

# NEW RULES, NEW ROLES: REDEFINING HEALTH



**Tom Robinson**  
Partner, Oliver Wyman

# NEW RULES, NEW ROLES: REDEFINING HEALTH

All that will remain will be high acuity operations.

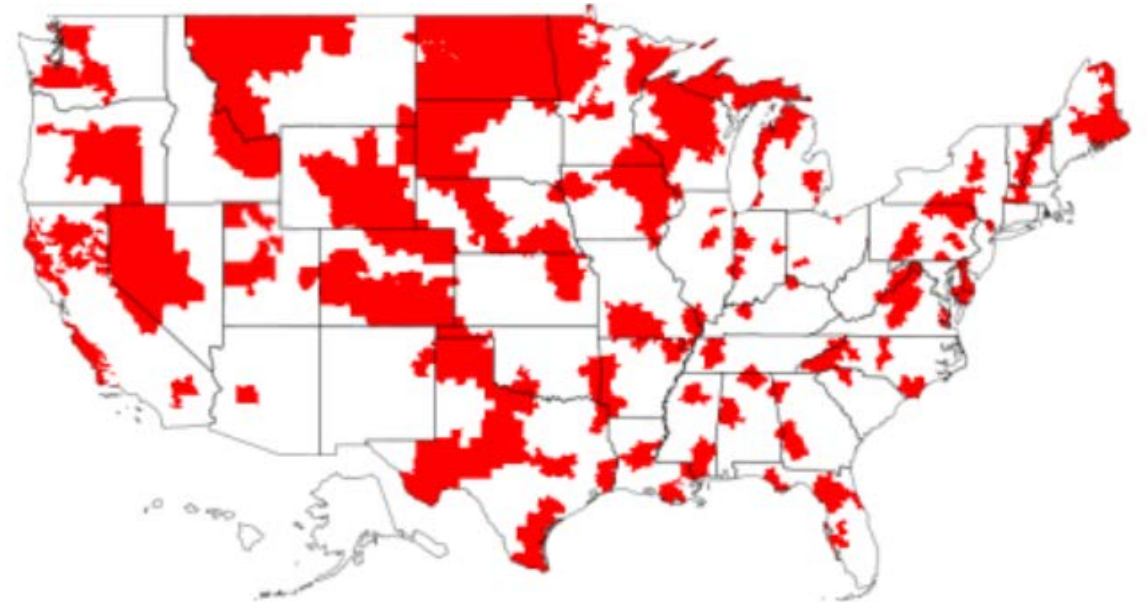


# THE OLD GAME: LOCAL DENSITY

Highly concentrated healthcare markets

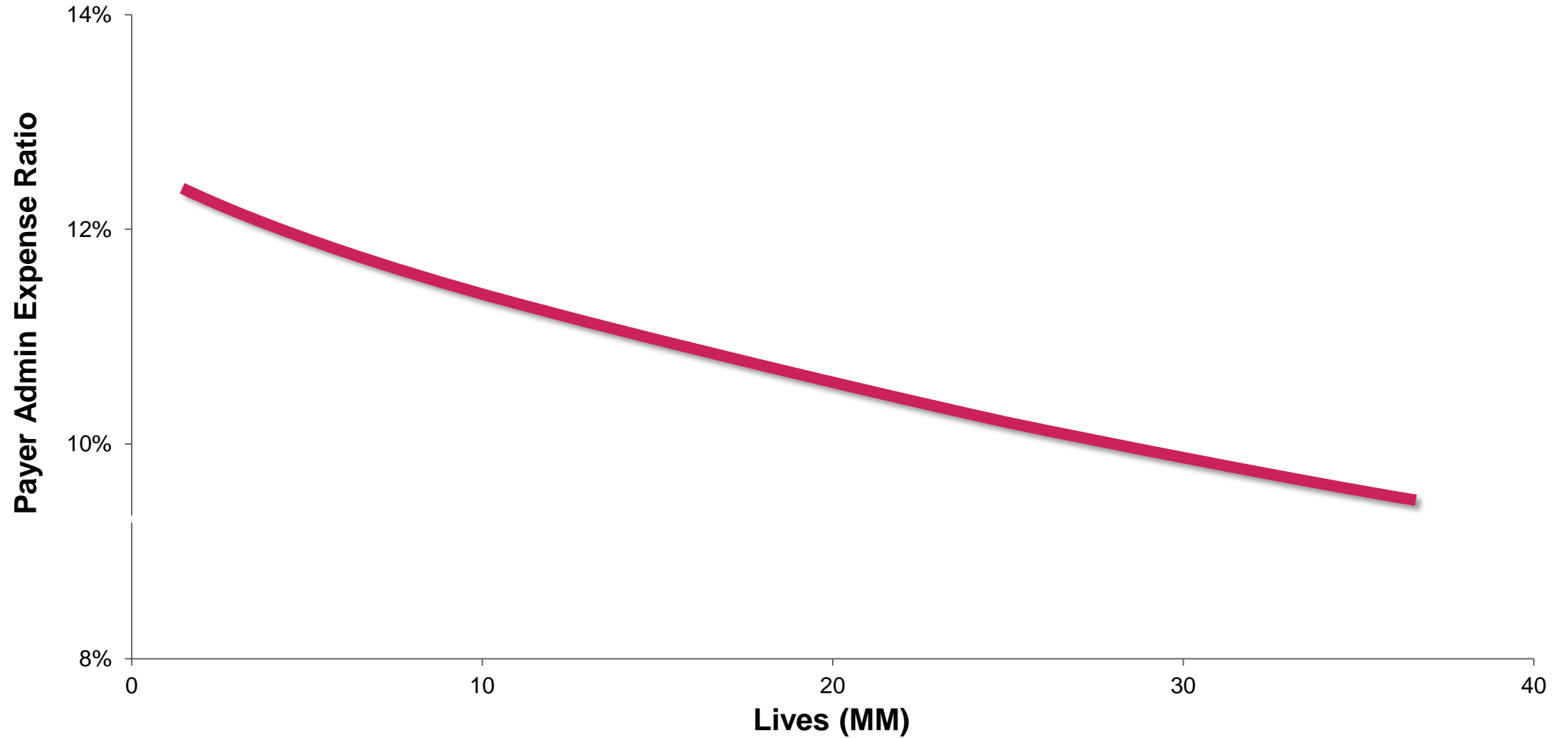


2000



2017

# THE OLD GAME: NATIONAL SCALE



# OLD STRATEGIES ARE NO LONGER WORKING

“We expect **rapid expense growth** to **outpace revenue growth.**”

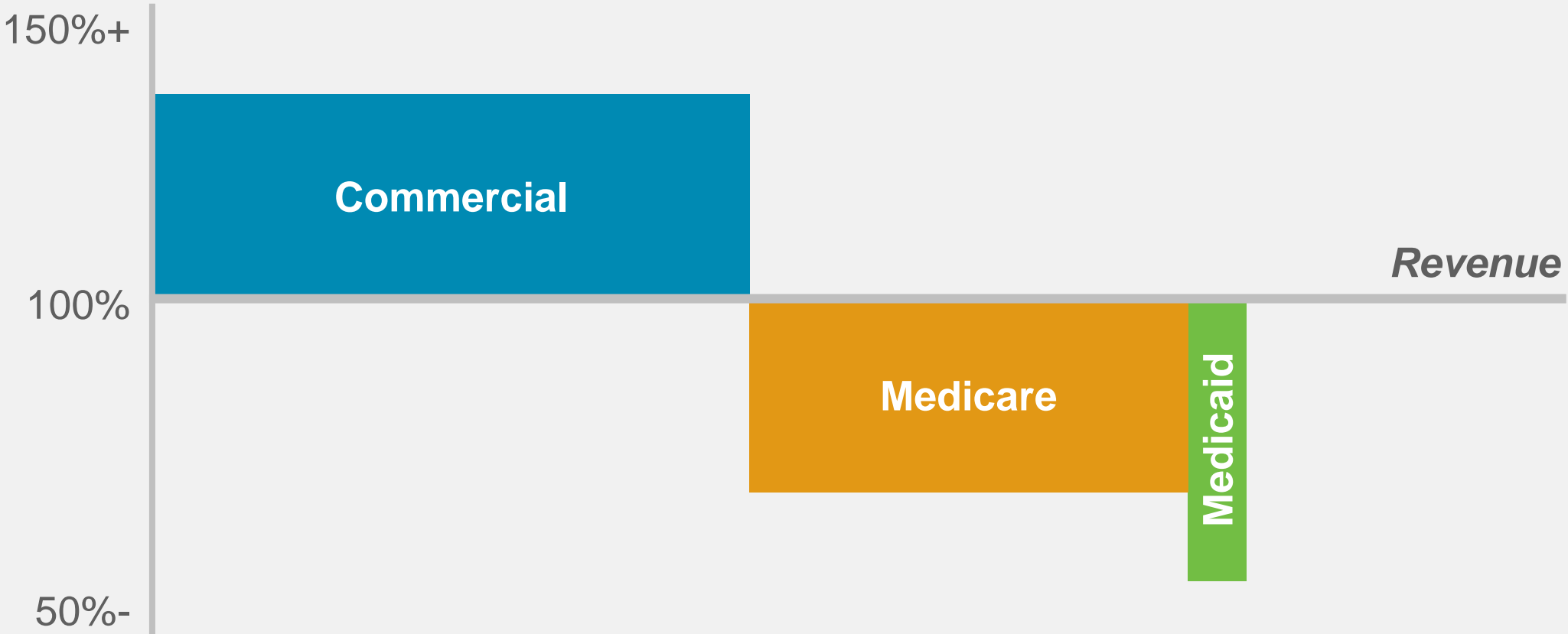
- MOODY'S DECEMBER  
**2017**

“**About 18% of U.S. hospitals** are at **risk of closure** or **performing weakly.**”

- MORGAN STANLEY  
**2018**

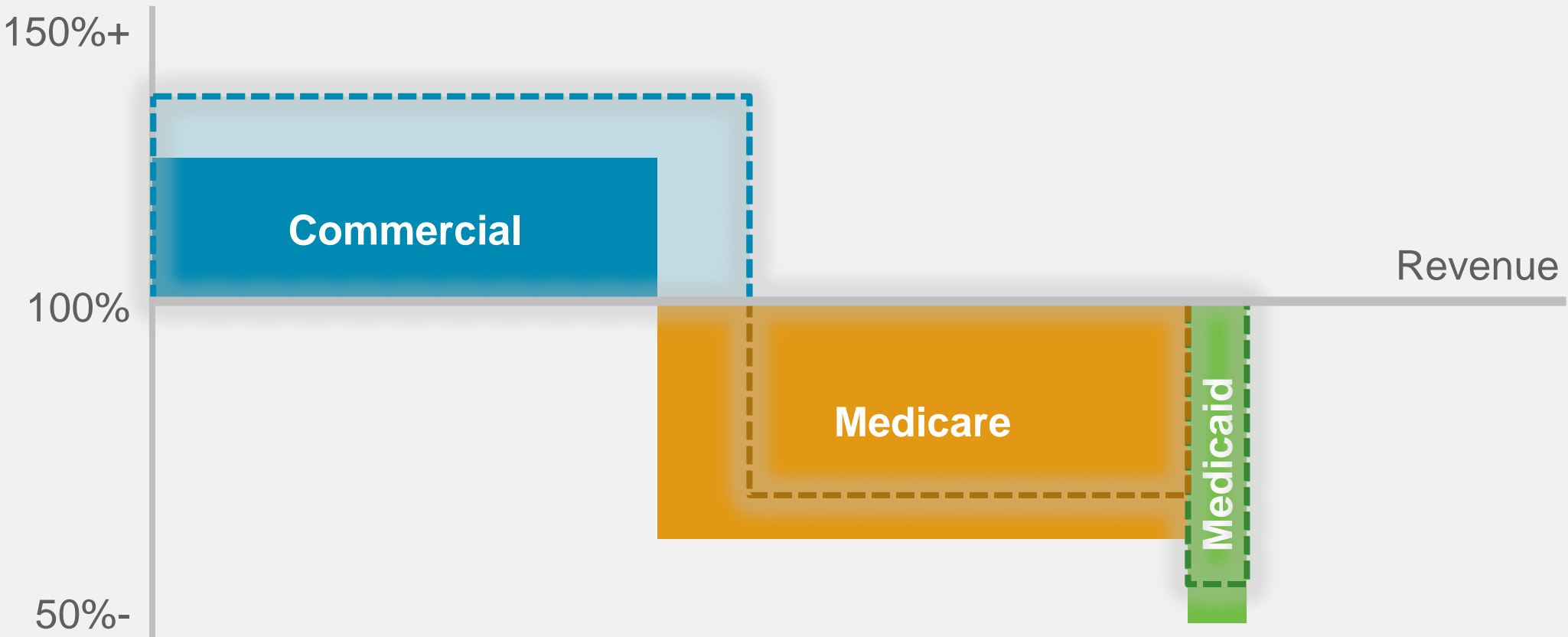
# DEMOGRAPHICS AND REIMBURSEMENT ARE **RELENTLESSLY STRAINING** HEALTH SYSTEM ECONOMICS

Proportion of operating costs covered



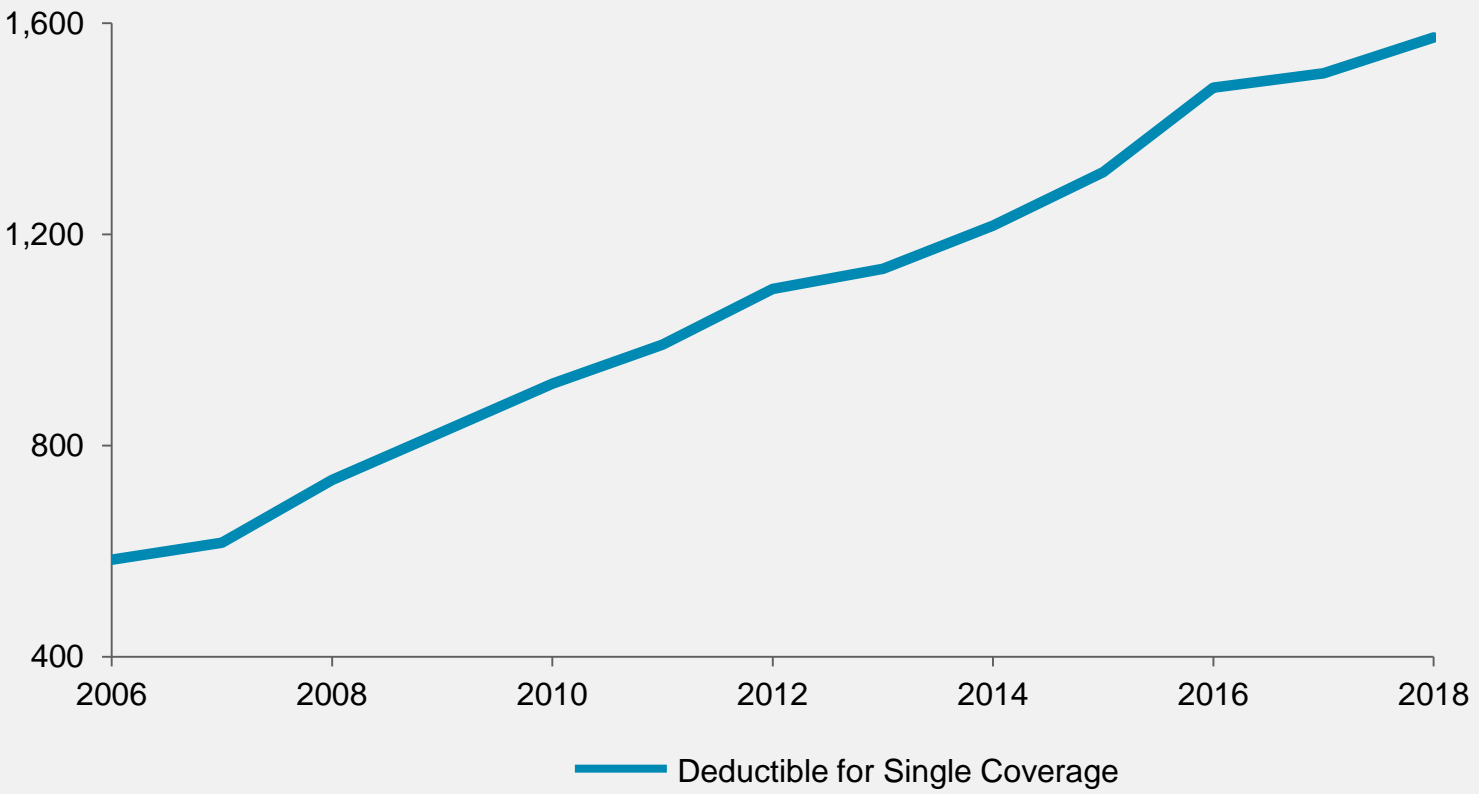
# DEMOGRAPHICS AND REIMBURSEMENT ARE **RELENTLESSLY STRAINING** HEALTH SYSTEM ECONOMICS

Proportion of operating costs covered



# EVERYONE IS NOW A HEALTHCARE CONSUMER...

Average individual deductible in employer sponsored health plan



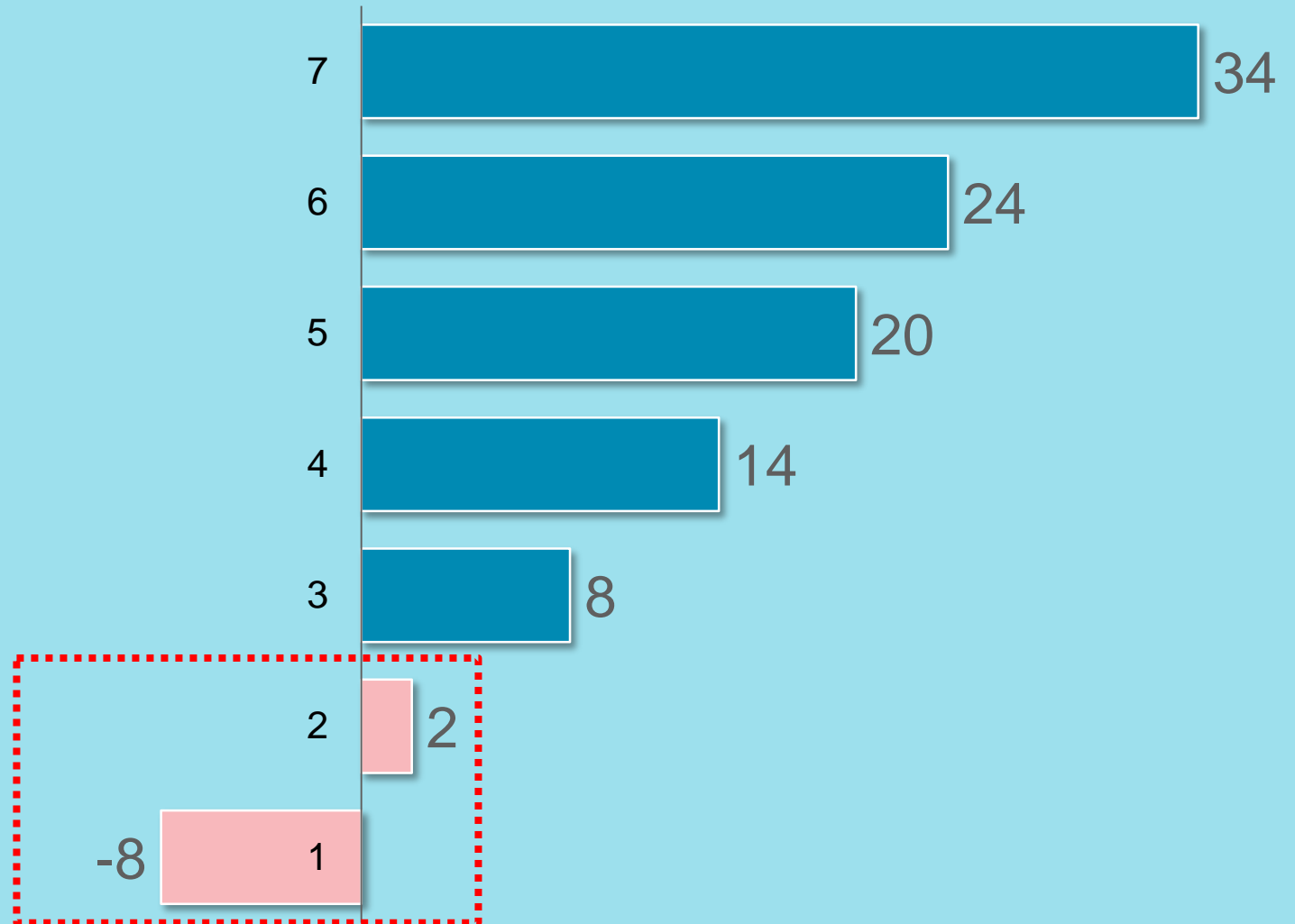
Deductibles have grown **8 times** faster than wages since 2008



# ...AND THE REVIEWS LOOK GRIM

## Net willingness to recommend, by industry

2018 Oliver Wyman Consumer Survey



# RUSH FOR CONTROL OF THE UPFRONT RELATIONSHIP

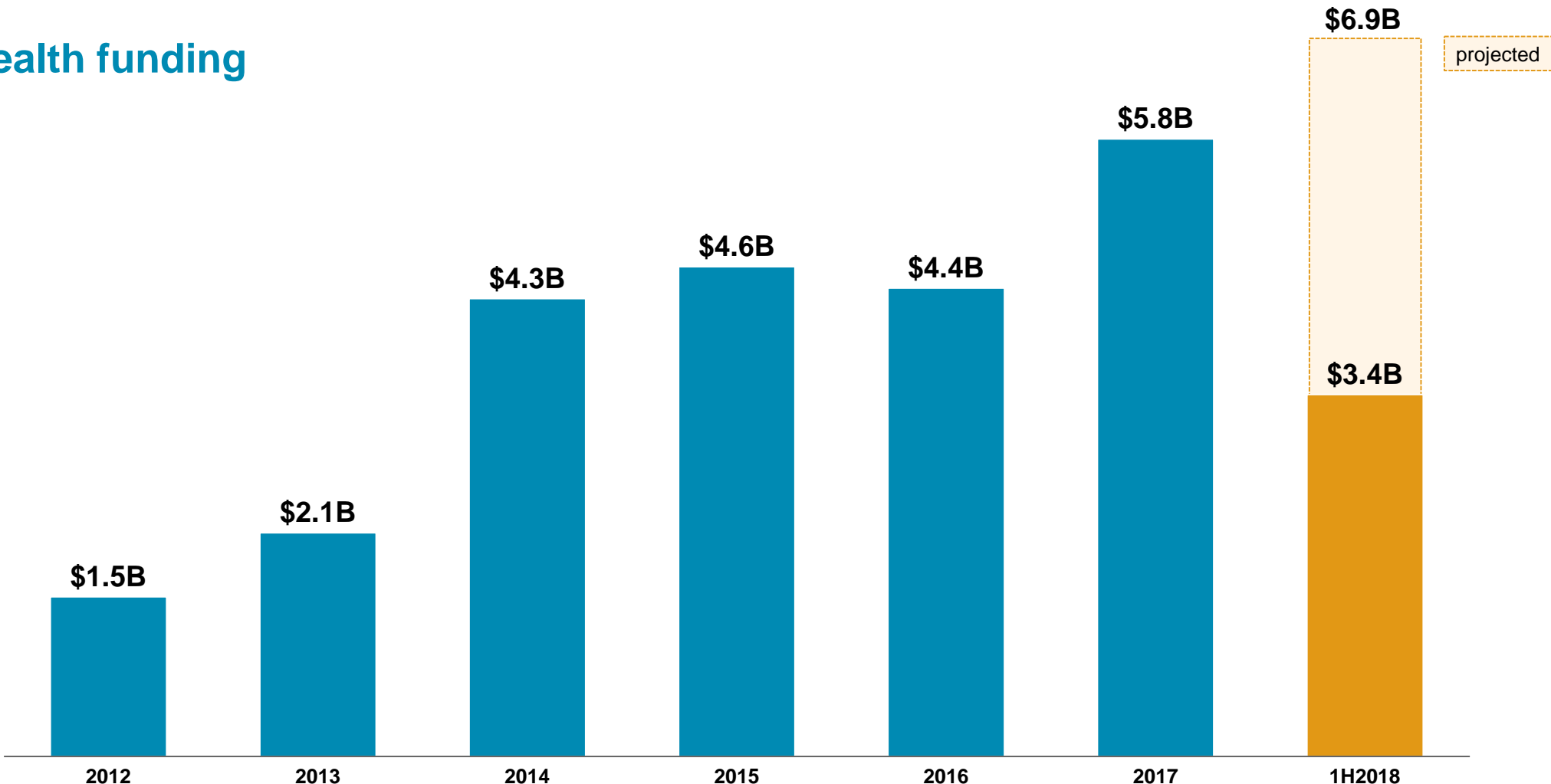


A white rectangular box containing several logos. At the top is Davita OPTUM Care with a star icon. Below it is CVS Health with a red heart icon. The middle row features CURO Health Services on the left and Kindred on the right, with CONVIVA in the center. Below that is Community Medical Group. At the bottom is Aspire Health in a red script font.

A white rectangular box containing five logos. At the top is UnitedHealthcare. Below it is aetna in purple. Then Humana in green. Below that is CENTENE Corporation in blue. At the bottom is Anthem with a blue cross and shield icon.

# NEW ENTRANTS RUSH IN

## Digital health funding



Source: Rock Health



**Economic  
Pressure**

**Technological  
Pressure**

**Consumer  
Pressure**

**Competitive  
Pressure**

# THE MARKET IS PRIMED FOR DISRUPTION

Normalized As Of 12/29/2017 ■ Express Scripts ■ CVS Health ■ Cigna ■ Anthem

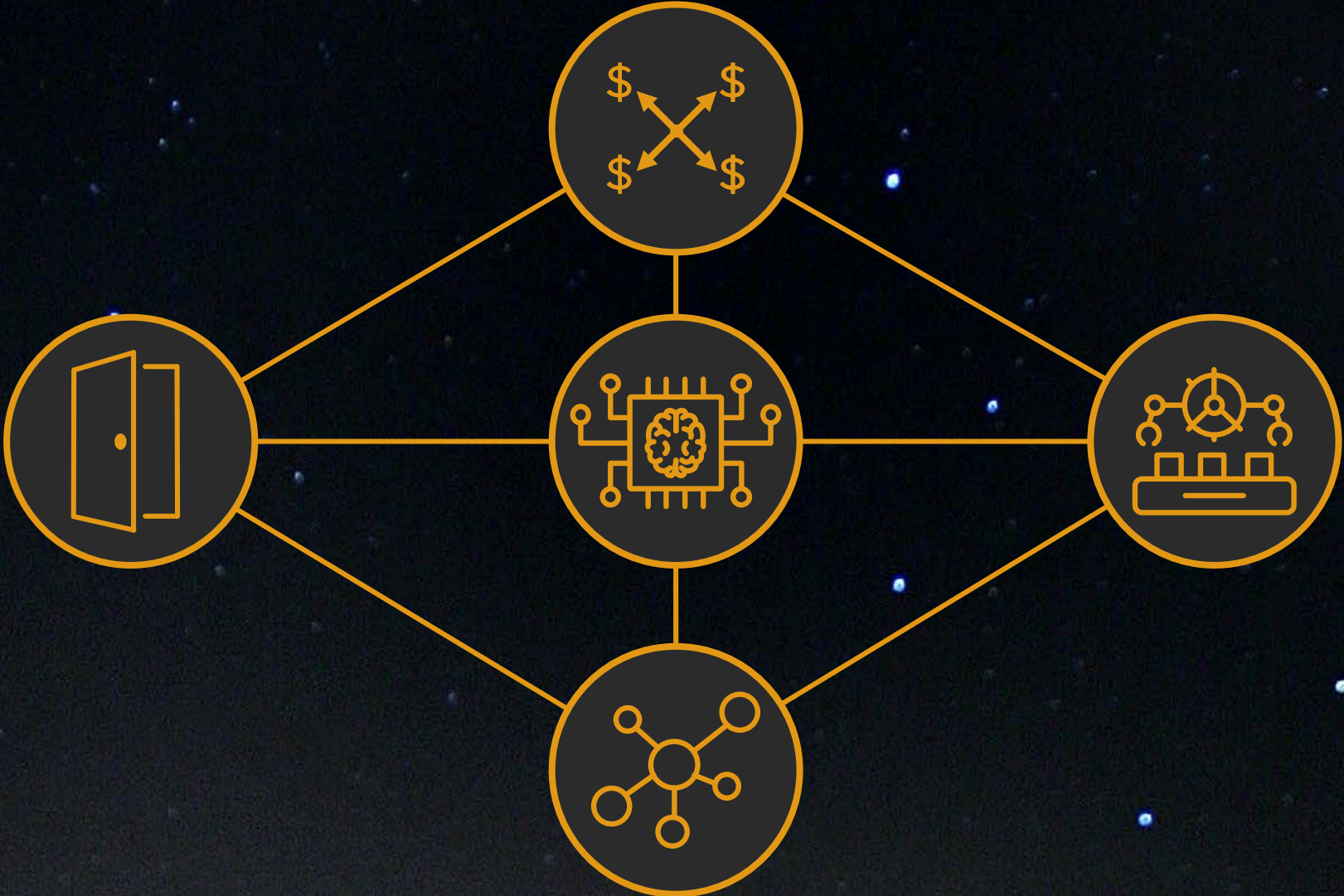








# FIVE NEW ROLES EMERGE



# FIVE NEW ROLES ARE EMERGING



## Rules to Win:

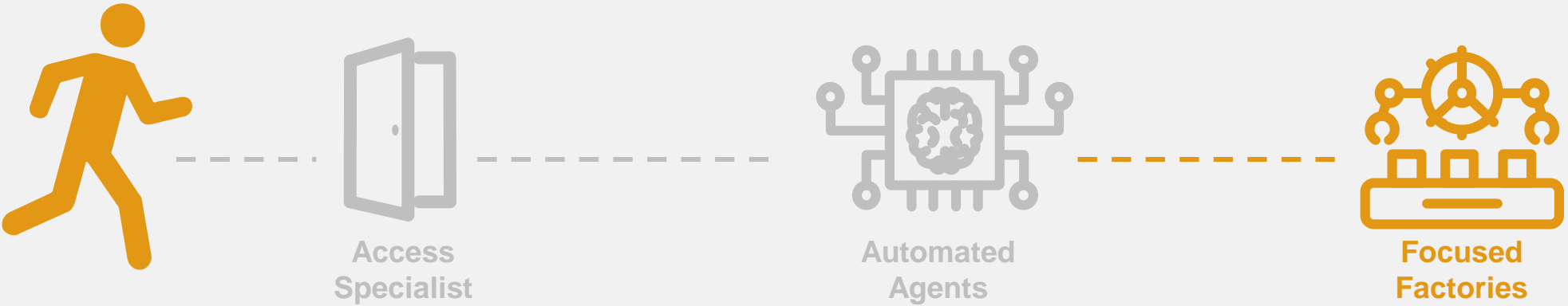
- Consumer Delight
- Simplification
- Ubiquity

# FIVE NEW ROLES ARE EMERGING



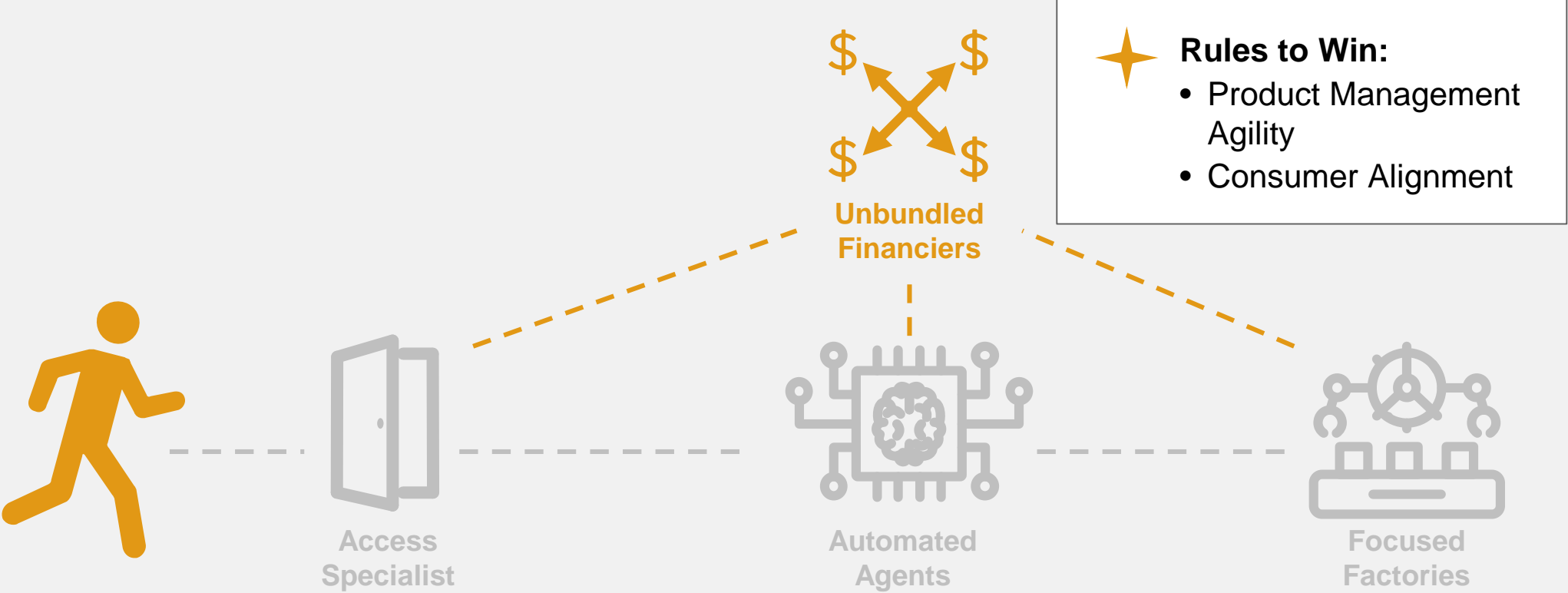
- ★ **Rules to Win:**
- Data Intelligence and Sophistication
  - Clinical Insight

# FIVE NEW ROLES ARE EMERGING

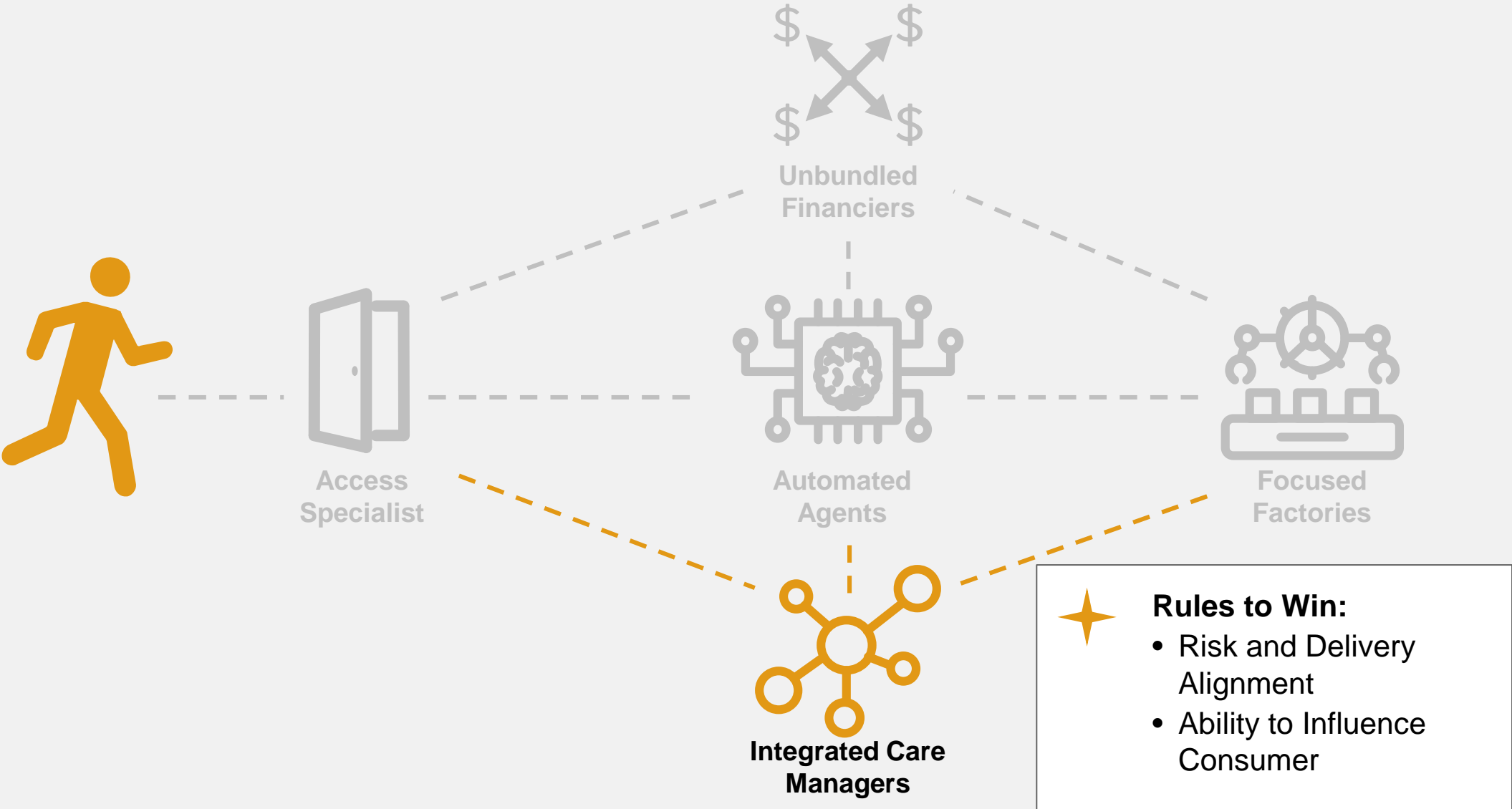


- ★ **Rules to Win:**
- Industrial Discipline
  - Continuous Improvement
  - Best in Class Capability

# FIVE NEW ROLES ARE EMERGING



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# VALUE WILL MIGRATE TO THESE NEW ROLES



# WHICH ROLE WILL YOU PLAY?

