



# Healthcare CEO Forum

7:30 am Tuesday, June 11, 2019

Meeting at  
Scottsdale Place  
5635 N. Scottsdale Road  
Suite 170  
Scottsdale, AZ 85250

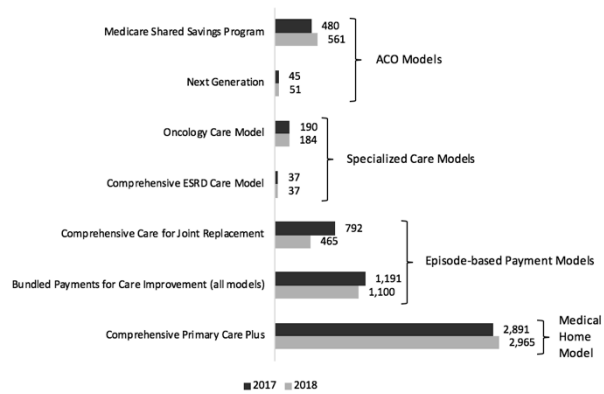
## Overview

- Introductions/Housekeeping
  - Introductions/Update
  - Forum, personal goals
- 2019 Schedule
  - Tue, June 11, 2019—VBC Update
    - Personal work/life assessment and goals
    - Progress on Value Based Care
  - Summer plan
  - Tue, September 10, 2019
    - TBD

## Survey on VBC Progress

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## Medicare VBC Participants



## Findings

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  - NOT all with downside risk
  - <2% have capitation
  - Still a FFS system
- - 90% have at least one contract
- - Price transparency
  - High-deductible, HAS plans

## Findings

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- - yrs
- Benefits from VBC
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- Limiting factors: why not just wait till no choice left
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  - esp interoperability

## Findings

- variation:
  - 61% cannot manage MD cost variation
  - 35% cannot manage outcome variation
- Quality measurement improving, but
  - Metrics aren't really outcomes or true quality
  - Metrics need to be simplified
  - Most have high scores—Lake Wobegon?
- New Frontier: Social Determinants of Health (SDH)
  - 75% “partner” with community service and religious groups
  - But only 18% actively engaged
- Health systems acquiring or “partnering” with:
  - Urgent care, ASCs, Home Health, Rehab, Telehealth, Hopsice, SNFs, Clinics, LTC

## Innovation

### Traditional emphasis:

- Episodic innovation
- Resources to exploitation of core business
- Staff innovates “on the side”
- Failures avoided
- Exhaustive planning
- Build from existing services-products

### New strategic emphasis:

- **Systematic innovation**
- Resources support mix of core business, new platforms, options
- **Staff dedicated to innovation**
- Intelligent failures encouraged
- Trial and error
- **Build from customers' needs, innovate to solve needs**

## Organization

### Traditional emphasis:

- Downsizing, restructuring
- Exploit core business
- Build it yourself, Ownership is key
- Investment intensive, NPV
- Stable OR dynamic
- Narrowly defined jobs and roles

### New strategic emphasis:

- Continuous morphing, changing
- Support all phases of strategy: Core, New Platforms, Options
- Rent it, leverage external assets key
- Real options mindset, parsimony
- Stable WITH dynamism (agility)
- Fluid use of talent (athletes)

## Execution

### Traditional emphasis:

- Narrow, closed process
- Precise but slow
- Emphasize planning
- Confirmation bias
- Talent fixing problems
- Hire for experience
- Pay for tenure

### New strategic emphasis:

- Open, candid process
- Fast and roughly right
- Emphasize rapid execution
- Disconfirmation bias
- Talent focused on opportunities
- Hire for fit, learnability
- Pay for performance, accountability

## Forum Approach

- **Goals**
  - Become a stronger leader...with others you respect
  - Learn new leadership skills, tools...validate existing ones
  - Reinforce commitment to work/life balance
- **Meetings**
  - Presentation/Discussion format
  - MITs
  - Occasional speakers
  - Handouts, books, homework
  - Blueberry muffins