PYA Webinar: On-Demand Webinar: "Engaging Your Board in the COVID-19 Era"

Presenters: PYA Principals Martie Ross and Brian Fuller.

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0:06
Good morning everyone and welcome to today's webinar hosted by PYA, "Engaging Your Board in the COVID-19 Era."

0:16
We're pleased to offer you our thought leadership on this important topic.

0:21
All attendees have been placed in listen only mode.

0:25
If you have questions during the webinar, please use the question pane of the control panel, and we will follow up with you.

0:33
Please be aware with more people using online platforms, outages can occur.

0:39
Should the webinar be paused we will work to restore it as quickly as possible.

0:44
And all of our webinars are recorded and released with a copy of the slides after the event.

0:51
With that, I would like to introduce our presenters, Martie Ross, and Brian Fuller, PYA Consulting Principal.

1:03

Morning, everyone. This is Brian Fuller. I'm a principal in the Strategy Practiceat PYA. I co-lead the strategy practice with Martie Ross. We're excited to be here today. Martie and I have spent a lot of time, over the course, of the last 3 to 4 months, thinking about, really, this inflection point in our industry. The point at which we really start to look up and look forward.

1:29
And, in a lot of cases, make the assertion that our existing strategic plan really doesn't effectively work anymore.

1:41
So, we're going to address some of those topics today and hope to engage you in a dialog around how we start to think about the future, the things that are going to be important through the eyes of the board. That things are going to be important through the eyes of the community.

1:56
And getting our organization's back on track to continue to serve to the degree of success we have in the past, prior to the to the onset of the pandemic.

2:09
Um, sharing one personal note with you, over the course of the last quarter, as a student of history, I've spent a lot of time studying the Presidents. It quenches a personal interest of mine in history. But, it also was an attempt to help me understand how leaders have effectively traversed disruption and successfully navigated difficult conditions in the past.

2:34
The quote you see now from former President Eisenhower is one that keeps coming back to me that's been attributed to him at several times throughout the course of his career. It really strikes a chord with the strategists when he says plans are worthless, but planning is everything.

2:52
As I read that, I can think of an individual to whom the future, though uncertain, in his mind, was not left, was not to be left to chance.

3:03
Embracing his role as a leader, or whether he was the Supreme Allied Commander of all Allied Forces in World War II, or the US President. He did recognize the need to constantly plan for whatever future he may face, and didn't presuppose to know what that future was going to be.

3:20
I think we find ourselves in a position in healthcare, and particularly in the provider space today, where we, as leaders, face that same future and are going to be asked to do planning, maybe in a way that we haven't been asked to acquire.

3:36
If you haven't been asked already, you're likely to be sued by your board, by your leadership team, by your community.

3:44
What is our strategy for a) surviving the COVID 19 crisis, but then for thriving over the long term? How do we continue to meet our mission?

3:54
And how do we can continue to pursue our vision and how do we do so successfully?

4:02
These are absolutely the questions that we feel boards should be asking of their leadership teams and the leadership teams, again, if they're not already needed to be preparing to address.

4:15
These are going to require us, as leaders, to channel our inner ..., to make sense of noise, and inspire confidence, an action necessary to lead our organizations forward to a successful future.

4:29
Now in my experience of give or take a year or two, 25 years in provider strategy consulting, boards have at times taken an acute interest in strategy.

4:39
Typically, that interest arises amid or on the heels of purported or actual seismic events that threatened to upend business and potentially the world as we know it.

4:51
This time we expect is no different.

4:55
Since I began my career in the early nineties, I would characterize, excuse me, the seismic events that I've experienced as those you see on the on the chart here, from the initial foray into Managed Care, or manage competition in the early nineties, through today's COVID-19 crisis, each of these.

5:17
Events, and their follow on erros, I think are important places where we can start to learn.

5:24
We we'd likely remember both of them, but I'll quickly walk through to give you a sense for what I've seen and why or what I have interpreted that I've seen throughout the course of my 25 years in the industry.

5:40
So managed Care or manage competition, 1.0. You can think back to Hillary Care, You can think back to the rise and fall of competition. In some markets, it's stuck in some places, but not in most. You can think of the rise and largely the fall of hospital physician employment health systems employing physicians, really on a large scale for the first time, as well as private enterprises employing physicians in large numbers.

6:08
If we go back to the five core, and the med partners days, that was the era that I experienced as a, as an analyst, as a consultant in a consulting firm in Cleveland, Ohio.

6:20
The next event, in my mind, was the balanced budget amendment in ‘97. That was the first time we really talked about outright Medicare and Medicaid spending reductions.

6:31
We introduced the ideas of managed care organizations in Medicaid. We introduce the Children's Health Insurance Program.

6:40

There was even the pre Medicare Advantage introduction of what was called at that point: Medicare Plus Choice.

6:48
And, as we all know and snickered at over the course of the last several decades until about a decade ago, it also introduced the Medicare Sustainable Growth Rate Formula, which resulted in our anxiously awaiting Congress to fix the reduction in physician payment that we were going to experience at the end of every budgetary year, which was growing by the point that the ACA was passed and the SGR was replaced probably half of physician income, something that was never tenable and potentially never intended to be tenable.

7:24
The post internet, bubble period, the early part of the arc, was I think, kind of a go-go time in healthcare.

7:33
We saw rapid clinical advances, very much technology and pharma driven. We saw increases in utilization, increases in volumes almost across the board and across markets. We did start to think about and see the introduction of quality and value into our health care conversation in those terms are really vaguely used at that point.

7:56
And we started to note the sense that there was a growing divide between provider classes, if you will, into categories of haves and have nots.

8:05
There were organizations that were fortunate to have great locations, good payer mixes, productive physician relationships. And there were those that were not as blessed in those categories.

8:18
Over that time period, we saw an increasing divide, but there was still an ability to shift costs in most markets in most organizations.

8:30
That covered up a lot of that divide of the haves and have nots and enabled all boats to continue to float in the harbor, if you will.

8:38
Along came 2007 and 2008 and the global recession. And we all recall sentiments of the fact that we finally come to the realization as a nation that health care was just too expensive.

8:51
We started to see some shifts and utilization downward. We started to see cost inflation ebb, at least for a period of time.

9:01
We introduced the, the ACA Coverage Expansion Tool and we started to talk about payment reform.

9:12

Size and scale became very important in the conversations that were being had nationally. And that led to as much consolidation and probably more consolidation in the decade of the teams that we've seen in the previous 2, 3, or four decades.

9:29
One other thing that that consolidation unexposed, I think, or help to illustrate, was the exposure of the haves and have nots phenomenon. It had become increasingly difficult for organizations to shift cost. It became increasingly critical for organizations to be able to demonstrate strong and predictable financial futures. Some couldn't do it. Many required a partner. We've seen concentration, while still a very fragmented industry, we've seen concentration largely in the hospital space. But we've also seen, increasingly so in recent years, in the physician space.

10:11
Then, in early 2020, late, 2019, COVID-19 comes along.

10:17
And I think we're probably still, rather than saying what we're the o\Outcomes of COVID-19. We're still asking questions. We're still marveling at the fact that, the fee for service revenue model, that our industry has employed for so long, could be disrupted. We're waking up to the fact that, yes, public health and public health systems do matter. We're really, we believe about to witness the exacerbation of that have and have not phenomenon and expect M&A activity to, to undertake an uptick in coming years. And we're really are forced to understand the realization that we don't.

10:59
Get to write our own futures any longer. Uncertainty, now unlike really ever before, (I'm the guy who trucks in uncertainty as a Strategist0, rules today.

11:12
I think one common theme that runs through these events and the era that they created is that, from my perspective, they had far less impact on the core business model of healthcare delivery than they were purported to during or even after the crisis they represented were over, US Healthcare for, for most of my career, was known as really steamrolling through such events.

11:37
Internet bubble, well, shortly thereafter, we had more healthcare jobs, more growth.

11:43
No add in the willingness of purchasers to absorb cost increases. Even a global financial crisis.

11:50
Yes, a disruption for a short period of time. But ultimately, if we look back on that now, I think we would see more growth, more healthcare jobs, Healthcare has a greater percentage of the overall economy. We did, we are still talking about affordability. We're talking about cost shifting, but we've seen less action on those fronts.

12:10
We're talking about value, and some are moving, but, many are, are still living in a firm I see for service world.

12:19

In fact, it seems that almost any governor placed on the industry in my career that's been meant to curb spending growth, whether that prospective payments manage care, narrow networks, high deductibles we could add probably dozens more to the list.

12:36
We ended up with pretty much the same thing, more growth, or jobs, health care consuming, a greater percentage of the US economy. And someone always able, if, maybe, increasingly, grudgingly so, to pay for it.

12:52
What we really all we have to really do is look at the global financial crisis in 2008 through 2010 and the ensuing decade of recovery, it is apparent that sure something to change, right? We've we've experienced consolidation. We've expanded insurance coverage. We've got a much greater commitment among governmental affairs perspective, particularly, to focus on and move to value. And we've known individual in that direction through Managed care and some of the other tools that I mentioned, some successfully, some not. But the core elements of the business model really remained firmly in place from where we sit, and that is a fee for service revenue model, a largely fragmented industry across providers, cost inflation rates that have reverted to the norm, all of these things indicate to me in the us, I believe, that it has been more difficult to make change that.

13:48
one would think coming out of the, of the events that I've cited.

13:54
I think one of the other important thing to note, that when you live in a world, and you work in a world in which your industry is able to withstand these seismic, in some cases, global shocks to the economy, is that's your breast.

14:11
What did we learn from experience over the course of the last three decades?

14:16
Well, we we pretty much learn that US. Healthcare was almost impervious to macro-economic forces.

14:21
Every economic hiccup we experienced really only confirmed what we thought we knew.

14:26
Healthcare would continue to roll on.

14:28
Even through a global financial crisis, we didn't anticipate and plan for change, because we hadn't really experienced the need to change.

14:38
Despite weathering several major, major global economic disruptions, no real surprise there.

14:43
It's human nature after all, COVID-19 happen.

14:49

We've all been through it. The description, I won't belabor them here. As a thumbnail, you know, we think of COVID 19 as a global economic shock, a series of shots, actually, focused, almost squarely in the healthcare space, and especially on providers.

15:04
There's intense supply demand disruption focused over a really short period of time, at least to date.

15:09
What we felt in one quarter, or even less laid out in 6 to 2, indicates to the global financial crisis. So we've experienced more in a shorter period of time. Massive outside ongoing pain, the providers.

15:24
Both those who experienced COVID-19. And those who did no one really left untouched.

15:30
And what are we left with, an unknown trajectory out of the crisis, a hope that we are headed out of the crisis, and an uncertain recovery. going forward, not a day goes by that we don't read about V shaped, or U shaped, or even W shaped recovery trajectory.

15:49
So uncertainty reigns and your board, I believe, is going to expect you to have a plan to deal with it.

15:57
So why strategy and why now?

15:59
Well, in my career, as a strategy advisor, you know, the strategy or strategic planning or the plan, they've often been exempt.

16:09
They'd been assumed by boards, by management teams, by organizations and communities. As I said, the world seemed pretty predictable. The price for failure was not that great. So why spend a whole lot of time evaluating a future that's likely, if not certain, to resemble the present?

16:26
So in a fee for service world, a world in which we're paid by the units of service we deliver, strategy could be easily enough summed up as one word more.

16:37
In the past decade we've revisited the strategy of more to some extent as a means of cost control and demonstrating quality though all of the experimentation around value based care and payment.

16:50
They're still ongoing.

16:52
I think it probably could describe the value of experimented being nascent in most markets and in some not being pursued.

17:00

There's still, as we look out, over the industry, a very low percentage, overall, of the vast majority of provider revenue that's being driven by what was truly consider, risk based contracts and risk based models.

17:15
Look, over 19 is throwing a wrench into that more strategy.

17:20
Exposing it at its core.

17:22
The reliability of the fee for service revenue model, the future right now, is really uncertain, That uncertainty does not relieve us as leaders of our responsibility to have a plan a strategy for, except for successfully navigating that, uncertainty recall, our boards are going to be asking for.

17:42
In uncertain times, we really crave knowledge and understanding, planning allows for the development, and cultivation of that knowledge and understanding.

17:52
Will we be absolutely right? In our assumptions and our conclusions? Of course, we won't.

17:57
Will we better focus our organizations and make them more adaptable and resilient in the face of uncertainty?

18:03
Undoubtedly, that's going to be what our boards are looking to us to assure them of.

18:09
So, from our perspective, as we look at the future, those executives and engaging their board, those that are able to demonstrate that they have a firm grasp of the situation as Pharma grass beds as possible, given the uncertainty, has a healthy humility for our inability to precisely predict the future at the moment. But an intellectual curiosity to investigate what could be, and as a result, a thoughtful and thorough range of potential futures that the organization will need to plan for. Those are the individuals that are going to be successful. They are going to be successful in their board interaction, and they're going to be accessing successful overall is organizations plans. May prove worthless planning will be invaluable.

18:53
So with that, I will turn it over to Martie and Marti ask you to delve into some of the areas that you and I have been bantering back and forth that are going to be key executives, engaged board.

19:07
Thank you, Brian, and certainly one thing. We realize the culvert pandemic is the attention now.

19:16
On health care and appreciating the as close to full stop as we could have in health care as a result pandemic, certainly, the focus on testing and treatment for our covered patients.

19:30
But because of the lockdown on other economic activity, we really saw a significant slowdown in health care services. And this presents the opportunity to ask the question of what does it look

like in the restart? And a New York Times editorial that appear, on Monday, asked this very question, that we've now seen, the opportunity for a restart, how do we make the system healthier and more financially responsible? And, of course, the tendency on any restart is to go back to the what we do before, that's human nature.

20:07
But can we create a better healthcare system in our communities, more resilient system that is able to respond to a pandemic but other health issues as well.

20:21
So, between us, Brian and I have really been focusing in on what are the tenants of planning now in the COVID era, how do we talk to our board members about the seismic shifts in our industry and how now we will not become recession proof that we are certainly not pandemic fruits as we've learned. And how do we introduce these concepts and begin conversations that can then develop into strategic plans where we can address? How do we take our resources and invest them appropriately to achieve our objectives? And so we're going to spend our time here talking through these five tenets, all of which are presented in an X, Not Y format, Looking forward. Not backward, pursuing collaborations instead of competition.

21:14
Importantly, transitioning health care from being a place instead to being a presence in our communities lives focusing on primary care and not specialty services as the driver behind our economic success. And finally, as we've heard frequently even before the pandemic, how do we deliver health and not just health care.

21:43
So beginning with number one look forward not backwards it's human nature to look backwards and play the blame game. That's what should have happened what should have someone else done differently? that would put us in this place? But really an unproductive conversation if you want to understand the day you certainly don't focus on the sunset.

22:04
And so how do we figure out the importance of moving forward and not looking backwards, but also appreciating That it's not a matter of starting from one point and figuring our way, how to cut our way back to where we were before, That, instead, it's critical as planners, that we are forward looking. And instead of focusing on growing or cutting our way back to success, that we adapt to a new environment, may be familiar with the term zero based budgeting, or zero based attitudes.

22:42
Where, instead of, at the beginning of every year, as we begin our budget planning process, we tend to take last year's budget out, blow off the dust, and figure out how to make adjustments to specific line items. The danger, of course it's predictable, it's understandable, But the danger there is you're just continuing to feed strategies that are outdated.

23:06
And so as we look forward, appreciating we're going to have to start from the zero and align our investments. Going forward with the strategies we've identified is now relevant in the code that era. And that's going to necessitate a very critical look at operations not simply to generate where's the fact that we can cut, but instead, how do we invest appropriately to maximize the results we're looking for?

23:38
The first tenet look forward, not backwards.

23:42
Marti I agree with that totally.

23:46
Sorry, sorry to jump on you.

23:48
I think, you know, the takeaway from there is, Yeah, we're not going to be able to lean on the eating.

23:54
We're going to have, we're going to have a lot more thoughtful scenarios in our future than we had to have in our patch. We're not going to be able to pull that plan off the shelf that Martie mentioned. We're already working with clients on it on a daily basis, around revisiting and testing, and in some cases, kinda shaking our heads at assumptions. That were developed even in 20 19. We don't yet have a firm footing. We don't yet understand the trajectory that we're on is the one we're going to stay on, so we're going to have to plan and a fluid environment that will require us to be adaptive. That will require us to be dynamic and our planning and we've got to recognize that at the outset.

24:34
And you know that the science of scenario planning is really gaining momentum that an organization has to be able to look forward to an unpredictable event and how that how the organization respond, how it would allocate resources and all of our scenario planning.

24:52
I'm still looking for the person that came up with global pandemic that shuts down economy for three months as the O and eliminates the volume of procedures that we were depended upon. We're still looking for the folks that were thinking that way, but it proves to us that health care needs to develop the capacity to look around the corner, not only just forward, but to appreciate the unpredictable and be prepared for it.

25:15
Second tenet pursuing collaborations not competition now. Brian noted in his's initial remarks that we anticipate consolidation in the market.

25:25
We expect that we will see a rise of regional and national systems because there are strong trend trade lines in that direction, that certainly with the pressures, decreased volume and the havoc that has caused on our budgets. That many providers are going to need a new access to capital that becoming part of the system offers. They're looking for negotiating power. Just before the webinar started, I was reading yet another article that talked about the anticipation of, of insurance rates going up.

26:00
And does the insurance rates going up? Do we really see that translating into improved payment for payers? While one option, of course, is to strengthen your negotiating power with payers. There's the advantages of vertical integration that we've learned the importance of a

continuum of care. How do we take patients that are coming out of an acute care setting and place them in an appropriate post-acute setting and having the appropriate alignment?

26:30
Treatment patterns between those providers are how do we align with physicians and urgent care centers? Depreciation that, yes, you need a continuum of care, and the vertical integration that can drive that. And finally, what we've been talking about for years and years, the assumption that scale brings efficiency, and though not necessarily demonstrated, in the last round of health care consolidation, we still see that as an opportunity.

26:55
So while you see that opportunity for consolidation in regions and even nationally, it's a very different story in the local community because with the exception of very small markets where there is only one hospital system, most have competitors. And we know that our antitrust agencies, the enforcement agencies, will continue to block efforts to concentrate markets. With the exception of those state sanctioned monopolies and what comes within in terms of the requirements imposed on those state sanctioned monopolies that there will continue to be competition.

27:38
The question is we have to be competitors at the same time, we are collaborators that we've learned from kogod that you have to have the ability to think as a system for the community. That's glaring.

27:55
Question here is, is the issue with PPE and our inability to look beyond the four walls of a particular organization to leverage PPE, PPE, assets and to appreciate where the toy was available and how to distribute that inventory. We're learning the cost of just in time inventory management now in healthcare because of the crisis we faced with PPE but how can we better plan? their same was true with surge planting Is can a community with X number of beds, this hospital, that hospitals that hospital, how could they come together and plan for searches and volumes, and again, allocate resources appropriately?

28:41
More broadly, we know our communities need to face, the social determinants of health, we have to address housing, we have to address transportation, we have to address all of those basic factors that we now know are truly the most impactful on overall community health. Again, one system at a time, strategies are so limited in their ability to make impactful change and communities, how, again, can our competitors comes together through collaborations and address social determinants? So now, as we've appreciated so much in the last month of the challenge of health equity, and the significant difference of the impact of cope at all different economic groups, different racial, minority groups. And, again, we're not going to solve that one system, one individual health system at the time, it's going to take a community response.

29:34
And so, as we consider planning going forward, how can our organization lead in the regard of being a collaborator to being a convener of these critical conversations and what resources are going to be necessary to do those conversations forward.

29:54
Next, Senate is being a presence and not a place.

30:00
We go to the doctor.

30:01
We go to the hospital, except in the last three months, we have not gone to the doctor. We have not gone to the hospital, you know. All of you are familiar with the impact you've seen on your revenues as a result of declining volume.

30:15
And it's going to re define the relationship between the provider and the patient. Certainly, we are all well aware of the explosion in virtual services and how amazingly health systems that had 2, 3, 4 year plans to move towards a virtual care or to address a consumerism strategy have turned on a dime and implemented those strategies in days and weeks as opposed to months and years. And we seem to see patients responding well to virtual services. But, of course, we must be careful that a strategy we implemented very, very quickly, is, in fact, going to serve our purposes going forward. Now, the Kaiser Foundation, their monthly tracking poll, and they focused in on what was the consumer interaction was health care outside of the testing and treatment.

31:13
And found that the 48% of the population, nearly half, had delayed some sort of treatment as a result of the pandemic. And 11% reported that, in fact, that delay in treatment negatively impacted their health. That, of course, raises the question, or will they come back and are we seeing volumes, return to the levels that we saw before. Again, at the same survey, found that those who had delayed treatment most intended to be back and receiving those treatments within 2 to 3 months, but I'm really concerned about this 10% that said, yes, we'll get there in the next four months to a year.

31:55
And as life goes on and goes forward, well, in fact, we recapture that patient population.

32:03
And it, it will be a matter of rebuilding trust is, you know, I had to send my son to the ER on Sunday. He broke his tail running into a bedroom as a 21 year olds are like are often to do. And I was nervous, I couldn't go with it because our ED still do not allow anyone to accomplish a company, an individual to the ED. But I was, I said, keep your mask on and make sure they do this, Make sure that they do that. And certainly, I know the ED staff knew what they were managing. But I've worked in this industry. And I have that level of fear, and misgivings about introducing a patient my patient into that system. We've got to rebuild the trust relationships with got to again, not be a place people go but to develop how to be a presence in their lives.

32:48
And we've got to appreciate how the volume has impacted us to see in the upper left-hand corner. That's a chart from the CDC on the difference in ED utilization between 2019 and 2020. And certainly, at the height of the pandemic was the low point in terms of ED utilization.

33:08
that even now, in the last reported month, the last reported week, which is two weeks ago, the CDC data, you're still seeing a 25% gap between 2019 and 20 20. That. they are, People are not coming back in the way. We would expect them to see below that. You see, actually, a statistic from a hospital in New England, where they were looking at the EMS response rate in their

community, and in between March, February, and March, the number of cardiac arrest calls that they were reporting to going from 42 to 61, completely unprecedented, is the level of response they were seeing, and other 61. A very high percentage were dead on arrival at the hospital, Because folks are delaying care, and not be engaging in the system, again, because of fear, because of concerns, because of distrust, whatever it may be.

34:04
We're now seeing these headlines now that we've been in the 100 days of the pandemic, are now seeing the headlines of vaccination rates falling. And folks are getting cancer screenings. And now, the predictive model showing us, that without those cancer screenings, we're going to see more an excess and cancer deaths as a result of lack of treatment, and yesterday, sort of the new news to be added to the pile. Was this anticipated drop in the birth rate? that we can in fact see a half a million fewer births as the next year as a result. It's a COVID. Pandemic.

34:39
how we look at all of us understand where the volume is cause it's going to help us appreciate how do we re-engage individuals.

34:51
I think we have to start thinking about omnicare omnichannel care. Omnichannel, which was a new term to me until about a month ago, is the challenge retailers have faced in.

35:04
You're not unifying their strategy across brick and mortar stores and online retailing, and how can they provide consistent messaging, consistent product and reach the consumer at the point that the consumer is more comfortable, engaging, that's omnichannel retailing. Provides us a lesson in terms of omnichannel care. And, of course, that's going to start with virtual care, and, again, quickly, implement, quickly, implemented telehealth strategy is not a virtual care strategy. We need to look at how we can remind patients and engage patients in their health, beginning with those patient portals, and the telephone, and text messaging, both patient initiated, as well as provider initiated. Again, not on an anecdotal basis, but as a strategic form of communication with the patient to engage them.

35:57
Of course, the audio visual patient visit, that's taking the place, in many instances, of the office visit.

36:05
But how do again do we become strategic in scheduling, those audio visual consults and supplementing those with as best we can, the virtual hands on exam, and how we can complement that information flow to the physician and providing virtual care services?

36:27
I anticipate we will see an explosion, littoral explosion and the health monitoring field. As devices enter the market through FDA clearance that are able to report such an enormous amount of physiologic data and behavioral data to our providers and the ability of algorithms to make sense of that provide doctors and other health care providers, with critical data, to intervene at the appropriate time with the patient. So that the routine offices, it becomes a thing of the past. And instead, real-time monitoring becomes the basis for those managing conditions, but also predicting, and thus, preventing significant episodes of care.

37:11
And finally, we gotta rethink the facility.

37:14
We've gotta think about hospital at home and hospital to home strategies, skin the enormous flexibility that's been afforded in the Medicare program that we can provide the acute level services outside the sanction to four walls of the hospital, but are there opportunities to go beyond that? And how are we going to deploy resources to take advantage that in so many cases, we do pneumonia, paste this.

37:39
Every pneumonia patient truly needs to be an inpatient admission, but can we manage that at home with appropriate monitoring without appropriate in home nursing and the like?

37:48
The on virtual care, we have become serious about care management. We have to identify those patients at high risk that truly needs the frequent touchpoint and engaging them with qualified nursing staff, qualified behavioral health, personnel, specialists. That can help us manage those high risk patients, to avoid high cost care. But, importantly, to identify those rising risk patients. Those where we really can turn the trajectory away from high cost care if we're interviewing and appropriately. And this, of course, is relevant to those social determinants issues. Being able to go beyond just caring for the condition, but caring for the patient, and linking them appropriately to services in the community. Or identifying the need for service linkages in the community through those care management strategies.

38:39
And finally, in terms of our physical locations, when we do have to go to the hospital, how do we provide the assurance of COVID safe environment and will we get to the point of COVID versus non COVID facilities? She does a tuberculosis hospital, where we isolated the infectious individuals, and thus allows the rest of the hospital system to function appropriately. How are we going to rethink those physical assets we have and deploy them appropriately?

39:11
Brian, just checking any comments before we move on to tenant number four?

39:19
He's on mute, so we'll proceed to number four, focused on primary care, not specialty care services. So, The Big short is one of my favorite movies of all time. And one of my favorite lines, the big short was an investor talking to the character played by Christian Bale. And he says, No one can see a bubble. That's what makes it a bubble in. Reference to mortgage backed securities.

39:42
And, well, bail, what this Christian Bills characters is, is, it's encouraging folks to appreciate the risk associated. And the fact that they were simply unsustainable, as so many said, it's a bubble and we'll continue on the bubble until it bursts. The bubble we've been writing for a really long time and healthcare as, as, as Brian Explained is, the more bubble. And particularly just, an incredible reliance on high value elective procedures for so many health systems. That's The margin. That's the driver of the Financial Equation is that ability to capture orthopedic cases and Darrow cases and High Value Maternity, and other of those outpatient services where we'd be able to identify margin between the cost of delivering care and reimbursement.

40:38
And, as we've seen, I mean, we've learned, for years now, we've been hearing the complaint from providers. While we're not prepared to move to risk, There's so much infrastructure we need to build, to, to manage risk.

40:51
And in fact, we weren't realizing we were sitting on the powder keg of the most risky payment system. There was with fee for service reimbursement that once the ball, the volume blew, the system was unsustainable, and we have to rethink that system today as that rebuilding is going to be around primary care. Because new payment models will drive us to attribution that we have to capture lives, dot services, and to capture lives, you have to have that base in primary care.

41:22
And I've had part pressed to think of a situation. We talk with systems that haven't identified a lack of adult, put an ad, a lack of adequate primary care base as one of their future challenges. Well, it's no longer future challenge. It is a now challenge that if you want to recapture patients, you can want to be a presence in their lives as opposed to a place they go. It's going to be accomplished through primary care. And building that base for primary care, it's going to start with rethinking compensation, a primary care providers that I see this, really, as the first mover in true. PM Payment Systems is going to be around primary care services. and if we're going to change that payment mechanism, we have to change that compensation mechanism. And we have to rethink our recruitment strategies and our retention strategies around primary care. This is going to be critical to re-arming, and a new system.

42:20
Finally, the fifth tenet deliver health and not health care.

42:26
We deliver health care on a fee for service basis.

42:29
If we find ourselves in value based care, we're delivering health and sort of a striking comparison to providers on different ends of the spectrum in terms of reliance on fee for service versus capitation or value based payments. Whatever term you choose to use. If you see a 50% 50% volume reduction for provider A, it's nearly catastrophic. Provider V is able to weather that storm. And so we have to think of how we can place ourselves into delivering health. You still have board members asking the question of, how can we survive an outbreak of health?

43:07
What would happen if our ER volumes go down? What happens if we're not doing inpatient procedures? That that is the death knell of our organization. How can we maintain the services needed to keep our doors open?

43:17
If those are the questions you're hearing today, then you need to start planning and education around that board to help them understand this transition to health. As opposed to delivering health care services of. That is really a key starting point in the strategy re orientation around these new tenants, so Brian, where's your party? I would, I would cap on that point for just a moment and encourage the audience to go back to our archives. We recently recorded and issued a podcast with doctor Bill Wulf, who's the president of Central Ohio Primary Care, the largest primary care group in the country.

43:55
And I think there are valuable insights in there, and a lot of inspiration for folks, regarding how one can build value network that is designed around delivery health, and do so, in a very economically advantageous way. We're talking to clients all the time and others, in addition to co P C.

44:20
And what we're finding is that those predictable revenues or emit, you know, the major difference in performance through the first two quarters of this year. I think this.

44:35
I think this slide accurately demonstrates how the idea of a more predictable, more resilient revenue model can Harvey and strengthen our organization, our market, our community, and our industry overall.

44:55
So I think you also handed it to me Marti. And I know that we're at the at the appointed time.

45:01
So I would just, I think, in closing, turn to the group and say, that we, we recognize that the task and the charge in front of you is unprecedented, not a function of all develop strategies and quantified returns and put plans together in the past.

45:21
But the unprecedented ... of this exercise now will do the complexity and in which we do it.

45:28
Unfortunately, for all of us, perhaps, that, that complexity doesn't relieve us of our obligation to do so, and to lead the topics that we discussed today, the tenants that we referenced, the primarily.

45:42
There'll be a host of others, I believe, as you get into your planning, whether it's the ethics behind how care is delivered. And Martie mentioned the importance of communications on an internal and external basis to ensure that our communities understand that we are them, and we are here to serve, and we are safe.

46:03
I think there's a conversation that's going to need to be had about our own governance models, and are they optimally designed and operated to achieve the end We're going to meet, There will be a minute conversation. There's going to be real estate strategy conversation that maybe didn't rise to the level of the strategic plan, previously, that we're now going to have to think about, as we think about the future of work, and they think about virtual care much more, Seriously, we're going to need to think about the support that we provide to our workforce. We are used to having our wonderful workforce show up for work every day, do God's Work, go home, and show up the next day. Well, now we recognize that in stressful times, those individuals are going to require our support as much as we require, require buyers.

46:55
So in closing, then, our boards will be asking us if they're not already, or communities are depending on us. We look forward to the opportunity to join you on the journey, and we wish you all, the best of luck.

47:11
Thank you.

47:18
Thanks to our presenters, Martie Ross, and Brian Fuller. If you have questions, their presentation and contact information will be e-mailed to you, along with the recording of today's webinar.

47:31
So, if ... can provide assistance, please call or e-mail us. You may also visit our website at pyapc.com for more details about our specific areas of expertise, or to subscribe to receive PYA insights.

47:48
On behalf of PYA, thank you for joining us. And have a great rest of your day.