

HEALTH WEALTH CAREER

HEALTHCARE INNOVATION

IMPACTS ON THE DELIVERY AND MANAGEMENT IN HEALTHCARE THROUGH INNOVATION

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Principal

April 2017



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PRINCIPAL**

Michael Garrett possesses more than 30 years of experience in managed care, care/case management, utilization management and review, chronic condition management, health information technology, healthcare quality, and population health management services. This has included operational leadership, business development, and consulting roles. His experience includes developing and implementing new care delivery models, such as patient centered medical homes and accountable care organizations (ACOs). Michael has experience working in a range of benefit programs, including self-funded health plans, workers' compensation, Medicaid, and Medicare. He currently serves on URAC's health standards committee and the editorial board of Professional Case Management. He has served as an author, editor, and contributor on six case/care management books as well as the author of numerous journal articles in the field.

Michael holds a Master's degree in clinical psychology from the University of Idaho and a Bachelor's degree in psychology from Gonzaga University. He is also a Certified Case Manager and a Nationally Certified Psychologist.

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PRESENTATION OBJECTIVES

- Provide an introduction and background on healthcare innovation
- Identify the risks and opportunities of healthcare innovation
- Describe the explosion of innovations on the healthcare market by segment/domain
- Discuss the impact of healthcare innovation by stakeholder, including consumer, providers, administrators and plan sponsors
- Identify how the innovation adoption cycle impacts plan sponsors in embracing innovation

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HEALTH INNOVATION
CURRENT STATE OF EMPLOYER (AND CONSULTANT?)
INNOVATION

TRAILBLAZERS, at the leading edge of health benefits innovation and driving the direction of the road...

... while many are EVALUATING from the sidelines, and looking for solutions that are fully tested/tried/true.

Evaluators

Trailblazer

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MARKET TRENDS
"EXPLOSION" OF INNOVATION

Emerging Innovation Trends

<p>EMPOWERED CONSUMER</p> <ul style="list-style-type: none"> Digital navigation & gamification Advocacy/concierge Quality provider navigation Expert medical opinion <p>ENGAGEMENT</p>	<p>TOTAL WELL-BEING</p> <ul style="list-style-type: none"> Mental and emotional health Resiliency Financial wellness Family health, fertility <p>HEALTH IMPROVEMENT</p>
<p>COST DRIVERS</p> <ul style="list-style-type: none"> Chronic disease Musculoskeletal Oncology Centers of Excellence <p>MANAGE COST</p>	<p>PERKS</p> <ul style="list-style-type: none"> Onsite services Child care Personal pampering/relaxation Entertainment <p>ATTRACTION & RETENTION</p>

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HEALTH INNOVATION
WEIGHING THE RISKS AND OPPORTUNITIES

The risks of innovation

Will this fit my company culture?

So many new options - where do I start?

How do I fit it within my broader strategy?

Will this cost me a lot to implement?

What if it fails?

How will this impact my career?


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HEALTH INNOVATION WEIGHING THE RISKS AND OPPORTUNITIES

Unprecedented Industry Change + New Players And New Options

- 1 Broad regulatory changes
- 2 Dramatic changes to payor/ provider roles
- 3 Growing consumer accountability / expectations
- 4 Multi-generational behaviors and needs
- 5 Industry consolidation (carriers and beyond)



Perhaps...not innovating is riskier than innovation itself

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HEALTH INNOVATION WEIGHING THE RISKS AND OPPORTUNITIES

Innovation is a Way of Diversifying Your Healthcare Portfolio

Putting all of your eggs into one basket... (Strategy, vendor, etc.) ...versus innovation portfolio diversification

Long-term risk	High	Low/Medium
Return potential	Low/Medium	Medium/High
Flexibility	Low	High

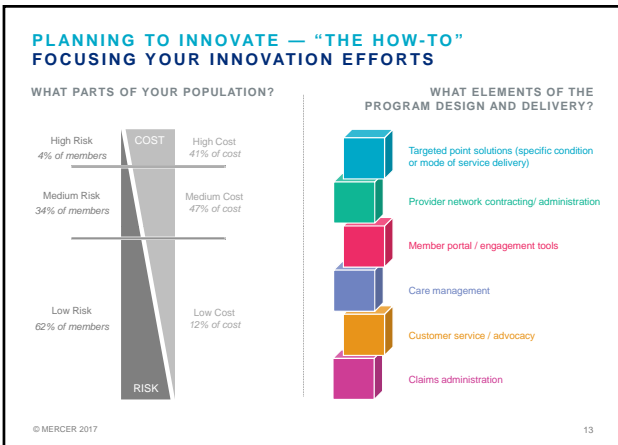
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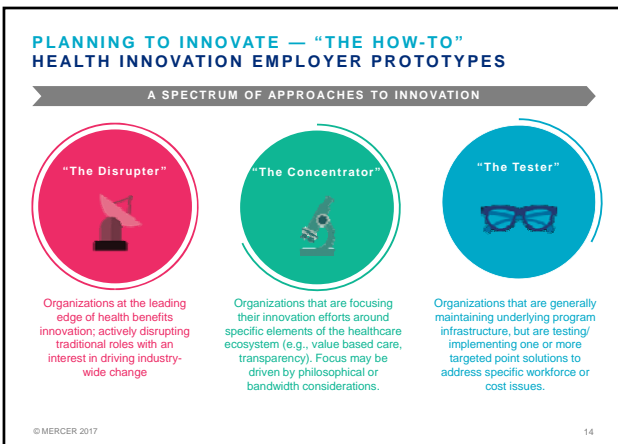
INNOVATIVE APPROACHES PROVIDE ACTIONABLE COST CONTAINMENT LEVERS FOR EMPLOYERS A PLATFORM FOR ACTION

Condition Focus	Emerging Core Components Across Programs		Type of Program
Physical Activity/Wellness	Advocacy • Conierge level assistance to streamline the member experience Navigation • Directing members to the right solution at the right time Incentives/Challenges • Intrinsic or extrinsic motivators to promote program engagement	Communications • Broad-based or personalized marketing materials to promote programs Delivery Infrastructure • Delivery either through an employer-sponsored plan or an exchange	Pharmacy
Financial Wellbeing			Transparency
Sleep			Telehealth
Weight/Nutrition			2 nd Opinion
Resiliency/Mental Health			Care Coordination
Condition-specific (e.g., Diabetes)			Onsite/Near-site
Pregnancy/Family			Narrow Networks
Smoking			Centers of Excellence

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INNOVATION AND INFORMATION

- Innovation and technologies are impacting the four kinds of information that matter in healthcare
 - Information about the **state of your internal systems** (from your imaging and lab-test results, your genome sequencing)
 - The **state of your living conditions** (your housing, community, economic and environmental circumstances)
 - The **state of the care you receive** (what your practitioners have done and how well they did it, what medication and other treatments they have provided)
 - The **state of your behaviors** (your patterns of sleep, exercise, stress, eating, drinking, sexual activity, adherence to treatments)

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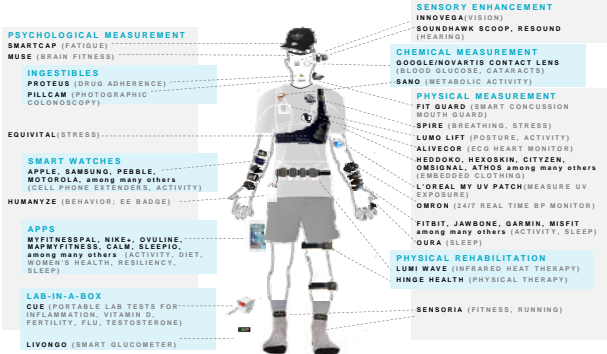
THE CONNECTED HEALTHCARE NEIGHBORHOOD



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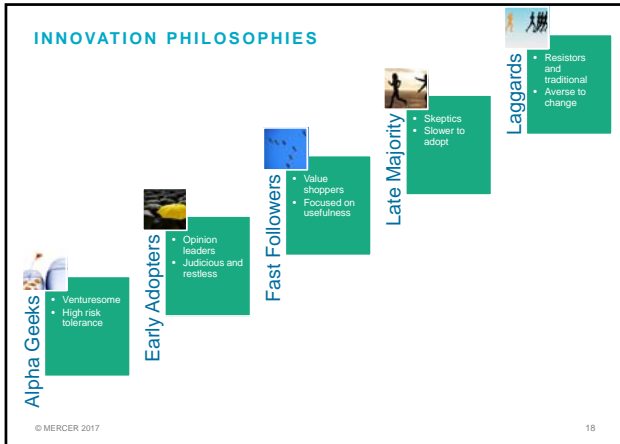
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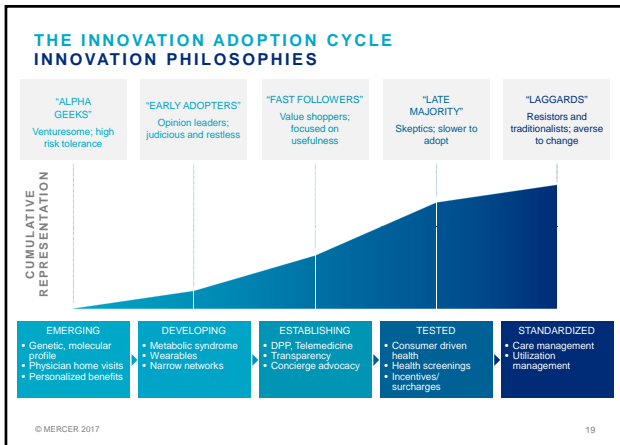
THE CONNECTED HUMAN BODY 2.0

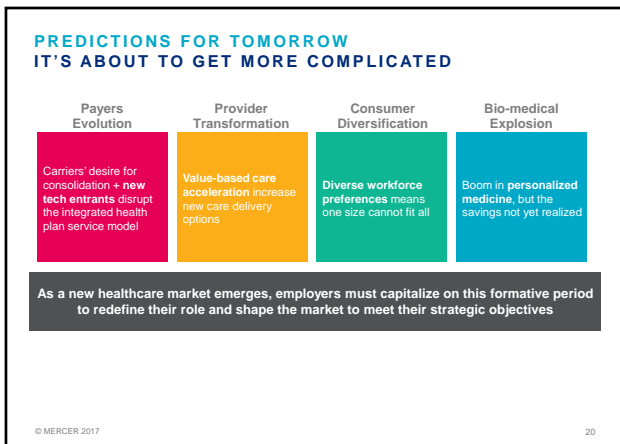


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FIVE KEY IMPERATIVES FOR HEALTHCARE INNOVATION

- 1 Making Value the Central Objective**
In isolation, efforts to either reduce costs or improve outcomes are insufficient; we need to do both through care coordination and shared information.
- 2 Promoting Novel Approaches to Process Improvement**
Instead of largely focusing on product innovation, we also must create an environment that encourages process improvement and acknowledges that "failure" represents an important component of experimentation and learning.
- 3 Making Consumerism Really Work**
Today, consumerism remains a strong idea with weak means of execution. We will achieve greater success when providers organize efforts around patient needs and when patients become more active agents in managing their own health.
- 4 Decentralizing Approaches to Problem Solving**
We should facilitate the movement of care delivery and healthcare innovation from centralized center of expertise out to the periphery, where more providers, innovations and patients can engage in collaborative improvement efforts.
- 5 Integrating New Approaches into Established Organizations**
Our future must build on past successes. Existing healthcare institutions must be reinforced with efforts to integrate new knowledge into established organizations and the communities they serve.

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PARTING COMMENTARY ON HEALTHCARE INNOVATION

Success is not delivering a project or product; success is learning how to make your customers great at what your customers care about

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MAKE  **MERCER**
TOMORROW,
TODAY

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