The Digital Revolution

Pope Benedict XVI

Pope Francis
A Tale of 2 Companies

[Graph showing the revenue (in billions) of BlockBuster and Netflix from 2004 to 2013.]
Yesterday

Employers

Insurance

Government

Providers

Pharma

Today

Employers

Insurance

Government

Patients

Pharma

Tomorrow

Employers

Insurance

Government

Patients

Pharma

Providers
Consumerization Forcing Change

Cost-shifting pushes consumers to become more conscientious about their healthcare choices
Percentage of consumers with employer-based insurance who took the following actions in the last 12 months due to cost of care

- 28% Skipped seeing a doctor
- 28% Asked for a generic prescription instead of a brand prescription
- 24% Skipped prescription medicine or took less medication than prescribed
- 20% Skipped seeing a specialist (such as an OB/GYN, dermatologist, orthopedic surgeon)
- 18% Skipped follow-up care (such as going to physical therapy sessions recommended by a doctor)
- 16% Delayed or skipped a procedure or treatment

Source: PwC Health Research Institute 2015 consumer survey

Outpatients
Forecast number of US patients travelling abroad for medical care, m

Source: Deloitte Center for Health Solutions
Why Innovate

- Fee for Service
- Volume Focus
- Episodic
- MD-directed
- Payer-Controlled

- Value-Based
- Outcomes Focus
- Integrated
- Consumer Directed

Yesterday’s success may be tomorrow’s failure
Providence Digital Innovation Group

• Business Unit within PH&S with Sr. Leadership Representation
  – Aaron Martin, Sr. Vice President Strategy & Innovation
• Established to intentionally seek and deliver purposeful disruption that:
  – Creates a stronger bond between us and our patients
  – Addresses problems in order to:
    • Ease access to care (for patients)
    • Ease the delivery of care (for providers)
    • Lowers the cost of care (for everyone)

“Know me, care for me, ease my way”
Innovation vs Addressing Problems

Pilot
“Can we use technology to...”
Focus: Technology

Analyze
“Now that we proved we could use the technology to ...what does it mean for our business?”
Focus: Economic and clinical impact

Scale
“Now that we’ve seen it’s beneficial for patients and the business, how do we scale it for widespread application?”
Focus: Operationalizing it as a business
Defining the Problem

- Decoupled from the solution
- Rooted in value
  - Quantify its negative impact
  - Quantify the value of solving / improving it
- Obtain commitment to implement a solution, if derived
Providence Innovations

Discover Important Innovations, Demonstrate They Work, and Bring them to Scale
Providence Ventures

Focus Area

Chronic Disease: Technology solutions enabling management of chronic conditions
Healthcare e-commerce: Enabling new methods for the purchase of healthcare services
On Demand Healthcare: Platforms that improve patient healthcare access across settings
Population Health: Solutions to manage and effectively utilize data across the enterprise
Clinic Tools: Technology which improves the clinician experience

Description

Current Portfolio

omada
binaryfountain
INDEMAND
 gausssurgical
Process: How We Innovate

Lean Innovation

Solution Idea -> Ideas

Learn -> Build

Data -> Product

Measure -> Scale
On Demand Health Care

Online Scheduling

- Streamlining appointment Booking & Canceling process
- Simplifying finding a new MD

SCHEDULE APPOINTMENT - NEW PATIENTS

Available Appointments

Christopher A. Moore, MD
Family Practice

4/14/2016
On Demand Healthcare
Walgreens + Providence/Swedish
On Demand Health Care

Home Visits

Providence Home Visit
Your Village

Initial Pilot Group
“ProvMom”

MVP: Your Village
• More than a decade of experience
• Today, nearly 90 hospitals in 5 states rely on Providence & affiliate telehealth services
• 10 employers purchase telemedicine coverage from PHS; 2 ACOs
• Spanning the continuum
• ~10,000 virtual encounters in 2015
• Evolving to a singular, integrated system-wide approach for teleservices
## Providence Telehealth Program Overview

### Enterprise
- TeleStroke
- TeleHospitalist
- TelePsychiatry
- TeleBehavioral Health
- TelePhysiatry
- TeleBrain Injury
- TeleCardiology
- TeleCritical Care
- TeleECG
- TeleEEG
- TeleHand Trauma
- TeleEpilepsy
- TeleGI
- TeleMovement Disorders
- TeleNeonatal Resuscitation
- TeleNeurosurgery

### Consumer
- Health eXpress Direct-to-Consumer
- Health eXpress Kiosks
- Primary Care
- TeleDM education

#### Integrated services spanning the continuum
- Improve Access to specialists
Innovation Example: Telehospitalist (Nocturnal)

- Balancing Cost & Quality for nighttime coverage 7pm – 7 am
- Staffing
  - Smaller program requiring your physicians to cover more nights (burn-out risk)
  - Desire to preserve daytime staff to be more productive
  - Less disruption to sleep/wake cycles
  - Need primary or back-up coverage
- Hidden issues with on-call models
Case Study: Volumes

- 52% reduction in transfers out of the hospital
- 41% increase in ADC
Case-study: Impact on Billing

- 68% of admits pre-midnight
- ‘Tuck-n-Hold’ = lost billing & revenue
Case-study: Ancillary Benefits

- On-call MDs more rested during day
- Daytime MDs more efficient
- RNs & allied staff less stressed
- Patient satisfaction increased
We always over-estimate the change that will occur in the next 2 years, and under-estimate the change that will occur in the next 10. Don’t let yourself be lulled into inaction.

*Bill Gates*

Do not go where the path may lead. Go instead where there is no path and make a trail.

*Ralph Waldo Emerson*

Are you reacting, or creating?
Thank You!

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