



CEO Healthcare ROUNDTABLE

A Partnership of The CEO Advisory Network & The Healthcare Roundtable

Spring Meeting 2023

“Have We Finally Reached the Tipping Point?”

Keynote Speaker: Paul Keckley, Ph.D., Managing Editor, The Keckley Report, and Managing Partner, The Keckley Group

On **March 29 – 31, 2023**, the CEO Healthcare Roundtable gathered at the Grand Hyatt in Nashville, TN. We were pleased to re-connect with current members as well as welcome a number of new, and potentially new, members to the Roundtable.

The theme of the meeting was *“Have We Finally Reached the Tipping Point?”* The term *“Tipping Point”* is defined as *“The point at which a series of small changes or incidents becomes significant enough to cause a larger, more important change.”*

For the past several years there has been increasing stress and pressure on our health systems to make significant changes based on a number of external and internal forces. Although our C-Suites and Boards have discussed the need to make changes, the progress has been slow.

At the same time increased pressures from entrepreneurs, private equity funded disrupters and independent physician organizations, among others, are moving quickly to force change...all of which begs the question, “Have we finally reached the Tipping Point” where change is no longer an option but a necessity? Our speakers and discussion were focused on this question and shared ways that our member

organizations can begin to position themselves to move beyond the “Tipping Point.”

Healthcare Systems Need Long-Term Strategies to Survive | Current Trends

Our March Roundtable began with our **Wednesday**



afternoon “keynote” speaker, **Paul Keckley, Ph.D.**, Managing Editor of *The Keckley Report*, and Managing Partner, The Keckley Group based in Nashville Metro Area.

Dr. Keckley is recognized as one of the nation's premier healthcare strategists, policy experts and thought leaders. He opened by challenging our attendees to accept the reality that...

“Healthcare’s future will not be a repeat of our past!”

He noted that, although our health systems are facing many near-term challenges, to be successful they must create longer term strategies and approaches to survival. Keckley then shared a number of trends that will have significant impact on both short- and long-term strategies including:

- Need for our health systems to demonstrate value while lowering costs and finding alternate revenue streams.
- As payment from private payers (employers, individuals) decreases, governmental funding (Medicare, Medicaid) will become the dominant source of funding.
- Consumer demands for transparency, access, convenience and lower costs, as well as use of technology enabled healthcare, will grow.
- Private equity investment in physician groups, as well as consolidation of independent physician groups and health system employed physician organizations will continue to put stress on traditional relationships with physicians.
- Traditional support for hospitals and health systems will continue to diminish as consumers, payers and the federal government (e.g., DOJ, FTC) question mergers, consolidation and increasing costs.

Keckley then reviewed five areas that must be closely monitored and strategically addressed by our health systems including:

1. Clinical Breakthroughs and non-traditional areas of focus such as SDOH
2. Technology & Innovation
3. Private Equity & Capital Deployment
4. Changing Consumer Attitudes and Expectations
5. Regulatory Activity and Politics

Keckley summarized his presentation with the following two conclusions:

- To succeed in the future, our health system leaders and boards will require longer term thinking of 8-10 years instead of the traditional 3-5-year horizon. This will require a major change in the way our leaders and boards think and plan.
- Politics will continue to trump policy in the healthcare industry and the political view of

the healthcare industry right now is not very positive.

Policy Outlook | Activities That Are Driving the Direction of Healthcare

Blair Childs is the former Senior VP, primary spokesperson, and communications strategist for Premier on key issues. He is now Senior Executive Advocacy Advisory for Premier and is based in Washington D.C. He opened our Thursday sessions with a deep dive

into the policy outlook and activities which are driving the direction of healthcare both today and into the future. Childs opened his presentation with some forward-looking guidance for attendees including:



- Accept that we are in the midst of the most transformative time ever for our healthcare system.
- Recognize that healthcare is highly valued by Americans but is heavily guided by governmental policy and regulation that is slow and constantly changing.
- Become aware that every market is different, unique and complex but trends, although occurring at different paces, are clear.
- Healthcare remains one of the nation’s largest and fastest growing economic sectors so it will receive increased scrutiny.

Following an overview and discussion of the current state of politics and partisanship in Washington, as well as implications of the coming 2024 election, **Childs shared several key trends that will influence policy and drive change in our healthcare systems over the next few years including:**

1. **Strong Commitment to Moving from Fee-for-Service to Value-Based Care**
 - CMS’s goal is to move 100% of Medicare and Medicaid into Total Cost of Care models by 2030 (Total Cost of Care really means “Budget”, which will be based on lump sum payments tied to benchmarks

and incentives for improving health and outcomes while lowering costs. Incentives will be granted to risk takers (e.g., MA plans, ACOs, MCOs and other value-based organizations.)

2. Expansion and Growth of “Payviders”

- This will be driven by continued growth of MA enrollment which has now exceeded 50% of Medicare eligibles as well as the focus on population health and value-based care. It will also be driven by expanded capital deployment and private equity investment in vertical integration and care delivery innovation. Childs noted that this trend may also create opportunities for larger, forward thinking health systems to develop strategies for integrating both vertically and horizontally.

3. Continued Growth of Consumerism

- This will be driven by greater access to data and new Apps which will enable consumers to become more active with managing their own treatment plans and healthcare options.

Childs concluded his presentation with the following thoughts and advice for attendees:

- Leverage your local market advantage, brand and reputation over the national competitors.
- Continue to thoughtfully disrupt yourself.
- Expand your revenue base through partnerships.
- Outperform competitors in quality, cost and satisfaction.
- Create strategies to build strong relationships with each individual patient and recognize different needs and expectations.
- Look outward – “Learn and steal ideas from others.”

Roundtable Discussion: “Pushing Past the Tipping Point.”

Following the presentation by Blair Childs, Roundtable attendees were divided into two Roundtable groups and asked to review and discuss seven (7) major factors that are pushing our healthcare systems to the “Tipping Point” and will cause major disruption and a need for transition. Each group was asked to identify and share the top three (3) which they felt would have the greatest impact on their organizations over the next 2-3 years.

Following a robust discussion at their individual tables, both groups rated the following as the top two transition drivers for their organizations for the next 2-3 years:

- Medicare Advantage will continue to attract members and experience rapid growth through a focus on supplemental benefits and lower premiums achieved by creating value-based provider networks and demanding lower reimbursement for hospitals & health system services.
- The healthcare workforce, especially nurses and lower paid hourly workers, will become more vocal and active around issues of equitable pay and workplace conditions.

The groups had slightly different perspectives on the third driver of transition with one group selecting the following:

Some of the private equity driven creation of very large physician groups will falter or fail as the relationships and expectations between physicians and investors break down over care and payment issues. Within this context, relationships between hospitals and physicians must be re-defined.

While the other group prioritized their third transition driver as:

- Given that healthcare organizations typically outsource only 2-5% of their operations and activities while other industries typically outsource up to 20% of their operations and

activities to smaller, outside organizations with narrow and deep expertise, hospitals will need to prioritize building partnerships with organizations that can provide expertise and focused services more efficiently and at a lower cost.

Factors Driving Physicians to Value Based Care | Seniors are a Growing Share of Primary Care Physician Practices

Andrew McBrien is Regional Market President at agilon Health for the Eastern Region. He has grown the region from its initial partnership with Buffalo Medical Group in 2019 to its current 10 partnerships and growing. He is in the New York City Metro Area.



McBrien engaged the Roundtable attendees in a discussion focused on the factors driving physicians to value based care. He opened his presentation with a brief overview of agilon Health noting that agilon, which now has relationships with primary care physician groups in 15 states and 25 different markets, has based its model on partnering with physicians to provide them with the tools, processes and expertise to succeed in value based, global risk models of reimbursement. **He noted that agilon's model is unique in that it does not acquire or employ physicians.**

agilon's goal is to assist physicians with maintaining their independence while providing support in the areas of data, payer contracting and payer relationships, capital, and global payment experience for Medicare patients. He shared that physicians, like payers, are seeing increasing opportunities for management of seniors, especially those enrolled in MA plans. **He noted that both payers and physicians are focusing on Medicare eligibles for a number of reasons including:**

- Seniors are comprising a growing share of primary care physician practices and more seniors are selecting MA over traditional Medicare. With this year's open enrollment, currently more than 50% of Medicare eligibles have selected a MA plan and, with the

continued offering of expanded benefits beyond those offered by traditional Medicare, the percentage enrolled in MA is expected to grow even faster in the future.

- Seniors typically have a much stronger relationship with their primary care physician than with hospitals, specialists or other care providers.
- The premiums paid by CMS to MA plans are public records and can be easily analyzed.
- There are significant amounts of data on quality of care, best practices, cost by provider (hospitals, specialists, homecare, etc.) available from a variety of sources such as payers, CMS, and EMRs to assist physicians with assessing their ability to manage care in a global payment environment.

agilon works with physicians to share risk based on its experience and expertise with all of the above factors. McBrien concluded his presentation by briefly sharing agilon's early experience and lessons learned from a recent decision to partner with a large northeastern health system to bring agilon's model and services to the health system and its physicians.

Randy Oostra, DM, FACHE Retired President & CEO, ProMedica Health System; Managing Partner, Blueprint N1 Venture Capital Group focusing on investing in companies dedicated to improving health span and longevity.



As a nationally recognized leader in healthcare and health system innovation, Oostra presented a case study of ways that he led the transition of ProMedica from a traditional, highly regarded episodic care delivery model to a model that focuses on the overall health and well-being of all the communities it serves. He opened his presentation by asking attendees the following question, **"Are we in the clinical business or in the health and well-being business?" He expanded that by asking "Do we only do, and have an obligation to do, clinical care?"**

Oostra then shared several examples of the ways that ProMedica has moved beyond the traditional walls of clinical care (both literally and figuratively) by

investing not just in SDOH programs such as food insecurity, transportation and others but he discussed how **ProMedica has partnered with developers to renovate and re-build communities where its facilities are located.** He also shared the story of ProMedica's acquisitions and shared some of the successes as well as failures from this strategy and discussed some of the lessons learned.

Finally, he posed the question of how do we move the nation to a different model of healthcare and who is going to take the lead in being responsible for creating the transition? **He briefly shared the focus of a new organization being created by 15 health system CEOs called "National Voice for a New Healthcare Model" which is planning a launch in late 2023.** The organization is being created to develop a forum, led by health system executives, to broaden the discussion about transitioning to a new healthcare model which focuses on more than clinical care.

He concluded his presentation by engaging the attendees in a thought-provoking discussion around a series of questions such as:

- Is the current healthcare system sustainable?
- Can the current organized healthcare system lead the U.S. to a new model?
- Does the current healthcare model meet people's health and well-being needs? Should it?

Workforce Issues & Burnout | Trends in the Post COVID Work Environment

Scott Spohn, Managing Director at FORVIS is a change strategist utilizing the latest thinking in the behavioral science and positive psychology fields. He has more than 20 years of experience advising healthcare and technology organizations. He resides in the Atlanta Metro Area.



The final presentation focused on an issue of significant interest to all of our attendees - workforce issues and burnout. As a change strategist, Spohn leads the Organizational Health practice at FORVIS where he utilizes the latest thinking and research in

behavioral science and positive psychology to assist healthcare leaders with addressing transitional issues and success. Based on recent research, Spohn opened his presentation with the following research findings:

- **The economic impact of "quiet quitting" on U.S. business is estimated to be in excess of \$450 billion.** Quiet Quitting can be defined in many ways, but it is often defined as the result of burned-out or unsatisfied employees doing the minimum requirements of their job and putting in no more time, effort, or enthusiasm than absolutely necessary.
- **41% of U.S. healthcare workers plan to leave their positions by 2025.**
- 71% of employees are overwhelmed by changes at work.

Spohn shared thoughts based on some research on what he termed **"The Great Disconnect."** He noted three major themes and trends:

- **Frustration** – work has become harder than it used to be or should be.
- **Absenteeism** – employees are "present" but not really "here."
- **Cynicism** – a growing trend where employees detach from work and their employer.

In addition to the above, the post-COVID move towards returning to in-person work has created a sense of inequality in organizations. **Some employees are questioning why they can't continue to work remotely since it worked during COVID.** Those employees who are required to return to in-person work often resent those who are permitted to work remotely. The above trends often lead to a culture of duality where an organization talks one culture but lives another culture.

Spohn concluded his presentation with a series of questions and recommendations for healthcare CEOs and their leadership teams to consider as they try to address their workforce and burnout issues:

- **Be Clear** - Leaders need to be very clear and able to articulate to employees the following:
 - Mission
 - Purpose of organization

- Organization’s operational structure (*it was noted that research, especially in healthcare, shows that when employees are asked who they report to, the answer is frequently that they are confused and often don’t know who they primarily report to*)
- **Know and Respect the “Critical Middle”**
- Do you know, respect and communicate with your middle management who are most often the communication link between the organization’s leadership, mission and vision and the day-to-day operations and management of employees?
- **Importance of “Presence”**
- The organization’s leadership must be attentive, physically present and “seen.” If leadership is not “seen” it is assumed, they are not working.
- **Biology**
- Are the organization’s leaders becoming students of biology and psychology so they can recognize and understand what is driving the people in their organization?

Innovation Session | Medical Brain

The March 2023 Roundtable concluded on Friday morning with our traditional “**Innovation Session**” involving a presentation by an innovator or entrepreneur who is transforming some aspect of how care is being delivered.

Dr. Eyal Ephrat, CEO & Co-Founder of Medical Brain. Dr. Ephrat is a pioneer in decision support science and AI enabled machine learning, shared **Medical Brain**, a platform designed to provide both doctors and patients with real-time intelligence and information to take immediate action using evidence-based decision making.



Dr. Ephrat reminded the attendees **that 50-70% of the \$48 billion annually spent on the use of emergency departments is not due to emergencies**

and, even though inappropriate, the ED has become the first line of care for many patients.

He also noted that the purpose for creation of EMR’s in the late 80’s was not to improve quality but to record things that could be captured and documented for billing purposes. He further noted that approximately 90% of the information in an EMR is narrative and cannot be used for immediate, real time decision-making.

He stated that with the growth of different reimbursement models, **the only way that outcomes can be improved, and care can be provided under the newly evolving value-based care models is through the use of enhanced automation.** This will require the ability to look at the narrative information in all of the patient’s multiple providers’ EMRs to fully understand the patient’s condition and immediately make recommendations for treatment plans.

Using several case studies from a physician organization in New Jersey, Dr. Ephrat shared several real examples of how **Medical Brain’s AI enabled intelligence, when connected to multiple EMR’s and to the patient via smart phone or other technology, immediately, in real time by assessing the patient based on their various conditions as documented in the narrative and other recorded data in the EMR.** Medical Brain then takes appropriate action to contact the patient’s physicians and other care givers. The result is an immediate response to an individual patient’s unique needs.

It was noted that there are several AI enabled, real-time decision support systems either in development or actively being used. **Our healthcare leaders need to understand the capabilities as well as implications of these tools** and how they will impact communication and care delivery in their organizations.

The combination of the timely theme, outstanding presentations, and opportunity to gather together in person to network and learn, as well as candidly share successes and challenges, again demonstrated the value of the CEO Healthcare Roundtable for our members.

SAVE THE DATE!

Next Scheduled Fall Meeting
October 4 - 6, 2023



The Ritz-Carlton

1881 Curtis Street, Denver, CO 80202

Please join us at our next Healthcare Leadership Forum at the beautiful, urban-designed Ritz-Carlton in downtown Denver. We look forward to providing you with another informative and stimulating program.

SAVE THE DATE!

Next Scheduled Webinar
June 21st, 2023
3:00pm - 4:30pm EST



For reservations and inquiries about the Fall 2023 meeting and June Webinar, please contact Alexis Matic at Alexis@healthcareroundtable.com



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