

Health or Health Care: The Provider's Dilemma

The Population Health and Care Coordination Summit

February 28, 2012

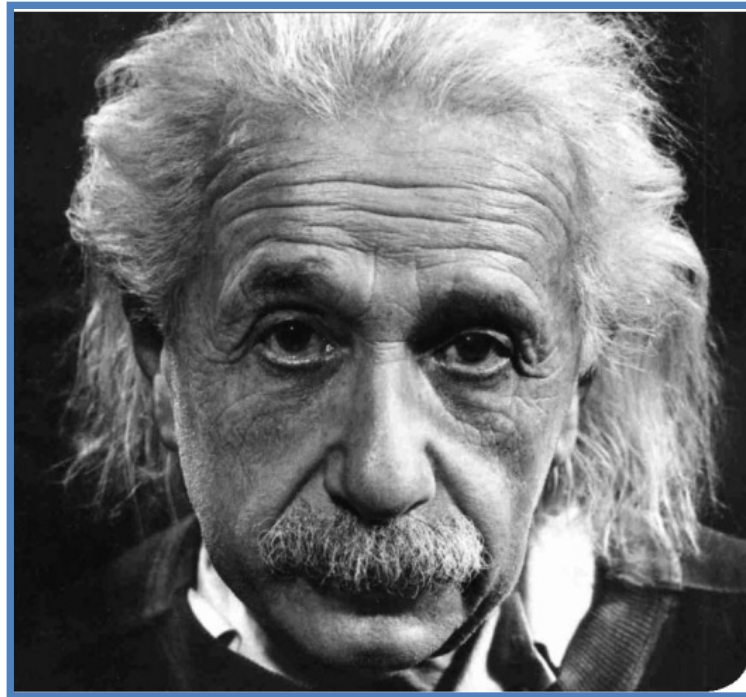
Bob Stone
Co-Founder

Who's to Blame?

The Pharmaceutical
The Physician
The Hospital
The Government
The Insurance Industry
The Patient
The System

“Insanity is doing the same thing over and over again and expecting different results.”

--Albert Einstein



Experts say...



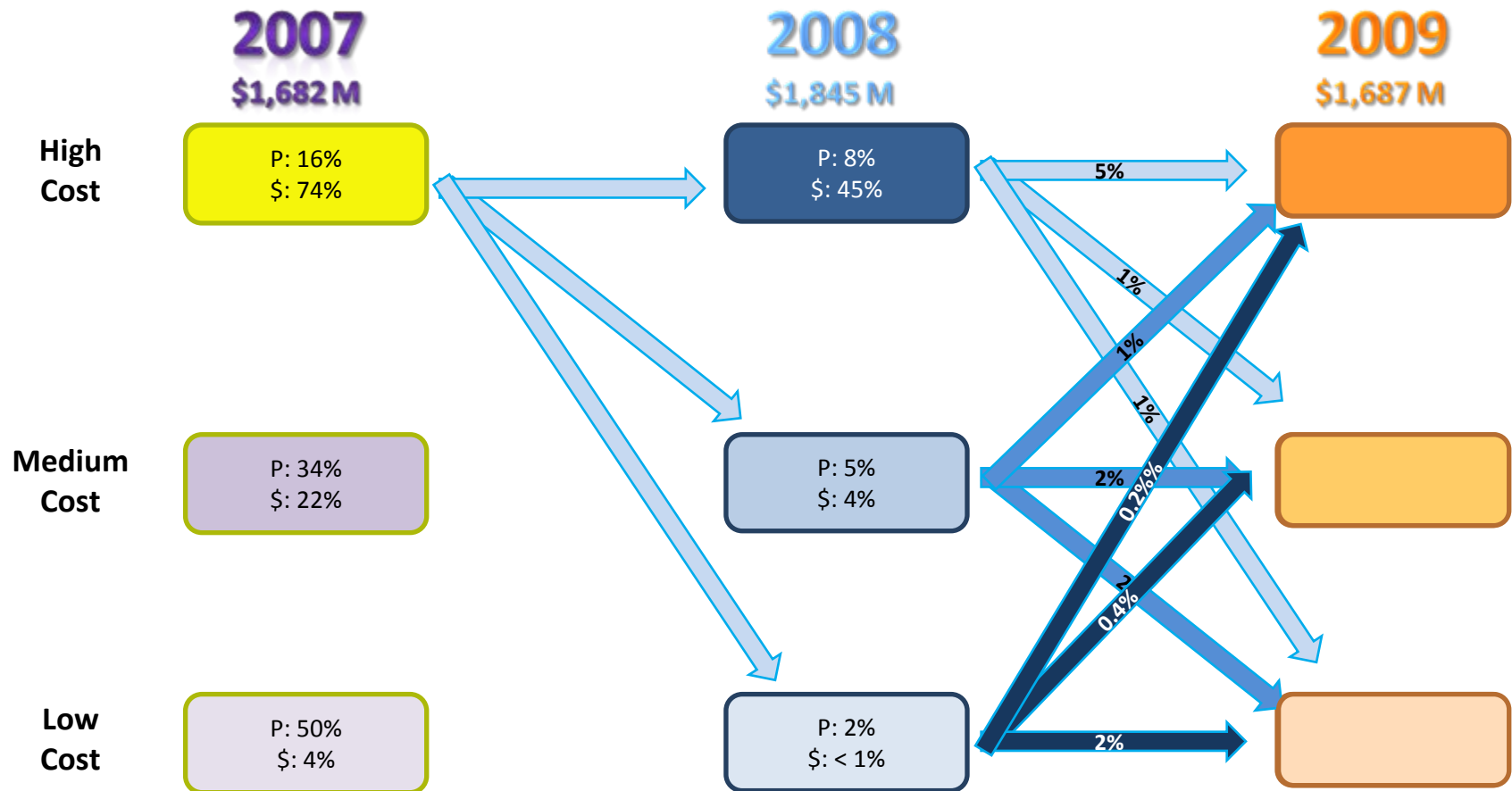
The Life Expectancy of the
Fee-for-Service Payment
System is Relatively Short

Experts say...



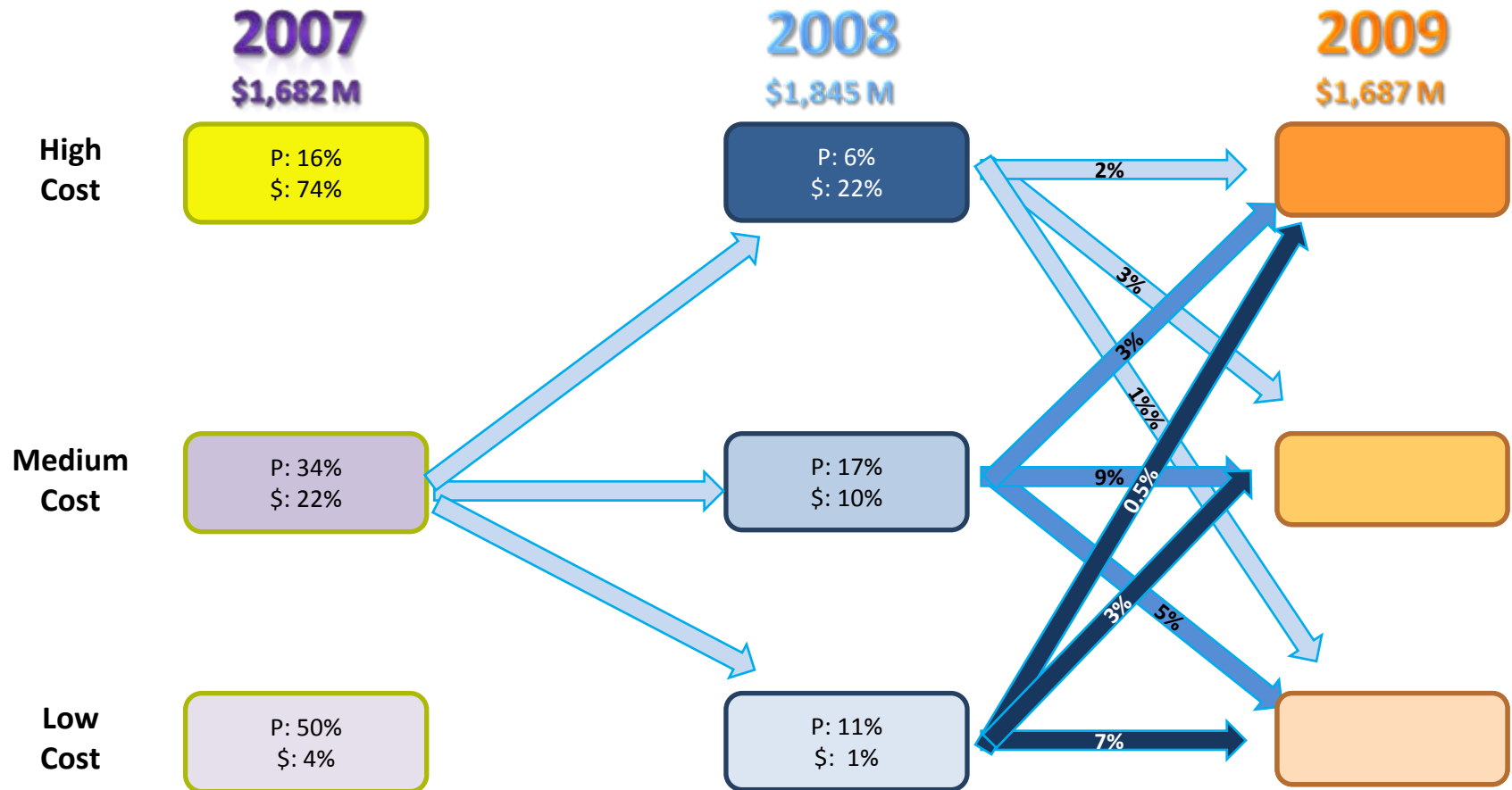
Almost Everything You
Think You Know about The
Rising Cost of Health Care
is Wrong

High Cost Migrations



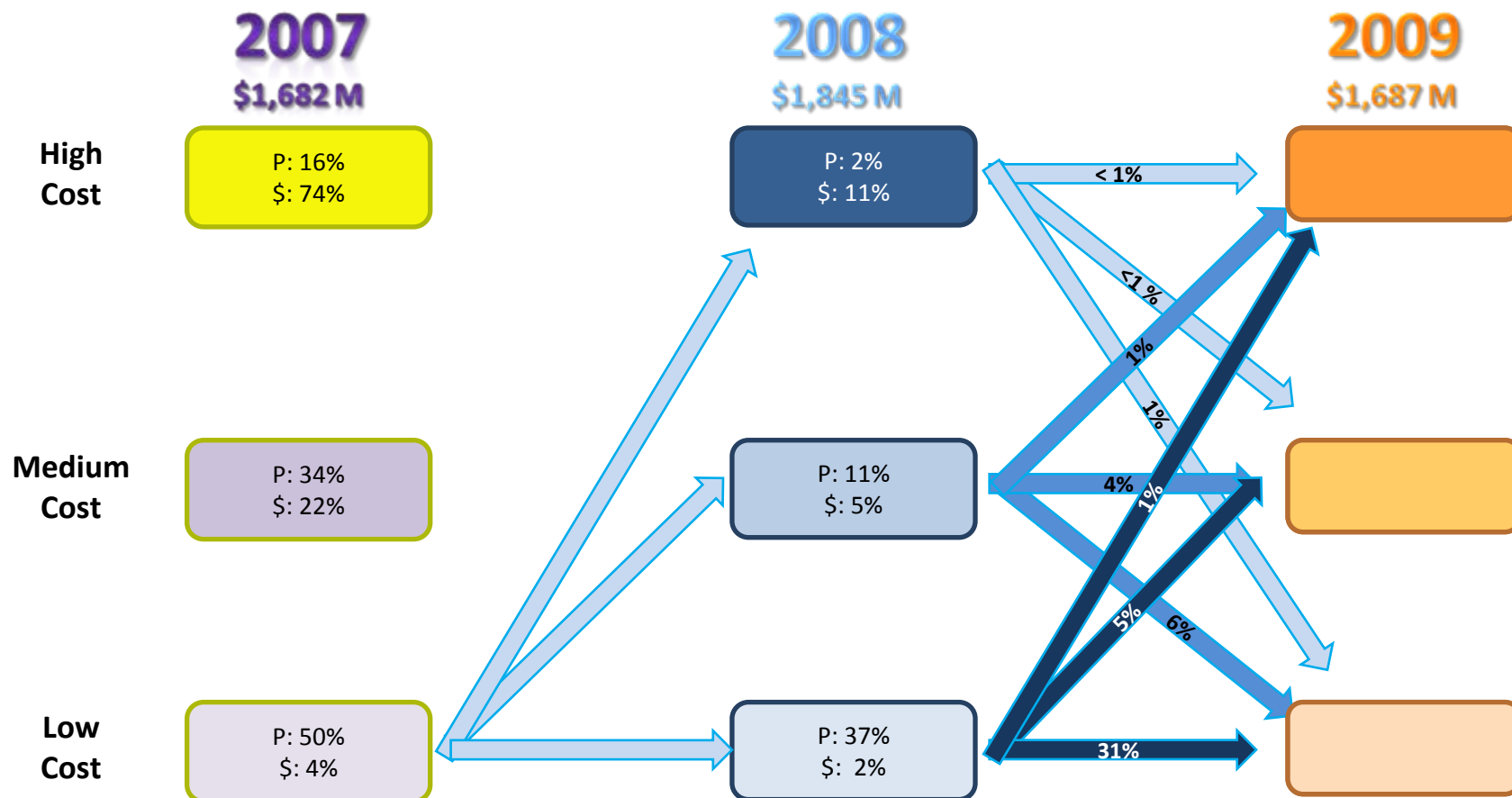
Percentages expressed as % of total population or % of total health care dollars spent in that year
P = Percent of Population. \$ = Percent of Total Dollars
Total population size = 677,667

Medium Cost Transitions



Percentages expressed as % of total population or % of total health care dollars spent in that year
P = Percent of Population. \$ = Percent of Total Dollars
Total population size = 677,667

Low Cost Transitions



Percentages expressed as % of total population or % of total health care dollars spent in that year
P = Percent of Population. \$ = Percent of Total Dollars
Total population size = 677,667

Health Risk Migrates Too

Risk Transitions

Time 1

Time 2

**Medium Risk
(3 - 4 risks)**

10,670 (24.6%)

11,495 (26.5%)

**High Risk
(>4 risks)**

4,691 (10.8%)

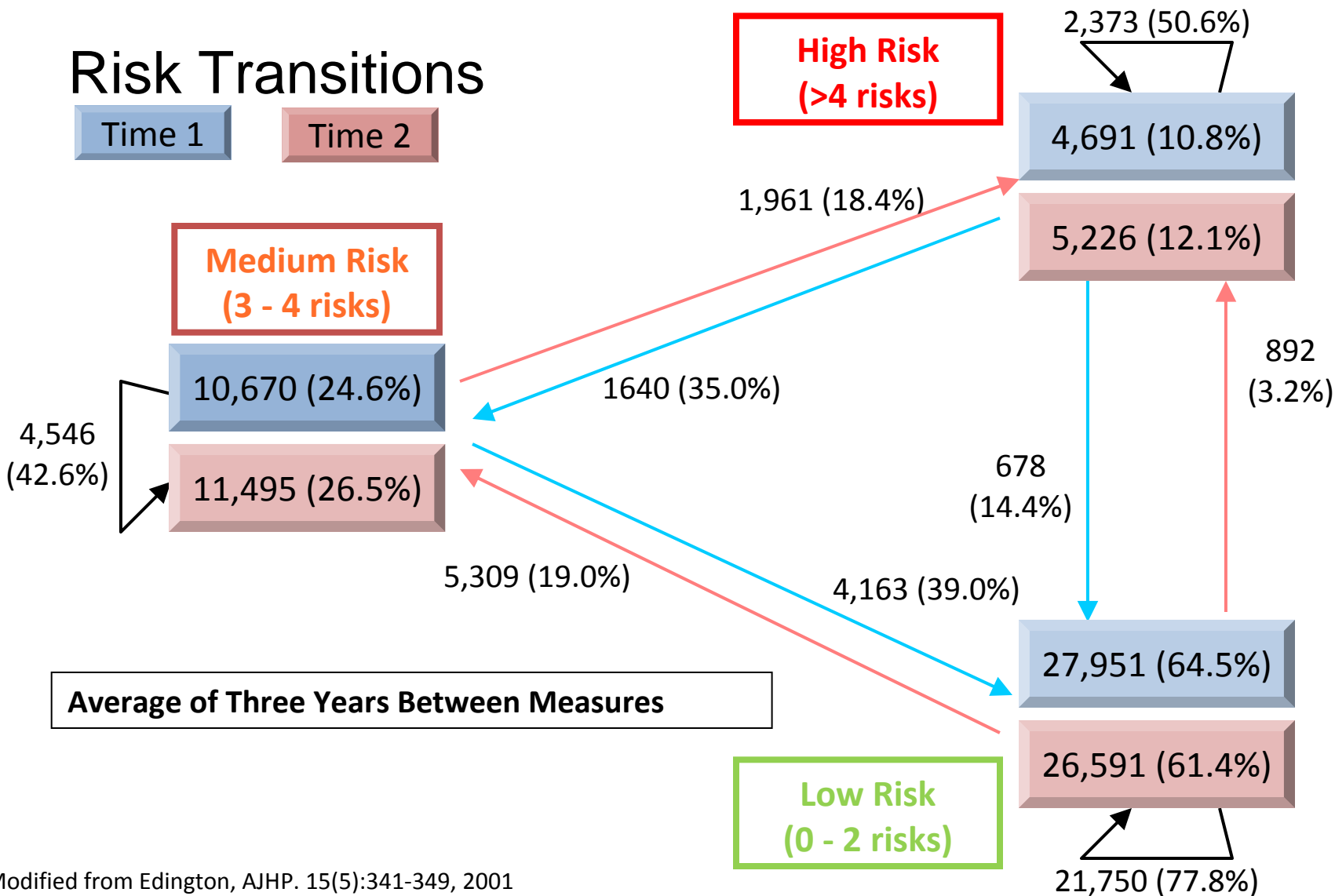
5,226 (12.1%)

**Low Risk
(0 - 2 risks)**

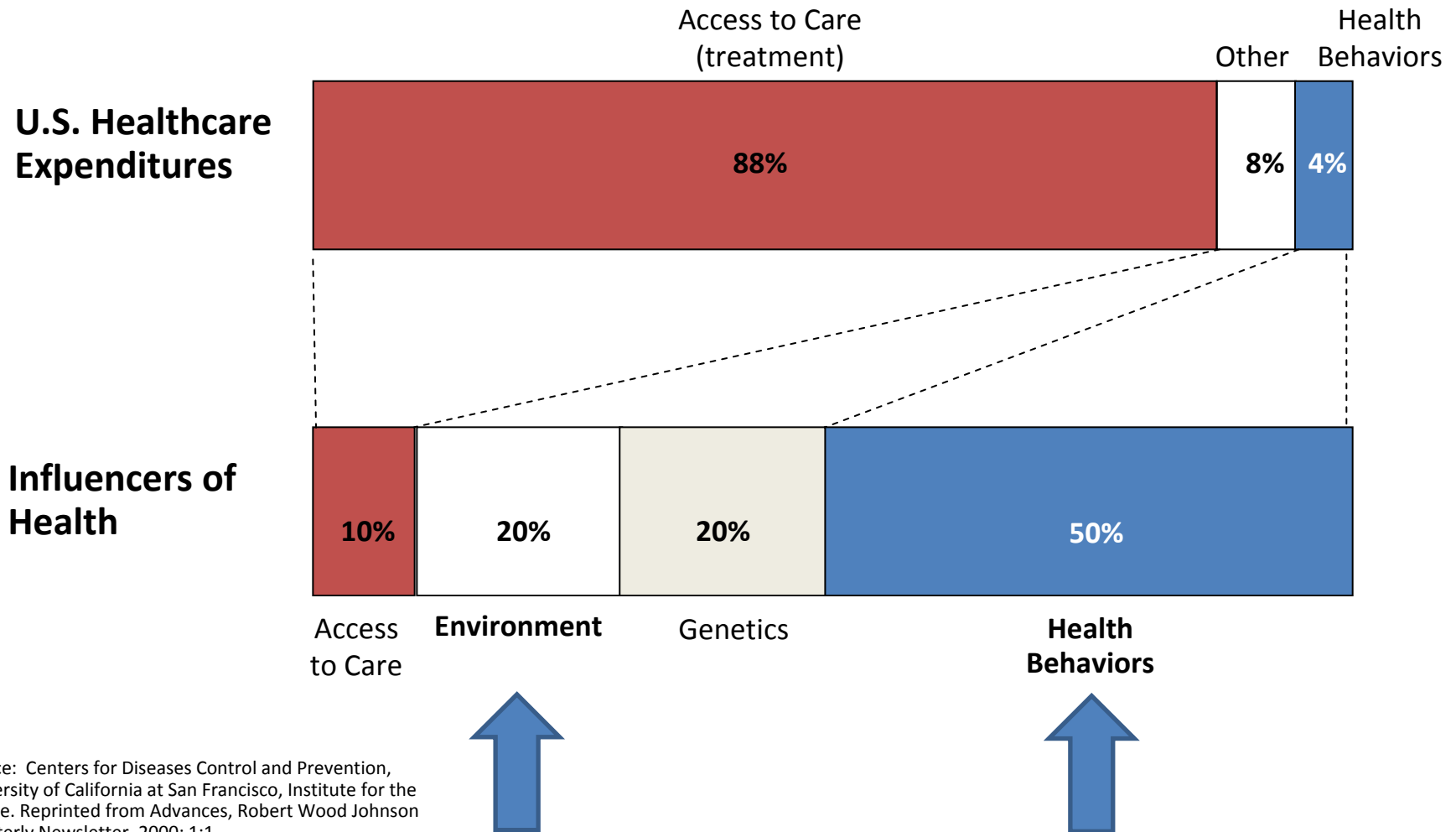
27,951 (64.5%)

26,591 (61.4%)

Average of Three Years Between Measures

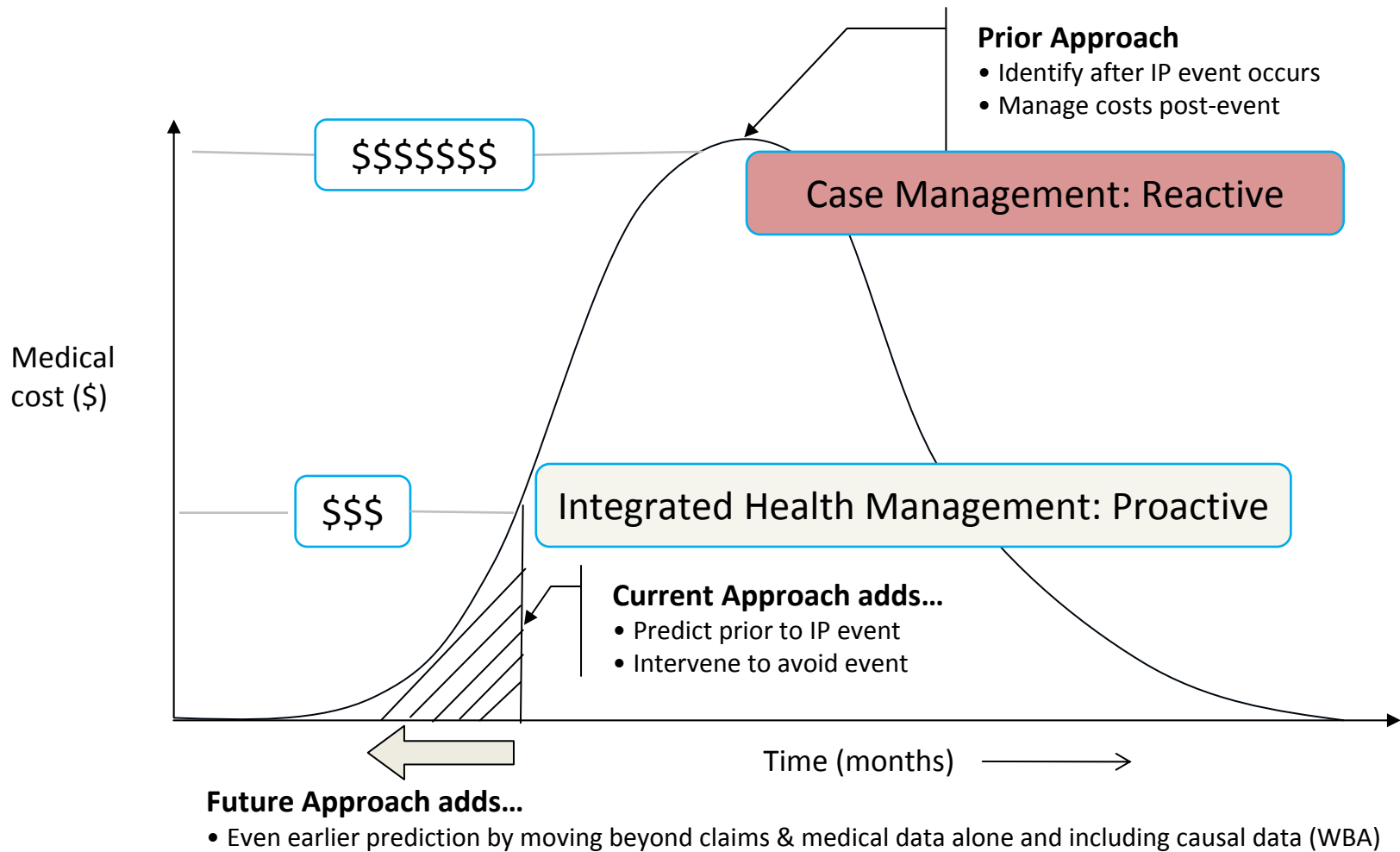


We're Spending on the Wrong Thing



Source: Centers for Diseases Control and Prevention, University of California at San Francisco, Institute for the Future. Reprinted from Advances, Robert Wood Johnson Quarterly Newsletter, 2000; 1:1

Proactive vs. Reactive Models: Maximize Value



Neither chronic disease nor clinical risks alone are sufficient for predicting short-term costs

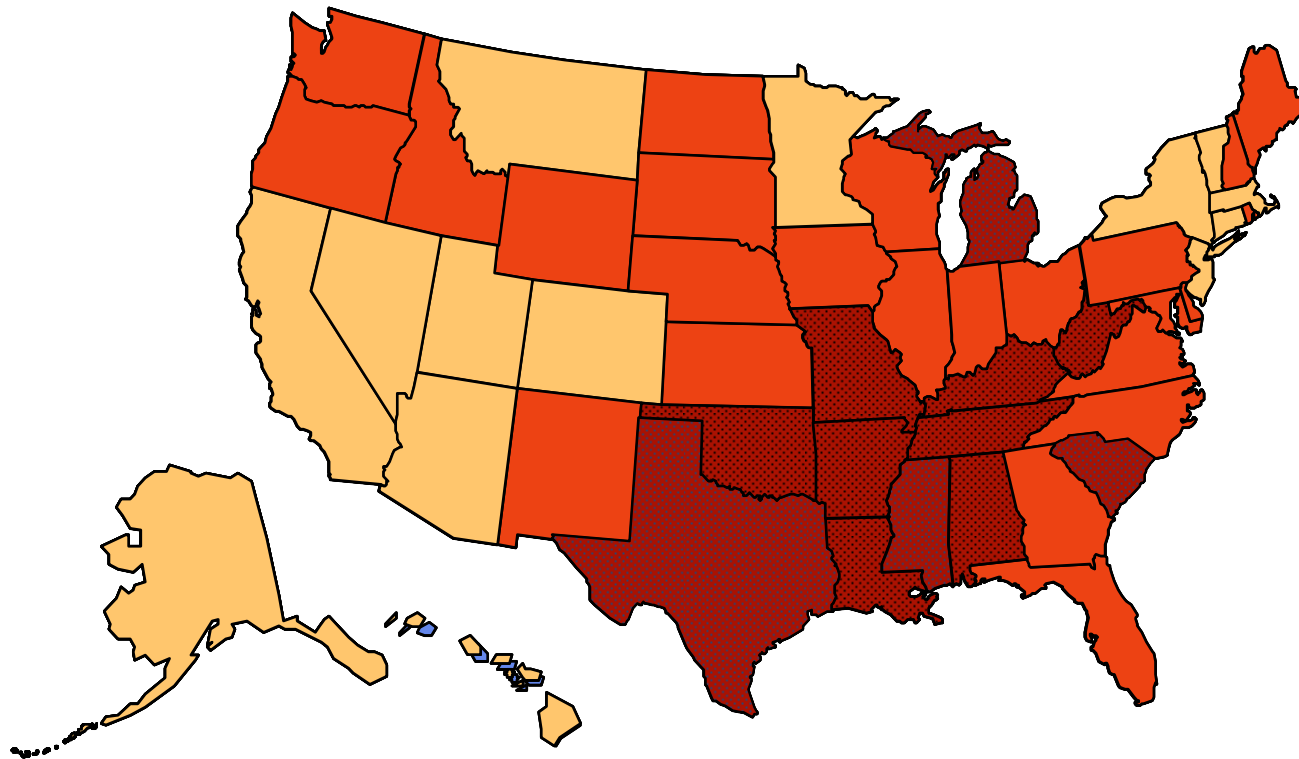
Experts say...



The Shift to Value-Based Payment Systems Will Increasingly Put Physicians and Hospitals at Financial Risk for the Longitudinal Outcomes of Entire Populations, Not just for Those Who Are Sick

Obesity Trends* Among U.S. Adults, 2006

(*BMI ≥ 30 , or ~ 30 lbs. overweight for 5' 4" person)



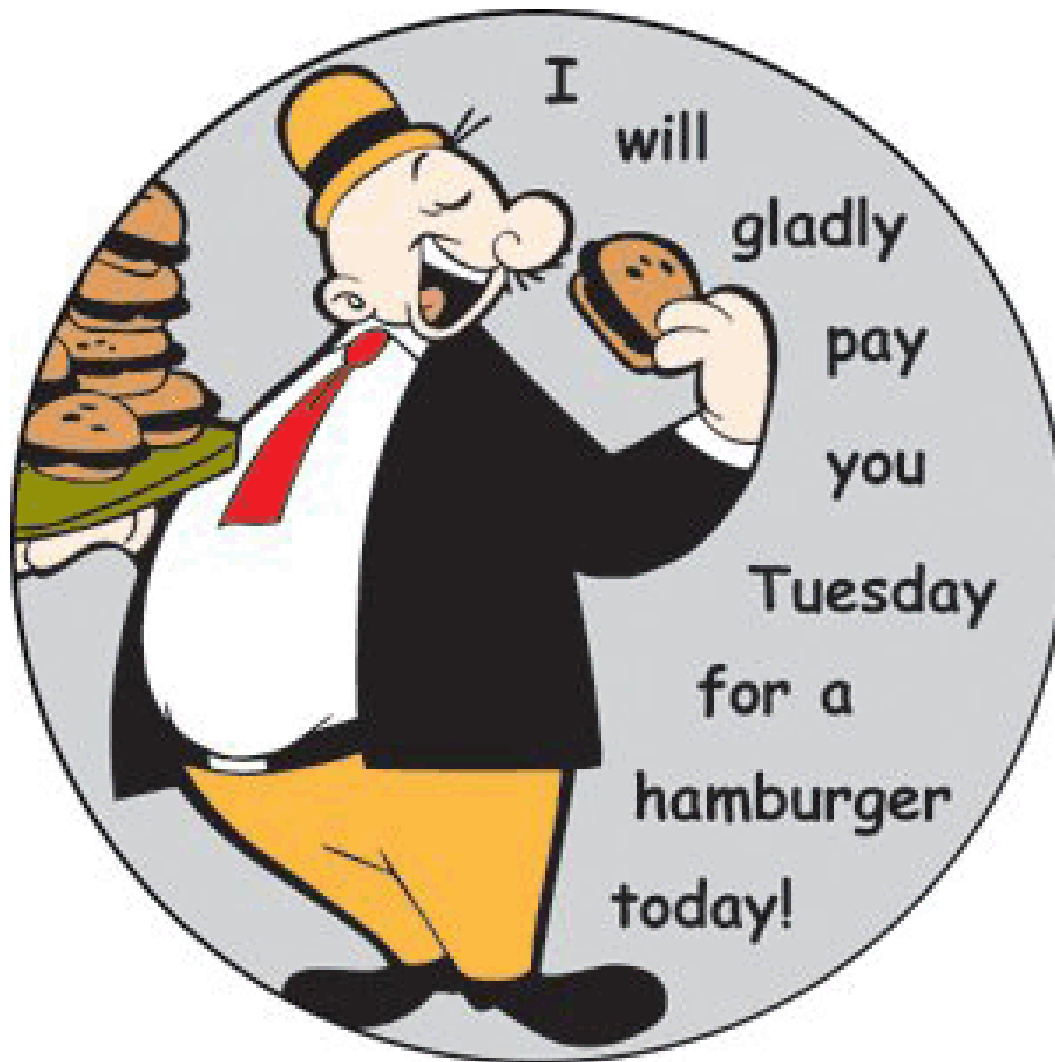
□ No Data □ <10% □ 10-14% □ 15-19% □ 20-24% □ 25-29% □ $\geq 30\%$

The Question is, “Who’s the Loser”?



The Recipe

- Keep healthy people healthy
- Reduce or eliminate lifestyle risk
- Optimize care for those with health conditions



Thank You.