

Healthy Dialogues: conversations about healthcare reform

Intermountain Healthcare

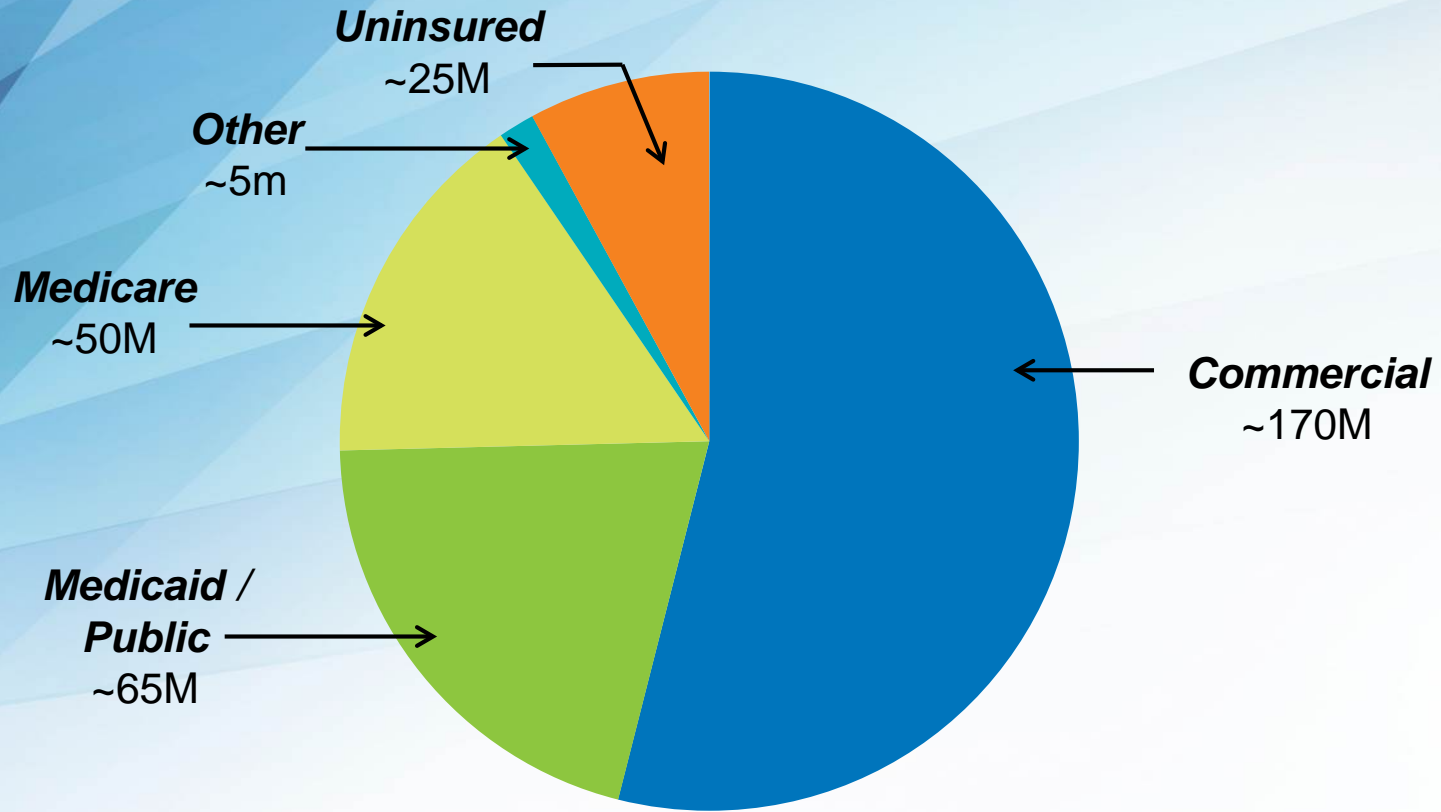
Salt Lake City, Utah
13 August 2015



Discussion: health care reform

- Reform: it's a long, long road...
- Realities and challenges
- Solutions and opportunities

Don't have a health care system; many systems



US population: ~315M

Each sub system a unique politic and payor

UNINSURED

- Social politic
- Coverage
- Fragmented front

COMMERCIAL

- Employer politic
- Cost shifting
- “Sleeping Giant”

MEDICARE

- Federal politic
- Benefit levels
- Voting power

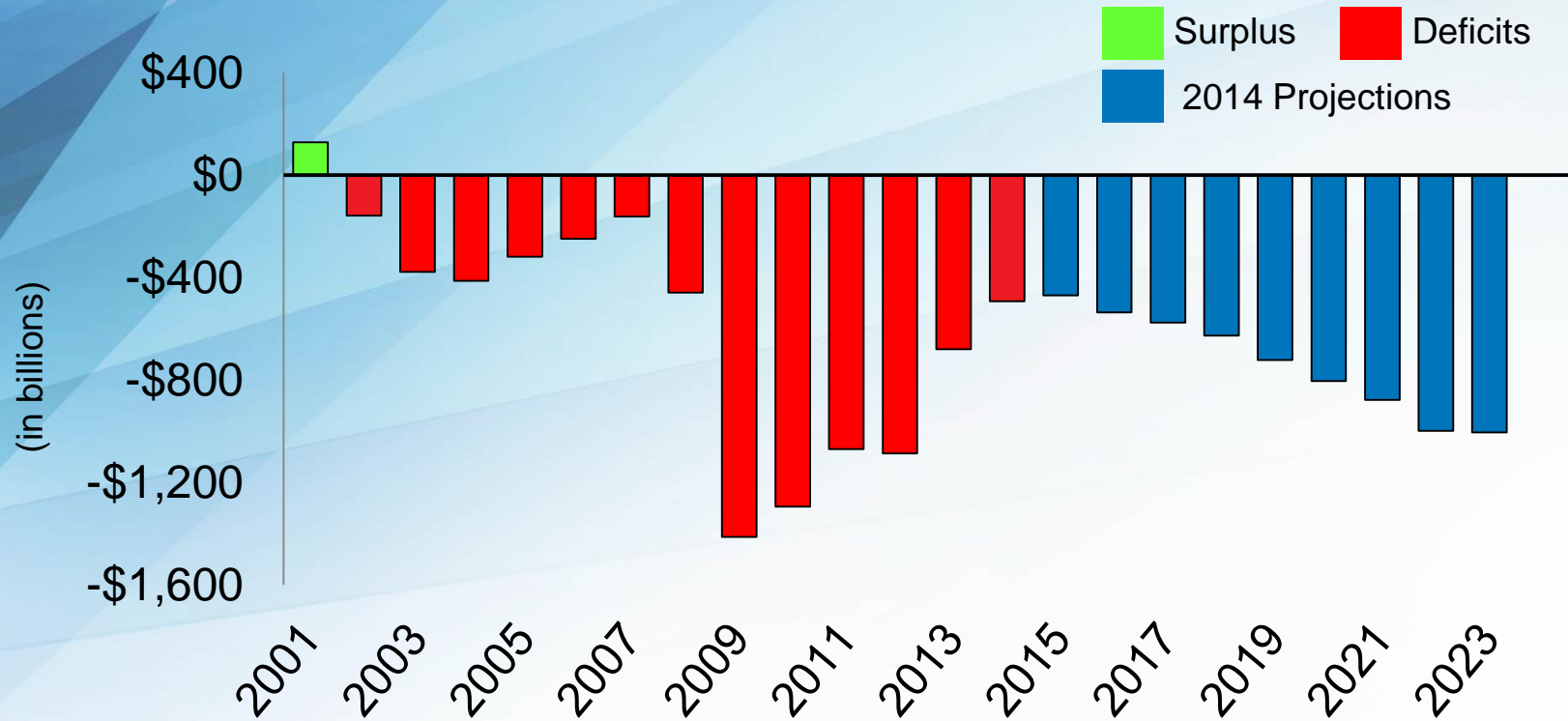
MEDICAID

- State politic
- Access, costs
- Polarization

Plenty of change, at glacial rates

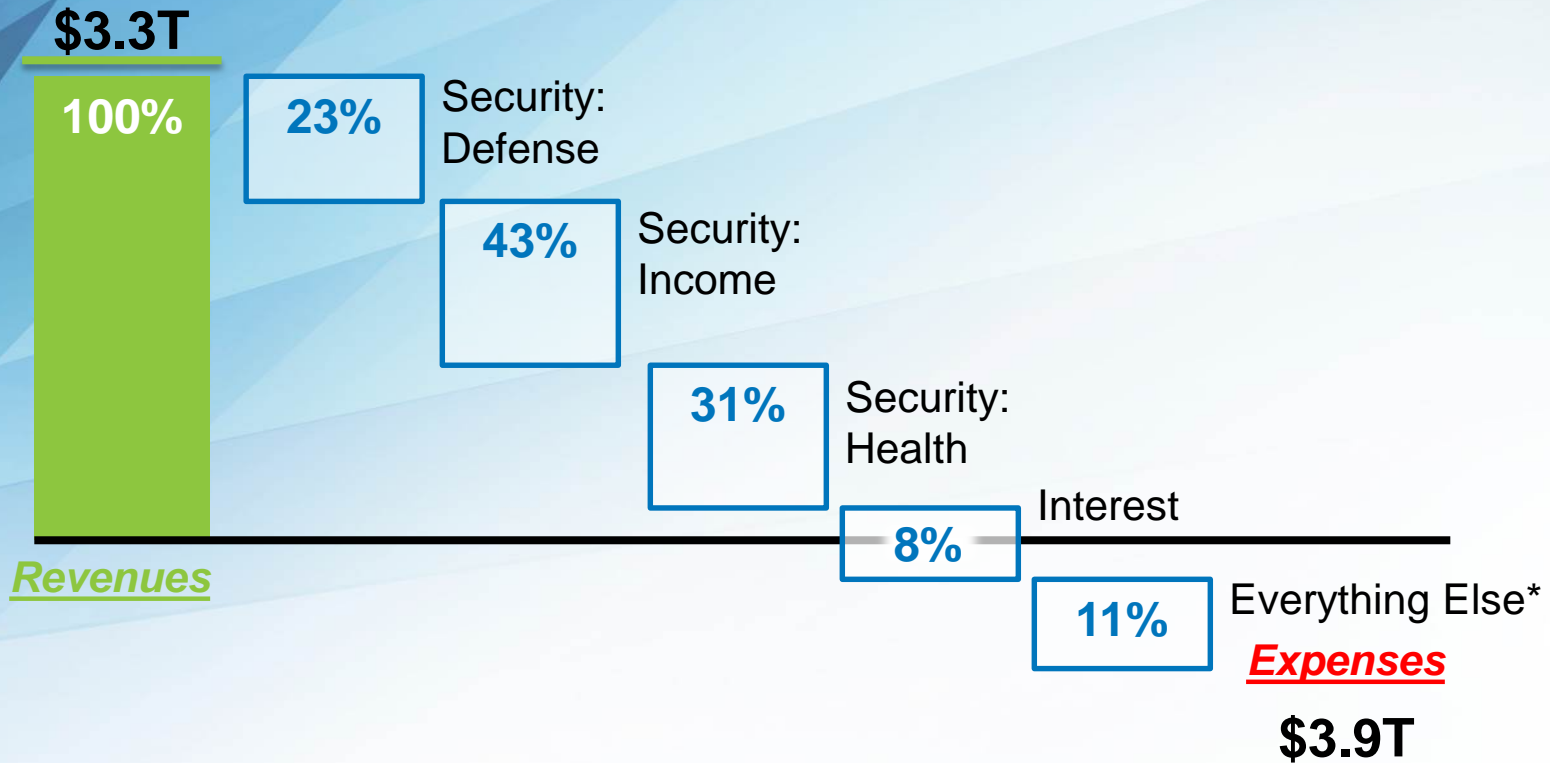


Warming the glacier? Federal budget trend



Source: CBO Baseline Budget Projection, August 2014

Large Federal programs must change



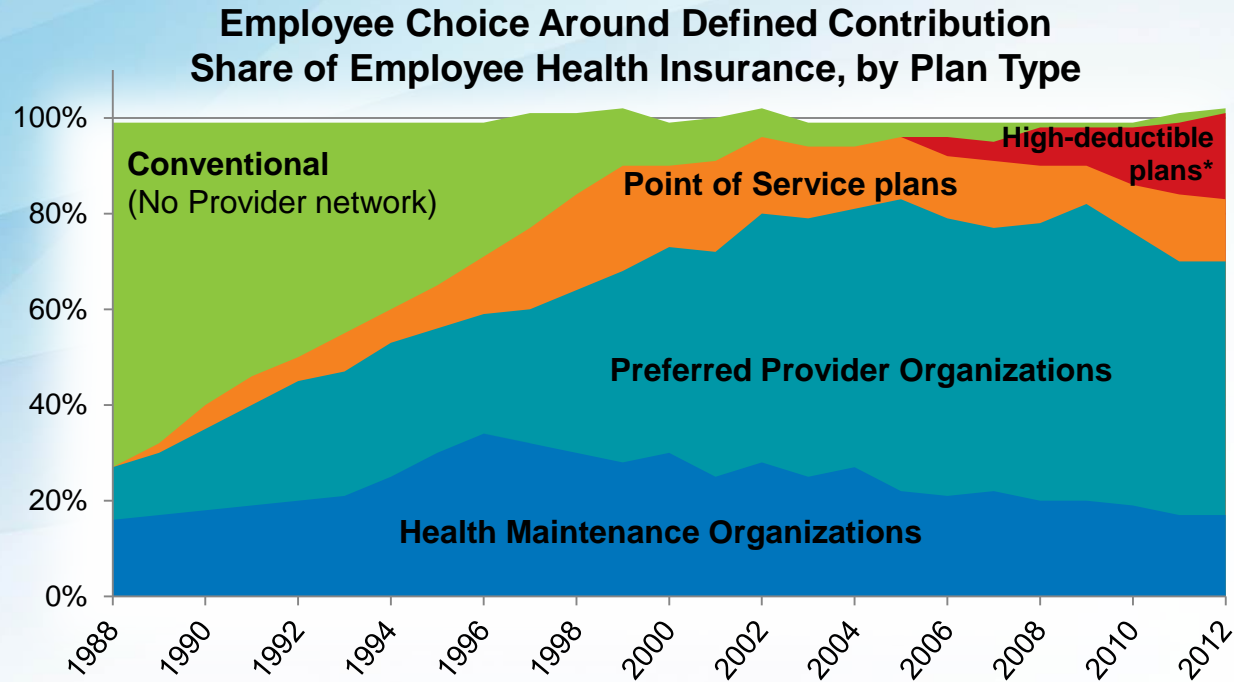
*Education, Transportation, Environment, Energy, etc.

Cost containment: past 50 years

- Pay less
 - reduce provider reimbursement
 - restrict health plan profits
- Organize to use less
 - budget and management of populations
 - provider networks, teams and protocols
- Motivate people to use less
 - increase cost sharing, economic care avoidance
 - longer term effectiveness?

Motivating people to use less

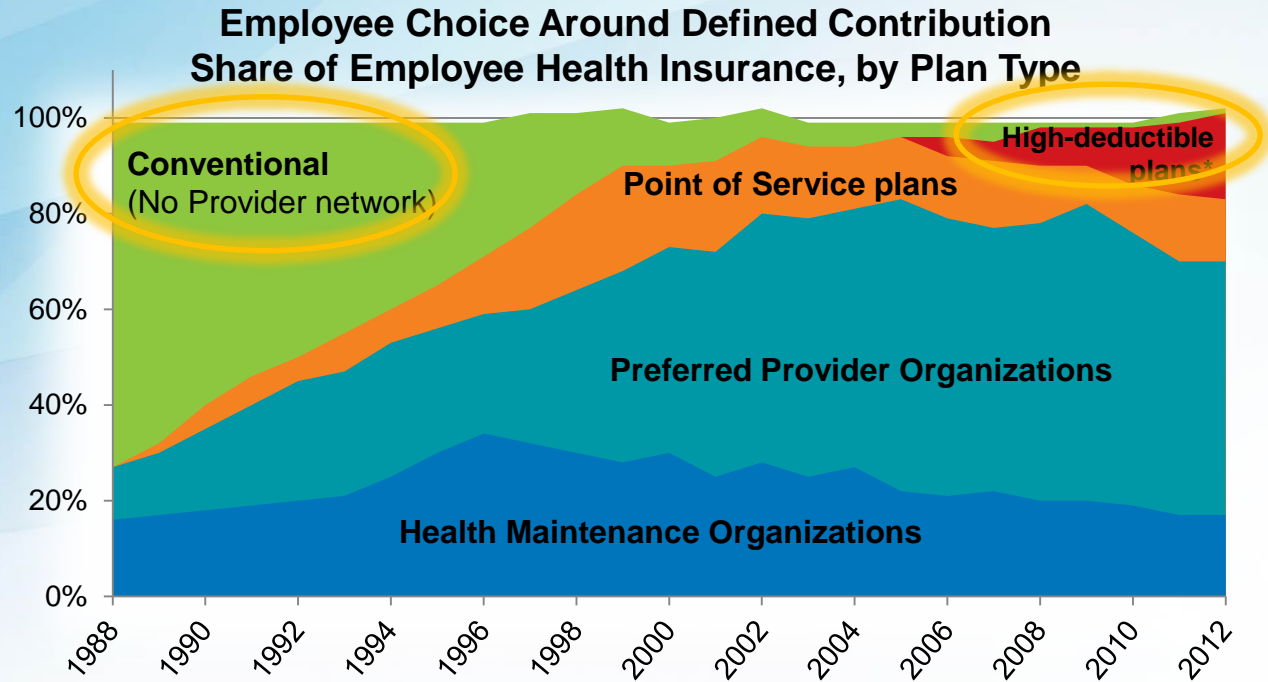
Shifting of costs to beneficiaries



Source: *Wall Street Journal*; data from Kaiser Family Foundation

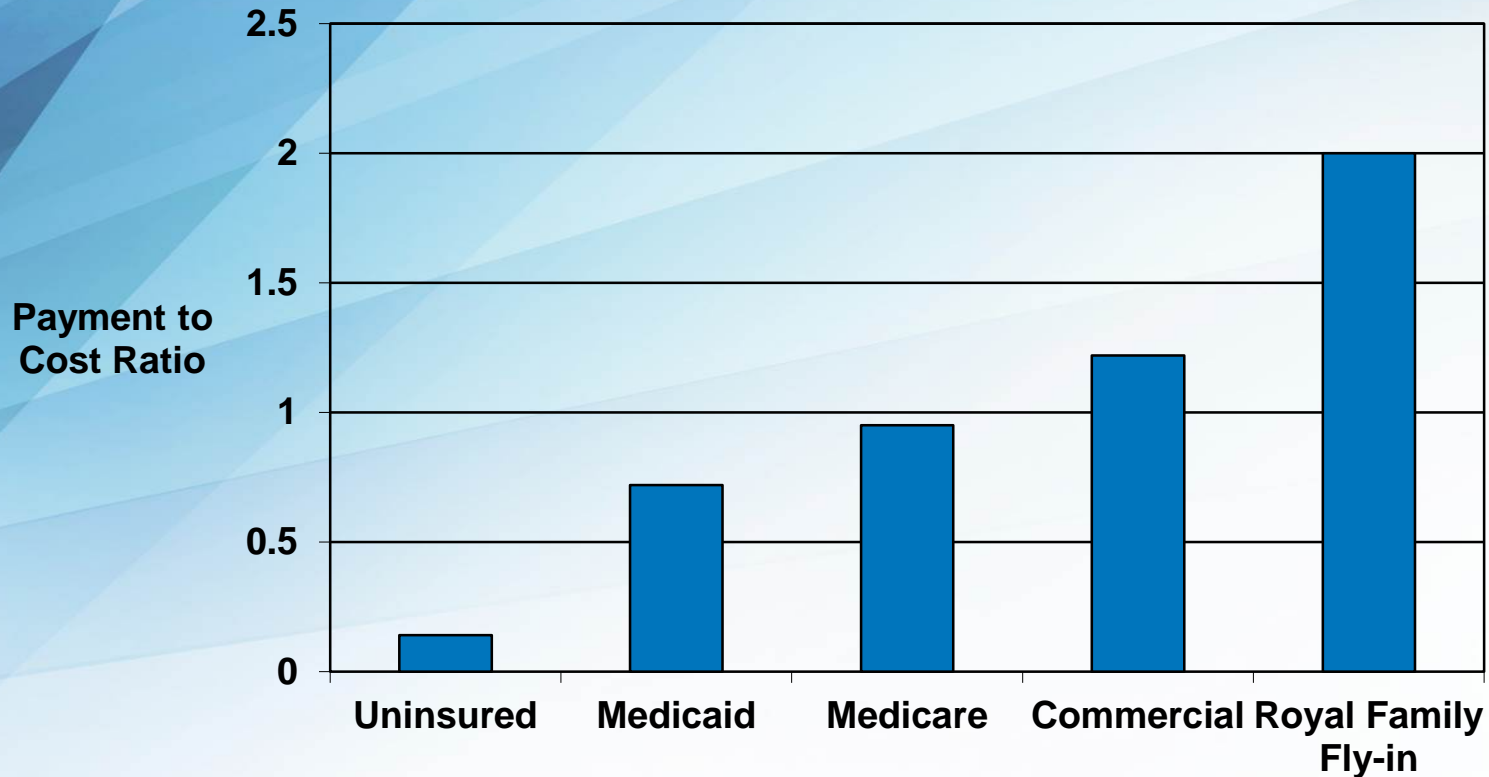
Securing better prices from tighter networks

Transition from open to performance networks



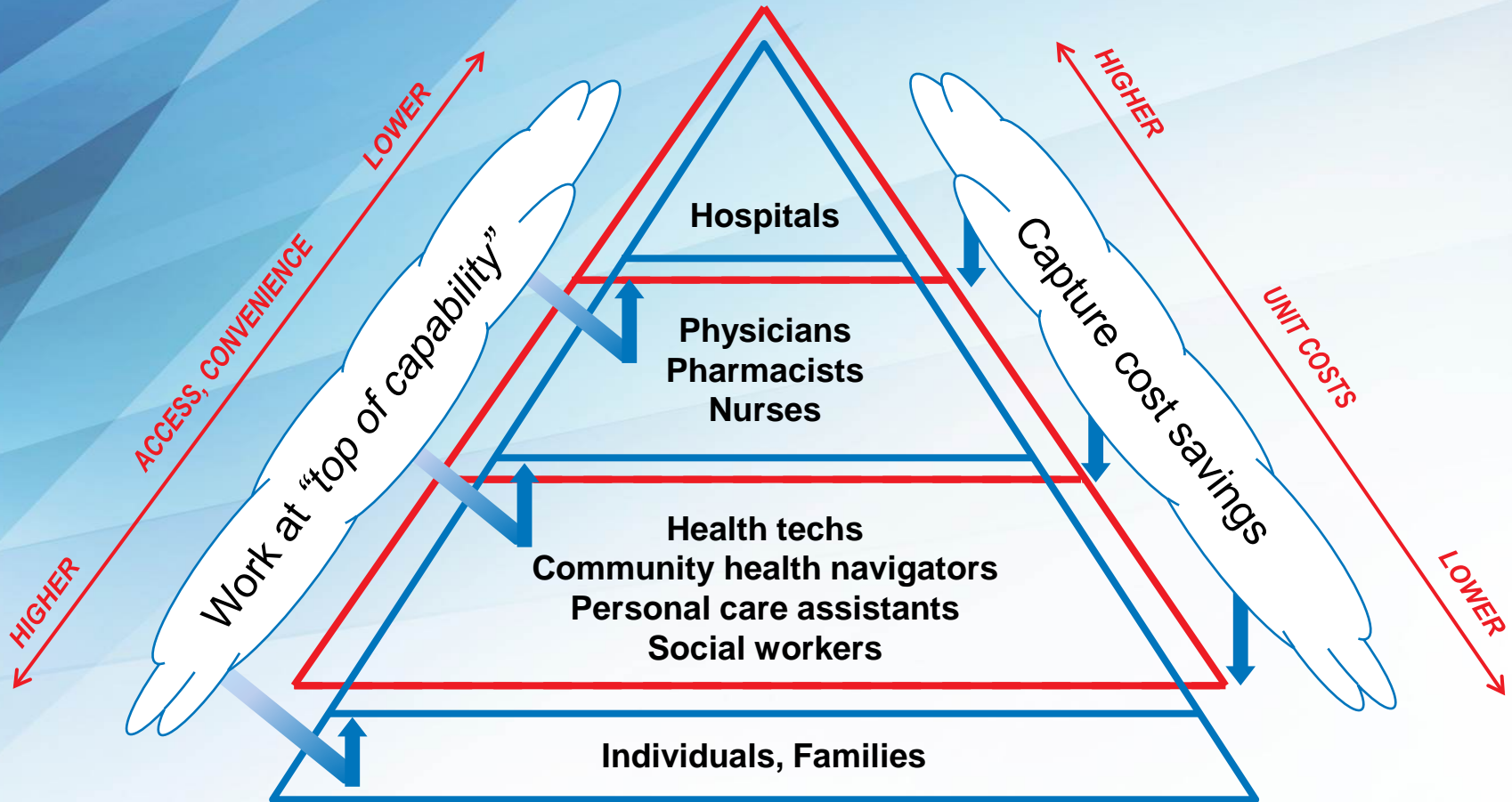
Source: *Wall Street Journal*; data from Kaiser Family Foundation

Cutting rates, shifting costs, drives disparity



Attribution: Ian Morrison

Organizing to use less: the essential reform



Change our professional roles #&!?



Our challenge: the *Community of Guilds*



American Academy
of Pediatrics



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American
Board of
Pediatrics



CHILDREN'S
HOSPITAL
ASSOCIATION



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA



American Hospital
Association



AAMC



North American Society for Pediatric
Gastroenterology, Hepatology and Nutrition



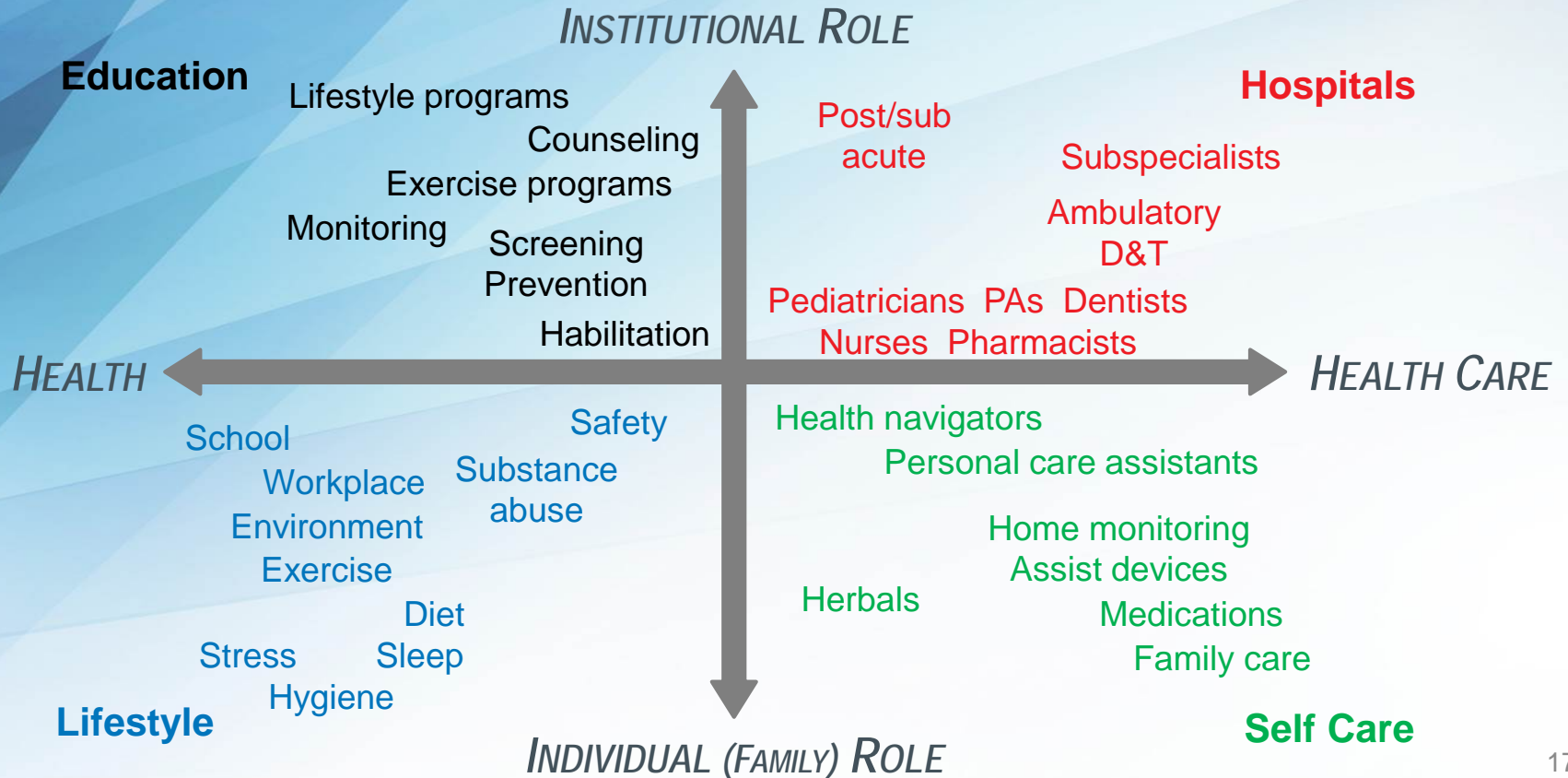
Introduction to population health

- Most abused planning term of the past 30 years
- Greatly miscast in most strategic planning processes
- Obscuring the critical role of specialized medicine
- Only true hope for improving our health as a nation

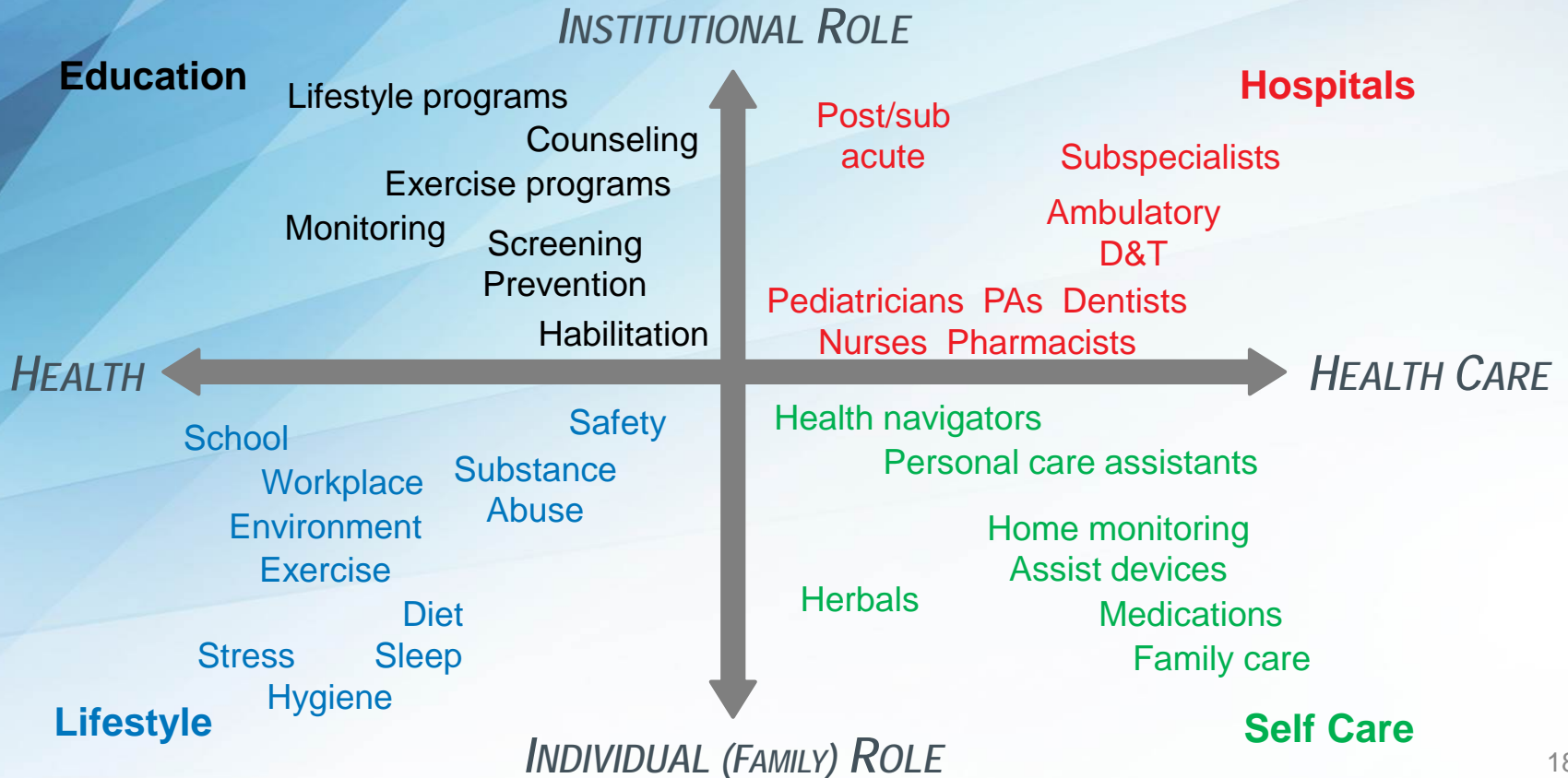
Standing in the consumer's shoes

- Frameshift to the consumer perspective
 - “individual versus institutional responsibility?”
 - “interrelationship between health and health care?”

Standing in the consumer's shoes



Standing in the consumer's shoes



Meet your neighbors in the consumer space!



Walmart: built for consumers

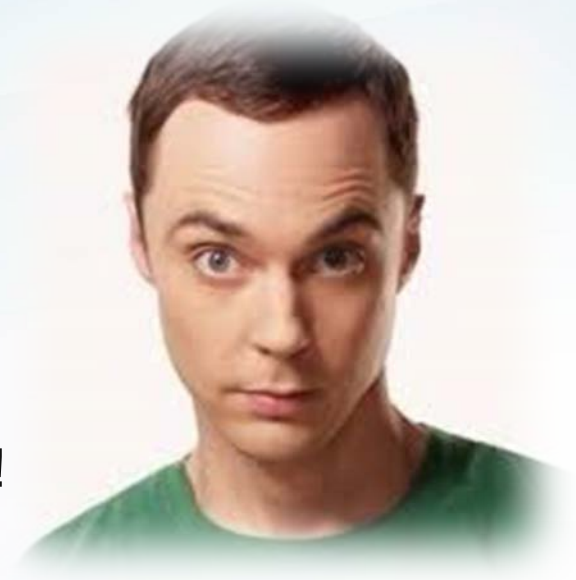
- Visits per week: 140,000,000
- # of stores: 5,000
- % population within 20 miles of a store: 90%
- % of U.S. population as customers: 70%
- % of food sold in the U.S: 30%
- Market cap: \$250 billion

Where do we fit?

- We're best-in-the-world capable, ingenious and passionate about saving and improving lives and giving hope to children in need – make miracles happen
- Our campuses are few in number, not very accessible, expensive and justly prioritized to the sickest versus the healthier children
- Why prioritize investments on attempting to manage the low costs of healthy children who don't need us?

Technology enables demand

- A life at all: 1950s
 - Prematurity, infection, polio, heart defects
- A better, longer life: 2000s
 - Allergies, attention, learning, convenience, cosmetics, mobility, motility, mood
- Perfection? 2050s?
 - Genetics: intelligence, charisma, athletics
 - Will have demand for specialized medicine!



Expectations drive demand: *We Want More!*

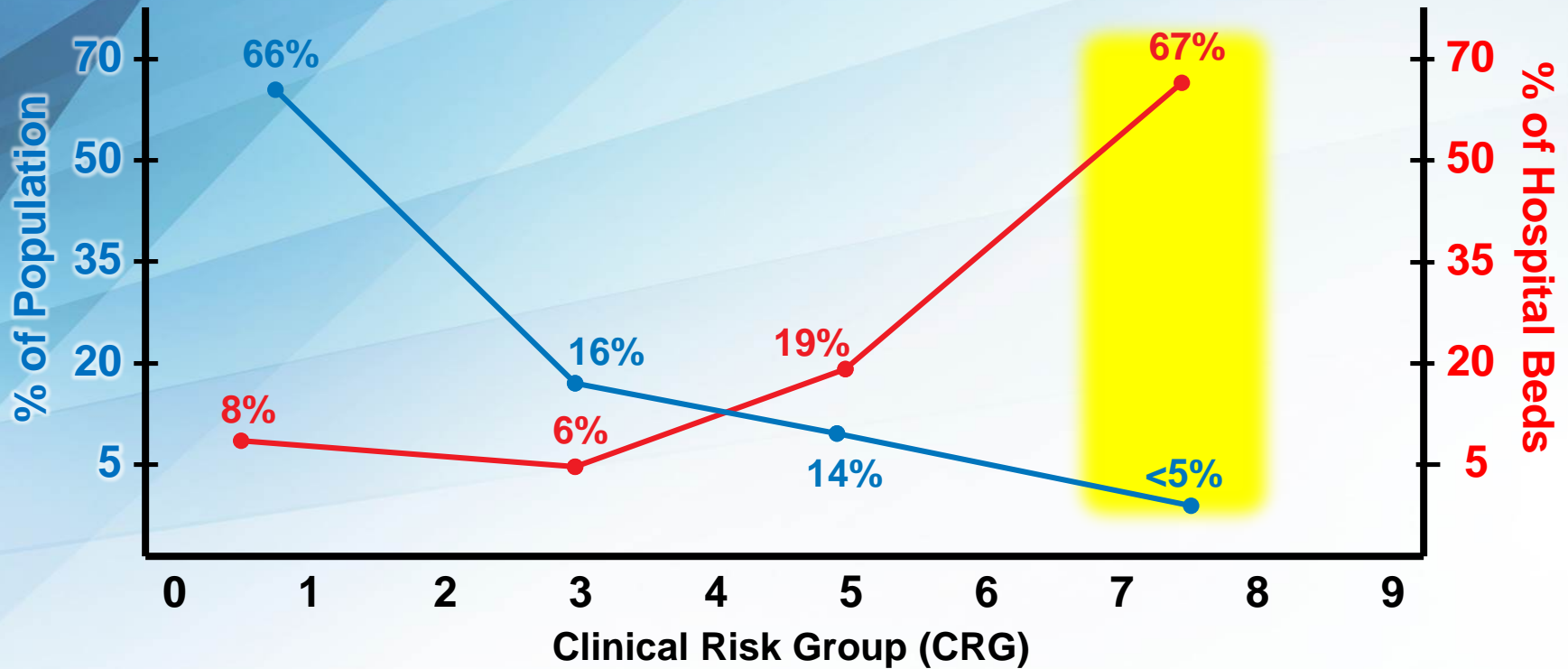


Lower costs

“Life quality”

Higher costs

Complex care is our core business



Innovation in payment and practice?



Our strategic playbook as specialists

- Standardize specialized care around best practice
- Reduce variation and out-perform the non-specialists
- Redefine our relative roles; overcome our guild silos
- *Play our role* in population health
 - use our public bully pulpit to educate and advocate
 - play our direct role where we deliver primary care
 - leaders in managing complex-chronic sub-populations
 - partner to get into the consumer game



CHILDREN'S
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ASSOCIATION

Thank you!

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