9TH ANNUAL INDUSTRY PULSE RESEARCH SURVEY

Data Readout Presentation

April 2019

HEALTHCARE HCEG EXECUTIVE GROUP

CHANGE HEALTHCARE

Today's Speakers

David Gallegos
SVP, Consulting Services

Ferris Taylor
HCEG Executive Director

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About the Industry Pulse

Developed by Change Healthcare in partnership with the *HealthCare Executive Group (HCEG)* over the past nine years, the **Industry Pulse Research Survey** is based on the HCEG Top 10 challenges, issues, and opportunities, as voted on by HCEG membership during the HCEG's Annual Forum.

The Industry Pulse and the HCEG Top 10 encourage continuous and evolving dialogue on the main issues and concerns facing healthcare leaders across the country.

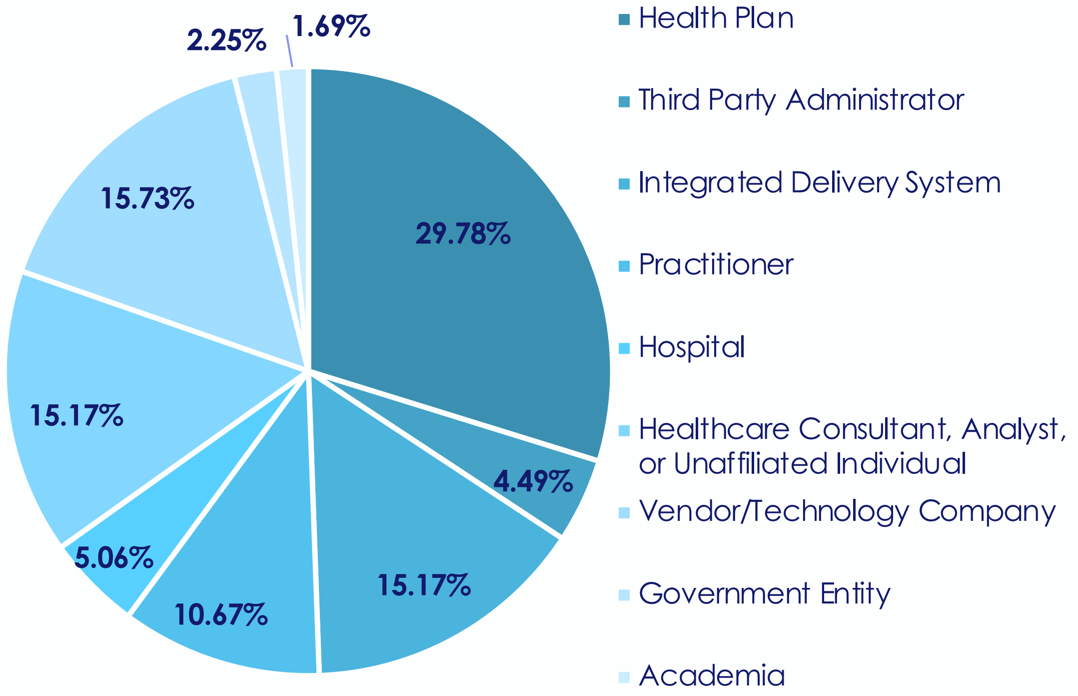
GOAL	Gain insight on key trends and issues facing payers, providers, and the businesses that serve the healthcare market
PARTICIPATION	• *Targeted leaders; primarily as payer and provider organizations* • *n=185*

TODAY'S DISCUSSION

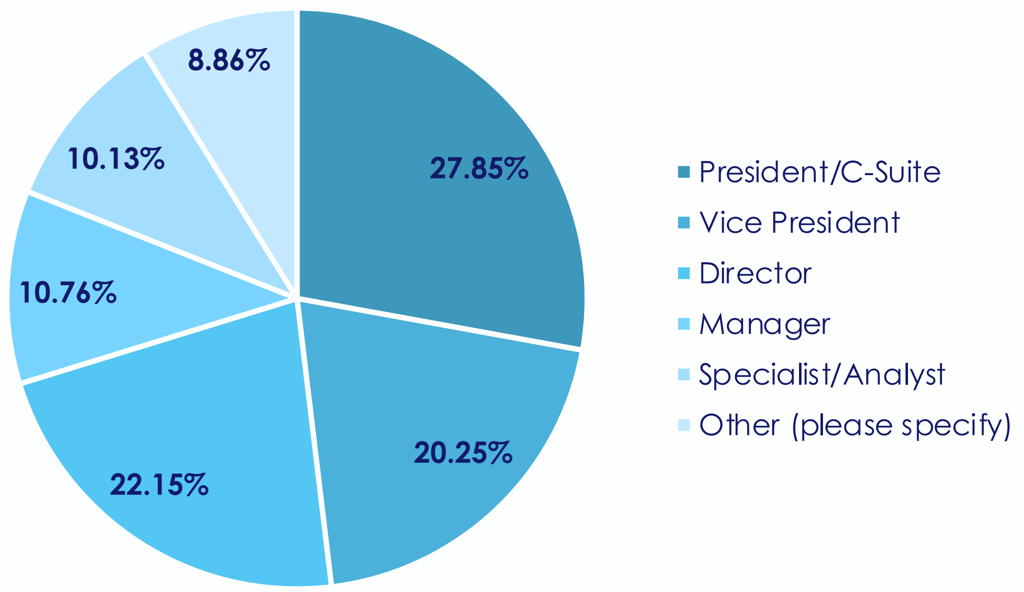
- **Reviewing the analysis of the 9th Annual Industry Pulse Research Survey**
- **Gaining insight into the thoughts and opinions of healthcare leaders**
- **Exploring how a number of forces might be affecting how these leaders prepare for the future**

Respondent Demographics

Organization types



Organization Role



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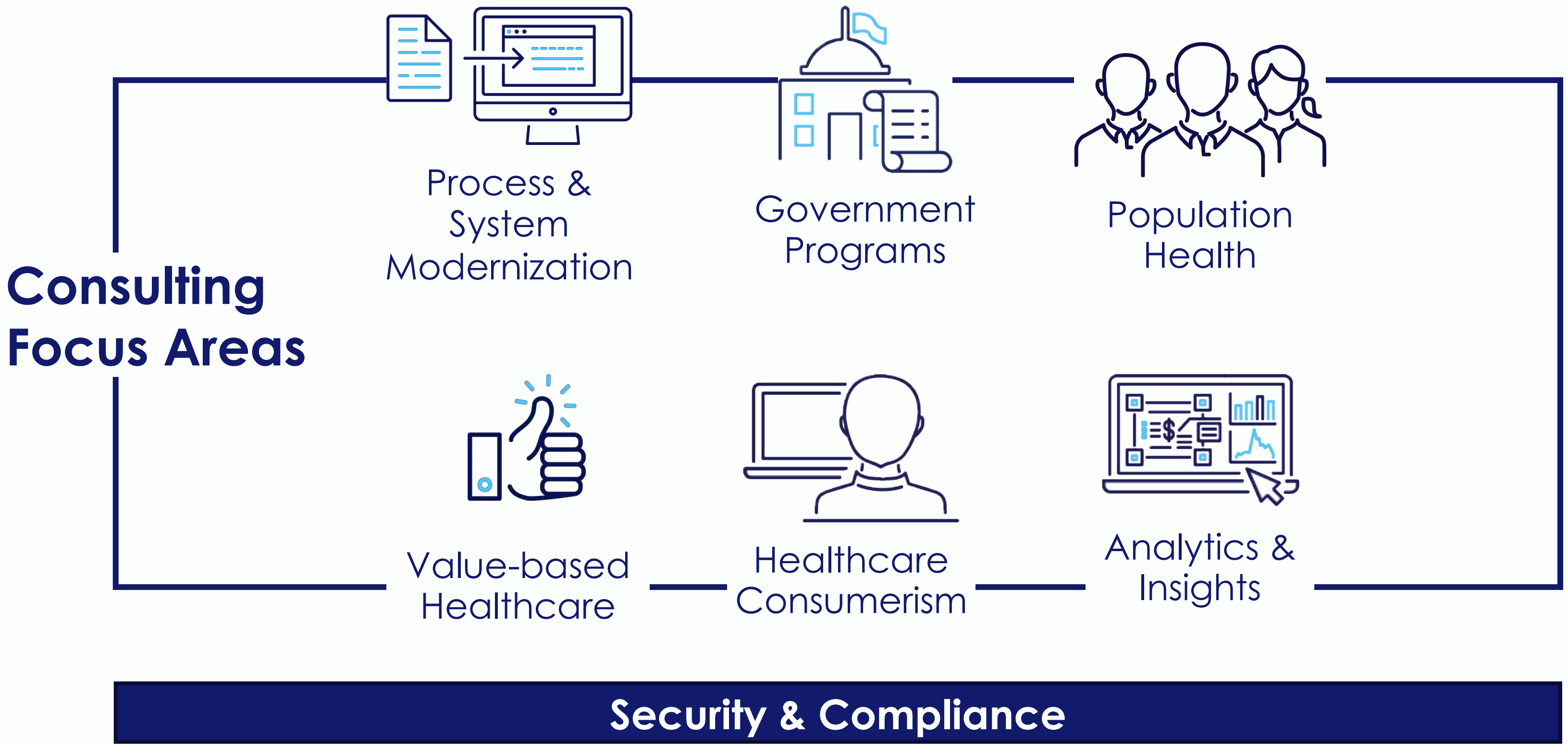
Change Healthcare Consulting

We work collaboratively with our clients to define new strategies and bring them to life, unlocking the opportunities created by change



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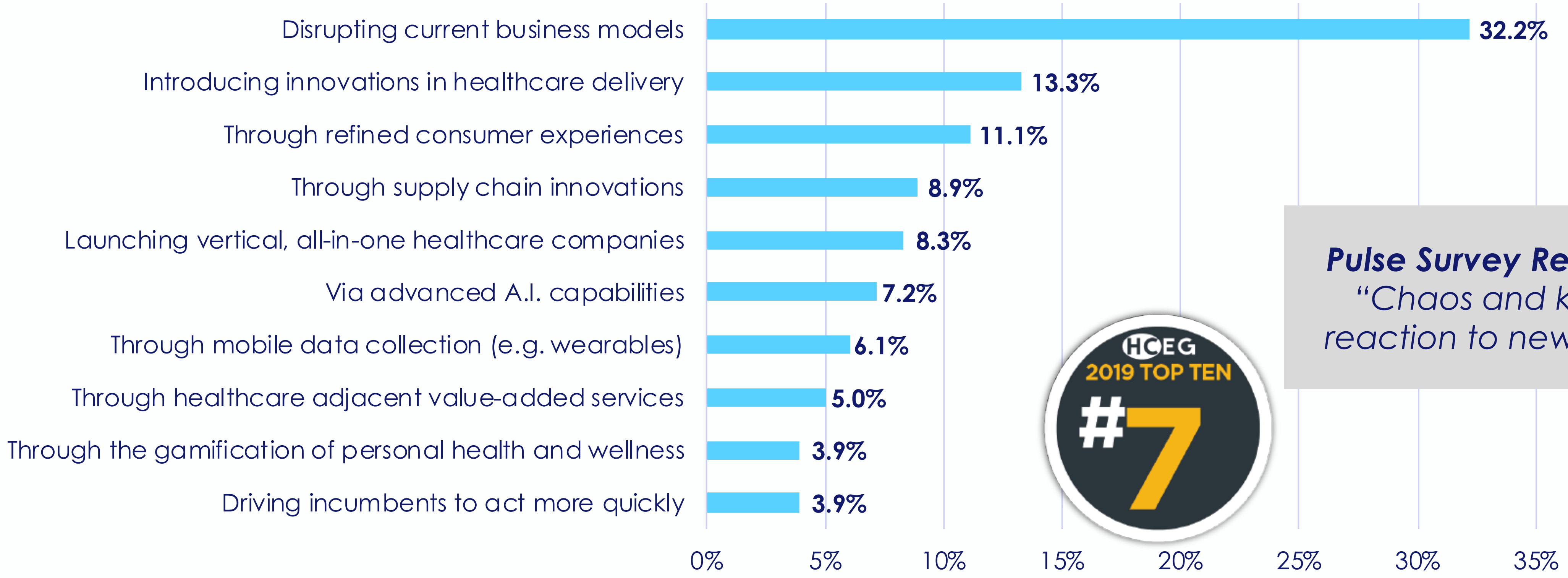
HEALTHCARE
HCEG
EXECUTIVE GROUP

Guiding Executives Through Innovation, Change, and Growth, since 1988

1. **Data & Analytics:** Leveraging data (especially clinical) to manage health and drive individual, provider, and payer decisions.
2. **Total Consumer Health**: Improving members' overall medical, social, financial, and environmental well-being.
3. **Population Health Services:** Operationalizing community-based health strategy, chronic care management, driving clinical integration, and addressing barriers to health such as social determinants.
4. **Value-based Payments:** Transitioning to and targeting specific medical conditions to manage costs and improve quality of care.
5. **The Digital Healthcare Organization:** HSAs, portals, patient literacy, cost transparency, digital payments, CRM, wearables and other patient-generated data, health monitoring, and omni-channel access/distribution.
6. **Rising Pharmacy Costs:** Implementing strategies to address growth of pharma costs along with benefits to quality of care and to total healthcare costs.
7. **External Market Disruption:** New players like Amazon, Chase, Apple, Walmart, and Google.
8. **Operational Effectiveness:** Implementing lean quality programs, process efficiency (with new core business models), robotics automation, revenue cycle management, real-time/near-time point of sales transactions, etc.
9. **Opioid Management:** Developing strategies for identifying and supporting individuals and populations struggling with substance abuse/addiction or at risk of addiction.
10. **Cybersecurity**: Protecting the privacy and security of consumer information to maintain consumer trust in sharing data**.**

How Do You Feel External Market Entrants Will Have the Greatest Impact in Disrupting Healthcare?



Pulse Survey Respondent:
"Chaos and knee-jerk reaction to new entrants"

n=180

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Key Message: Business Model Disruption is Coming

A confluence of forces will require healthcare to adopt new business models and market strategies

- **People:** Consumers continue to demand a healthcare experience that mirrors the access and convenience of other industries, while industry stakeholders are beginning to explore how to place people at the center of healthcare
- **Processes:** How the business of healthcare gets done and how care is delivered will be changed by continued advances in analytics, AI-enabled technologies, value-based care, and new consumer expectations and demands
- **Technologies:** Emerging technologies will continue to offer significant opportunities to healthcare due to lagging traditional business models, new entrants, and a lack of experienced workers for current and emerging needs

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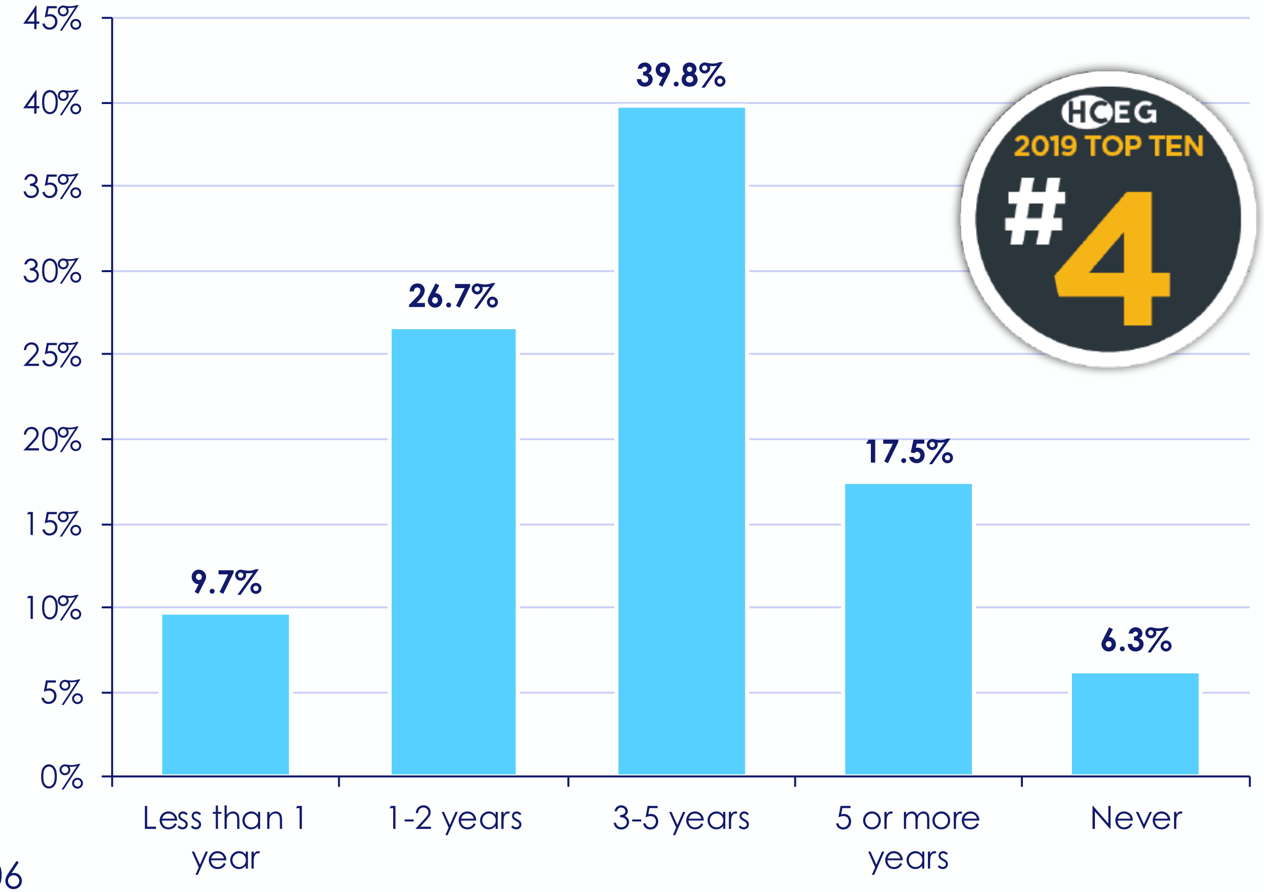
When Do You Expect the Majority of Value-based Relationships Within the Healthcare Market to Contain Both Upside and Downside Risk?

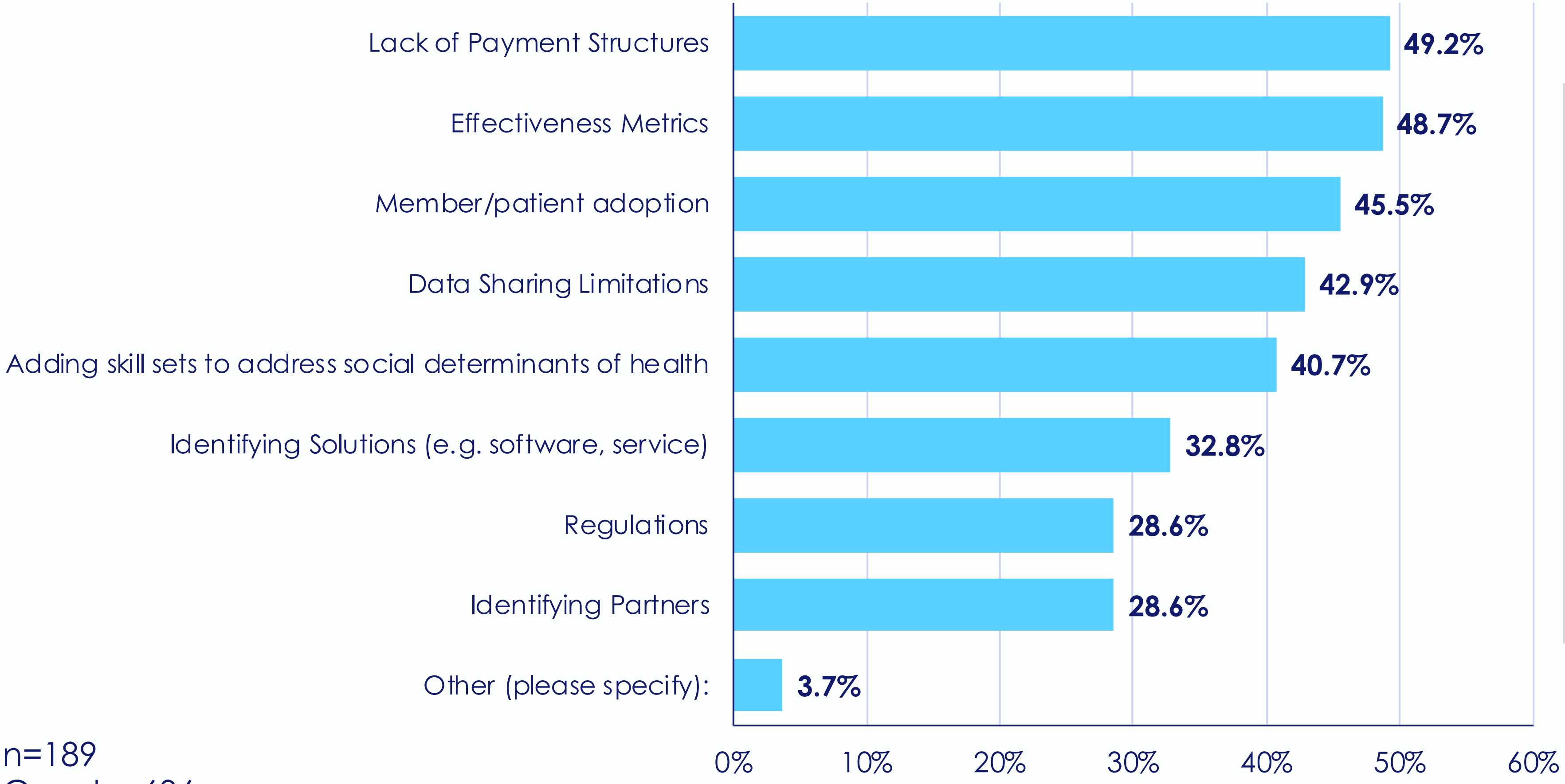


n=206

Pulse Survey Respondent (Health plan director):
"Ensure payers and providers share risk and they will be more likely to think outside the traditional 'box' to effectively manage populations and provide solutions."

Pulse Survey Respondent (Health plan manager):
"Each entity has their primary objectives in how they operate and utilize clinical data, and they don't necessarily align. There seems to be a number of attempts to move forward on a large scale, which may be too overwhelming to successfully implement."

Which of the Following Barriers Do You Anticipate Facing as You Look to Integrate and/or Support Non-medical Solutions in Your Population and Clinical Care Programs? (Please Select All That Apply)



Pulse Survey Respondent (Hospital Executive):
"As more of our consumers … are moving to Managed Medicaid, we have to figure out how to treat that population with reduced payments but still provide the quality care."

n=189
Count = 606

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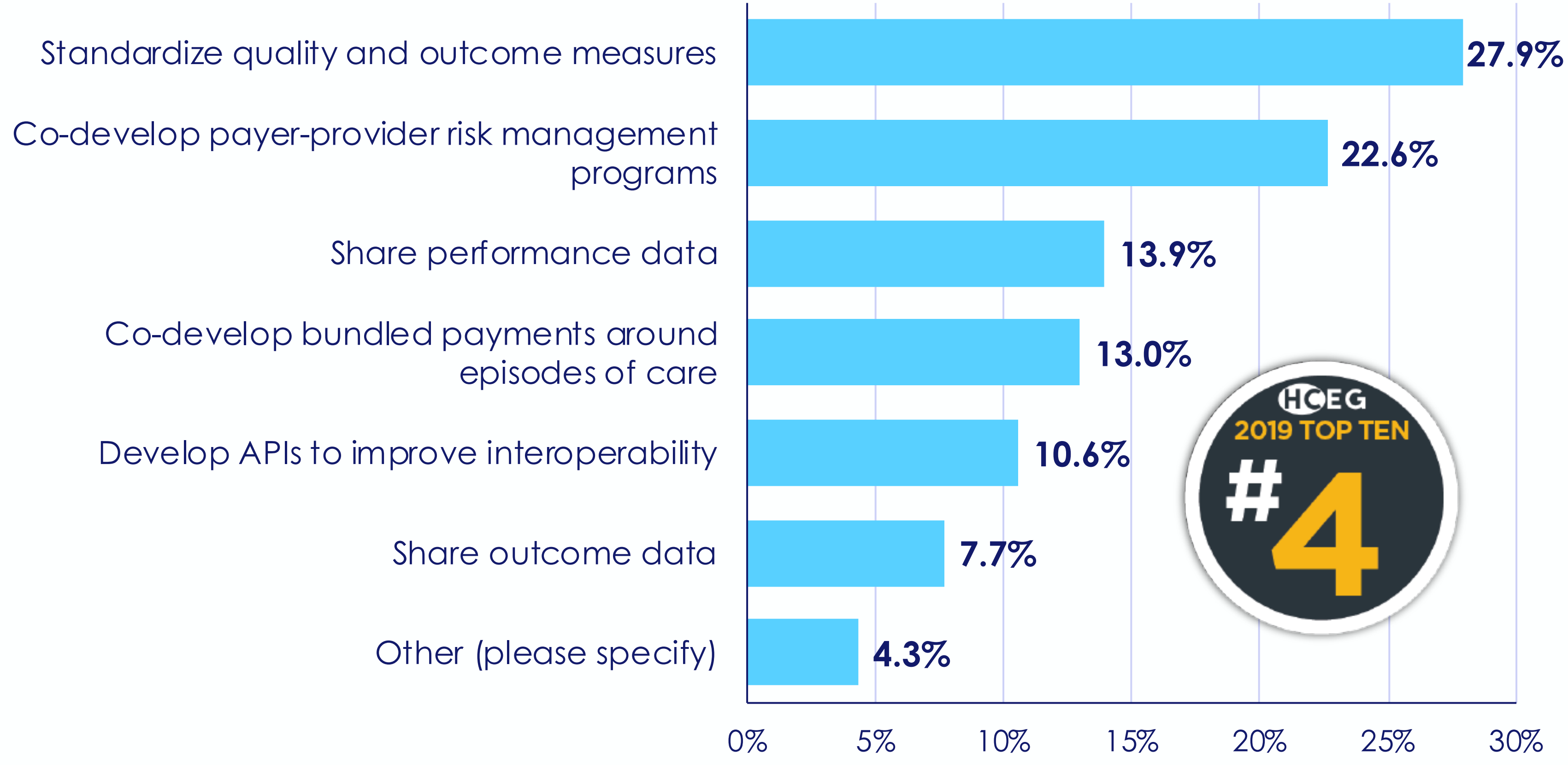
How Can Payers Most Effectively Support Providers (e.g. Practitioners, Hospitals, IDNs) to Orchestrate High-value Care?



Other Pulse Survey Respondent Comments:

"By paying them what they are worth."

"Data sharing is also essential for this to work."

"Real-time performance management and interoperability"

"See each other as teammates instead of rivals."

n=208

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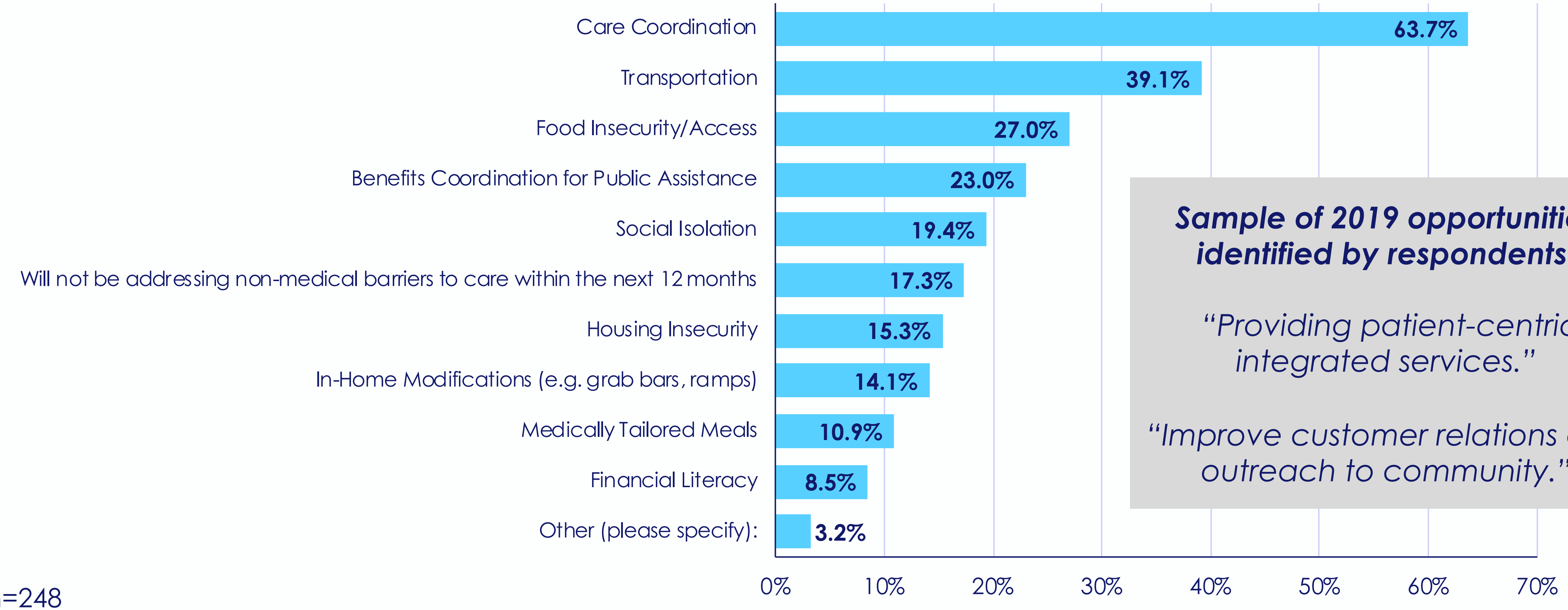
Which of the Following Non-medical Barriers to Care/Health Will Your Organization Take Action on Within the Next 12 Months? (Please Select All That Apply)



Sample of 2019 opportunities identified by respondents:

"Providing patient-centric integrated services."

"Improve customer relations and outreach to community."

n=248
Count = 599

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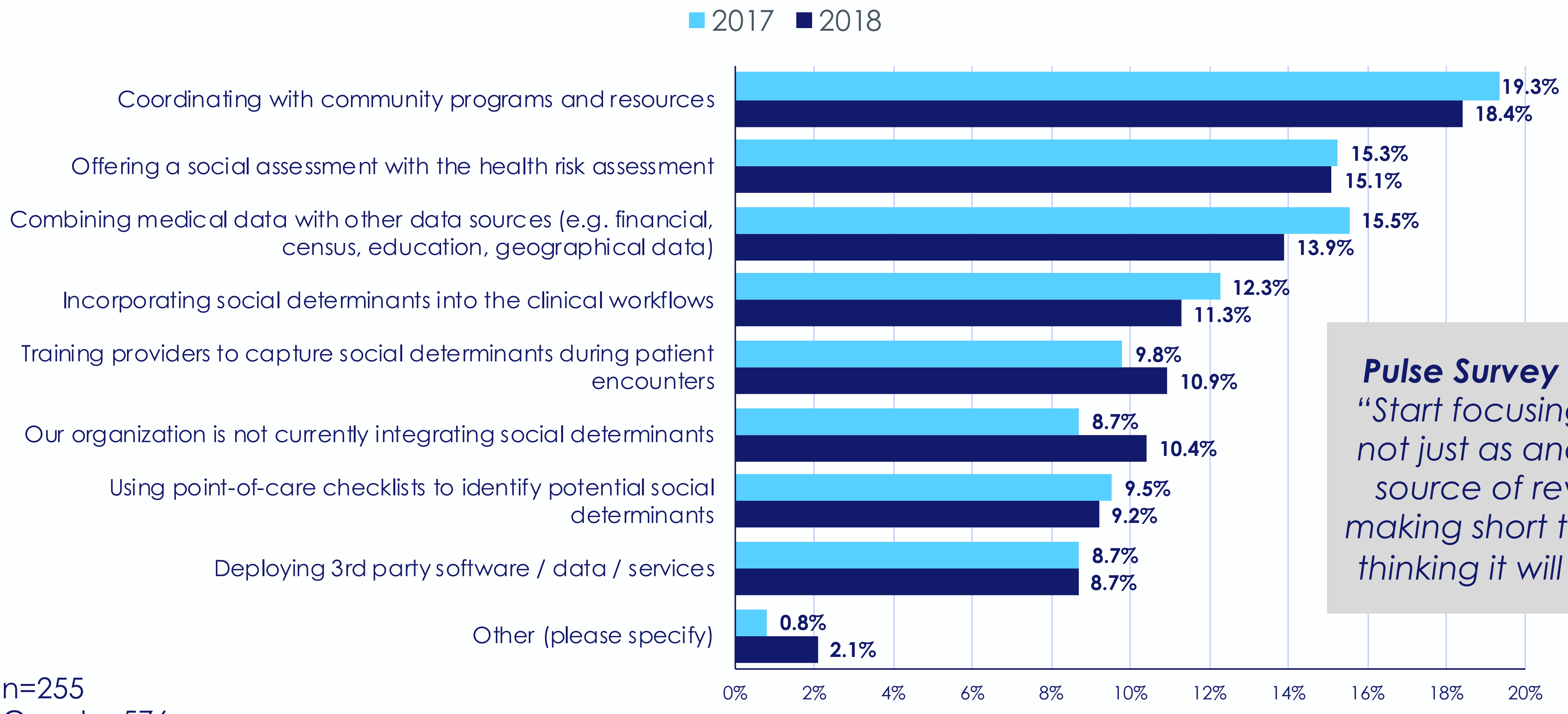
How is Your Organization Integrating Social Determinants of Health Into Your Population Health Programs? (Select All That Apply)



HCEG 2019 TOP TEN #3

Pulse Survey Respondent:
"Start focusing on patients not just as another billable source of revenue. Stop making short term decisions thinking it will lower costs."

n=255
Count = 576

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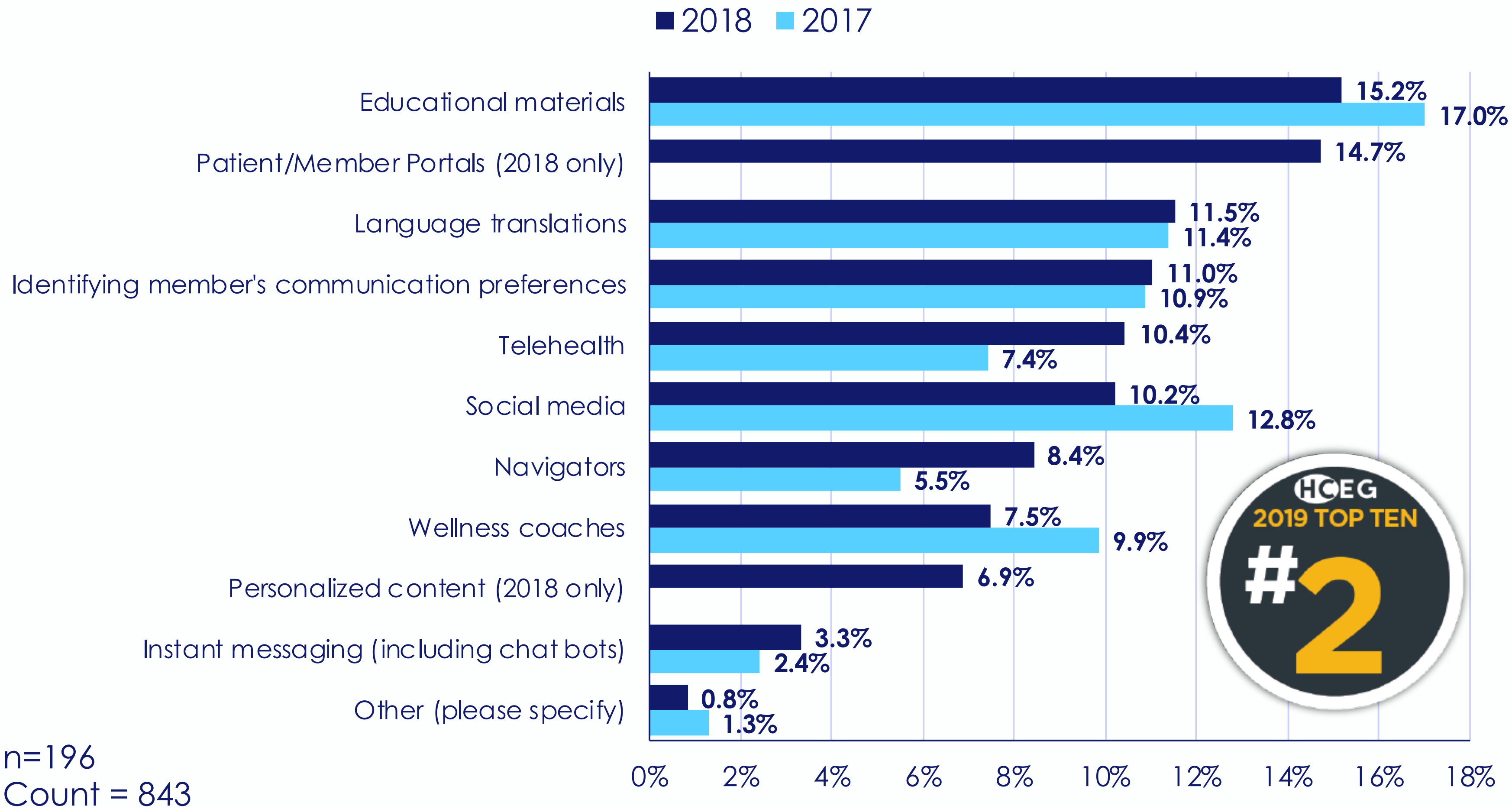
Which of the Following Tools and Services Does Your Organization Use to Enhance Member/Patient Engagement? (Select All That Apply)



n=196
Count = 843

Pulse Survey Respondent (IDN Vice President):
"[A] simple and easy consumer experience"

A 2019 Challenge:
"Retaining and building membership in an unsatisfied consumer landscape."

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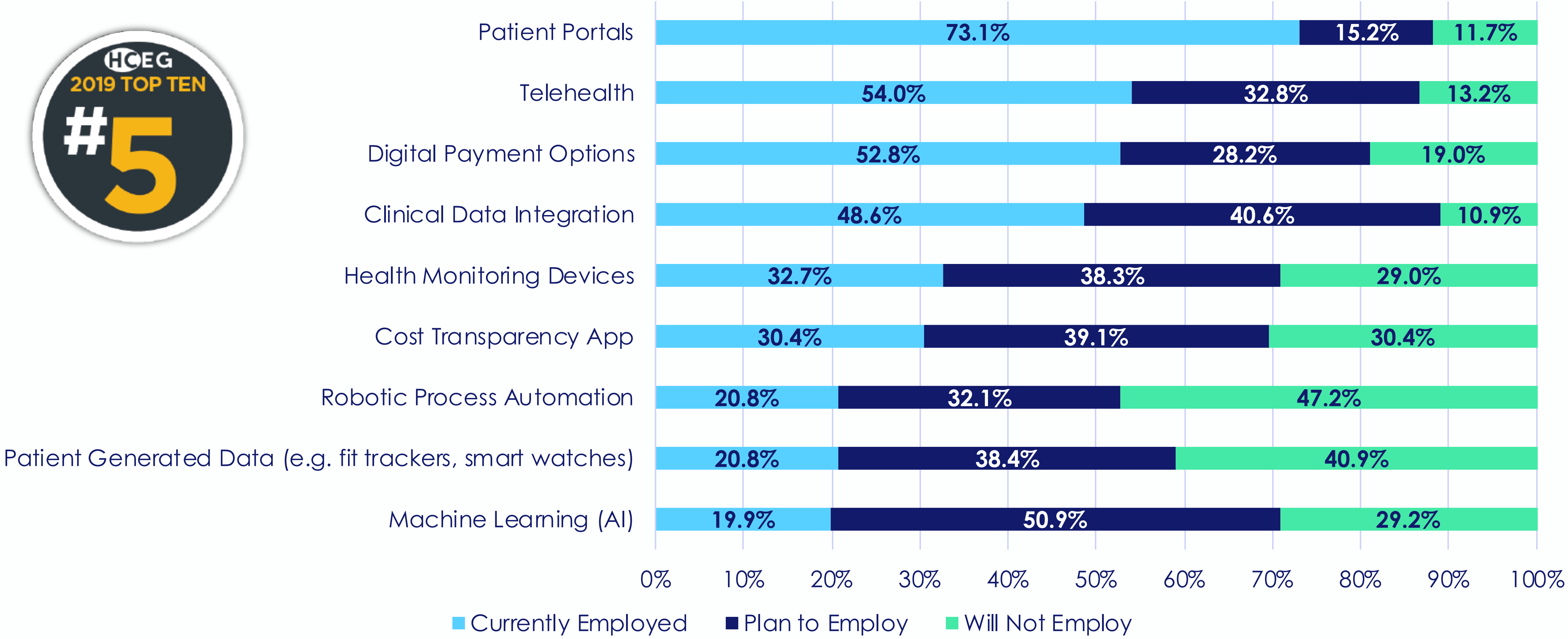
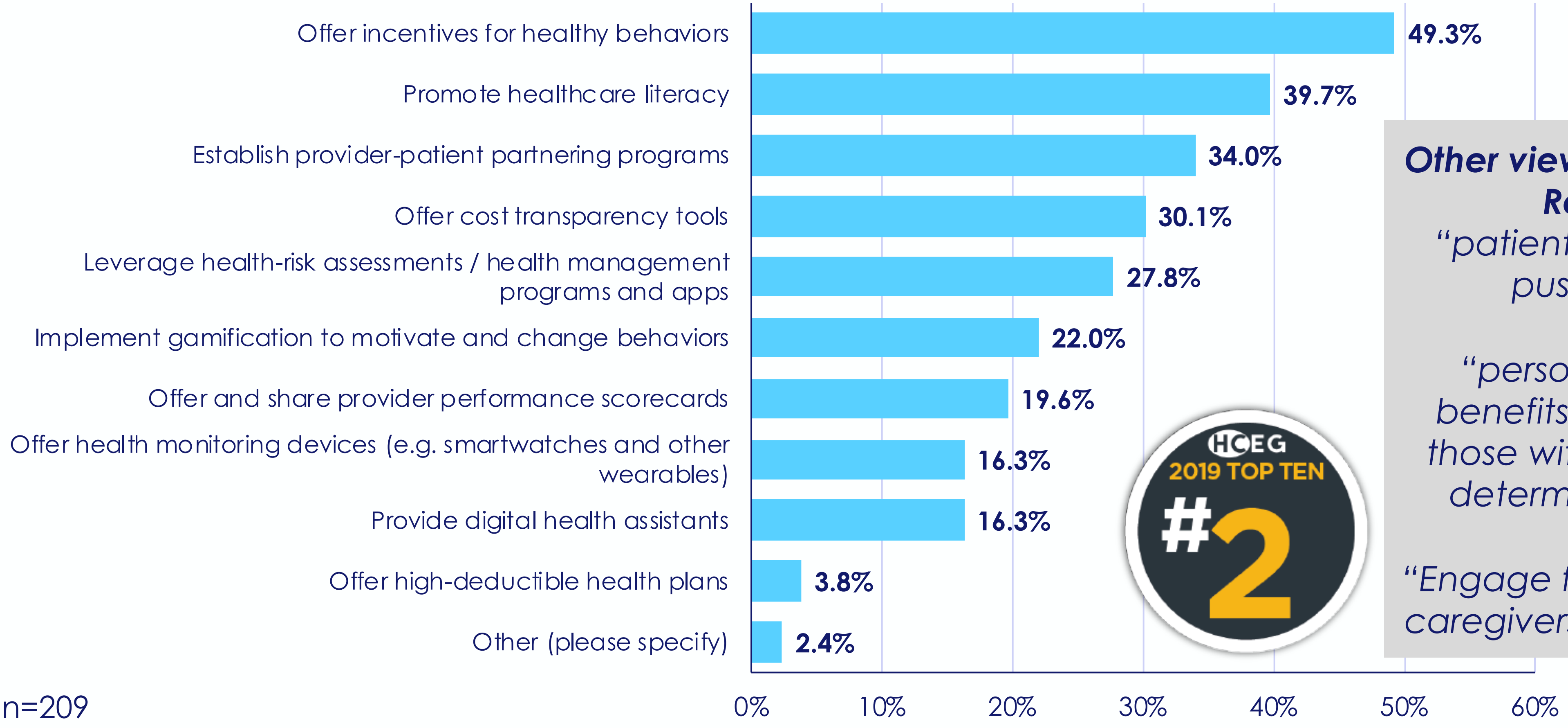
Which Elements of the Digital Healthcare Organization Are You Currently Employing at Your Organization?



n=163

In Your Opinion, What Are the Best Approaches for Turning Passive Patients Into Active Healthcare Consumers? (Select Up To 3)



Other views from Pulse Survey Respondents:

"patient steerage through push messaging"

"personalize employee benefits to fit the needs of those with identified [social determinants of health]"

"Engage family members and caregivers in their treatment."

n=209
Count = 546

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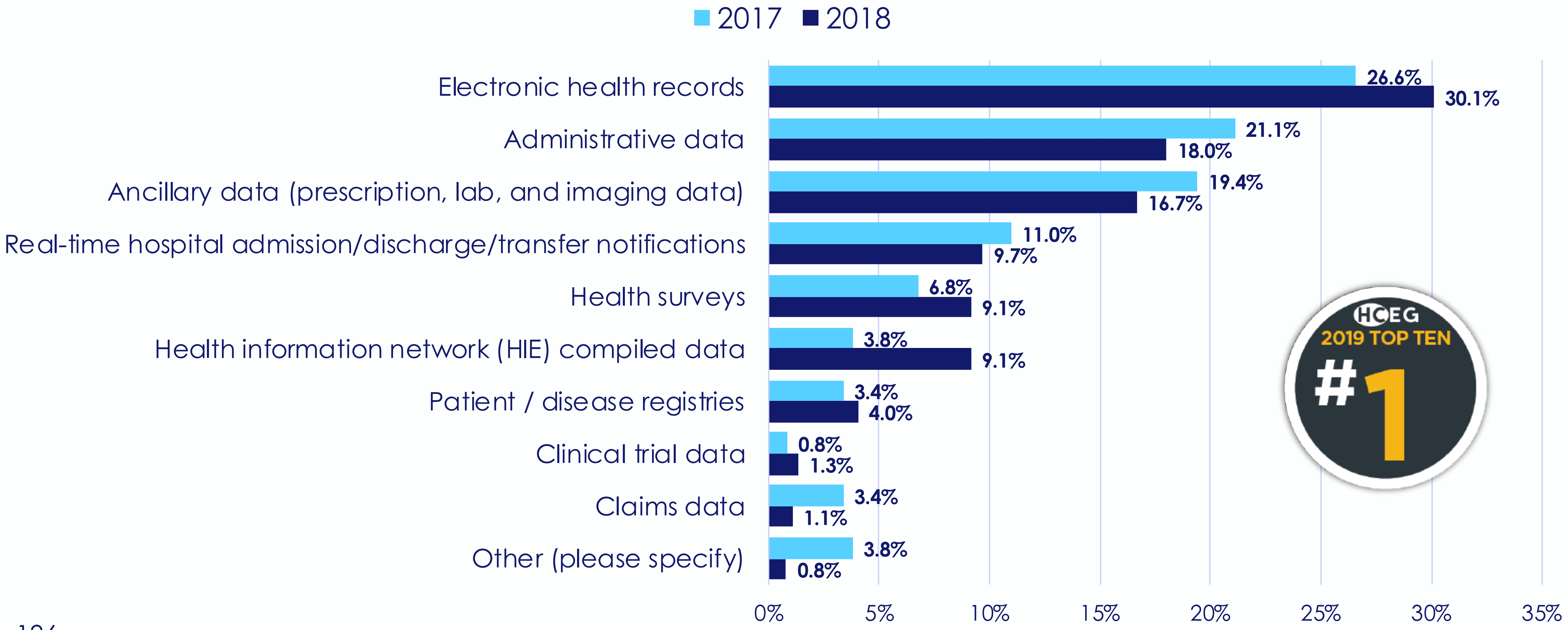
What are Your Organization's Two (2) Primary Sources of Clinical Data?



n=196
Count = 372

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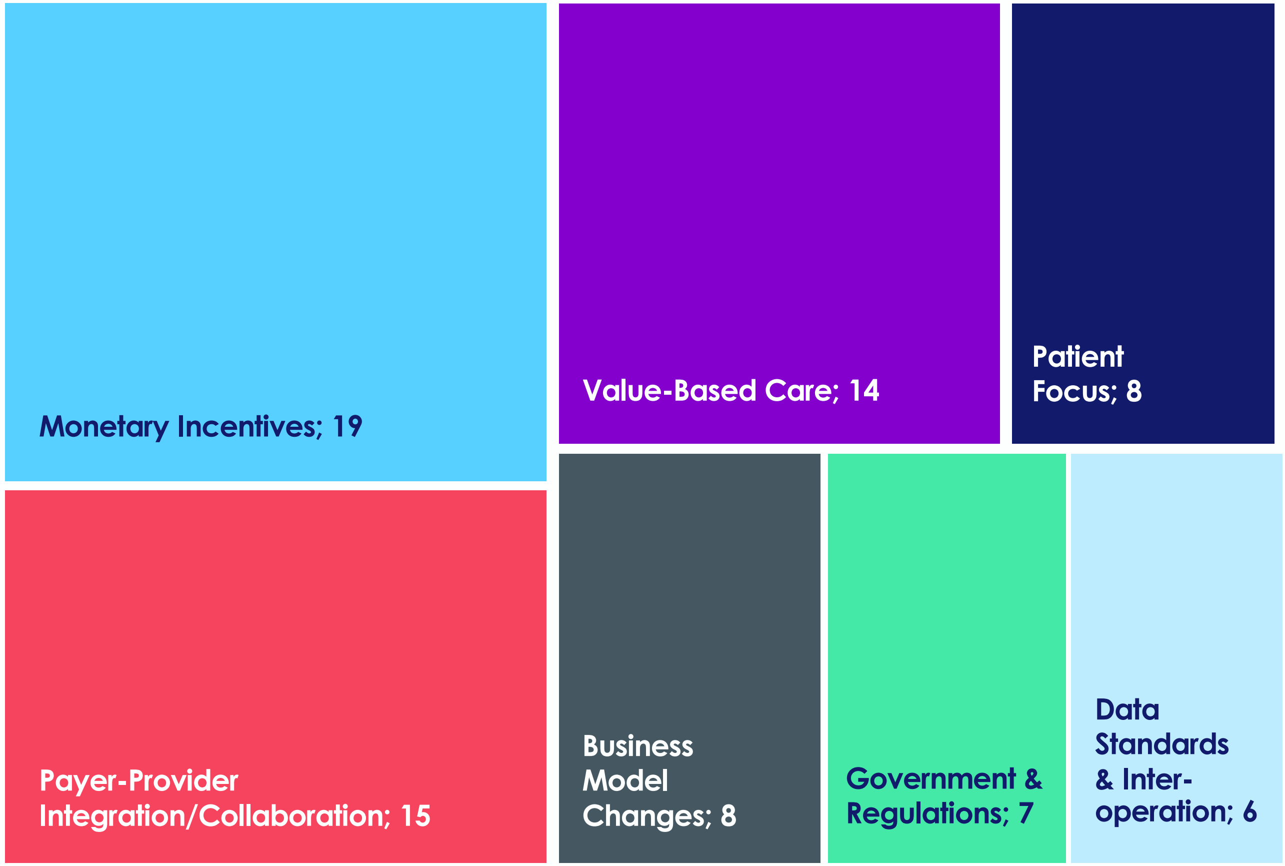
How Might Healthcare Stakeholders Be Incentivized to Share the Data Necessary to Drive Individual, Provider, and Payer Clinical Decisions?



n=69; coded

Other Pulse Survey Respondent Comments:

"Removing contractual barriers and instituting financial co-incentives to share data."**– Physician**

"Ensure payers & providers share risk and they will be more likely to think outside the traditional "box" to effectively manage populations and provide solutions." **– Health plan director**

"The payer and provider sides should learn to work as a team. The tools for both groups should be simple, integrated into the normal workflow, and provide real-time feedback…." **– Leader at an IDN**

"There is no integrated infrastructure and model to link consumers payers and providers in a mutually beneficial way. Each leg of the stool is motivated and benefited differently." **– Health plan executive**

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Year-Over-Year Trends

Yearly changes in key Issues expressed by respondents

2018	2017	2016	2015	2014	2013	2012	2011
Critical							
• **Customer Service** • **Clinical & Data Analytics** • **Privacy & Security** • **Membership Retention**	• Privacy & Security • Customer Service • Membership Retention • Clinical & Data Analytics	• Customer Service • Privacy & Security • Clinical & Data Analytics • Risk Management	• Customer service • Data analytics • Privacy & security • Membership retention	• Customer service • Membership retention • Membership growth • Regulatory compliance • Data analytics	• Member retention • Customer service • Regulatory Compliance • Membership Growth • Provider Networking & Contracting	• Member retention • Member growth • Customer service	• Member retention • Automation & performance optimization • Member growth
Important							
• **Regulatory / Compliance** • **Provider network & contracting** • **Membership growth** • **Tech limitations & system integration**	• Regulatory/ Compliance • Membership Growth • Tech limitations & System integrations • Risk Management	• Member Retention • Provider Network & Contracting • Regulatory/ Compliance • Payment Integrity • Vendor Relationships	• Vendor Relationships • Brand & Marketing • Product benefit design • Provider Networking & contracting	• Product benefit design • Payment integrity • Brand, marketing, communications	• Private HIX • Public HIX • Risk Mgmt. • Payment Integrity	• Claims accuracy and recovery • Risk management • Product benefit design	• Regulatory/ mandate compliance • Customer service • Claims accuracy & recovery • Product design
Lower Priority							
• **Payment integrity** • **Risk management** • **Automation**	• Automation • Payment integrity • Provider network & contracting	• Tech Limitations • Branding, marketing & sales	• Payment integrity	• Risk mgmt. • Privacy & security	• Brand, marketing, & communications • Product benefit design	• Privacy & security • New sales channels	• Privacy and security • Risk mgmt.

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