

## POPULATION HEALTH FORUMS

### The Benefits of Building Scale for Population Health

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Alan Zuckerman is one of the nation's leading health care strategists and has directed the development of advanced strategic and business plans for many top academic medical centers and health systems. John Harris has a wealth of experience in health care that includes founding a healthcare business, running facilities and consulting to hospitals, health systems, ACOs, CINs, IPAs, and health plans. Zuckerman and Harris are directors at [Veralon](#), a transformative healthcare consulting and strategy firm.

Mr. Zuckerman began the session by raising the questions of whether or not there are more benefits or deficits to building scale. He then went into an explanation of why scale matters and stated that being "in the middle is difficult." He discussed the need to be somewhat risk-bearing.

The benefits of scale as described by Zuckerman include the following: it enables vertical integration and greater management of the full continuum of care; increases essentiality in the market through contracting leverage, geographic coverage, and quality; increases the ability to cope with declining prices and higher costs, spreads financial risk over a large base; and provides a proper universe of patients to enable "systems of care" and population health efforts to be the most efficient and effective.

Critical success factors necessary for systems to assume a consolidator role are focused on a few key ideas such as integration of health enterprise components and willingness to take a risk; population health orientation; and value drivers. Zuckerman emphasized that aligning internal and external incentives, being concerned about prices and really meaning it, and being able to function in a manner that integrates are very important factors.

Using examples of various health systems, Zuckerman went on to describe primary approaches or models of building scale as: national/international integrator; regional integrator; collaborative integrator; and independent. Regional integration is most common model and the independent model is the least common.

As the presentation shifted to an overview of alignment models, Mr. Harris discussed the continuum of physician and hospital alignment models and the complexities of various networks. "One of the challenges for hospitals and health systems is how to connect with their physicians," explained Harris. Clinically Integrated Networks (CIN) is a way of bringing together a hospital or health system with physicians in order to work on population health, partner with payers, and be rewarded while creating better value.

Harris then discussed potential disruptors and described three types of innovators: revolutionized primary care; empowered physician networks; and app-enabled engagement. Revolutionized primary care

has to do with the shift from the old model of care of fee-for-service to the patient care team, a proactive approach with patient engagement and relationship building in which there is reward for value. Empowered physician networks are networks that include physicians and specialties and typically don't include hospitals. "Their effort is to fix care delivery, control referrals, sharing the dollar and savings with the payer... and implementing information technology," explained Harris. Harris describes app-enabled engagement as something that gets in between the patient and the provider and is indicative of the 'consumerization' of healthcare.

It is clear from Zuckerman and Harris that multiple models, such as integrated insurer/provider; health system; collaborative networks; and physician entities, are competing to execute population health.

The Forum was followed by a special [Grandon Society](#) workshop which delved into numerous examples of specific cases of health care systems creating remarkable change. Zuckerman and Harris also discussed the theme of external influence and economic incentives – meaning the challenge of getting physicians to evaluate, self-reflect, with the needed economic stimulus.

In summary, scale is necessary for health systems to be successful in a population health environment, but scale alone is not sufficient.

