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# 2016 Digital Health Tech Vision Webinar: Trend 4

## Video Transcript

**Dr. Michael Breen:** Well, let's talk about the fourth technological trend here. That is predictable disruption. If I were a healthcare administrator or payer, I would see disruption on the horizon. I mean, do you know, how do they feel about this?

**Dr. Kaveh Safavi:** I like this one because it is sort of the known/unknown problem. You know a recent survey showed that 86 percent of healthcare executives felt that they had to disrupt their own business or innovate their own

business or they would be disrupted by somebody else.

**Dr. Michael Breen:** Absolutely.

**Dr. Kaveh Safavi:** I think what that recognizes is that the nature of healthcare services is undergoing a change that is much faster than it was before. I often look back at my own personal experience so, I started practicing medicine 30 years ago. You go into a hospital today and the medicine itself is advanced and there is an electronic record,

but the actual nature of how service is delivered is pretty similar. Still pretty much a physical face to face model and you have to go to a place, those sorts of things. My sense is that, and I think the leaders are saying that the next ten years is going to go a lot faster than the last 30 years with respect to the services and the experience. That's the predictable disruption.

**Dr. Michael Breen:** Can you give me an example of how services are going to change?

**Dr. Kaveh Safavi:** Sure. This is actually, what is interesting is that the technology and this platform economy suddenly make it possible for people who had no role in healthcare to change the nature of it. So look at what Uber is doing in healthcare. Uber, is a logistics business, right, for giving people rides. But at its heart, it has people with cars, with time. And so it starts looking for what are other opportunities in healthcare and it turns out in healthcare, there might be people at home who would love to have things delivered to them, medicines, vaccines, etc. or perhaps nurses who want to make home visits need a ride because that is the rate limiting step. So, Uber has entered into healthcare by providing the logistic support. It actually, suddenly makes the nature of healthcare less location dependent. The consumer doesn't have to go to the service. The service can come to the consumer because Uber entered into it. Now the person who used to be in the business of providing the services has to rethink their business model.

**Dr. Michael Breen:** Well, if you're an ambulance company for instance, you may be largely displaced, suddenly by the Ubers of the world. I can think...

**Dr. Kaveh Safavi:** Not necessarily an ambulance for the ill but other aspects of transportation.

**Dr. Michael Breen:** Not for the acutely ill obviously, for the less acutely ill, which is, counts for some ambulance rides. It sounds to me like there are going to be a lot of technological companies, a lot of companies we think of as non-health related that are now going to be moving into the health sphere. Is that the way you see it Jane?

**Jane Sarasohn-Kahn:** It is. And it is because a recent survey found that consumers, an equal amount of consumers trust healthcare

companies to help them manage their health as retailers and digital companies. So, you think about retail. Wal-Mart, Target, Costco, Walgreens, pharmacies and you think about digital companies, Amazon, Apple, which Kaveh has mentioned already, Google which is big in health now. People trusting those companies as much as healthcare providers, that is disruptive from a healthcare point of view.

**Dr. Michael Breen:** We think of a healthcare system as a hospital, a doctor's office, a clinic. Now suddenly we are talking about the Ubers of the world, the gyms of the world, the Walgreens of the world, the Wal-Marts of the world, all of which are entering the health field. How should healthcare executives respond to all of this?

**Jane Sarasohn-Kahn:** The good news is first of all, nurses, doctors and pharmacists are the most trusted professions in this country, in the US, as opposed to Congress, car salesman and advertising people at the bottom. That's not me, that's Gallup poll in December telling us that. That is their annual poll, doesn't change much year on year. But in work I did with Edelman on the health engagement barometer several years ago, we asked people what kinds of companies, organizations, do you trust to help you engage with your health? So aside from the legacy health system. Which we have been talking about, hospitals, doctors, pharma, it is food. It is retail. Consumer goods, median entertainment and financial services. So...

**Dr. Michael Breen:** Well, I mean, should the health industry just wait for these other organizations to take a piece of their pie or should they be proactive or what should they be thinking?

**Jane Sarasohn-Kahn:** Well, proactive of course and there are

some obvious things to do now. There are some low hanging fruit in local communities. So healthcare is still largely local in a lot of people's minds. Everyone loves their local system, people know people who work there in your family, etc. Very hard to close hospital beds politically in a local community. So, you think about, what is, who is in your backyard? Who is the local bank? Who is the beloved grocer? Start partnering, we've seen in the old day's health fairs for blood pressure. Well, what is the new health fair in the community? For people, it is largely food is medicine. People love to project manage health with food. Financial services very important for managing high deductibles, paying the bills. Number one pocketbook, pocketbook issue for American families is healthcare costs across all income strata. So, you look in your community, this is the immediate reaction that you can have and figure out who to partner with because you can't do this alone. This is partnership territory.

**Dr. Michael Breen:** And people's concept of what a healthcare system is, is far bigger than it used to be. It is interesting, you mentioned banks. Why would banks become more instrumental?

**Jane Sarasohn-Kahn:** Well, financial health is defined by people. It is part of overall health and wellness and increasingly healthcare costs are infringing on the kitchen table budget. Now in the US, one in five dollars spent goes to healthcare for every family. That's huge. Take out a five-dollar bill, one dollar goes to health. People are really focused on that healthcare cost.

**Dr. Michael Breen:** Especially with the higher deductibles. These new plans.

**Dr. Kaveh Safavi:** I was going to say, one of the things people argue about is how fast is this going to go?

Right, so we wrote a piece recently adopting a model that has been described as the shark fin adoption model. Also known as the gradually then suddenly model. So, what you have is lots of experimentation, it is not the classic kind of bell-shaped curve, it is a long, slow flat process of experimentation. And then suddenly you have critical mass. And I think the challenge here is, healthcare is complicated, right, we are talking some things are clinical, some things are non-clinical, lots of diseases, lots of people, lots of geographies, very local, it is not going to just happen. It will happen in little bits but suddenly you will look and you will realize that you have accumulated a critical mass and once we do that, then the rest comes quickly. And that is why I think that model looks much more like that process. And some people will say it is out there, but it is going to happen.

**Dr. Michael Breen:** You see it as kind of almost a tipping point phenomenon where maybe some healthcare systems reach out to partner and suddenly every other healthcare system has to do the same thing.

**Dr. Kaveh Safavi:** That's actually a really, that's typically what happens. That's a good example, Mike.

**Dr. Michael Breen:** Well, it will be interesting to see if that does happen.