As a matter of compliance, individually I have no relevant financial relationships or decision making associations with the products or services described, reviewed, evaluated or compared in this presentation. Houston Methodist Hospital, my employer, does have financial relationships with many of the companies and government agencies mentioned.
How are your patient volumes trending?
Where Did The Patients Go?

- Patient Access
- Telemedicine
- Patient Demand
- Market Demand

*Service vs. Experience*
Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Rude?
- Ask the same questions over and over at each office, can’t someone just share my information?
- You or your primary care doctor will have to send your medical records, fill out forms, we will get back to you to let you know if you can be a patient, really, when?
Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Send your medical records, we will get back to you

- Patient portals
Patient Portal
personalized messaging, appointment reminders, updates
Text – email – call
Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Send your medical records, we will get back to you

- Patient portals
- ZocDoc
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Location</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Adnan Yousuf, MD</td>
<td>Primary Care Doctor</td>
<td>1200 Binz St, Houston, TX 77004</td>
<td>11:15 am - 1:15 pm</td>
</tr>
<tr>
<td>Diana Sutton, FNP, MSN</td>
<td>Nurse Practitioner</td>
<td>2 Chelsea Blvd., Houston, TX 77006</td>
<td>9:30 am - 11:00 am</td>
</tr>
<tr>
<td>Dr. Rhonda Barnes Jordan, MD</td>
<td>Family Physician</td>
<td>2636 South Loop West, Houston, TX 77054</td>
<td>8:00 am - 9:00 am</td>
</tr>
</tbody>
</table>

Map of Houston showing locations of physicians.
Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Send your medical records, we will get back to you

- Patient portals
- ZocDoc
- Pharmacy clinics
Hold My Place In Line

Care you need. On your schedule.

Find the clinic with the shortest wait time.
Then just walk in or save a spot. Here’s how:

1. Enter your ZIP code into the clinic locator here or in the CVS Pharmacy® app.

2. You’ll see a list of nearby clinics and their wait times, if any.

Find a clinic to get started >
Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Send your medical records, we will get back to you
- Patient portals
- ZocDoc
- Pharmacy clinics
- Insurance website access
Blum, Henry J, MD
Orthopedic Surgery
5425 West Loop S Ste 2400
Houston, TX 77027
11.3 Miles Away

Likover, Larry L, MD
Orthopedic Surgery
302 Fawcett Dr Ste 269
Houston, TX 77024
11.2 Miles Away

Hanson, Darrell Scott, MD
Orthopedic Surgery, Pediatric Allergy

Caudle, Abigail Suzanne, MD
Orthopedic Surgery, Surgery

Patient Access

- Traditional call
  - Voicemail?
  - Hold?
  - Disconnect?
  - Send your medical records, we will get back to you
- Patient portals
- ZocDoc
- Pharmacy clinics
- Insurance website access
- *Telemedicine, well maybe an empty lobby is good? Let's see...*
Access and Telehealth

Patient focused

Engages on patient terms
Aligns accountability while giving patients decision support
Opportunity to see behaviors in the patients environment

Reimbursement is lagging but currently offset by

Patient travel time
Transportation concerns or difficulties for elderly, disabled patients
Parking
Work schedule, other conflicts
Children, middle of night illnesses
Assists patients in understanding what is urgent or emergent
Setting up Telehealth

• Have a business case or don’t do it
• Select infrastructure and vendor partners
• Understand your patient base and their acceptance
  • GenZ cohorts prefer video/text over person to person engagement
• Operationalize
  • Understand regulatory guidelines and laws for your state
  • Prioritize exam types, dermatology, colds, sinus, post operative visits
  • Start small, learn and expand
  • Advertise, by providing patient education about the technology
Setting up Telehealth

- Reimbursement
  - 2019 Medicare Proposed Fee schedule includes payment for beneficiaries connecting virtually with their doctor using telecommunications technology
    - Place of service code: 02
    - Modifier GQ: Asynchronous
    - Modifier 95: Synchronous – interactive audio and video for CPT (★) codes
- Commercial insurance now approving and paying on a plan to plan basis
Telehealth Market

- Market demanding “connected, coordinated, and convenient care”
- Benefits from the physician perspective
  - 66% Improved access to care
  - 52% Improved patient satisfaction
  - 45% Staying connected with patients and caregivers
- Barriers
  - Lack of reimbursement
  - Complex licensing requirements
  - High cost of technology
  - Reliability and security

What can health systems do to encourage physicians to embrace virtual care? Deloitte 2018 Survey of US Physician
Telehealth Market

- Consumer participation
  - 23% have had video visits
  - 57% are willing to try
- Physician participation
  - 14% have capability for video visits
  - 18% plan to add this capability in the next year or two

What can health systems do to encourage physicians to embrace virtual care? Deloitte 2018 Survey of US Physician
eVisits

● Non-Face-to-Face On-Line Medical Evaluations
  ● asynchronous

● Distinction between an eVisit and simple patient messaging or e-mail
  ● Must include history taking, diagnosis, and intervention
  ● Secure portal access and communication in an asynchronous manner
  ● Not in real time

● Portal eVisits link triggers a structured written questionnaire
  ● Past medical history
  ● Medication allergies
  ● Pharmacy information
  ● Closed and open-ended questions relevant to the condition.
eVisits

- Physician reviews the answers and patient's EMR
  - Documents medical findings
  - ePerscribe prescriptions
  - Electronic lab orders
  - Formulates a diagnosis and decides on treatment
- If a physician determines an eVisit is not appropriate
  - Patient requested to make a office appointment
  - eVisit information is still included in the EMR
  - Patient is not charged for both the eVisit and office visit.
Requires licensing in several states or groups of doctors covering multiple states
State to state medical board and rules
Camera quality important
Providers continually tasked to meet the standard of care
Antibiotic use tracked, new patient visits narcotics not prescribed
Over time medical records focusing on interactions and “hopefully” less about check boxes for billing
Patient Access – What Drives Demand?

- Watch volume trends
- Who is providing new technologies?
- Are virtual completers entering your market?
- Make it easy for patients to access their care
- Understand what the patient population wants

What drives demand?

Your closed on Wednesday afternoons, and I have the same copay at a pharmacy clinic – I’m sick now doctor.

Opening for CVS, Walmart

Doctor, are you open Sundays?
# Demand = function of multiple variables

<table>
<thead>
<tr>
<th>Population</th>
<th>• Shifts in population <em>growth and distribution</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Epidemiology</td>
<td>• Changes in <em>disease incidents and prevalence</em> due to behavioral, sociocultural and environmental influences and prevention measures</td>
</tr>
<tr>
<td>Policy</td>
<td>• Federal Policy (e.g. MACRA), National <em>payment mandates</em> for specific services (mental health) and <em>insurance coverage</em></td>
</tr>
<tr>
<td>Innovation and technology</td>
<td>• Shift the <em>site of care, utilization</em> of resources or approach to <em>disease management</em></td>
</tr>
<tr>
<td>Systems of CARE</td>
<td>• Changes in utilization due to better <em>care coordination</em>, provider integration across various sites of care, facilitated by payment models</td>
</tr>
</tbody>
</table>
• New competitors and innovative partnerships competing for market share
• Narrow Networks
  • Analytics – cost of episodic care
    • KNOW YOUR COST
  • Self-Insured employers and insurance companies
• Cost Shifting, Reimbursement
  • Payor mix changes
  • Self-Insured employers
  • Accountable Care Organizations
  • Medicare Part C – Advantage plan risk
• Ancillary services: risk or reward?
• Pricing transparency either on your terms or someone else's
Organizational Differentiation

- Competitive landscape
  - Embrace transparency
  - Include pricing in transparency
  - Actively manage online reputations
- Regulatory shifts
- Redefine technology
  - Enable expansive access
  - Address practical consumer needs
Organizational Differentiation

- Market expectations
  - Organizations have to be open, available and convenient

- Consumer reports on health
  - Minimize critical service flashpoints
  - Avoid negative interactions pushing patients away
  - Prioritize positive encounters over luxury amenities
  - Consumer centric billing and payment practices

- Unique partnerships
  - Build durable relationships
  - Monitor landscape for potential out of the box partnerships
  - Delivering consistent, exceptional experience, proactively anticipating patients' comprehensive clinical and non-clinical needs.
Are You Meeting Patient Expectations?

• Multiple methods for appointment scheduling
• Notices to patients when the providers schedule is behind
• Interactive messaging by text or portal
• Map access, parking information for appointments
• Help with selecting a primary care physician and subsequent specialist referrals
• Care coordination to assist patients in deciding level and timing of care
• Same-day or next-day appointments with primary care or for injuries with specialist physicians
• Access to digital health tools
• Ability to view test results
• Request prescription renewals and pay bills electronically
• Submit home monitoring data online
• Connect through their smartphone, tablet, or personal computer

Now What About Market Expectations?
Unique Partnerships to Meet Market Demand?

- CVS Health to acquire Aetna
- Cigna to acquire Express Scripts
- UnitedHealth's Optum to buy DaVita Medical Group = 300 medical clinics
- Walgreens pursues smaller deal with Rite Aid
- Catholic Health Initiatives, Dignity Health to combine keep both CEO’s – Dignity to run operations for 139 hospitals $28B
- Community Health System' hospital divestiture spree of 30 hospitals to try to avoid bankruptcy in 2018
- Advocate, Aurora Health Care to merge into $11B health system with
- Advisory Board finalizes $1.3B deal with UnitedHealth's Optum, establishing new business divisions
- Amazon, JPMorgan Chase & Co. and Berkshire Hathaway are forming an independent healthcare company focused initially on new technologies to serve their U.S. employees
- Walmart in Early-Stage Acquisition Talks With Humana
- OptumCare has closed on a $28 million deal for Reliant Medical Group, MA
CVS Health to acquire Aetna

Cigna to acquire Express Scripts

UnitedHealth’s Optum to buy DaVita Medical Group = 300 medical clinics

Ascension, Providence St. Joseph in talks to merge to form 191 hospital, $44.8B (HCA = 177 hospitals)

Walgreens pursues smaller deal with Rite Aid

Catholic Health Initiatives, Dignity Health to combine keep both CEO’s – Dignity to run operations for 139 hospitals $28B

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Advisory Board finalizes $1.3B deal with UnitedHealth’s Optum, establishing new business divisions

Amazon, JPMorgan Chase & Co. and Berkshire Hathaway are forming an independent healthcare company focused initially on new technologies to serve their

Humana has numerous suitors
• CVS Health to acquire Aetna
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Chapin White, senior policy researcher at the RAND Corporation, said about $1 trillion of all healthcare spending goes through hospitals because “And there’s just hundreds of billions of dollars in revenues to hospitals from aggressive pricing,” White said.

The partnership’s effort to bypass hospital systems may start with lab tests and then move on to using artificial intelligence to reduce the use of physicians and “do a complete end-run around physicians and the hospitals who run the system currently,” White said.
Health Care Futures

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- Humana has numerous suitors

That Walmart is in the preliminary stages of buying health insurer Humana is raising concerns that the merger will result in renewed pressure for hospitals to **lower prices for patients**, while creating increased competition in the primary-care and outpatient care markets that systems depend on for growth. The Wall Street Journal, April 2018.

Humana’s top growth initiative this year is the acquisition of a major stake in **Kindred Healthcare**, one of the country’s leading providers of hospice and home-healthcare services. Further, Humana is in the midst of launching a provider operations brand called **Conviva**, consisting of health clinics and outpatient medical practices in Florida and Texas; and the company may seek to expand its provider operations nationally. Forbes.
WOONSOCKET, R.I., August 8, 2018 —CVS Health (NYSE: CVS) today announced that MinuteClinic, the company’s retail medical clinic, is rolling out a new virtual health care offering for patients with minor illnesses and injuries, skin conditions and other wellness needs. MinuteClinic Video Visits, a telehealth offering, will provide patients with access to health care services 24 hours a day, seven days a week from their mobile device. NATIONWIDE where allowed.

CVS Newsroom
# Market Focus - Population Health Elements

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| Care Management           | • Deliver individualized care  
                          • Coordinate between providers and facilities  
                          • Identify barriers to better health outcomes |
| PCP Network               | • Clinical Integration of care team  
                          • Emphasis on patient access  
                          • After hours care plan      |
| Clinical Decision Making  | • Identify and stratify health risk  
                          • Predictive analytics for resource allocation  
                          • Quality and utilization reports |
| Patient Strategy          | • Engage and educate  
                          • EHR Portals, Apps, wireless health monitoring  
                          • Telemedicine                  |
Can we create an information-powered health system quickly enough to meet patient and purchaser expectations?

How “patient-centered” are our institutions? How “patient-centered” should they be?

Are we putting enough emphasis on care coordination, health IT and the impact on the patient experience?

Positioning for the Future
Patients! eConnectivity

Vsee.com virtual waiting room
CMS 2019
Medicare Part B
Fee Schedule:
Advancing Virtual Care Access

• Pay clinicians for virtual check-ins – brief, non-face-to-face assessments via communication technology;
• Pay for Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs) for communication technology-based services and remote evaluation services that are furnished by an RHC or FQHC practitioner when there is no associated billable visit
• Pay clinicians for evaluation of patient-submitted photos or recorded video
• Expand Medicare-covered telehealth services to include prolonged preventive services
Telehealth Medical Board Links

AR

LA

OK

MS
- http://billstatus.ls.state.ms.us/2014/pdf/history/SB/SB2646.xml

OK

TX
- http://tmb.state.tx.us/page/laws-gc-faqs-telemedicine
- https://legiscan.com/TX/text/SB1107/2017
Telehealth Laws and Policies

State specific information

Credit to: The Center for Connected Health Policy  http://cchpca.org.
The PATIENT Is IN

Patient Access
Be there when the decision for care is made

Telemedicine
Help patients select the right care at the right time

Patient Demand
What does your patient population want
Can you deliver price, transparency and communicate value

Market Demand

_Service vs. Experience_
_connected, coordinated, and convenient care_
Contact Information:
Pam Potter
Houston Methodist
Specialty Physician Group
Orthopedics
6550 Fannin St. Suite 2600
Houston, TX 77030
ppotter@houstonmethodist.org
Office: 713-790-1818
Mobile: 713-504-4483