

THAT MAKES CENTS



Checking up on the consumer health care revolution

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Bobby Stephens: Hey, everybody. Welcome or welcome back to That Makes Cents, the podcast where we discuss the wide-sweeping impact of consumer trends. Today we are examining health care. This crucial service, both how it's provided and how care is received, is rapidly changing. The advent of technology has pushed health care providers to explore and build new capabilities, things like wearables, virtual health, and digital innovation, with the goal of making health care more efficient and more effective.

However, it's really a two-way street. The change is also dependent on the consumers' and patients' willingness to receive care in this different way. Joining me today to chat through some of the latest trends around health care with the consumer at the center are Dr. Jeff Wells, the CEO of Marathon Health and, unfortunately for him, a longtime friend of mine. And we are also joined by my colleague, Leslie Read,

a principal in Deloitte's Life Sciences and Health Care practice, who is focused on the consumer experience. Thank you both for coming on the show. And now I'll turn it over to you to tell our listeners just a little bit more about your work.

Jeff Wells: Well, thanks, Bobby. It's my pleasure to join you today and to have been your friend for many, many years. I serve, as you said, as the chief executive officer for Marathon Health, and we're a value-based primary care provider that serves the employer market throughout the United States. I had the good fortune of being one of the co-founders to help put the organization together going back to 2009. And prior to that, I was trained as a primary care physician. I also trained in internal medicine and then spent some time doing health policy work, leading the Medicaid program for the state of Indiana. So again, really excited to be here today for the conversation.

Leslie Read: Well, Jeff, I'm thrilled to be here with you today and talking about this important topic and, Bobby, thanks for having me on. Again, I'm Leslie Read. I'm a partner in Deloitte in our consulting practice, and I work with health care organizations and life sciences organizations to really rewire around the end consumer. How do they deliver compelling experiences that drive consumer engagement that ultimately deliver on better health outcomes and reduced medical costs? And it's an incredibly exciting place to be these days.

Bobby: Awesome. Thank you guys both. I always like that we have different topics but bring it back to the consumer, and frankly the human, in all of us, which helps us ground the importance of these topics. So, let's start with virtual care. We're on a virtual podcast right now, so why not there? To the layperson like me, it seems like virtual health care should have been, or has been, on the way for a while.

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All the tools are there. The access could be there. Like many things, the pandemic really hit the turbo booster on it. More specifically, some of the local public health mandates made it almost a requirement to offer and potentially try this option for at least certain types of care and certain types of visits. So generally, what's the verdict? How do consumers feel about virtual visits and how do providers and other people in the profession feel about it? Jeff?

Jeff: Yeah, absolutely. Maybe I'll start at the macro level with just some industry data and then share a little bit about our experience very tangibly at Marathon Health. So I've read over the last year, the consumer adoption of telemedicine or telehealth went from 11% to 46%, and something like 75% of consumers surveyed said that they were both aware and willing to use telehealth.

And then from a provider point of view, we saw across the industry, ranging from like 50 to almost 200 times increase in visit volumes or encounters of virtual care platforms and something like 60 to 70% of providers surveyed increased their favorable impression of the use and the utility of virtual care. Then for what it's worth, I've read some reports that suggest over the last 12 months, the market size for telehealth went from something like three or four billion dollars when it was initially considered to be somewhat of a narrowly focused acute care, to now something where we think about broad adoption of telehealth. It might be as much as \$250 billion or more. So, a massive increase in the view of how this platform can be used to meet the needs of consumers. So, what about for us personally? Marathon Health, we serve about 200 employers in the United States today. It's almost three quarters of a million members. And in February and March of 2020, something like 90% of the visits that we delivered were done in person. This would be everything from an annual physical all the way through more sick care, you have a sinus infection, sprained ankle, or the management of more chronic conditions, diabetes, heart disease, depression.

And in a matter of weeks with the emergence of the pandemic, both because of just pragmatic, this was the safe and responsible thing to do, as well as regulatory guidance, we ended up pivoting and doing almost 90% of our visits virtually.

And what was remarkable is that we made that shift in a matter of about two weeks and that both on the provider and the consumer side, there was much better adoption and comfort with it than we ever would have expected. And so probably similar to many industries, we accelerated by years the adoption of this channel of delivery.

And at this point now, we've shifted back to more like 60% of care is back in person. And we believe that that's really important to build the kind of deep, trusting relationships and the quality of care. But we're never going back to something like only 10% of the care being done virtually.

Leslie: We observed that as well. We did some consumer surveys in the middle of the lockdown in March, April, and May, and the willingness to move to virtual, it was volumes more than what we had seen before. This is a new way for consumers to access health care. We need to be able to create points of access along a consumer's health care journey, and not always will that be the opportunity to go into a physical office. So, it's a huge step forward. And you said that virtual care moved up many, many years faster than you thought. At Deloitte, we have this perspective on the future of health, which was a very stretchy 2040 view of where health care will be. It was very much at the consumers, at their center, having more agency and more authority over how they get their health care.

What's interesting to me, and I'd love to hear your reaction to this, is the consistency of how providers and doctors in a different system are applying rules around virtual care right now. So, I live in the Boston area. I go to a big health care system here, and depending on if you're going to an eye doctor, a primary care doctor, a specialist,

they all have very different rules about whether or not they're allowing patients back into offices, whether or not it has to be a virtual visit, and what are the special circumstances that allow you to get into offices. So, I think it'll be interesting as, what are the guardrails that are put in place for how physical and virtual care evolve in the future and how you get access.

Jeff: A few thoughts. Maybe the first would be, even in our case where we're a primary care provider, so we don't provide specialty services, but we serve patients in 42 states and growing, and so geographically we had different protocols, policies, procedures, particularly through the pandemic.

In addition to that, I think what we learned is, opening up the channel using the digital tools that are available is sort of the easy part and that there's enormous change management and human capital development issues. Consumers adopt pretty frequently to a new tool. But we've talked a lot internally about how do we encourage, train, and support web-side manner as much as bedside manner for providers. Everything from, how do you set up the equipment for our teams to make sure that the lighting is good, ergonomically things are set up. These are not short, simple transactional encounters. And so there's a lot behind just the platform or the tool that connects the patient and the provider that go into it.

To your point, there's a lot still to be developed industry-wide in building a better understanding and consistency around the entire experience. Prior to the pandemic, more than anything people thought about an either/or channel, sort of, are we gonna do virtual or brick-and-mortar in-person? It's become absolutely evident that this needs to be sort of an omni-channel experience. And we have to intentionally design for the fact that the same patient is going to want to encounter and be supported by their provider across channels, sometimes synchronously live, sometimes asynchronously.

Leslie: That is the key point to me in health care, around designing experiences that drive the behaviors that you want. How do you think about the mix of physical and digital, and how do you think about that within your own four walls? So I, as a consumer, see my primary care doctor, I go to my pharmacy down the street, I have the gym that I go to, the grocery store that go to, the home delivery for meds that may come through the labs that I go to. That is my ecosystem of access points into health care. And how do you create a seamless experience across all of those, that the right access point is available to you as a consumer at the right time? And that's where we're seeing the innovation coming in the future and where ecosystem partners will really start to change health care dramatically.

Jeff: Leslie, to your earlier point about Deloitte's 2040 vision, I think you're spot on that we're seeing a multigenerational shift from a health care system that was really provider centric to one that is entirely patient centered. That's a massive shift and absolutely the right one.

Bobby: So let's pick up on that. As you think about, aside from the tools such as video and messaging and other things that support virtual care, what are some of the other digital capabilities, the other technology elements, or even just the other organizational challenges that we'll see that either rose to prominence in the last six to eight months or will have to really accelerate as we move towards omni-channel and a more inclusive model. Leslie, would love for you to start.

Leslie: This is a big, big question that you've just asked. First of all, what's super exciting is that there's so much innovation in technology and digital around health. There are so many really interesting digital companies that are in the market or coming to market that really are focused on this patient centricity and consumer centricity, which is wonderful.

But the challenge is how do you think about the connection points along a consumer journey to create that seamless experience and to take the effort away from the consumer to have to stitch them all together? If you think about even getting your meds, you could use a virtual health provider like Amwell or Teladoc that could provide a prescription. You could go to a digital pharmacy like Lemonaid or others to have it delivered. There's digital fulfillment that happens behind it.

There are consumer engagement tools, depending on your disease state or your chronic condition that you have, that engage you over time. But that I think is the biggest kind of nut to crack right now is how do you think about connecting these different digital capabilities in platforms that make it a lot easier for the consumer.

Organizationally, we can work with our clients and have them innovate on what are the experiences that you want to create as it may relate to a health plan onboarding or if you are diagnosed with a new condition and what are the tools that you need to use as a consumer, either physical or digital.

But how do you operationalize that in an organization that has very strong processes, operating models, and cultures that might not be aligned to that? So, Jeff, I think you mentioned this, it's a human capital, it's a change management effort. There need to be different incentives, different operating models of the future that really do put the consumer at the center to enable organizations to get consumer feedback quickly, make decisions quickly, rewire organizations again to think differently so they're not focused on their product first, they're focused on what does the consumer need? What's the solution that we can provide based on that consumer need? That's the end goal, as I see it.

Jeff: I think that's right, Leslie, and our view would be a step on the way to truly empowering a holistic and seamless consumer experience that's sort of across

the broad health or wellbeing landscape as sort of an independent partner. In our view that would be the foundation of a primary care partner, a comprehensive advocate that works with a patient, because of how opaque and how complicated and complex health care is today, stitch together all of the information that's relevant, like where do I go next if I've got a more complicated issue? And I just think right now with the state of things, it's unrealistic to expect the consumer in isolation, even if you give transparent information, to figure out what to do with it.

And so in our view, how do you really partner, whether it's the primary care provider or the broader team that supports that individual in a trusted, unbiased fashion, to figure out, "Okay, here's some advice on what to do next in a personalized way for you." Or if you need a recommendation on where to go, who to see for maybe a complicated surgical procedure or a new complicated diagnosis like cancer, where do you start?

I think you're gonna see kind of these aggregators or independent platforms that are sort of trying to broker on behalf of the patient efficiency, stitching together some of the information and empowering individuals to make smarter decisions.

So many of the listeners may have heard of what's called consumer-driven health plans or health savings accounts. And this idea that, "Hey, we're gonna give a little bit more financial responsibility to an individual in their health insurance and how they pay for care. And then they'll make smarter decisions and that will help create better outcomes and lower costs." Well, there've been some benefits of that model, but largely it hasn't fully realized a reduction in costs or better health outcomes.

Leslie: It's like, what is the analogy from the Kevin Costner movie, if you build it, they will come? Was it *Field of Dreams*?

Bobby: It is.

Leslie: The notion of a consumer-driven health plan is fantastic, but we haven't empowered consumers. We haven't provided the education or the direction or the tools to enable them to maximize that benefit.

Bobby: So it's interesting, you both talked a little bit about some of this putting more responsibility in a good way in the consumer's or the patient's hands at certain points, right up front, especially when I'm healthy and I'm thinking about goals and aspirations, but also the ability to provide those trusted resources along the way. What other tools, so thinking about wearables and smartwatches and smart toothbrushes, and I'm getting a little silly here, but smart refrigerators. These feel like sort of a move towards the consumer having a lot of different tools. Do they all connect? How do you really anticipate the role of the consumer in managing their own mental, emotional, physical health to really evolve over the next 20 years from probably more of a reactive manner to hopefully a more proactive manner?

Jeff: One way I think about this is maybe categorizing the landscape into three buckets. So one would be sort of lifestyle or wellbeing focused, so everything from Peloton to a lot of the tools embedded in smartphones, smartwatches, just activity tracking, mindfulness and meditation, sleep tracking, nutrition.

I think the second would be care delivery. And we talked about the importance of virtual, but just what are all the different ways that we could use technology or digital platforms to actually provide care for someone. And that could be primary care to more specialty-type care, the management of chronic conditions in a much more direct way, think about a coach or an endocrinologist working with a diabetic to better manage a plan around their diabetes.

And then the third would be this concept of care navigation or guidance, which is really, how do I use different tools, technologies, apps to help someone make choices around the next step in care? So I see both enormous investment and enormous innovation in each of these three verticals.

Leslie: A lot of what you just talked about in those three buckets, which I would agree with, is just the proliferation of consumer data, health care data, behavioral data, financial data that's all going to be available and can be connected and used in new ways. And the new regulations around data interoperability and data sharing are wonderful because it's bringing the walls down across the health care ecosystem, but it does cause some challenges around there being so much data that will be at hand, how do you distill the right insights to engage a consumer or their care team at the right time around what is the next intervention or behavioral nudge that will be important?

There is a lot that needs to be worked through. The fact that wearables are going to just create masses and masses of data over time that can be used in very powerful ways. But how do you put the identity management, access management, all of those rules in place so that you are using the data in the most effective way and in ways that your consumers want, but always demonstrating the value to them. I think that's gonna be the next frontier from a data and analytics perspective in health care, which is absolutely tied to those three categories that you laid out.

Jeff: Leslie, I think this is where the economic or the business model in health care is the most important driver of the utility of all of this development. So today, the majority of individuals, whether they're individuals that have acquired insurance in an open market, and about 180 million Americans get their health care through their employer. If you're on Medicare or maybe lower income on Medicaid, you have your health insurance provided by the government through those programs. The majority of people today are in what I would consider a non-value-driven economic model.

So many providers today get paid for every transaction, every encounter, every test that's ordered, every procedure that's done, and not surprisingly something like 30% of the three-and-a-half trillion dollars we in the US spend on health care is not value added. It's actually considered to be

wasteful. So there's an increasingly huge shift to move away from that inefficient model to one that's based on what everyone actually cares about, which are outcomes. That's what I certainly want, and I think any consumer would say, "Well, hold on, wait a second. I'm paying for my health care or my employer is, or we're all supporting it through our tax dollars. Shouldn't we want a system where people get rewarded based on improving health, improving outcomes, lowering the cost of care?" That's what matters. But the government's been a good leader here with Medicare in particular, and we're seeing commercial insurers and self-insured employers really take a leadership role to say, "This has gone far enough. Let's make this shift." And I think once you see the economic model shift change, then that provides, I think, for a much better roadmap to find utility out of the digital technologies that are hugely empowering.

Leslie: Completely agree. That shift from volume to value is most critical. And aligning the incentives across the ecosystem, because a provider system versus a health plan versus an urgent care clinic, whatever it may be, they all have different economic models, but how do you create a system that's balanced, that is around value? That's part of the future as well.

Jeff: Agreed.

Bobby: So a question came up to me, you guys covered a lot of ground, and we've been talking about tech and virtual care and even some of the underlying elements of health care as an industry and the role of government and the role of employers. I'd love to circle back to the physical experience of a health care visit. It was and has been one thing for a long time, I would think. What are some of the alternative models that are already emerging as we come back out of the pandemic, whether it's mobile care, whether it's pop-ups, whether it's different placements to, again, play towards the omni-channel, the convenience aspect, the experience aspect of things, not make you go to the one single place only for your health care? Let's talk about how that's gonna play out in the physical world as well.

Jeff: Bobby, you're spot on. I think historically there was a very centralized kind of facility-based model of care delivery, the local hospital for any need that you had, regardless of what it was, you come to have that care provided there. And I think what we're seeing is, again, a massive shift over probably the course of a generation to move to a distributed model, away from the facility to an enormous amount of that care provided outside of facilities.

And where do we think that shows up? I think it's certainly gonna be in the home, and we're seeing a big shift out of nursing homes or even other facilities to providing care for the elderly in homes. We're seeing that, even for the non-elderly, just diagnostic tests, they're shipped to your house. This was a good innovation. Even with COVID, there are tests that can be mailed to your house, you fill it out, send it back, and someone provides the results to you, maybe with some type of mobile or virtual support alongside that. I think we're certainly seeing it in the place of work. That's a huge aspect of what our organization does is provide care closer to where people spend a lot of their waking hours. I think we're seeing it emerging where people shop, so retail has become a site of care, and obviously virtually. I think that's only gonna continue to increase. There still is a really important value to the facility, to hospitals, to more advanced care, but it's just gonna be much more purpose driven to those areas where that's the best way to deliver certain complex care that needs to be done in person with a lot of tools surrounding it.

Leslie: I am 100% on board with everything that you just said, Jeff. And I just think about even what we're going through with the vaccination process right now, which is, in the area where I am, there are vaccine clinics in barbershops, in churches, at a racetrack up where I live, just so that we create access points for people to the health care that they need at the time that they need it. And that's a great example of doing that.

Health care is a very—there's a trusting relationship there and the need to be able to look across the desk, across an exam room table at a physician and have a discussion

around what's going on with you will always be there. We just need to figure out how do we create, again, that seamless experience and bring care closer to the home.

Bobby: Perfect. All right. Final question. And like all of my final questions, for those who listen, I usually try to paint a picture of the future out there a little bit. I'm not sure about 2040, Leslie, but pretty far out there. So as experts, and you've demonstrated this already, a deep understanding of the broad health care space and a lot of nuances, but you're also consumers yourselves and patients and family members and caregivers. So, of the topics we've discussed today, what are you most interested or excited about as a health care consumer, a patient, a human being?

Leslie: What I'm most excited about is the innovation and advancements in digital capabilities and digital connectivities, and the notion that recognizing that I'm a consumer that has a journey, that has a bunch of different touchpoints into health care, how we're seeing ecosystems come together to deliver on that vision. I wanna be able to get health care where I need it, when I need it, omni-channel, physical, digital, whatever it may be. And I really do think we're making some great strides there and some of the big hyperscalers and disruptors are leading the charge there. So that is super exciting to me. A lot of work to be done to make that a reality, but we're moving in the right direction.

Jeff: I would just add I'm really excited about what I consider the true personalization of health and health care. As we get more sophisticated at looking at genetic information and phenotypic information, but not just your biology, also behavior, and we have different psychographics, we make decisions in different ways. And the ability to look at one individual very, very uniquely to say, "Okay, you may have a diagnosis of depression, or you may have a diagnosis of breast cancer, but you are very unique and different in how we as a health care delivery system should support you, and what that journey should look like from someone else that on the surface might have the same

diagnosis or the same superficial issue." It's actually very differentiated, and the more that we can personalize that is extremely empowering to me.

Leslie: And I love the notion of personalization and the real focus now on health equity access points for different communities and really looking at drivers of health, social determinants of health, to get to that personalization because it's so important and it was ignored for many years, I think.

Bobby: I think I learned a great deal here. A new term that I will now use with web-side manner, I think, is what you said there, Jeff? I also just love that both of you guys hit on the need to make health care truly omni-channel as a retail and consumer person, if you will. That's been a term that we've been struggling with in retail forever, and it's starting to really come to life here as well. And it's interesting to see it apply itself in other consumer-focused areas. And then frankly, just making health care more human and personal and really making it work better for the patient across the journey, and if the patient has a good experience, I think that will be better for the industry as well.

And maybe flipping that paradigm on its head will be something that will be a silver lining in what we've experienced in the last year or so. So I'd like to give a final thank you to our guests. If you'd like to learn more about Jeff or Marathon Health, you can find him on LinkedIn at Jeff Wells MD—fancy, Jeff—or check out marathonhealth.com. And if you'd like to learn more about Leslie and her great work, you can also find her on LinkedIn or go to deloitte.com and just search for her name. So thanks to both of you for joining, thanks to everyone for listening, and we will see you on the next episode of That Makes Cents.

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