

Health is Everywhere: Consumers and the New Retail Health



Tennessee Hospital Association
THA Summer Conference, Sandestin, FL
8 July 2016

Jane Sarasohn-Kahn, MA (Econ.), MHSA
THINK-Health and Health Populi blog
@healthythinker



Thanks for inviting me to

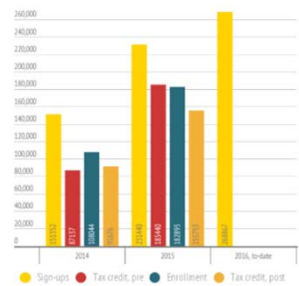


*By
way
of...*



Current Health Snapshots in Tennessee

ACA enrollment in Tennessee



The number of Tennesseans who have selected health insurance on the federally run exchange to-date in 2016 has outpaced previous years. Open enrollment ended Jan. 31.

Source: U.S. Department of Health and Human Services

Blog an

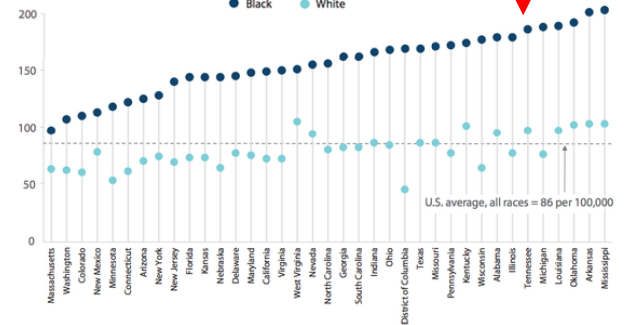
THE TENNESSEAN

BCBST tops hefty
Obamacare proposals
with 62% request,
10 June 2016



The COMMONWEALTH FUND

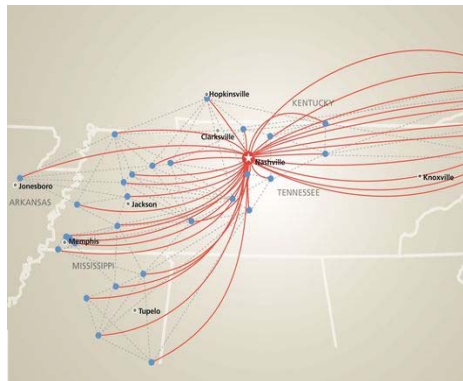
Deaths per 100,000 population



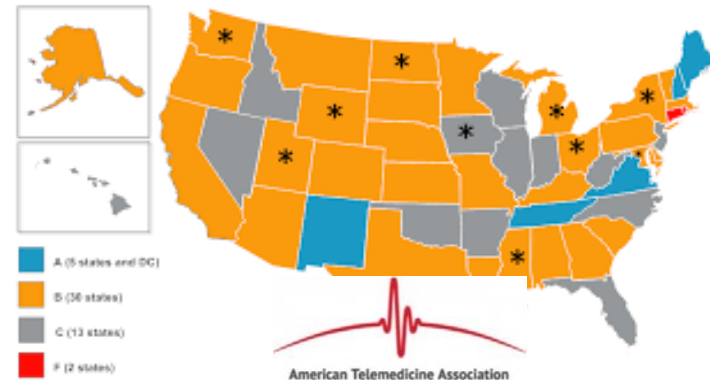
TN

Vanderbilt calls
for statewide
health
network,
24 May 2016

THE TENNESSEAN



TN Gets an "A" for Telemedicine



American Telemedicine Association





Health is Everywhere: Consumers and the New Retail Health

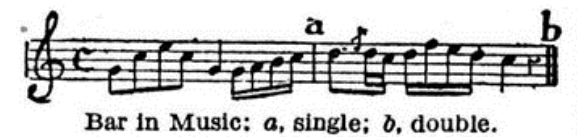
- Intro: our personal health ecologies
- Personal health economics drives health consumerism and DIY health
- DIY health enabled via social, mobile, digital tech
- New Players in the New Health Economy – collaboration, coopetition, competition?
- Implications for



members



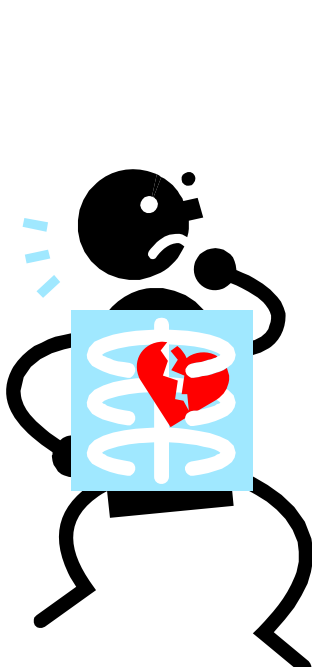
JSK's Personal Health Ecology*



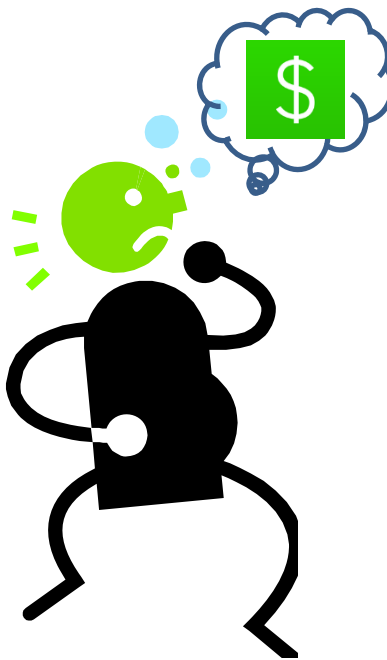
**Note: we all have one!*

Defining Health Care “Consumers”

3 Personae



Patient



Payor



Person



Life After October 2008



Emergent Post-Recession Consumer Consciousness

- Then
 - Passive
 - Careless
 - Simple
- Now
 - Active
 - Deliberate
 - Complex



Sustainability is the
new happiness:

- Save me money
- Inspire creativity
- Conserve resources
- Keep me healthy



Source: Eyes Wide Open, Wallet Half Shut,
Ogilvy/Communispace, March 2010

How People Define Health and Wellness



Physical health
94%



Mental/
emotional
Health
91%



Personal
appearance
87%



Financial health
82%



Source: Edelman Health Engagement Barometer, October 2008

Health Care is #1 Line Item Of “Pocketbook Costs” Vs Energy, Housing, or Food October 2015

Table 2: Ranking Of Pocketbook Costs						
Percent who say it is very or somewhat difficult to afford each of the following	By Insurance Status (Ages 18-64)			By Annual Household Income		
	Total	Insured	Uninsured	Less than \$40,000	\$40,000-\$89,999	\$90,000 or more
→ Health care	42%	38%	81%	56%	41%	16%
Monthly utilities, like electricity, heat, and phone	38	36	63	54	35	9
Rent or mortgage	35	34	63	50	32	12
Food	31	29	52	48	25	7
Gas or other transportation costs	30	29	46	44	24	7



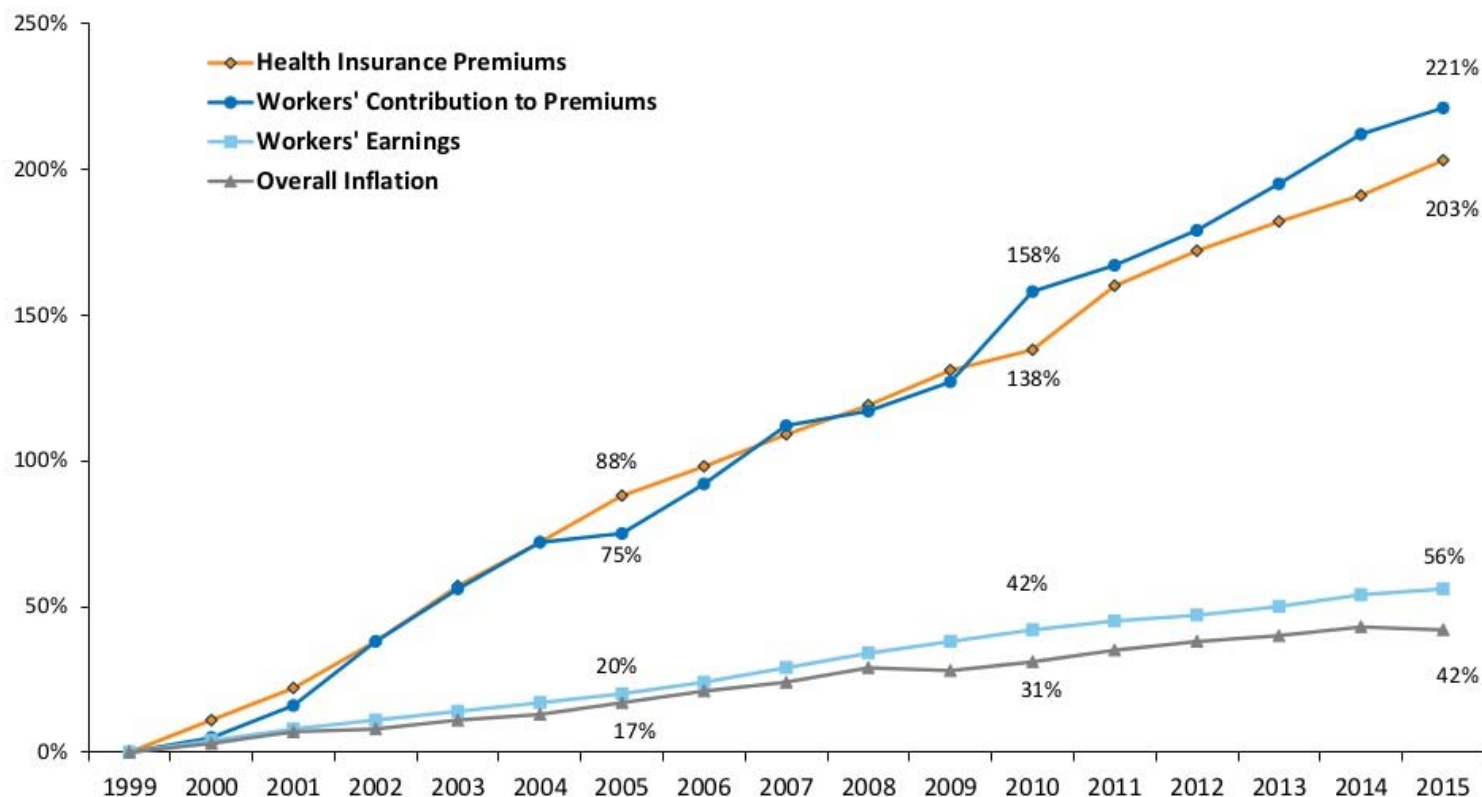
Source: Kaiser Family Foundation Health Tracking Poll, October 2015



*“Come quickly—I think I had
an out-of-pocket experience.”*



Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2015



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2015. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2015; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2015 (April to April).

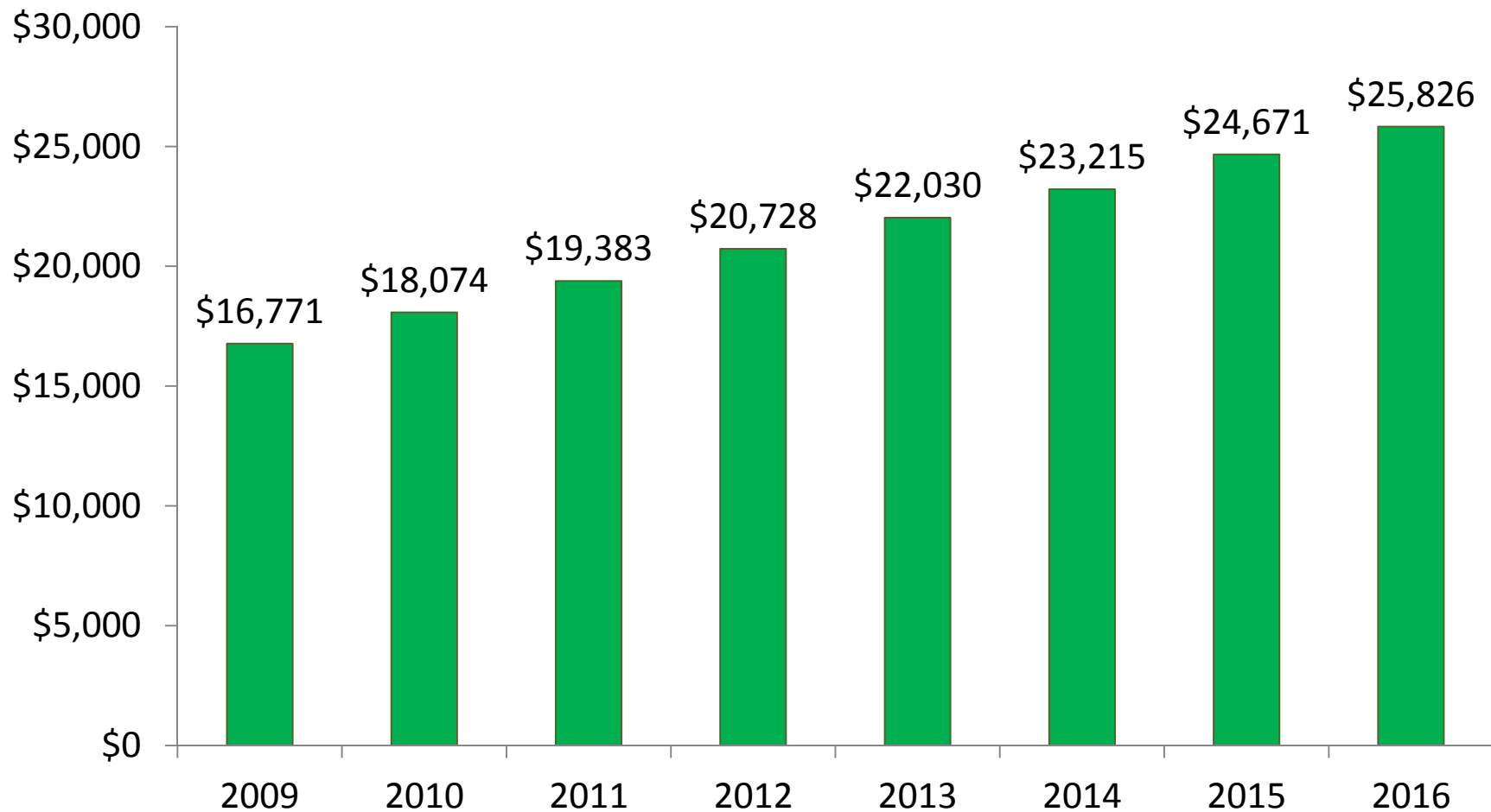
THE HENRY J.
KAISER
FAMILY
FOUNDATION

AND
HRET
HEALTH RESEARCH &
EDUCATIONAL TRUST



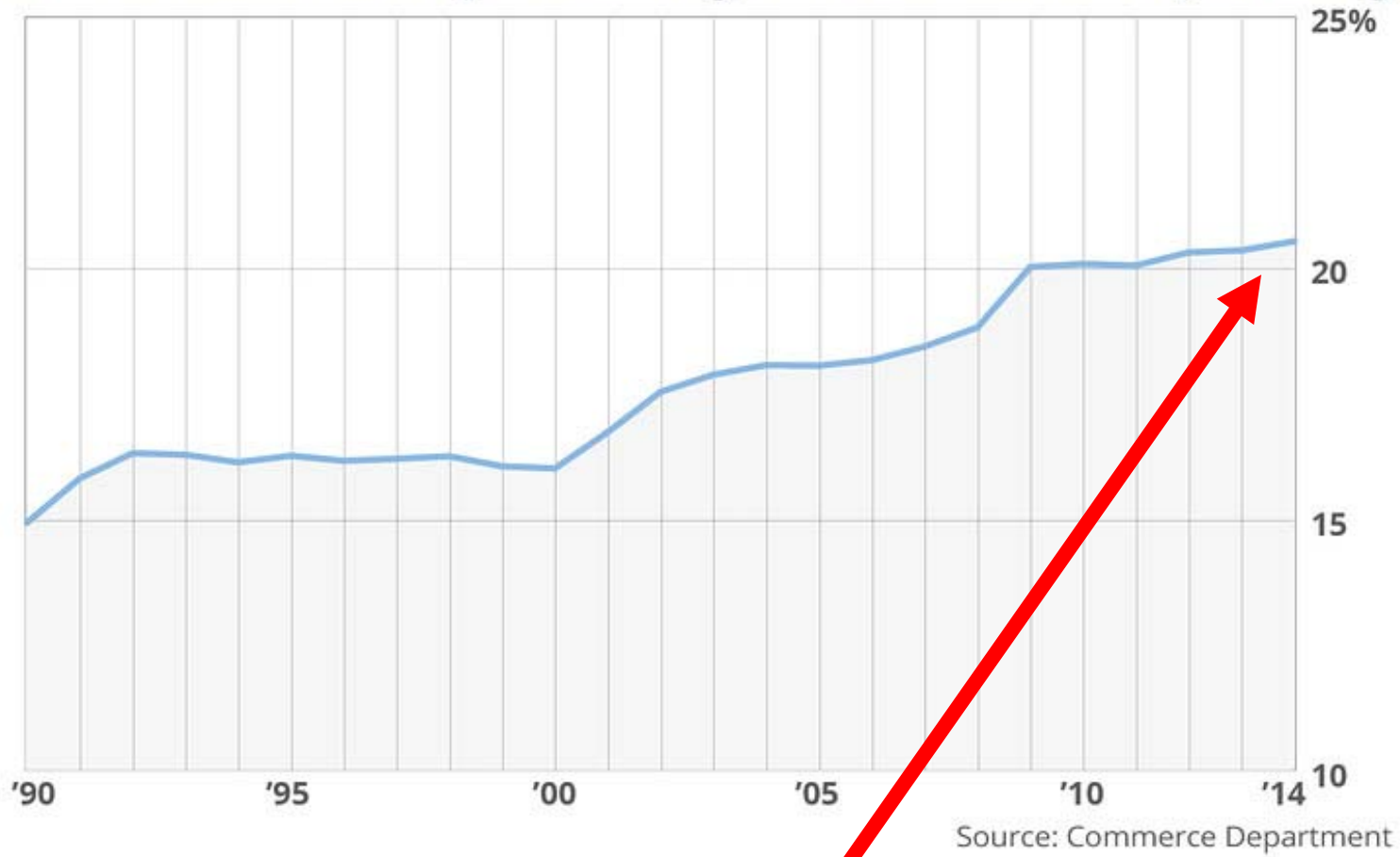


Health Costs for Family of Four in 2016 = \$25,826
Health Insurance, a Chrysler 200 Sedan, or a Year at Wake Forest



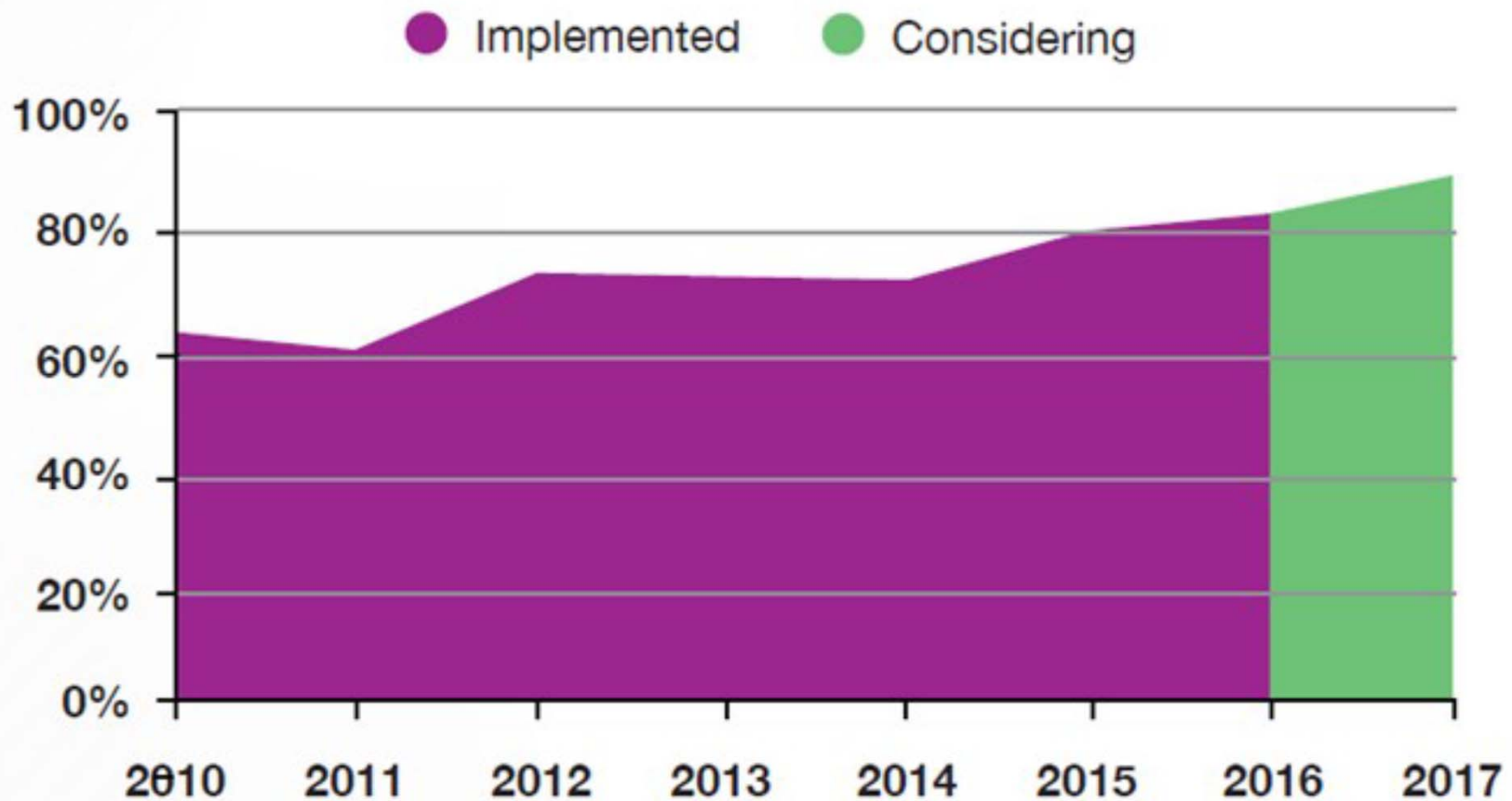
Source: 2016 Milliman Medical Index, May 2016

Healthcare as a percentage of consumer spending

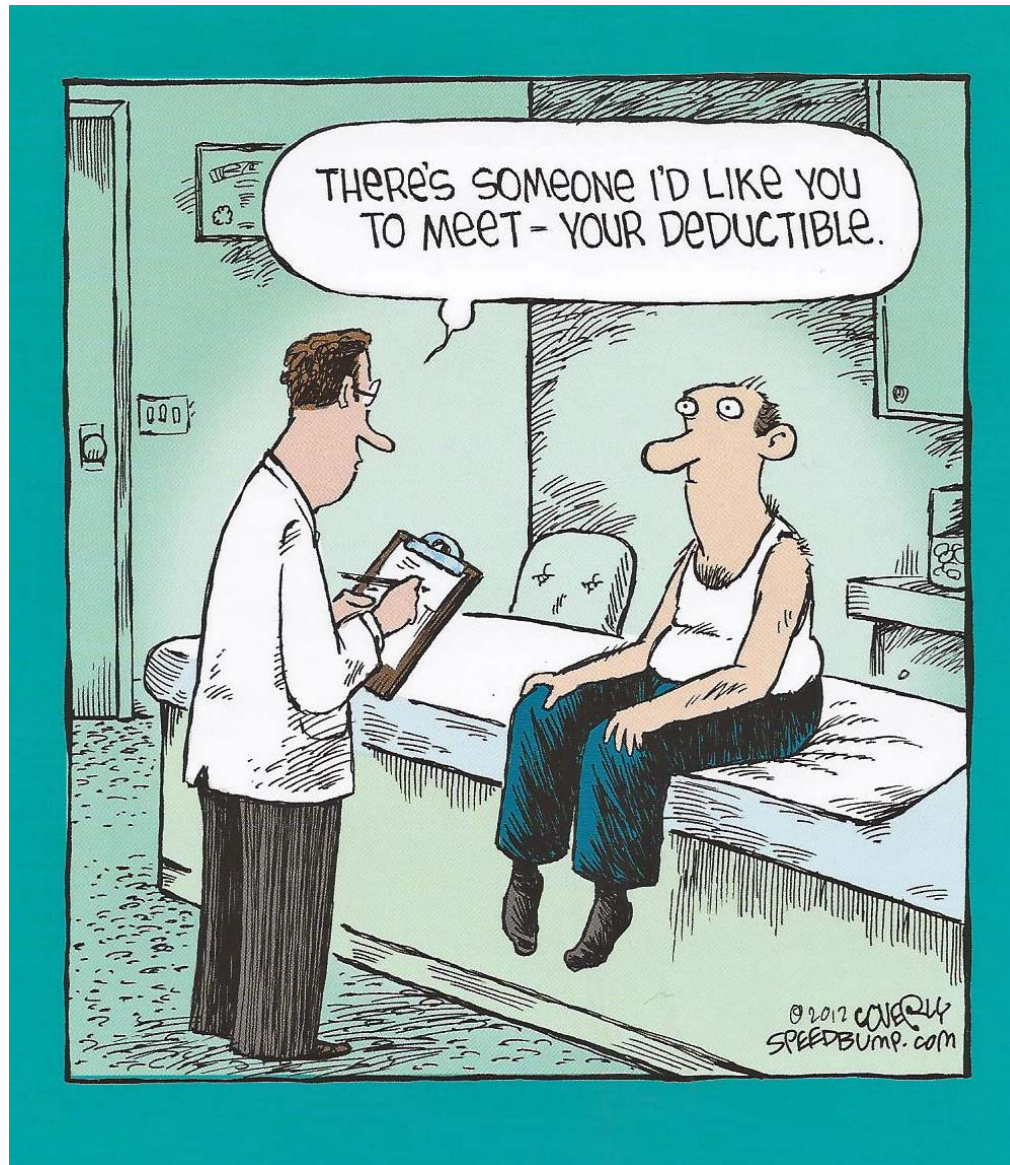


\$1 in \$5 of consumer spending

Figure 4: CDHP Prevalence Among Large Employers



Source: National Business Group on Health, Large Employers' 2016 Health Plan Design Survey: Reducing Costs While Looking to the Future, August 2015



Source: Carlton Cards, Speed Bump, ©Dave Coverly

How much can an **HSA grow** in **40** years?



To
\$360,000
with a 2.5%
return.

To
\$600,000
with a 5%
return.

To nearly
\$1.1 million
with a 7.5%
return.

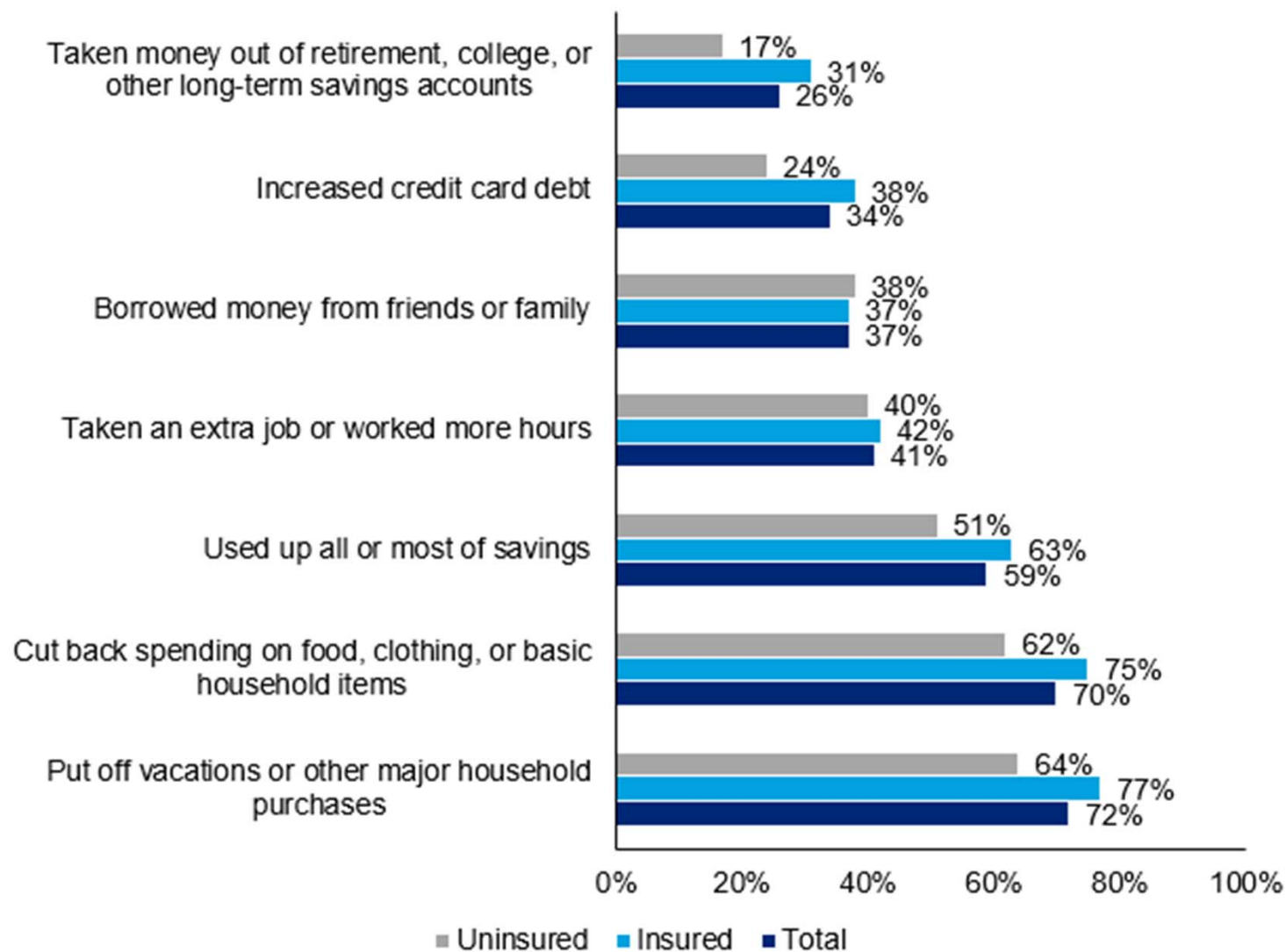
Above amounts assume no withdrawals were taken over that time.

Source: Employee Benefit Research Institute

Bankrate



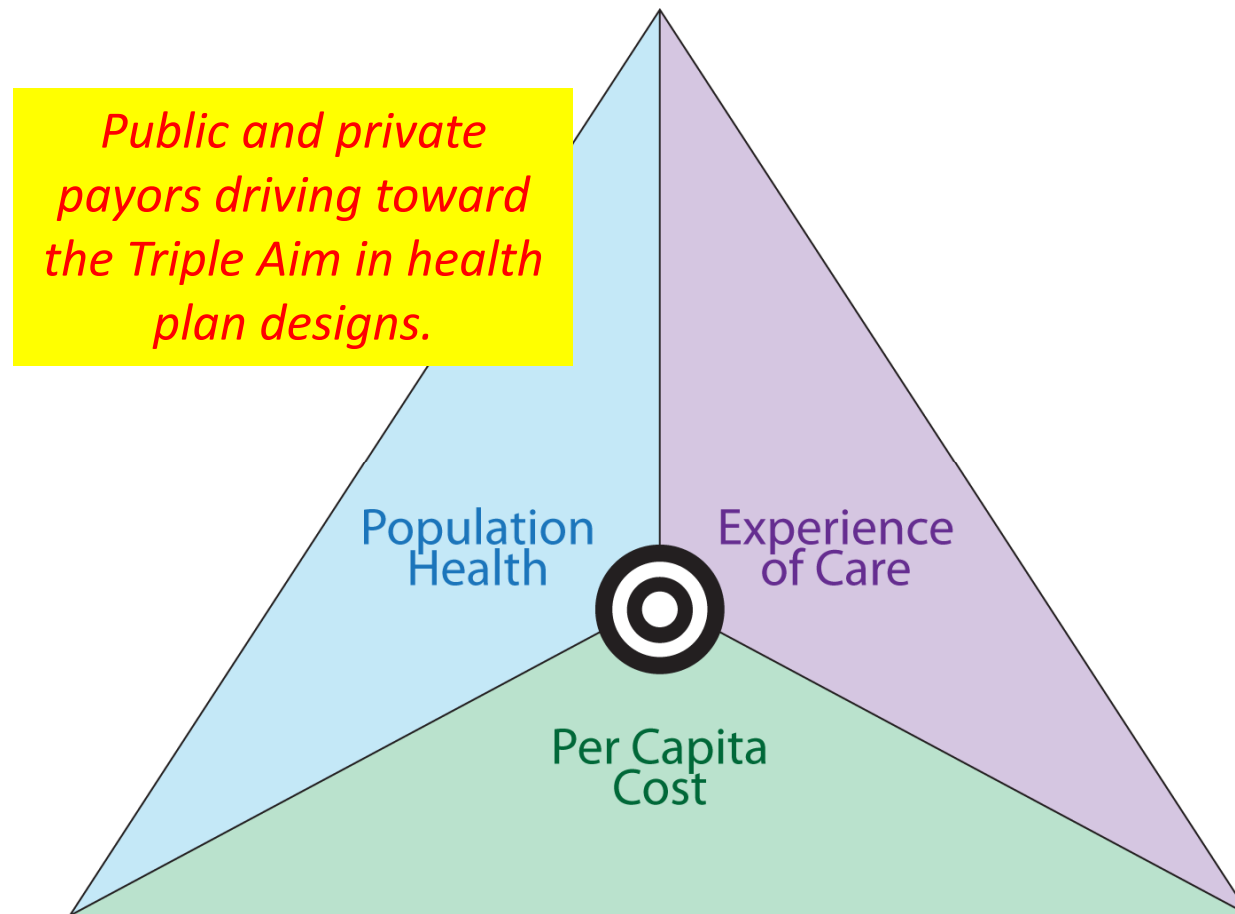
Individuals used many strategies to pay for medical bills



Source: Deloitte Center for Health Solutions, January 2016

Growing Embrace of the Triple Aim in Health Care

Operational Beacon for U.S. Health Care



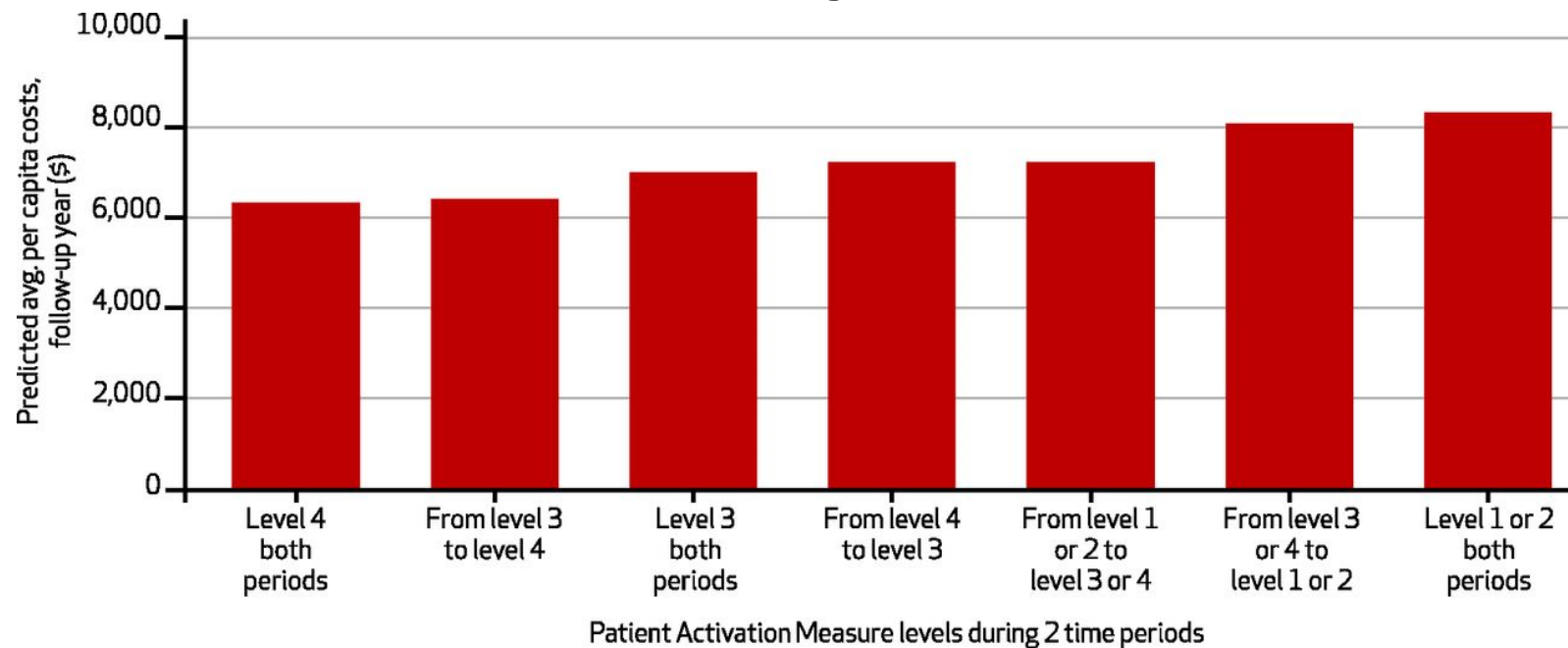
Source: Institute for healthcare Improvement, *Why the Triple Aim?*



The More Activated a Patient Is, the Lower Their Health Costs *Health Affairs, March 2015*

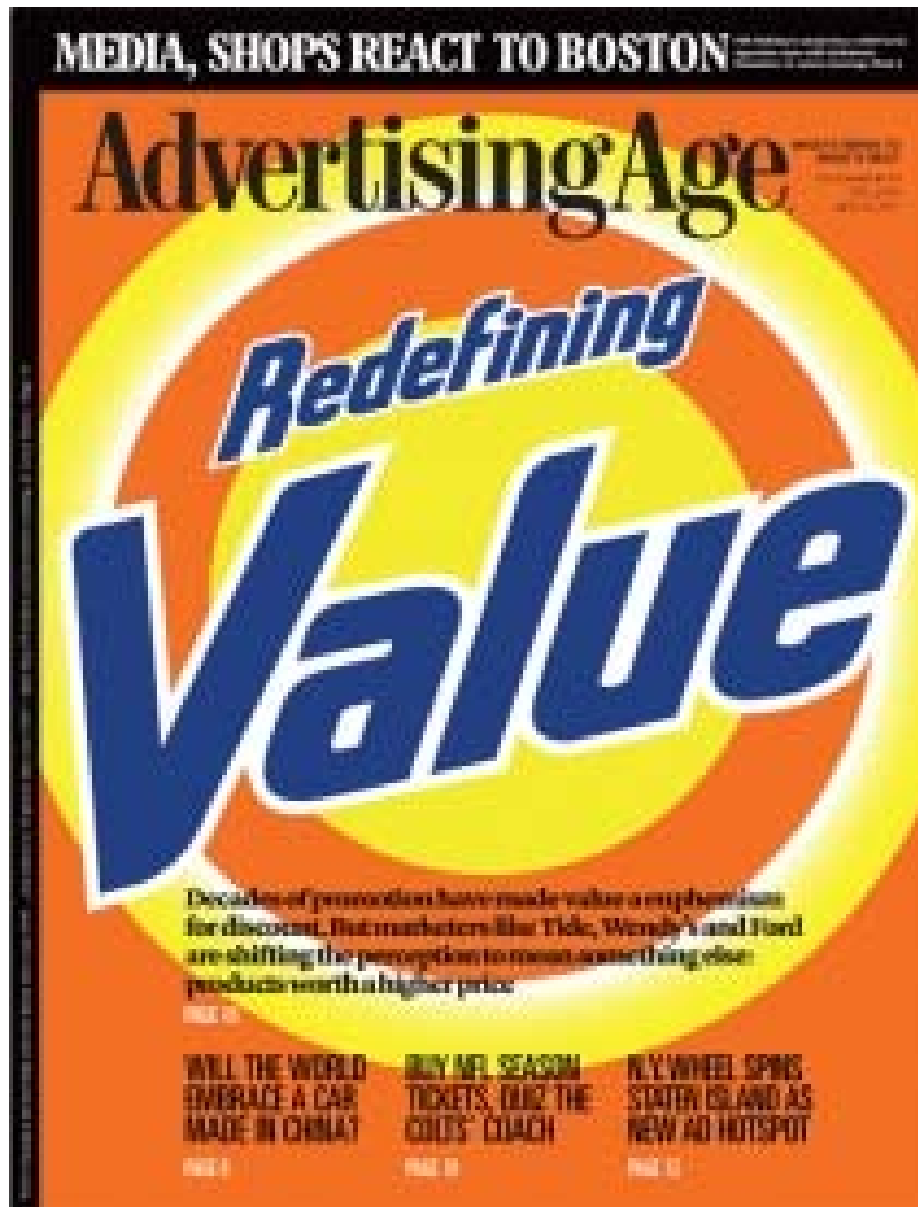


Predicted Average Per Capita Costs In Follow-Up Year, By Change In Patient Activation Measure Levels During Two Time Periods.



Source: When Patient Activation Levels Change, Health Outcomes And Costs Change, Too.
Greene et al. *Health Affairs* 2015;34:431-437 (March 2015)





Source: Advertising Age, April 22, 2013



DECEMBER 24, 2006 / JANUARY 1, 2007

www.time.com

TIME

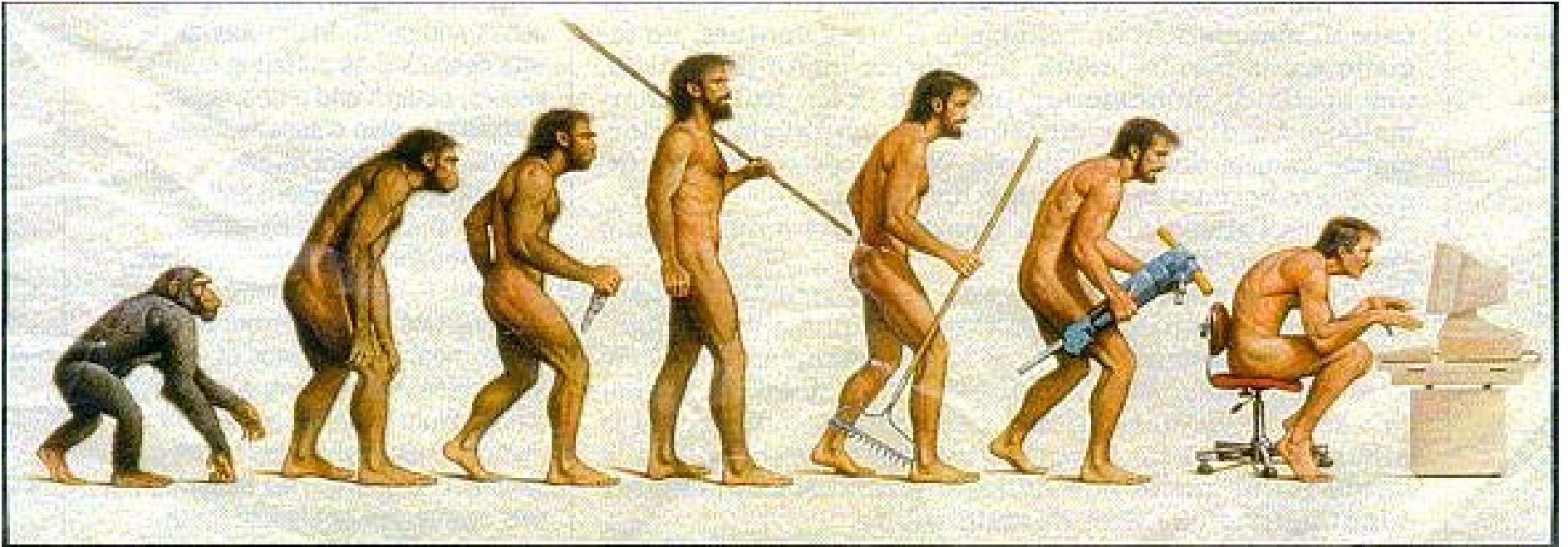
PERSON OF THE YEAR



Yes, you.
You control the Information Age.
Welcome to your world.



Evolution of *Homo Informaticus*



Source: Consumers on board: how to copilot the multichannel journey, EY, June 2014

Several groups are shifting their home internet connectivity away from broadband and toward smartphones

% of each group who have ...

	Broadband at home			Smartphone, but no broadband at home		
	2013	2015	CHANGE	2013	2015	CHANGE
All adults	70%	67%	-3%	8%	13%	+5%
African Americans	62	54	-8	10	19	+9
Rural residents	60	55	-5	9	15	+6
Household income < \$20K	46	41	-5	13	21	+8
\$20K-\$50K	67	63	-4	10	16	+6
\$50K-\$75K	85	80	-5	5	10	+5
Parents	77	73	-4	10	17	+7
High school degree or less	50	47	-3	11	18	+7

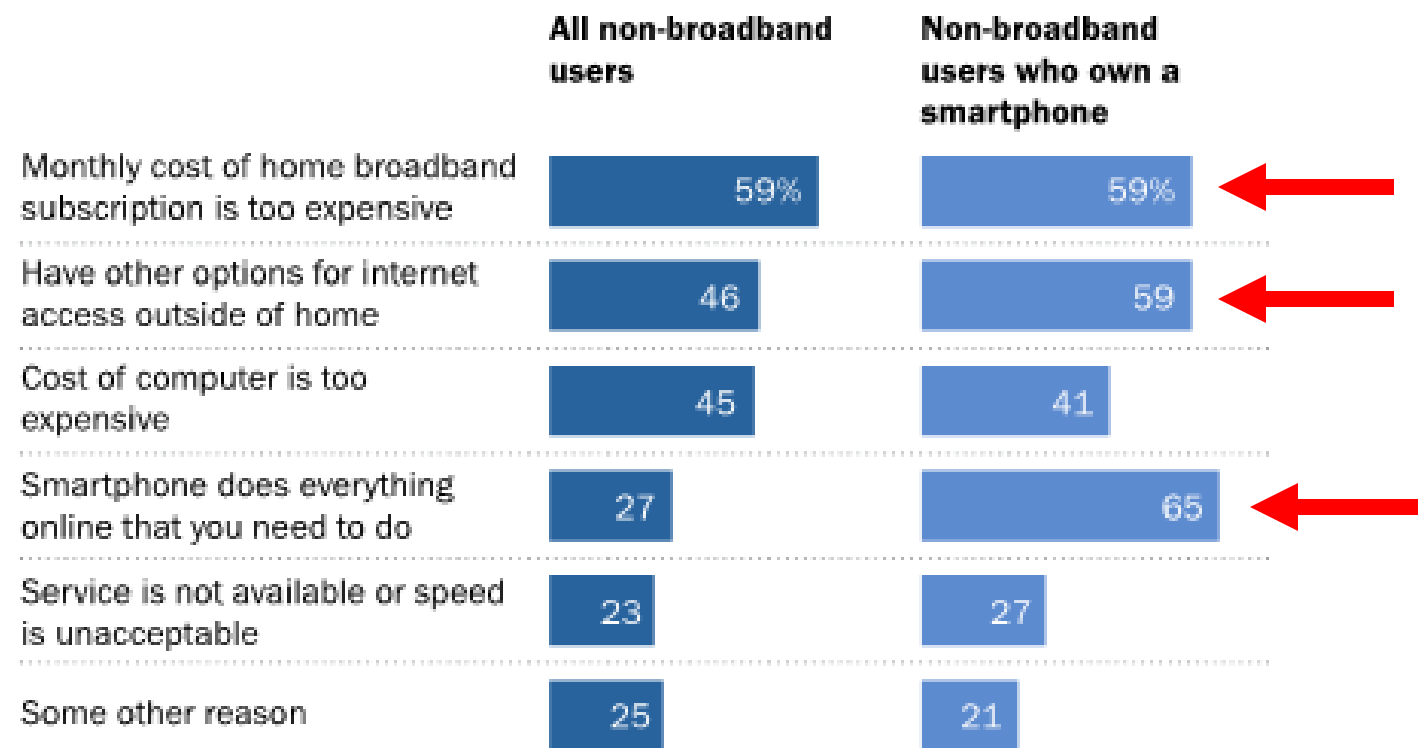
Source: Pew Research Center surveys

PEW RESEARCH CENTER



Non-broadband users cite a number of reasons why they do not use high-speed connections

% of each group who cite the following as reasons for not having broadband at home



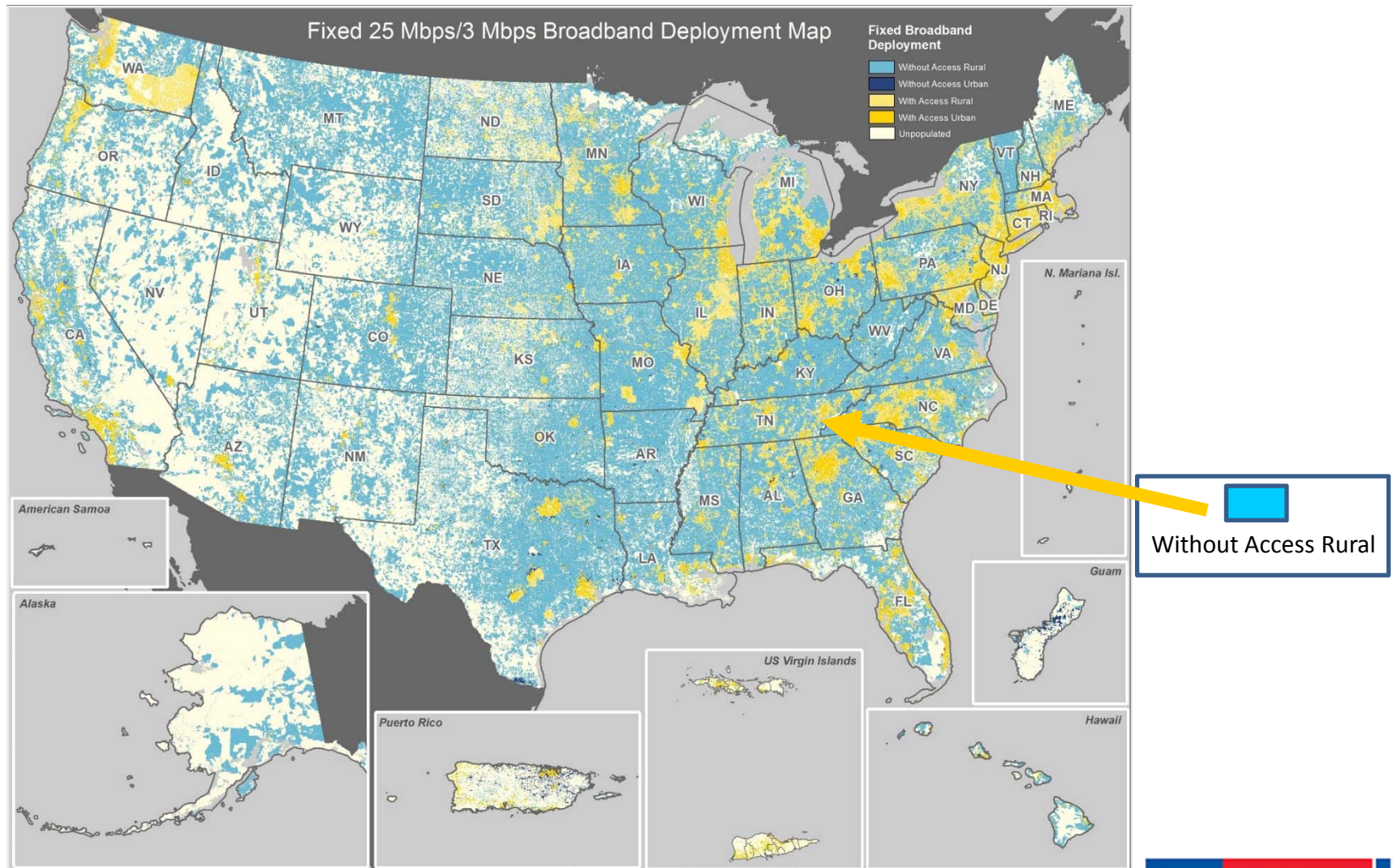
Source: Survey conducted June 10-July 12, 2015. Sample size = 2,,001.

PEW RESEARCH CENTER



Broadband Connectivity Is A Social Determinant of Health

Note  *Space in Tennessee*

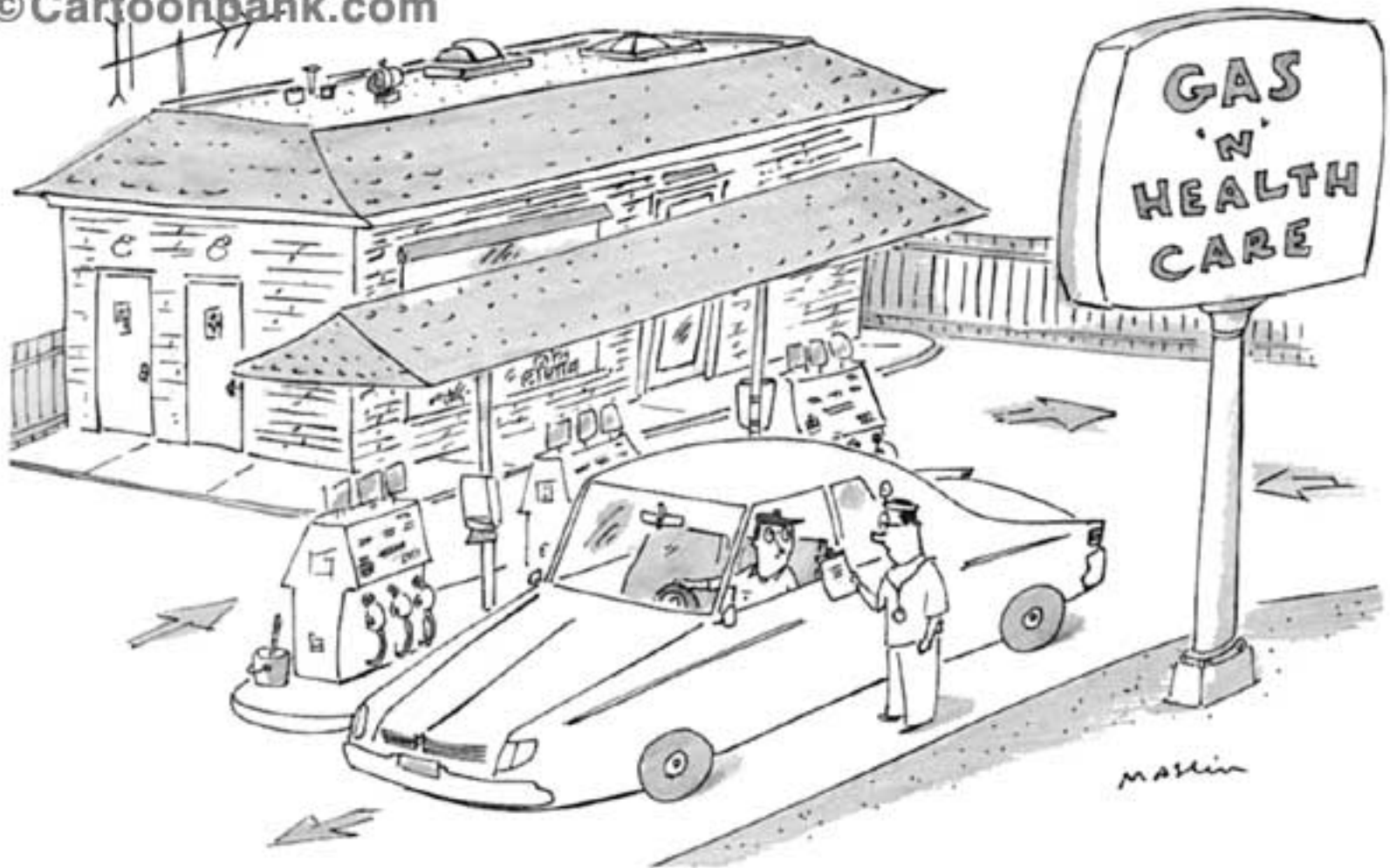


Source: Annual Broadband Report, FCC, January 2015

DIY Life



©Cartoonbank.com

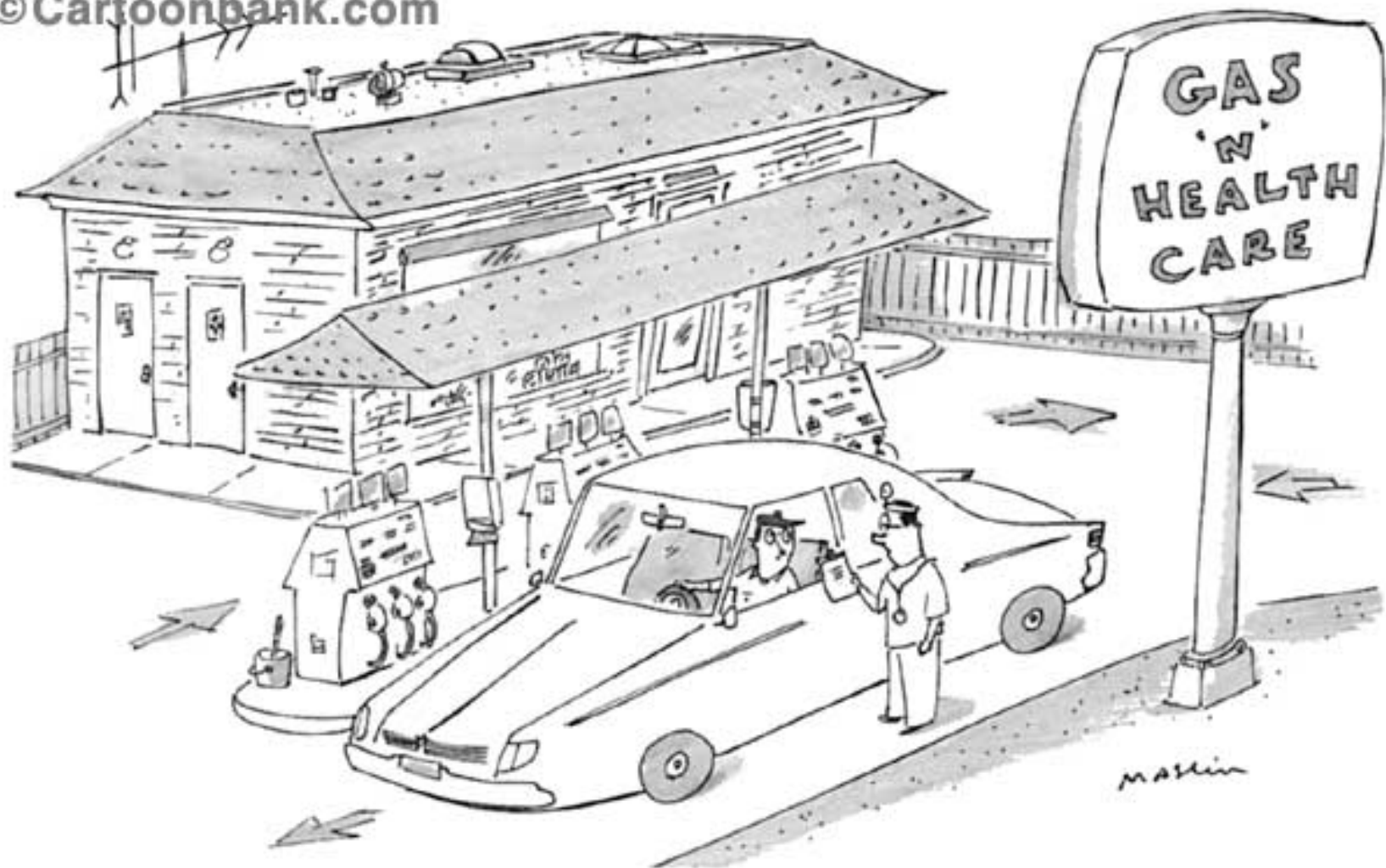


"Your oil's fine, but your blood-sugar level's a little low."



The New Retail Health





"Your oil's fine, but your blood-sugar level's a little low."



CVS - Growing Force in Health, Wellness and Telehealth

Quit Tobacco, Rebranded in “Health”



CVS
Health

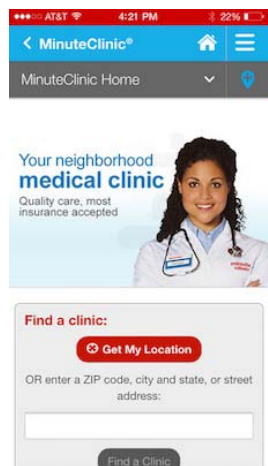
> 50 Clinical Affiliations



Healthy Food Launch
21 June 2016



App/Virtual Care



Telehealth Alliances

AMERICAN WELL®



Operating Target Rx
and Minute Clinics





A Growing Force in Health



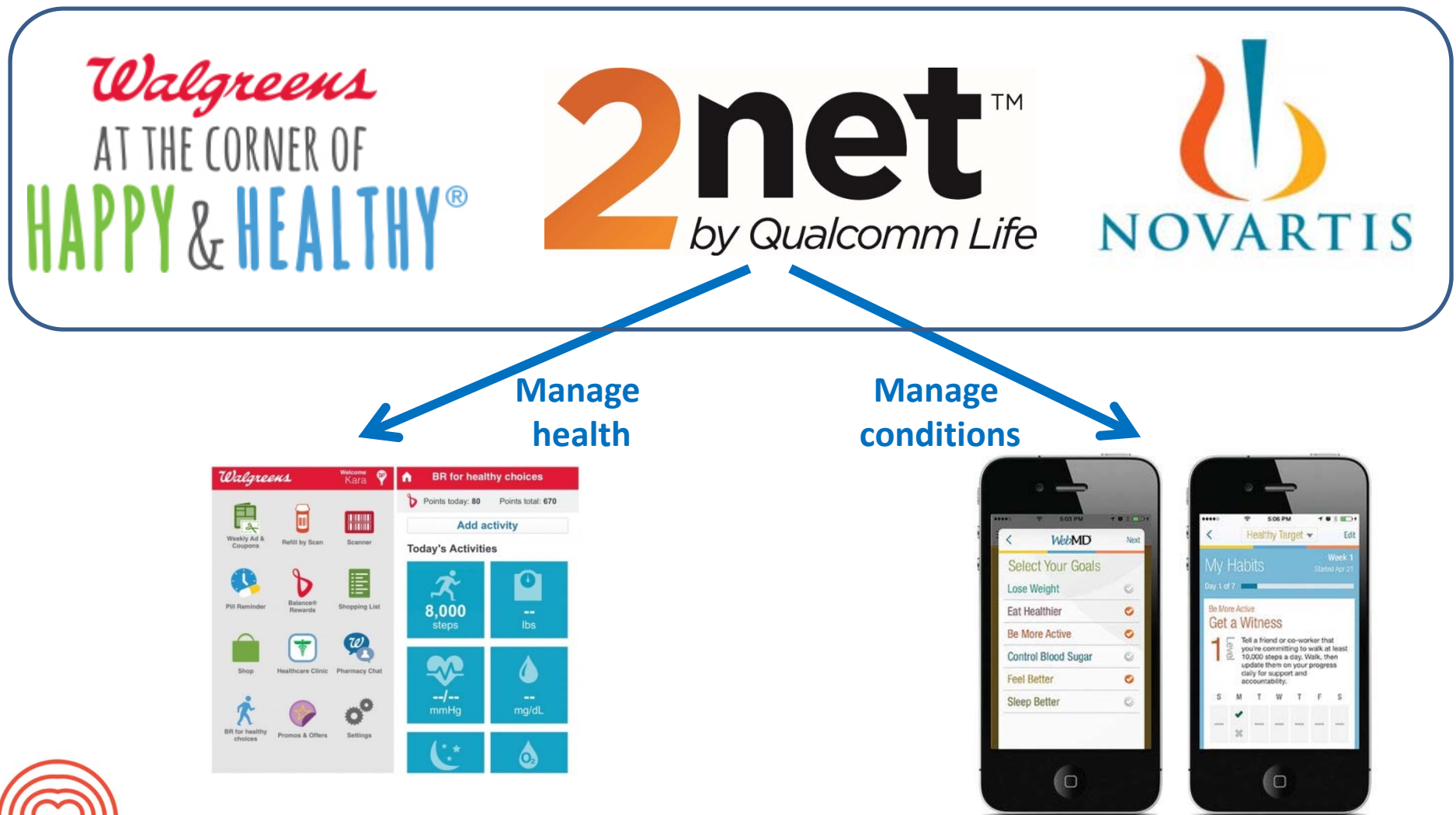
TOP RATED Solutions to ensure better care



[Shop Top-Rated Products >](#)



Evolving Health Information Ecosystem: From Retail Health to Clinical Trials





IDSA
DESIGN DECADE of the

Target Clear Rx



GOLD

healthful



The Supermarket As Health Destination in Tennessee



THE KROGER CO.
FAMILY OF PHARMACIES



Convenient Wellness & Clinical Services from Kroger



The Little Clinic (TLC)

TLC treats common illnesses
Minor Injuries
Physicals (sports, camp, etc.)
Skin Conditions
No appointment needed



Smoking Cessation



Biometric Screenings

Complete cholesterol profile (Total Cholesterol, Triglycerides, HDL, LDL), glucose, blood pressure, weight/Body Mass Index.

Dietician Coaching

Medication Review

Weight Management



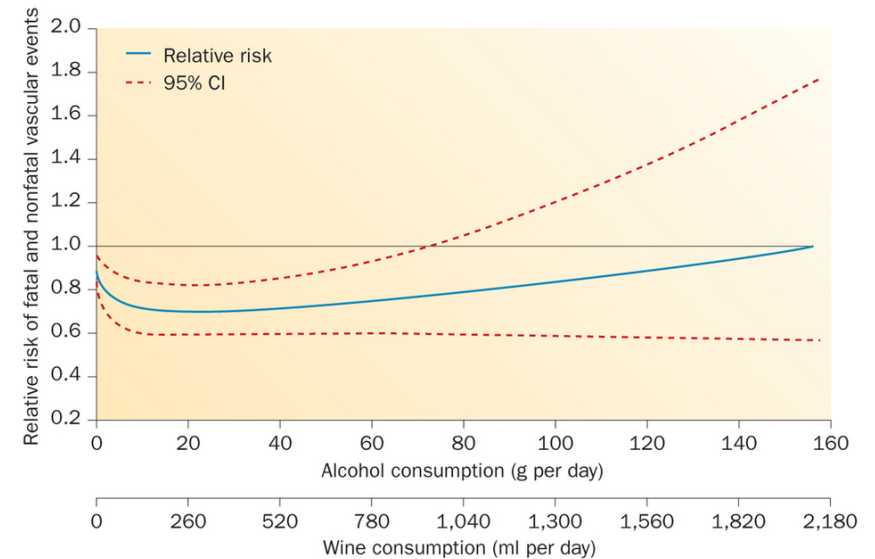
The Supermarket As Health Destination in Tennessee



stocks 1st Middle Tennessee store with wine, 5-17-16



Kroger store in Gallatin Marketplace



Nature Reviews | **Cardiology**

Cardiovascular risks and benefits of moderate and heavy alcohol consumption, *Nature Review Cardiology*, 23 June 2015



8 in 10 US Consumers Seek Food Options That Are Also Healthy



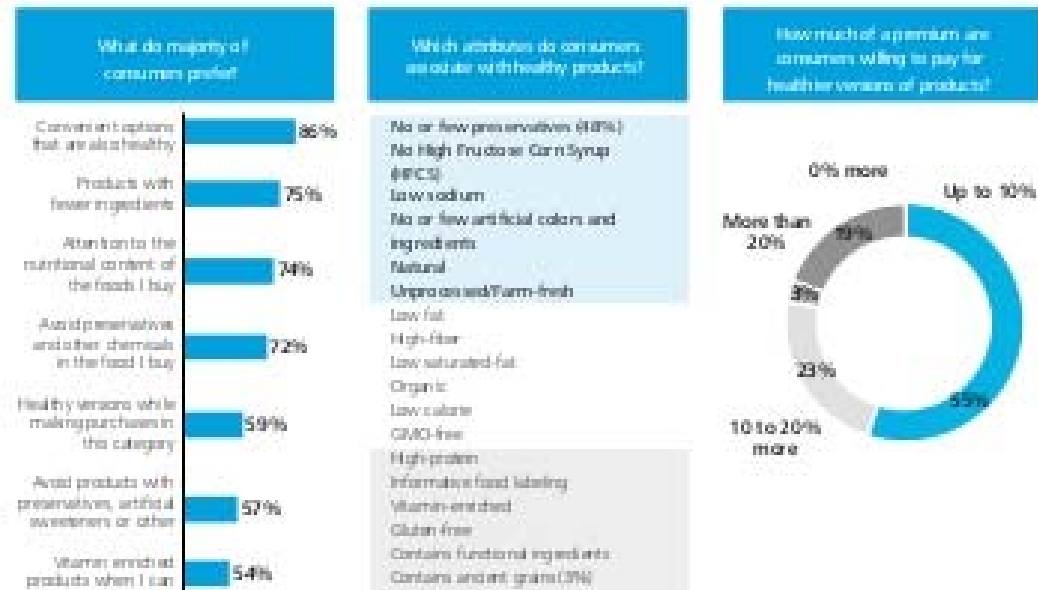
Health and wellness: A top priority, but the definition is changing

Health & wellness remains a key priority for consumers. However, consumers' specific preferences are constantly changing. In 2015, 47 percent of consumers described themselves as "health conscious", up from 46 percent in 2010. Additionally, 35 percent described themselves as "ingredient sensitive" in 2015, up from 29 percent in 2010. Companies should consider staying updated on the attributes that are most associated with healthy products and how these factors affect product preferences.

Consumers today:

- Want healthy options that are convenient too
- Prefer pure, unadulterated food low in preservatives, sodium, artificial ingredients and high fructose corn syrup
- Are less drawn to attributes that used to be hot, such as low fat, high fiber and high protein
- Are willing to pay a premium for healthier versions of products

Evolving definition and willingness to pay



The 2015 American Pantry Study The call to re-connect with consumers 12



Source: Deloitte, The 2015 American Pantry Study, June 2015



for Health

COSTCO Pharmacy UPDATE

To learn more about Costco Pharmacy, click on the "Pharmacy" link at Costco.com or call toll free 1-800-607-6861.

PRESCRIPTION TIPS

Getting the most out of your medications

© SHUTTERSTOCK - ANJALA STUBBS

COLLAGEN SUPPLEMENTS

Revitalizing your body

COLLAGEN IS THE single most abundant protein in the human body and the second most abundant substance, after water. Collagen is a key constituent of skin, joints, bones, blood vessels and organs. It is the glue that binds cells and tissues together, providing the basic structural framework of the body.

Bountiful in youth, collagen naturally diminishes during the aging process. As a result, collagen-dependent tissues gradually deteriorate with time. Although it is possible to obtain collagen in the diet from foods such as bone broth and homemade chicken noodle soup, dietary supplements are a far more convenient and reliable source. Collagen supplements supply a unique type of collagen that has undergone hydrolysis, a gentle enzyme process that breaks the protein into smaller, easier-to-digest fragments.

Collagen supplements have been used safely and effectively for decades. These nutritional products are suitable for men and women of all ages to help fight the effects of aging and revitalize skin, hair and nails.

If you'd like to see what collagen can do for you, Youtheory Collagen is available at your local warehouse and on Costco.com. Item #597726. [x]

TAKING YOUR MEDICATIONS as instructed can help you get and stay healthy. However, up to 30 percent of prescriptions are never filled and half of all people do not take their medications as instructed, according to research published in the *Annals of Internal Medicine*. Script Your Future (scriptyourfuture.org), a national campaign to raise awareness of medication adherence, reports that in the United States an estimated 125,000 deaths and more than 33 percent of medication-related hospital admissions each year are due to not taking medications as prescribed. The National Association of Chain Drug Stores (nacds.org) reports that people who take their medications correctly tend to have lower health-care costs, including avoidance of unnecessary treatments and hospitalizations, and have better health outcomes.

Patients have difficulty taking their medications for many reasons, including high cost, confusion over how to take them, side effects and not understanding why the medication is needed. Your pharmacist can help you improve your health and quality of life through better medication use.

Ask your pharmacist to:

- Work with your doctor to develop a simple and convenient medication schedule that fits into your lifestyle.
- Help find lower-cost medications and assistance programs that can help you afford your medications.

- Recommend reminder tools such as pill organizers to help you stay on track.
- Help coordinate refills so you don't run out of medication.
- Give you tips to manage side effects.

Understanding why and how to take your medication and what kind of results to expect will help set the stage for success. Talk to your pharmacist today about how better medication management can help you reach your health-care goals. [x]

PRESCRIPTION EXPENDITURES

Saving money on prescriptions

ARE YOU EXAMINING your prescription medications expenditures? Costco pharmacies, routinely recognized by a leading consumer magazine as being among the least expensive places to fill prescriptions in the nation, can be an excellent resource for helping you and your family save money on medications. Costco pharmacies are available to help you by answering questions about a variety of programs, inexpensive generic options and therapeutic alternatives.

For example, generic drugs and national-brand drugs have the same active ingredients and effects, but generics can cost much less, according to the Food and Drug Administration (FDA; fda.gov). FDA-approved generic drugs have the same high quality, strength, purity and stability as brand-name drugs, and their manufacturing, packaging and testing sites must pass the same quality standards.

Here are some tips from the FDA on switching your dollars for prescriptions:

- Ask your pharmacist or doctor about generics or brands that may cost less.
- Tell your pharmacist or doctor if the price is a problem for you.
- Ask your pharmacist or doctor if over-the-counter options are available as a substitute. [x]

FT MANAGED CHOICE

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ID W0XXX XXXXX-01

PCP: Dr. Seuss

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 - Cosmetics and Skincare
- AND MORE



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Welcome to the Costco Health Insurance Marketplace

Think Costco | About the Program | Executive Member Benefits | Healthcare Reform | Would I Qualify for a Subsidy?

Welcome to Costco Individual and Family Plans

Costco is leading the way to guide and educate our members on available options in the new world of healthcare reform, and delivering high quality services throughout the year.

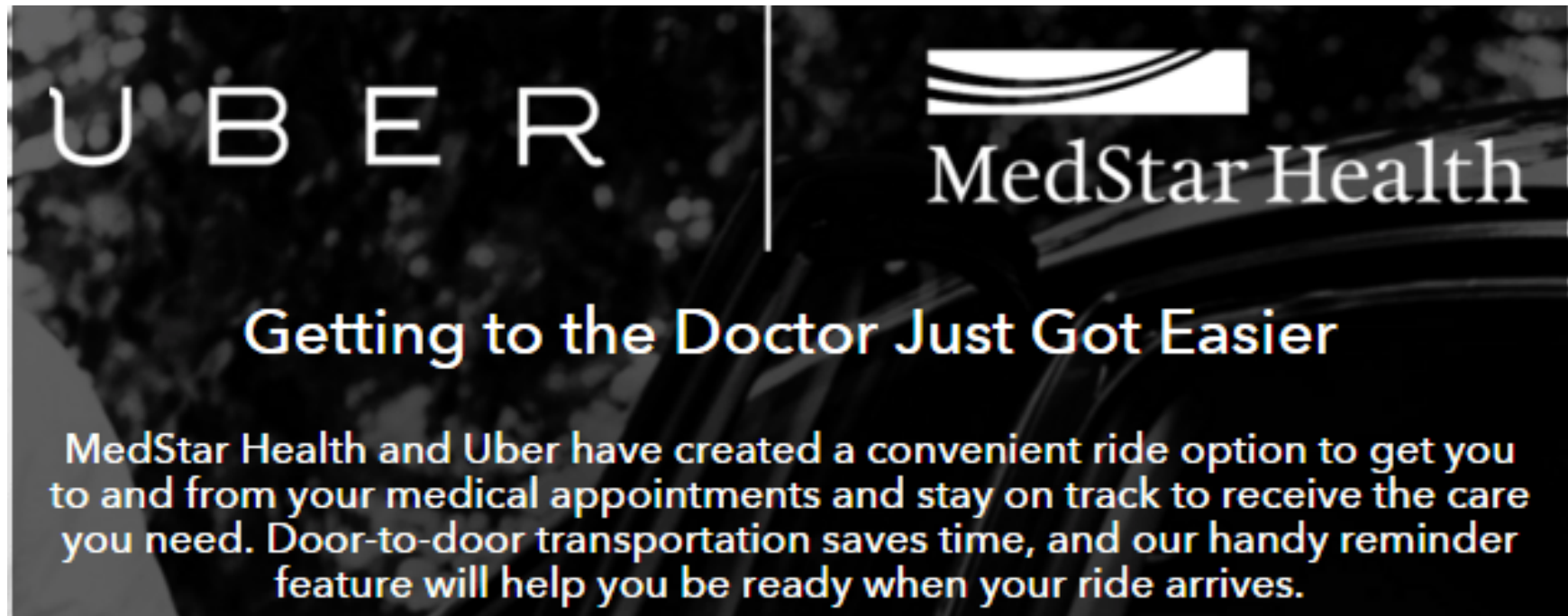
1) Individual Plans:

Shop the marketplace to view the most competitive plans in your area.

[Get A Free Quote >](#)



Thinking #SDOH – Transportation Solution Ride With Uber

A promotional graphic for the Uber and MedStar Health partnership. The background is a dark, blurred image of a car. At the top left, the word "UBER" is written in large, white, sans-serif capital letters. To its right, separated by a thin white vertical line, is the MedStar Health logo, which consists of three white curved lines above the text "MedStar Health" in a white serif font. Below the logos, the headline "Getting to the Doctor Just Got Easier" is written in a bold, white, sans-serif font. At the bottom, a paragraph of text in a smaller white sans-serif font reads: "MedStar Health and Uber have created a convenient ride option to get you to and from your medical appointments and stay on track to receive the care you need. Door-to-door transportation saves time, and our handy reminder feature will help you be ready when your ride arrives."

UBER | MedStar Health

Getting to the Doctor Just Got Easier

MedStar Health and Uber have created a convenient ride option to get you to and from your medical appointments and stay on track to receive the care you need. Door-to-door transportation saves time, and our handy reminder feature will help you be ready when your ride arrives.



Growing Telehealth Options – On-Demand Medicine



Source: Curated List By @HealthyThinker, 11 May 2016

Key Categories in Consumer-Facing Health Devices

Growth of Internet of Things in Health/Care



Track
food



Track
weight



Track
activity



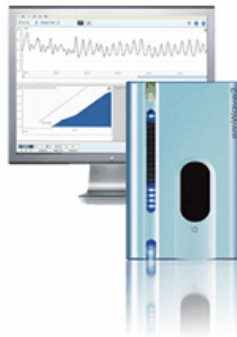
Track
sleep



PERS



Track
heart
function



Track stress
and mood



Track
meds



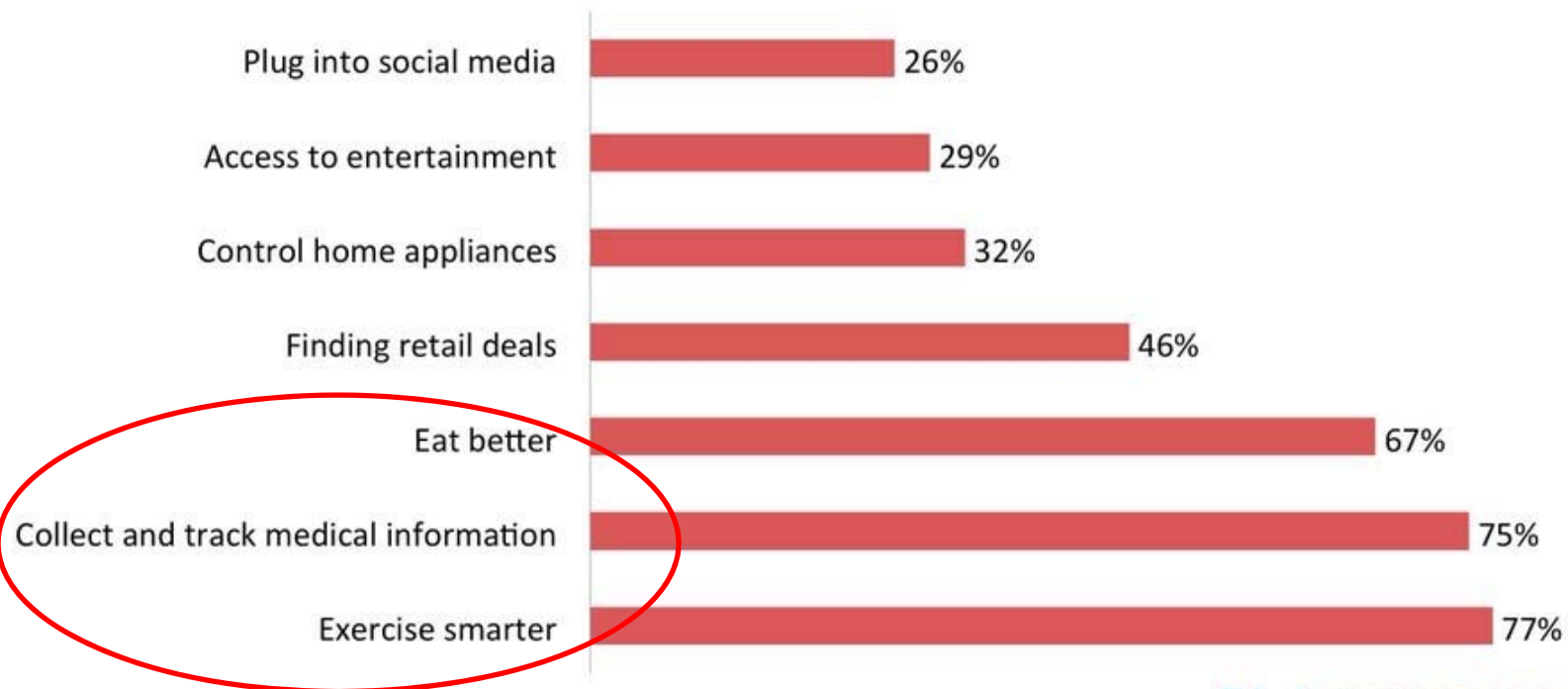
Track
"home"



Connected
car



Health Tops List Of Information US Consumers Want From Wearables



Source: PwC

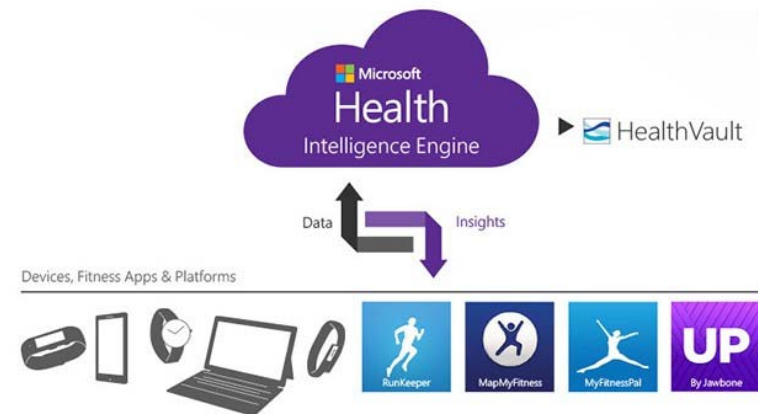
BI INTELLIGENCE



Emerging Consumer-Facing Health Information Platforms



Health.
An entirely new way to use your
health and fitness information.



Advertising Age

BtoB COVERAGE INSIDE

WHAT'S NEWS TO
WHAT'S NEXT

U.S./Canada \$9.99

U.K. £6.95

December 8, 2014

WE RANK THE
GLOBE'S BIGGEST
AD SPENDERS

PAGE 26

WITH FARBMAN
OUT, GAP HUNTS
FOR A CMO

PAGE 4

GAME FACE ON:

UNDER ARMOUR

NOTHING COULD SLOW DOWN OUR MARKETER OF THE YEAR PAGE 14

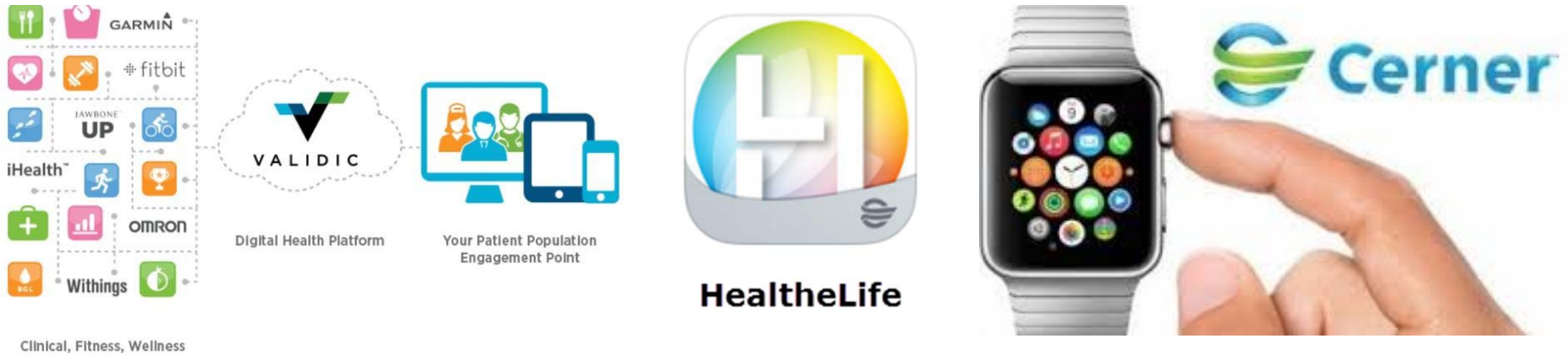
SEE THE ENTIRE A-LIST PAGE 16

"Either we sit here and go down with Nielsen or the industry builds a better mousetrap." —Kyle Schwartz, managing partner-director of research and marketplace analysis, GroupM, Page 10



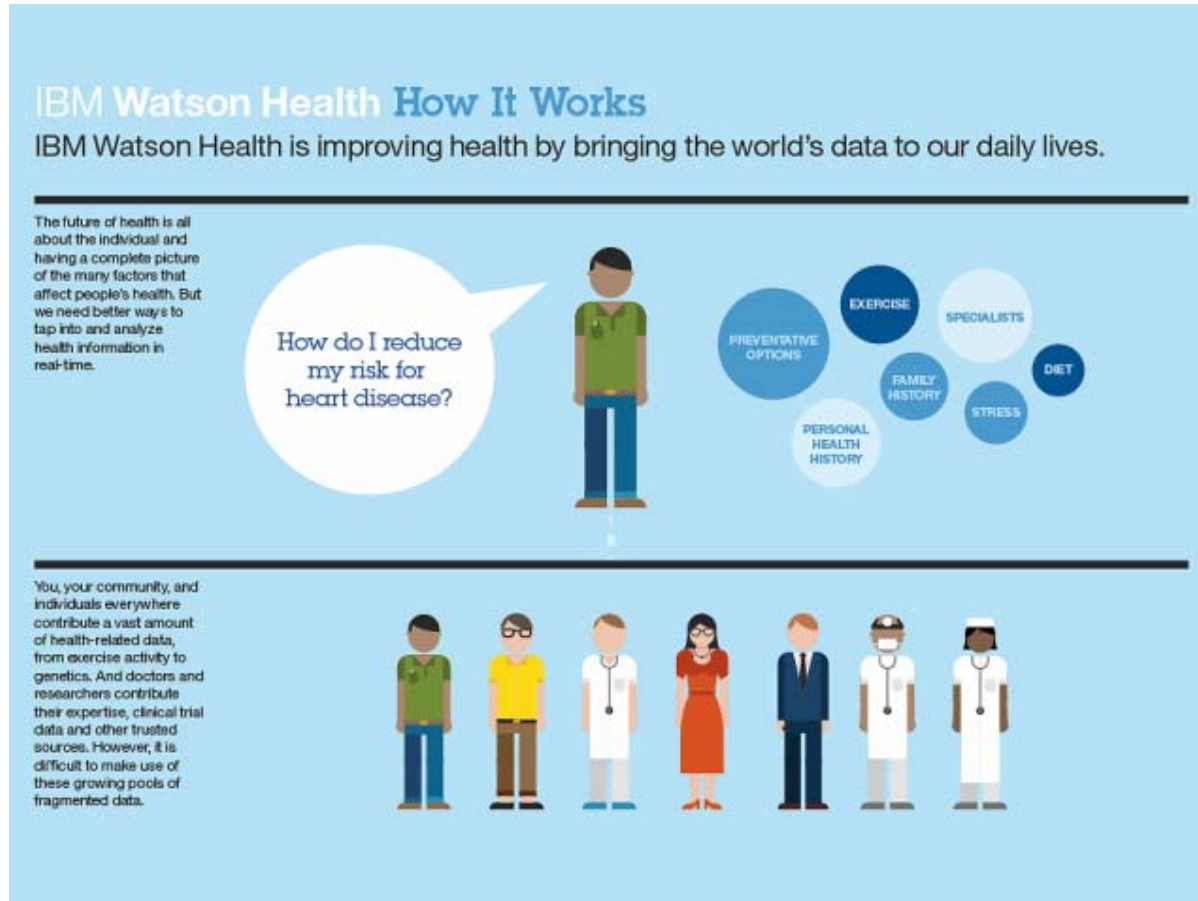
Cerner Working With Validic for HealtheLife App

Integrating Patient-Generated Data into the EHR



Source: Cerner To Integrate Patient-Generated Data Using Validic Digital Health Platform, Cerner Press Release, March 12, 2015

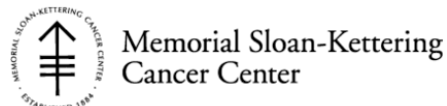
IBM Watson Health – “Insights As A Service”



Industry Partners



Hospital Partners

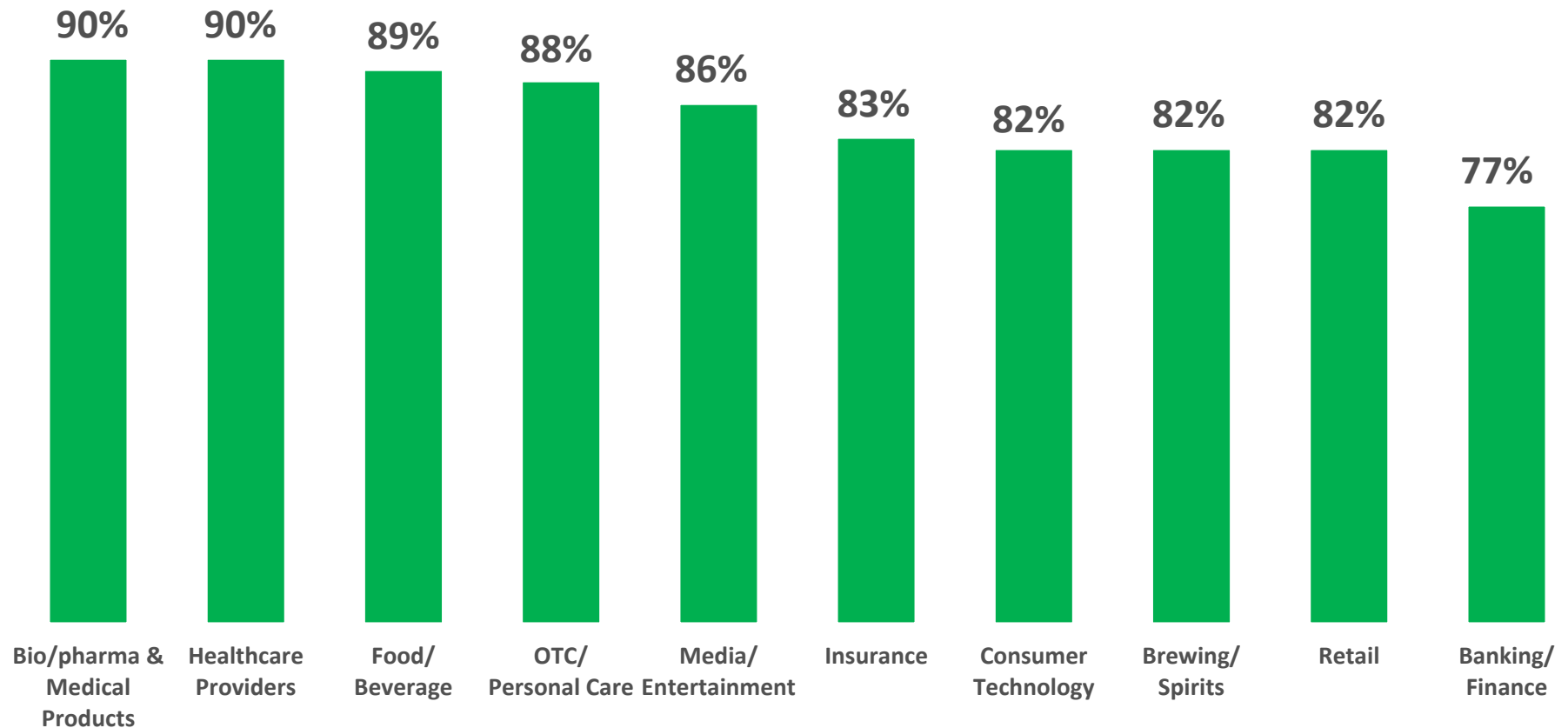


The New Health Economy – Implications for Members



Health Is The New **Green**

Consumers Expect All Industries To Engage In Health



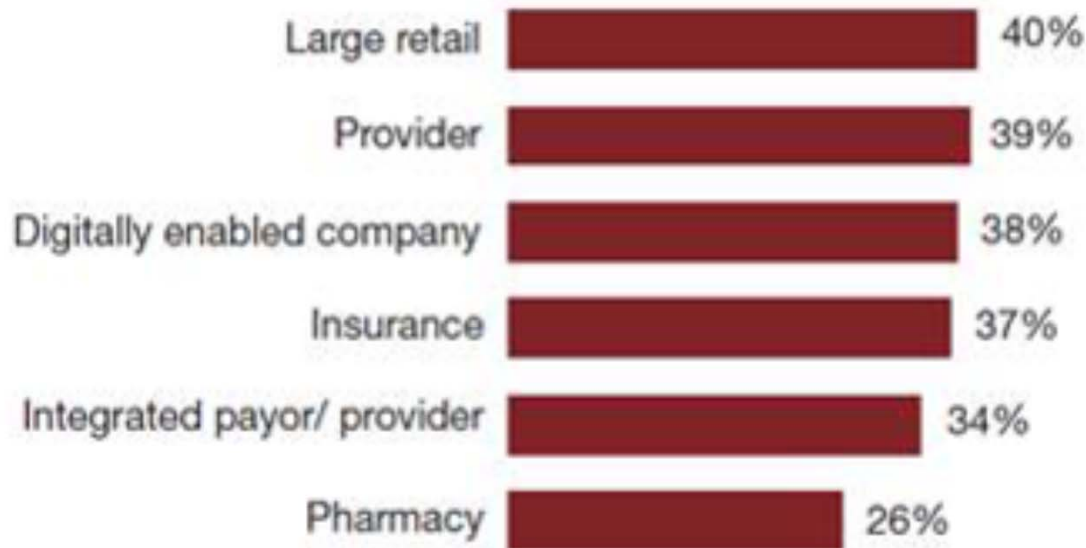
Source: Edelman Health Barometer, 2010

A Major Message for



Large Retail, Healthcare Providers, & Digital Companies Equally Trusted to Manage Health

Level of Trust in Managing Consumers' Health



Source: Strategy& consumer survey 2014

N=2399



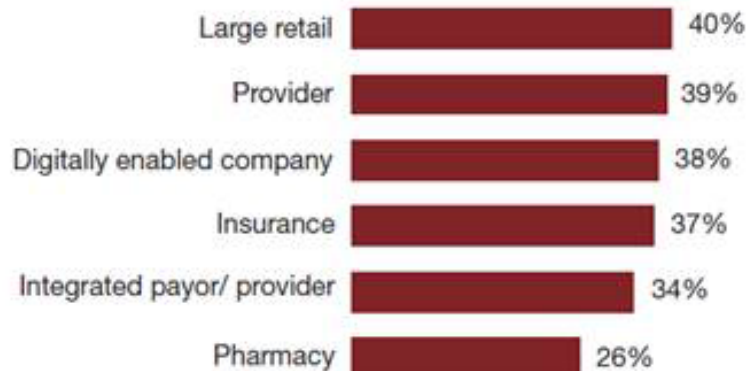
A Major Message for



Trust Built on Transparency and the “Core Benefit” -- Value

Consumers are willing to trust nontraditional companies

Level of Trust in Managing Consumers' Health



Reasons to Select Nontraditional Companies

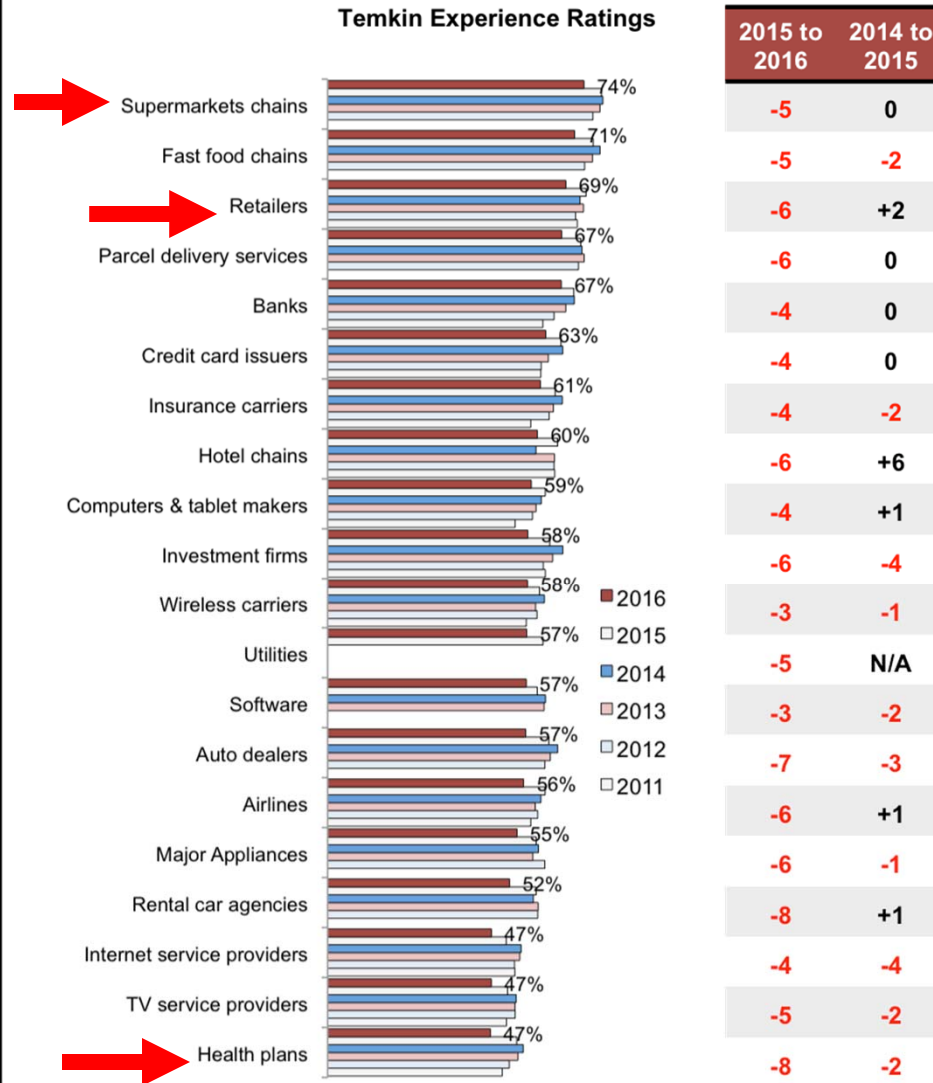


Source: Strategy& consumer survey 2014
N=2399

Digital companies (E.g.: Amazon, Google) Large retailers (E.g.: Walmart, Target)



Temkin Experience Ratings, Industry Averages From 2011 to 2016

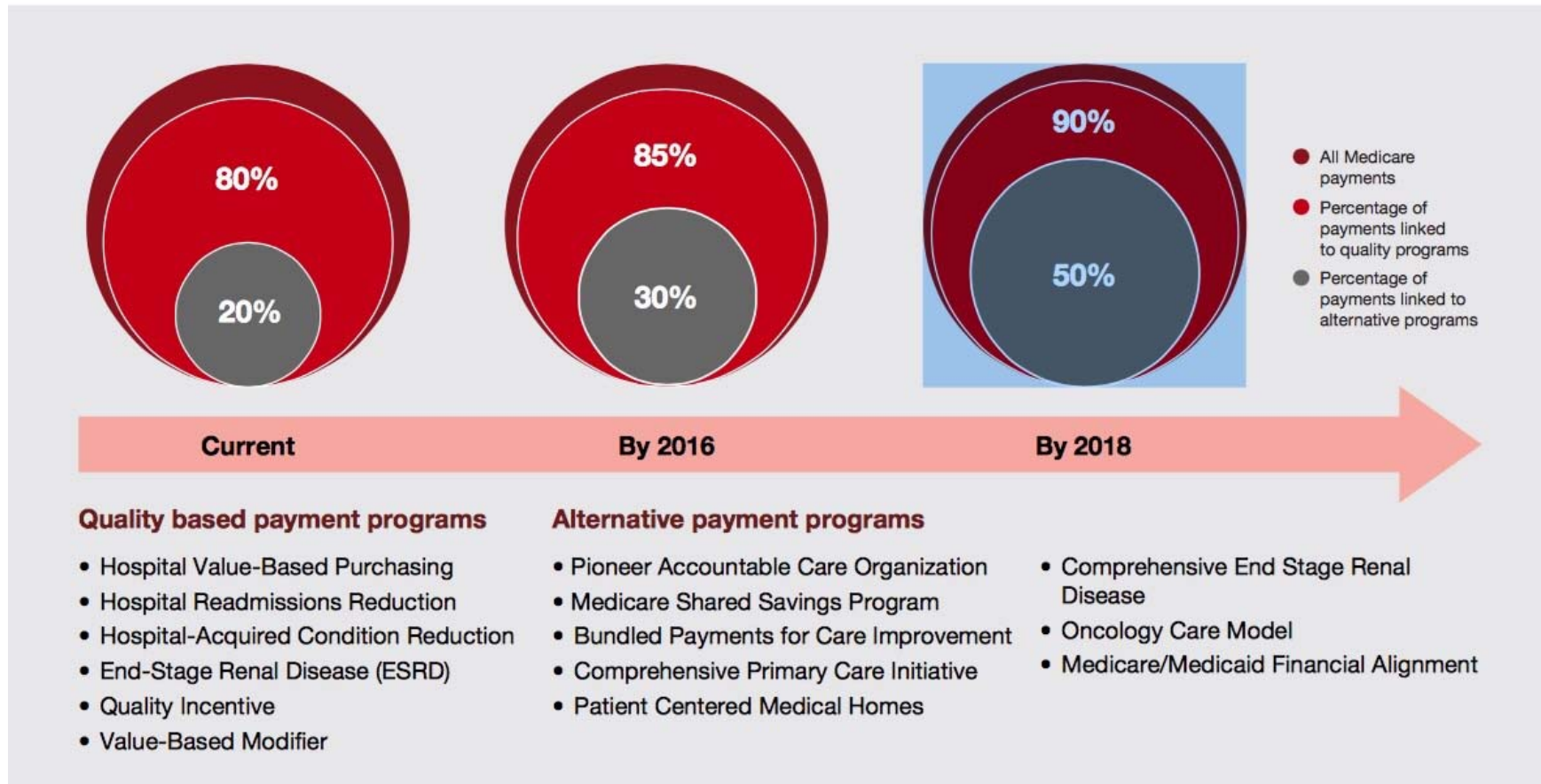


Base: U.S. consumers
Source: Temkin Group Q1 2011, 2012, 2013, 2014, 2015 & 2016
Consumer Benchmark Surveys
Copyright ©2016 Temkin Group. All rights reserved.



CMS Payment Changes 2015-2018

Medicare's commitment towards quality-based payments grows.





Re-Imagining the Hospital in the New Health Economy

Oliver Wyman says: “We expect that by 2020 the traditional healthcare industry will shrink by 40% and medical trend will level off to the growth rate of the overall economy.

“The health and wellness markets will converge, creating a new combined marketplace worth \$5 trillion....”

What is a hospital in this new marketplace?



Source: THINK-Health analysis of The Patient-To-Consumer Revolution, Oliver Wyman, October 2014, for the Wisconsin Hospital Association

In a word or two, could you please tell me what comes to mind when you think of hospitals?

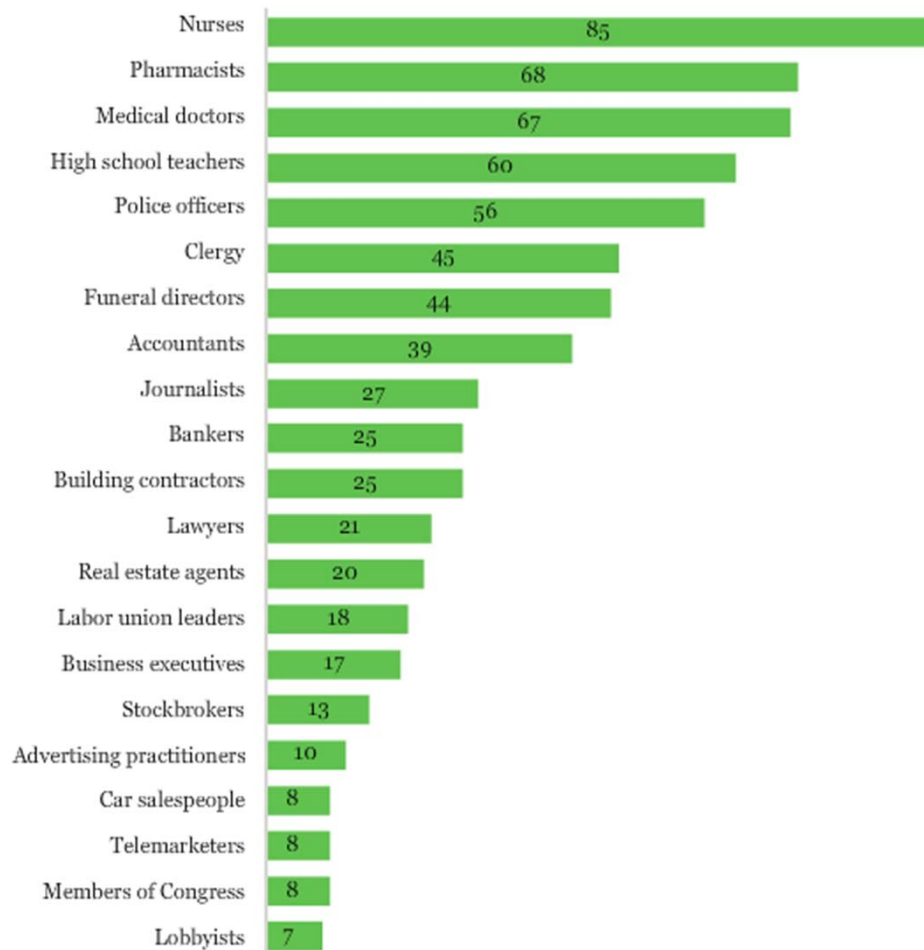


Nurses, Pharmacists and Doctors Rank As Most Ethical Professions

Please tell me how you would rate the honesty and ethical standards of people in these different fields -- very high, high, average, low or very low?

Dec. 2-6, 2015

■ % Very high/High



85% say nurses
68% say pharmacists
67% say doctors

10% say "Mad Men"
8% say car salespeople
8% say members of Congress



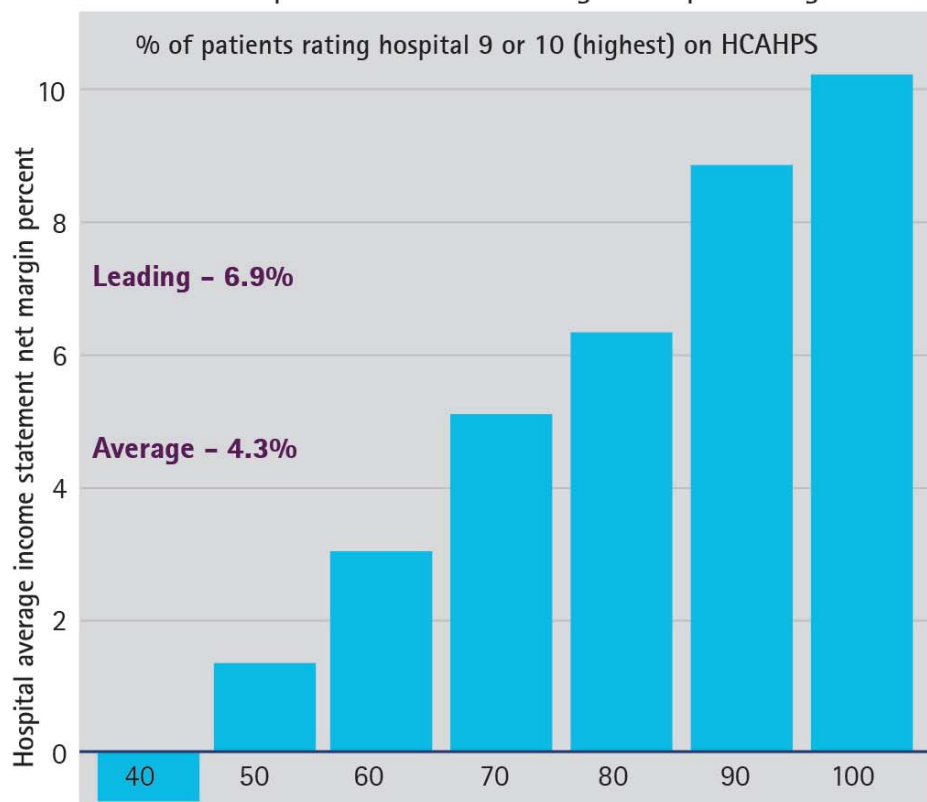
GALLUP®

Source: Gallup, *Honesty/Ethics in Professions*, December 2015

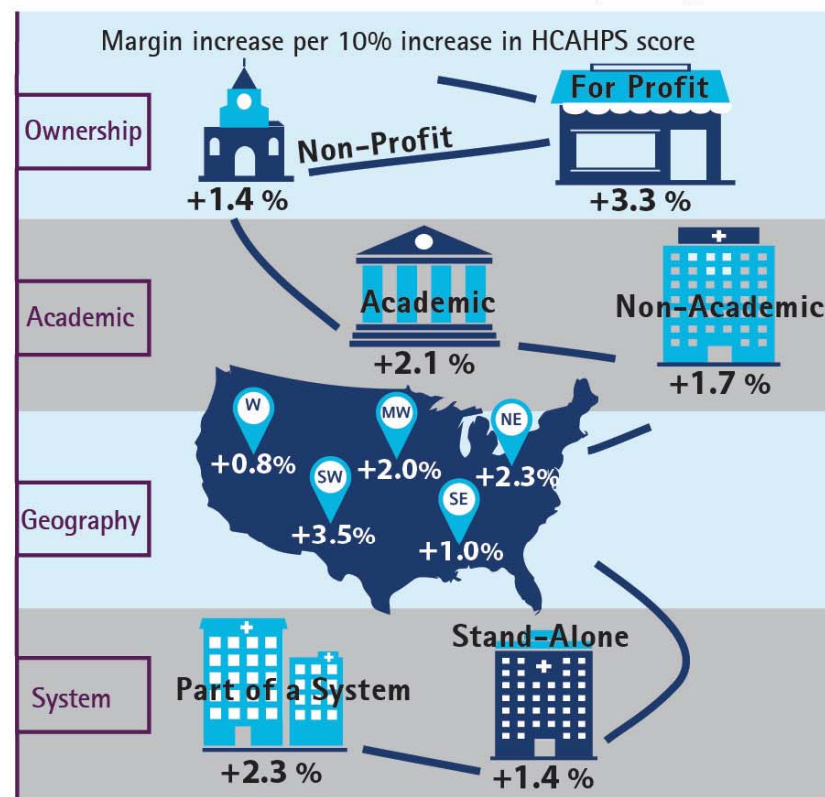
Happy Patients, Higher Margins

U.S. hospitals see link between patient experience and bottomline

Customer experience translates to higher hospital margins



Correlates nationwide across all hospital types



Sources: Accenture analysis, HCAHPS Hospital Survey, Centers for Medicare and Medicaid Services



Source: Hospitals see link between patient experience and bottom line, Accenture, May 2016

“Are You Bernie, Hillary, or Donald?”

Most Americans Favor A National Health Plan

Favor or Oppose Three Proposals Relating to the Affordable Care Act

Proposal on the ACA	Favor %	Oppose %	No opinion %
Replacing the ACA with a federally funded healthcare program providing insurance for all Americans	58%	37%	5%
Repealing the ACA	51%	45%	3%
Keeping the ACA in place	48%	49%	2%



Source: Majority in US Support Idea of Fed-Funded Healthcare System, Gallup, May 16, 2016

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7 in 10
Democrats

4 in 10
Republicans



Source: Majority in US Support Idea of Fed-Funded Healthcare System, Gallup, May 16, 2016

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Know Thy Patients



THINK-Aways for



Know Thy Patients



Enable
transparency
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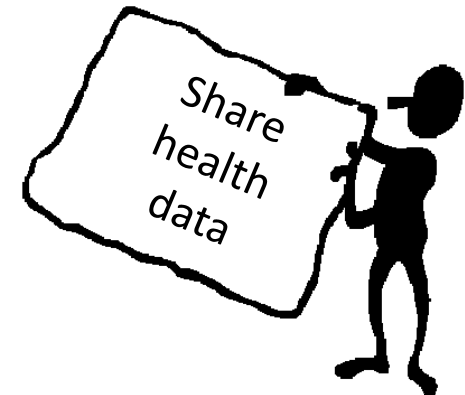
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wellness



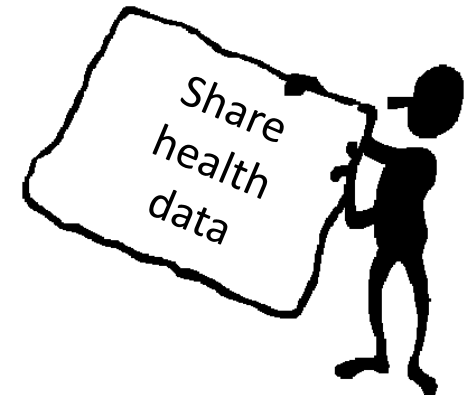
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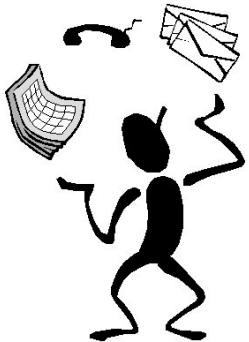


Enable
transparency
and financial
wellness



Share
health
data

Consider patients'
life-flows and
personal health
ecosystems



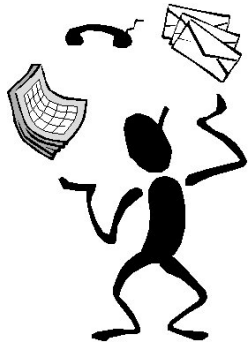
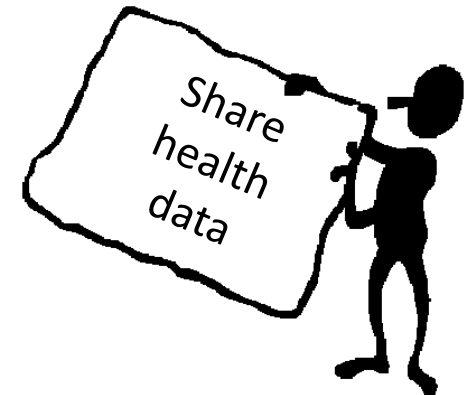
THINK-Aways for



Know Thy Patients



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Consider patients'
life-flows and
personal health
ecosystems

Ally/partner
with other
health
ecosystem
partners
trusted &
valued by
consumers



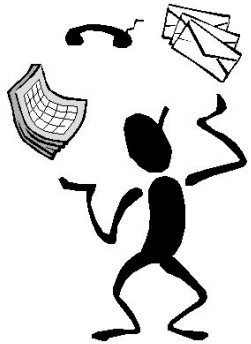
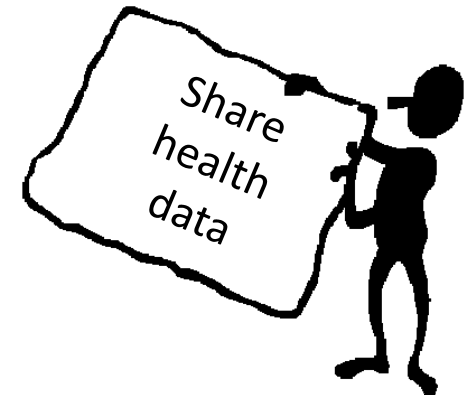
THINK-Aways for



Know Thy Patients



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Consider patients'
life-flows and
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ecosystems

Ally/partner
with other
health
ecosystem
partners
trusted &
valued by
consumers



THINK:
retail
in health





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COLLABORATING
ON CARE IS WHAT WE CALL
A HEALTH CARE
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