

# OUTSIDE LINES

## IT'S ZIGZAG TIME!

There is an explosion of new ideas and innovations occurring in healthcare ... Not just a few – but 100s – of new companies, backed by doctors, investors and health system-partnered venture fund groups. They are fundamentally changing markets. Many are still starting up, some are becoming the new acquisition targets for hospitals and other providers, and all are game-changing the healthcare provider space. It's exciting for sure but, it's dizzying to stay on top of it all. That's where [ZIGZAG Healthcare](#) comes in. It's a new product of Strategy Advantage that we launched two weeks ago and are now thrilled to share with you.

The intent is not to overwhelm, but to keep hospitals, health systems, and medical groups in front of, on top of, and ahead of the changing curves in healthcare. Everyone knows that – both strategically and financially – the healthcare business model is shifting. While our pathways in the past have been more straightforward, the future is all about smart and savvy zigzag courses.

Are you aware of the innovators, their services, and the volumes of visits, strategic partnerships, dollars, and momentum they are gaining? For example, have you heard about Zoom+, Oscar Health, Heal, Doctor on Demand, Guroo, Honor, MeMD, Vera Whole



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Health, Omada Health, Doctible, HealthSpot, HealthSparq, DermatologistOnCall, 1DocWay, HealthTap, First Opinion, Zest Health, SmartPatients, and dozens and dozens of others? Do you know about these companies and how they are doing things differently – many of which are in your market, or will be soon?

Our goal with ZIGZAG is to be a source of information – a new type of market intelligence – that will help you keep tabs on, be on the ready for, explore the possibilities around, and quickly and conveniently know about the many new ideas and disruptive innovations in healthcare. ZIGZAG is a members-only platform. [Check it out](#). We'd love to have you join us.

Always looking ahead,



Kim Athmann King, MBA, FACHE

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## NEWS ALERT! WHAT'S HAPPENED THIS WEEK

Did you see the news last week [about the pitch](#) by the United Auto Workers (UAW) to [create a joint healthcare purchasing pool](#) including all of the 1 million employees of Detroit's largest car makers – Ford, Fiat Chrysler, and GM? The idea is to move all of the car makers' factories and white-collar works under one umbrella and then to use this size and scale to steer away from health insurers (i.e. they are considering their own healthcare co-op) and, instead, negotiate directly with hospitals, drug companies, and others. The project could take years to be approved and take root, but it's an interesting twist amidst the recent power moves of the nation's large health plans and the gaining traction of employers striking deals directly with hospitals and health systems.

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## WHO WE'RE WATCHING

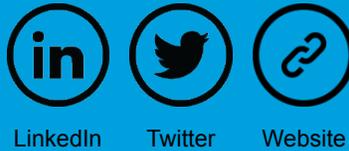
Above, I mentioned the company [Heal](#). It is one of the innovators we have curated and profiled in ZIGZAG Healthcare, including a two-page executive summary, PowerPoint slide, video links, list of research sources, and other ready-to-use and helpful tools. It's an interesting company and one that caught our eye because it started in Los Angeles, our home base. The company is an on-demand medical practice and smartphone app that promises to deliver doctors to peoples' doorsteps within an hour. Launched in 2015 and priced at \$99 for adult and child visits, Heal uses

an Uber-like app to dispatch doctors to peoples' homes or wherever they may be. Heal has 200 doctors in its Heal-at-Home practice, is offered today in Los Angeles, Orange County, and the San Francisco Bay Area, and has plans to expand to 15 additional cities by the end of 2015. Don't forget to keep them on your radar.

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## WHAT'S TRENDING

As you probably already know, CMS announced early this year that by 2018 it plans to make half of Medicare payments to doctors and hospitals on the basis of quality (value-based payment) vs. quantity of care provides (fee-for-service-based payment). This is huge, and the impact of this is rippling through the industry. Correlated to this is the fast enrollment increase occurring in Medicare Advantage (MA) plans. Nationally, almost 31% of people eligible for Medicare (16.8 million beneficiaries) are now enrolled in a Medicare Advantage plan, up by 1 million people (or a 7% increase) since 2014. This week, Medicare announced a plan to pilot a Medicare Advantage Value-Based Insurance Design (VBID) model, including a test of this model starting in January 2017 in seven states: Arizona, Indiana, Iowa, Massachusetts, Oregon, Pennsylvania, and Tennessee. The pilot will run for five years. The model will test the hypothesis that giving special MA plans to chronic condition enrollees to encourage the use of services that are of highest value to them will lead to higher-quality and more cost-efficient care. It will be geared to patients with diabetes, COPD, CHF, past strokes, hypertension, coronary artery disease, and mood disorders. All hands will be on deck as we gear up for Medicare alternative payment reform. Talk about change and the need for new ideas and innovation!



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