



Winning the Market Shift

Plotting the Path forward in Life Sciences and Health Care

For five years, the U.S. life sciences and health care industry has focused on responding to the Affordable Care Act. But alongside ACA, an array of market-based forces has taken shape. They add up to a fundamental change in the basic economic model of the largest industry in the global marketplace—a change that is far from finished.

For many health care and life sciences organizations, the stakes are hard to overstate: market share, margin, and even sustained relevance may hang in the balance. Some players may adapt well enough to survive. Some may emerge better-off than before. Industry disruption brings opportunity along with risk, and taking the steps to meet that opportunity is what winning the market shift is all about.

The theme that shows up everywhere in this transformation is the economic model shift from volume to value in the financing and delivery of care. That shift helps drive many changes for industry constituents,

including the rise of the patient as informed consumer, the strain of new financial and risk pressures, new integration models among players who used to be separate or even competitive with one another, and the need to adapt new therapeutic advances in several major disease areas.

How we can help

Simply put, it's going to be more difficult to drive differentiated profitability in the post-reform era. An aging boomer population, rising incidences of chronic disease, and other factors are driving up the cost of care giving. There's more demand for available health care dollars, and the entities that finance health care—federal and state governments, employers, and individual consumers—are struggling to keep up.

To find yourself among the winners, it will be critical to set yourself apart from your competition in ways that customers value. That will start with execution on critical areas like financial flexibility and sustainability,

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From patients to consumers. From volume to value. The ground is shifting under the world's largest industry—and the players left standing will be the ones that embrace innovation with confidence right now.

Let Deloitte help you win the shift in critical areas like:



Value-based care



Provider-health plan integration



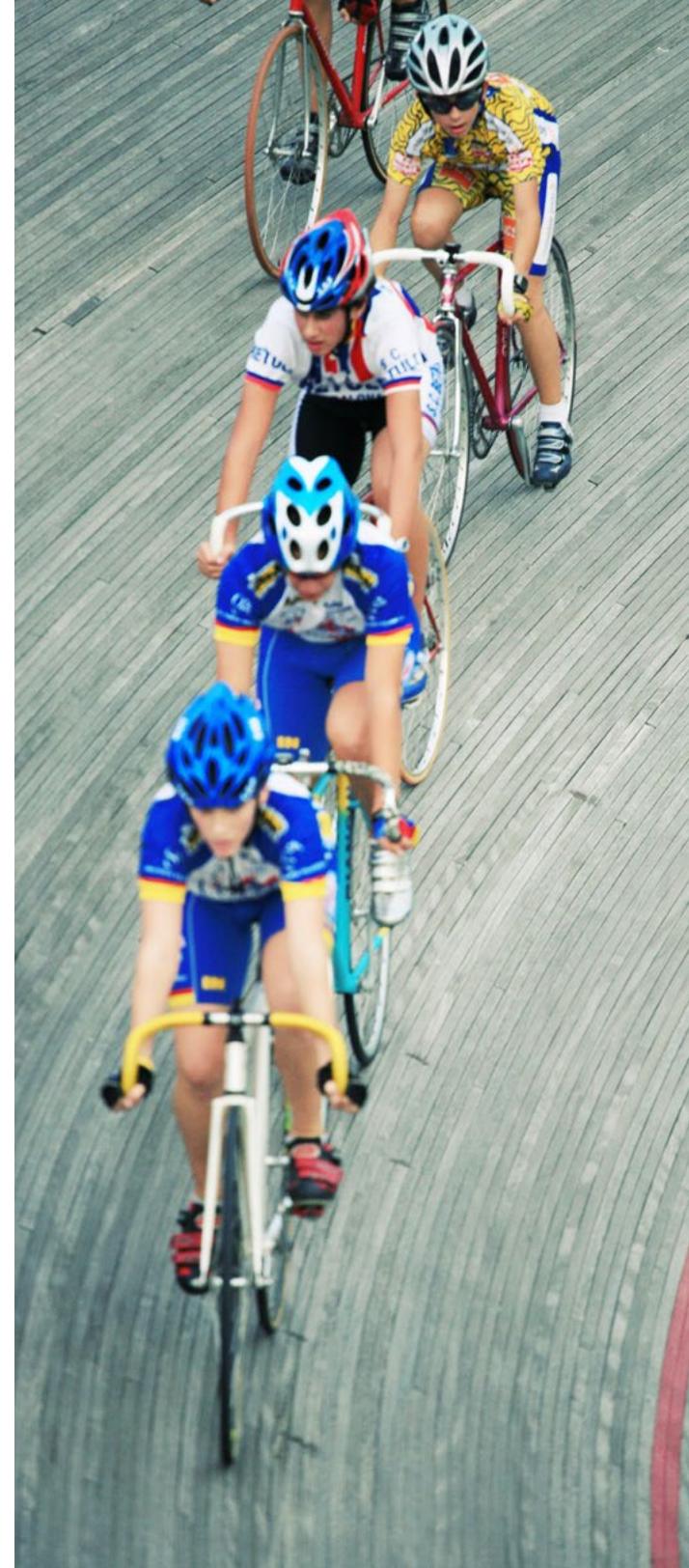
Customer transformation



Therapeutic area transformation



Margin Improvement



individual consumer focus, and transitioning from volume to value—and it will also include making tough strategic choices.

As the largest health care consulting firm, Deloitte is in this shift with you. Our desire is to help you win. And our teams are taking the lead on market shift imperatives in a number of critical areas:

Value-based care. This fundamental change can help achieve the “triple aim” of improved cost, quality, and outcomes. Deloitte can help you navigate the new risk landscape a value-based system represents, implement the required next generation care model, and extract insight from data and analytics.

Customer transformation. There is untapped value in the new, empowered health care consumer. A key to unlock it is to understand the customer journey through the health care ecosystem. From segmentation to product design to the

digital technologies that enrich engagement, we can help you build these indispensable new one-on-one relationships.

Margin improvement. You can't keep up with market changes if your fixed and variable costs don't give you room to maneuver. With more transparency, changes to existing revenue streams, the emergence of new revenue streams, and more competition, you need to defend your margins. We can help implement the strategic, operational, technology, and talent changes that will help you increase revenue, improve COGS, control administrative costs, and enhance balance sheet flexibility.

Provider-health plan integration. Increasingly, providers are adding health plan products of their own to find a place on the risk continuum away from the fee-for-service model, while many health plans are considering “white-labeling” to integrate with providers. In many cases,

it is the only way to generate the revenue providers need to fuel customer-centric innovations. Our teams have the strategic, financial, clinical, operational, technological, and talent experience to help stand up these new models and make them work.

Therapeutic area transformation. A new market needs a new way to manage and finance the care of chronic areas like oncology, diabetes, and cardiovascular disease for defined populations. Across all sectors of the industry, these new approaches should identify ways to create new value and mitigate the destruction of existing value. That poses challenges in areas like market adoption, clinical trial recruitment, research and quality improvement, real world evidence labs, patient journey, strategic planning, and ecosystem improvement. We can help you rethink clinical decision support, get more from your data, and exploit the power of collaboration with new alliances.

Potential bottom-line benefits

- A robust offense to achieve results in the post-reform era—make the most of new business, care, and risk models to emerge as a leader in the new market ecosystem.
- A strong defense to hold and improve your place in the market—outflank your competition by mastering skills they don't possess, and retaining the market share, margin, and reputation they aren't able to hold onto.
- Sustained customer relationships—build loyalty and engagement that reaches across the consumer's lifecycle and forms the foundation of lasting competitive advantage.
- Improved overall business performance—sustaining competitive advantage over the coming years starts with making smart choices now.

Join us.

Health care tends to go through a dramatic transformational change every five to 10 years. We have entered a new post-reform era marked by a shift from volume to value and the rise of the economically empowered individual. These changes need bold, confident decision making and execution. Answer that call, win this shift, and own your future. *Carpe diem.*

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