

The Future Of Healthcare

The Past Does Not Predict the Future



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- I encourage open dialogue and transparency, so feel free to share your thoughts.

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Diagnosis?

- ER findings: No elevated protein in Urine. No unusual brain activity. All tests normal.
- Pediatrician: Sleep study ordered to eliminate something neurological.

Insurance: Exchange plan. PHE moved us from Bright Health (insolvent) to CO Medicaid.

- Must go through Kaiser Colorado now.
- Can't see Ben for 6 months.
- Children's won't see him due to referral problems from Kaiser.
- State law won't let us pay out of pocket for care.

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The Impact on “Real People”?

FOR 12 MONTHS WE HAD:

- No diagnosis
- Fighting for coverage
- Refused Referrals
- Not sleeping
- Fear
- Anxiety
- Tears

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Healthcare in America is Unique.

- History
- Administrative Burden
- Unique... like everyone else.
- Denials
- What is the goal of our system?

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Healthcare History: 101

Early 20th Century: Unregulated & Insurance virtually nonexistent.

Mid 20th Century: Employer Sponsored Health Plans & Medicare/Medicaid.

Late 20th Century: Big Insurance is Born... HMOs, etc. So is Big Regulation.

21st Century: ACA, Values Based Care, Trillion \$ Market Caps. Fragmented System, Anger, Resentment, Worse care than most developed nations.



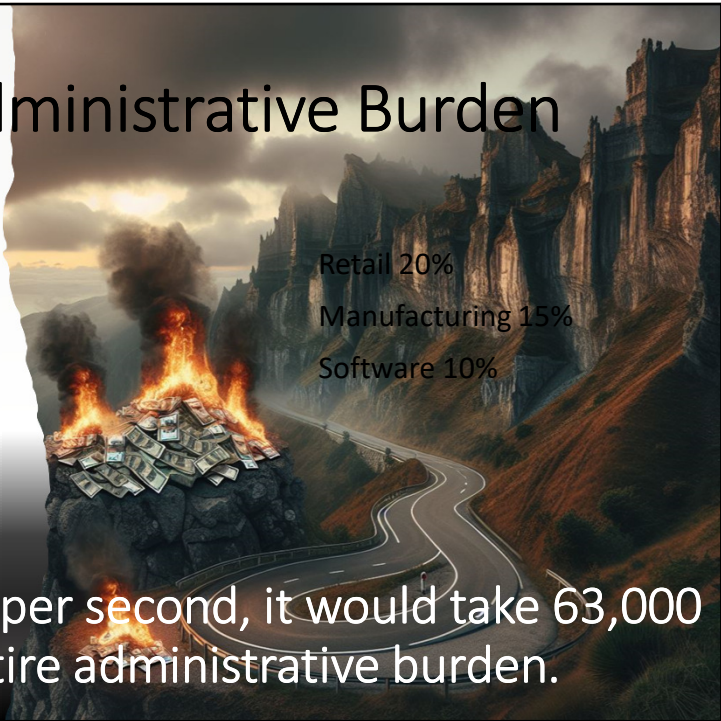
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The Insane Administrative Burden

Nearly TWO TRILLION DOLLARS or 48%.
\$2,000,000,000,000
12 Zeros.

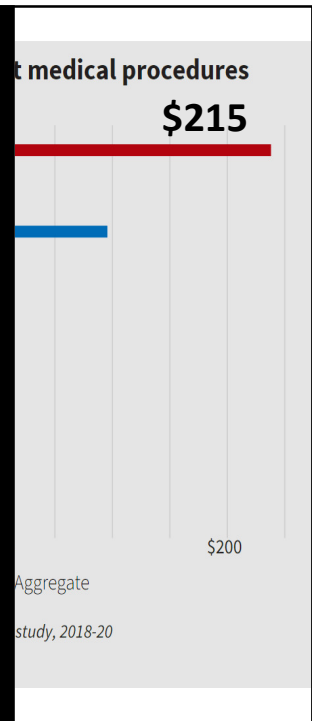
Retail 20%
Manufacturing 15%
Software 10%

If you eliminated a dollar per second, it would take 63,000 years to eliminate the entire administrative burden.



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We have the highest administrative cost of any developed nation. With the worst outcomes.



Category	Cost (\$)
Most medical procedures	\$215
Aggregate	\$200

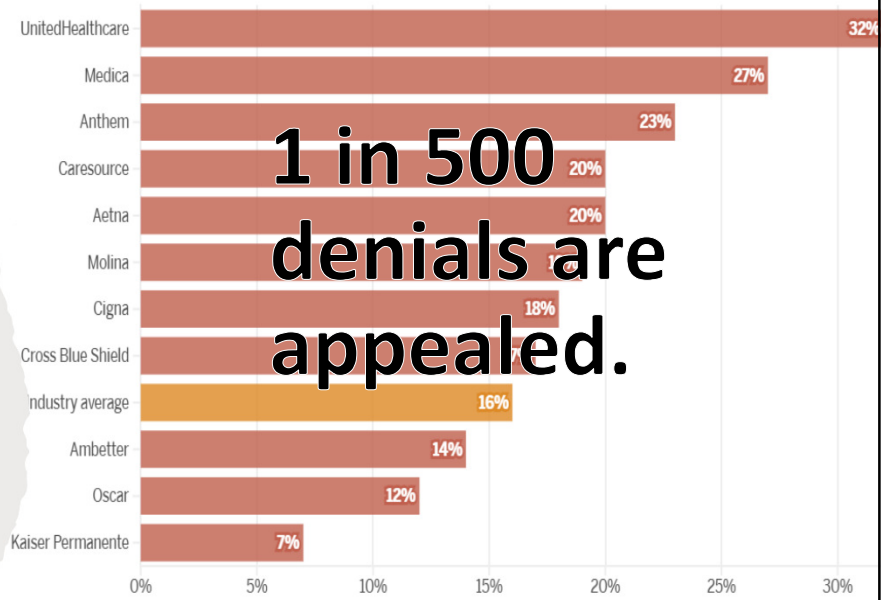
study, 2018-20

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Let's talk about Denials

17% of Claims are denied. With AI leading the way for Payers. It costs \$20B a year to fight these denials.

Claim denial rates by health insurance company in 2023



1 in 500 denials are appealed.

Source: ValuePenguin • NEENA HAGEN/GLOBE STAFF

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Impact on patients

U.S. ADULTS MORE LIKELY TO SKIP CARE AND STRUGGLE TO PAY MEDICAL BILLS THAN ADULTS IN PEER COUNTRIES

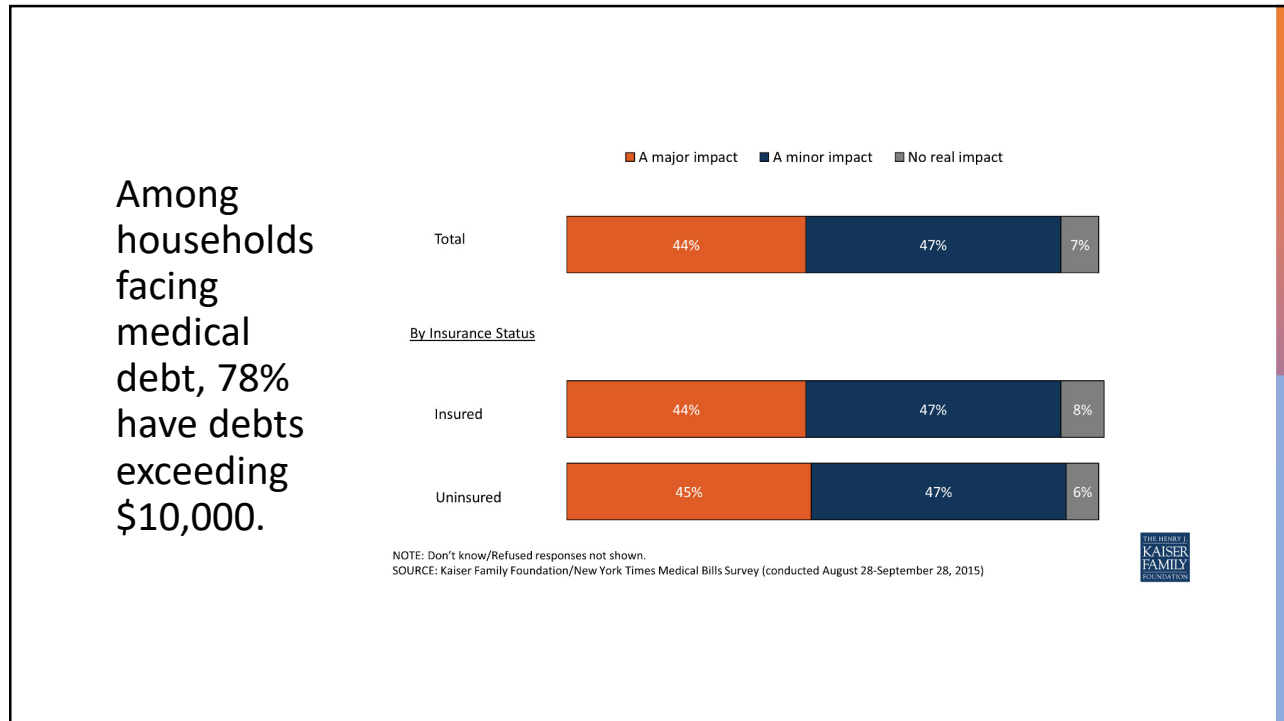


37% DID NOT SEE A DOCTOR WHEN SICK, DID NOT GET RECOMMENDED CARE, OR FAILED TO FILL A PRESCRIPTION BECAUSE OF COSTS, COMPARED WITH 4% IN THE U.K. AND 6% IN SWEDEN

23% HAD SERIOUS PROBLEMS PAYING MEDICAL BILLS OR WERE UNABLE TO PAY THEM, COMPARED WITH 13% IN FRANCE AND 6% OR LESS IN THE U.K., SWEDEN AND NORWAY

41% SPENT \$1,000 OR MORE OUT-OF-POCKET FOR CARE IN THE PAST YEAR—THE HIGHEST RATE OF ANY COUNTRY SURVEYED

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It's not all Bad News.

We lead the world in:

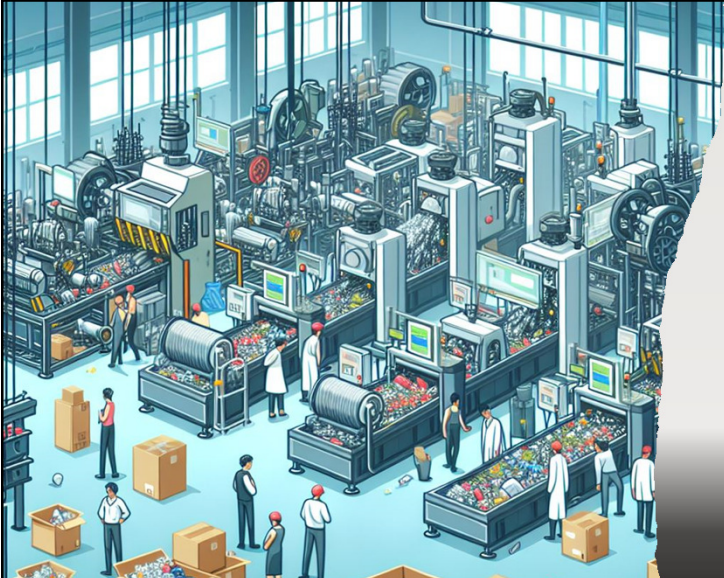
- **Innovation and Research**
- **Access to Specialists**
- **High-Quality Care**
- **Patient Choice**
- **Emergency Care**
- **Advanced Facilities**
- **Privacy**

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Healthcare in America is Complicated.

- Overly Complex System
- Technology
- Payers
- Regulation

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Why is it so COMPLEX?

- Fragmented System
- High Administrative Burden
- Salaries and fee-for-service
- Universal Coverage
- Technology
- Market Dynamics

These factors combine to create a system that is both complex and expensive, often making it difficult for patients to navigate and afford the care they need.

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Technology – The great cost reducer! (?)

There are 258 Revenue Cycle companies (and counting)

They collectively earn hundreds of billions of dollars a year.

Epic alone bills out over \$5B a year.

Healthcare spends \$4k per patient per year on technology.

Retail spends \$10.00



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Does Healthcare Tech Have the MUMPS?

Massachusetts General Hospital Utility Multi-Programming System Written in 1966. Still used today.

EPIC | MEDITECH | CERNER


Game Changers?

ORACLE HEALTH | MASTERCARD | NEWCOMERS?

FUTURE:

Blockchain | Real-Time-Payments | Open-Source Code

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Fight Technology WITH Technology

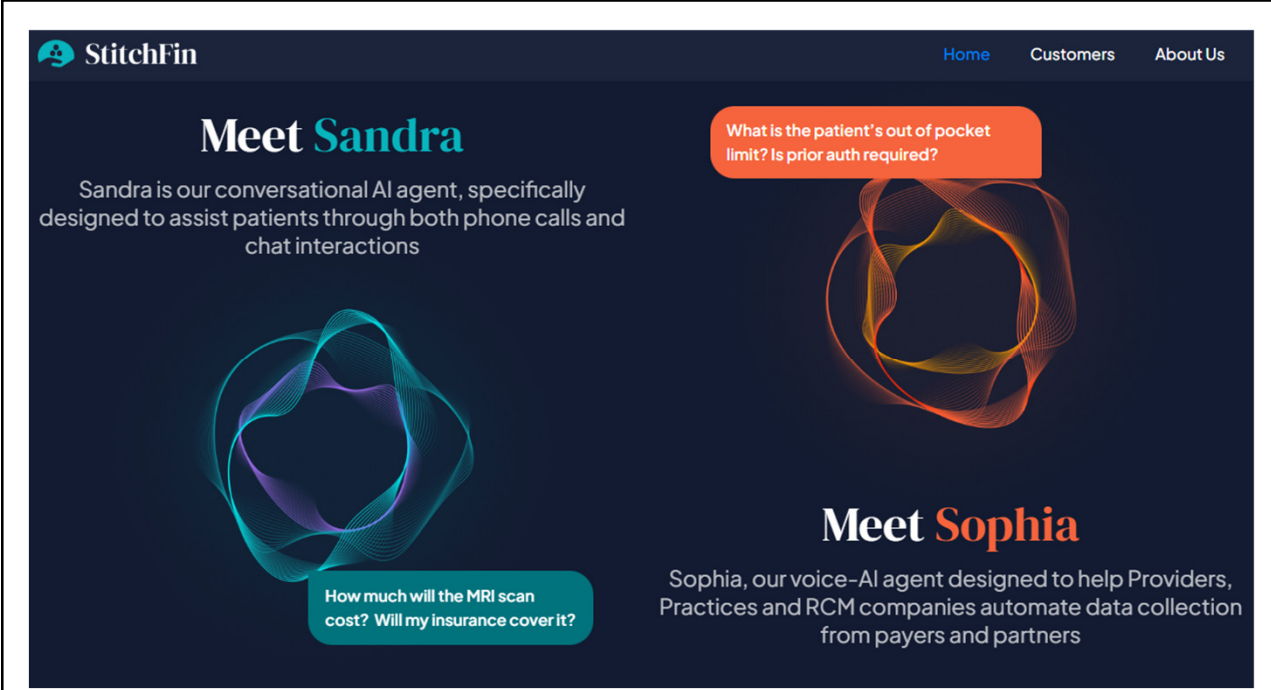
Payers are using AI for:

- Call Center Agents
- Claims Payment
- Denials Automation

Use Robotics and Automation
Use Data and Analytics
Use your OWN AI Agents!

<https://youtu.be/EdQaiDT-Ecg?t=525>

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Meet Sandra

Sandra is our conversational AI agent, specifically designed to assist patients through both phone calls and chat interactions

How much will the MRI scan cost? Will my insurance cover it?

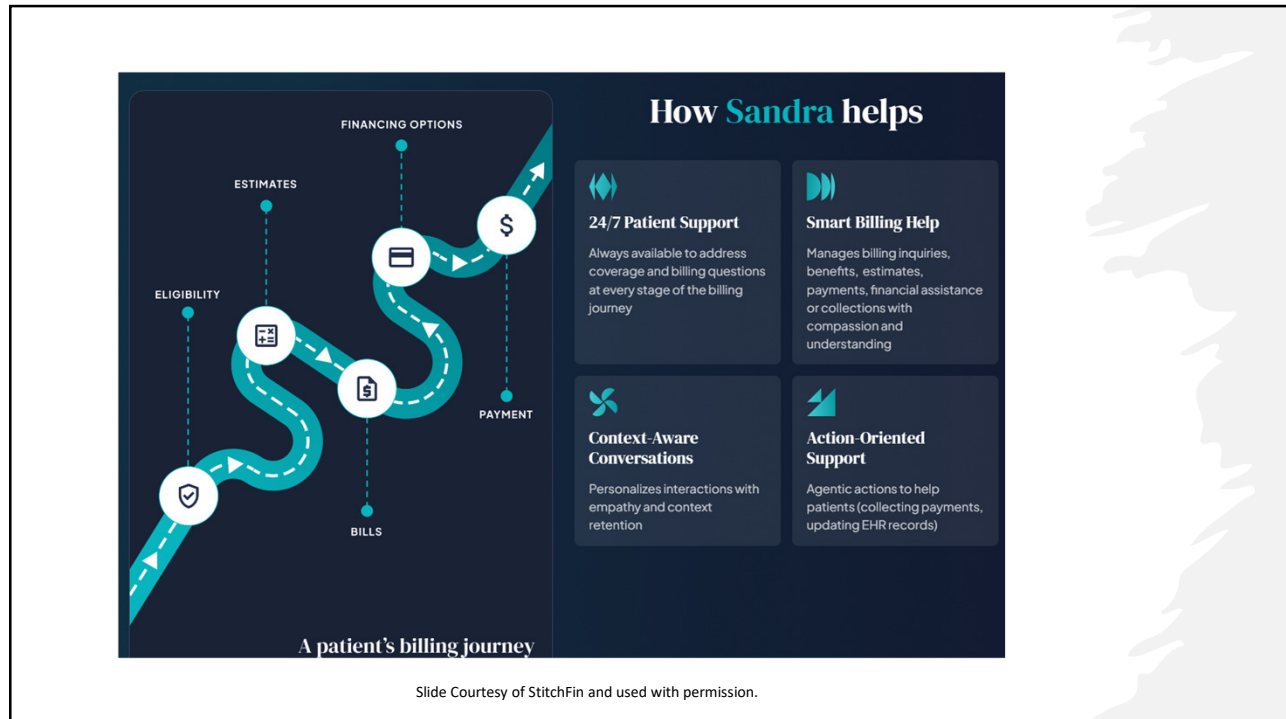
What is the patient's out of pocket limit? Is prior auth required?

Meet Sophia

Sophia, our voice-AI agent designed to help Providers, Practices and RCM companies automate data collection from payers and partners

Slide Courtesy of StitchFin and used with permission.

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Why Does it Cost so Much to get PAID?

Insurance Companies don't MAKE money.
 Insurers don't BUY risk anymore.

The past doesn't predict the future of healthcare – because it can't. We can't continue down this dead-end road.

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What is the
goal of this
complex
system?

Save Lives?
Make Money?



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Data.
The
Unequal
Equalizer

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Data is the primary difference between why **payers are winning** and **providers are losing**.



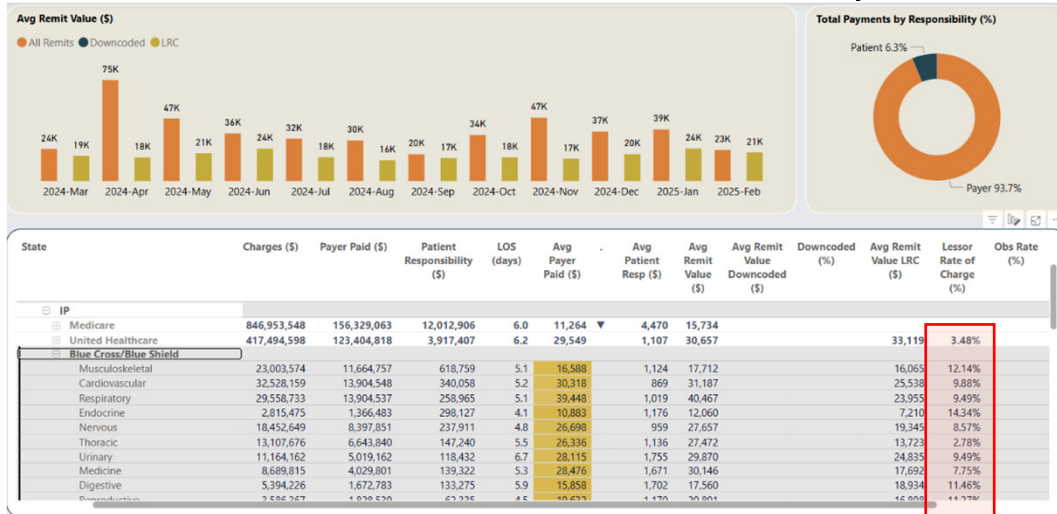
Payers have been leveraging aggregated provider data against them for years. Providers only have their data, their experience to refute.



Providers need normalized, national, and state data to go on the offense against payers.

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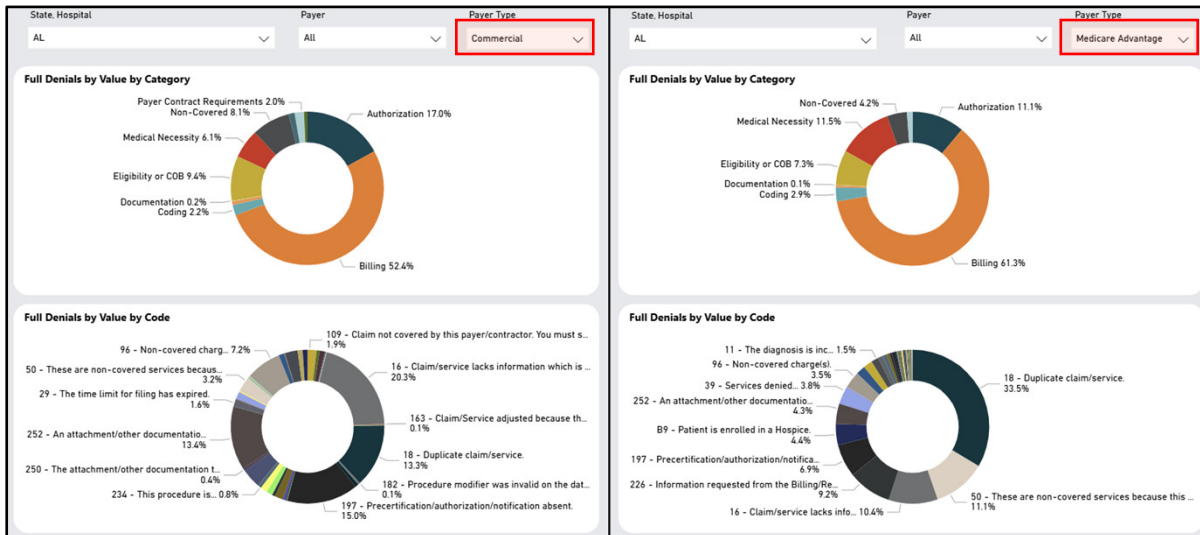
Data-Driven Accountability



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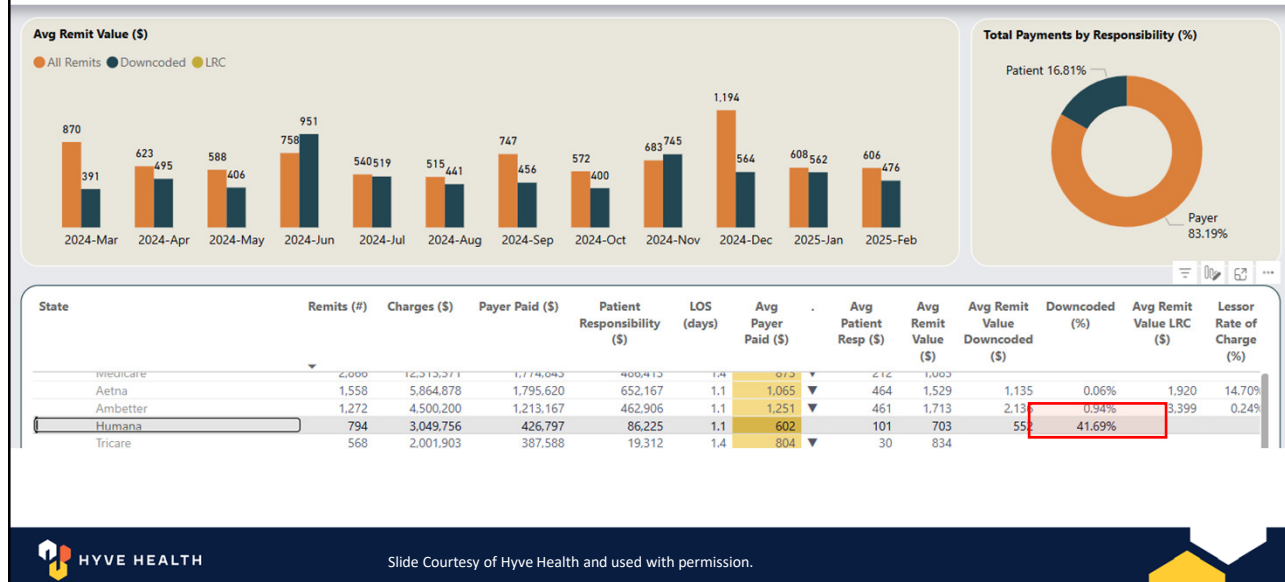
Commercial vs Medicare Advantage



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Commercial vs Medicare Advantage



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Insurance Companies and Institutional Ownership

- Insurance companies are largely owned by institutional investors.
- This ownership structure means that many individuals collectively own these corporations.
- Such ownership insulates companies from market disruptions.
- Focus shifts to shareholder value rather than patient care.
- This dynamic raises questions about prioritizing profit over health.

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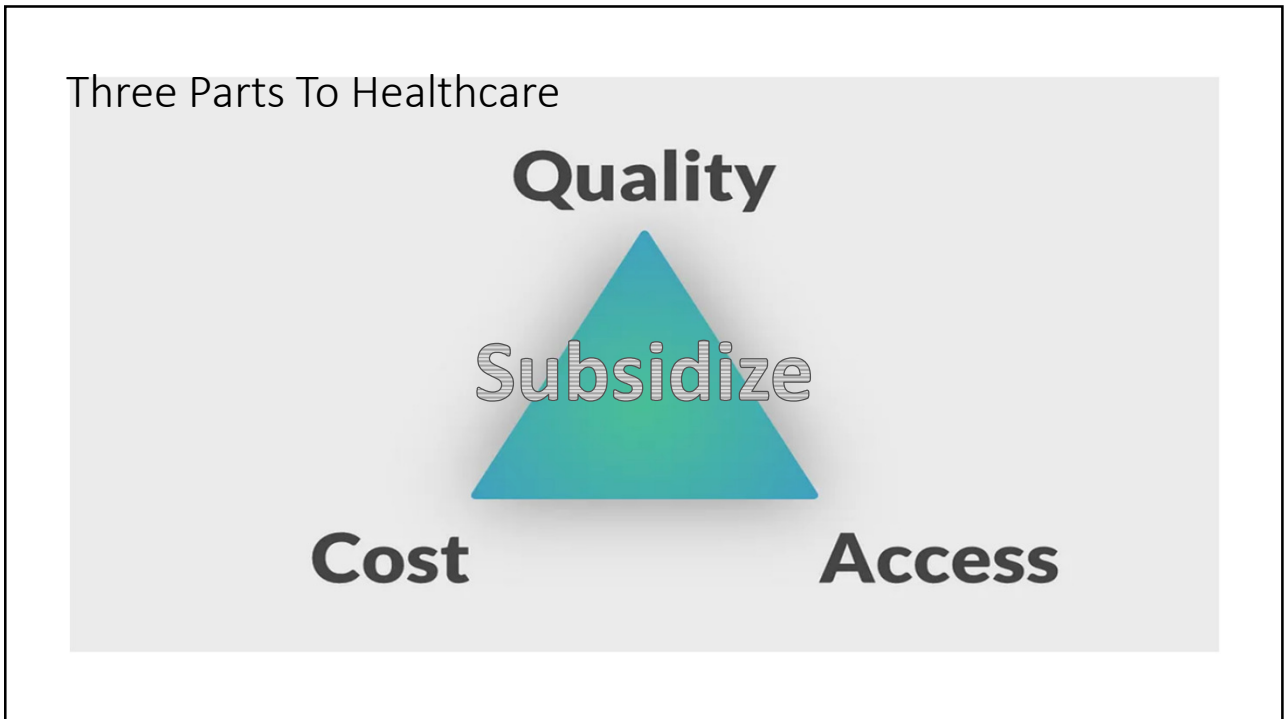
Healthcare Leaders Don't Think Like Owners.

- Administration vs. Ownership
- Short-term vs. Long-term
- Leader vs. Follower

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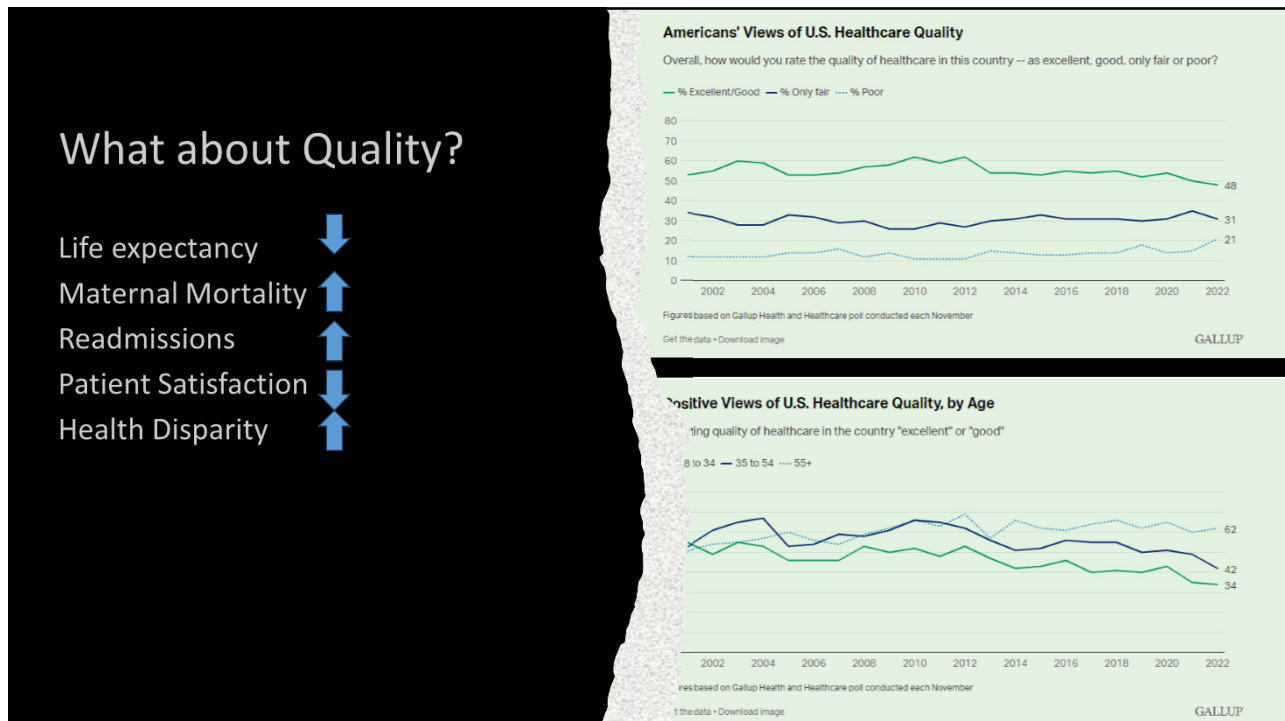
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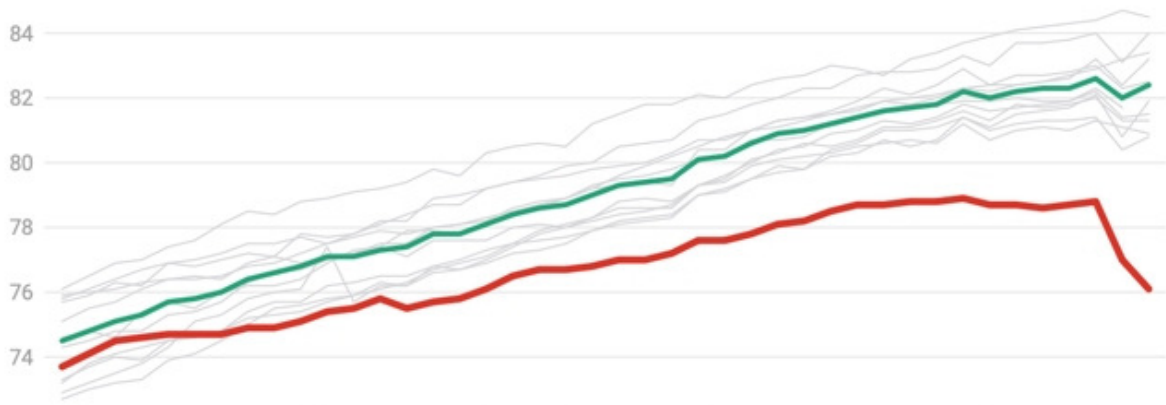
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US life expectancy drops, but other countries see a rebound

For decades, life expectancy at birth has been generally on the rise in many developed countries, including the U.S. In 2020 – the first year of the COVID-19 pandemic – those countries and the U.S. saw their life expectancy at birth drop. But from 2020 to 2021, life expectancy **in the U.S.** continued to decline while it rebounded **in most comparable countries.**



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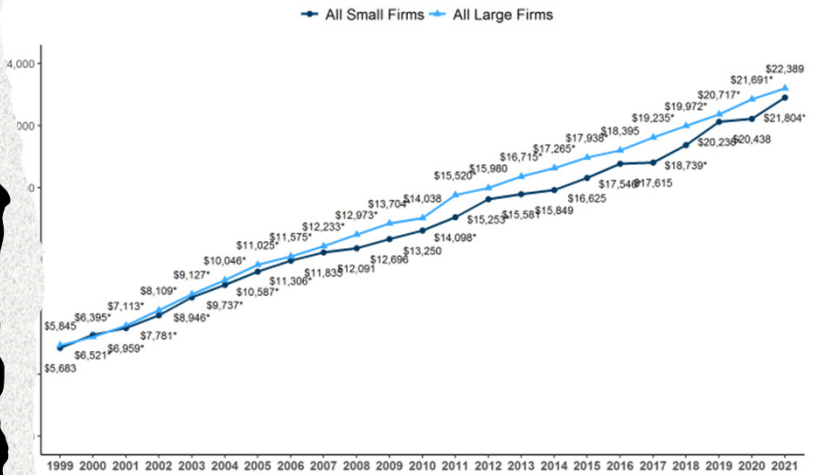
Healthcare
has an
Affordability
Problem.

- Premiums
- Co-insurance
- Deductibles

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Premiums are up 383% over 22 years.

Figure 1.13
Average Annual Premiums for Covered Workers with Family Coverage, by Firm Size, 1999-2021



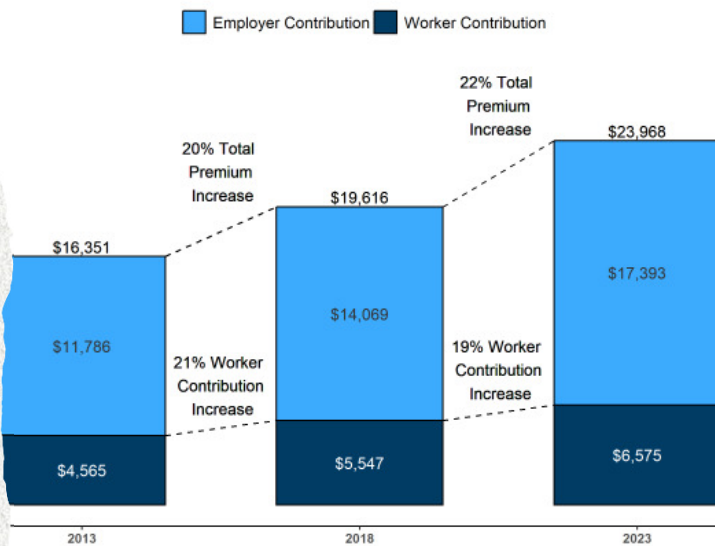
Small Firms have 3-99 workers and Large Firms have 200 or more workers.
E: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

1.13: Average Annual Premiums for Covered Workers With Family Coverage, by Firm Size, 1999-2021

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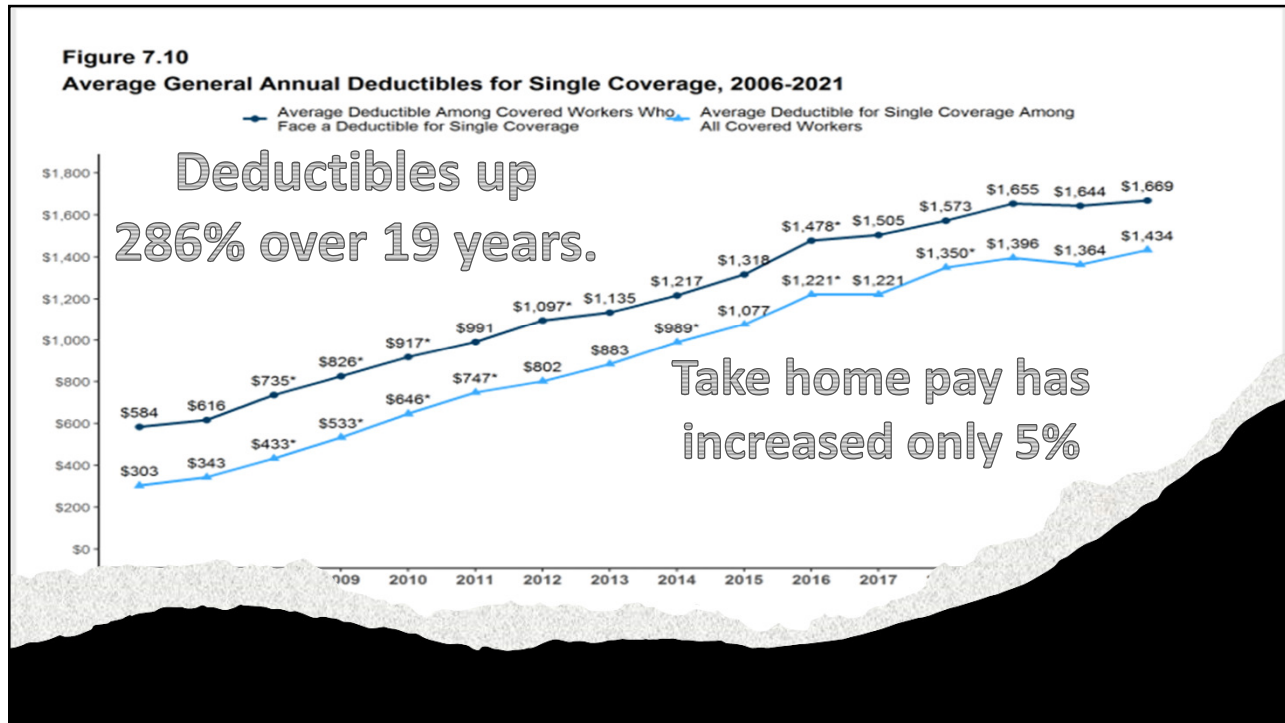
Worker's share is up 47% Over 10 Years

Annual Worker and Employer Premium Contributions for Family Coverage, 2013, 2018,



Employer Health Benefits Survey, 2018 and 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2013.

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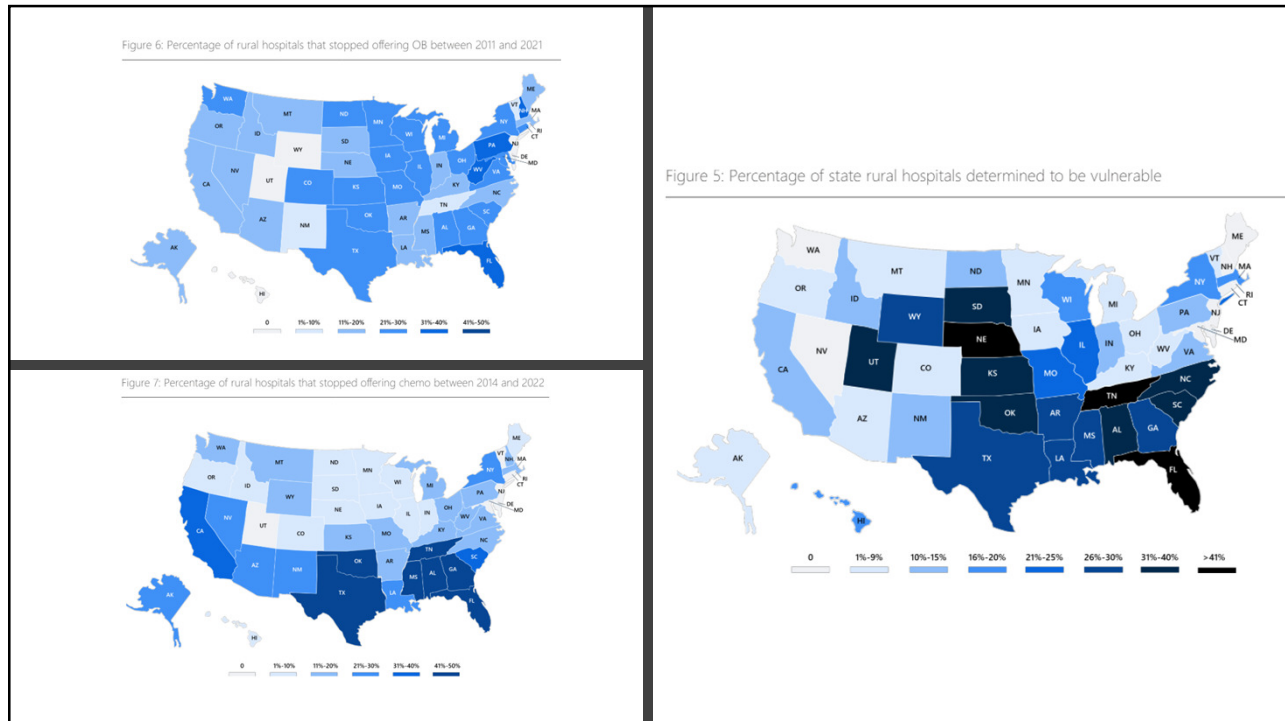


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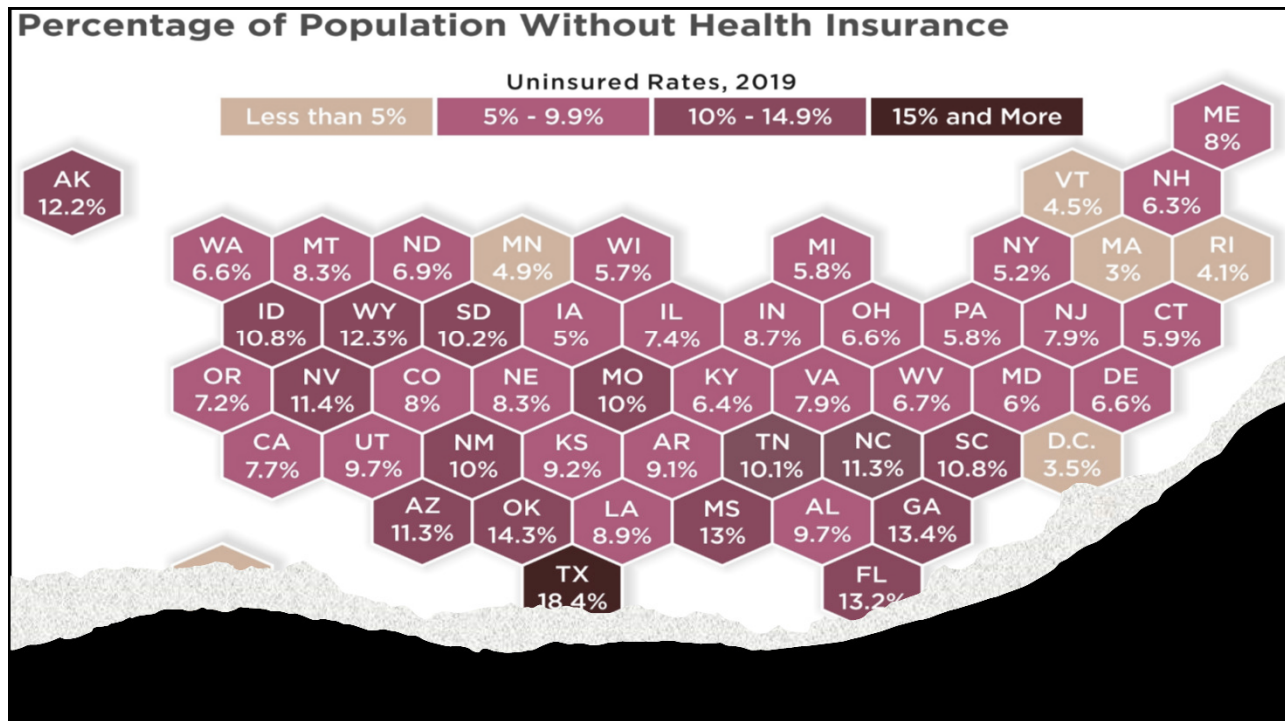
Healthcare has an Access Problem.

- Service offerings diminishing
- Rural Provider's at Risk
- Insurance Coverage

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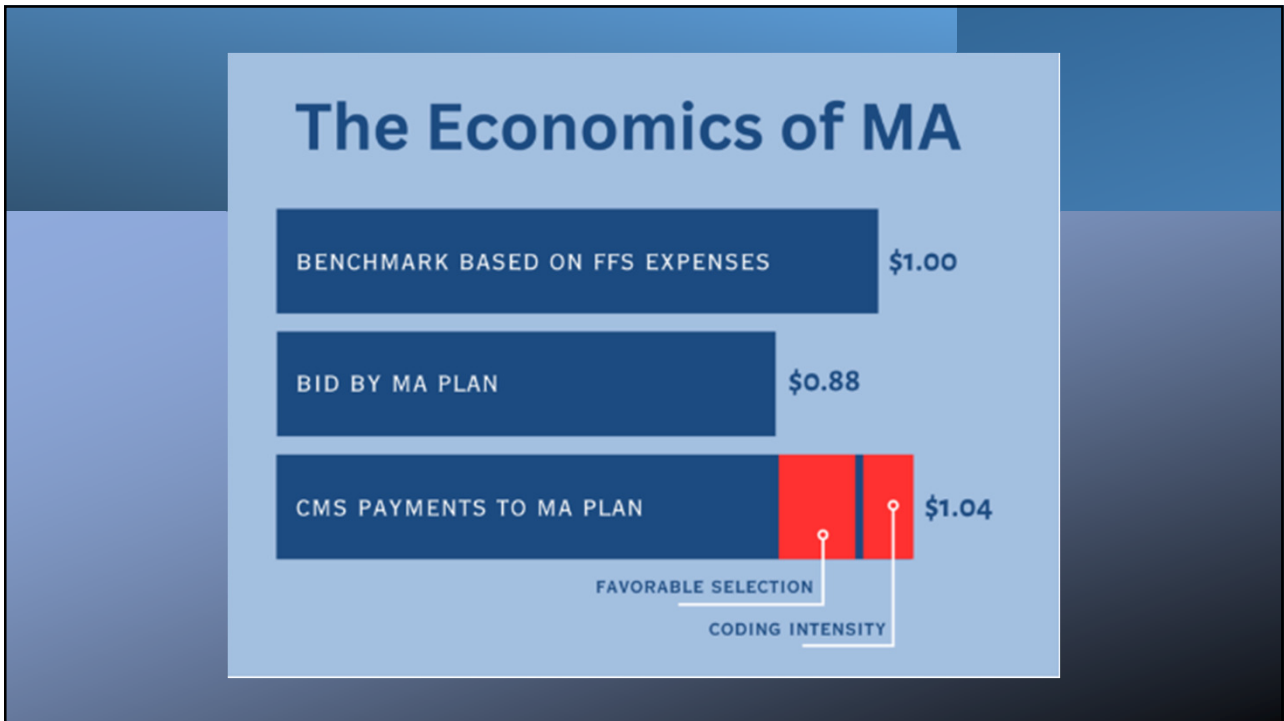
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MA Denials and Prior Auth. Quick Facts

- In 2023, Medicare Advantage insurers denied 3.2 million prior authorization requests, equating to 6.4%.
- Most denied requests were not challenged, with only 11.7% appealed.
- Over 80% of initially denied prior authorizations were approved after an appeal.
- Prior authorization requests varied by insurer, with Humana and Anthem averaging 3 requests per beneficiary.
- Conversely, Kaiser Permanente had the lowest average at 0.5 requests per beneficiary.
- Denial rates also differed by insurer, with Centene at 13.6% and Humana at 3.5%.
- Though limited to certain traditional Medicare services, the use of prior authorization has risen, with CMS reviewing 393,749 requests in 2023, up from approximately 261,000 in 2022.
- In 2023, CMS denied 28.8% of prior authorization requests for traditional Medicare.

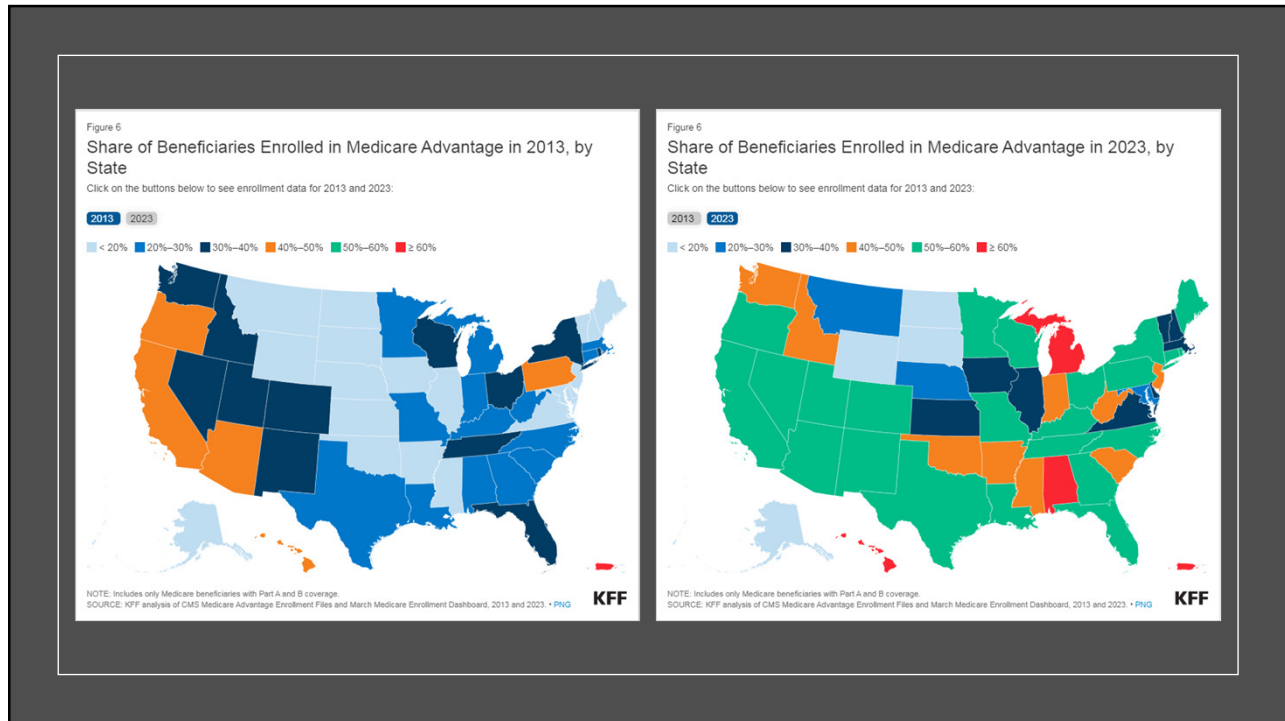
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Figure 10
Medicare Advantage Enrollment by Firm or Affiliate, 2010-2023

	March 2010 Enrollment	March 2022 Enrollment	March 2023 Enrollment	Change in Number of Enrollees from 2022 to 2023
UnitedHealthcare	2,149,961	7,903,784	8,942,883	1,039,099
Humana	1,750,602	5,033,104	5,545,949	512,845
BCBS plans	1,648,307	4,053,286	4,350,123	296,837
CVS Health	624,208	3,105,056	3,322,716	217,660
Kaiser Permanente	953,300	1,796,616	1,847,966	51,350
Cigna	322,979	550,136	573,058	22,922
Centene	683,848	1,373,712	1,282,631	-91,081
All other insurers	2,621,701	4,597,203	4,887,976	290,773

NOTE: All other insurers includes firms with less than 2% of total enrollment. BCBS are BlueCross and BlueShield affiliates and includes Anthem BCBS plans (Elevance). Non-BCBS Elevance plans are 2% of total enrollment.
SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2023. • PNG **KFF**

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The Value of Convenience

- 70% of customers would pay more if they knew the experience would be convenient
- 75% would switch companies if they found out a competitor was more convenient to do business with
- 68% say a convenient customer experience alone will make them return to a brand or company
- 80% are likely to recommend a brand or company to friends and family if it provides a convenient customer service experience

5Y 10Y Max

Apple Revenue - Annual

10Y Max

Amazon Revenue - Annual

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Final Thoughts...



Payers have proven they do NOT have the patients' best interest in mind.



"We use no sales agency or middlemen but prefer to deal directly with each group so that all group hospitalization fees paid may be used only for hospital care of members and not for any personal profit."

- Justin Ford Kimball



"Efforts and courage are not enough without purpose and direction."

- John F. Kennedy



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Where do we start?

Run your hospital like it's YOUR business.
Fight fire with fire.
Fight Payers on EVERYTHING.
Every. Single. Thing.



"First, think. Second, believe. Third, dream. And finally, dare"

- Walt Disney

The fight isn't over until you win.

Robin Hobb

quote fancy

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The Future
of
Healthcare
The Past Does Not Predict the Future
Thank You!

