

OUTSIDE THE LINES

NEW YEAR. NEW FRONT DOORS OF HEALTHCARE.

Happy New Year! And what an exciting year it will be. More than ever, expect to hear more about the rumblings of change and transformation in healthcare. The elections this Fall are certain to keep the ACA reform topic front and center, focused on access to health insurance. And “the puzzle of healthcare that we’re all trying to figure out” – as one Los Angeles CEO friend put it in an e-mail to me at the end of 2015 – is certain to keep the healthcare delivery reform topic right up there with it, focused on access to care in new and different ways.

In the [December 2015 issue of HFM Magazine](#), Joe Fifer, President and CEO of HFMA, put out a call to heed the challenge (and opportunities) of the new innovations in the realm of access. In his words: “In a time of transformational change, there is little room for ambivalence. The choice of whether to shape your organization’s future or watch from the sidelines is yours to make.”

At Strategy Advantage, we have added a Strategic Innovation practice, with a singular focus on spurring ideas, strategic conversations,



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and evolving solutions that advance traditional hospitals and health systems in the context of new and different, innovation-rich, methods and models for care. In this *Outside the Lines* piece – and in a series of others to follow – we will feature innovation trends and how healthcare organizations – both insiders and outsiders – are working together to re-invent care delivery.

We all know that new front doors of care are emerging in every market across America to address payment shifts and in response to the modern and “retail” demands of the consumer, expanding the notion of the traditional primary care office. Different from urgent care centers and other access points, this trend relates to healthcare providers who have introduced new models for primary care services and payment. In large degree, they are providing a replacement to the traditional primary care office. For example, two innovators we have featured in our ZIGZAG Healthcare library include:

- [One Medical Group](#) – started in 2007 – has 37 (soon to be 39) offices in 7 cities. Thousands of people are choosing One Medical Group’s option of integrated and technology based care as their primary setting for care, and they are opting to pay extra (a \$200 annual fee) for the privilege of becoming a One Medical Group member. In Los Angeles, Cedars-Sinai has partnered with One Medical Group, adding the offices and doctors to its Cedars-Sinai Health Associates IPA network of doctors. In Arizona, Dignity Health has partnered with One Medical Group, working together to open the 3 locations in the metro Phoenix area.
- [Iora Health](#) – started in 2011 and touts itself as “a radically different medical group.” It has offices in Nevada,

Washington, Arizona, New Hampshire, New York, Connecticut, Massachusetts, and Colorado. Their strategy is not to go it alone, but rather to partner with providers, employers, insurers (they call them “sponsors”) interested in a population health management approach to care. Thus far, Iora has partnered with Dartmouth Health, Lahey Health, Hartford Healthcare, and most prominently, Humana who is working together with Iora to serve its Medicare Advantage patients.

Hospital and health systems we know are working together with innovators to re-shape the front doors of our industry. Together, they are “retailizing, consumerizing, and virtualizing” healthcare, adding new access points to capture new consumers and patients and, from there, to manage and coordinate care across their broader delivery networks. It’s the right thing to do. Front doors of care are being redefined. In fact, in some ways – perhaps from the vantage point of the innovators – these may already be “old frontiers” of primary care, as innovators now are already moving into the “new frontier” of “retailizing” healthcare that includes options for care on-demand (next in our series) or digital care or home-based care (also in our series in future weeks).

While the question of “what strategy, when, where and how” looms large for healthcare organizations today, we believe that you should be in this new game – working with the innovators in proactive ways, not watching from the sidelines. As Fifer said, the choice is yours to make.

Always looking ahead,



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NEWS ALERT! WHAT'S HAPPENED THIS WEEK

The new [ZIGZAG Healthcare](#) update was sent out this week, announcing that there are now 48 Innovation Packets in the ZIGZAG library, and more packets are being added and updated every week. New ZIGZAG Healthcare members are also joining, and a members-only discussion forum is being planned for early February. Also, Strategy Advantage has been invited to present on the Disruptive Innovation topic at [ACHE Congress](#) in March and at the [Forum for Healthcare Strategists Conference](#) in May. Join us at these meetings, or if you would like to schedule a ZIGZAG Healthcare Executive Briefing, customized for you, at your organization, let us know. Contact our ZIGZAG Healthcare Director, [Kala Kascht](#) to coordinate.

WHO WE'RE WATCHING

One of the early urgent care center innovators – CareSpot, formerly Solantic, originally based out of Florida and now with its headquarters in Tennessee – [announced a major partnership and divestiture deal in early January](#). They sold 18 of their locations, those in Kansas City and Nashville, to their previous partner HCA. Simultaneously, they transitioned 35 of their other CareSpot locations to United Surgical Partners International (USPI), a joint venture between Tenet Healthcare and Welsh Carson Anderson and Stowe. With the deal, CareSpot also took over the management of Tenet-branded MedPost urgent care centers in 46 locations nationwide. That means that CareSpot – and its retail care model – will be in 81 different locations across the United States, with plans for more growth in the months and years ahead.

WHAT'S TRENDING

One thing leads to the other. With the CareSpot / USPI / Tenet announcement, the largesse of USPI stood out. An ambulatory care provider, USPI is partnering with more than 50 health systems and their thousands of physicians nationwide. It owns or operates 269 ambulatory surgery centers, 81 urgent care centers (per the CareSpot / Tenet deal), and 20 imaging centers. It seems that [USPI](#) – along with others – is a company to watch, especially in the context of the exploding trends in outpatient care.



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