

# Behavioral Health Workforce Education and Training Inter-professional Integrated Health Education Series

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# Disrupting Healthcare

## Creating a System That Cares More and Costs Less

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CEO Skye Solutions  
November 20, 2019

# Why Innovative Disruption is Needed

Healthcare is Killing US:

Physically  
Financially  
Spiritually

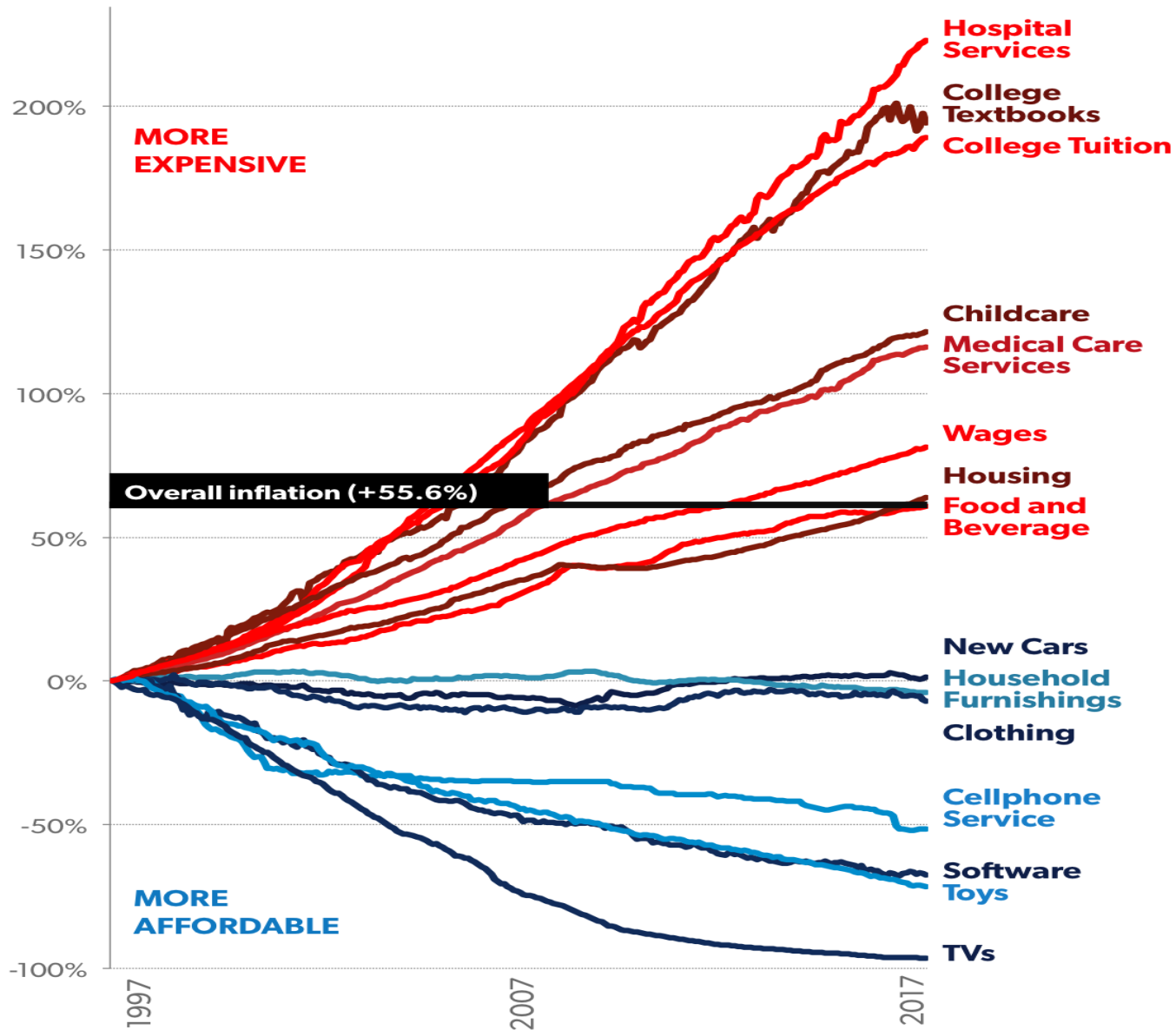






# Price changes (Jan. 1997–Dec. 2017)

Selected US Consumer Goods and Services, and Wages



Source: BLS

# \$500,000

The amount every American could have in their retirement accounts if not for the ballooning costs of healthcare over the past 20 years

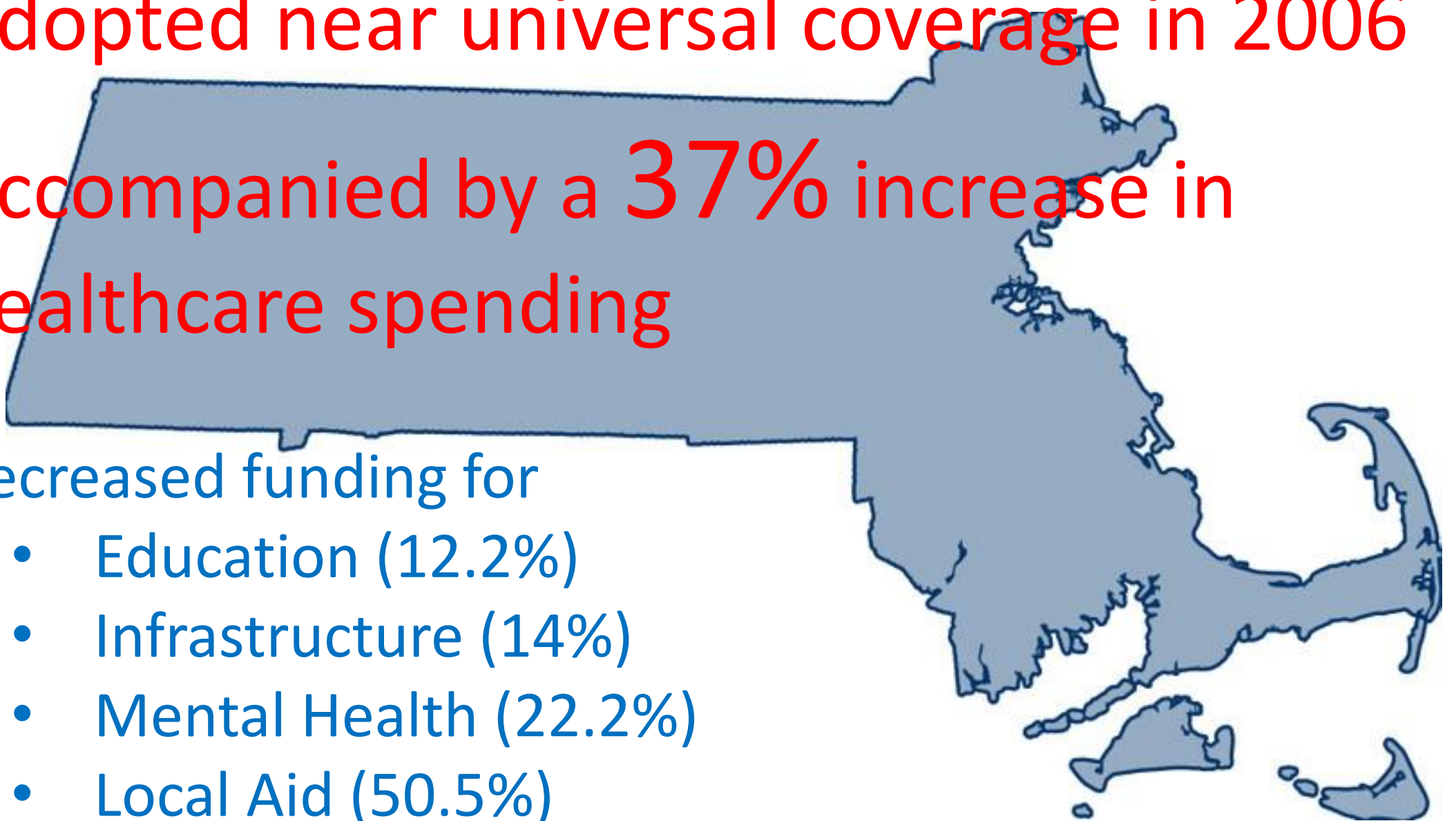


Adopted near universal coverage in 2006

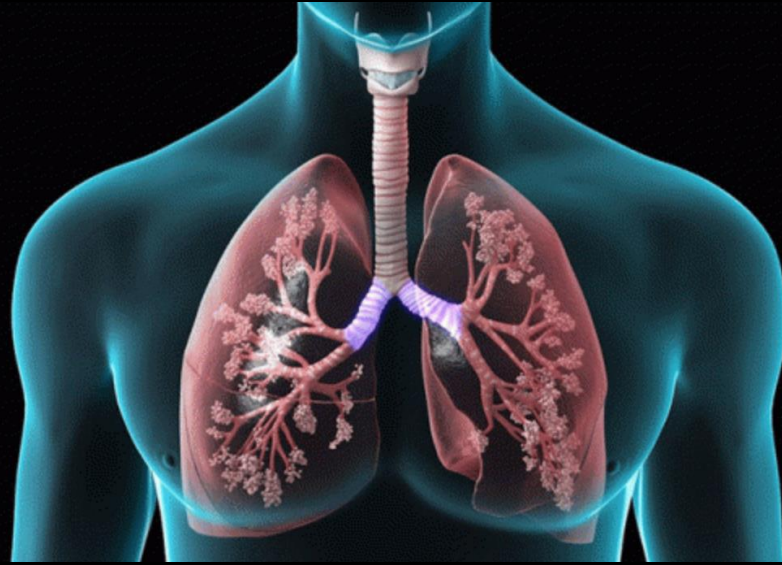
Accompanied by a 37% increase in  
healthcare spending

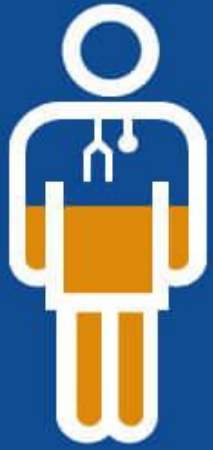
Decreased funding for

- Education (12.2%)
- Infrastructure (14%)
- Mental Health (22.2%)
- Local Aid (50.5%)



**From Commercial Pay to Medicare**  
**10,000 Per Day**





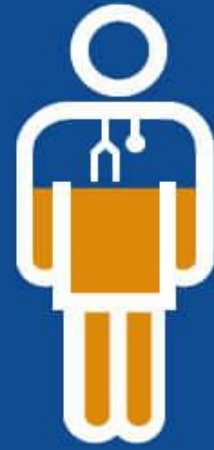
**54%**

of doctors  
say they are  
burned out.<sup>1</sup>



**88%**

of doctors  
are moderately  
to severely stressed.<sup>2</sup>



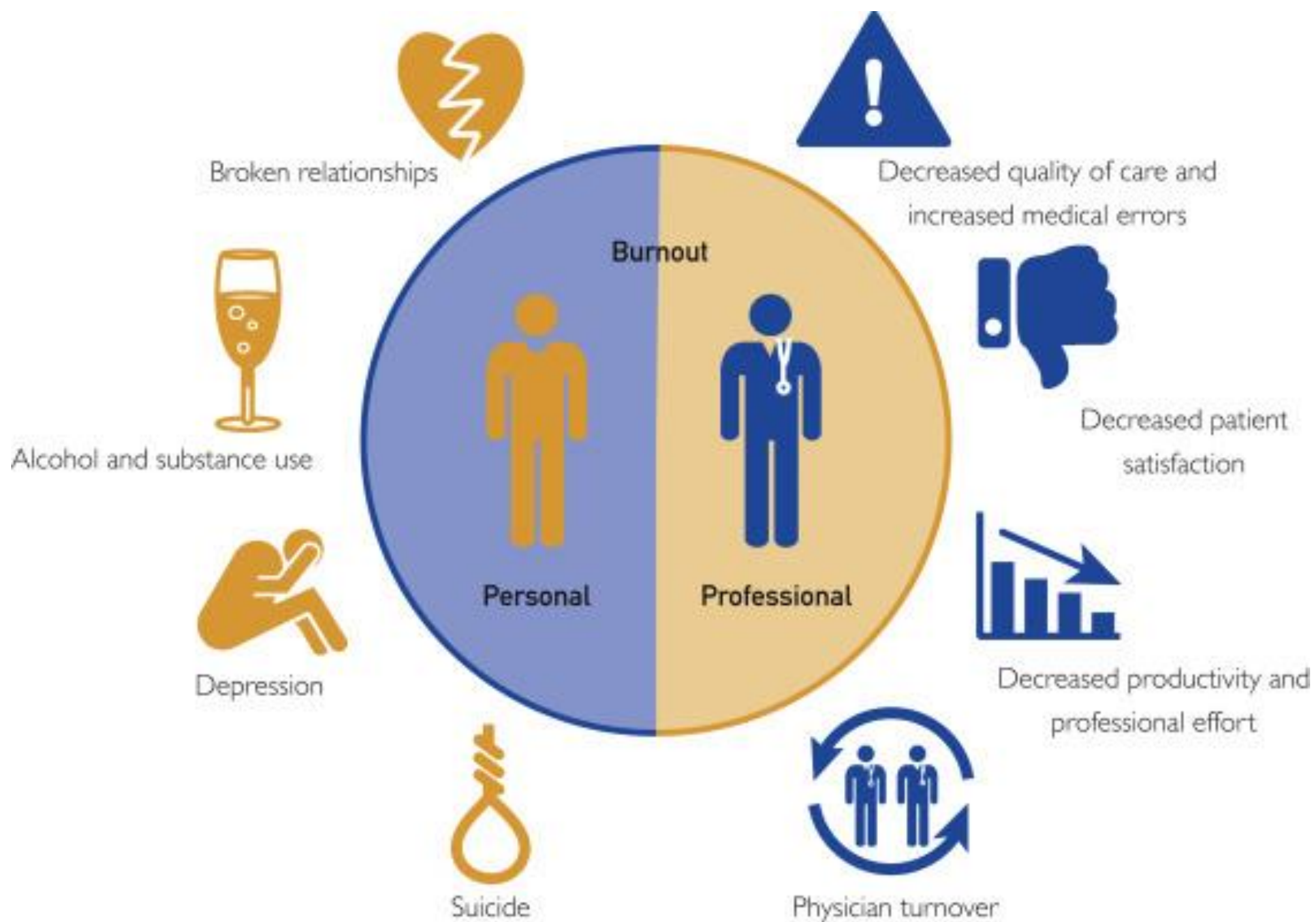
**59%**

of doctors  
wouldn't recommend  
a career in medicine  
to their children.<sup>3</sup>

1. Mayo Clinic 2014.

2. VITAL WorkLife & Cejka Search Physician Stress and Burnout Survey 2015.

3. Jackson Healthcare; 2013 Physician Outlook and Practice Trends.




Consumers are demanding  
change!



170 million

\$738 billion

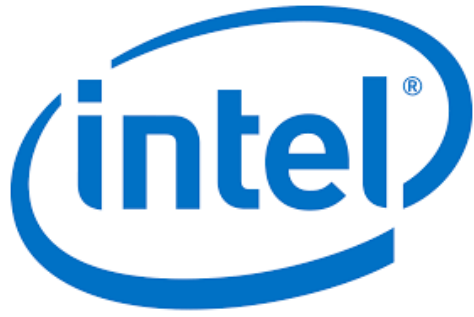


GM - Henry Ford Health  
26,000 covered lives “at risk”  
lower costs  
19 quality and patient satisfaction metrics  
concierge service  
same day primary care  
less than 10 days for specialty care.



A St. Louis medical provider has pledged to cut Boeing's average per family healthcare cost by more than half (from \$15,849) by applying the same commitment to better quality, increased reliability, and lower cost to healthcare as Boeing does to building aircraft





**PEPSICO**



Tropicana



**Disney**



03%

2018

11%

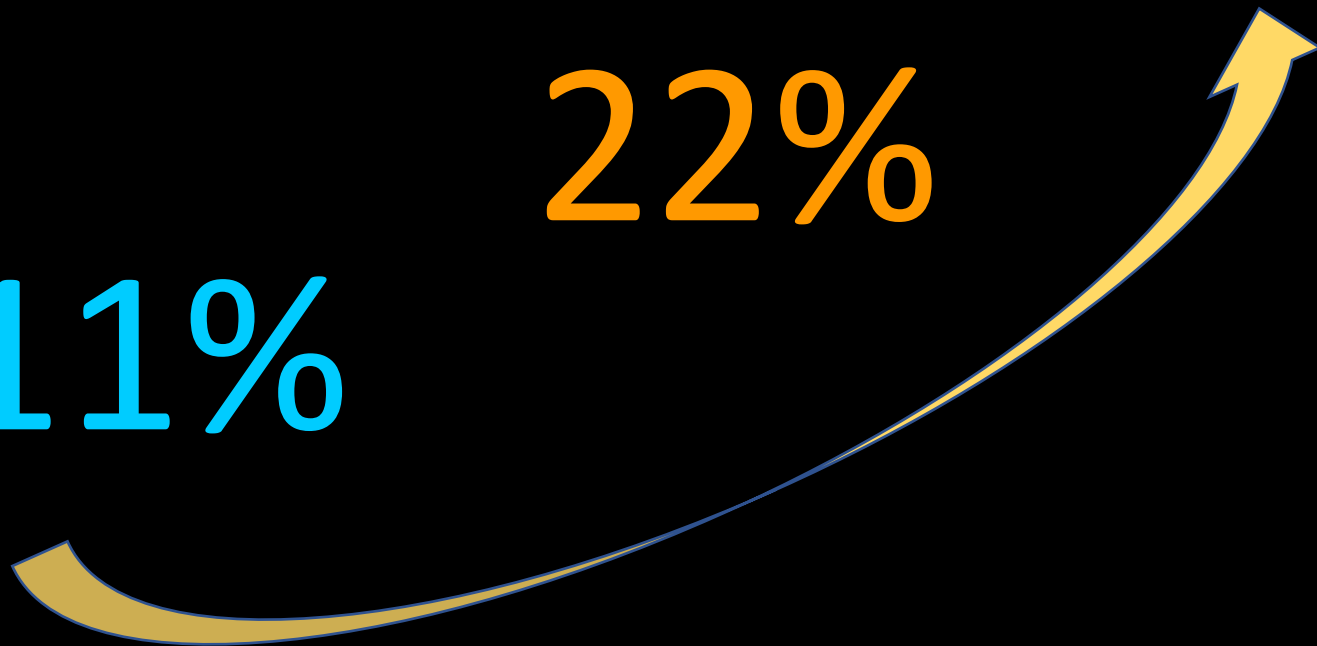
2019

22%

2020

??%

2021



# Emerging Competition

# Innovative Competitors

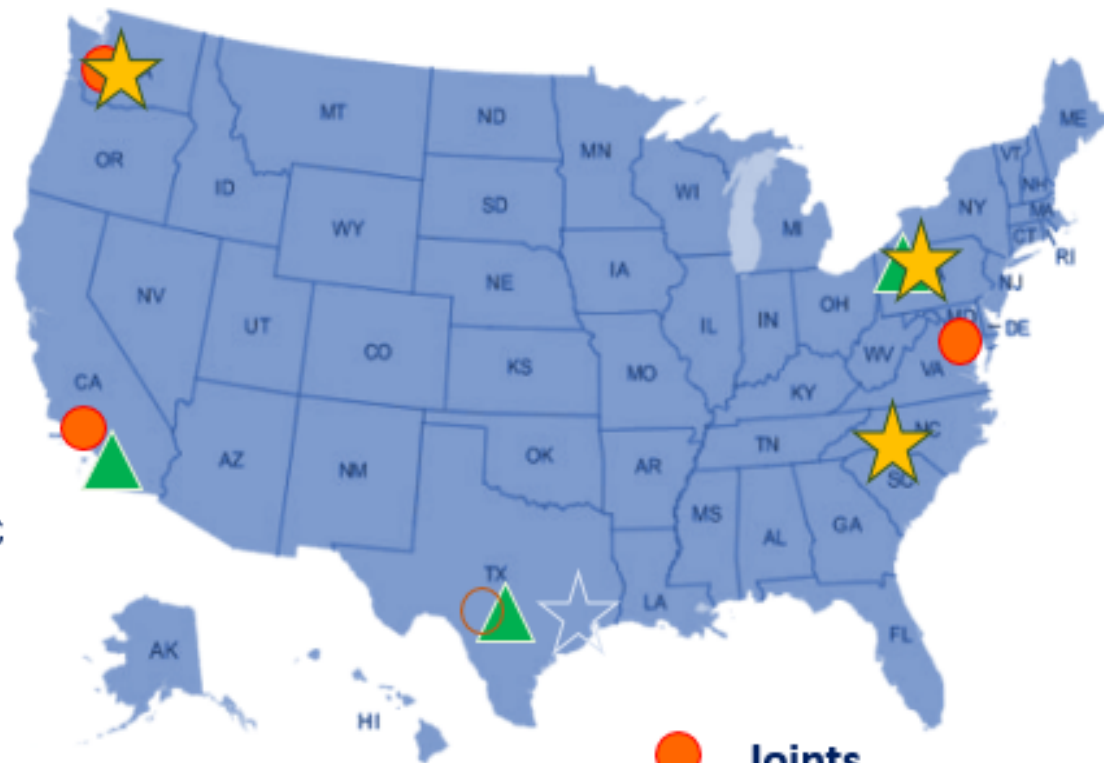
1. Centers of Excellence
2. Direct Contracting with Providers
3. Focus on Preventative Care
4. Free Market Providers
5. Health Advocacy Services for Employees



**Employers Centers of Excellence Network**

# ECEN Centers of Excellence

- ★ ● Virginia Mason Medical Center  
*Seattle, WA*
- Kaiser Permanente, Irvine Medical Center  
*Irvine, CA*
- Johns Hopkins Bayview Medical Center  
*Baltimore, MD*
- ★ Carolina Neurosurgery & Spine Associates/CMC  
*Charlotte, NC*
- ★ ▲ Geisinger Medical Center  
*Danville, PA*
- ▲ Northeast Baptist Medical Center  
*San Antonio, TX*
- ▲ Scripps Mercy Hospital  
*San Diego, CA*



**20-50%**

Of referred patients  
do not undergo surgery

20% - Joint Replacement

40% - Transplants

50% - Spine Surgery



**10%**

Of cancer patients received entirely  
new diagnosis...including  
**NO CANCER**





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Optimity

PROPELLER HEALTH

Health  
Smart®



omada

iorahealth

USMM.  
U.S. Medical Management®



centurion™

NextHealth  
TECHNOLOGIES  
INSIGHTS THAT WORK

cmg  
COMMUNITY MEDICAL GROUP

# Focus on Prevention - iorahealth

Felt that fee for service encouraged over-utilization (30 %)

Thought that spending only 3-4 % of money on primary care was upside down

Thought IT systems were designed to help hospitals but not patients.

- Went “at risk” with clients
- Increased PCPs and Health Coaches
- Reduced hospitalizations by 40%
- Reduced client healthcare cost 15 to 20%

## The Mission of Iora Health - Explained by Rushika Fernandopulle



<https://www.youtube.com/watch?v=1RpP0MOCrVA>

# Free-Market Loving, Price Displaying Providers

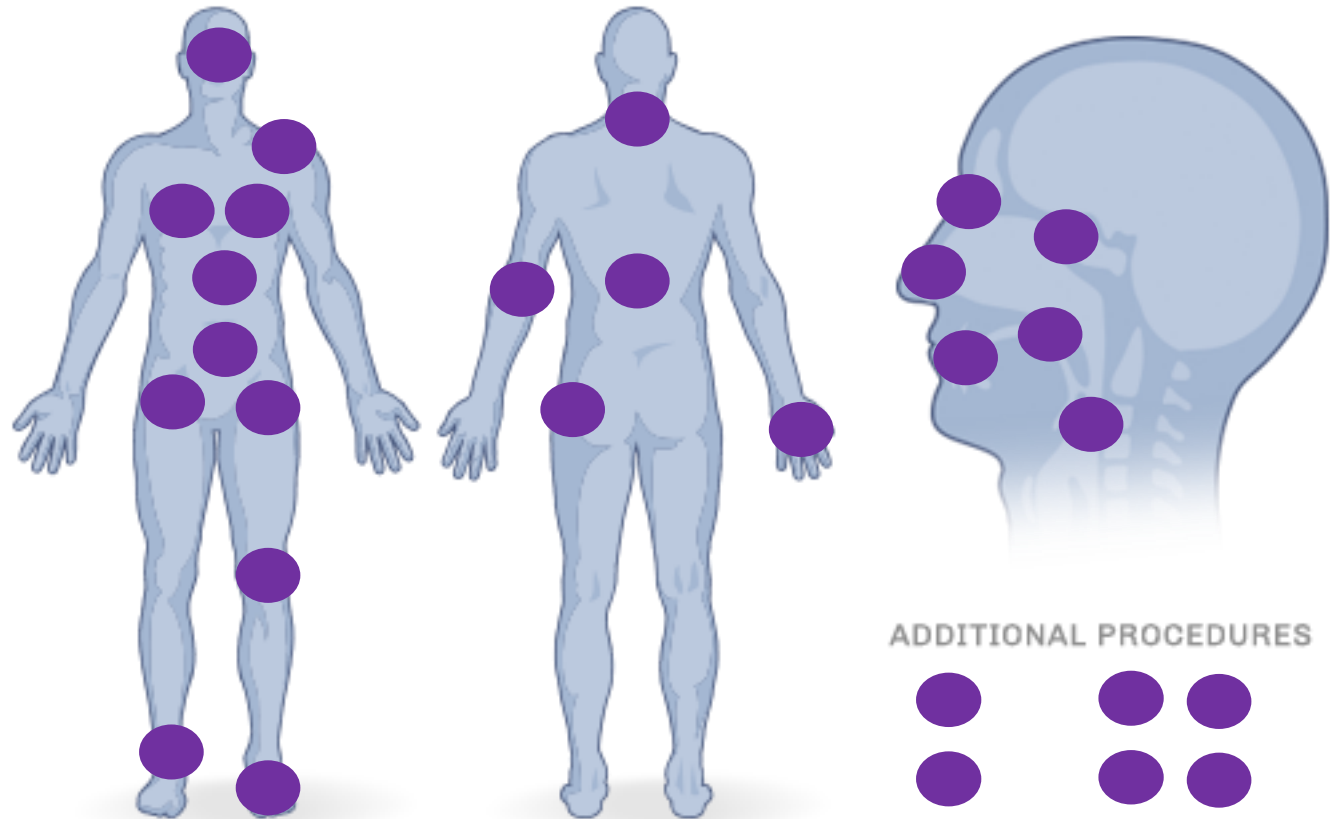


Lists prices for more than **200** outpatient procedures on its website - everything from plastic surgery to a hip replacement.

Also discloses information about infection rates, and relies heavily on patient reviews.

## Surgery Pricing

Click on an area of the body where a surgery or procedure is needed. Use this tool to find a price and request a specialist to contact you.



# Free-Market **Loving, Price Displaying Providers**



## Hysterectomy

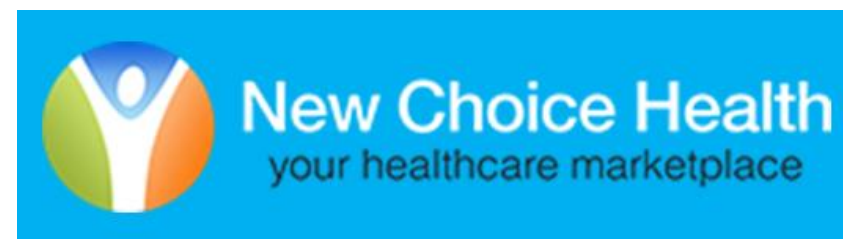
**\$8,000 vs. \$38,000**

Includes the cost of the procedure, an overnight stay, a follow-up appointment, and any pre-procedure consults



# Potential Competition Narayana Healthcare Moves to the Caymans

# Blueprint for High-Performance Health Benefits







## Old Man and the Sea

Santiago=Hospital Leadership

Marlin=Customers

Sharks=Innovative Competition

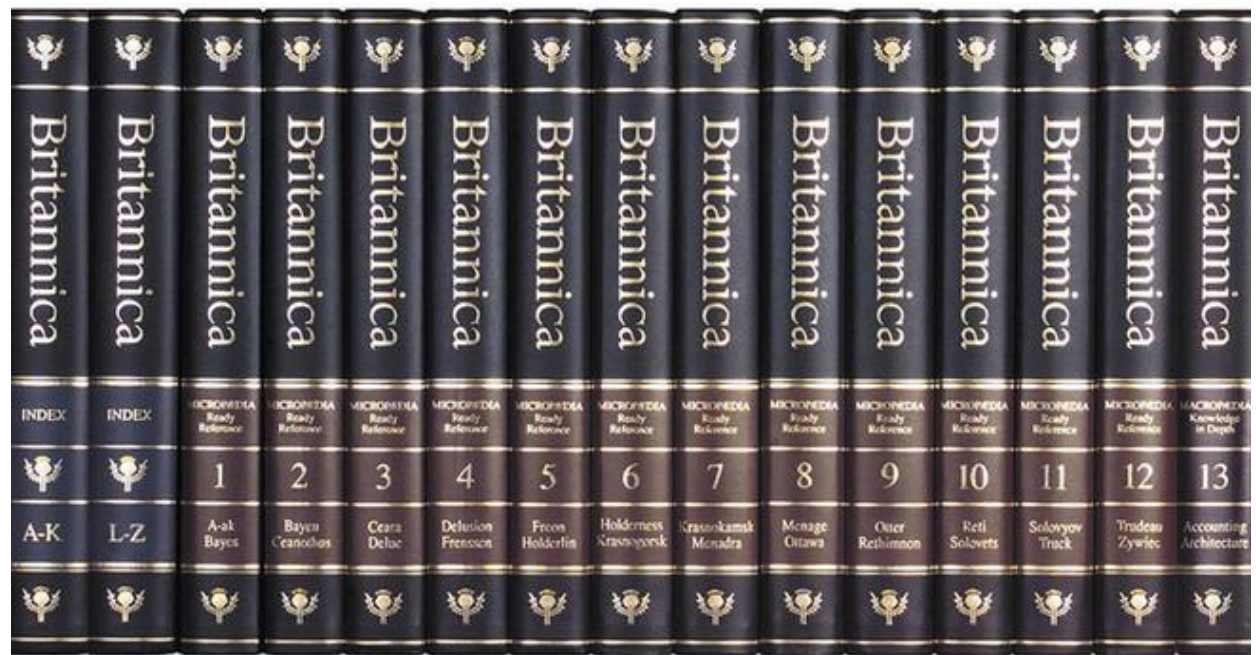
Anything that can be done cheaper outside the hospital will be done outside the hospital. 65% of costs in a hospital are overhead, which makes it a target rich environment for innovative competition.

# The Future of Hospitals



Anyone Can  
Innovate,  
But...





Efficiency Sustaining Disruptive



1. Innovation Incubators

2. Centers of Excellence

3. Population Health & Wellness

4. Commodity Care at Low Cost

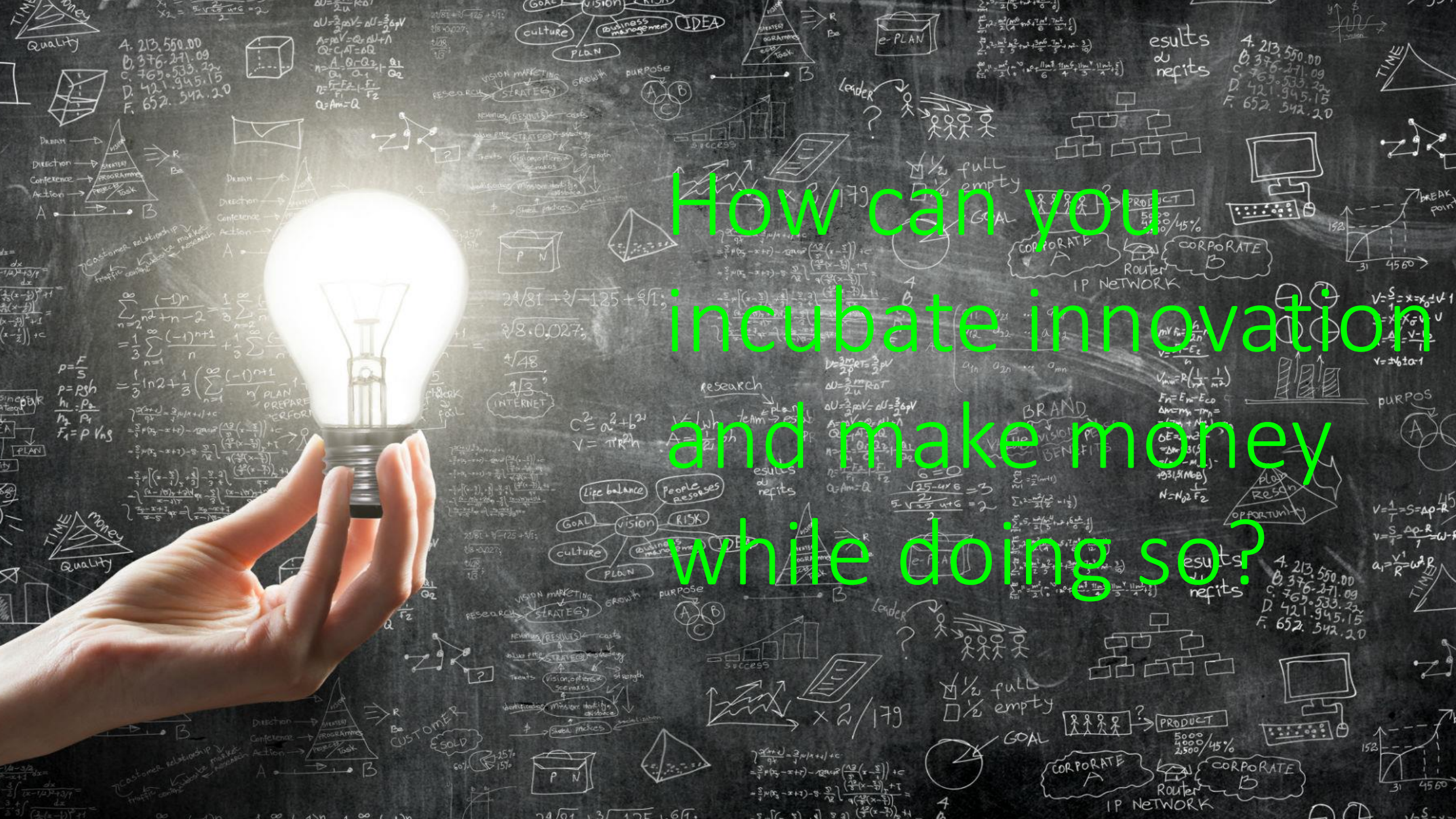
5. Membership / Concierge



\$485m Hedge Fund

\$178m Students





How can you  
incubate innovation  
and make money  
while doing so?

1. Innovation Incubators
2. Centers of Excellence
3. Population Health & Wellness
4. Commodity Care at Low Cost
5. Membership / Concierge



laura mercier

laura mercier

laura mercier

LANCÔME

CLINIQUE

New from CLINIQUE 100% Fragrance Free

CLINIQUE

CLINIQUE

**STAPLES**

**BARNES & NOBLE**

**DICK'S**  
SPORTING GOODS

**THE HOME DEPOT**

**BEST BUY**

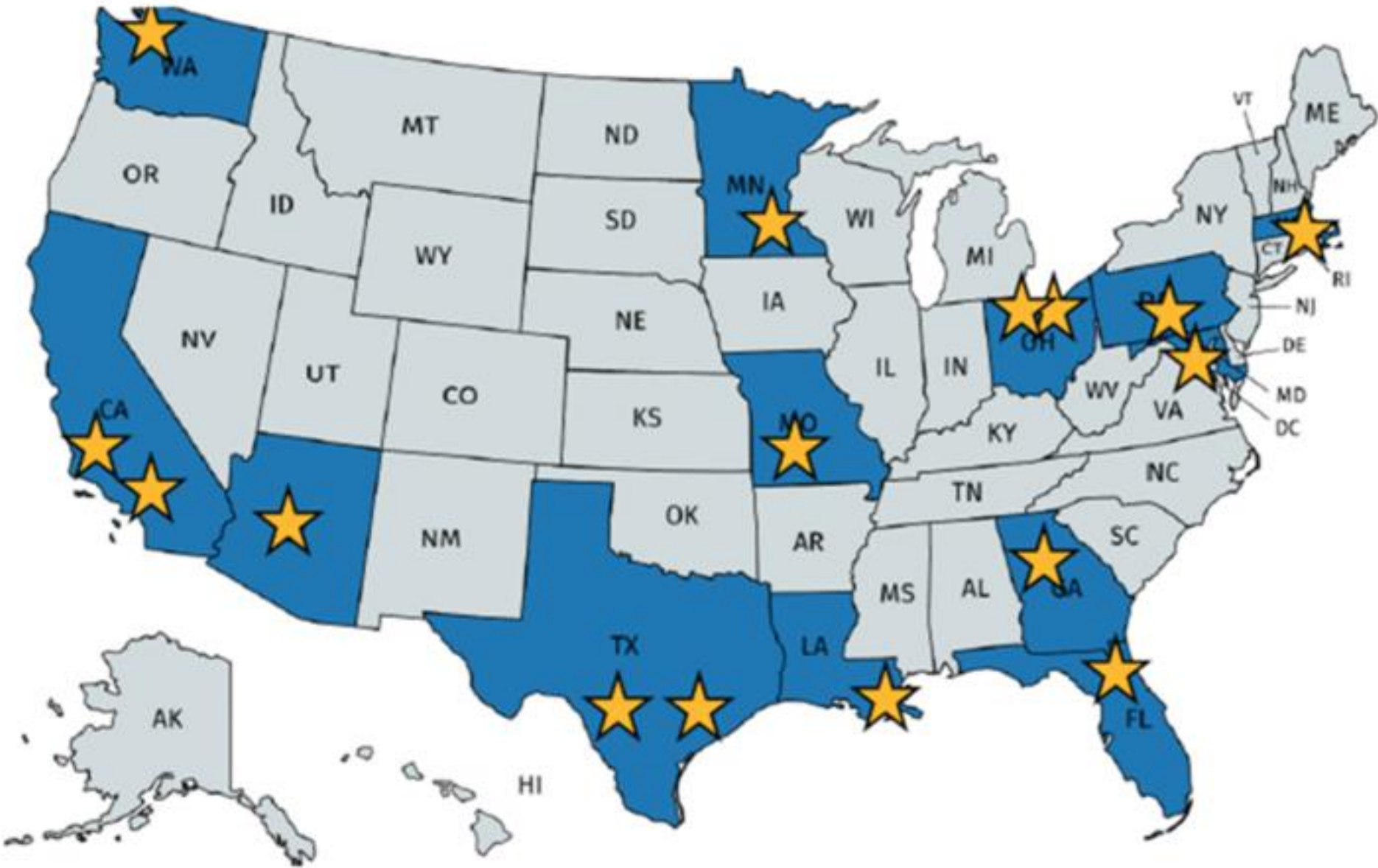
**M**  
MEN'S WEARHOUSE  
**W**

**WILLIAMS  
SONOMA**

**TJX**

**DSW**  
DESIGNER SHOE WAREHOUSE

# Walmart ✨ Centers of Excellence Network



What are you really good at?

What do you do so well that  
people will travel 1000s of  
miles to access your service?

1. Innovation Incubators
2. Centers of Excellence
3. Population Health & Wellness
4. Commodity Care at Low Cost
5. Membership / Concierge

amazon

H A V E N

J.P.Morgan      BERKSHIRE HATHAWAY

Google V Alphabet



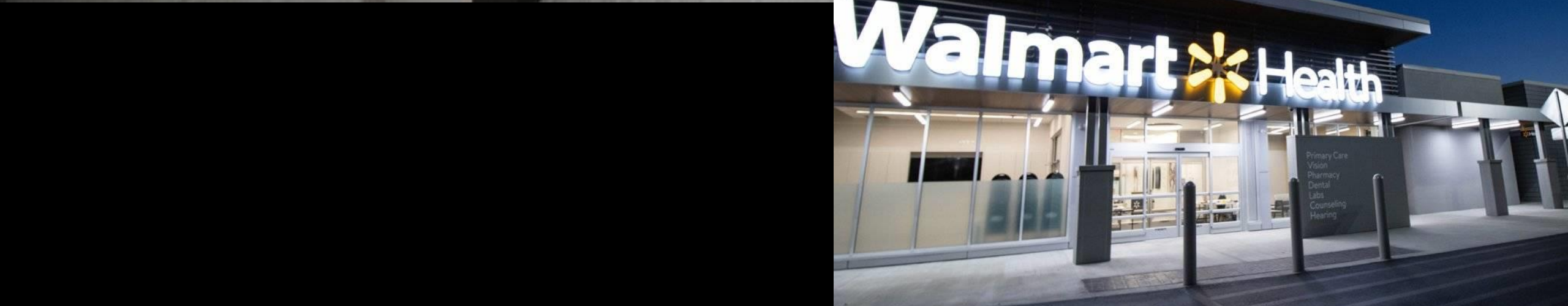


Are you at risk with your own employees?

What will you say when a large employer approaches you with GM or Boeing style request?

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**Walmart**   
Health & Wellness





Summarized Pricing List for Dallas, GA Store #3403

**Primary Care Basic Services**

	Price
Office Visit	\$40.00
Annual Checkup - Adult	\$30.00
Annual Checkup - Youth	\$20.00

**Primary Care Add-ons**

	Price
Lipid Test	\$10.00
A1C Test	\$10.00
Pregnancy Test	\$10.00
Flu Test	\$20.00
Strep Test	\$20.00
Mono Test	\$20.00
Stitches & Other	\$115.64*

**Counseling Services**

	Price
Individual Counseling, Existing Patient (45 minutes)	\$45.00
New Patient Therapy Intake	\$60.00

**Dental Services**

	Price
Patient Exam (Including X-Rays)	\$25.00
Teeth Cleaning - Adult	(Starting at) \$25.00
Teeth Cleaning - Youth	(Starting at) \$15.00
Porcelain Crown	\$675.00*
Teeth Whitening, in Office	\$225.00
Deep Cleaning (Per Quad)	\$75.00
Emergency Treatment for Dental Pain	\$50.00
Filling	\$75.00 - \$125.00

**Optometry Services**

	Price
Routine Vision Exam	\$45.00
Contact Lens Fitting	\$55.00



Walmart Clinical Service Managers



ASSOCIATE MEDICAL PLAN



Centers of Excellence Network

Clinical Insurance



Human Capital



Social

Tech



Incentive Programs



BLOCKCHAIN EMR



PURSUANT HEALTH



Speak Retail Group

What can you do to slow the loss of your primary care business?

What will you do when primary care is no longer part of the services you provide?

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2. Centers of Excellence
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# Membership Models



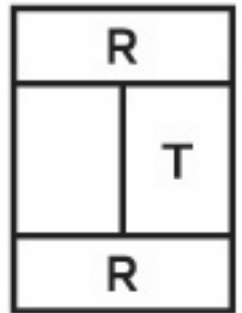
STITCH FIX



DOLLAR SHAVE CLUB



PANDORA  
UNFORGETTABLE MOMENTS



RENT THE RUNWAY

How can you create a membership experience?

What services can you provide that people will pay for?

"A tsunami is coming—and soon—to the sick care industry that many have grown to hate. These seasoned experts provide a clear path toward what true healthcare could be."

—CHARLES V. HAGOOD, DSc

PRESIDENT OF TRANSFORMATIONAL ADVISORY SERVICES, PRESS GANEY ASSOCIATES, INC

# HEALTHCARE IS KILLING US

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AARON FAUSZ, PhD  
W. TERRY HOWELL, EdD

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The Power of  
Disruptive Innovation  
to Create a System  
that Cares More  
and Costs Less

Terry Howell & Aaron Fausz

[info@healthcareiskillingUS.com](mailto:info@healthcareiskillingUS.com)

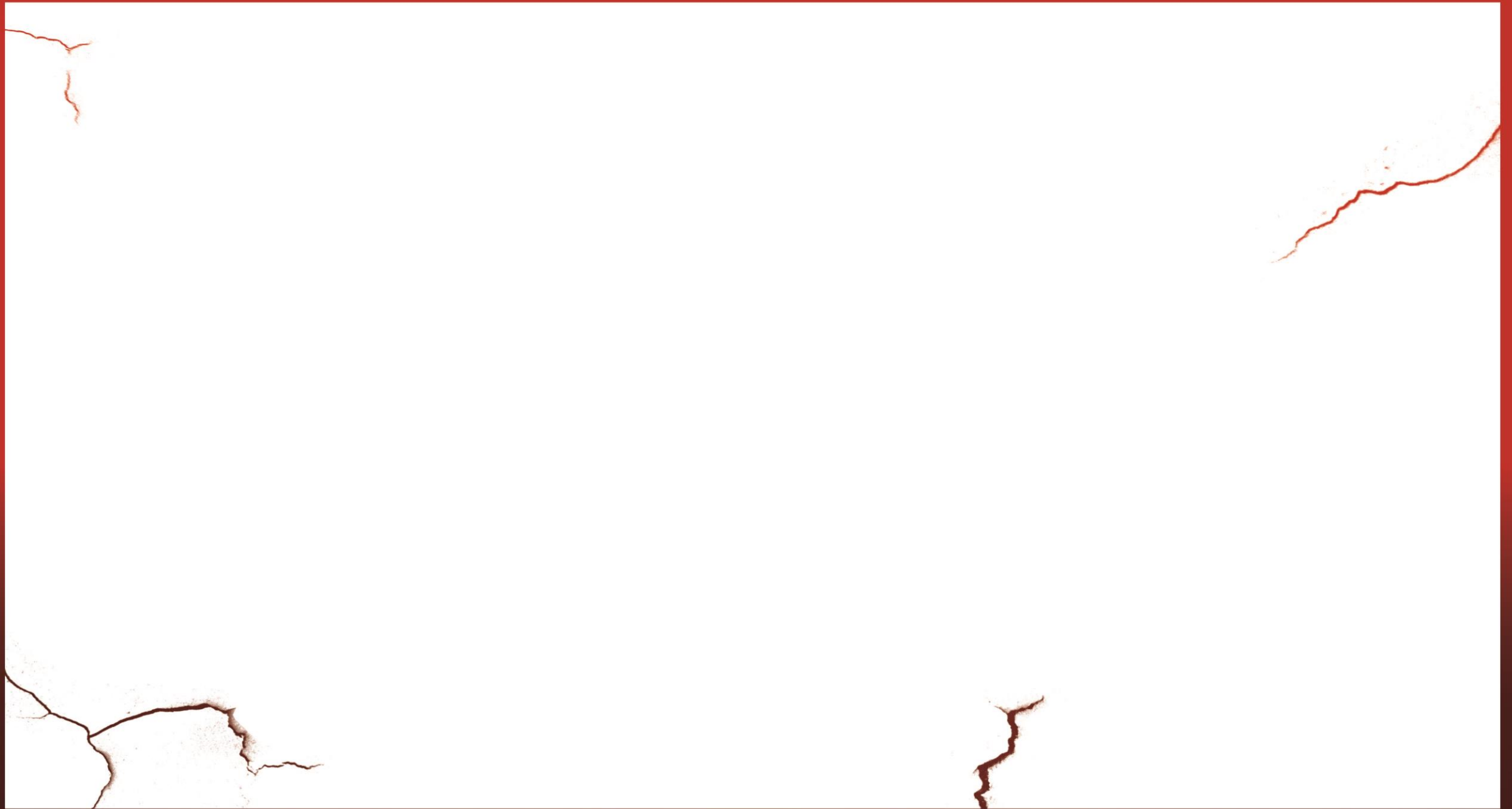
[www.HealthcareIsKillingUS.com](http://www.HealthcareIsKillingUS.com)



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## **The Book Also Addresses...**

- Improving Eldercare and Humanizing End-of-Life Care
- Taking on the Food Industry
- Taking on Big Pharma
- Ensuring Personal Data Sovereignty
- Regulatory Changes
- Disruptive Organizations within Healthcare
- Disruptive Organizations outside of Healthcare



# Thank You

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