

Individual Mandate

Are You Up for N=1 Healthcare?

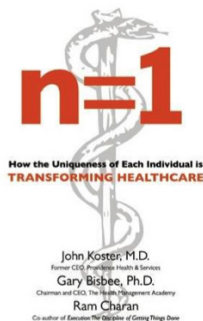
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Are You Up for N=1 Healthcare?

By David Johnson, CEO



Yogi Berra famously observed, "The future just ain't like it used to be." In N=1: How the Uniqueness of Each Individual is Transforming Healthcare, authors John Koster, ry Bisbee and Ram Charan advance Yogi's "wisdom" by dissecting current forces revolutionizing healthcare delivery and creating a change management "workbook" for health system executives.

The authors use incisive questions to guide understanding, set strategy and lead change. Their "framework" creates a "culture of questions" that enhances decision-making and execution. Successful companies emerge from disruptive market environments through deep introspection, fearless inquiry and effective execution of adaptive strategies.

The title N=1 reinforces the authors' belief that individual consumers will transform healthcare by choosing healthcare options for their unique needs.

#JTBD

Borrowing disruption guru Clay Christensen's language, health systems' current "job to be done" in fee-for-service medicine involves working with doctors to maximize treatment activity and reimbursement payment. This business model has caused unsustainable cost growth. In response, new payment models are emerging that shift risk to providers and consumers.

In N=1 healthcare, health systems' "job to be done" centers on providing services that meet each patient's unique biological, psychological and sociological needs. Cookie-cutter solutions that don't provide true value will disappear along with companies that offer them.

Digitization and Scientific Discovery Drive N=1 Healthcare

Beyond all other forces, digitization and scientific discovery are driving healthcare toward N=1 business models.

Digitizing massive amounts of patient data (through sensors, images, clinical treatments, lab tests, questionnaires and purchases) and employing massive computational power to catalogue, curate and assess that data is redefining healthcare delivery and disrupting established supply-demand relationships.

Scientific discovery is advancing clinical diagnosis and treatment from population-based models (what generally works) to tailored

therapies tied to individual genomes, risk factors and preferences.

Social networking turbocharges the depth and velocity of change. Consumers increasingly shop for healthcare services among multiple vendors. Value-driven products and services win their loyalty.

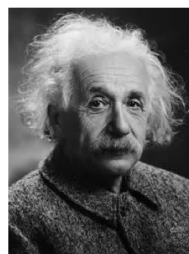
Connecting and Convincing

Most healthcare transactions occur without payment exchange between caregivers and patient customers. As a result, health companies have not developed the capabilities and instincts necessary to cultivate consumerism.

Providers, payors, pharmacies and manifold new health companies are scrambling to win customer loyalty as healthcare's payment and service models become consumer-oriented. Marketing isn't enough. Companies win consumer loyalty by delivering high-value products and services.

In the N=1 world, companies win unique customers one at a time by meeting customer needs efficiently and with a smile. Large, centralized, cumbersome acute-oriented companies start this race with great name recognition but heavy cost and operating burdens.

Brave New Thinking



Incumbent companies can win, but it's not guaranteed. Winning requires new thinking. As Einstein observed, "We cannot solve problems with the same thinking we used when we created them."

Winning means expanding beyond comfort zones. Einstein understood this reality as well, "You have to learn the game's rules and then you have to play better than anyone else." Winning in post-reform healthcare

won't be easy. It's not supposed to be.

N=1 presents a brave new world for healthcare executives. The most important question the authors ask is "Are you up for it?" Disruptive change requires engaged leaders to process complexity, manage uncertainty and overcome organizational complacency. It requires competency-based Boards to own strategy, understand sustainability and counterbalance management.

N=1 healthcare is not for the faint of heart. N=1 is required reading for healthcare executives "up for" the challenge. It offers these executives a framework, insight and the right questions to lead organizational transformation.