

# TALES OF TRANSFORMATION



## New risks on the horizon

### ToT S4E3 Transcript

00:00:00 **Heidi:** As new trends emerge and companies move farther along their journey toward the future of health, what are the biggest risks that could impact the entire healthcare ecosystem? And what can organizations do to proactively manage some of these new challenges? This is Tales of Transformation.

Today I'm joined by Anne Phelps, Simon Gisby, and Amry Junaideen as we continue diving into some of the risks tied to the future of health. Welcome everyone.

00:00:33 **Amry:** Thank you. Great to be here.

00:00:35 **Heidi:** Amry, how could emerging trends and technologies create new risks for the entire healthcare ecosystem?

00:00:37 **Amry:** I'm really excited about how Deloitte's future of health vision is resonating in the marketplace, both in the public and private sectors where people are taking action. Along with that, I wanted to remind our audience about the fundamental assumptions on which our future of health was based. So, for example, we said there would be massive adoption of digital platforms, the creation and use of massive quantities of health than other types of population data, the expanded and intricate sharing of information through highly network ecosystems across business and industry partnerships, so that data sharing can be more seamless, right?

So all of these have significant benefits, as you can imagine, between patients and consumers because it enables the delivery of more timely, personalized information for better health and convenience, right? Through the adoption of, for example, technology platforms like virtual help. However, as you pointed out, are you asked in your question, these inherently create a lot of risks that need to be managed and taken advantage of. So let me give you one example. Virtual health, which I referenced a couple of seconds ago, is a set of technologies that are rapidly gaining a lot of momentum, both in the private and public sectors, both domestically and internationally so when you use the digital platforms to reach consumers and patients in their homes, it really provides ease of access, improved experience at a lower cost, but the adoption of these platforms, create all kinds of risk issues that need to be addressed around technologies, security risks, the privacy of data, consent, regulatory pricing, all those kinds of things.

You know, these are clearly risks that need to be managed, but also there are opportunities that need to be taken advantage of by those that are embarking upon this great journey.

00:02:34 **Anne:** Amry, I agree I'm very excited about the future of health point of view that we've put together at Deloitte, which envisions really helping patients by coordinating care, making the ease of data more available both to patients as well as providers, in order to improve health care. But it does come with some risks, and those are the things that we are equally paying attention to.

00:02:56 **Heidi:** Anne, so given that increased collaboration across health care industries is complicating the accountability among cross-sector organizations, how can organizations create trust and reliance with their partners.

00:03:09 **Anne:** Whatever kind of health care organization you are, a health plan, a hospital system, a doctor, or a clinician, as we think about your members, your consumers or your patients. How do you create trust and how do you create trust inside your organization and with your fellow stakeholders, your partners that you're doing business with, whether it's a vendor or another provider or another physician office.

The future of health that we envision at Deloitte means that those partners are all talking to each other. In order to coordinate care for a patient or a consumer to help them navigate the health care system. They all have to be talking with each other, and sometimes the difficult part is communicating within that organization, the digital technology officer communicating with those that are developing the clinical solution, right. Sometimes it's that you're talking between acute care hospital and the post-acute care hospital. And then of course, it's all about communicating with the patients. But we often say our point of view is sort of radical interoperability. And by that we mean being able 

to communicate with sometimes those that might be outside your organization or your network.

So if I'm a patient and I go from one health plan to another, or from one hospital system to another health hospital system, if we're going to truly coordinate my care, my data, my information, I want to have that with me and I want to make sure that my health care providers are communicating to help better my care.

Now that means though, that we're going to have to look really hard at our operating models, accountability within our organizations, are we looking at member consent and privacy issues, doing periodic audits? You know, do we have a crisis plan? Sometimes we've all been in situations where maybe you didn't violate an agreement, an actual agreement, but it's the perception. Are you communicating how you're sharing that information to benefit the patients so that they want to participate and they don't perceive or think that that information being shared might harm them? How do we create the actual prevention of risk and the culture that we're doing this in a way that is risk-free and really does help the patient?

And that is quite a challenge because it makes us think within our organizations and within the partners, including the patients, that we're trying to serve and help.

00:05:30 **Simon:** So I think one of the interesting things about, the needs to clearly define roles, responsibilities, and embedding accountability into partnership agreements extends to risks and opportunities around brand and reputation. If you do it appropriately and you have the appropriate checks and balances in, I think it can enhance the brand of the organization. But if you don't do it and you get concerned about who is responsible for the security of the data or the accuracy of the data, it can have a tremendous negative impact on your reputation.

00:06:03 **Heidi:** Anne throughout this season of tales of transformation, we've talked about shifts in the health care industry. How are some of these trends driving new or expanded regulations? And if you could elaborate a bit more on some of the regulatory risks associated with the future of health.

00:06:21 **Anne:** I think it's a little bit of a chicken and an egg, which is, are the regulations and the policy changes in Washington driving change? And how much is the health care system pushing the regulators to keep pace? And I think we have a little bit of both here.

And what's happening in the environment is pushing Washington to update some of their regulations particularly around the area of privacy and member consent, the federal privacy law known as HIPAA was passed in 1996 and it wasn't until 2010 that we had the affordable care act, it said, a patient won't be discriminated against or lose your health care coverage because of a preexisting condition. The push behind that was to allow patients to share information and not be discriminated against in health care.

A lot of expanded regulations are coming out that says, this isn't just a nice to do to coordinate care and share information and try to improve quality, share information with patients.

They're saying it's really kind of becoming a must do. If you're participating in our federal programs, we want you as health plans providers, clinicians, to share information with each other. You can't hang onto information, for example, as a business model, and we want you to share it with the patient.

If you think about the financial services industry, if I'm banking at one organization, I can still go to an ATM at another bank and get some money out. That's what they're trying to do in the regulatory space with health care.



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Being able to go to another clinician and have your information there, or be able to have it coordinated back to another. We're trying to make that information in health care more seamless, but again, we have to do it in this way, as we're all talking about, protecting patient privacy, making sure patients know how it's used.

We're going to have some very intense regulatory scrutiny around this thing. But we're trying to push our health care system to create some of those information highways like we did in financial services.

00:08:20 **Amry:** I think Anne really summed up the regulatory challenges quite well, right? It is really around giving patients and consumers what they want in terms of access to information, while at the same time protecting it. I think it really provides a great opportunity for health care organizations and others in the business of delivering health care to really look at their risk management approaches to make sure that it is not fragmented, it's not siloed, that they look at enterprise-wide integrated risk management approaches so that they're covering risks from all of these different angles so you accomplish that objective that Anne talked about, which is increased access, more convenience, but in a very safe way.

00:09:00 **Heidi:** Simon, to deliver more individualized products and services, life sciences companies will also need to develop new systems and processes. So, what are some of the biggest opportunities for companies who invest in more advanced supply chains?

00:09:15 **Simon:** Well, I think the opportunity is tremendous. And the theme that Amry and Anne have been talking about, whether it's collaboration or data or the regulatory changes required; that's what we're driving towards. And the life science company that realizes that current business model of manufacturing one product, one size fits all approach is going to be left behind by the move towards more personalized medicine and more personalized outcomes.

We know today that we each have individual genetic makeup. I'm going to move to a life science supply chain that manufactures a product that is more useful for us, not someone else, a drug that complies with my genomics and the life science company that can get ahead of the curve in doing that will have tremendous opportunities.

Increased market share, better customer engagement, improved outcomes and really benefiting from the move to personalized medicine and an N of one. It's also going to lead to an evolution in the business model, which naturally has a few risks attached to it. It's no longer appropriate to be a life science manufacturer. You have to be a health product developer. It's not the product that matters. It's how the product is used. And the outcome from using that product that becomes critically important. So we're seeing the adoption of software as a medical device. The medical device is important, but the data being generated from the use of that device is equally important. The manufacturer of a drug is important, but the medication adherence, making sure the individual stays on that drug and adapts their lifestyle accordingly to make the better benefit of taking that drug become just as important. The life science companies that can adopt this business model will have tremendous opportunities in the future.

00:11:20 **Heidi:** It'll be interesting to see how companies move farther along in their journey toward the future of health.

Anne Phelps, Simon Gisby, Amry Junaideen, thanks so much for joining me today on Tales of Transformation.

00:11:32 **Anne:** Thank you.

00:11:33 **Simon:** Great to be here. Thank you.

00:11:35 **Amry:** Thank you very much.

00:11:37 **Heidi:** Stay tuned for our next episode as we wrap up our season, exploring the risks and opportunities of the future of health.

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