

SYMPHONIC STRATEGIES, INC.

Toward a Consumer-Focused Market for Community Health Care

An ecosystem map for the Mid-Atlantic Association for
Community Health Centers

June 11, 2010

2010

Contents

EXECUTIVE SUMMARY	3
Background	3
Purpose of the Report.....	3
Themes and Key Findings.....	4
Key Forces in the Ecosystem	5
Players.....	5
Key Segments: by type of health care coverage	6
A Summary of Observations	6
Ecosystem Map Diagram	8
Section 1.0	9
Understanding and defining the mission and mandate of FQHCs	9
Section 2.0	11
Shifting winds.....	11
Section 3.0	14
Looking to the future	14
Section 4.0	20
Looking all around for meaning	20
Section 5.0	26
Winners and losers	26
SECTION 6	28
Effective responses	28
Board Retreat.....	35
Summary and Next Steps.....	35
The Retreat Agenda	35
Agenda Schedule.....	35
Outcomes and Action Steps.....	36
Appendix A.....	39
List of participating organizations (in alphabetical order)	39

EXECUTIVE SUMMARY

Background

The Mid-Atlantic Association of Community Health Centers hired Symphonic Strategies in the spring of 2010 to lead “MAC” through a comprehensive ecosystem mapping exercise. Developed by Symphonic Strategies, ecosystem mapping is an exercise designed to identify the various forces that shape the broader external environment for Federally Qualified Community Health Centers (FQCHCs or FQHCs). The initiative involved conducting 17 one-hour telephone interviews with a variety of stakeholders in the health care field throughout the Mid-Atlantic region. These interviews were structured in a way to capture the world from the perspective of the interviewee. Taken together, the interviews produce a robust and a broad portrait of the issues, concerns, and forces affecting health care in the Mid-Atlantic region.

Most of the interviewees were leaders of FQHCs, but not all. Some were representatives from state health departments, and others were representatives from various trade associations and interest groups representing doctors, hospitals, and FQHCs themselves. When combined, the interviews paint a dynamic portrait of a rapidly changing ecosystem for FQHCs. The list of organizations that participated in the research initiative is listed alphabetically in the Appendix.

This report is an objective summary of the most noteworthy observations gleaned throughout the ecosystem mapping exercise. The report is structured to follow the questions as they were presented to the interviewees. When possible, each observation is supported by at least one direct quote from a respondent. In some cases, the implications of the observation on FQHCs are also presented directly below the sources and comments from the interviewees. In those cases where the implications are obvious, no additional information is offered. Not every respondent is quoted. We tried to use those quotations that were most illustrative of the observation. In every case, we looked for quotations or general comments that contradicted an observation made by other respondents. We did not find any examples where the quotations we used were contradicted by a comment not cited in the report. The general observations are universal in that sense.

Each observation is presented as it came during the research process. While some may prove to be more important or more instructive than others, they are not presented in order of significance. They are presented as objectively as possible. This will encourage you, the reader, to determine the order of priority for yourself.

Finally, the key observations that emerged from this exercise have also been captured in a visual diagram. The diagram is an illustrative portrait of the ecosystem from the perspective of FQHCs. For visual learners, the diagram will complement the written content in this report. That diagram is presented at the end of the Executive Summary.

Purpose of the Report

This report serves as the backdrop for a strategic retreat to be facilitated by Symphonic Strategies on June 9, 2010. During that retreat, the observations and implications will be discussed by members of MAC. This report will guide the conversation and it will help the Association finalize its own portrait of the ecosystem, including the identification of a more detailed list of implications for its members.

Themes and Key Findings

This report offers a preliminary analysis of the key trends, forces, players, and issues that influence the ecosystem of FQHCs. All of these things shape the strategic and operational conditions under which FQHCs operate. The observations and implications that follow are intended to spark thought and discussion. As the “dialogue” expands, more voices can be captured and the detail and complexity of the ecosystem will increase.

At this stage in the process, some noteworthy themes and key findings warrant consideration.

The first major theme to surface is **the reality that patients bring with them non-clinical needs that affect the clinical environment**. Perhaps, another way to state this is that patients and their health do not exist in a vacuum. Health is influenced by a vast array of non-clinical forces. For example, employers are passing more of the health care costs on to employees and these financial pressures are affecting how employees think about when and where to seek treatment. In some cases, employees are avoiding care because they do not want to incur the additional cost. In another example, many of the communities that can least afford it are dealing with increased demand for human and social services, such as access to public assistance in housing, food, and employment. As states suffer through the economic recession, expenditures on human and social services are declining rapidly—leaving some of the most vulnerable in society without a safety net. Patients are surrounded by a complex array of environmental forces that, in turn, affect their mental and physical health. Safety net providers often are among the first in the health care sector to see the impact of non-clinical issues in the clinical setting. As the external environment continues to experience turbulence and uncertainty, FQHCs will continue to see the impact of that inside the clinical setting.

The second major theme to emerge is that **the health care sector is a market that is rapidly moving toward a patient-centered model where patients are treated and courted as consumers who will increasingly have more choice in their hands**. As health care choices expand, those in the health care sector who can deliver quality services that consumers value will do well. However, recognizing that a patient is a consumer is the first step. The more difficult challenge will be to re-align the entire organization so it is patient-centered. This means that FQHCs and others in the health care sector will need to make consumer-driven decisions that place a greater emphasis on quality, innovation, value, and outcomes. As the number of consumers expand, organizations will need to respond with new systems (e.g., health care IT), new operating frameworks (e.g., treating the entire family), and a new mindset (e.g., getting “ahead” of the consumer) that is driven by outcomes and impact.

A third major theme is that **the health care leaders of the future will need to be well-rounded with clinical knowledge that is balanced with an understanding of sound business and management practices necessary to run an agile enterprise**. Leaders will need to be able to manage things like the rapid changes in technology and the implications they have on both delivery of care and the expectations of consumers. Leaders will also need to recruit and retain qualified staff who work well with diverse consumer segments. This may require new cultural competencies and more robust language capacity.

When combined, these three primary themes present a compelling opportunity for those who are ready to move into a “new world” where there is a consumer-focused market for community health care. The next few pages in the summary present a snapshot of the key forces, key players, key segments, and major observations that are presented throughout the report. For those who want the highlights, the next few pages will suffice. For those who wish to read the details, they begin on page seven.

Key Forces in the Ecosystem

Throughout the ecosystem mapping exercise, the insights generated from the interviews were compared to data collected from secondary source material (e.g., newspapers, articles, etc.). This information was then used to generate a list of the most important “forces” at play in the ecosystem of FQHCs in the Mid-Atlantic region. Those forces are listed below (in no particular order):

- Economic recession
- Downsizing of state government and decrease in financial resources
- Increased demand for social and human services
- Failed policies around the war on drugs
- Culture of incarceration
- Continued diversification of the region’s population
- Differences in health values, health literacy, and health disparities
- Embedding of cultural competency in the educational system (e.g., medical schools)
- Anti-government, anti-science sentiment
- More patients coming in for care
- Cultural influences on diet and nutrition
- Meaningful use of systems
- Technology and innovation

The report offers additional detail on many of these forces in the pages that follow.

Players

The report also identifies a number of key stakeholders that play a prominent role in the ecosystem. The following are the players cited most often as having an impact on the health care ecosystem in the Mid-Atlantic:

- Federally Qualified Health Centers (FQHCs)
- Hospitals
- Primary Care Physicians
- Medical Specialists
- Free, Non-Profit Health Clinics
- Pediatricians
- Dentists
- Retail Ophthalmologists
- Federal Agencies
- Health Departments (State, County, Local)
- Insurance Companies
- Boutique Private Practices
- Diagnostic Centers, Dialysis Centers
- State and Federal Legislators
- Employers (e.g., corporations, small businesses, non-profits, etc.)
- Health Exchanges
- Community Health Center Controlled Networks/Partnerships (e.g., Health Choice Network)
- Maryland Department of Health and Mental Hygiene
- Maryland Health Services Cost Review Commission
- Maryland Healthcare Commission
- Community Health Resources Commission

Key Segments: by type of health care coverage

The report also references a number of different ways to conceptualize the consumers of health care in the Mid-Atlantic region. These segments can be separated into micro-segments:

- Uninsured
- Recently uninsured
- High-premium and/or high deductibles
- Medicaid recipients
- Medicare recipients
- Privately insured

The report also identifies a number of micro-segments by demographic type:

- Undocumented residents and undocumented workers
- Senior citizens
- Pregnant women

A Summary of Observations

Finally, there are numerous observations presented throughout the report and they are summarized here, in the order in which they appear in the report.

Section 1: Understanding and defining the mission and mandate of FQHCs

- The way that leaders envision the mission and mandate of their FQHC can be quite broad and varies considerably in subtle, but important ways.
- There is tremendous variation in the services, quality, outcomes, and impact across the FQHC community.

Section 2: Shifting winds

- There is a growing recognition that mental health and substance use both affect health outcomes.
- A patient may move in and out of different forms of medical coverage, all within a short period of time.
- The prevalence and intensity of chronic illness appears to be increasing, and not simply in economically depressed communities.
- The profile of the “typical” consumer (patient) has expanded significantly.

Section 3: Looking to the future

- The sands are shifting. Change is occurring.
- Recruiting and retaining “qualified” primary care professionals will continue to be important.
- Diverse and inclusive care environments are quickly becoming a necessary part of doing business.
- The structure of how patients are seen is not conducive to a more integrated, holistic delivery model.
- Technological innovation makes it even more imperative that systems are aligned and integrated.
- Health care providers will have to tackle non-clinical issues, such as the ingrained eating habits in low-income, minority communities that contribute to poor health outcomes and chronic illness.
- Budget cuts and state downsizing will stretch the capacity of the health care system.
- State health departments are looking for ways to get out of the direct services business.

TOWARD A CONSUMER-FOCUSED MARKET FOR COMMUNITY HEALTH CARE

Section 4: Looking all around for meaning

- State health agencies are growing less insular in their outlook. They recognize the importance of addressing the influence of the broader environment on health outcomes.
- In an economic recession, people make difficult decisions and sometimes those trade-offs lead to negative health outcomes.
- There is a perception that the federal government turns a blind eye toward the inefficiency in the system.
- Employers are passing health care costs on to their employees and employees, in turn, are having to make difficult trade-offs.
- Manufacturing jobs are leaving, businesses are closing, and there are few employers coming in to replace these jobs.
- The high cost of housing is pushing so-called “bedroom” or “commuter” communities farther out from the city centers.
- The political mood and sentiment of anti-government forces makes it even more important to “sell” reform measures to those who already have health insurance.
- There is a culture of violence within many inner city communities that seems to intensify as the economic climate declines.
- The economic incentives are aligned in ways that naturally produce conflicts of interest and radically different operating cultures.
- Traditional non-profit organizations in the social or human services field have to scale back their services at a time when the need is increasing exponentially.

Section 5: Winners and losers

- There is no consensus about who stands to gain and who stands to lose as healthcare reform unfolds.
- There is a perception that FQHCs are able to compete unfairly against private sector providers in rural areas.
- The challenge facing everyone in the ecosystem is how bold to be in the process of adapting to change.
- The anti-illegal immigrant movement complicates things for safety net providers.

Section 6: Effective responses

- From a leadership standpoint, it is important to be able to bring together all of the resources available in ways that provide your center with a competitive advantage.
- The industry is moving from an emphasis on volume to an emphasis on quality and outcomes.
- A consumer-focused mindset means paying attention to a much broader array of people and groups. It means being prepared to treat the patient’s “extended ecosystem”—spouse, children, relatives, and more.
- Leaders of the future will need both clinical and business/management skills.
- Obstetrics is an area where mass retirements are expected to leave a shortage in coverage.
- A consumer-driven delivery system means moving beyond a simple bricks and mortar delivery model to the creation of a comprehensive, agile, patient medical home.
- Local health officers and other key stakeholders are looking for FQHCs to enthusiastically embrace and adopt the use of “data” and other measures of performance.
- Advocacy will continue to play a prominent role to ensure the voices of the voiceless are heard.
- The boundaries are shifting and traditional “turf” will become “up for grabs.”
- States and communities that incorporate health implications into every public policy decision will be on the cutting edge of the push for integrated government and governance.
- An integrated health system will significantly enhance the community’s ability to anticipate and to track major public health concerns, such as clusters of cancer, pockets of children who have not been immunized, and more.
- As technological innovations place more power and information in the hands of consumers, the health care community needs to help educate consumers on the most positive and empowering ways to use technology to create an integrated and holistic system of care.

Ecosystem Map Diagram

The image below was developed by Symphonic Strategies, in conjunction with Bing—a U.S.-based graphic design firm. The image presents a visual summary of the key issues and themes in the “Old World” and how those emerge in the “New World.” The map offers a glimpse three to five years into the future as the health care ecosystem for FQHCs continues to evolve.

