



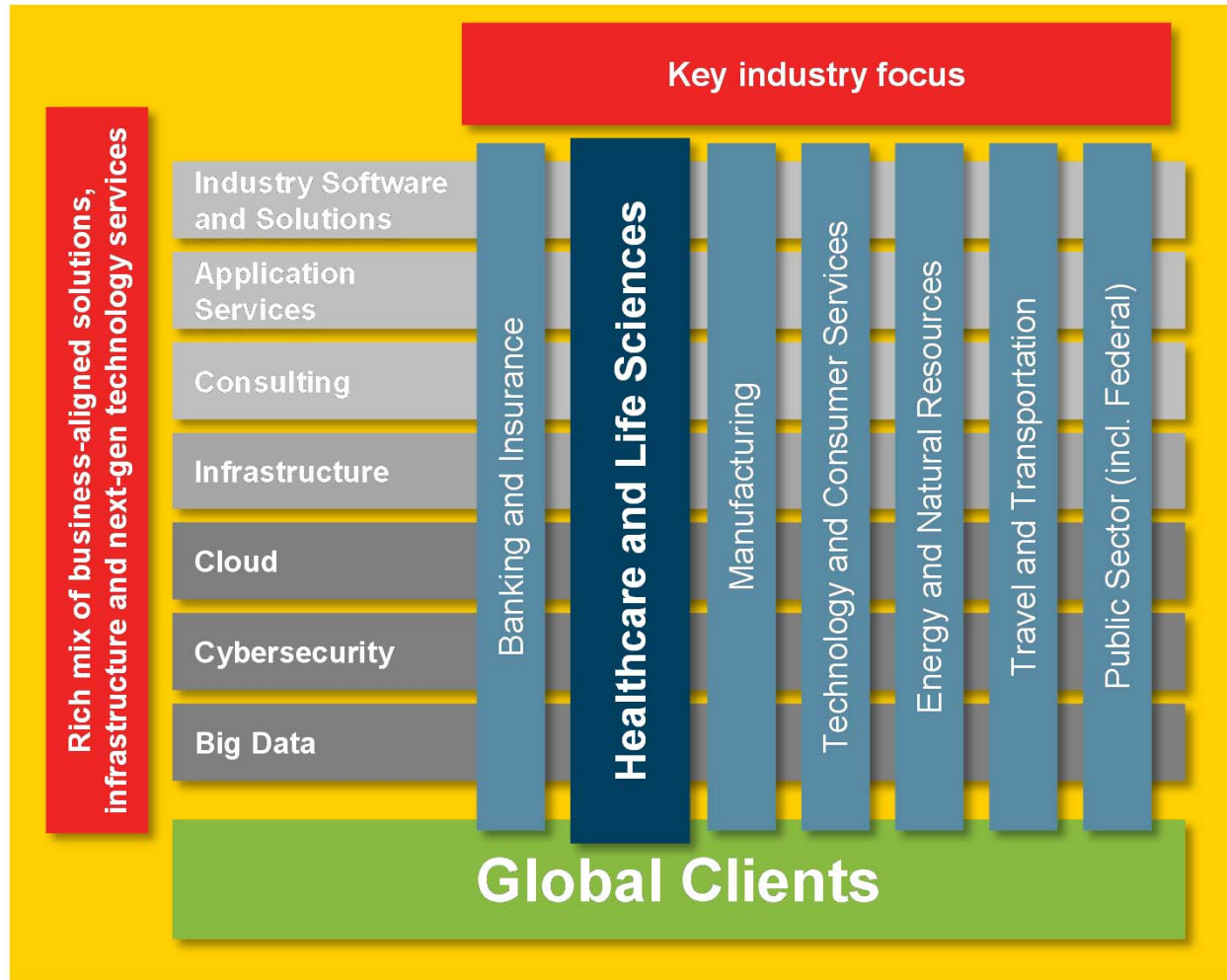
The economics of health service transformation:

a business model of care coordination for chronic condition patients in UK and US

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Global Health Economist

June 17, 2015

Focus On Healthcare And Life Sciences



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|--|
| \$50B US MEDICAID CLAIMS HANDLED ANNUALLY |
| 100M PATIENT RECORDS MANAGED |
| 10M US DOD PATIENTS' PHARMACY TRANSACTIONS |
| 1M HEALTH PLAN ENROLMENTS |
| 15,000 PHARMA PRODUCT APPROVALS MANAGED |
| 6,000 PROFESSIONALS SERVING CLIENTS |
| 5,000 CLINICAL SYSTEM INSTALLATIONS |

Credentials



National Health Service
England

Services and systems which reach over 500,000 registered users and support in excess of 25 million patient records.



Ministry of Health
New Zealand

Country-wide medication management system which will help all hospitals in New Zealand reduce patient harm.



Cabrini Health
Australia

Streamlined access to real-time clinical information through a single, mobile interface designed for iPad and iPhone.



SLL
Sweden

'Pre-hospital' system including patient records and control systems in emergency departments, and vehicles.



New York Dept. of Health
U.S.

State healthcare exchange, providing a marketplace to help people compare options and enrol in health insurance coverage.



New York Presbyterian
U.S.

Technology which allows multiple IT systems to exchange critical information in real time, supporting efficient workflow and coordinated care.



Pfizer
Global

Applications management for Pfizer's HR Business Technology function, supporting 91,000 employees across 95 countries.

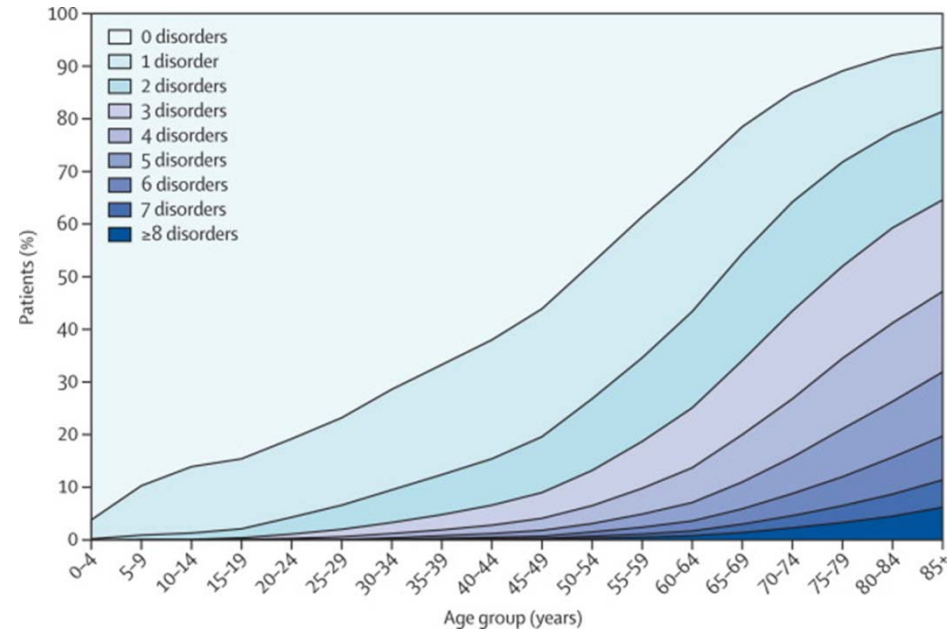
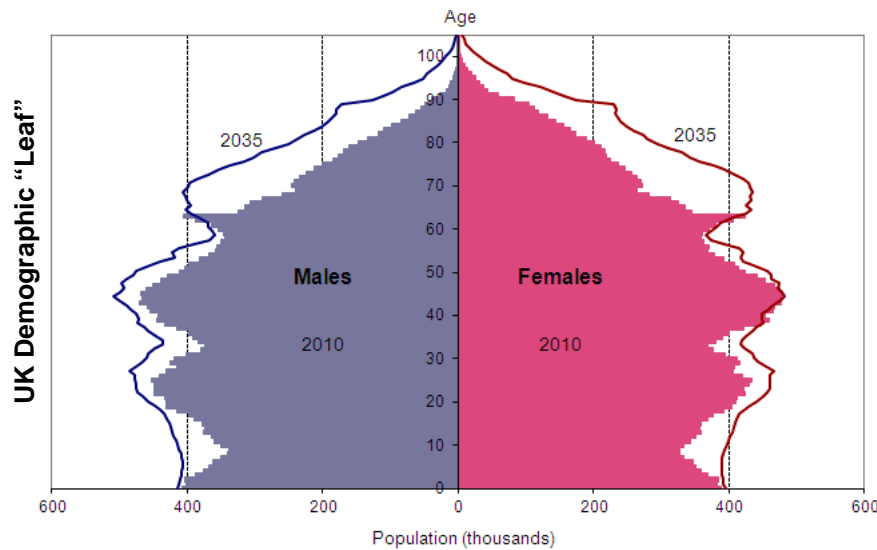
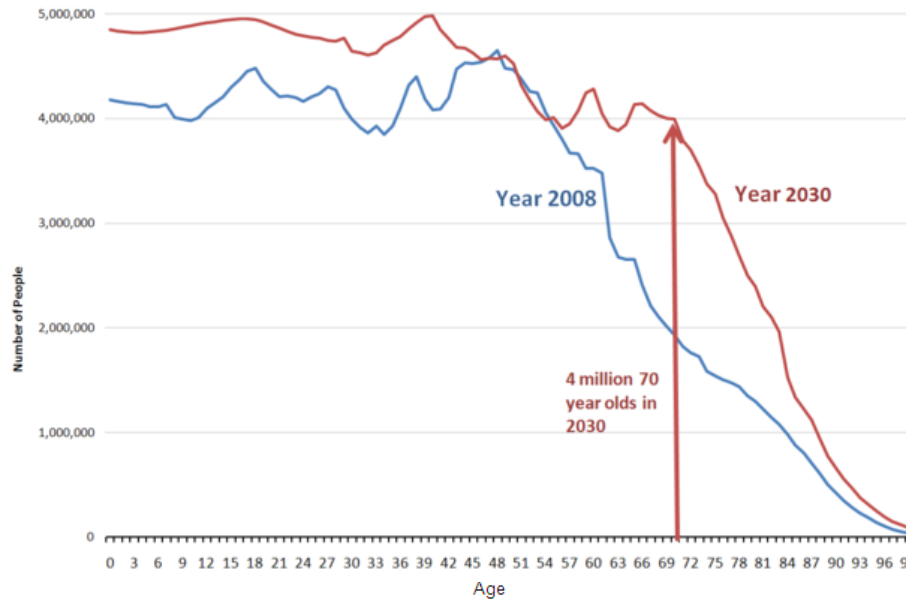


Intermountain Healthcare
U.S.

Cybersecurity advisory and managed security services, teleservices consultancy, and large scale applications management..

Demographic Trends and Chronic Condition Incidence

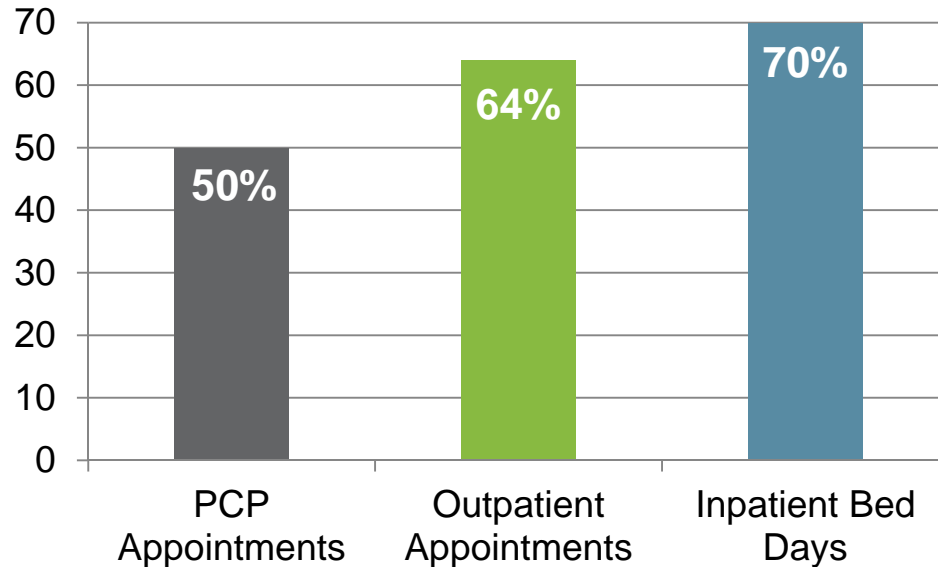
US Population Distribution By age, 2008 and 2030



Sources: The Lancet, DoH, US Census, ONS of UK

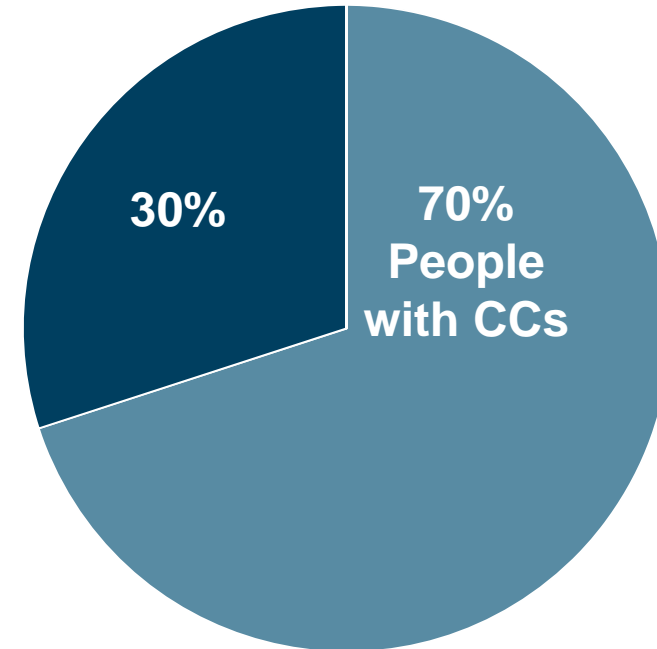
The Economic Burden of Chronic Illness

People with Chronic Conditions (CCs) account for:



Sources: NHS, CMS

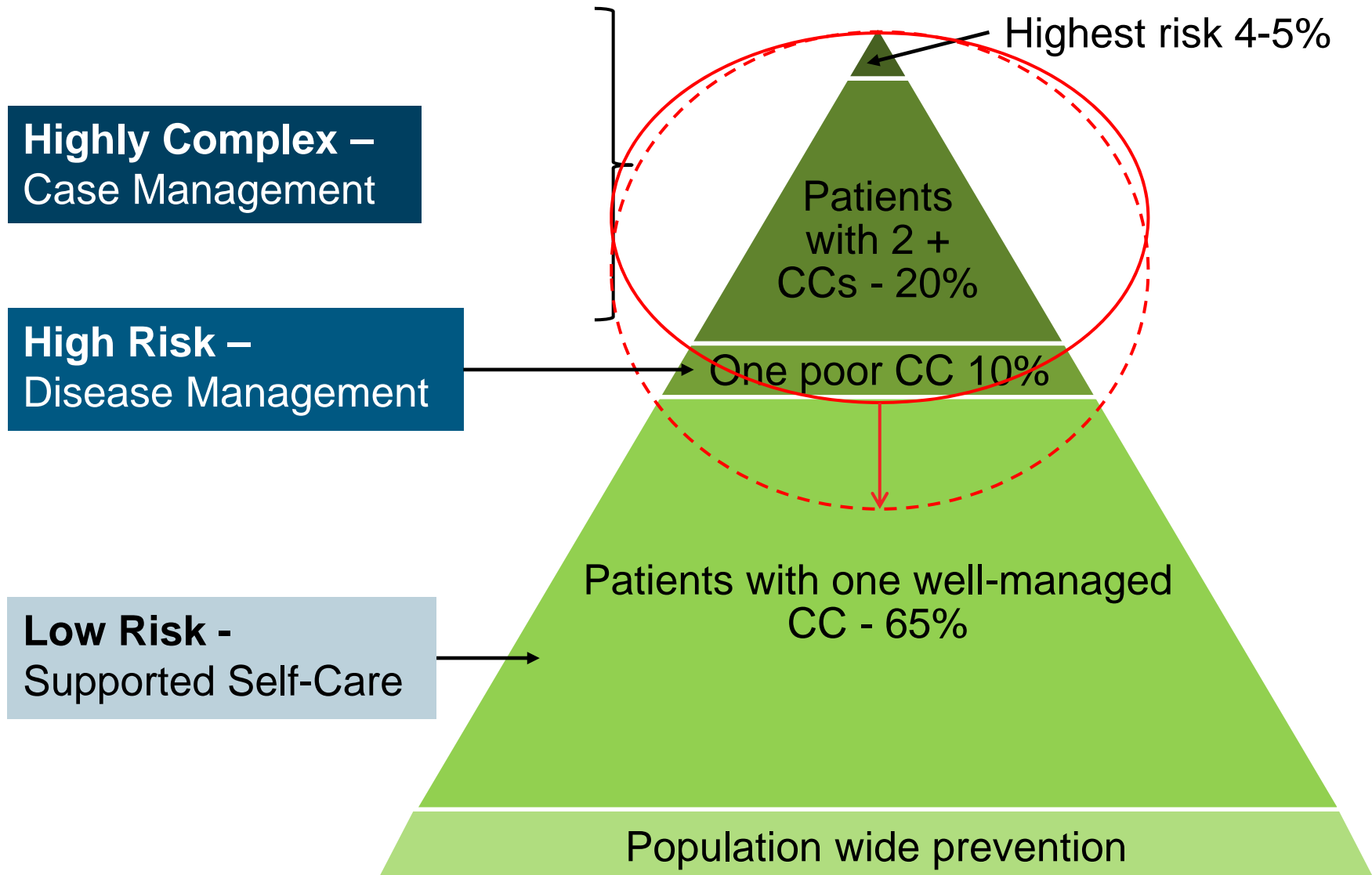
Health and Care Spend



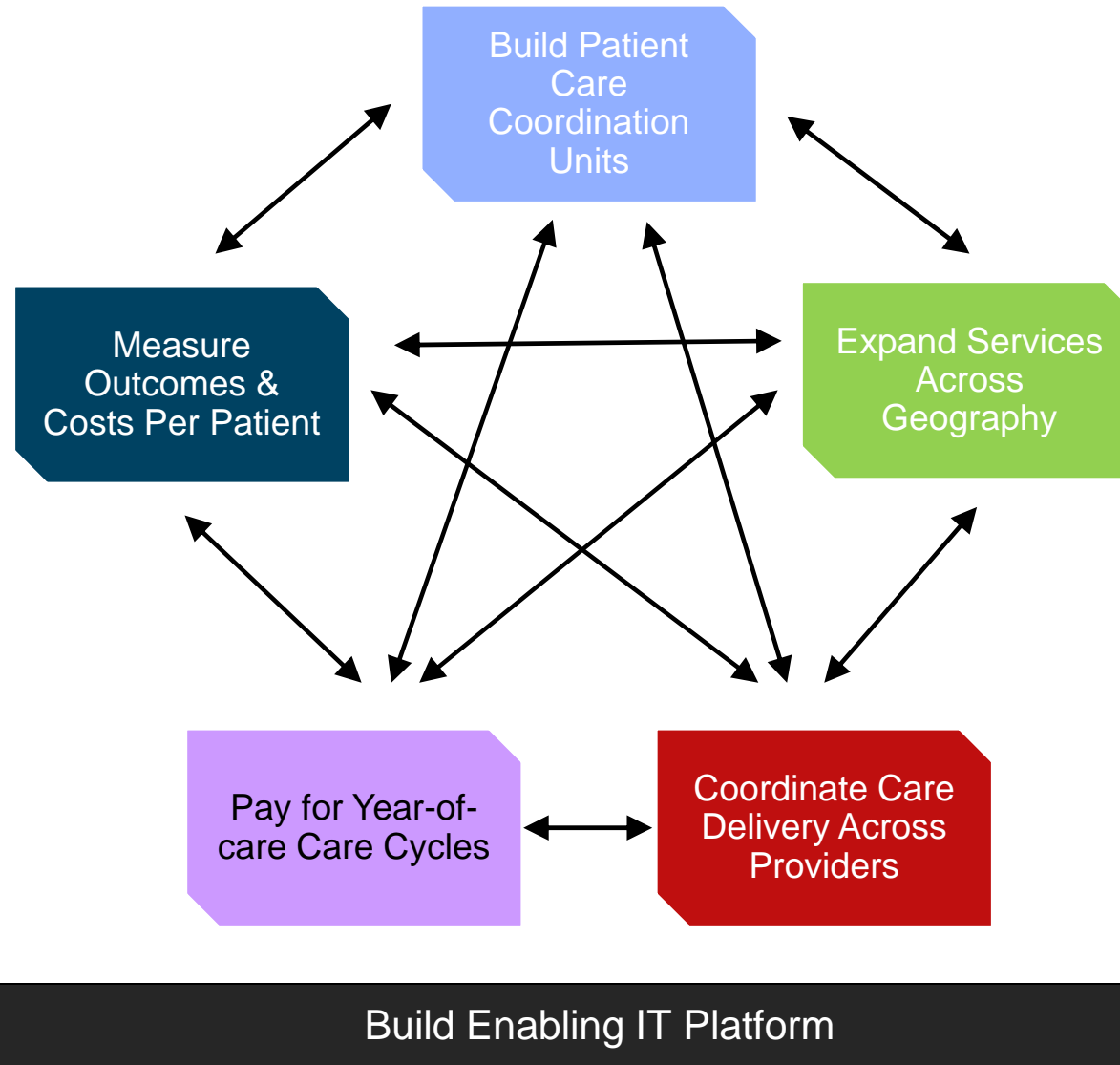
In total, 7 out of every 10 dollars/pounds of the total healthcare spend in the US/UK is attributed to caring for people with CCs

Less than 30% of the population account for 70% of the spend

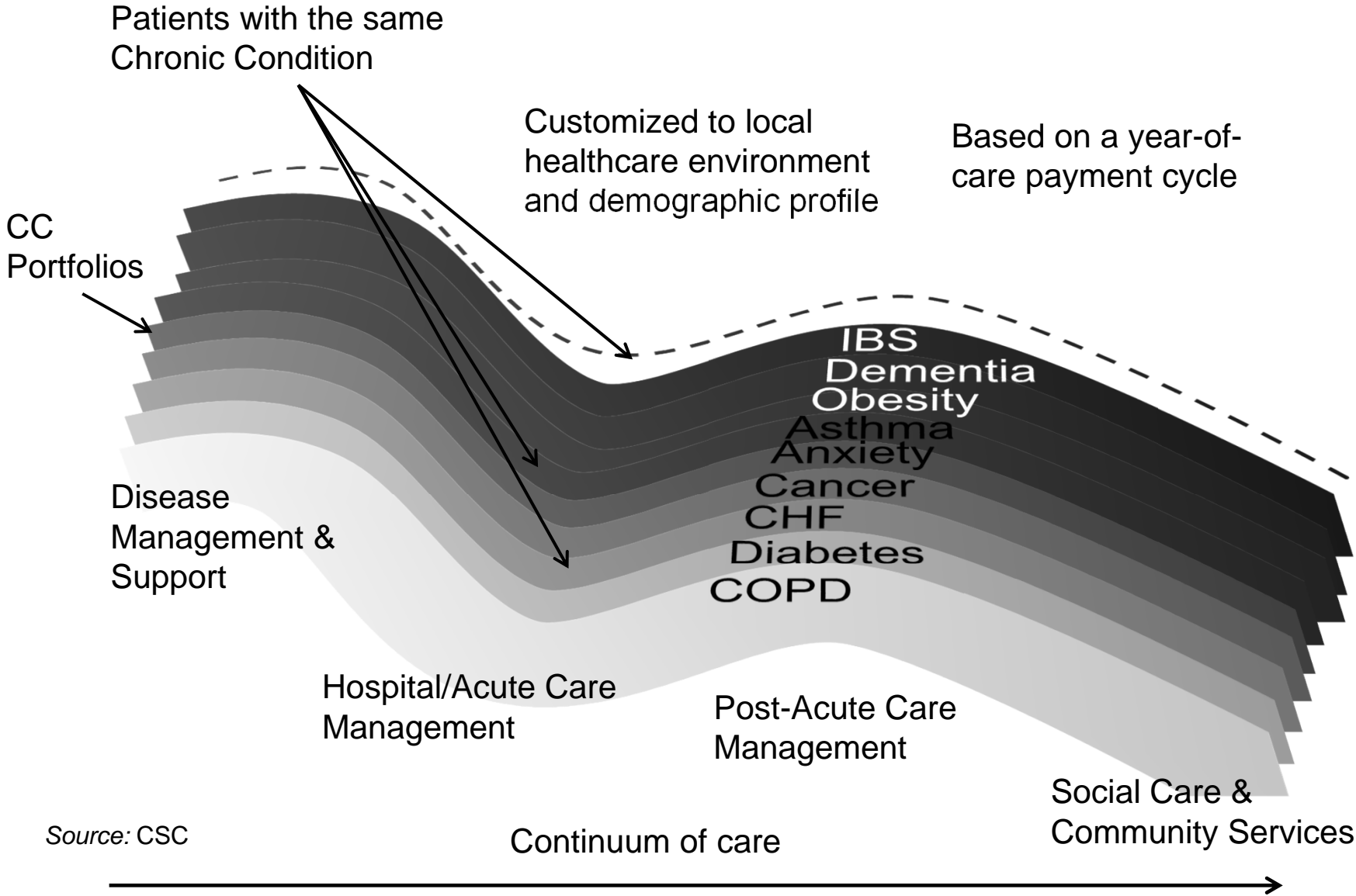
Chronic Condition Kaiser Pyramid



The Six Pillars of Chronic Care Management Strategy



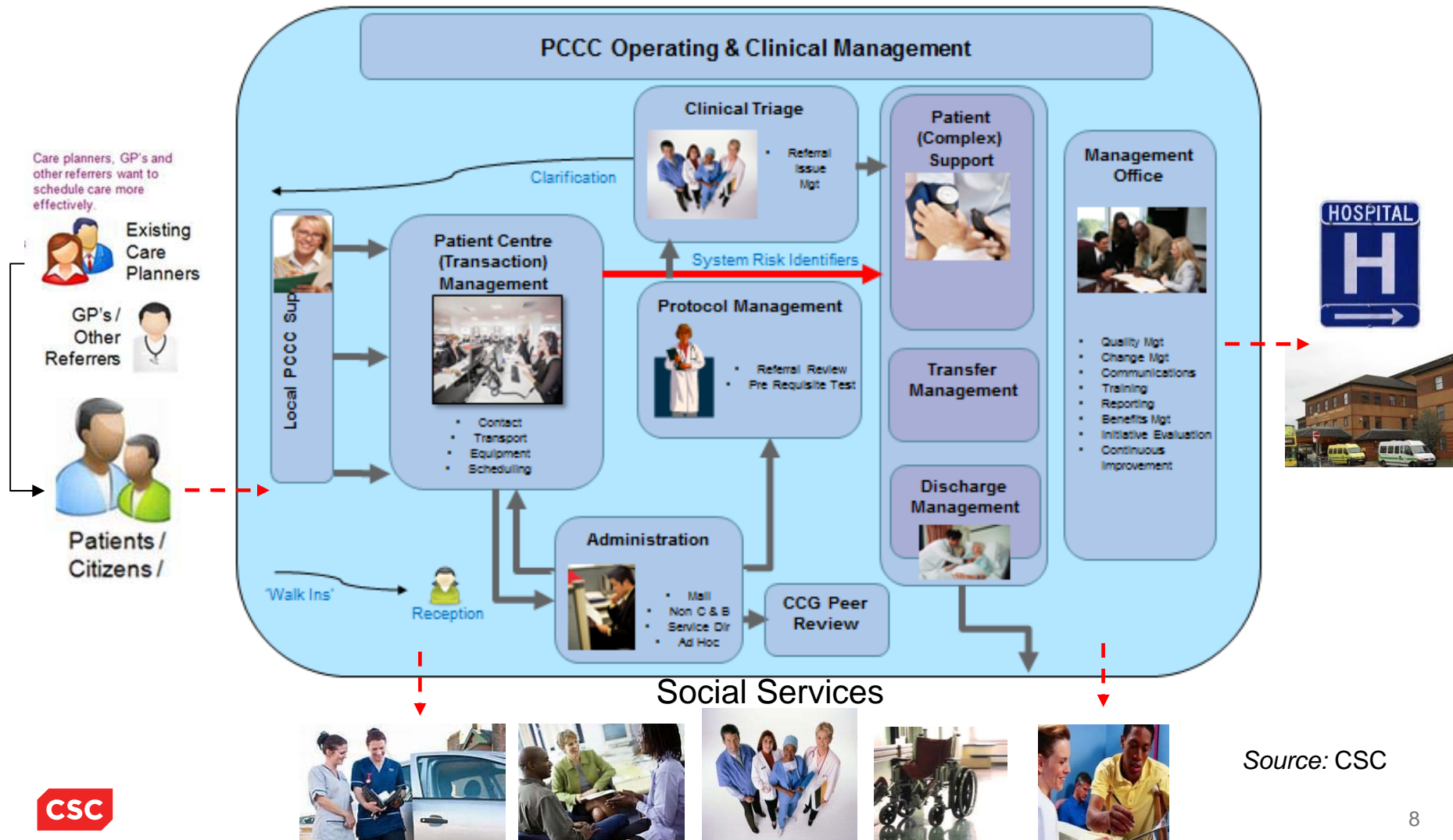
The Chronic Care Management Business Model



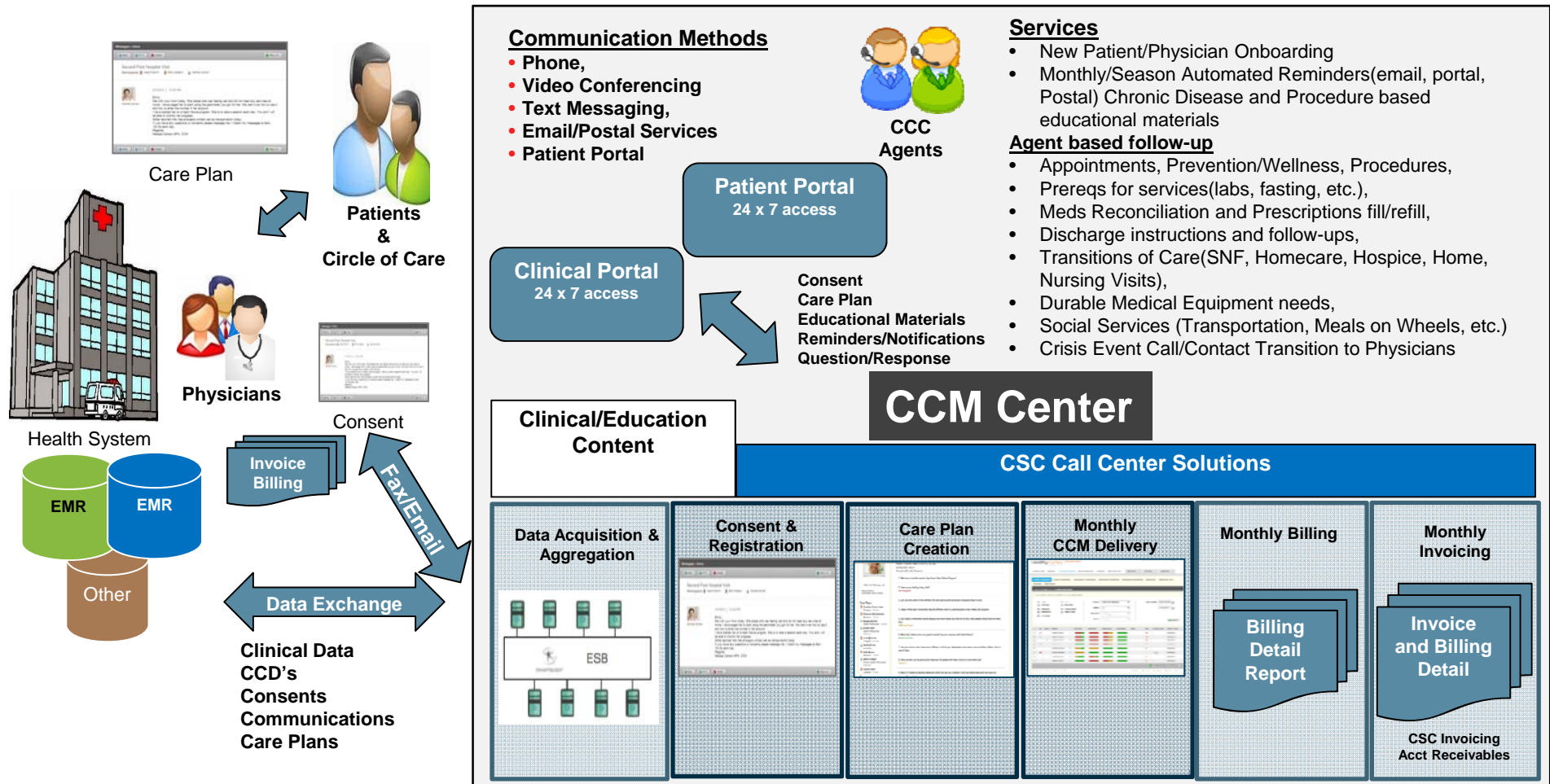
Patient Care Coordination Centre (UK)

Governance

CCG Management Board, Patient Forum, Development Board, Governance Board, Medical Director



Chronic Condition Management Center (US)



Source: CSC

Sources of Provider and Societal ROI for CCM

| Component | Disease Management & Support | Hospital/Acute Care | Post Acute Care Management |
|-------------------|--|--|---|
| Goal | Self-management guidance, out-of-hospital treatment, prevention | Move hospital patients through an acute hospital admission safely and efficiently | Prevent readmission and complex transitions and facilitate continuity of care |
| Target Population | CC patients who require hospital admission for specific diagnoses amenable to care at home | Patients age 70 and older and those with serious or life-threatening illness | Patients likely to require post-acute care services |
| Provider ROI | <ul style="list-style-type: none"> - Reduce admissions - Increase hospital capacity targeting high-margin admissions | <ul style="list-style-type: none"> - Reduce LoS, cost per day - Reduce ED crowding - Reduce penalties - Increase satisfaction scores | Reduce readmissions |
| Societal ROI | Care in the appropriate setting, eliminate/improve transitions | <ul style="list-style-type: none"> - Improve patient outcomes and reduce complications - Reduce ED crowding and time on divert status | Reduce fragmentation and improve continuity of care |

The Paradigm Shift: from Acute to Chronic Care Model

- UK and US governments are eager to improve the quality and efficiency of CC management - CCs drive the bulk of health spending
- Health systems are under increasing financial, market, and regulatory pressure to:
 - improve CC management
 - eliminate unnecessary costs
 - adhere to evidence-based medical guidelines, and
 - deliver high-quality, patient-centered care
- Care delivery and healthcare service transformation is critically important **TODAY**



BUSINESS SOLUTIONS
TECHNOLOGY
OUTSOURCING