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WEBINAR SUMMARY

A Five-Point Model for Transforming Health Care

Featuring Marc Harrison, MD

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A Five-Point Model for Transforming Health Care

PRESENTER:

Marc Harrison, MD, President and CEO, Intermountain Healthcare

MODERATOR:

Steve Prokesch, Senior Editor, *Harvard Business Review*

Overview

Although many politicians have health care-related slogans, most are simplistic and aren't going to improve health care. Real solutions that deliver results are based on the transformational concept of value-based care, where providers are compensated for the wellbeing of patients, not the quantity of services rendered.

Intermountain Healthcare is leading the way toward value-based care for patients in seven states. It is making care more affordable, keeping communities well, and dramatically improving health care delivery for all.

Context

Intermountain Healthcare CEO Marc Harrison discussed five keys to transforming health care and shared real-world insights from Intermountain's experience. He underscored the importance of providers, insurers, and stakeholders working together to improve care and control costs.

Key Takeaways

Intermountain Healthcare has developed a model for value-based care.

Intermountain is a growing, service-driven health system with 23 hospitals, one virtual hospital, and 215 clinics in Utah, Idaho, and Nevada. The organization provides services in seven states and has interacted with patients through over 700,000 virtual visits. It has 2,500 employed physicians and advanced practice clinicians and 41,000 employees. SelectHealth, Intermountain's insurance division, serves over 900,000 members.

Intermountain is confronting challenges head on through its five-point model for value-based care:

1. Speed up the connection between science and patient care.
2. Disrupt the traditional for-profit model of pharmaceutical production.
3. Leverage an integrated system to achieve meaningful improvements in affordability.
4. Align incentives to keep people well and treat them closer to their homes.
5. Work with partners to confront the social determinants of health.

Value-based care has three primary aims: making care more affordable, keeping people and communities well, and improving health care delivery.

“We’ve explicitly gone to a model where we are confronting health care challenges head on and we’re doing it largely in an apolitical fashion and with lots of community partners.”

—Marc Harrison

Progress is under way to lower health care and prescription drug costs.

Today, health care is too expensive for many. According to the Commonwealth Fund, health care is unaffordable if it accounts for more than 10% of a person’s take-home pay.

RECENT POLL DATA ON HEALTH CARE COSTS FOUND:

- **25%** of people skip care altogether due to cost
- **33%** ration prescription drugs
- **50%** worry that health care costs will bankrupt them
- **75%** think they pay too much relative to the quality of care they receive

To keep care affordable, Intermountain strives to keep people in the least restrictive, least expensive environment possible. Harrison shared several ways Intermountain is reducing costs for patients:

- **New services.** A Connect Care telehealth visit costs \$59 and the fee is waived if a patient has to go to a higher level of care. Telehealth services also have the potential to help tremendously with the coronavirus (COVID-19) epidemic. Intermountain may waive Connect Care copays for individuals suspected of contracting COVID-19 so they can avoid traveling to health care facilities and exposing others to the virus.

- **Lower health insurance premiums.** For two straight years, Intermountain has reduced individual market premiums by 2% each year.
- **Lower prescription drug costs.** In 2018, Intermountain reversed the prescription drug cost trend and lowered costs by 1%.
- **Lower procedure costs.** Intermountain has focused on shoppable procedures and lowered their costs by \$65 million.

SelectHealth Share, Intermountain's health insurance plan for employers, is keeping people well for less money. It aligns the incentives of members, providers, employers, and SelectHealth. Members have experienced 4.5% fewer ER visits, 3.8% lower hospital admission rates, 8.3% less outpatient imaging, and 8.1% lower claims costs. For the last two to three years, participants have had a fixed rate increase of 2.0 to 2.5%, compared to the national average rate increase of 6.5%.

Prescription drugs are one of the primary drivers of health care costs, representing nearly 40% of patients' out-of-pocket health care expenditures. To disrupt prescription drug costs, six health care systems (including Intermountain Healthcare) and three philanthropies have formed a nonprofit generic drug company called Civica Rx.

Civica's generic version of vancomycin costs pennies per dose, compared to hundreds of dollars. Today, 1,200 hospitals participate in Civica Rx. This represents around one third of the hospital beds in the country. An outpatient division of Civica has recently been approved which will begin to address out-of-pocket prescription drug costs.

“Transforming care delivery and how health systems are organized requires changes to people, policies, and technologies.”

— Marc Harrison

To keep people and communities well, Intermountain is partnering with consumers and other key stakeholders.

Four programs designed to enhance community wellness are:

1. **HerediGene Population Study.** Intermountain and deCODE Genetics have launched the HerediGene Population Study, which represents the largest, most comprehensive DNA mapping effort to date in the United States from a single population. Participation is voluntary and free to participants. The study will analyze the genomes of 500,000 Intermountain patients, primarily in Utah and Idaho. Participants have the option to receive genetic counseling, if a clinically significant gene mutation is identified in their genome. HerediGene offers the opportunity to map the health and disease landscape.

2. **Opioid Community Collaborative.** Intermountain is working with community partners on a multi-pronged approach to decrease the burden of pharmaceutical drug misuse and overdoses. The system has 596 people in opioid addiction treatment and has distributed 65,000 free naloxone kits to the community. Prescription drop boxes have been installed in multiple locations and over 10 tons of medicine has been collected. Public awareness messaging has changed how patients interact with physicians. Over three quarters (83%) of patients want to discuss the risks associated with opioids and over half (53%) want to discuss opioid alternatives.

Providers have also changed their prescribing patterns. There has been a 34% decrease in acute opioid prescriptions and a 46% decrease in co-prescribing. Intermountain recently announced the first opioid-free surgery program. Utah has been one of seven states to see a reduction in opioid overdose deaths.

3. **Alliance for the Determinants of Health.** This three-year demonstration project is in a rural area with around 4,000 Medicaid beneficiaries where Intermountain is both a payer and provider. Intermountain has committed to investing \$2 million a year in two communities over three years. The Connect Us network is composed of 19 Intermountain clinics and 56 community-based organizations focused on addressing social determinants of health. Since May 2019, the initiative has reduced avoidable emergency department visits by 5.9%.

4. **Behavioral Health Initiatives.** Intermountain is a national leader in mental health integration. It has incorporated behavioral health into primary care clinics, either virtually or in person. The organization has also invested in behavioral health access centers as part of a system of care. In Utah, Intermountain is committing \$2 million to a state-wide campaign on mental health awareness and suicide prevention.

“We don’t see enough health systems working to keep people in communities well in a systemic fashion. I believe a lot of that has to do with that it doesn’t align with business models. If ‘heads in beds’ are driving the activity for most health care providers, the impetus to keep communities well just isn’t there.”

—Marc Harrison

Innovative programs like “reimagined primary care” and distance oncology are improving care delivery.

Intermountain’s “reimagined primary care” is team-based care, which is physician light but heavy on other personnel like nurses, social workers, care navigators, and pharmacists. The care team is completely responsible for a panel of patients from both a clinical and financial standpoint.

The initial results have been impressive:

- Per member per month costs decreased 20%.
- Medicare Advantage hospital admissions have decreased 60%.
- There were 35% fewer emergency department admissions.
- Patient ratings and physician satisfaction ratings improved.

Physicians have multiple tools they can use to keep patients healthy, such as home visits or telehealth. Intermountain currently has over 50,000 members/patients in this model. The organization is growing the model as quickly as contracts will allow, because doctors are so enthusiastic.

Intermountain is also delivering significant social and clinical impact without investing in costly brick and mortar facilities. The organization now has eight distance oncology programs. These enable rural cancer patients to receive treatments without having to travel long distances. It also helps small towns maintain economically healthy health care facilities, since revenues stay close to home.



Marc Harrison, M.D., president and CEO of Intermountain Healthcare, is a pediatric critical care physician with a proven track record as a top operations executive on a global scale. He is a national and international thought leader on transformation and innovation—ranking in *Fortune Magazine's* Top 50 World's Greatest Leaders in 2019. He also ranked second among *Modern Healthcare's* Most Influential Physician Executives and Leaders and tied for second on its list of the 100 Most Influential People in Healthcare in 2018.

Previously, Dr. Harrison served as CEO of Cleveland Clinic Abu Dhabi, chief of international business development at Cleveland Clinic, and chief medical operations officer. He received his undergraduate degree from Haverford College, his medical degree from Dartmouth Medical School, completed a pediatric residency and pediatric care fellowship at Intermountain's Primary Children's Hospital, and a Master of Medical Management at Carnegie Mellon University.

Dr. Harrison is an all-American triathlete and represented the U.S. at the 2014 World Championships.



Steven E. Prokesch is a senior editor of the *Harvard Business Review*, where he acquires and edits articles on a variety of topics, including health care, strategy, operations, and innovation. An award-winning journalist, he has worked as a reporter and editor at *The New York Times*, *BusinessWeek* magazine, and *The Arizona Republic* and also was an editorial director at the Boston Consulting Group.

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