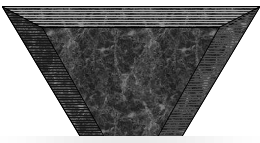


Healthcare's New Frontier:  
The Internet and Customer-driven  
Chronic Illness Care


May 29, 2001



Healthcare's Next Frontier:  
The Internet and Customer-driven  
Chronic Illness Care


Richard J. Bringewatt  
National Chronic Care Consortium

May, 29, 2001




**The Healthcare Crisis of 1997  
Created Industry Chaos**

- ▼ Severe reduction in payment rates
- ▼ Increased regulatory requirements
- ▼ Continued consolidation pressures
- ▼ Heightened consumer dissatisfaction
- ▼ Managed care under siege
- ▼ Increased staff shortages



**The Industry Responded By  
“Dis-integrating”**


- ▼ Providers returned to silos as “core business”
- ▼ Spun off/closed down soft money programs
- ▼ Abandoned Medicare and Medicaid
- ▼ Outsourced key business functions
- ▼ Returned to fee-for-service payment
- ▼ Became short-term, bottom-line driven



**The Healthcare Industry's  
Future Is Chronic Illness**

- ▼ Chronic illness accounts for over 75% of personal healthcare costs
- ▼ Fifty-seven million Americans, 21%, have two or more chronic diseases
- ▼ People with two or more chronic conditions account for 63% of Medicare beneficiaries, and 95% of all Medicare expenditures


National Public Engagement Campaign on Chronic Illness, Johns Hopkins University, 2000.



**The Dangers Of an Industry  
in Crisis**

The most exasperating fact about companies in crisis is that they got there by doing what once made them successful. Organizations don't make the most of new opportunities because they're making the most of the old ones.

Adapted from Roger Martin, "Changing the Mind of the Corporation"



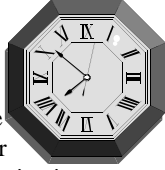
**The Reform Imperative**

- ✓ People with chronic conditions are healthcare's largest, highest-cost, and fastest-growing service group.
- ✓ The foundations of healthcare are fundamentally out of sync with the nature of chronic disease and disability.
- ✓ Long-term cost and quality objectives cannot be obtained without fundamental reform.

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**It is Time to Change our Orientation!**



- ✓ From present to future
- ✓ From reactive to proactive
- ✓ From provider to customer
- ✓ From self-interest to collective interest
- ✓ From component pricing to producing real-health value across the continuum

*To realign the world of purchasers, payers, and providers with the real-world circumstances of people with chronic conditions.*


**Chronic Illness Care Is Healthcare's New Frontier**



**Customer-driven Chronic Illness Care**

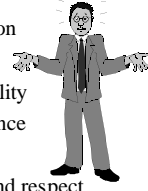
**Bad News!** Healthcare is out of sync with the nature of chronic illness!

<b>CHRONIC ILLNESS</b>	<b>HEALTHCARE</b>
<ul style="list-style-type: none"> <li>▼ Multidimensional</li> <li>▼ Interdependent</li> <li>▼ Ongoing</li> <li>▼ Disabling</li> <li>▼ Personal</li> </ul>	<ul style="list-style-type: none"> <li>▼ Single dimensional</li> <li>▼ Segmented</li> <li>▼ Episodic</li> <li>▼ Disease-oriented</li> <li>▼ Institutional</li> </ul>



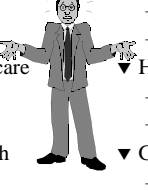
**Bad News!** Healthcare is out of sync with what consumers want!

<b>CONSUMERS WANT</b>	<b>CONSUMERS GET</b>
<ul style="list-style-type: none"> <li>▼ Information</li> <li>▼ Access</li> <li>▼ Affordability</li> <li>▼ Convenience</li> <li>▼ Control</li> <li>▼ Dignity and respect</li> </ul>	<ul style="list-style-type: none"> <li>▼ Clinics and programs</li> <li>▼ Benefit hurdles</li> <li>▼ Accelerating costs</li> <li>▼ Silos and tunnels</li> <li>▼ Directives</li> <li>▼ A passive patient role</li> </ul>



**Bad News!** Healthcare executives have different views of the problem!


<ul style="list-style-type: none"> <li>▼ Primary/acute care <ul style="list-style-type: none"> <li>- Illness</li> <li>- Cure</li> </ul> </li> <li>▼ Long-term care <ul style="list-style-type: none"> <li>- Disability</li> <li>- Care</li> </ul> </li> <li>▼ Public health <ul style="list-style-type: none"> <li>- Lifestyle</li> <li>- Prevention</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▼ Government/business <ul style="list-style-type: none"> <li>- Economic opportunity</li> <li>- Cost burden</li> </ul> </li> <li>▼ HMOs/insurance <ul style="list-style-type: none"> <li>- Financial risk</li> <li>- Economic opportunity</li> </ul> </li> <li>▼ General public <ul style="list-style-type: none"> <li>- Family/friends</li> <li>- Future burden</li> </ul> </li> </ul>
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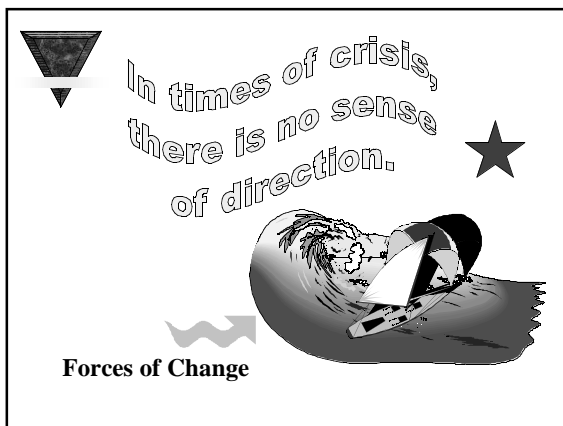
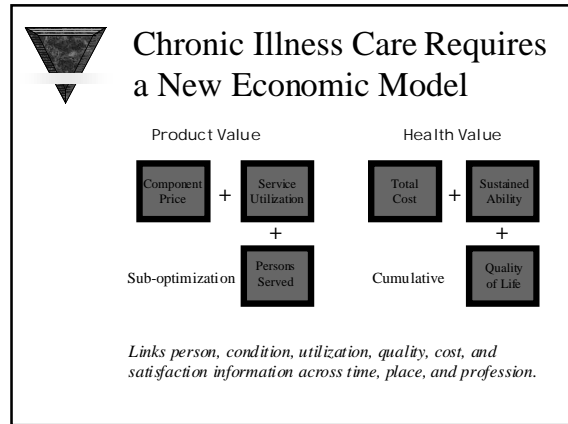
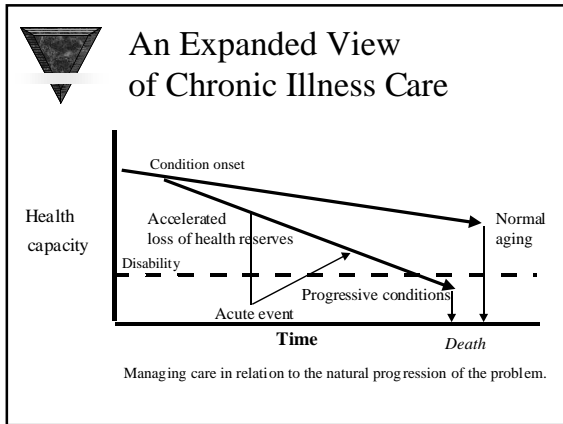
**Key to Health System Transformation**

The greatest danger for most of us is not that our aim is too high and missed, but it is too low and we reach it.

Michelangelo



The Internet provides structures for establishing a new reality



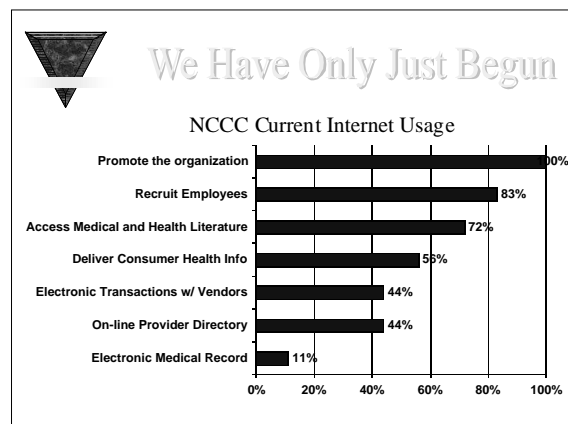
### The Need for a Common Industry Vision

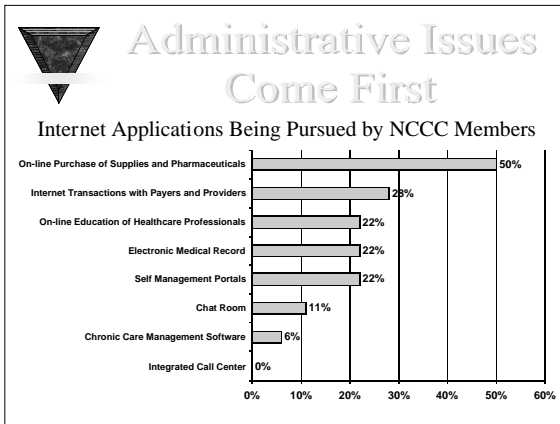
All providers who serve the same person, either at the same time or in sequence to one another, work together to help people with chronic conditions prevent, delay, or minimize disease and disability progression and live life to its fullest. All public and private policies; administrative procedures; and education, training, and research activities embrace a customer-driven, chronic illness care approach.

### Internet Is Key to Health Systems Transformation

*Survivors will move all their operations to the Web and do it now.*

Tom Peters





### Targets for Consumer Empowerment ©

- ▼ Personal risk appraisal
- ▼ New benefit awareness
- ▼ Self-care information
- ▼ Best practice information
- ▼ Care plan access
- ▼ Caregiver support
- ▼ Data privacy

The New Cultural Force for Change

### Targets for Creating New Service Options ©

- ▼ Home technology
- ▼ Medical technology
- ▼ Direct provider access
- ▼ Online quality measures

### Targets For Changing Clinical Practices ©

- ▼ Risk screening
- ▼ Comp. Assessment
- ▼ Poly pharmacy
- ▼ Ongoing care planning
- ▼ Preventing disability progression
- ▼ Real-time, real-world information

A multidimensional problem

### Targets for Creating New Care Team ©

- ▼ Single care plans
- ▼ Common policy directives
- ▼ Simplified transitions
- ▼ Interdisciplinary care teams

Serving the Same Person Across Settings and Over Time

**Targets for Health Systems Management**

- ▼ New Board competencies
- ▼ Connect management team
- ▼ Create system objectives
- ▼ Support evidence-based decision-making
- ▼ Link cost, quality, and satisfaction data across settings
- ▼ Benchmark system performance



Working From a  
Common Business Plan

**Targets for Healthcare Financing**

- ▼ Cumulative cost analysis
- ▼ Health status adjustments
- ▼ Targeted incentives



People Go Where  
The Money Is

**Targets for Health Policy Reform**

- ▼ Disease prevalence rates
- ▼ Disease and disability prevention
- ▼ Health value performance
- ▼ New care models
- ▼ Greater public awareness
- ▼ Program integration
- ▼ Simplified oversight



Chronic Illness Care  
As the Starting Point for  
Healthcare Reform

**Forces for Change!**

- ▼ Pervasive presence of chronic illness
- ▼ Consumer-directed care
- ▼ Internet technology
- ▼ Disease management programs
- ▼ Chronic care demonstrations
- ▼ Speciality clinics and programs
- ▼ Emerging public awareness

**Barriers to Change!**

- ▼ A highly fragmented industry
- ▼ Silo-based technology
- ▼ Entrenched power
- ▼ Fragmented data systems
- ▼ Limited experience in chronic illness care
- ▼ Fragmented policies and adverse incentives
- ▼ A lack of knowledge, tools, and systems

**The Future Is Yours to Define**

- ▼ Adopt chronic illness care lenses
- ▼ Focus on future
- ▼ Think systems
- ▼ Target high-leverage interventions
- ▼ Build partnerships
- ▼ Empower consumer
- ▼ Apply internet technology