Find Your Path to Value in the VBCforBH Community

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vbcforbh.com
1. Developments In Technology Enabled Care Delivery
2. The Drivers & New Competition
3. The Future: What’s Coming
   • New And Non-traditional Players Making A Significant Impact
   • Automation Will Continue To Evolve (Quickly)
   • A Word To The Wise
1. Developments In Technology Enabled Care Delivery
So What Are The Strategic Disruptors?

- “Talk” therapy – hybrid virtual models for behavioral health
- Primary care and care coordination – new functions, new people, new settings
- Social services funding - emerging P4S models
- VBR “opening the floodgates” for tech substitution
- Specialty provider organization sustainability – challenged in move from volume to value
- Specialty provider organizations losing health plan market share to new competition
Finding a new and sustainable “place” in the new market value chain is the strategic challenge...

- New competitors cannibalize some revenues for current services
- New payment models change the profitability of current services
- New service offerings make current services less ‘preferred’

RESULT: Current service line revenue – and margins – likely to shrink over time

STRATEGIC CHALLENGE: Becoming something ‘completely different’ that is preferred (and sustainable) in the changing market

Growth is the key – for competitive advantage and for scale...
Leverage Of Technology To Reinvent Services
Key To Competitive Market Positioning

Technology Creates New Competitive Forces
1. Convenient, personalized consumer treatment
2. Tech-enabled (and more effective) care coordination
3. Transparency in measurement of "value"

New treatment technologies have changed the options for consumers

Technologies permit task shifting to less expensive staff

Health information exchange provides data exchange and creates 'big data' for better consumer service planning

Smartphone and other technologies for inexpensive consumer-directed disease management

Telehealth and virtual consultation changing geographic market boundaries for services

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The Sustainable Platform = High Value

Community-based + Tech-enabled + Customer-centric + Data-driven → Value
The Challenge: Optimize The Past To Build The Future & Then Leave The Past Behind…

Strategy for future sustainability
- Mission and objectives
- Organizational market positioning
- Restructured service line portfolio with competitive advantage

Manage and optimize the current service line portfolio

Develop service lines with competitive advantage for the future
The Challenge: Optimize The Past To Build The Future & Then Leave The Past Behind…

**Strategy for future sustainability**
- Mission and objectives
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**Metrics should drive the plan and plan implementation**

**Manage and optimize the current service line portfolio**

**Develop service lines with competitive advantage for the future**
# Key Domains For Performance-Based Competition For Health & Human Service Provider Organizations

<table>
<thead>
<tr>
<th>“High Performing” On Payer Contracts</th>
<th>The Speed &amp; Cost Factors</th>
<th>The Consumer Experience</th>
<th>Clinically Cutting Edge</th>
<th>Financial Sustainability</th>
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<tbody>
<tr>
<td>• National health home measures</td>
<td>• Search engine ranking and optimization scores</td>
<td>• Net promoter score</td>
<td>• Current in clinical and service practices</td>
<td>• Revenue – by service line</td>
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<td>• NCQA HEDIS measures</td>
<td>• Online reputation</td>
<td>• Customer satisfaction</td>
<td>• Consistency in ‘treatment model’ – lack of unexplained variability</td>
<td>• Liquidity – current ratio, days cash outstanding, cash flow from operations, days of accounts receivable</td>
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<td>• CMS STARS measures</td>
<td>• Inquiries</td>
<td>• Customer experience monitoring (“mystery shopper”) results</td>
<td>• Short time to evaluation and adoption of new treatment technology</td>
<td>• Profitability – revenue growth and net operating profit margin, by service line</td>
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<tr>
<td>• Most common health plan contract measures</td>
<td>• Inquiry response time</td>
<td></td>
<td></td>
<td>• Leverage – debt to equity ratio</td>
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<td>• Specific health plan contract measures</td>
<td>• Inquiry conversion rates</td>
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<td>• Specific funder performance measures</td>
<td>• Time to appointment</td>
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The High “Fail Rate” Of New Technologies…
Going From Concept To Scale Is Hard

1. Value proposition for the overall health and human service system – that includes administrative cost of maintenance
2. Lack of operational plan for scale - systemic operational workflow processes
3. Lack of integration into EHR and other larger data ecosystems
4. Human factors problems – payer, health plan, provider organization, professional, caregiver, and consumer
5. Proof of concept - proof of impact and proof of return-on-investment
6. Financial viability at scale – changes in FFS or VBR models
7. Marketing expertise of tech vendor – comprehensive plan and execution
8. Financial strength of tech vendors for the ‘long game’
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<td>Consumer remote monitoring tools – wearables, smart phone apps, in-home devices – to improve operating processes</td>
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<tr>
<td>Automated appointment reminders and reminders of follow-up activities</td>
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<td>Automation of consumer assessments with on-line and smartphone-based tools for measurement-based care</td>
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"You don't have to run faster than the bear to get away. You just have to run faster than the guy next to you.”

Jim Butcher
2. The Drivers & New Competition
TIMELINE
Technology for Health Delivery

1. Telecommunications: phone, mobile, terrestrial, digital - 1876
2. Telemedicine/Telehealth – 1950s
3. Data Collection: Sensors, EHRs, IOT - 1972
5. Artificial Intelligence in Medicine - 1984
NUMBER OF PATIENTS SERVED REMOTELY

* U.S.A only

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Drivers

- Increased Access
  - Telemedicine

- Better Data
  - Sensors & EMR

- Greater Efficiency
  - Robotics & Automation

- Better Quality
  - Artificial Intelligence
COMPETITION

Primary and Urgent Care Choices

1. Dr. Google
2. Retail home testing products
3. Direct-to-Consumer or Consumer Initiated
4. Retail Clinics
5. Urgent Care
6. Primary Care Practices
7. Hospital Emergency Rooms
COMPETITION
Mental Health

1. Dr. Google
2. Consumer Apps
3. Online Services
4. Social Workers
5. Psychologists
6. Psychiatrists
7. Mental Health Institutions
3. The Future: What’s Coming
The Future Now

1. New and non-traditional players making a significant impact
2. Automation will continue to evolve (quickly)
3. Nanotechnology will play a significant role.
   - By 2024, the global market for nanotech will exceed $125B
   - By 2025, the global smart pill market will reach $650M
   - Ingestible capsules containing sensors, cameras, and more are already changing the face of medicine and treatment.
New And Non-traditional Players Making A Significant Impact
The Galloping Digital Evolution

Talkspace Launching Nationwide Psychiatry Service With Prescription Options

Aetna, Inpathy expand virtual mental health partnership

CMS Approves 5 More Hospitals for Hospital-at-Home Initiative, Raising Total to 56

Head2Toe Pediatrics, a concierge-style clinic, offers house calls 24/7 in St. Petersburg

Premera Blue Cross launches its first virtual primary care health plan

UnitedHealth launches employer virtual primary care service

Texas Virtual Primary Care HMO Created By Community Health Choice & Doctor On Demand

UPMC launches new virtual primary care model
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A Flood Of Investments

Equity Funding For Mental Health Startups Reached $576 Million In The First Quarter Of 2020, Number Of Investments Grew 19% Over Previous Quarter

Lyra Health Files Paperwork To Raise $175 Million

Teladoc & Livongo Health To Merge In Deal Valued At $18.5 Billion

Acorn Health Acquires Family Of ABA Therapy Companies From Concord Foundations

Broadstep Behavioral Health Receives Growth Investment From Bain Capital Double Impact

Telemedicine Primary Care Service 98point6 Raises $118 Million

Talkspace To Go Public In Deal Valued At $1.4 Billion

98point6 launches new virtual care service to address rising demand for mental health support
The Juggernauts

Amazon Launches Amazon Pharmacy for Medications

Amazon opens 4 more primary care clinics with Crossover Health

Amazon Alexa Virtual Assistant Now Supporting HIPAA-Compliant Services

CVS Health Boosts Chronic Disease Management Access at HealthHUBs

McLaren Healthcare, Walgreens partner for new health clinics

Walgreens Boots Alliance Accelerates VillageMD Investment and Large-Scale Rollout of Primary Care Clinics

Oak Street Health To Open Primary Care Clinics At Three Walmart Stores In Dallas-Fort Worth Area

Walmart Health Opens Two Primary Care Clinics at Retail Supercenters in Chicago with Plans to Open Seven Florida Locations in 2021

Amazon Acquires Health Navigator For Pilot Employee Health Care Program, Amazon Care
Health Plans

Accelerated Move Away From Fee-For-Service

- The Medicare transformation
- Medicaid VBR requirements
- Employers embrace high-performance networks

Humana to offer Primary Care First model across 48 states

Optum and Merck Collaborate to Advance Value-Based Contracting of Pharmaceuticals

In the last three years, the amount of UnitedHealthcare’s care-provider reimbursements tied to value-based care programs has nearly tripled to $64 billion annually. By the close of 2020, that...

Aetna and PA Clinical Network agree to value-based contract to provide high-quality care, expanded provider network

AmeriHealth Caritas Louisiana Selected To Participate in Primary Care First
Health Plan

Payvider Positioning

Backward integration with health plans owning service delivery system – and hiring clinical professionals to provide direct services

New Aetna Health Plan Leverages CVS HealthHUBs, Narrow Networks

Optum expects to add 10,000 physicians this year

Optum in talks to acquire 715-physician group in Massachusetts

Humana’s primary care subsidiary to open 100 centers for seniors by 2023

BCBS of Michigan partnering with provider on 6 primary care clinics
Automation Will Continue To Evolve (Quickly)
Intelligent Robots

Recent Applications

- Autism Spectrum Disorders
- Activity Engagement and Physical Exercise
- Dementia and Age-Related Cognitive Decline
- Companion Robots to Improve Psychosocial Outcomes
- Clinician Training for Interacting with People with Disabilities
- Diagnosing and Studying Schizophrenia
Pharmacy Automation

1. InstyMed: Rural area dispensing
2. Automated Processing for pharmacy packaging
Robot Assistants and Chatbots

RoBear – nurse for moving someone

Woebot – AI Cognitive Behavioral Therapy
Robot Companions

TOMBOT – Realistic robot companion dog

Pepper - humanoid robot of the height of a schoolchild makes eye contact, dances the lambada, cracks jokes. It is able to recognize principal human emotions, respond appropriately to moods as well as questions. More than 140 SoftBank Mobile stores in Japan are using Pepper as a new way of welcoming, informing and amusing their customers. Also being used as a receptionist at two Belgian hospitals.
PillCam

In 2001, the ingestible camera became the first FDA approved smart pill

By 2008, PillCams had been used in more than 2 million procedures
Dose Tracking Pills

- Each pill contains a sensor which relays data through a patch worn by the patient.
- App tracks drug, dosage, and time — log can be shared with doctors and others.
- Treatment non-adherence costs up to $290B in the US alone. Smart pills could improve drug adherence and patient outcomes.
Vibrant Capsule

Vibrating capsules promote muscle contractions to **jumpstart digestion**

Effectively **treats constipation** without laxatives, or any major side effects
Atmo Gas Capsule

- A permeable membrane allows gases to enter the capsule
- Sensors detect levels of oxygen, hydrogen, and CO2
- Oxygen levels allow researchers to pinpoint the capsule’s location
- Hydrogen and CO2 offer scientists valuable data about the gut’s microbiome
MIT’s Smart Sensor Capsules

- Capsules unfold into a Y-shaped, lodging in the stomach for about a month
- Sensors track vital signs for diagnosis and treatment monitoring
- Bluetooth connection limited to an arm’s length for better security
- Preloaded compartments can be customized to release medications
Magnetic Micro Surgery

Around the world, researchers are developing specialized nanobots to perform a wide variety of surgeries using external magnetic fields to direct the bots.

Performing Eye Surgeries
Tiny microneedle is injected through a standard NEEDLE INTO THE EYE. Surgeons can then direct the needle using a specialized MAGNETIC FIELD.

Clearing Blocked Arteries
Corkscrew chain of iron oxide beads are injected into the BLOODSTREAM. The corkscrew then DRILLS THROUGH ARTERIAL BLOCKAGES and breaks up plaque.

Collecting Biopsies
NANOBOTS RESEMBLING UNFOLDED CUBES are made from elastic polymers. GRABS TISSUE SAMPLES by folding up, holding samples inside the cube.

Micromotors
Tiny beads of magnesium and titanium treat stomach ulcers with fewer side effects, by targeting drug delivery to the site where it’s needed.

Cancer Fighting DNA
“DNA origami” robots target cancerous cells without harming healthy tissue, showing significant results in as little as 2 weeks.
A Word To The Wise: Innovate Or Die
Company’s That Failed To Innovate
Company’s That Failed To Innovate
Metaphor For Today’s HHS Organizations: Boeing Stratocruiser
Metaphor For Tomorrow’s HHS Organizations: A350
And The Prices and Audience Are Changing: Cirrus Vision Jet

Cirrus Vision Jet Cockpit

Safe Return/Autoland at the closest airport

The entire jet has a parachute
Things To Do Now!

- Realize the industry is rapidly changing and your organization must change
- Build a culture of innovation
- Consider service line expansion with a digital-first strategy
- Decide to pursue non-traditional partnerships to differentiate
- Use digital healthcare as a competitive advantage
- Completely rid your organization of complacency
INNOVATION DISTINGUISHES BETWEEN A LEADER AND A FOLLOWER

- STEVE JOBS
qualifacts + CREDIBLE

✓ IMPROVE OUTCOMES
✓ DRIVE EFFICIENCIES
✓ DEMONSTRATE PERFORMANCE

Uniquely Flexible | Highly Configurable

EHR TECHNOLOGY & SERVICES
FOR BEHAVIORAL HEALTH & HUMAN SERVICES ORGANIZATIONS
The Keys To A Successful Recovery Strategy – The Path From Crisis Management To Post-Crisis Sustainability

Executive Web Forum—March 25, 2021 1:00 – 2:00 PM ET

Monica E. Oss
Chief Executive Officer,
OPEN MINDS
Thank you to Qualifacts + Credible for sponsoring today’s webinar!

Don’t forget to visit technology.openminds.com for recordings, presentations, and resources from last week’s Technology & Analytics Institute!

Here are a few of our favorites …

• Finding An Electronic Health Record System For Your Future: The OPEN MINDS Seminar On Best Practices In EHR Selection, Contracting, & Optimization
• Results From The Tech-Enabled Provider Organization: The 2020 OPEN MINDS Health & Human Services Technology Survey
• How To Become A Data-Driven Organization
• Staying Focused In A Year Of Disruptions & Distractions, A Success Story: VIP Community Mental Health Center, Los Angeles County, California
• Why Measuring Performance & Tracking Outcomes Are Your Roadmap to Success: A Discussion With Eric Arnson, Chief Product Officer, Qualifacts + Credible
• The Payer Perspective: An OPEN MINDS Forum On Connectivity Between Payers & Providers
• The 21st Century Cures Act & Information Blocking: What It Is & What It Means To Persons Served, Providers & HIT Vendors
• Digital Therapeutics For Behavioral Health: Anytime/Anywhere Health Care
Turning Market Intelligence Into Business Advantage

*OPEN MINDS* market intelligence and technical assistance helps over 550,000+ industry executives tackle business challenges, improve decision-making, and maximize organizational performance every day.