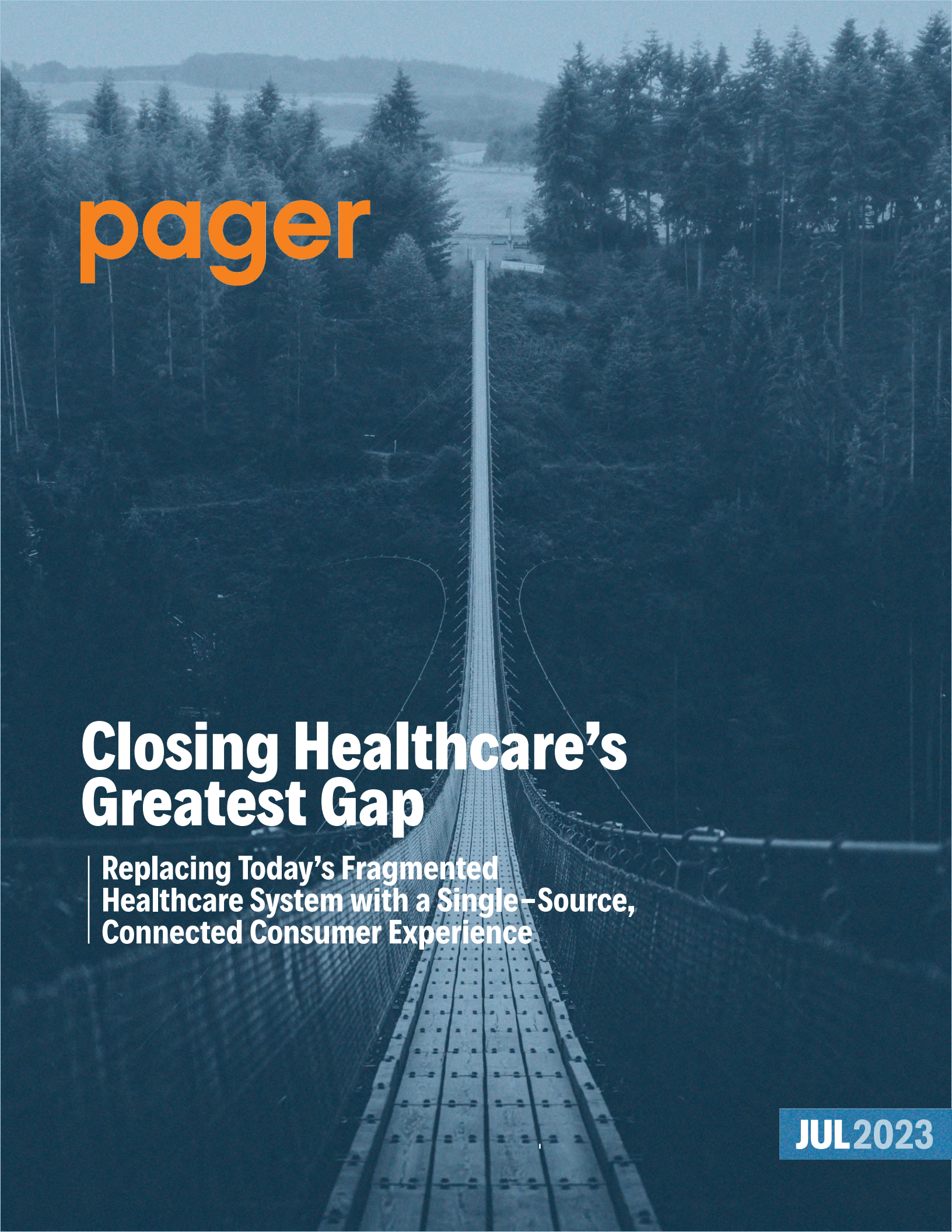

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Closing Healthcare's Greatest Gap

Replacing Today's Fragmented Healthcare System with a Single-Source, Connected Consumer Experience

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It's an indisputable fact: The American healthcare system is the world's most expensive among high-income nations.

There are many reasons for America's low ranking: administrative waste, lack of communication and coordination among healthcare providers, rising drug costs—the list is long and complex.

But in addition to this intricate array of multiple factors, there is also a simpler, more fundamental cause for American healthcare's inefficiency. Deeply embedded within the system are two conflicting approaches to health and well-being.

> **1. Acquiring and maintaining good health is a proactive and ongoing process (Staying Healthy).**
>
> But...
>
> **2. The American healthcare system delivers care that is primarily reactive and episodic (Getting Care).**

Clearly, these two approaches are vastly different. One is "proactive" and "ongoing." The other, "reactive" and "episodic." Simply put, these two approaches compete against each other. And when a system, any business system, has different components that continue to work at cross purposes, the inevitable result is inefficiency.

HEALTHCARE'S GREATEST GAP

Why is this the case? Why is there an ongoing and counterproductive conflict between reactive, episodic care and proactive, ongoing care? At the root of the problem is a deep structural divide between the two major sectors of healthcare, a divide that literally cuts the system in two.

> **The $4.3 trillion healthcare industry (Getting Care) and the $450 billion well–being industry (Staying Healthy) operate in disconnected, separate silos.**

Let's examine this statement more closely. After a patient receives care, the healthcare system should provide an ongoing continuum of proactive care, one that provides the support and resources patients need to follow their treatment plan and stay healthy. But once patients are "officially" discharged from the healthcare system, they are mostly left to their own devices to manage their health. It is largely their responsibility to provide the impetus, motivation and encouragement that ensures their follow-up care is effective. Even if the patient happens to have an annual wellness checkup or occasionally sees a specialist, that provider can hardly expect to provide the level of support needed for an entire year in just a visit or two.

LACK OF ENGAGEMENT

As a result, many components critical to a patient's "after care," such as treatment compliance, medication adherence, and lifestyle management, are mismanaged or entirely forgotten. And the burden of this responsibility only disappears if another medical event requires the healthcare system to intervene by initiating a new episode of care.

The wide disconnect between "Getting Care" (reactive and episodic) and "Staying Healthy" (proactive and ongoing) is what we call "Healthcare's Greatest Gap." Each of these two "systems of care" operate with their own mission, time frame, focus and method.

The Disconnected Silos of Healthcare

	GETTING CARE	STAYING HEALTHY
MISSION ▸	"Fix" Medical Issue	Improve/Retain Health
KEY PLAYERS ▸	Health System	Individual
TIME FRAME ▸	Episodic Event	Continuous Lifelong Process
FOCUS ▸	Disease	Well–Being
METHOD ▸	Reactive	Proactive

A Bias Toward Reactive Medicine

The United States spends approximately $3.8 trillion on healthcare each year, but only three percent of that amount is invested in public health and prevention.[10] This highly disproportionate allocation of resources demonstrates how heavily biased the current healthcare system is in favor of reactive medical care as opposed to proactive preventive care.

Even for chronic conditions, such as diabetes and heart disease, in which follow-up care is often offered, patients still often disengage from their treatment plans. A specific example illustrates the point. A person suffers a heart attack. The healthcare system reacts with admirable speed and efficiency to this episodic event. The victim is rushed to the emergency room, where the highly trained ER team stabilizes the patient. The most advanced medical technology is then utilized to perform the life-saving surgery, a quadruple bypass in this case. The system has performed brilliantly; a life has been saved. But now, once this episode of care is successfully completed, once the problem has been "fixed," the healthcare system becomes much less involved. Cardiac rehab is available, of course, but this service is highly underutilized: participation rates for eligible patients range from only 19 to 34 percent.[1] And even if a person completes a cardiac rehab program, they must still manage all of the factors that contribute to heart disease (weight, exercise, diet, stress, etc.) with little or no support from the healthcare system.

This same lack of follow-up care is also true for diabetics in general. Only half of adults with diabetes achieve glycemic control.[2] Diabetics who experience a serious medical event also receive inadequate follow-up care. In a recent study of adults with type 2 diabetes, almost 58 percent did not receive follow-up care within the recommended period (14 days) following a first-time hospitalization for heart failure. And more than 25 percent went more than 60 days without seeing a care provider.[3]

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THE HIGH COST OF FRAGMENTATION

As you would expect, the negative economic consequences caused by this fragmented healthcare system are significant. Having, in effect, two disconnected systems of care creates multiple inefficiencies. Because of a lack of communication, patients receive little (if any) ongoing education and encouragement to engage. Their questions go unanswered. Follow-up visits and support are sporadic. Few incentives are provided to motivate patients to stick with their treatment plan and engage in healthy activities that will reduce the likelihood of a recurrence. All of these factors contribute significantly to the unnecessary gaps in care, higher costs and increased hospitalizations that have plagued the American healthcare system for decades. Here are just three examples.

1 MEDICATION NON–ADHERENCE

SCENARIO:

Patients don't receive ongoing encouragement and support to stick with their treatment plan. Because of this lack of follow-up care, patients often forget the clinical importance of taking their medication.

RESULT:

25% of hospitalizations each year are related to medication non-adherence.[4] Up to 30% of new prescriptions, including those for diabetes and high blood pressure, go unfilled.[5]

2 CARE NAVIGATION

SCENARIO:

Patients become confused and frustrated when they try to navigate the complexities of the American healthcare system.

RESULT:

Up to $45 billion in unnecessary healthcare spending stems from

3 UNNECESSARY ER UTILIZATION

SCENARIO:

Patients don't know how to properly manage a condition and/or can't determine what level of care they need when an urgent medical need occurs or complications arise.

RESULT:

Patients default to the most costly options—the ER or Urgent Care—generating $47 billion annually in unnecessary costs.[7]

ANOTHER CHALLENGE: POINT-SOLUTION PROLIFERATION AND VENDOR MANAGEMENT

Another factor exacerbating the fragmentation of the consumer healthcare experience is the flood of digital point solutions that continue to inundate the market. Indeed, at last count, there are more than 350,000 health apps, all promising to improve outcomes and reduce care costs. Very few of these vendors actually have the capability to integrate with one another. As a result, from the consumers' perspective, trying to navigate this maze of siloed point solutions almost inevitably leads to a disjointed and confusing experience for members, who are now required to engage with and manage multiple apps. As solution fatigue sets in, members opt out. That same burden and

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fatigue also impacts health plans, who are forced to allocate additional resources to the expensive and time-consuming task of managing all of these third-party vendors.

In addition, most point solutions take a one-size-fits-all approach that's not personalized, causing members to be further dissatisfied with their experience. Furthermore, the care teams assigned to support these point solutions generally lack the right tools to "zoom out" and gain a holistic and longitudinal view of a member's health history. And, because of the transactional nature of this type of engagement and the lack of necessary data and interoperability required to integrate with other systems and providers, the evidence that these point solutions have actually made a significant impact on population health is minimal at best.

THE CHALLENGE OF PAYER DISINTERMEDIATION

The proliferation of point solutions also creates another challenge for health plans. The rapidity of technological innovations, such as apps, threatens to dilute the perceived value that payers provide. For example, for every stand-alone app that a payer offers, its members now have the opportunity to bypass the health plan and connect directly with the point solution. As a result, it becomes more difficult for the health plan to build a relationship with its members and earn credit when its services produce beneficial results. Dynamic white labeling of a point solution can highlight and promote a plan's brand throughout the member experience, but very few apps are engineered to offer this possibility.

THE SOLUTION: A SINGLE-SOURCE, CONNECTED CONSUMER EXPERIENCE

At Pager, we believe addressing the high costs and multiple inefficiencies that define American healthcare today requires replacing a fragmented care delivery system with a seamless and connected consumer experience on a single platform with the following capabilities.

- Provides a seamless end-to-end process that first helps consumers navigate the complexities of the healthcare system (Get Care) and then offers a step-by-step guide to follow their treatment plans and achieve better health (Stay Healthy).
- Facilitates the expansion of virtual-first health plans.
- Addresses point-solution proliferation by integrating third-party vendors into a single white-labeled platform.
- Increases consumer engagement by delivering a personalized experience via the member's channel of choice (text, chat, phone, video, etc.).
- Supports the cost-control steerage strategies favored by employers by helping members receive the right care, at the right time, from the right high-value providers.

Why This Matters

In 2025, an estimated 65 million Americans will be covered by value-based health plans.[9] That's an increase from 15 percent to 22 percent of insured lives, which makes an integrated, end-to-end consumer experience that provides well-being, care navigation, and value-based care services even more of an imperative for health plans.

Made for Value–Based Care

Bridging the gap between the healthcare industry and the well-being industry creates a proactive care model that aligns with and can help accelerate the transition to value-based payment models. The current fee-for-service business model is reactive and transactional because it is based on providing care after people are sick. There are few, if any, incentives to keep people healthy and reduce the risk of non-adherence or future complications. In stark contrast, the value-based care model demands a proactive care system because its success is based on increasing engagement and achieving positive patient outcomes in the future.

CLOSING HEALTHCARE'S GREATEST GAP: THE MARKET IS READY

The consumer demand for such a platform is already strong. Health plan members now expect the kind of personalized experience provided by national retailers such as Amazon and Netflix, one that provides the necessary information to make intelligent healthcare decisions quickly and efficiently. In a recent survey, 81 percent of consumers said they were unsatisfied with their current healthcare experience and were interested in using a unified digital solution.[8] Members also want the ability to review physicians' ratings, make appointments, refill prescriptions, talk to a nurse, care manager or doctor, and then ask questions—all on one platform that is intuitive and easy to navigate. For today's consumers, the convenience of a seamless experience on a single platform is highly valued. Being forced to close out of one website and then log in to another to gain access to important information or tools is simply outdated and unacceptable.

Closing healthcare's greatest gap is a key step in replacing a fragmented care experience with a seamless continuum of care that is always there for the patient. By leveraging an integrated, end-to-end consumer experience that delivers care navigation, well-being and value-based care services, health plans can provide their members with the support, knowledge and motivation to help them make smarter healthcare decisions that:

- Lower Costs
- Close Gaps in Care
- Support Preventive Medicine
- Increase Member Satisfaction

MEET THE FUTURE OF HEALTHCARE

Meet Steve, a 40–year–old health plan member who suffers from anxiety and frequently visits the ER for health issues. Let's see how a seamless all–in–one care experience delivers the right care at the right time in the right place.

ENGAGEMENT MESSAGING	Reminds Steve to check his BP, which is high.
INCENTIVES	Motivates him to log his BP reading.
CHAT	Enables consultations with a nurse.
DEVICE CONNECTION	Allows a nurse to evaluate his most recent BP reading.
CARE NAVIGATION	Helps him find a new in–network PCP.
APPOINTMENT SCHEDULING	Care coordinator schedules visit with his new PCP.
WELLNESS PROGRAM	Access to ongoing education and motivation improve Steve's health.

ENDNOTES

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THE TRANSFORMATION OF HEALTHCARE

With Pager's Seamless, Connected–Care Consumer Experience:

Lower Costs: 70 percent of encounters navigated to a lower cost setting.

Increase Member Satisfaction: 80+ NPS.

Facilitate Virtual Care: 56 percent of members actively engaged in additional virtual care.

Boost Member Engagement: 87 percent response rate in Pager's After Care Program.

Reactive	→	**PROACTIVE**
Episodic	→	**CONTINUOUS**
Disjointed	→	**SEAMLESS**
Complex	→	**SIMPLE**

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