It’s Not Your Momma’s Healthcare

Accessing Healthcare Here and Now

Lone Star HFMA Winter Institute

Presented by:
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Brittain Kalish Group, LLC

January 26, 2018
It’s Not Your Momma’s Healthcare

- Birthing centers
- Cardiac cath labs
- Urgent care centers
- Freestanding EDs
- Infusion therapy
- Specialty Hospitals
- Home Health
- Outpatient
- Dialysis centers
- Day surgery
- Skilled Nursing
- Nursing homes
- Ambulatory Surgical centers
- Specialty Practices and Hospitals
- Imaging Centers

- Family physician
- General and children’s care
- Rehabilitation centers
- Primary care
- Acute care
- Rehab and Recovery
- Skilled Nursing, Palliative, and Long Term Care
Objectives

- Patient Generations and Healthcare
- Changing Access to Care
- Implications for Providers
  - Workforce
  - Technology
  - Regulation and Reimbursement Risk
# Patient Generations and Healthcare

<table>
<thead>
<tr>
<th>Date of Birth</th>
<th>Traditionalists</th>
<th>Baby Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before 1942</strong></td>
<td>74 and older</td>
<td>73-56</td>
<td>55-35</td>
<td>34-16</td>
</tr>
<tr>
<td><strong>1943-1960</strong></td>
<td>27 Million</td>
<td>76 Million</td>
<td>60 Million</td>
<td>88 Million</td>
</tr>
<tr>
<td><strong>1961-1981</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>1982-2000</strong></td>
<td></td>
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## Healthcare Characteristics

- **Traditionalists**
  - More likely to follow a physician’s orders
  - Only physicians and nurses are healthcare professionals
  - More frequent, longer visits, greater acuity levels
  - Will defer their research to the physician’s opinion
  - Believe in good service
  - Confident in shared decision-making
  - Limited use of portals

- **Baby Boomer**
  - More likely to debate with their physicians
  - Want to be engaged in their care
  - Only physicians and nurses are healthcare professionals
  - Have a keen interest in quality, with significant self-directed care
  - Sandwich generation, caring for parents and children
  - Cause significant communication challenges
  - Limited portal use

- **Gen X**
  - More likely to privately educate themselves before visiting a physician
  - Highly educated and questioning, and actively seek information
  - Relatively healthy
  - Assume healthcare providers and staff are knowledgeable
  - Less likely to be loyal and will switch based on recent experience
  - Respond to verbal, written, then internet instruction
  - Limited portal use – lab results, med refills, scheduling

- **Millennials**
  - More apt to look for all types of connected healthcare
  - Wants strong provider connection
  - Access care through PCPs, urgent care centers and OB/GYNS
  - Low use of IP and OP services, with most use through Maternity and ED
  - Use technology and value health information from multiple sources
  - Less comfortable asking questions and discussing concerns with minimal confidence in shared decision-making
Objectives

- Patient Generations and Healthcare
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- Implications for Providers
  - Workforce
  - Technology
  - Regulation and Reimbursement Risk
More than 3,000 retail clinics currently in operation with one in three consumers having visited one

Ten years ago, only ~90 retail clinics were in operation with one in ten consumers having visited

Higher deductibles and other cost-sharing measures are causing consumers/patients to shop around for services, forcing hospitals to think like retailers
Changing Access to Care
Primary Care – Retail Health
Changing Access to Care
Primary Care – Freestanding EDs and Urgent Care Care

Freestanding EDs

- Market growth tenfold within the last 5 years in Texas
- Nationally, 323 hospitals operate 387 FSEDs, 76% increase from 2008-2015
- Additionally, 172 FSEDs are owned by 17 for profit entities (90% in Texas).
  - These FSEDs are not permitted to participate in federal programs because they are not "outpatient departments of an acute care hospital"

Urgent Care Centers

- There are nearly 7,400 urgent care centers in the U.S.
- Eighty-nine percent of urgent care centers said patient visits increased in 2014.
- In 2015, 73 percent of urgent care centers either acquired or constructed a new location.
- On average, current urgent care clinics have been in operation for seven years.
- Wait time – 30 minutes or less at 90% of centers
- Total patient throughput - 60 minutes or less at 84% of urgent care centers.

The total price of a freestanding emergency room visit in Texas averaged $2,199 in 2015 versus $168 for an urgent care clinic visit
# Changing Access to Care

## Cost Considerations - Freestanding EDs and Urgent Care

**A Patient with back pain chooses between a Freestanding ER or an Urgent Care Center to receive in-network care.**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Freestanding ER Charges</th>
<th>Urgent Care Center Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Charge—Level 3</td>
<td>$895</td>
<td>$0</td>
</tr>
<tr>
<td>Pulse Ox, Single</td>
<td>$53</td>
<td>$0 (Included in physician charge)</td>
</tr>
<tr>
<td>Pharmaceuticals (Toradol 15mg)</td>
<td>$96</td>
<td>$40</td>
</tr>
<tr>
<td>Intramuscular Injection (IM/SQ)</td>
<td>$83</td>
<td>$28</td>
</tr>
<tr>
<td>Physician Evaluation and Management</td>
<td>$298</td>
<td>$150</td>
</tr>
<tr>
<td><strong>Total Billed Charges</strong></td>
<td><strong>$1,425</strong></td>
<td><strong>$218</strong></td>
</tr>
<tr>
<td>Contract Rate</td>
<td>$1,196</td>
<td><strong>$125 Contract Rate</strong></td>
</tr>
<tr>
<td>(Consumer has not met deductible)</td>
<td></td>
<td>$25 Co-pay</td>
</tr>
<tr>
<td><strong>Paid by Consumer</strong></td>
<td><strong>$1,196</strong></td>
<td><strong>$150 Paid by Consumer</strong></td>
</tr>
</tbody>
</table>
Changing Access to Care
Primary Care – Provider Interaction and Choices

Non-Physician Clinics
- Cost effective for increasing primary care access, and specific services are comparable to physicians
- Increased recognition by states for full practice authority
- Payors support the use of non-physician clinicians, reimbursed at lesser rates

Group Visits
- Shared appointments with increased time with providers
- Patients share experiences
- Focus on management of chronic illness

Employer Sponsored Clinics
- Improving employees health and wellness while decreasing time away from work
- Increase access to care with varied services
- Reduce healthcare costs

Concierge Medicine
- Increases access to primary care
- Benefits a well population
- Improved outcomes for chronic illness
Concierge medicine is growing at a rate of about 5% to 6% annually across the US, with about 12,000 physicians now practicing some form of subscription- or retainer-based medicine.
• More than 15 million Americans received some kind of medical care remotely last year, and numbers are expected to grow by 30% this year.

• Nearly three-quarters of large employers will offer virtual doctor visits as a benefit to employees this year, up from 48% last year.
Objectives

▪ Patient Generations and Healthcare
▪ Changing Access to Care
▪ Implications for Providers
  ▪ Workforce
  ▪ Technology
  ▪ Regulation and Reimbursement Risk
# Implication’s for Providers Workforce

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<th>Baby Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
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</thead>
<tbody>
<tr>
<td><strong>Cohort size</strong></td>
<td>27 Million</td>
<td>76 Million</td>
<td>60 Million</td>
</tr>
<tr>
<td><strong>Total workforce</strong></td>
<td>8%</td>
<td>43%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Healthcare Workforce</strong></td>
<td>9%</td>
<td>48%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Workplace characteristics**

<table>
<thead>
<tr>
<th>Traditionalists</th>
<th>Baby Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value practical experience and accountability</td>
<td>Driven by goals for success</td>
<td>Self –reliant</td>
<td>Image-conscious</td>
</tr>
<tr>
<td>Strong interpersonal skills</td>
<td>Believe in teamwork and emphasize relationship building</td>
<td>Highly educated and questioning</td>
<td>Need constant feedback and reinforcement</td>
</tr>
<tr>
<td>Value academic credentials</td>
<td>Career = identity</td>
<td>Risk-averse</td>
<td>Team-oriented</td>
</tr>
<tr>
<td>Loyalty to employer</td>
<td>Expect loyalty from co-workers</td>
<td>Want open communication</td>
<td>Want open communication</td>
</tr>
<tr>
<td>Believe promotions and recognition come with job tenure</td>
<td>Want work-life balance</td>
<td>Most loyal employee but invest loyalty in a person, not an organization</td>
<td>Search for an individual who will help them achieve their goals</td>
</tr>
<tr>
<td>Accept limited resources</td>
<td></td>
<td>Value control of their time</td>
<td>Want to shed stress</td>
</tr>
</tbody>
</table>
Implications for Providers

Technology

- About 90% of hospitals have at least basic EHRs, up from 9% a decade ago
- Physician offices have a 90% adoption rate for EHRs

- Mobile devices, such as fitness trackers, are getting more connected, allowing you to get everything from your heart rate to your blood sugar levels on your smartphone.

- FDA approved a device an "artificial pancreas" for use in people with type 1 diabetes over age 14. This Medtronic device works by automatically monitoring a person's blood sugar levels and administering insulin as needed — no constant checking and injecting required.

- GE is partnering with UC San Francisco over the next three years to help doctors determine which results need more attention, such as shortening the time between reading an X-ray and giving potentially lifesaving treatment.
Implications for Providers
Technology

The Rise of Mobile Healthcare
Implications for Providers

Technology

01 ROBOTIC COMPANIONS
02 INGESTIBLE HEALTH SENSORS
03 FASHIONABLY HEALTHY TECHNOLOGY
04 SMART NUTRITION TECHNOLOGY
05 SAFETY FOCUSED WEARABLES
06 MOBILE HEALTH FOR WORRIED PARENTS
07 SKINTIMATE TECHNOLOGY
Implications for Providers
Regulatory – Impact Across Key Organizational Areas

Financial
Affects future Medicare reimbursement for all clinicians paid under the Medicare PFS

Clinical
Requires clinicians to change/add incremental workflow and assess and improve clinical quality outcomes

Operational
Requires organization-wide collaboration and coordination of eligibility, multiple moving parts and regulatory requirements

Technological
Requires robust clinical data capabilities (data governance, capture, collection, validation and reporting)

Strategic/Competitive
Prioritizes strategic physician acquisition/growth decisions related to who (Primary Care Physicians (PCPs)/Specialties, etc.), where, when, how (types of arrangements)

Reputational
MIPS Composite Performance Score (CPS) results will be made public and transparency will expose the good and the bad

Clinician Engagement
Relationships/Partnerships/Arrangements will need to evolve in order to attract, retain, evaluate and optimize

Patient Engagement
Greater coordination of care and two-sided risk for health care providers will raise the stakes for health care providers to foster closer ties with patients and help them actively manage their health

Source: Deloitte
Implications for Providers
Payment and Delivery Models of the Future

- Greater risk sharing among payers and providers – both upside and downside
- Medical device manufacturers taking part in the risk-sharing process, beginning in the cardiac space (stents/implants and effectiveness)

- Care delivery will become more patient-centric and consumerized, so care models of the future will be driven by high-tech, consumer-like, patient-centric tools, which providers must leverage
- Technology will support many diverse data sets and real-time interactions, and since patient care is not linear, technology will need to support the ebb and flow of the human health experience

- Center of value-based care models
- Traditionally, population health management has focused on chronic care and care management solutions, with a focus on compliance and the delivery of evidence-based medicine.
- Population health of the future will be more customized as technology enables patient-specific solutions
Implications for Providers

CVS Buys Aetna: A Short Case Study

Drug costs
- Lower expenses
- Keep drugs for chronic ailments cheaper
- Out of network could prove expensive
- Increase access to drugs that decrease other types of healthcare use

Trade choices for convenience
- Decrease choices for services for lower prices
- Access to other options could be limited, such as brand pharmaceuticals

Place of service
- Minute Clinics vs Urgent Care or Emergency Rooms
- More integrated patient records
- Telehealth and Telemedicine

CVS has 9700 pharmacy locations with 1100 walk-in clinics, including Target locations
- Offer wide range of basic services
- Own pharmacy benefits manager and mail order pharmacy – Caremark
- Anthem is also considering partnering with CVS to develop a pharmacy management business
- Retail business has decreased year over year
Summary

- **Access to care**
  - Fragmented and diverse, driven by patient cohorts and decreasing number of providers
  - Conversely, new business models are in constant development
  - Multitude of consumer choices
  - Providers miss ways to work with their patient groups to maximize engagement

- **Technology**
  - Patient engagement tools are untapped by certain age groups
  - Younger physicians find patient engagement more challenging than older physicians
  - Need to use technology to the benefit of the patient and organization

- **Finance**
  - Smaller practices do not understand regulatory implications
  - Incentive dollars are being left on the table
  - Traditional providers miss an understanding of the cost to open a practice
  - Millennials and GenXers are looking for ways to diversify their practices
It’s Not Your Momma’s Healthcare
Thank You

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Your Speaker

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Chris Kalish is a management consultant specializing in guiding healthcare provider organizations through the challenges and opportunities of healthcare reform. As the CEO of BKG, she leads the team, developing strategic relationships with clients and business partners, continually looking for different ways to assist all of BKG’s partners in delivering quality services and care for the populations they serve.

Our Company

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- Healthcare Reform advisory services, including MACRA and MIPS
- HIPAA Security
- Business planning and program development and analytics
- Workforce training – soft and hard skills