Meeting the Needs of the Contemporary Patient
The Emerging Health Care Marketplace

Kristi Crowe
Associate Vice President, Sg2

Allison Heddon
Manager, Sg2
Learning Objectives

Why is this Happening?  Understand Factors Driving the “Retail Consumer” Mentality

How Does this Impact My Program?  Identify Strategies to Attract the Contemporary Patient

How Can I Engage My Patients Virtually  Translate Virtual Health Technologies to Orthopedics
Patients Demand Streamlined and Diverse Access Channels
The Model of Tomorrow…
Building a System of CARE for a Population of One
Understand Market Influencers of Consumer Behavior

Coverage

Choice

- Health benefits design
- Narrow networks
- Public and private exchanges

Availability

of Information

- Price and quality transparency

Rising

Expectations

- Digital connectivity
- “My” System of CARE network
Providers sell themselves to physicians and insurers.

Employers make decisions on behalf of individuals and their families.

Providers sell themselves to consumers.

Individuals make decisions on benefits, providers and course of care.
Learning Objectives

Understand Factors Driving the “Retail Consumer” Mentality

Identify Strategies to Attract the Contemporary Patient

Translate Virtual Health Technologies to Orthopedics

Why is this happening?

How does this impact my program?

How can I engage my patients virtually?
IP Orthopedic Slowdown Continues Despite Economic Recovery and Insurance Expansion

Inpatient Orthopedics Discharges
US Market, 2015
Total Volume: 2.3M

- 22% Medical
- 9% Other Surgical
- 3% Primary Shoulder Replacement
- 5% Revision Joint
- Fracture Repair 19%
- Primary Hip Replacement 13%
- Primary Knee Replacement 29%

Inpatient Orthopedics Forecast
US Market, 2015–2025

Overall
- Sg2 Inpatient Forecast
- Population-Based Forecast

- Primary Knee Replacement
  - Sg2: 6%
  - Population: 21%
  - Note: Analysis excludes 0–17 age group.

- Primary Hip Replacement
  - Sg2: 1%
  - Population: 26%

- Revision Joint
  - Sg2: 2%
  - Population: 23%

- Fracture Repair
  - Sg2: 5%
  - Population: 16%

- Primary Shoulder Replacement
  - Sg2: 1%
  - Population: 21%

- Other Surgical
  - Sg2: 6%
  - Population: 28%

- Medical
  - Sg2: 4%
  - Population: 19%

Note: Analysis excludes 0–17 age group.
Sources: Impact of Change® v15.0; NIS; Sg2 Analysis, 2015. Confidential and Proprietary © 2014 Sg2
1 in 4 Hip and Knee Replacements Will Shift Outpatient

**Inpatient Hip/Knee Replacement**
US Market, 2015–2025

<table>
<thead>
<tr>
<th>Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharges Millions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>1.2</td>
<td></td>
</tr>
</tbody>
</table>

**Outpatient Hip/Knee Replacement**
US Market, 2015–2025

<table>
<thead>
<tr>
<th>Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes Thousands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hip</td>
<td>+12%</td>
<td>+24%</td>
</tr>
<tr>
<td>Knee</td>
<td>+3%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

**Note:** Analysis excludes 0–17 age group.
**Sources:** Impact of Change® v15.0; NIS; PharMetrics; CMS; Sg2 Analysis, 2015.
Convenience Meets Value in Urgent Care Clinics

- Visibility
- Awareness (employers and athletes)
- Access
- Leverage complimentary services
- Value
Know Where Consumers Receive Services

### Spine Services
**Chicago North Shore Area 2012–2013**

#### Total Spine Services for 2 Zips
- **13%** Physical Therapists
- **12%** General Acute Care Hospitals
- **5%** Other
- **69%** Chiropractors

#### Volume by Zip Code
- 100,000 to 119,000
- 20,000 to 49,999
- 50,000 to 99,999
- 3,000 to 19,999

#### KEY QUESTIONS
**Where** are patients going for care?
**Who** are they seeing?
**What** is the patient pattern across System of CARE?

---

**Note:** Other includes emergency medicine physicians, internal medicine physicians, sports medicine specialists; this analysis excludes lab.

**Sources:** Health Intelligence Company, LLC; Sg2 Ambulatory Market Share v1.0; Sg2 Analysis, 2014.

Confidential and Proprietary © 2014 Sg2
Convenience Drives Call Center Evolution

TRADITIONAL CALL CENTERS

- Schedule appointments.
- Provide physician referrals.
- Answer logistical questions.

CLINICAL CONTACT CENTERS

- Provide enhanced clinical triage.
- Deliver telehealth services.
  - Chronic care coordination
  - Primary care
  - Specialty consults
- Answer price and care option inquiries.
What About the Patient?

Froedtert & Medical College of Wisconsin
Orthopaedic, Sports and Spine Center

Co-located Care Team
- PM&R
- Physical and occupational therapy
- Neurology
- Chiropractic physicians
- Pain psychologists
- NP/PA specialists

Differentiators
- “Voice of Customer” survey drove program location and design
- Located next to fitness facility
- Providers involved in facility design
- Patient receives 1 unified bill for care
- Occupational medicine program remains at separate location in industrial park

MSK = musculoskeletal; NP = nurse practitioner; PA = physician assistant; PM&R = physical medicine and rehabilitation.
Source: Sg2 OP Rehabilitation System of CARE Guide 2013.
Learning Objectives

Understand Factors Driving the “Retail Consumer” Mentality

Why is this happening?

Identify Strategies to Attract the Contemporary Patient

How does this impact my program?

Review Virtual Health Technologies to Engage the Orthopedic Patient

How can I engage my patients virtually?
Breadth of Virtual Health Drives
New Value Opportunities

Tele “SPECIALTY”
Virtual conferencing

Virtual consults
- Urgent care
- Specialty care

Mobile apps
Social media
Geo-tagged devices
Patient web portals
Online support groups

Clinician to Clinician
Clinician to Patient
Consumer Driven

eICU, eED
Telestroke

Remote monitoring
Virtual medication management
Telehealth kiosks

Personal activity monitors
Patient scheduling apps
Quality and price transparency tools

eICU = electronic intensive care unit; eED = electronic emergency department.
E&M Visits in the Virtual Setting in 2025 by Service Line

- Orthopedics: 6%
- Spine: 8%
- Cancer: 6%
- Cardiovascular: 19%
- Medicine/Surgery: 71%
- Neurosciences: 13%
- Women’s Health: 5%

**Note**: Analysis excludes ages 0–17. Surgical procedures include endoscopy and major procedures.

**Sources**: Impact of Change® v14.0; PharMetrics; CMS; Sg2 Analysis, 2015.
Provider and Consumer Acceptance Is Growing

**Specialty Video Consults Physicians Find Most Valuable**

- Dermatology
- Psychiatry
- Infectious Disease
- Pain Management
- Neurology
- Cardiology
- Rheumatology
- Gastroenterology
- Sports Medicine
- Oncology

**Willingness to Have a Video Visit**

- 64% Willing
- 36% Not Willing

**Interest in Telehealth Peaks in Ages 18–44**

Expect an Increase in the Number of Large Employers Offering Virtual Health in 2016

Survey responses from 140 of the largest companies in the US

- 48% offering virtual health services currently
- 74% plan to offer virtual services in 2016
- 81% to offer nurse coaching for condition management
- 73% to offer nurse coaching for lifestyle management

Reimbursement Improves, but Challenges Remain

- Over half of US states and DC have enacted virtual health parity laws for Medicaid and/or private payers.
- Medicare—Next-Generation ACOs
  - Waives geographic limitation for reimbursement

Findings From Recent Reimbursement Survey

- 33% of providers offer virtual care.
- Only 19% are receiving payment.
- 68% stated virtual health is not appropriate for the patient’s first visit and should only be used for follow-up visits.
- 56% believe virtual health technology is ahead of current state medical board guidelines.

ACO = accountable care organization. Source: Academy of Integrative Health & Medicine, 2015.
4D Healthcare Tackles Chronic Care Management and Secures Payment

Source: Image courtesy of 4D Healthcare.
Confidential and Proprietary © 2014 Sg2
### Lee Memorial Health System
Tracks savings accrued by preventing readmissions with its remote patient monitoring program. Since the program’s inception in 2010, cost avoidance is estimated at approximately $7 million (2,045 “saves”).

### KentuckyOne Health
Has a PMPM agreement with a local employer for virtual urgent care. The PMPM cost is based on avoiding visits to the ED or physical urgent care centers.

### University of Virginia
Relies on a number of sources for reimbursement, including fee-for-service, contracts, retainer chargers and grants. The center also tracks percent of provider billing and capture. It billed over $2 million in 2014.

---

PMPM = per member per month. **Sources:** Sg2 Interviews With Lee Memorial Health System, KentuckyOne Health and UVA, February, March and May 2015.
ORGANIZATIONAL STRATEGY AND INTEGRATION

1. Telehealth Steering Committee

2. Implementation Committee

TELEHEALTH DIRECTOR (plus program managers and IT)

- Reimbursement
- IT
- Marketing

- Credentialing
- Legal
- Medical Staff

OPERATING UNITS AND DEPARTMENTS

3. Local Program Teams
Virtual Tool Enhances Physical Rehab Through Motion Capture Technology

**Jintronix**

- FDA-approved, evidence-based rehab program utilizing virtual games and motion tracking sensors
- Fall prevention, motor control, muscle tension, range of motion, functional assessments
- Customized clinical templates for hip and knee replacement patients
- Adherence and performance data available online for providers
- May be integrated into bundled payment programs

**Source:** Jewish Home Life Care webcast, September 2015; www.jintronix.com.
Appreciate the Growing Influence of Patients and Families

✓ Recognize that traditional non-surgeon referrals are important but insufficient
✓ Create consumer awareness
✓ Embrace varying access channels
   ✓ Care Navigator
   ✓ Sports performance offerings
   ✓ Physical therapy
   ✓ Internet
   ✓ Payers/Employers

✓ Understand current reimbursement realities
✓ Define and broaden your value proposition
✓ Assess virtual health solutions
   ✓ Target pain points.
   ✓ Prioritize based on recognized gaps.
✓ Optimize staffing/infrastructure
Thank You

Kristi Crowe
Associate Vice President, Sg2
kcrowe@sg2.com
847.779.5422
Streamlining Orthopedic Episodes of Care

Wellbe’s Connected Care Delivery

Wellbe helps service line leaders to manage growing programs by leveraging digital patient navigation to increase the capacity of existing resources. The cloud-based platform combines vital tools for patient engagement and care coordination across the continuum to manage the performance of value-based reimbursement programs. This patient-centric approach using actionable feedback results in reduced risks, optimal costs and a better patient experience.

Wellbe’s solution includes:

- **Guided Patient Journeys for Better Engagement and Experiences**
  Easy-to-follow Guided CarePaths™ are designed around your facility’s existing content and aligned to your current program’s clinical pathways to help your patients on their journeys to better health.

- **Coordinated Care with Connected Teams**
  Each member of the care team can leverage CarePath Automation™ to help them complete their “to-do’s” while ensuring collaboration on patient progress.

- **Real-time Insight from Patient Generated Data**
  On-demand reports give administrators the quick data they need to report to the C-Suite on program performance.