Panel 2

“The Next Frontier: Innovations in Disease-State and Care Management Delivery”

**John Agwunobi, MD,** Former Senior Vice President and President, Health and Wellness at Walmart  
**Mark Morgan,** President, California Commercial Business for Anthem Blue Cross  
**David Neu,** Executive Vice President, Retail Strategy and President, Good Neighbor Pharmacy for AmerisourceBergen Corporation  
**Moderator: Rod Boone,** Partner, DW Healthcare Partners

The second panel of Pepperdine’s inaugural Future of Healthcare Symposium was convened to, in the words of moderator Rod Boone, a partner at DW Healthcare Partners, address “a critical topic as we consider the future of health care and its impact on the patient and how they access care,” with the panelists selected for their extensive experience in critical aspects of healthcare, including health insurance, supply chain management and health reform, as well as wellness.

The first speaker, John Agwunobi, the former senior vice president and president of Health and Wellness at Walmart, the former Assistant Secretary for Health at the U.S. Department for Human Health and Services, and a pediatrician, having worked across the spectrum on patient care and delivery, was able to offer a thorough account of how the system has evolved in these aspects of care, as well as how it has yet to evolve.

“Our is a health care system with the best of intents that I think has been guilty of never quite getting there,” Agwunobi. “One of the challenges that we’ve had as a nation is we’ve never really had a single shared vision.”

One shortcoming in that vision that only became clear to Agwunobi during his tenure at Walmart was the role of the patient in the healthcare system, which different markedly from that of the health and wellness customer.
“When I walked at Walmart, which is a large retailer, everything that we did was focused on the customer,” he emphasized. “The customer was uniquely powerful. How we interacted with her had, at its very core, respect for the fact that she has choices. And those choices that she made, sometimes subconsciously, millions of her and her like every single week, every single month, every single year, those choices defined who we were. They changed what we did tomorrow when we realized we’d made a mistake the day before; they changed our future when we realized that it was going to take something different in order to bring her in.

“And I put to you that there are lessons in that type of relationship that the health world has yet to learn. ‘Trust us: we’ll get it right on your behalf’ is still the approach of health and I think it will change. I put to you that there are beginnings of change, even in health care, that show me that out in the future, a really big influence is going to be the patient,” echoed Dentzer’s earlier observations about the larger-scale shift toward emphasizing community health.

Aguwunobi also links the current shift toward patient-centered care delivery to advancements in telehealth, citing the PCR technology that is now available for patients to perform their own rapid diagnostic testing, such as in the form of HIV tests that offer the same screening accuracy as the test that doctors use and can now be purchased over the counter.

“There’s a change in the way the patient is positioned,” Aguwunobi stated. “It’s a much more empowered role,” going on to note that in enabling the patient to be more empowered, technological innovations are also leading patients to seek greater transparency around cost, which is beginning to impact cost decisions made by insurers, hospitals, pharmaceutical retailers and other large players in the system.

As president of commercial business in California at Anthem Blue Cross, Mark Morgan, Anthem Blue Cross, oversees the management of Anthem’s commercial business and strategy in-state, working collaboratively with local and state elected officials, and has held senior leadership positions across all lines of business within the healthcare industry.

In discussing the current industry climate, and the major shifts triggered by the ACA, by telemedicine and by the move from volume- to value-based payment, Morgan observed, “I think many people in the health care ecosystem worry this is too different—this is too big, it’s too complicated, and can we really innovate? And I would argue that that innovation is happening right now, underneath our very feet.

“The healthcare industry as a whole is having to adapt to quality, accessibility and affordability at a pace that was not frankly imaginable five years ago. And in a state like California, where Anthem Blue Cross is one of the largest insurers in the state—we cover nearly 8 million Californians—we’re sort of at the hub of this transformation, working with hospitals, physicians and pharma, all across the spectrum. And now, the equation has changed radically into: ‘How do we really all go after the Triple Aim together and design the new models together?’”
Amid these collaborations and consolidations, Morgan has identified provider integration as Anthem Blue Cross’ top strategic principle. Anthem has 18 accountable care organizations (ACOs) in California with 600,000 to 700,000 attributed members as of 2014.

“We’ve had an explosion of information. Anthem operates in 13 other states—we have 37 million consumers in our records, so we can see a lot of information about what works and what doesn’t all across the country,” Morgan shared. “So, who better to share that data with than the delivery system?”

Another initiative Anthem Blue Cross spearheaded in response to the information explosion was a partnership with one of its competitors, Blue Shield of California, to build an independent, not-for-profit, statewide health information exchange called Cal INDEX. The index is designed to facilitate information sharing among providers across the chain, so that when a patient walks into a doctor’s office that’s connected to the index, healthcare providers at that office can access two years of his or her history, irrespective of whether that patient is an Anthem member or a Blue Shield member, offering a much more integrated, collaborative approach to care.

David Neu, executive vice president, retail strategy and president of the Good Neighbor Pharmacy of AmerisourceBergen Drug Corporation, as well as a past chairman of Healthcare Distribution Management Association, has observed similar tectonic shifts in his 30 years working within healthcare.

“It’s an industry that’s gone through just an extraordinary amount of consolidation and the contradiction is it’s also expanded. While we’ve consolidated distribution centers to be more efficient, the squeeze has been on, throughout health care,” Neu said. “We serve multiple constituencies, as Steve Collis mentioned, and each one is a bit different.

“The pressures for community pharmacists are not just the RX part of what we’ve talked about today. Steve talked about the front end, the over-the-counter products, becoming a merchant to compete, and that has put a lot of pressure on the community business, in particular the pharmacist.

Neu returned to this point during the panel discussion led by Rod Boone, highlighting the needs of the independent practitioner within a highly consolidated industry, as well as the patient loyalty that independent pharmacies still invoke.

“The community pharmacy involvement in Sovaldi was over the top, beyond anything that we expected,” said Neu. “We really believed that it was going to show up at certain specialty and acute care settings and others that were tied to Hepatitis C. And community pharmacy had an explosion of patients who made the decision to go there.

“Community pharmacy is very entrepreneurial. And there’s less investment. There’s more help needed; there’s more continuity and consistency that’s probably going to need to be added for it to be successful. A community pharmacy could be buying $300,000 worth of prescriptions a month and get five or six prescriptions for Sovaldi. So, you think about a community pharmacy
that all of a sudden has got five prescriptions for somewhere between $75,000 and $100,00 each—what that means to AR, what that means to financial management, what that means for our role.”

The public hunger for more accessible, direct care has manifested not only in the continuing popularity of community pharmacies, but through the increasing use of wearables, or portable devices a user can wear to monitor his or her heart rate and other vital stats to gauge his or her health, without going into the doctor’s office for a traditional checkup.

As Aguwunobi commented during the panel discussion, “You now have the ability to have early warning systems come out of these wearables that allow you to intervene and take action. And I do think that in a world like that, the health system has to be a lot more responsive to the interaction with individuals—with the patient, with the customer. When you call, you expect to have somebody on the other side.

“This notion of scheduling; scheduling is an interesting concept. You don’t schedule to go to a store and buy stuff. You don’t schedule to go to the gas station and put gas in your car. And I think we’re moving towards a place where retail health is going to start pushing us in this direction, to where scheduling becomes a thing of the past. You call and your need is met. So, I think responsiveness is one of the big expectations that is going to have to be real with every health provider.”