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

HFMA Lone Star Chapter
Summer Institute

August 18th, 2016
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 69% of physicians believe retail health clinics increase access....but

95% said they were satisfied with the care 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

CVS Health strengthens its foothold in the primary care market

2006
- Opens its first retail clinic

2009
- Establishes first CVS/minuteclinic health system affiliations

2014
- Purchases company Coram, expands into infusion centers and home infusion
- Changes name to CVS Health to solidify the company’s broader emphasis on care

2015
- Announces plans to buy and rebrand Target’s pharmacies and clinics
- Partners with Teladoc, American Well and Doctor-on-Demand
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

PwC Health Research Institute
**Alii Healthcare**

*Alii Healthcare’s consumer base*

- Mobile-savvy
- Busy and unwilling to wait
- Self-identify as healthy

*On-demand and technology-enabled care delivery*

*Simple, flat-rate billing style*

**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

Chronic disease management
Medication adherence
Follow up care post discharge
**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.

- No change: 68%
- Started providing certain services: 18%
  - Virtual technology: 51%
  - One-stop-shopping: 41%
  - Behavioral health services: 24%
  - Pharmacist services: 19%
- Increased delivery of certain services: 14%
- Stopped providing certain services: 7%
  - House calls: 17%
  - Group visits: 9%
  - Other: 11%

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Frail Elderly</th>
<th>Complex Chronic Disease</th>
<th>Chronic Disease</th>
<th>Mental Illness</th>
<th>Healthy Families</th>
<th>Healthy Adult Skeptics</th>
<th>Healthy Adult Enthusiasts</th>
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</thead>
<tbody>
<tr>
<td>Over 75 and living at home; health issues related to falls or dementia and suffer generally poor health</td>
<td>One or more chronic diseases affecting multiple body systems and requiring complicated disease management</td>
<td>Problems affecting a single body system such as hypertension and require uncomplicated disease management</td>
<td>Depression or mood disorders, post-traumatic stress disorder, addictions and suicidal ideations</td>
<td>Households with healthy dependent children under the age of 18</td>
<td>Generally avoid the health system; less likely to have health insurance than other groups</td>
<td>Value a regular physical, wellness/coaching services; get recommended screenings</td>
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<table>
<thead>
<tr>
<th>Market size</th>
<th>5.8 million</th>
<th>25 million</th>
<th>177 million</th>
<th>9.4 million</th>
<th>62 million</th>
<th>12 million</th>
<th>23 million</th>
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<tbody>
<tr>
<td>Annual spending</td>
<td>$92 billion</td>
<td>$281 billion</td>
<td>$847 billion</td>
<td>$23 billion</td>
<td>$70 billion</td>
<td>$7 billion</td>
<td>$30 billion</td>
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<tr>
<td>Per capita spending</td>
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<td>Visits/year</td>
<td>15+</td>
<td>12</td>
<td>7</td>
<td>6</td>
<td>2-3</td>
<td>&lt;1</td>
<td>1-2</td>
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<td>Rx/year</td>
<td></td>
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<tr>
<td>Consumer market</td>
<td>Type of interaction</td>
<td>Physician practice with team-based care*</td>
<td>Population-based care</td>
<td>Independent practice nurse-led care*</td>
<td>House calls</td>
<td>Virtual Care</td>
<td>Convenient care</td>
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<tr>
<td>Frail elderly</td>
<td>Scheduled</td>
<td>Geriatrician internist</td>
<td>Patient-centered homes</td>
<td>Nurse-managed clinics</td>
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<td>Complex chronic disease</td>
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<td>Internist</td>
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<td>Chronic disease</td>
<td>Scheduled</td>
<td>Family practitioner, internist</td>
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<td>Mental illness</td>
<td>Scheduled</td>
<td>Psychiatrist</td>
<td>With behavioral health services</td>
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<td>Healthy families</td>
<td>Scheduled</td>
<td>Pediatrician, Family practitioner</td>
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<td>Healthy adult enthusiasts</td>
<td>Scheduled</td>
<td>Family practitioner</td>
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Source: Medical Expenditure Panel Survey Datasync, 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

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

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

Integrated scheduling

Ecosystem of locations and care settings

Patient health record sharing

Broader care teams that stretch into the community

Goal: Solve the puzzle for the patient
Questions?