

2023 VIZIENT CONNECTIONS SUMMIT

TOGETHER
we will soar

SEPT. 18–21, 2023
WYNN, LAS VEGAS

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Learning Objectives

1. Discuss evolving consumer expectations and aligning health system strategies.
2. Describe the impact of demographics, access challenges, digital platforms/transitions, and cost pressures and their impact on strategy deployment.

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Accelerate performance and improve together

Member Networks Experience

C-level Networks

- CEO • CFO • COO • CSO • CHRO
- CNO • CMO • CQO • CPO • CSCO

Performance Improvement Projects

- ~12 projects annually
- Library of past improvement projects

Leadership Series and Education

- 50+ annually
- Continuing education credits available

Data Insights and thought leadership enabled by Vizient

- Clinical Data Base
- Operational Data Base
- Spend analytics
- Sg2
- Kaufman Hall
- Safe & Reliable



Growth strategy

- System of care strategy
- Payor strategy
- Consumer strategy



Care delivery excellence

- Reliable care delivery system
- Engaged, resilient workforce
- Patient care excellence

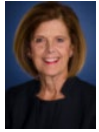


Expense management

- Spend management
- Pharmacy management
- Resource stewardship

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Vizient COO Network Advisory Committee



Kathy Parrinello (Co-Chair)

EVP & Chief Operating Officer
University of Rochester Medical System



Michael Holmes (Co-Chair)

EVP & Chief Operating Officer
Yale New Haven Hospital



Mike Belbeck

EVP, Operations
Covenant Health



Emily Blomberg

Chief Operating Officer
University of Iowa Hospitals & Clinics



Bryan Croft

Senior Vice President, Operations
Cedars-Sinai Health System



Ron Cummins

Senior Vice President & Chief Operating Officer
University of Maryland Medical Center



Rowell Daniels

COO
University of North Carolina Hospitals



Lance Ferguson

Vice President, Operations
Memorial Hermann-Texas Medical Center



Carol Gomes

CEO/COO
Stony Brook University Hospital



Jason Keeler

Chief Operating Officer
University of Chicago Medicine



John Pierro

Executive Vice President & COO
Lehigh Valley Health Network



Jody Reyes

Chief Operating Officer
Penn State Health



Charlie Reuland

Chief Operations Integration Officer
UM-Health (University of Michigan)



Sabi Singh

EVP, Chief Clinical Operating Officer and Hospital President
Moffitt Cancer Center and Moffitt Hospital



Paul VerValin

EVP & COO
The Guthrie Clinic

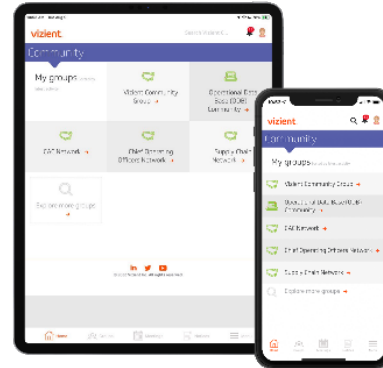


Rob Wiehe

EVP, Chief Operating Officer
UC Health

Vizient Community

Fulfilling a growing need to connect with your peers via desktop, mobile or tablet



The **Vizient Community mobile app**- collaborate on the go!

- Easy to log in – biometrics unlock the app
- Quickly review push and in-app notifications – don't rely on emails
- Create a query, respond to peers and more
- Access the power of the Vizient Community in the palm of your hand
- Click the Access Community link below, click on: My Dashboard, Network & Groups and your group name.

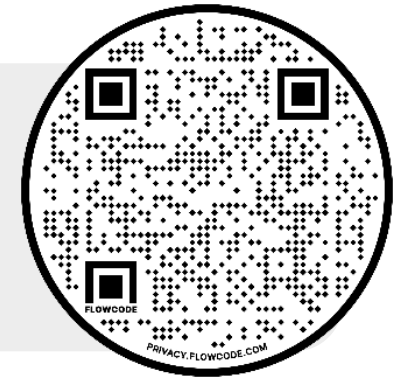
Access Community

Training Resources:

[Community 101](#)

[Mobile promo video](#)

[Training video](#)



Key Community features include peer discussion forums and group resources



- **Post queries and exchange insights** with peers on a secure and trusted platform anytime and anywhere
- **Access group resources** cultivated by Vizient experts including exclusive presentations, webinar recordings and whitepapers.
- **Curated insights** and thought leadership sourced from your peers and subject matter experts

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*Anticipate the Impact
of Change*

Balancing Expectations: Evolving Consumer Expectations and Their Impact on Health System Strategy

Brian Esser, Principal, Sg2, Vizient

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An individual is considered to have a relevant financial relationship if the educational content an individual can control is related to the business lines or products of the ineligible company.

No one in a position to control the content of this educational activity has relevant financial relationships with ineligible companies.

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Balancing Expectations: Evolving Consumer Expectations and Their Impact on Health System Strategy

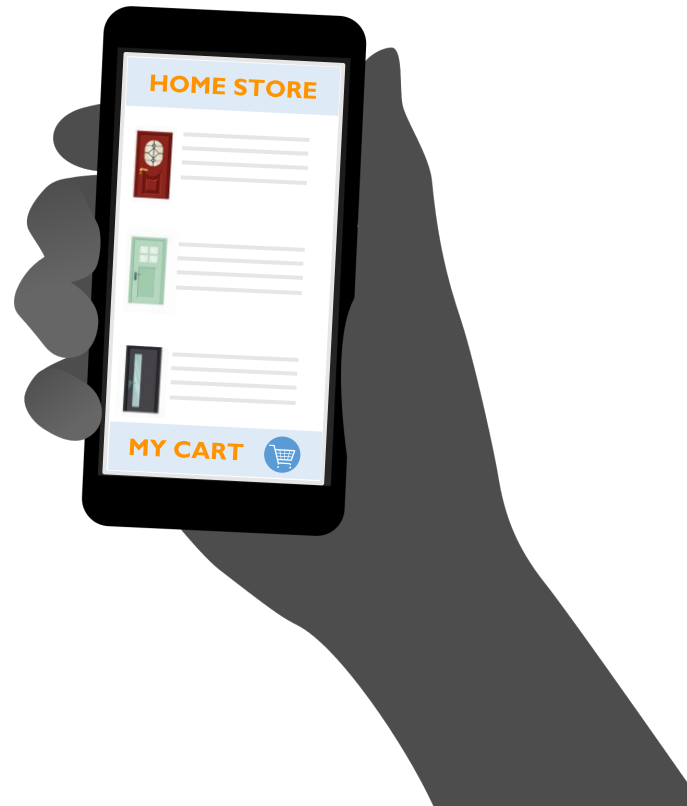
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Reality Check: Customer Expectations Are Elevated

A product or service can be found quickly and purchased seamlessly (eg, mobile-friendly purchase/checkout).



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Consumer Demands Continue to Evolve, and Health Care Remains Behind

Highlights From the Sg2 National Health Care Consumer Survey, 2023

#1 preference when managing care at home is access to lab kits.

58% prefer care close to home.

The desire to treat chronic conditions in person is **up 11% over 2021**.



Financial stress impacts screenings.

21% Highest deferred: colonoscopy

Men with children leverage:

- Employer-sponsored clinics.
- Retail clinics.
- Concierge, drive-thru.

Trust is won or lost with the physician.

80% view their physician as top source.

41% have a foot out the door if unable to book with a preferred provider.

The health care decision maker in households with children:

61% Women

39% Men

Gen X, millennials and Gen Z turn to family and friends as trusted health guides.



Sources: Fry R. Millennials overtake baby boomers as America's largest generation. Pew Research Center. April 28, 2020; Sg2 National Health Care Consumer Survey, 2023; Sg2 Analysis, 2023.

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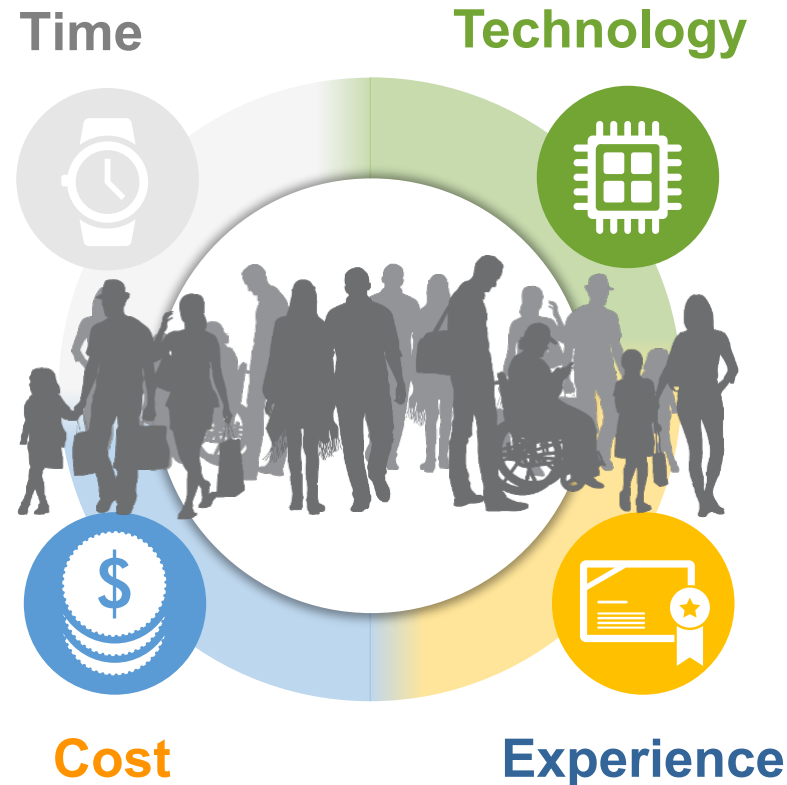
Consumer Expectations Alter Decision Making

Consumers Expect Action

- One in three expect same-day appointments.
- Nearly two in three expect quick resolution.

Cost Sensitivities Impact Care Choices

- 25% of parents defer primary care.
- 45% stay in network to avoid higher copays.



Customers Manage Health Via Technology

- 86% are comfortable with technology.
- Two in five use a mobile app to manage health.

Customer Experience Trumps Loyalty

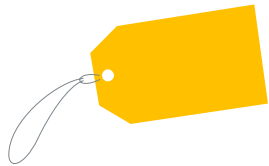
- 80% switch brands due to poor experience.
- Over 50% consider leaving absent physician empathy.

Sources: *Becker's Hospital Review*. Consumerism in healthcare: how to offer better patient experiences, boost your bottom line and achieve better outcomes. August 9, 2022; Pew Research Center. Mobile fact sheet. Surveys of US adults conducted 2002–2021, 2013–2021. April 7, 2021. Qualtrics 2023 Global Consumer Trends Report. November 1, 2022; Sg2 National Health Care Consumer Survey, 2023; Sg2 Analysis, 2023.

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Sg2's 2023 Survey Themes Include Loyalty, Access and Trust



ENHANCE LOYALTY

Most consumers are loyal, but poor experiences can lead to switching.



ELEVATE ACCESS AND CONVENIENCE

Access and convenience are still the hallmarks of consumer strategy and what consumers want.



BUILD ON PROVIDER TRUST

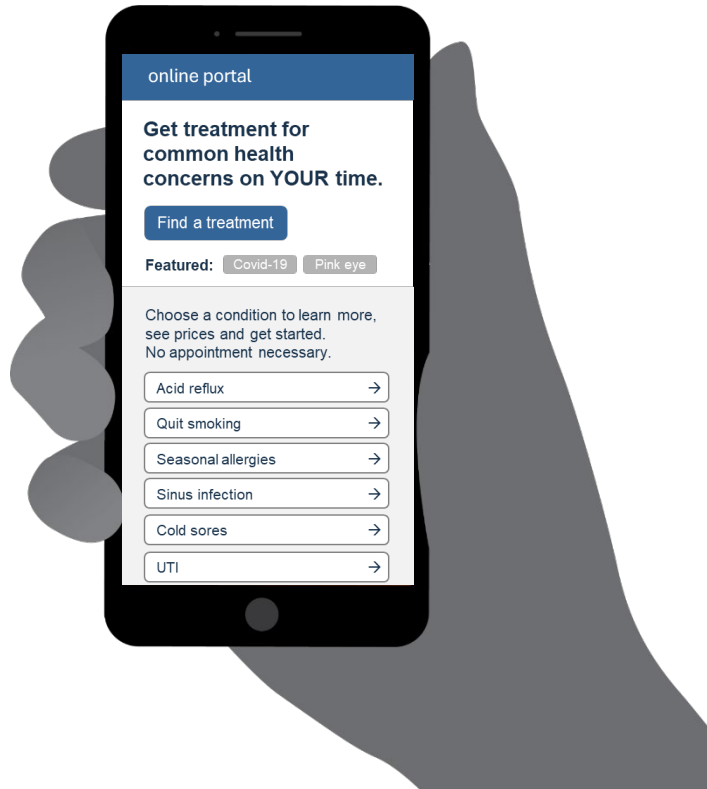
Consumers prioritize care with existing providers and view their providers as a source of trust.

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Signals Are Clear: The Game Has Changed

Amazon



Walmart



Optum



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Amazon Alexa Care Coordinator Becomes Consumer Preference for Navigation

WHAT IF...

Alexa is the #1 online scheduling service and uses consumer data to promote online services.

ALEXA ONLINE SCHEDULING SERVICE

- ▶ Best voice recognition
- ▶ Extremely low cost
- ▶ Integrates with all EHRs
- ▶ Prime subscriber opt-in to care coordination
- ▶ Provider partners get consumer data.

ALEXA OFFERS ADDITIONAL HEALTH SERVICES

- ▶ Amazon Pharmacy is promoted to patients.
- ▶ Amazon Clinic targets patients with chronic needs.
- ▶ One Medical is recommended to commercial patients.
- ▶ Iora Health is recommended to Medicare patients.
- ▶ Alexa becomes a sticky part of care journey decisions.

WHY IT MATTERS

Amazon is the first retailer to connect health and consumer data to drive sales for their core business.

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Walmart Uses Mega-Scale to Impact Rural Communities

WHAT IF... Walmart has followed through on its commitment to build 4,000 clinics.

CLINIC AND HEALTH SCREENING PROGRAM

- ▶ All clinics offer primary care with basic ancillary services.
- ▶ Specialists and advanced imaging are available in some markets.
- ▶ All stores offer health screenings and clinical trial enrollment, integrated with clinic EHR.

RESULTS

- ▶ Gains edge over competition in footprint size/scale for outpatient assets
- ▶ Becomes provider of choice for most rural or low–population density markets
- ▶ Is preferred employer for many physicians

WHY IT MATTERS

Patient acquisition costs are high as patient relationships with Walmart become deeply entrenched.

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Optum Builds Narrow Networks of Employed Providers and Hospitals

WHAT IF... UHG promises employers it can cut health care cost by 10%.

CLOSED NARROW NETWORK

- ▶ Optum targets network adequacy in key markets.
- ▶ Optum prioritizes markets where it already owns significant MedExpress, SCA and LHC sites and has high MA penetration.
- ▶ Hospitals use their MSA to become a low-cost option.
- ▶ Employers are offered an upside-only option to try this new product.

RESULTS

- ▶ Large employers sign up immediately; enrollment share shifts.
- ▶ Hospitals and medical groups outside the narrow network see volume quickly decline.
- ▶ Other payers attempt to build competitive narrow networks but cannot achieve the same level of cost savings.

WHY IT MATTERS

Optum becomes a competitive advantage to increase commercial enrollees.

MA = Medicare Advantage; MSA = master service agreement.

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Transform to a Customer Strategy Mindset

Customer Focus: Growing a Stronger Consumer/Patient Base

Refocuses all domains of enterprise strategy through the lens of customer behaviors



VBC = value-based care.

Domains operate in concert to ACQUIRE, RETAIN and EXPAND VALUE to the priority CUSTOMER SEGMENTS.

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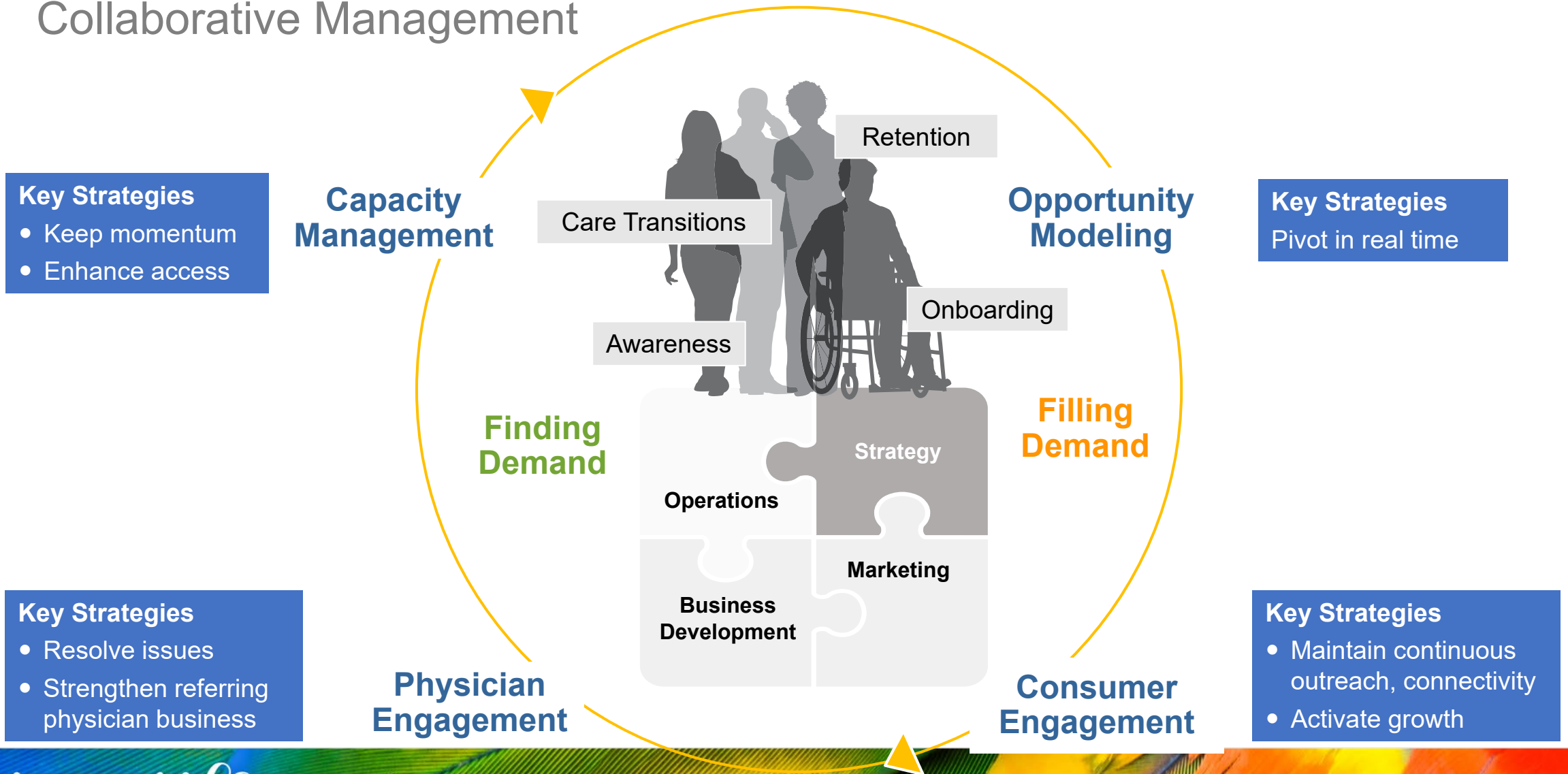
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Customer Mindset Balances Short-term Growth and Long-term Sustainability

Short-term growth keeps us steady on our path to long-term sustainability.



Continuous Short-term Revenue Growth Requires Real-Time Collaborative Management



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SOUTHEASTERN ACADEMIC MEDICAL CENTER ACTIVATES CARDIOVASCULAR CONSUMERS

SOLUTION

- The ShareMD Connect team engaged with the cardiothoracic service line leadership to run trial campaigns for valve disease (valve center) and atrial fibrillation (arrhythmia center).
- Consumers' journeys accelerated from online research to digital and live nurse education, support and scheduling.

RESULTS

PERFORMANCE TOTALS: MONTHS 0–3

High-intent leads
445



Qualified conversions
166



Qualified transfers
46

7 to 1
Return on investment
(contribution margin)

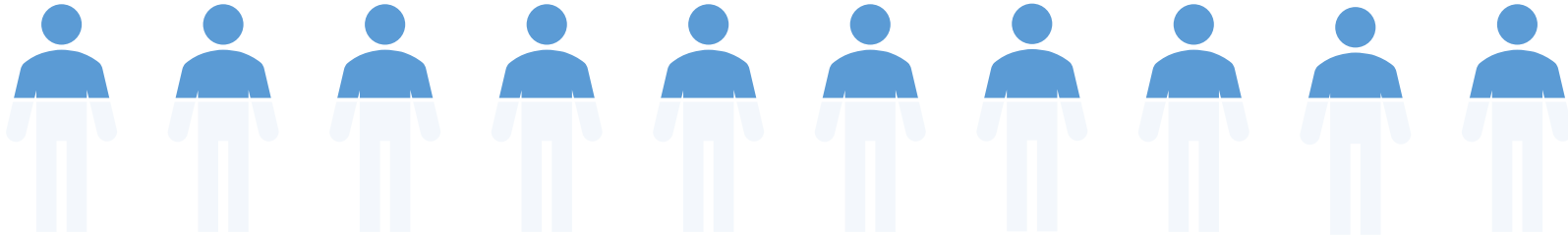
Note: Performance totals represent first four months of active solution. Potential top-line revenue per transferred lead estimated to be \$62K per lead. Sources: Sg2 Interview With ShareMD Connect, April 2023; ShareMD Connect and Sg2 Analysis, 2023.

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Sustainability Requires a New Look at Market Share

Are you serving **SOME** needs for **ALL** patients...

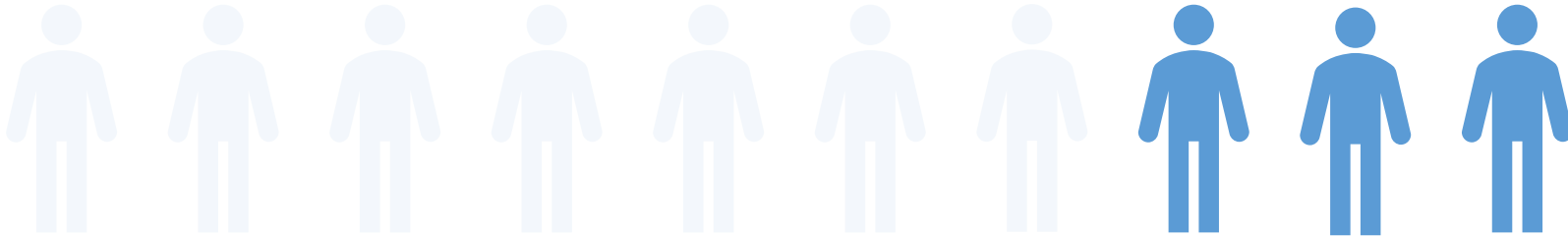
**30% of
NEEDS**



**100% of
PEOPLE**

...or serving **ALL** needs for **SOME** patients?

**100% of
NEEDS**



**30% of
PEOPLE**

What does a market share of 30% truly mean and which is better?

Sources: Sg2 National Health Care Consumer Survey, 2023; Proprietary Sg2 All-Payer Claims Data Set; IQVIA; Sg2 Analysis, 2022.

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Overreliance on Patient Acquisition Becomes a Cycle; Loyalty Matters

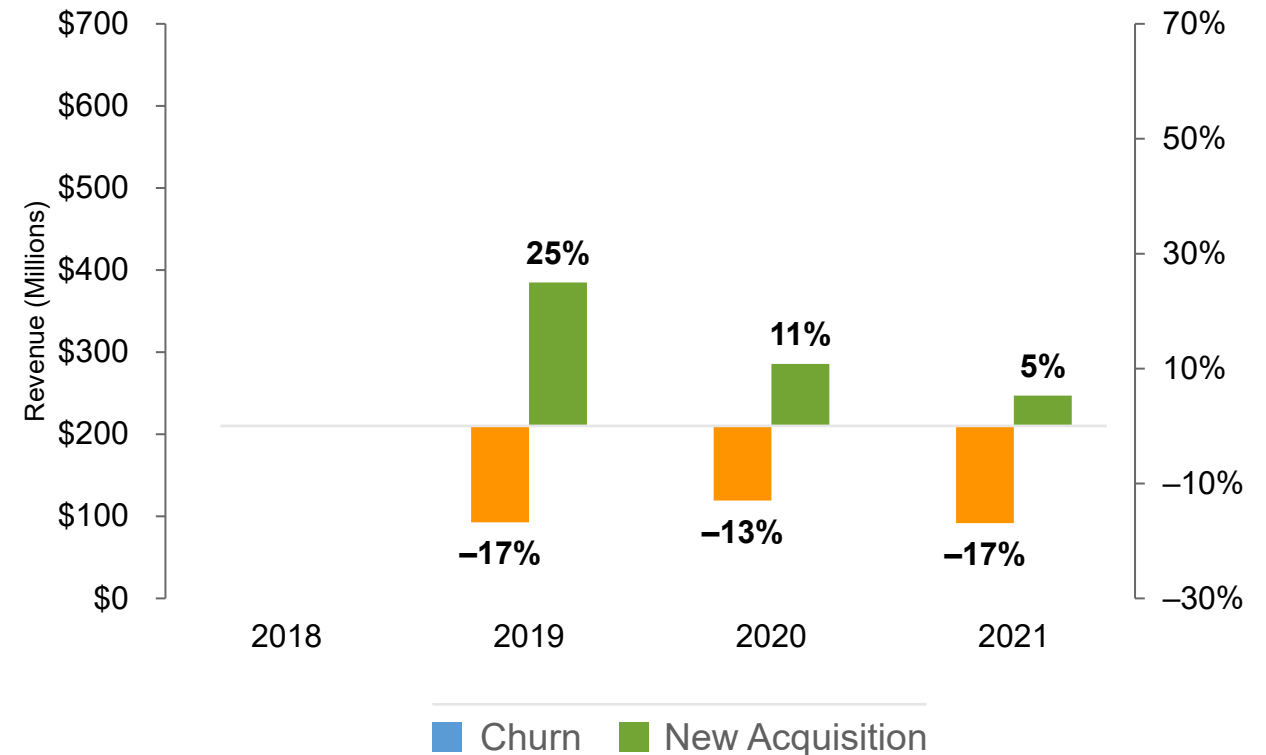
Sample Market Analysis: Annual Revenue Change as a Result of Customer Acquisition and Churn, 2018–2021

CHALLENGE

- New customer acquisition is progressively more challenging and costly.
- Inability to make up for customer churn leads to financial liability over time.

SOLUTION

- Increase impact by combining acquisition and retention strategies.



Sources: Proprietary Sg2 All-Payer Claims Data Set; IQVIA; Sg2 Analysis, 2022.

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Address Top Reasons for Churn by Tackling Follow-up Issues



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New Metrics Are Required

Traditional Performance Metrics

Visit volume

Unique patients

Market share

Revenue per visit



Advanced Consumer Engagement Metrics

New customer acquisition

How effectively are we attracting new patients?

Existing customer retention

How effectively are we keeping existing patients?

Share of care/loyalty

How well are we serving multiple needs of our patients?

Longitudinal value

How well are we serving our patients over time?

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To Advance Your Organization's Consumer Strategy— Understand Points of Friction

Convenience and Access

- Understand customers.
- Leverage digital navigation, simplified functionality.
- Be transparent in pricing.
- Make scheduling easy.

Experience

- Create clear communication.
- Embrace cohesion—
one-system service.
- Accelerate care redesign strategies.
- Tailor to customers' unique needs.
- Encourage empathy.

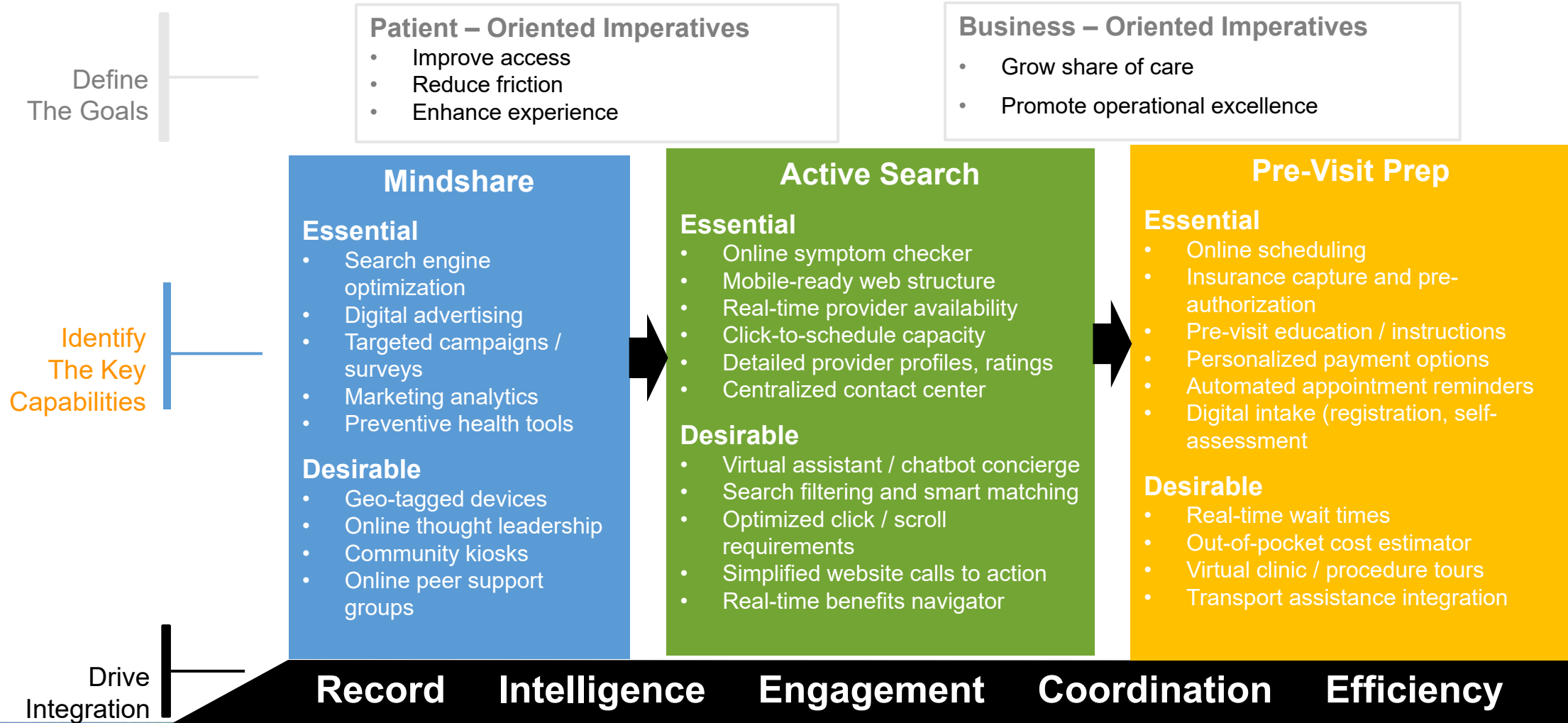
Physician Network Integrity

- Support in-network awareness and scheduling.
- Make it “easy” for patients to receive follow-up care.
- Ensure platform alignment for digital referrals.

Loyalty

- Implement metrics that measure customer loyalty.
- Embrace a loyal customer base as the North Star.
- Prioritize customer longitudinal value.
- Focus on retention and relationship-building capabilities.

Building a Digital Front Door



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Access and Convenience Are Still Central to Consumer Strategy



What location considerations are most important in selecting a provider?

Close to home: **58%**

Lab services nearby: **44%**

Same-day appointment availability: **31%**



Which of the following attributes are important to you?

Availability to book with provider of choice: **29%**

Availability of health coaches: **25%**

Same-day appointment availability: **23%**

Sources: Sg2 National Health Care Consumer Survey, 2023; Sg2 Analysis, 2023.

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Questions?



*Anticipate the Impact
of Change*

Contact:

Brian Esser, brian.esser@sg2.com

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