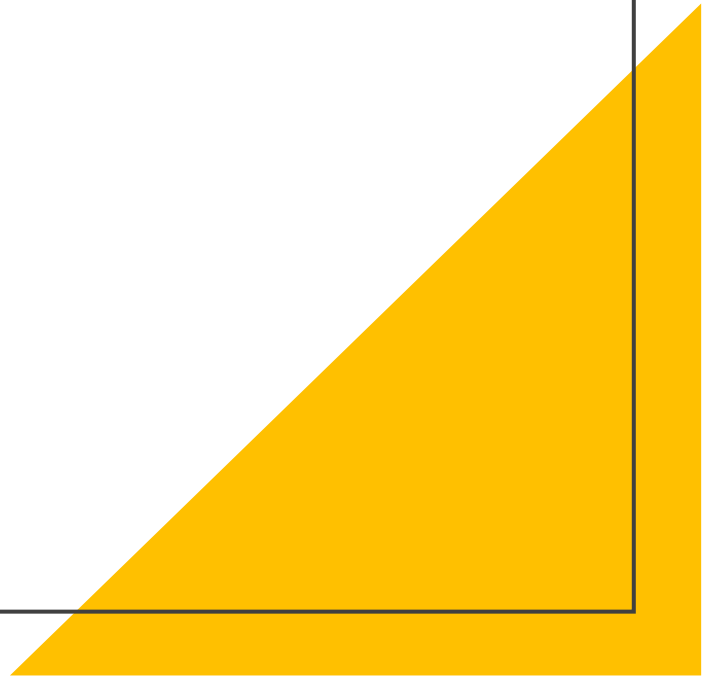




Healthcare, Inc.

Steve Lindstrom: OLLI Fall Course 2023

Class 6: Future Trends



Sectors of Focus

Orchestrators

Integrators

Platforms/
Solutions

Pivotal Issues for the Future

- Confronting affordability and disrupting cost
- Administrative simplification
- Care delivery transformation
- Clinical productivity
- Digitizing healthcare
- Attracting and retaining customers
- Rethinking risk
- Solving clinical workforce shortages
- Delivering value

Driving Disruption

- Problems with continuing growth in cost may be solved by government intervention – not the healthcare industry
 - Government plans
 - Employer
 - Consumer



Barrier to Change Lobbying Healthcare is #1

Source: Opensecrets.org based on data from the Senate Office of Public Records. Data

Ranked Sectors		Export to CSV
Sector	Total	
Health	\$733,493,171	
Finance/Insur/RealEst	\$612,826,920	
Misc Business	\$565,702,667	
Communic/Electronics	\$548,370,533	
Energy/Nat Resource	\$365,036,782	
Other	\$289,199,034	
Transportation	\$285,786,514	
Ideology/Single-Issue	\$199,000,166	
Agribusiness	\$169,483,033	
Defense	\$127,313,496	
Construction	\$62,384,075	
Labor	\$52,673,938	
Lawyers & Lobbyists	\$17,876,709	

5x Defense!

CMMI Plan for the future

Drive Accountable Care

Advance Health Equity

Support Innovation

Address Affordability

Partner to Achieve System
Transformation



Figure 1. CMS Innovation Center Vision and 5 Strategic Objectives for Advancing System Transformation.

Driving Health System Transformation - A Strategy for the CMS Innovation Center's Second Decade

Disrupters

Amazon

- 2020 Amazon Pharmacy
 - Full-service pharmacy, online, transparent pricing, easy refills, savings for Prime members
 - RxPass \$5/ mo. Flat fee access large list of Rx for common conditions as much as they need
- Primary Care Acquisition of One Medical
 - Patient-focused experience
 - Digital app for appointments and patient/physician communication
 - Same day appointments
 - Relationships with local specialists and hospitals for purchasing
- Amazon Clinic – asynchronous message-based care
 - 34 states now going to 50
 - Complete a message, send to doc, and get a message back
 - Video calls all 50 states
 - Exploiting unmet consumer and provider needs
 - Testing the waters to see what will work
 - Outsourcing to 4 digital start-ups
 - Outside of insurance – direct pay
- Amazon Dx on-demand in-home tests
- Disease management
- AWS Healthcare Accelerator start-ups –patient engagement and streamline clinical workflows

Disrupters

Apple

- Empowering users on a personal health journey
 - All health data in one place
 - Intelligent guardian for user's health
 - Features to improve everyday health and fitness
 - Fueling innovative third-party health and fitness apps
- Supporting the health ecosystem by collaborating with the medical community
 - Equipping researchers to make new scientific discoveries
 - Strengthening the physician-patient relationship with meaningful data
 - Health organizations promoting healthy lifestyles with Apple Watch
 - Supporting public health initiatives
- iPhone and Watch
 - 17 areas of fitness
 - 150+ types of health data can be stored
 - 800+ institutions offering health records on iPhone
 - Third-party developers working on new ways to use and integrate
- Principles for health
 - Scientifically based
 - Privacy assured

Disrupters

United Health Group

- Expanding data and analytics to simplify back-end operations
- Mental health more accessible
- Care coordination Patients and physicians
- High tech for remote patient monitoring
- Value based care support
- Facilitating virtual care and care outside traditional places

Disrupters

Walmart

- Leveraging pharmacy as front door to primary care
- Leverage footprint
 - 5,000 stores many in underserved areas
 - Adding freestanding health centers
 - Acquire telehealth company
 - Access to clinical research
- Long term partnerships
 - United Health Group VBC among Walmart physicians
 - Epic EHR company patient communications
- New management team with the sole focus on health

Disrupters

Google/Alphabet

- Google/Alphabet
 - Partnership with Microsoft on Medical AI
 - Partnership with Mayo Clinic
 - Faster systems
 - AI for pharma assists in new drug development
“Synthetic Health records” Big Data
 - Hardware for POS

Disrupters Retail

Exploit current footprint

- CVS
- Walmart
- Target
- Costco
- Walgreens
- Grocers

Strategy

- Integrated care delivery
- Primary and home care delivery models
- Take advantage of current traffic patterns
- Brand extension
- More revenue/sq ft of space
- Allocate space
- Pharmacy
- Delivery Capabilities



Disrupters Startup Health

- Founded in 2011
- Empowered 1,000 founders
 - 29 countries
 - 500 startups
- Joined forces with industry
- Health Innovation leading media brand
- Startup University to train innovators
- Moonshot events
- \$5 billion in funding secured for participants

Top 10,000 Health Care Startups

- Intense development
- Sources of Capital
 - Venture Capital
 - Accelerator
 - Incubator
 - Equity Firm

The screenshot shows the Crunchbase interface for 'Health Care Startups (Top 10K)'. The page is titled 'Health Care Startups (Top 10K)' and has a 'Summary' tab selected. The 'Overview' section provides the following data:

Number of Organizations 9,714	Industries Health Care
Industry Groups Health Care	CB Rank (Hub) 9,911
Number of Founders 16,023	Average Founded Date Dec 23, 2015
Percentage Non-Profit 0%	Number of For-Profit Companies 9,658
Number of Non-profit Companies 32	Top Investor Types Venture Capital, Accelerator, Incubator, Equity Firm

Top Funding Types
Seed, Series A, Series B, Pre-Seed, Grant

The top 10,000 startups in the health care space, by Crunchbase rank.

This list of startups in the health care space provides data on their funding history, investment activity, trends. Insights about top trending companies, startups, investments and M&A activities, notable investors, companies, their management team,...

▼ READ MORE

Summary

Large complex global organizations committing people and capital

VBC

Taking out waste

Innovating new business models

Collaborations with care delivery

Willing to make big bets and fail

Thousands of start-ups

Well funded

Smart

No need to transition to a new model with fear of cannibalization of the current

Hospitals and Physician groups

Consolidating

Able to change?

Low profit margins

Heavy regulation

Government cost-cutting on the horizon

Lobbying is significant to maintaining own position

Is government unlikely to take workable action in next 5 years, unless crisis, then?