



Health Care Advisory Board

Managing Healthy Patients

*Creating System Sustainability Through Well Patient
Loyalty and Engagement*

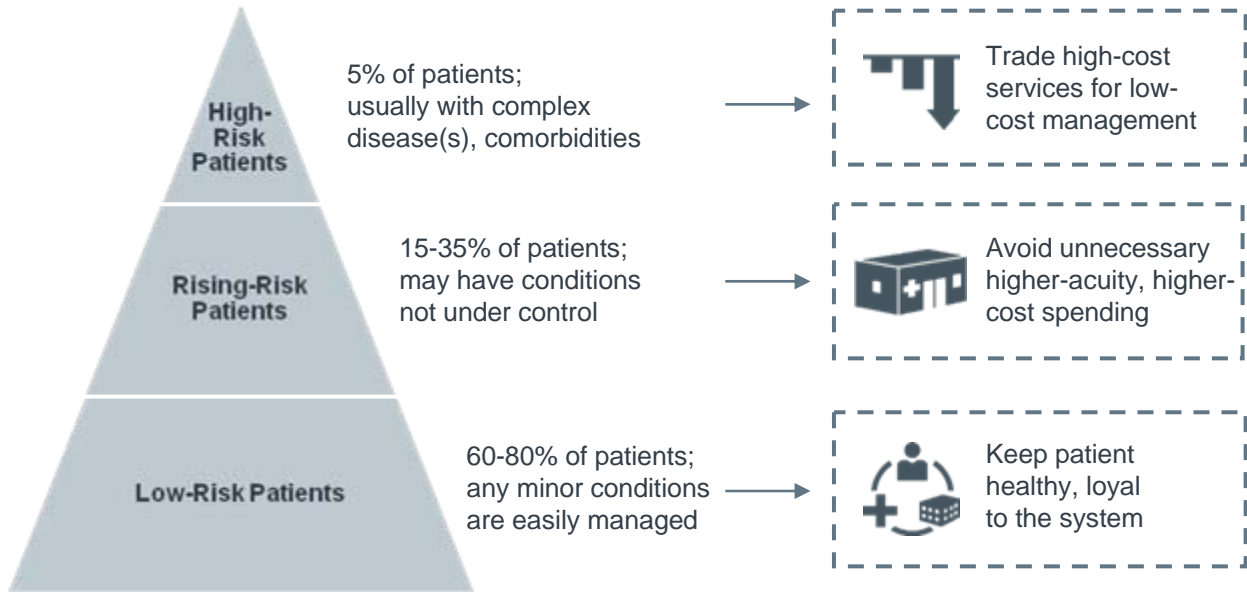
1 The Healthy Patient Ambition

2 Meeting the Access Challenge

3 Redefining Primary Care for Patient Loyalty

Loyal Healthy Patients Critical for Success Under Risk

Managing Three Distinct Patient Populations



Re-thinking the Old Clinical Paradigm

Questioning the Clinical Necessity of Annual PCP Visits

BMJ

“Our results do not support the use of general health checks aimed at a general adult population.”

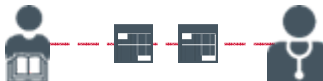
The New York Times

“For decades, scientific research has shown that annual physical exams...are in many ways pointless.”

The Washington Post

“We’re spending 12 percent of our primary-care time on something that has no evidence to support it.”

Moving Toward Bi-annual Appointments at Kaiser Northwest



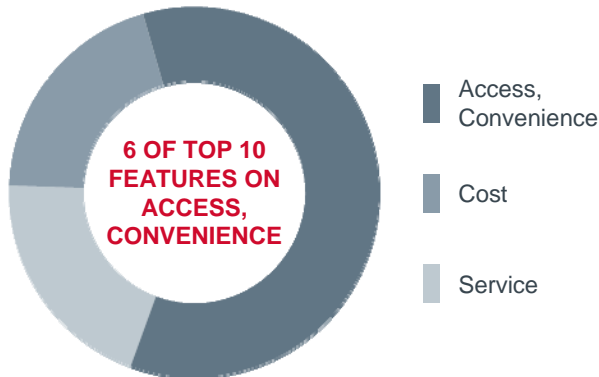
- Kaiser’s PCPs in the Portland region determined that annual wellness visits for healthy adolescents were not the best use of resources
- PCP visit reminders are sent annually for adolescents with chronic illnesses, bi-annually for adolescents who are otherwise healthy

Source: The New York Times, “Let’s (Not) Get Physicals” available at: <http://www.nytimes.com/2012/06/03/sunday-review/lets-not-get-physicals.html?pagewanted=all>, accessed April 17, 2013; Krogsboll et al. “General health checks in adults for reducing morbidity and mortality from disease: Cochrane systematic review and meta-analysis,” *BMJ*, October 2012: 1-13; The Washington Post, “Annual physical exam is probably unnecessary if you’re generally healthy” available at: http://articles.washingtonpost.com/2013-02-08/national/36990233_1_regular-exam-possibly-unnecessary-tests-medical-exams, accessed April 17, 2013; Health Care Advisory Board interviews and analysis.

Access Becoming the New Competitive Differentiator

Common Top Priority for Primary Care

Top Ten Consumer Preferences by Category



Sample Access Attributes



I can walk in without an appointment, and I'm guaranteed to be seen within 30 minutes



The clinic is open 24 hours a day, 7 days a week



The clinic is located near my home



Survey-in-Brief: Primary Care Consumer Choice

- Almost 4,000-consumer, nationwide conjoint survey of preferred attributes of primary care clinics when seeking care for the flu
- Conjoint methodology forces respondents to prioritize preferences, make trade-offs across 56 attributes (18 sub-categories, 5 categories)

Wellness Programs Fail to Generate Real Returns

Components of Wellness Program



Health Risk Assessments



Workplace-Based Screenings

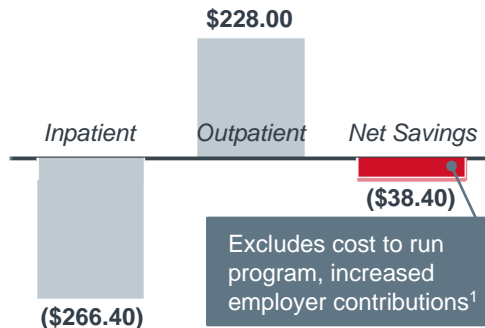


Targeted Disease Management



Onsite Health Fairs

Change in Annual Beneficiary Health Claim Costs



Study in Brief: A Hospital System's Wellness Program Linked To Health Plan Enrollment Cut Hospitalizations But Not Overall Costs

- Studied impact of employee wellness program at BJC Healthcare, a 13-hospital system based in St. Louis, Missouri
- Despite 41 percent reduction in hospitalizations², wellness program failed to produce significant cost savings

¹) Eligibility for most generous health plan tied to participation in wellness program; 82 percent of beneficiaries chose such plan.

Source: Gowrisankaran G, et al, "A Hospital System's Wellness Program Linked To Health Plan Enrollment Cut Hospitalizations But Not Overall Costs," *Health Affairs*, 2013, 32: 477-485; Health Care Advisory Board interviews and analysis.

Employers Also Requiring Ease of Access

Winning Contract By Meeting Access Demands



“A purchaser’s decision is primarily based on the financial offer and the network geography and comprehensiveness – access is critical. But we can’t lose sight of the patient experience. Health care consumers need to see a positive change in *how* they are able to access healthcare.”

Chief Marketing Officer



Case in Brief: Taurus Health System¹

- Large health system in the West
- Awarded contract through RFP process to serve as narrow ACO network option for local employer
- Met detailed access demands in order to be chosen

Access Requirements in Employer’s RFP



- Same-day PCP appointment for acute conditions
- 3-day PCP appointment for any condition
- 10-day specialist appointment
- Extended hours of operations
- Extended urgent care hours
- Centralized 1-800 number at ACO level with care navigators for triage and advocacy
- Member website
- Phone apps

1) Pseudonym.

Facing Unprecedented Competition

Disruptive Innovators Selling Access Solutions—Often Without Physicians



1

The Healthy Patient Ambition

2

Meeting the Access Challenge

3

Rebuilding Primary Care for Network Loyalty

The (Not So Distant) Future of Patient Access

Inexpensive, On-Demand Access Becoming the Norm

Emerging Realities of Health Care Access



Majority of patients accessing primary, urgent care virtually



PCPs largely uninvolved in providing access



24/7 access as the new care standard



Increasing affordability of primary care services to consumers



Should PCPs Be in the Access Business?

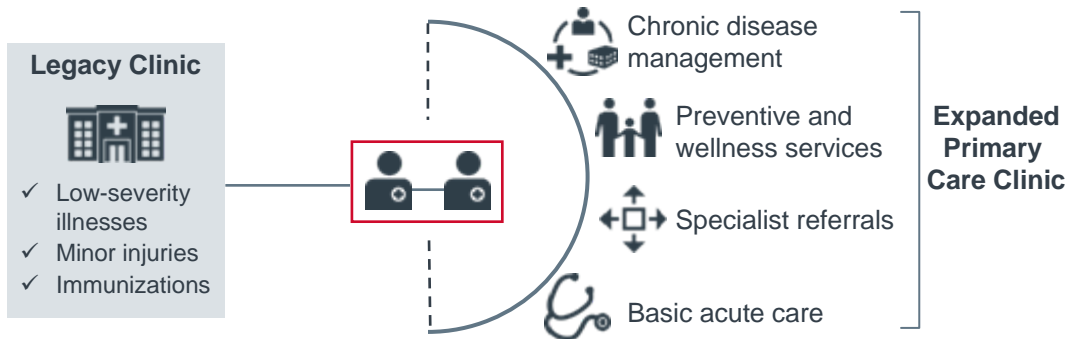
94%

Visits at 200-physician primary care group effectively served without a PCP¹

The New Primary Care Outlet for 130 Million People?

Walmart Testing Enhanced Primary Care Model to Replace Legacy Clinics

Evolution of Model



Case in Brief: Walmart Care Clinic Pilot

- Walmart piloting new primary care clinic staffed by two contracted NPs in Copperas Cove, TX
- Service offerings expand beyond traditional Walmart retail clinic to include chronic disease management, preventive and wellness services, and specialist referrals



Low Price Guarantee in Primary Care

\$4.00

Cost of a clinic visit for employees on Walmart's health plan

\$40.00

Cost of a clinic visit for customers and non-covered associates

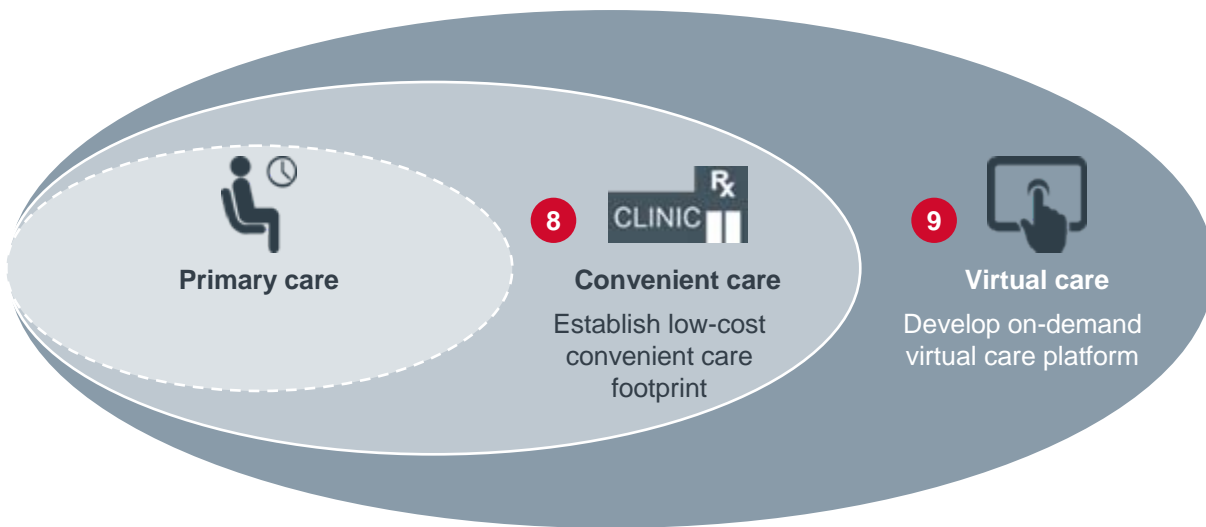
Building a Comprehensive Access Strategy

Convenient, Virtual Care Quickly Becoming the New Normal

The Evolving Access Standard

Today's focus

Tomorrow's priorities



Decreasing unit cost of care delivery

Confronting an Increasingly Sophisticated Competitor

Walgreens Entering the Care Coordination, Rapid Diagnostic Game

Overview of Walgreens' Care Delivery Strategy



Medication Management

Offering medication consults for complex drug regimens



Quality Improvement

Having pharmacists check patient vitals



Healthcare Clinic

Serving low-acuity care needs clinics



Care Coordination

Supporting care coordination teams

- Palo Alto-based technology company
- Developed a miniature medical device that quickly detects hundreds of diseases with a minute amount of blood
- Partnered with Walgreens in 2013; have opened Theranos Wellness Centers in Walgreens stores in Palo Alto and Phoenix



Case in Brief: Walgreens

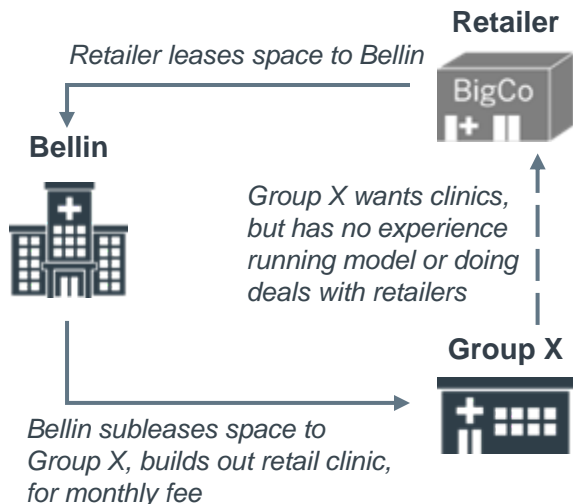
- Largest drugstore chain in the country based in Deerfield, Illinois
- Operates 370 in-store Healthcare Clinics staffed by NPs, PAs
- Establishing health system partnerships in order to improve care coordination, medication adherence, and quality metrics for patients

Source: Anderson J, "Providers Want Partner, Not Dictator, in Potential Insurer ACO Relationships," ACO Business News, March 2013; Dolan P, "Walgreens clinics expand services to diagnosing chronic diseases," American Medical News, April 22, 2013; Walgreens Press Room, "Walgreens Forms Accountable Care Organizations (ACO) to Deliver Seamless, Coordinated Care to Improve Patient Health, Lower Costs and Close Critical Gaps in Care for Medicare Patients," January 10, 2013; Health Care Advisory Board interviews and analysis.

Finding a Successful Retail Formula

Drive Volumes with Skilled Corporate Partnerships, Lean Staffing

Bellin FastCare Franchises Successful Retail Model



Key Breakeven Benchmarks	
Avg. Charge per Visit	\$62
Avg. Reimbursement per Visit	\$33
Patients/Day	20 visits
Staffing	2.3 NPs/PAs
Clinical and Lab Services Provided	29
Hours Per Week	75-77
Time to Breakeven	24 months



Case in Brief: Bellin Healthcare

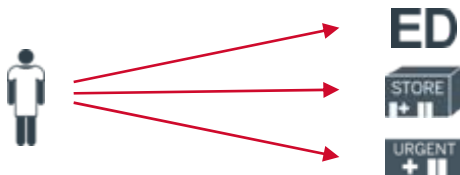
- 120-physician group based in Green Bay, Wisconsin.
- Facilitates development and operation of 35 retail clinics with 25 health systems

Access as Central to Market Identity

Coastal Medical Positions Year-Round Access as Quality Improvement Tool

Example Patient Seeking Low-Acuity Care Outside of Traditional Office Hours

Typical Options



Patient must visit non-Coastal providers, resulting in possible unnecessary costs to system and loss of care coordination

Coastal 365 Model



- ✓ Open every day; on evenings, weekends, and holidays
- ✓ Staffed by Coastal Medical providers

Improved quality and coordination of patient care, reduced overall cost of care



Case in Brief: Coastal Medical

- 85-physician independent practice based in Providence, Rhode Island
- Launched extensive “Coastal 365” campaign to promote year-round access as a unified brand identity among providers, employees, and patients



14%

Reduction in ED visits
in 2013 after implementing
Coastal365 campaign

Establish a Virtual Care Strategy

More Than Just Meeting Meaningful Use Requirements

Virtual Care Misconceptions



“Virtual care is a cost sink; if I invest in the portal and related technologies, it won’t drive any revenue to my organization.”



“The portal is just a vehicle for Meaningful Use dollars.”



“My physicians will not get paid by practicing virtual medicine.”

Virtual Care Realities



The portal is the centerpiece for meeting patient demands and effectively competing in your market



Virtual care provides a ripe opportunity to enhance and extend your brand



Investing in a portal and related technology allows your PCPs to offload unnecessary visits, increase panel sizes

The Portal: Your Gateway to Virtual Care Delivery

Portal Key Features



Fill prescriptions



View medical record



Schedule appointments



Assign proxy access

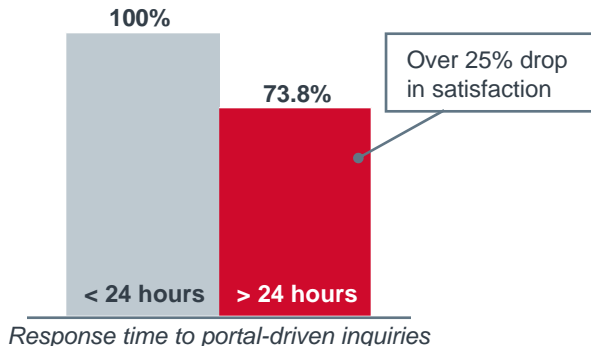


Communicate with physician



View lab results

Patients Reporting “Very Satisfied” with UC Davis Portal Highly Dependent on Turnaround Times



Majority Lagging Behind in Pushing Virtual Patient Encounters

Best-in-Class

30-50%

Portion of all encounters occurring virtually

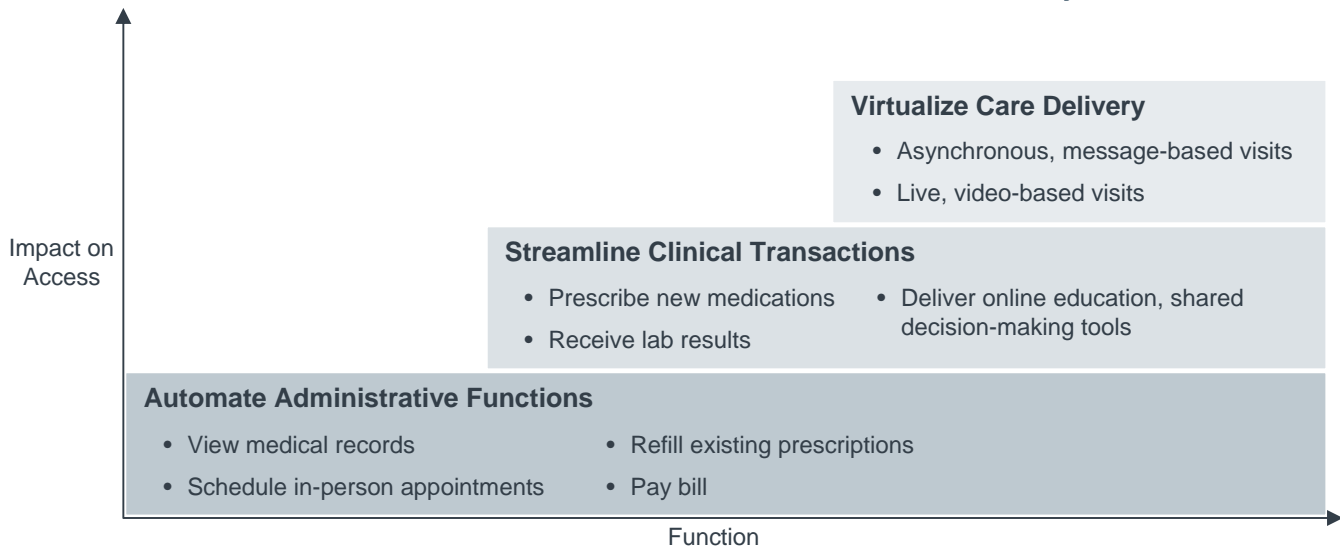
Reality

<10%

Vast majority of population health managers

Expanding the Applications of Virtual Care

From Administrative Transactions to Real-Time Care Delivery



A Fast-Emerging Market Segment

\$13.7B

Estimated revenue from virtual visits in 2018, up from \$100M in 2013

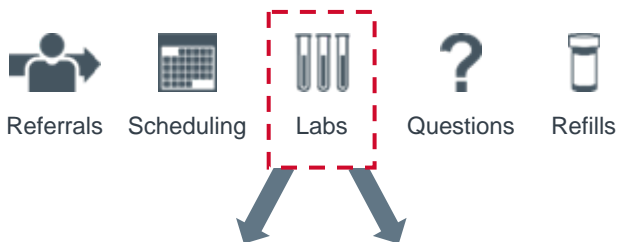
220%

Projected increase in households using virtual care between 2013-2018

Streamlining Patient-Practice Transactions

Portal Reduces Administrative Burden on Practice

Streamlining Anticipated Needs through the Portal at New West Physicians



Normal Result Protocol

Medical Assistant sends lab results directly to the patient via the portal

Physician Time Required: 0 minutes

Abnormal Result Protocol

Physician annotates lab results and sends them to patient via the portal

Physician Time Required: ~5 minutes

“

Portal Uptake Driving a Quieter Practice

“Our practices are *quiet* because, as a result of the portal, the phone is no longer ringing constantly – I’ve had physicians remark on that.”

*Ruth Benton, CEO
New West Physicians*

+

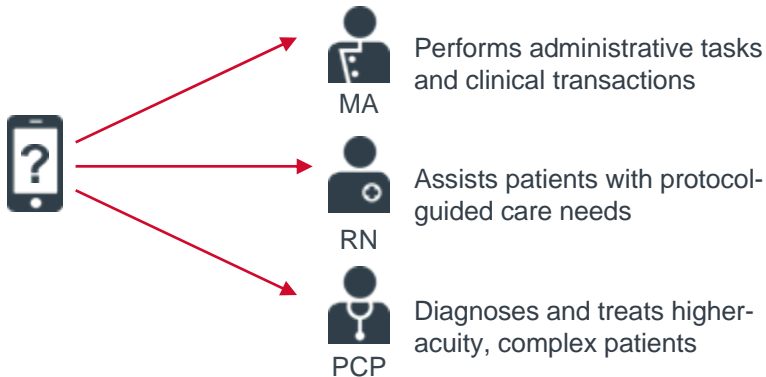
Case in Brief: New West Physicians

- 68-physician primary care group practice based in Denver, Colorado
- Launched MyHealthConnection patient portal in May 2012, which allows patients to refill medications, view lab results, and send and receive emails, among other functions

Investing in Rapid Portal Response Time

PAMF Successfully Achieves Four-Hour Patient Inquiry Turnaround Time

Triaging Inquiries Based on Clinician Expertise



An Emerging Turnaround Time Benchmark

4 hours

PAMF standard for portal inquiry turnaround time

68%

Primary care teams meeting turnaround time standard



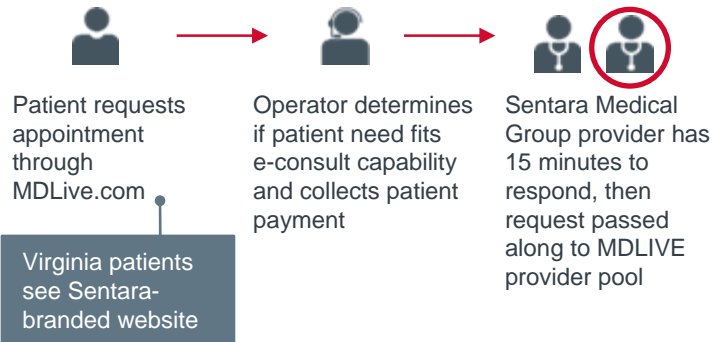
Case in Brief: Palo Alto Medical Foundation

- Non-profit health care organization part of Sutter Health in California
- Serves over 700,000 patients across 100 communities in Northern California
- Care team responds to and triages portal inquiries between patient visits
- Clinicians held accountable for 4-hour portal inquiry turnaround time through data transparency and oversight

Evolving to Real-Time Virtual Visits

MDLIVE Visit Platform Drives New Patients to Sentara HealthCare

MDLIVE Enabling New Business



A Small Cost for Virtual Care

\$45

Cost per visit for unsubscribed patients

\$19.95

Cost of a monthly subscription to MDLIVE

\$199

Cost of an annual subscription to MDLIVE



Case in Brief: Sentara Healthcare/MDLIVE

- Multi-hospital system headquartered in Norfolk, Virginia; owns equity stake in MDLIVE—a telehealth provider of online, on-demand health care delivery services and software
- Provides access to virtual care for any patient; Virginia-based web visitors triaged to co-branded virtual product to labeled “Sentara—Empowered by MDLIVE”
- Phone, web, and email visit services include general health, pediatric health, mental health

Don't Ignore Tech Support

Fully Capitalize on Virtual Care Potential by Ensuring Patient Utilization

Root Causes of Virtual Care Non-Utilization



Forget it exists



Discomfort with technology



Lose log-in info



Technology malfunctions

Tech Support FTE



- Reaches out to patients not utilizing virtual care platforms
- Offers troubleshooting
- Provides technical assistance
- Answers non-clinical questions



Case in Brief: Partners HealthCare Center for Connected Health

- Division of Partners HealthCare in Boston, Massachusetts that has created and validated technology-enabled health care solutions for nearly 20 years
- To support a variety of remote monitoring, mobile health and video-based programs, hired a centralized FTE to assist patients with tech support, troubleshooting, and non-clinical questions



2 days

Critical time window for ensuring patient utilization of virtual care platforms

Promote Health While Gathering Valuable Data

Capitalize on Engagement Tools to Build Patient Loyalty

Goals of Virtual Wellness Platforms



Cater to patient's electronic interests



Develop patient familiarity with, affinity for health system



Promote health and wellness maintenance



Gather demographic, health-related patient data for care management



Virtual Engagement Opportunity Knocking

127

Minutes Americans spend on mobile apps each day

26

Hours Americans spend online each week

Source: Marketing Chart, "Millennials Up Their Time Online," available at: <http://www.marketingcharts.com/wp/interactive/millennials-up-their-time-online-26405/>, accessed April 16, 2013; Business Insider, "MOBILE USAGE: How Consumers are Using Their Phones, and What It Means," available at: <http://www.businessinsider.com/mobile-usage-how-consumers-are-using-their-phones-and-what-it-means-2013-2>, accessed April 16, 2013; Health Care Advisory Board interviews and analysis.

Leveraging Social Media for Patient Health

Encourage Healthy Behavior, Generate Wealth of Patient Data

Wellness Platform Uses Social Interaction to Motivate



Participating users create profiles that display goals, interests, and progress



Platform uses encouragement and peer accountability to promote participation



Competitions between teams create additional incentive for healthy behaviors



Technology in Brief: ShapeUp

- Social media-based wellness platform based in Providence, Rhode Island
- Platform is utilized by payers, providers, and employers; clients include Blue Shield of California, Sprint, and Cleveland Clinic
- Ohio-based KeyBank saw 2,000 participants lose a total of 1,209 pounds and 192 BMI points through using ShapeUp; 11% of employees lost at least 10 pounds

Source: ShapeUp, "Going viral: How social networks spread employee wellness," available at: www.shapeup.com, accessed August 28, 2012; The Advisory Board Company, [Capturing ROI on Social Media Outreach](#), Washington, DC; Health Care Advisory Board interviews and analysis.

Estimating Future Staffing for Patient Access

Role	Current Use	Future Use	Projected Demand
PCP	Practice setting main vehicle for patient access	Manage access team; diagnose and treat complex patients presenting to convenient care sites and accessing virtual care	↓ ↓
MA	Administrative support in the PCP practice	Offloads portal-based administrative and clinical transactions from the physician to the greatest extent possible	↑ ↑
RN	Diagnosis and treatment support in the PCP practice	Answers the majority of portal-driven inquiries in expedited timeframe, triages most complicated questions to the physician	↑ ↑
Centralized Triage FTE	None	Determines if patient care needs meet virtual visit threshold, manages financial transactions	↑
Tech Support FTE	None	Offers troubleshooting and technical support; proactively reaches out to patients not using virtual care platforms	↑

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Redefining the Network Ambition

2

Meeting the Access Challenge

3

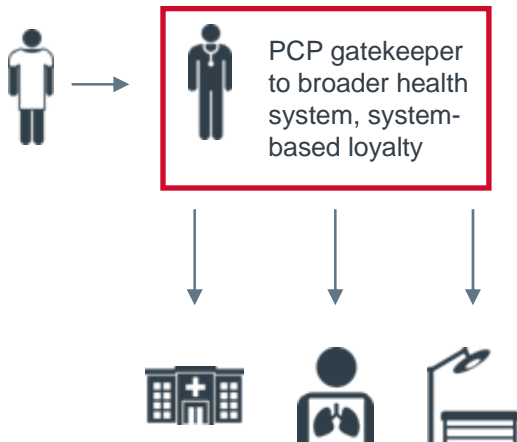
Redefining Primary Care for Patient Loyalty

Forging Renewed Patient Brand Loyalty

Transfer Relationship from Doctor to System

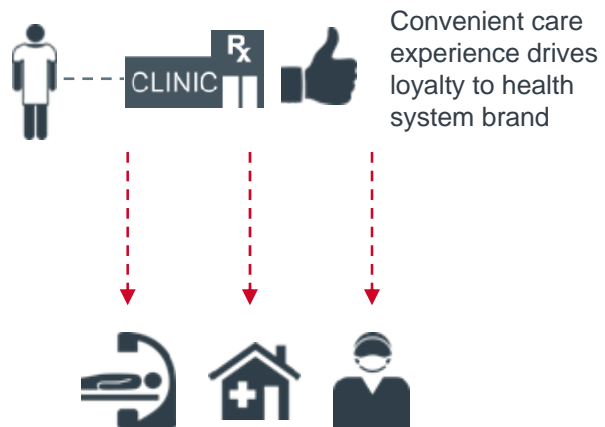
Former Patient Loyalty Paradigm

*Patient-Physician Relationship
Drove Broader System Loyalty*



New Patient Loyalty Paradigm

*Patient Develops Direct Health System
Brand Loyalty*



Consumes Will Pay for Access (for Now)

“Concierge-Lite” Practice Becomes Employer Offering

One Medical Group Care Model



Same-day appointment booking online through One Medical mobile app



Physician email consultations for minor illnesses, ongoing health management



Coordination of tests, treatments, specialist referrals, hospitalizations



Telehealth service through Google Hangouts

Newest offering

Employer Subscribers

Adobe, Doximity, Fitbit, NBCUniversal, On Deck Capital, Percolate, Quantcast, Sequoia Benefits, Uber, Wanelo



50%

Growth in membership, 2013

40+

Companies subscribing to enterprise offering



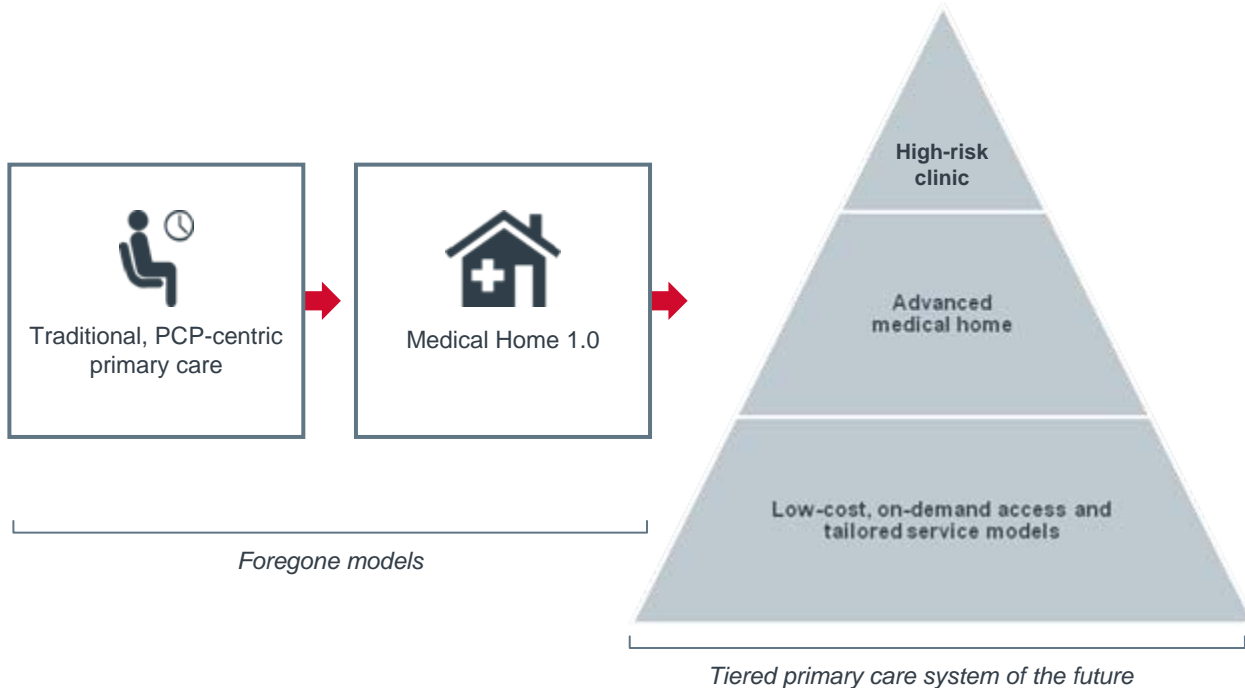
Case in Brief: One Medical Group

- 90-physician network practicing in San Francisco, New York, Boston, Chicago, Los Angeles, and Washington, DC
- \$149 to \$199 annual membership allows access to same-day appointments, email consultations, and online electronic medical records
- Recently debuted enterprise offering for employers to offer as a perk

Medical Home Just a First Step

Migrating Toward Increased Primary Care Specialization, Virtual Care

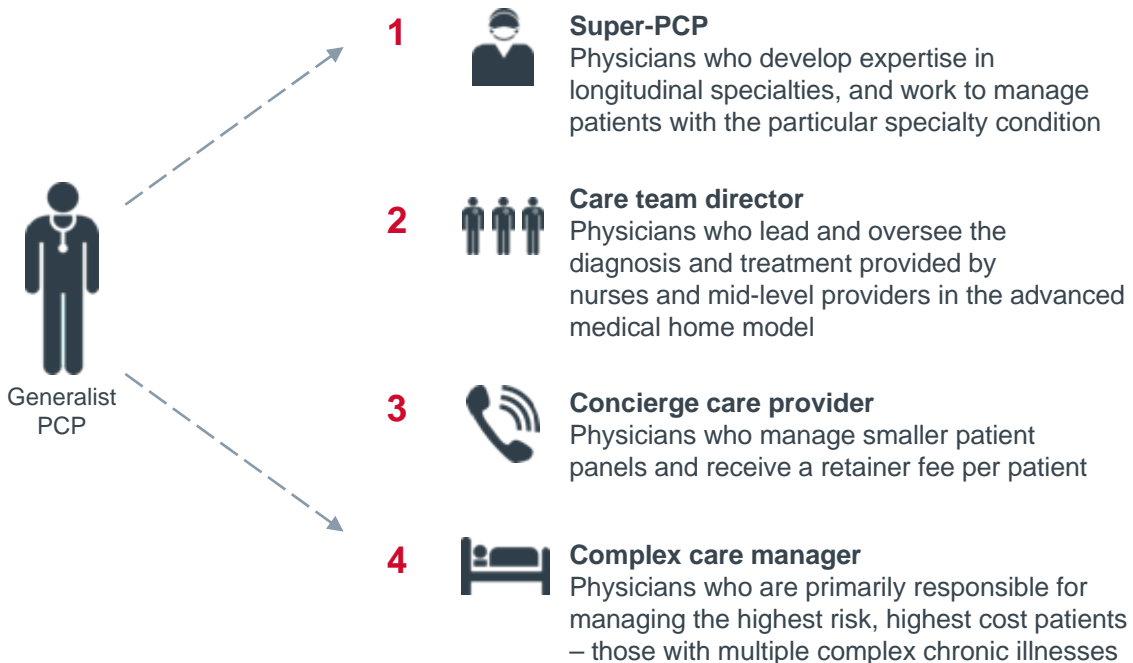
Predicting the Evolution of the PCP Practice



The Generalist PCP: A Foregone Profession?

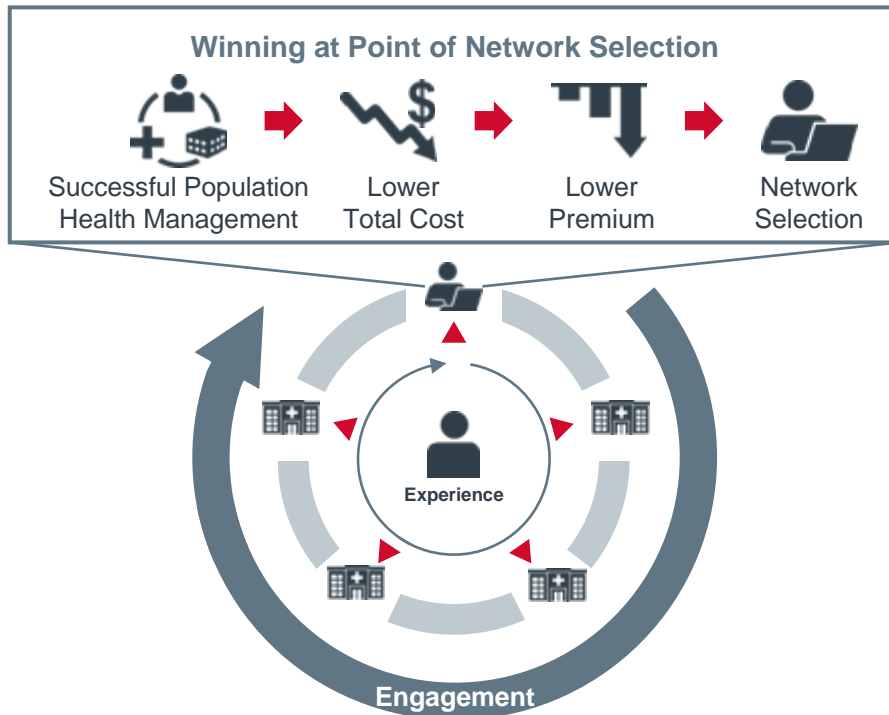
Anticipating the Future of the Primary Care Physician Role

Four Emerging PCP Identities



Engagement a Hidden, But Crucial, Renewal Lever

Retail, Population Health Strategies Converge





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