

January 2, 2014

Dear Friends and Colleagues,

For the past seven years as President and CEO of NCH, I have led off the new year's *Straight Talks* by sharing thoughts, aspirations, and predictions for the immediate future. Over the years, the common themes have been quality, transparency, integration, growth, and lately, a changing model of healthcare from repair to prevention. This week, I'll share three longer term mega-trend predictions and next week, four micro-trend forecasts.

My three mega-trend predictions come with a sense of profound urgency, are more global in nature, and have a longer time line to completion. In a nutshell, what got us here will not sustain us going forward. We are embarking on a new system to help all of us live longer, happier, and healthier lives. Change, of course, is never easy; and we are certainly feeling discomfort personally, institutionally, regionally, nationally and globally, as resources grow ever scarcer. Nonetheless, change is upon us and with it, these three mega-trends.

#1. Strong alignment has become essential among patients, physicians, insurers, healthcare systems, and, more important than ever and previously under-appreciated, pre and post hospital care facilities.

These pre and post hospital services include visiting home nurse services, skilled care facilities (nursing homes), assisted living, home rehabilitation, hospice and a myriad of other out of the hospital services. Florida's overall healthcare ranking, according to America's Health Rankings (<http://statehealthstats.americashealthrankings.org/#/country/US/2012/Overall-State-Ranking>), places us in the middle of the pack, at 31st up from 34th over these past five years. To move up, Florida needs to improve its ability to integrate across environments. We can only measurably improve individual and community health by acting as unified ecosystems of patients and care givers communicating seamlessly, with common goals, and a focus on disease prevention and wellness.

#2. Healthcare consumers demand transparency and high value healthcare (Value = Quality/Cost).

Transparency is coming of age with the digitization of the healthcare record and ubiquitous Internet access. Like it or not, insurers are narrowing networks and directing insured patients to higher value care. California's "reference-based pricing" for state workers and retirees might be a model for Florida. The Golden State covers the amount charged (minus a deductible) for 41 "value" hospitals based outcomes and costs. If a patient chooses a costlier option, they pay out of pocket. Summarizes James Surowiecki in *The New Yorker*: "Most people chose one of the 'value' hospitals, whose outcomes were similar to people who chose the more expensive hospitals. The state saved money, and the threat of losing customers led the more expensive hospitals to cut prices; one study found that the price of joint-replacement surgery fell about a third."

#3. Globalization is real, with patients ignoring traditional geographic boundaries for care.

Harvard Business Review reports that innovative hospitals in India deliver the same outcomes as the best in America at a fraction of the cost. In the Cayman Islands, Ascension Health and Narayana Hrudayalaya Hospital have embarked on a \$2 billion project, starting with a high-quality heart hospital performing open-heart surgery with very reasonable charges.

Next week, I'll complement these longer-term trends with four immediate "micro trends" that have special bearing on our own near-term tactics at NCH, as we help our citizens lead longer, happier, and healthier lives.

Respectfully,



Allen S. Weiss, M.D., President and CEO

P.S. DO YOU HAVE A COLLEAGUE OR FRIEND WHO WOULD BE INTERESTED IN THESE UPDATES?

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