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How Teamwork Will Transform Healthcare

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Even though the U.S. healthcare industry is in the midst of wrenching changes, it is still possible to predict with some confidence what the future will look like. To deliver better and more affordable results, care will become far more coordinated and comprehensive. It will focus less on individual clinical procedures and more on preventing procedures. When they are necessary, it will focus more on patient wellness before, during, and after those procedures.

It may sound simple. But achieving integrated, comprehensive care is remarkably complicated. Making the transition means that

sons to work together as part of a continuum that includes everything from preventive care and wellness to acute care and end-of-life care. But in an environment in which consumers and payors are no longer willing to pay for waste or unnecessary care, we are starting to see new modes of collaboration. Centura Health, a 17-hospital network serving Colorado and western Kansas, installed biometric sensors from Medtronic's CardioCom in the homes of 7,500 patients suffering from diabetes, chronic obstructive pulmonary disease, and congestive heart failure, and integrated a 24-hour call center to augment the traditional care-delivery model. By sharing health data and collaborating in care delivery, the pilot saved

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all participants — healthcare providers, payors, pharmaceutical companies, device makers, and new market entrants — will need to collaborate in new ways. They will have to move away from the entrenched fee-for-service model under which savings on healthcare costs can reduce revenue and profits for many participants.

Until recently, market participants had not always had good rea-

about US\$1,700 per patient, an almost 200 percent return on investment. When Dignity Health, a hospital system with 400 care centers in California, Nevada, and Arizona, partnered with Philips to provide in-home monitoring of 750 patients suffering from congestive heart failure, the initiative reduced hospital visits while maintaining the quality of care, saving more than \$9,000 per patient.

The ability to coordinate care in this manner will be of paramount importance in what we call the New Health Economy. To deliver better outcomes at lower costs, companies will need to share financial and clinical risks, manage data collaboratively, and build new capabilities. More fundamentally, they will need to understand that by working together, they can achieve much greater gains than they possibly could by trying to go it alone.

New Collaborations

It's always a challenge for companies with divergent interests to coordinate services. But it's particularly hard to do so in healthcare — the maintenance of human beings — as compared with, say, the maintenance of machinery or vehicles. Keeping a patient healthy requires addressing multiple systems. The biology of a single person is extremely complex, with a genetic blueprint (the genome), a set of instructions for how certain proteins should turn on and off (the proteome), and communities of microbes existing on and in the body (the microbiome). External factors such as diet, exercise, sleep, stress, and pollutants also affect health. And each individual exists within a second system — the population of humans who engage with the health system. To try to predict the types of illnesses and conditions a person will suffer, and the kind of care she will need, an organization would need to consider a broad, complex data set that is meaningful at both the individual and population level.

Emerging technology is giving providers and payors more of this data to analyze, which likely will lead to gains in effectiveness. For example, when a patient takes a

weekend hike, his fitness tracker can automatically update his electronic health record with detailed data such as distance traveled, heart rate, and blood pressure. When he takes his daily statin pill (or fails to do so), or needs to refill his prescription, his entire care team may get an update. The result will be a much richer profile, with more — and more specific — contextual information, which could ultimately lead to better healthcare outcomes at lower costs.

To achieve this, organizations must collaborate, even though today they sit in long-standing industry silos. Some companies are beginning to forge partnerships with other players in the healthcare value chain. The French drugmaker Sanofi, for example, is working with Apple. Sanofi makes diabetes medications and a line of products, such as blood glucose meters, that help patients monitor their insulin levels. Sanofi's iPhone app allows diabetic patients to be remotely monitored by their physicians and insurers. Sanofi also has a partnership with Google to

apply analytics capabilities to help patients and clinicians better understand and manage the disease.

Health insurers also are realizing the need to work with others. Companies are combining technologies and treatments to ensure adherence to and compliance with care plans for rare diseases and manage overall health. Eisai's drug and app combination for the management and treatment of Gaucher's disease, a genetic disorder that affects the liver and spleen, was developed by the Japanese pharmaceutical company in collaboration with patients and their physicians. Together, they won payor coverage for a co-prescription of the app and therapy.

And organizations are learning to reap benefits by working with networks of collaborators. The YMCA of the USA won a coveted Health Care Innovation Award from the Centers for Medicare and Medicaid Services for the success of its diabetes prevention program delivered by trained YMCA staff and eight partner organizations. The \$11 million

award grant will expand the program to 17 communities in eight states.

Managing Risks and Data

Succeeding in the New Health Economy isn't just a matter of starting and managing complex partnerships. In order to deliver care that is preventive, personalized, and predictive, and incorporates nonmedical information, the industry will need to determine how to share risk across several dimensions.

Currently, financial risk in the U.S. healthcare system sits with the payors, though it is shifting to providers in some cases and to consumers. But in many ways, the system sets up a zero-sum game between participants that should be working toward the same goal. Because in many instances, every dollar for the radiologist is one less dollar for the insurer, and vice versa, incentives to collaborate on reducing costs aren't always in place. For collaborative, coordinated care to truly work, all players should be responsible for some element of a patient's financial risk, and they should be able to generate some gain from potential savings.

This is tricky because the economics of prevention and wellness are dramatically different from those of traditional healthcare. When a patient requires surgery after a heart attack, the hospital makes money, and so do the surgeon, the anesthesiologist, and the makers of all devices and products used during his surgery and subsequent care. But if the same patient had bought some fitness equipment such as a heart-rate monitor, joined a health club, visited a nutritionist for coaching, and thus avoided a heart attack, the doctors and manufacturers would capture a much smaller amount of



revenue and the hospital would get nothing. Reimbursement models and business models need to change so that all parties, from the surgeon to the health club and the patient, benefit financially from a predictive and low-cost preventive approach.

Another consideration is clinical risk. Even when multiple organizations are working together to provide care, only one segment can be responsible for situations when something goes wrong. Currently, clinical risk is pegged to specific interventions and procedures. For example, if a patient has a stent placed and complications arise that require readmission to the hospital, the need for extra care could be due to the surgeon who implanted the device, problems with the stent itself, or some kind of postsurgical issue. In today's segmented environment, each entity assumes the clinical risk for its specific interaction with the patient, and then hands it off like a baton in a relay race. That means the different participants aren't working

single hurdle makes it very hard for different healthcare organizations to collaborate.

An equally significant data challenge is that virtually all EHR systems remain largely focused on collecting and organizing clinical data for billing. They track relevant activities in a physician's office and hospital, but ignore data about things that happen in the patient's kitchen, gym, or living room. As patients generate more of this unstructured data, EHRs will need to evolve from today's medical history, intended for billing, into tomorrow's predictive profile, intended to nurture and maintain health.

New Capabilities

To thrive in this evolving environment, all players will need to develop several new capabilities, including the following.

- **Identifying and working with partners.** In the past, companies typically formed partnerships and alliances based on clinical factors,

the right interventions — such as behavioral prompts and clinical treatments — at the right time.

- **Capitalizing on new technology.** Technological innovation happens much faster than clinical innovation. As data becomes more standardized and integrated, new entrants — many outside the traditional healthcare sector — can translate that data into specific guidance for consumers and clinicians. For example, WellDoc has demonstrated that behavioral modifications inspired by an app are more effective than traditional therapy for diabetes management. The company's app was developed and approved in less than half the time associated with creating a new insulin therapy. Regulators such as the Food and Drug Administration are acknowledging that these innovation cycles are different and are adopting guidelines and policies that support technical innovation while continuing to ensure safety and efficacy. Healthcare players need to be part of this process.

- **Assessing markets.** It will be important to determine which national markets are most attractive for this kind of holistic approach to care. Factors at play include the regulatory environment, reimbursement models, consumer attributes (such as mobile phone penetration), and healthcare infrastructure (for example, the number and type of retail care facilities). Because the right approach will vary from market to market, companies will need to launch pilot tests and identify the right approach to scale up successful ideas to other countries.

No single company — regardless of how brilliant its ideas — will be able to shape the future of health-care. Instead, payors, providers,

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together to consider the patient's overall health — and possibly aren't preventing that patient from needing a stent in the first place.

Data is also a consideration. Multiple companies are rolling out electronic health records (EHRs) — and jockeying over market share — yet these systems are not interoperable. Even for basic structured data, such as a blood pressure reading, different systems record this data in different ways, so it isn't easily transferable from one to another. This

such as commercializing a promising new therapy. While the clinical element is still important, companies will need to think more broadly about who they should partner with, and how to structure those arrangements. Ideally, these partnerships will combine clinical data (information recorded at the hospital or physician's office) with consumer data (information recorded everywhere else, such as workout logs, food journals, or sleep monitors). Moreover, they should be designed to identify

pharmaceutical companies, and device makers, along with new market entrants such as technology firms, will all need to collaborate directly with one another. Getting each segment to set aside its own economic self-interest and work together for a great gain will not be easy. But it's the only way the industry will capitalize on its potential to deliver innovative, personalized care, keep people healthier while reducing costs, and ultimately create more value for everyone. +

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