Virtual Patient Experiences: The Dominant Opportunity In a Transforming Market

By

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### Where are patients experiencing us?

<table>
<thead>
<tr>
<th>Major US Healthcare System</th>
<th>Percentage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient encounters</td>
<td>.36%</td>
<td>?</td>
</tr>
<tr>
<td>Outpatient encounters</td>
<td>99.64%</td>
<td>?</td>
</tr>
<tr>
<td>Virtual patient encounters</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td><strong>TOTAL ENCOUNTERS</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
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</tbody>
</table>
Forces shaping the virtual patient experience

Priority: Health
Process: Technology
Price: Unaffordable
People: Empowered

Virtual Patient Experience: The What?
Forces shaping the virtual patient experience

Priority: Health
The Patient Protection and Affordable Care Act

Select Provisions on public health/ prevention:

• Title IV: B: Increasing Access to Clinical Preventive Services

• Title IV: C: Creating Healthier Communities

• Title IV: D: Support for Prevention and Public Health Innovation

• Creation of the National Prevention, Health Promotion and Public Health Council

Framework for National Prevention Strategy

1. “Create, sustain, and recognize communities that support prevention and wellness;

2. “Connect prevention-focused health care and community efforts to increase preventive services;

3. “Empower and educate individuals to make healthy choices;

4. “Eliminate disparities in traditionally underserved populations to improve the quality of life for all Americans.”

National Prevention Strategy - Priorities

1. Tobacco-free living
2. Preventing alcohol and other drug abuse
3. Healthy living
4. Active living
5. Injury free living
6. Mental and emotional well-being
7. Sexual health

Greater emphasis on health vs. medicine

Era 1
Pathogenic

Communicable Disease

Era 2
Pathogenic

Chronic Disease

Era 3
Salutogenic

Health & Wellness


You Are Here

Summit on the Patient Care Experience  *  Cleveland  2014
Forces shaping the virtual patient experience

Priority:
Health

Price:
Unaffordable
**Daily Medical Expenditures in the U.S.:**

1. Heart Disease  $501,000,000
2. Cancer  $430,000,000
3. Digestive Disorders  $337,000,000
4. Obesity  $320,000,000
5. Diabetes  $273,000,000

*In these 90 minutes the U.S. expenditure will be around: $178,812,500*

**And DEMENTIA: $1,000,000,000**

Ruth Bettelheim, America can’t afford to neglect dementia care, USA Today, March 16, 2011.
United States perspectives

Chronic diseases are expensive:

- Today total impact: $1.3 trillion/year
  - $1.1 trillion: lost productivity
  - $277 billion: CD treatments
- 2023 total impact:
  - 42% increase in CD over today’s rates
  - $4.2 trillion: lost productivity and treatments

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Alarming fall in reimbursements

“...In the latest [Premier] survey, 48 percent of the respondents anticipate that reimbursement cuts will have the greatest impact on their business during the year ahead.”

“... Medicare reimbursements already fall short of what it costs to provide care. On average, inpatient reimbursements fall 5.8 percent shy of actual costs, while outpatient procedures fall 10 percent short...”

2013, A. R. Pentecost and Peter L. Bardwell, How Ten Forces are continuing to change Healthcare Design
The Patient Protection and Affordable Care Act

Select Provisions on Accountable Care Organizations:

• Title II, Subtitle I, Section 2706
  Pediatric ACO Demonstration Project

• Title III, Subtitle A, Part III, Section 3022
  Medicare shared savings program

Creativity in Patient Care Financing

1. Accountable Care Organizations
   a) 50% + of US population lives in health service areas with ACOs
   b) 28% of patients in US live in areas with 2 or more ACOs
   c) 14% of US population with ACO organizations
   d) Opportunity to compete in healthcare on value

2. Growing interest in capitation vs. bundling
   a) Potential for better management of payments
   b) Fuels migration to reduced use of medical care

Forces shaping the virtual patient experience

Priority: Health

Process: Technology

Price: Unaffordable
Importance of personal health technologies

Market Penetration:

43,000 health-related apps in iTunes store

50% + healthcare apps downloaded less than 500 times

5 apps = 15% of all healthcare downloads

Focus: Wellness, Diet, Exercise