



2016 Evolving Health Interview Series

Interview Title: *Consumerism: Engaging Across the Lifespan*

Interviewee: David Holmberg, President & CEO, Highmark Health

What excites me is I think for the first time there's real change afoot. I think what's happening now is, because of the cost of healthcare, because of ACA, all of these forces are converging which are now creating the opportunity to create real consumerism and to use technology to change the game so that people - individuals - can have a greater say in their healthcare, and we take a different approach than maybe what's done in the past.

I think the first thing that's happened is people have been asked to take more responsibility for their healthcare in terms of copays, and reimbursements, and things like that, and organizations are asking their employees to be more active in their health. And what that's creating is the opportunity for the consumer to be in the center, and then to build a level of care around them or the tools and things that they need in order to be successful. Some of them are physical, in the terms of bricks and mortar, and the way care is delivered, moving care more forward into the primary care setting, those kinds of things. Then some of it is from technology. It's having tools like I have in my pocket where I have an iPhone that's connected to my medical health records that's connected to our hospital system, so I see my test results the same time, if not before, the physician sees them.

At Highmark Health we think that we're uniquely positioned because we are a payer and we have a provider system to arrange the meeting for our consumers that brings together all the various tools. What do I mean by that? Yes, the information is now available to you, but you've got to be able to do something with it. Today, the system is still very disjointed, and what we're doing is partnering with other firms, as well as our own teams, to create that holistic view of an individual and to give them actionable tools, so dashboards that give them real information, that will allow them to take action, things that will pull together the whole experience. And I think that's really what the exciting opportunity is that's at hand. There's so many great ideas out there, but nobody's pulled them all together and put them in front of a customer so that you can really change their trajectory as far as their health.

There's a continuum of engagement for individuals in healthcare. Consequently, getting them engaged with you is different for each segment. What we're going to see - at least from us - is a much more focused effort at making sure that the tools are available to or relevant to your

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lifestyle where you're at in your life and what you need, and that's how you're going to get people more engaged.

Giving them something that's on their iPhone isn't enough. If somebody has young children, their priorities are going to be access to questions late at night when a child has a fever. If somebody has chronic disease, their need is going to be totally different, and what's going to be important for us is to understand that, and then make sure that we're giving them the right tools, and the right level of care and benefits that'll help support their point in life.

Think about what Apple and Google and-- in fact, the whole technological revolution that started with PCs. Ultimately, the next innovation was creating a new market, but what it also was reducing the cost of the prior market, and so there was a lot of opportunity that was created in that space. And you're right. If all you're trying to do is to take share away from somebody else, that's really not the answer this time. The answer is, how do we create a more effective healthcare system that is relevant for the disease states that we see today versus what it was 40 years ago. We have a shopping list of what are the things that our customers need to serve those segments, and we're going in and saying, "These are the problems we're looking to solve. What tools do you have that can help us do that?" Now, that's a little different than somebody showing up and saying, "I have this great idea. Now, I'm looking for a market to sell it to."

I think the number one challenge is culture. As a country, we have a culture of what healthcare should be and how it should look, and you have people who are very vested in different segments of that. If we're going to think big, it means you've got to start over, and you've got to be willing to maybe do things radically different than what we've done before, and I think that's the biggest issue. It's getting people to maybe start to invest in technologies, and capabilities, and tools that ultimately cannibalize their existing assets and resources, but allow them to transform. I think the industry needs to transform dramatically and quickly.

When you talk about consumerism, healthcare is the new retail. Now it's about how do you take care of yourself, how do you live the quality of life that you want to live, and there's this huge opportunity where, if we get this right and we operate like a consumer industry, that we can truly make a difference for the people that we serve and be successful doing it. What it's going to take is a focus on the various segments of people, what's important to them, and then serving them, or exceeding their expectations in a way that hasn't been done before.

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