

# OUTSIDE **THE** LINES

## "OUTSIDERS" CHANGING MARKETS, CHANGING HEALTHCARE

February 8, 2017

Who are the “other” leaders changing healthcare? As noted in our last *Outside the Lines* on January 24, “out front” health system, hospital and physician group “insiders” are driving action-forward agendas for change. But “outsiders” are doing the same. They are changing markets and changing the landscape for healthcare providers, payers, patients and consumers.

“Outsiders” – by our definition – are committed, entrepreneurial, new providers of care. Many have physicians as their founders, strong technology credentials and teams with deep healthcare experience. They are typically serving people in a specific category, and in doing so, have launched new ideas that are creating value, transforming care, engaging clinicians and consumers in new ways. In some cases, they are even collaborating with hospitals, health systems, health plans and other healthcare “insiders.” They are changing local, regional or national markets and, individually and collectively, reshaping healthcare.



Kim Athmann King, MBA, FACHE  
Founder & President  
Strategy Advantage  
[www.strategyadvantage.com](http://www.strategyadvantage.com)  
[www.zigzaghealthcare.com](http://www.zigzaghealthcare.com)  
[kking@strategyadvantage.com](mailto:kking@strategyadvantage.com)



We will be profiling both “insider” and “outsider” leaders throughout the year in *Outside the Lines*. Who are some of the “outsiders,” and what questions are they tackling?

Iora Health is one. This company is focused on the question: “How can primary care be re-invented for success in value-based, population-paid healthcare?” It works with “sponsors” – health plans, health systems, cities/counties, large employers and others – to provide integrated care teams for members, employees and individuals to reduce “high-cost events” and share in the savings. Started in 2011 and headquartered in Boston, Iora Health is currently operating 34 primary care practices in 11 U.S. markets. It has been steadily expanding into new markets year after year through new partnerships with health plans and health systems.

Another is DispatchHealth. This company is focused on a different question: “How to reduce ER utilization and costs by relocating some functions of the ER – those that address treatable acute conditions – to patients’ homes, seniors’ assisted living facilities or people’s worksites or other locations?” Started in 2013 and in only one market today (Colorado), DispatchHealth is using its fleet of mobile medical units and partnerships to change healthcare. These partnerships include the Colorado Health Information Exchange (CORHIO), city and county fire departments/ambulance service operators, health systems (like Centura Health), and health plans (all of Colorado’s health insurers have agreed to cover these services). According to the company and its partners, while the average cost of an ER visit is \$2,000, DispatchHealth can

provide acute care in the home – for acceptable acute conditions – for \$200. Also, while the average wait time spent for an ER visit is four hours, the average wait time for a DispatchHealth visit is one hour.

There are many other “outsider” examples, all focused on providing care in new ways to create value. They are addressing key questions that health systems and other healthcare organizations are trying to solve as the industry shifts to value, to retail, and from old to new models. I would recommend that you know about, stay on top – and in front – of these trends. To read more about these “outsiders” and others, visit [ZIGZAG Healthcare](#), an ideas & innovation library created by Strategy Advantage for leaders changing healthcare.

In a December 2016 [Becker’s Hospital article](#), David Feinberg, MD – formerly at UCLA Health System and now CEO at Geisinger Health System – said: “Our industry is ripe to be disrupted. And it’s going to be disrupted because there’s so much we do that doesn’t add value.”

The question is, who will do this disrupting? The “insiders”? The “outsiders”? We think the answer will include both. Some people in healthcare are challenging leaders, suggesting that if “insiders” don’t change healthcare, “outsiders” will. But we believe in something else. We like the possibilities of “insiders” collaborating with the “outsiders.” We believe that strategy starts with a question and a focus to drive change that leads to value and more advantage. And we believe there is great potential in bringing together “insiders” who know healthcare best – who lead in service to their missions and their communities – with “outsiders” who bring insights and inspiration for new techniques,

talents and thinking.

One question. One project. One step at a time.

Always looking ahead,



Kim Athmann King, MBA, FACHE

---

## DO YOU KNOW...

The 2017 investment outlook for healthcare is strong – including expectations for continued investment in “outsider” companies that are applying alternative approaches to drive down healthcare costs. [According to Fidelity](#): “Going forward, I expect how consumers interact with the healthcare system will continue to change, and involve new technology and services. While some of these aforementioned new businesses are publicly traded, others are not because they are still emerging. Still, all of these businesses support the trend of consumers seeking better value, which is here to stay. Shifting to some of these newer services may take time for many consumers, but adoption is already taking place and ultimately puts downward pressure on the sector's overall costs.”

---

## DO YOU KNOW ABOUT...

The many companies – most of them “outsider” companies – who are helping consumers “shop” for healthcare? We have several of these companies featured in our [ZIGZAG library](#), including Guroo, Healthcare Bluebook and others. Last week, [CNBC featured](#) others like them and said: “Whatever type of program President Trump chooses to replace the Affordable Care Act with, one thing won't change: Health care will continue to be one of the worst shopping experiences for most Americans. It's not often thought of like this, but it is a consumer purchase, and among the most frustrating.”

Whether you like this tough talk or not, consumerism and price transparency will increasingly be a top priority for healthcare providers.

---

## DO YOU HAVE A STRATEGY AND SOLUTION FOR THIS?

[According to Forbes'](#) December 2016 predictions for digital health and transformative healthcare trends: "In 2016, the line between 'consumer' and 'healthcare' companies will continue to blur. A wide variety of companies will try their hand in the healthcare space (not just health and wellness). An increasing number of retail stores will start muscling into traditional services previously only offered at hospitals (think: Walgreens and Walmart)."

At Strategy Advantage, one of our clients has asked us to conduct a one-day "Spark Event" with its executives, service line leaders and physicians. The question for the day will be: "How to become a retailer in healthcare?" We will start with the health system's top strategic priorities including care management redesign, ambulatory expansion and patient experience. We will share case studies of "insider" and "outsider" organizations who are pursuing new ways and new models for addressing these strategies with a "retail" mindset. And then we will talk, think together and work to open minds to new possibilities. Our goal for the day will be to design a framework of ideas that are viable and actionable for these leaders.

Do you have a retail strategy? Do you know how you will enable and embed the notion of "retail health" into how you provide care, advance your strategies, and differentiate your organization in an increasingly consumer-based healthcare world?

We do Spark Events. We customize these to your organization-specific questions and needs. Contact [me](#) if you want us to bring this to your organization and your team.



*Copyright © 2017 Strategy Advantage, All rights reserved.  
Sent to key industry leaders and colleagues*

**Our mailing address is:**

Strategy Advantage  
1601 N. Sepulveda Blvd.  
#790  
Manhattan Beach, CA 90266

[Add us to your address book](#)

[unsubscribe from this list](#) [update subscription preferences](#)

