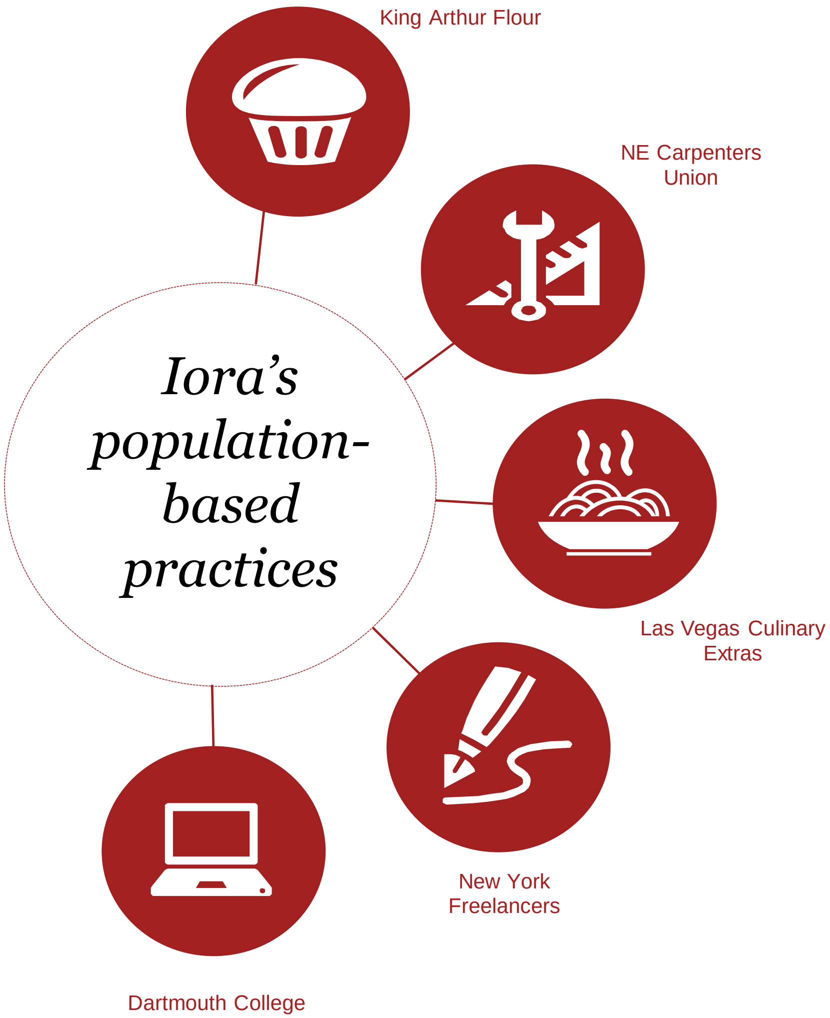
- High quality, team-based care tailored to the health needs of different populations
- Health coach has 80% of the patient interactions
- Smaller patient panels

Partnerships

- Various employers/unions; new partnership with Humana expands reach to over 8 states

Results

- More patients with controlled hypertension
- Fewer hospitalizations
- 85% of patients would recommend Iora to a friend



Convenient care

Visits to retail health clinics tripled from 2010 to 2014, and there are over 1600 storefronts on the streets from the six largest chains.

"Now the hospitals and health systems are knocking on their doors to partner versus the other way around"

-- Tine Hansen-Turton, Convenient Care Association

36%

of consumers visited a retail health clinic last year….and

95%

said they were satisfied with the care

69%

of physicians believe retail health clinics increase access….but

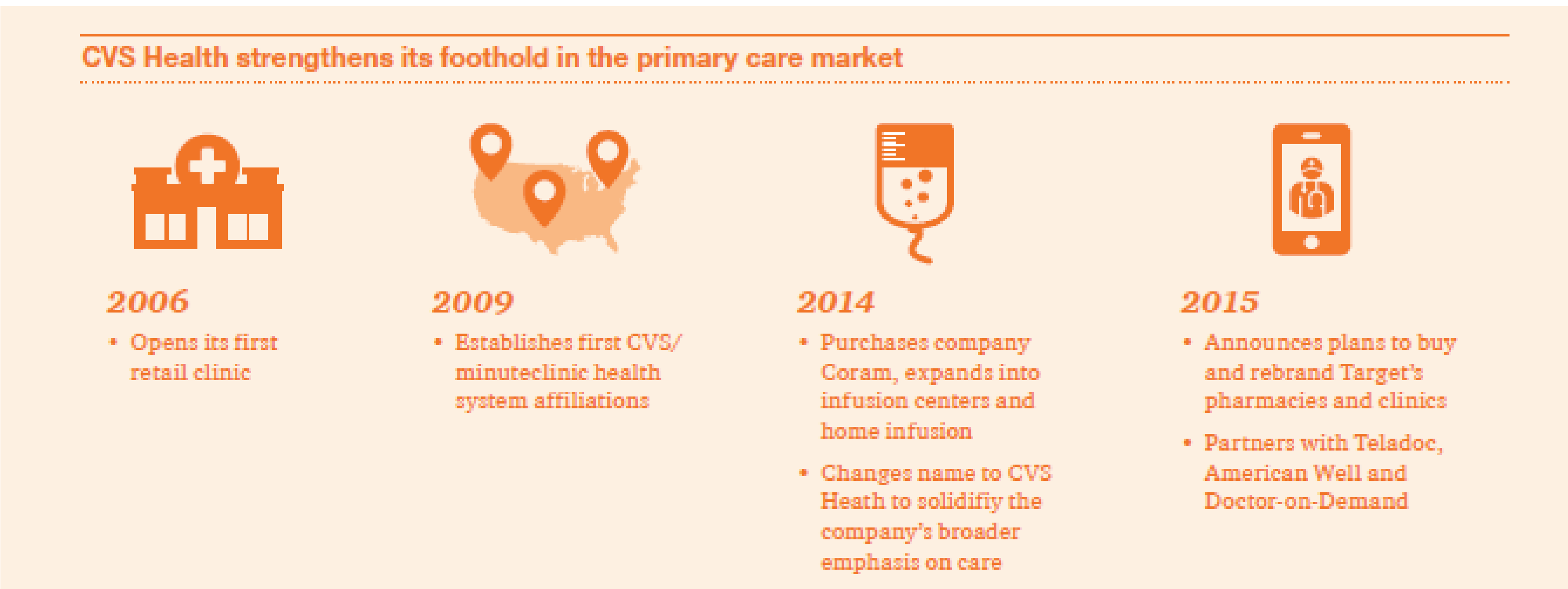
83%

said they have no plans to partner with a retail health clinic

CVS Health

New entrants are here to stay

- In ten years, CVS has made several strategic moves to capture new markets
- 50% of the US population lives within 10 miles of a CVS/minuteclinic
- Name change to CVS Health signals broader commitment to care



Digital health

Virtual visits

60%

of consumers are open to them

- **16%** of physicians are investing in them
- Video visits connect PCPs to specialists, patients to **behavioral health** providers from PCP's office
- Doctor-on-Demand, Plush Care, Teladoc, Alii Healthcare go DTC

Remote monitoring

$36B

in savings globally over next decade

- **85%** of physicians say the future PCP will rely more on mobile apps and wearables

DIY diagnostics

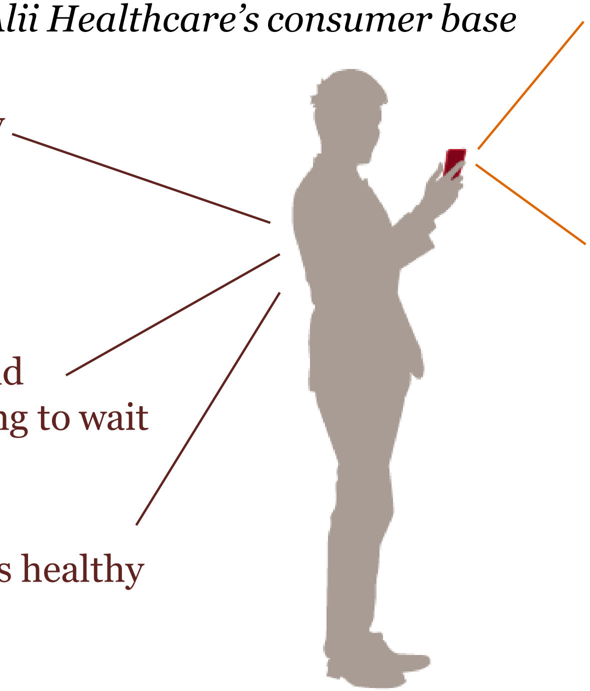
50%

consumers want DIY options

- **42%** of physicians would rely on certain DIY tests to prescribe medication
- **$64** billion of traditional provider revenue at risk

Alii Healthcare

Alii Healthcare's consumer base



Virtual smartphone application brings on-demand care to the consumer

Emergency medicine physicians consult and provide virtual medical examinations

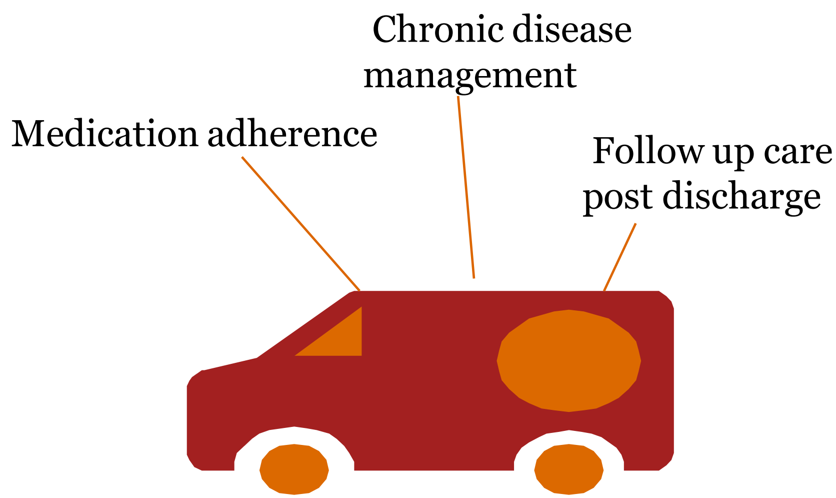
A flat bill of $100 is charged, no matter what the medical consult was for

House calls

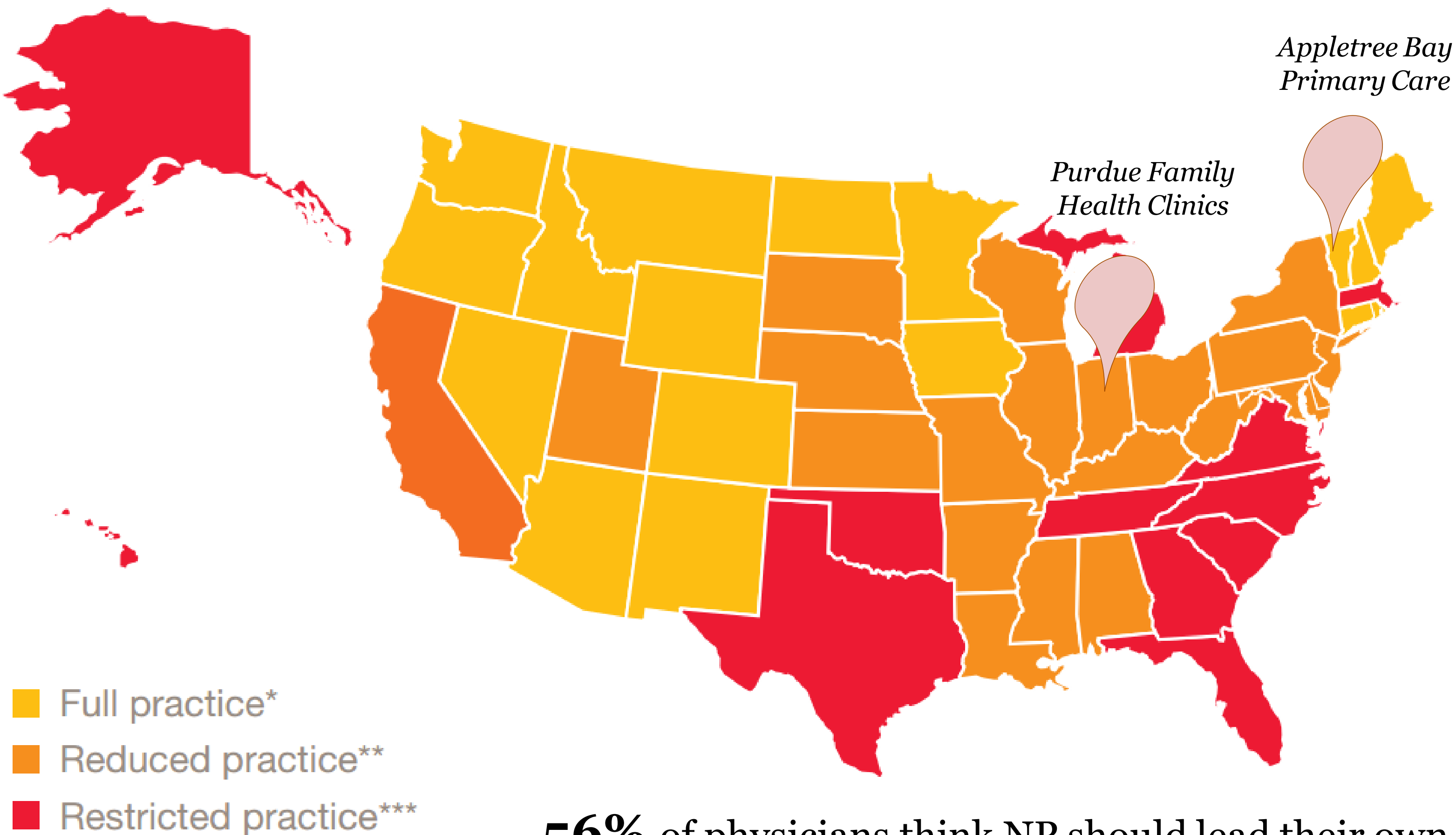
2/3 consumers are interested in receiving care in their own homes

79% of PCP think home care will increase

Home visits dropped from **40% to just 1%** of all primary care from 1930 - 1950



Independent practice nurse-led care

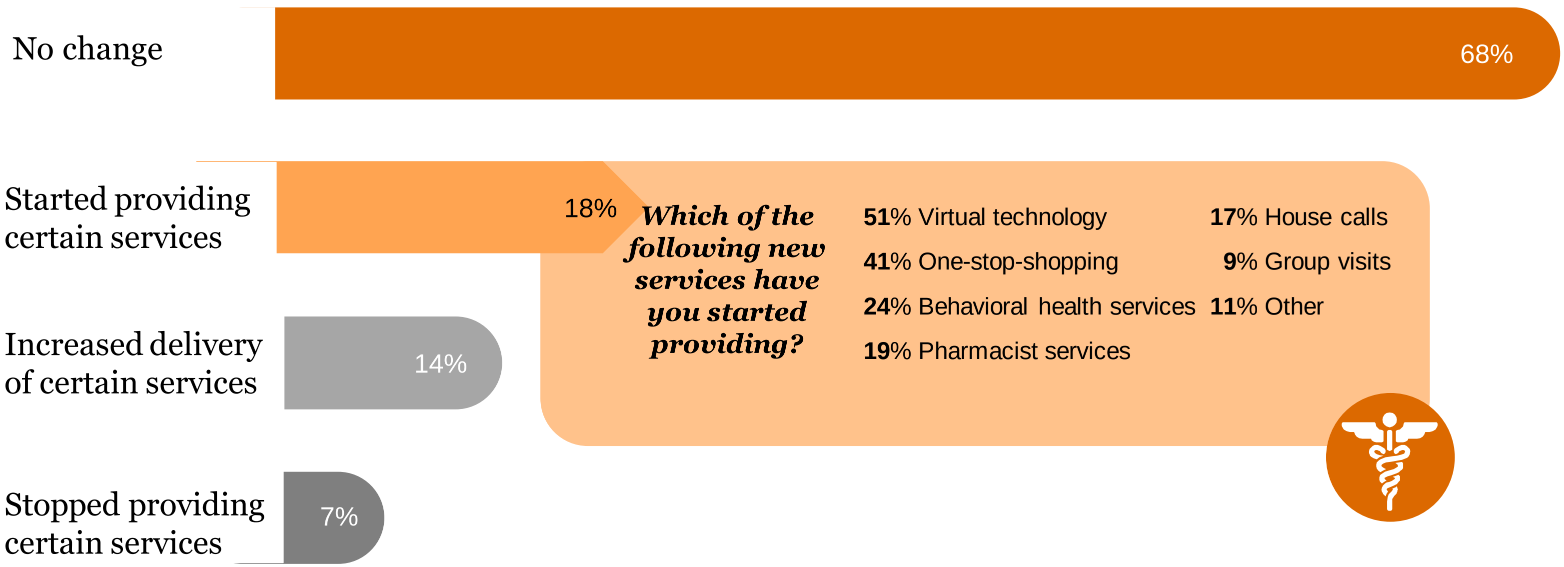


56% of physicians think NP should lead their own patient panels

75% of consumers would see a NP or PA for care

Some traditional practices are trying to compete

How is your practice changing its business model in response to non-traditional care models and changing market dynamics? Select all that apply.



Source: HRI Clinician Survey, 2015

Four strategies for competing in the new primary care ecosystem

#1

Know what you're good at, and whom to serve

HRI's seven consumer markets for primary care

	Frail Elderly	Complex Chronic Disease	Chronic Disease	Mental Illness	Healthy Families	Healthy Adult Skeptics	Healthy Adult Enthusiasts
Description	Over 75 and living at home; health issues related to falls or dementia and suffer generally poor health	One or more chronic diseases affecting multiple body systems and requiring complicated disease management	Problems affecting a single body system such as hypertension and require uncomplicated disease management	Depression or mood disorders, post-traumatic stress disorder, addictions and suicidal ideations	Households with healthy dependent children under the age of 18	Generally avoid the health system; less likely to have health insurance than other groups	Value a regular physical, wellness/coaching services; get recommended screenings
Market size	5.8 million	25 million	177 million	9.4 million	62 million	12 million	23 million
Annual spending	$92 billion	$281 billion	$847 billion	$23 billion	$70 billion	$7 billion	$30 billion
Per capita spending							
Visits/year	15+	12	7	6	2-3	<1	1-2
Rx/year							

Consumer market	Type of interaction	Physician practice with team-based care*	Population-based care: Patient-centered medical homes	Population-based care: Nurse-managed clinics*	Independent practice nurse-led care*	House calls: Community paramedicine	House calls: Physician/NP house calls	Virtual Care: DIY technology	Virtual Care: DTC telehealth companies	Virtual Care: Remote monitoring companies	Convenient care: Retail clinic	Convenient care: Urgent care clinc	At-your-service care	Other: Emergency department
Frail elderly	Scheduled	Geriatrician Internist												
	Unscheduled													With primary caregiver consult
Complex chronic disease	Scheduled	Internist												
	Unscheduled										With health system partnership			With primary caregiver consult
Chronic disease	Scheduled	Family practitioner, Internist												
	Unscheduled										With health system partnership			
Mental illness	Scheduled	Psychiatrist	With behavioral health services		With behavioral health services									
	Unscheduled													With primary caregiver consult
Healthy families	Scheduled	Pediatrician, Family practitioner												
	Unscheduled													
Healthy adult enthusiasts	Scheduled	Family practitioner												
	Unscheduled													
Healthy adult skeptics	Scheduled													
	Unscheduled													

Source: Medical Expenditure Panel Survey Datasource, 2014

#2
Partner where it makes sense

Partner where it makes sense

New entrants apply tried and true approaches to healthcare, teaming up with traditional players and other industry newcomers…

Retail health + Health system

Multiple partnerships with Walgreens, CVS Health, Target, Wal-mart

Retail health + House calls

Walgreens and Pager

Payers + Digital health

UnitedHealthcare partners with American Well, Doctor-on-Demand, and Now Clinic

Health system + House calls

Centura Health (CO) and True North Health Navigation

Digital health + Retail health

Walgreens, CVS Health partner with MDLIVE, American Well, Teladoc, and Doctor-on-Demand

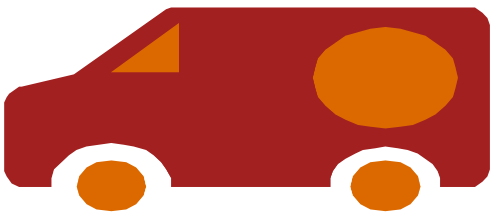
At-your-service + Payers

Iora Health partners with Humana

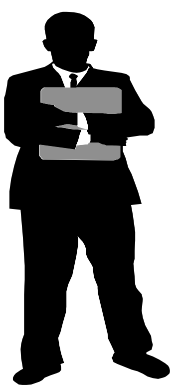
#3
Explore new roles

Explore new roles

Traditional

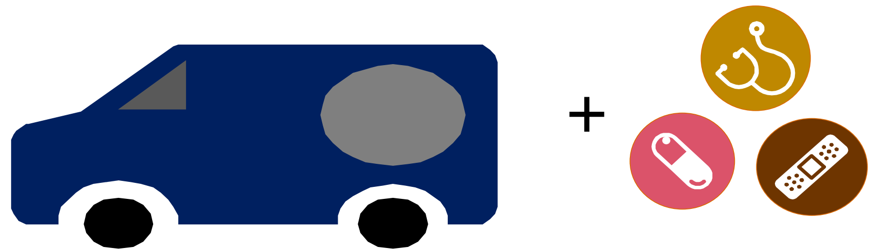


Paramedics transport patients to emergency department



Emergency medicine docs work long hours treating a wide variety of patients in a high-stress environment

Reimagined

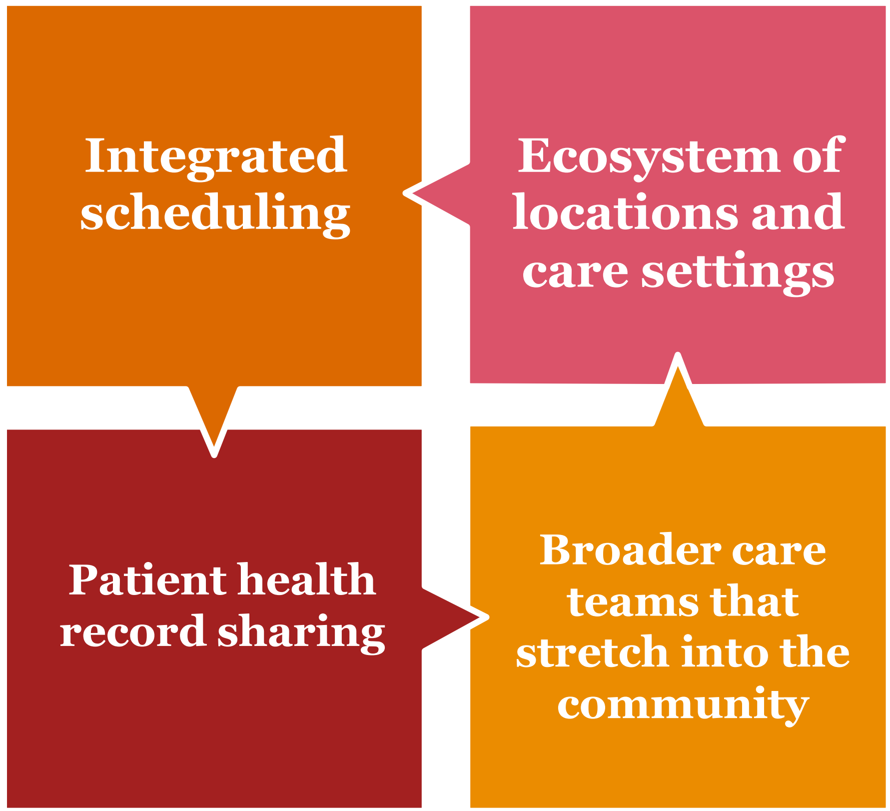


Community paramedicine programs – like Geisinger's - provide disease management, medication adherence, and home care… and a ride as a last resort

Emergency medicine docs at Alii Healthcare "moonlight in telehealth" by treating patients remotely, on their preferred schedule

#4
Pull it all together

Pull it all together



Goal: Solve the puzzle for the patient

Questions?