

SPECIAL REPORT

2024 HEALTH CARE
DISRUPTION
OUTLOOK

Making sense of disruptive market changes

Would-be disruptors within the care delivery landscape surround hospitals and health systems. These competitors — and sometime partners — are well-financed, long established retail pharmacies, tech companies, online mega-retailers and payers.

These newer market entrants to the health care delivery landscape include a mosaic of familiar names to health care consumers: Amazon, CVS Health, Walgreens, Walmart, UnitedHealth Group/Optum, Microsoft, Google and others. These companies come to the field with different ambitions — from trying to build an integrated series of direct care, pharmacy and other services to helping providers make more powerful use of their data to improve operations and outcomes. But they all share a common interest: to expand their revenue streams and business opportunities in health care.

Last year, outside disruptors made news regularly, racking up and closing on a slew of multibillion-dollar mergers and acquisitions, extending their reach into home care and specialty care and adding new care locations across the nation — from major population centers to small, rural communities.

Wall Street pundits and analysts continue to prognosticate on what this means and how things will shake out in the long run for these companies and traditional providers. Kenneth Kaufman, the longtime

health care observer and chair of Kaufman Hall consulting, summed up the disruption landscape back in 2018.

These large companies have three basic goals, Kaufman noted in an AHA Trustee Insights [report](#) at the time:

- **Carve out health care segments with the lowest fixed costs and highest volumes.**
- **Engage a broad swath of consumers through a highly integrated, convenient digital and in-person experience.**
- **Combine health promotion, nonacute care and insurance in a way that aligns care and payment incentives and allows these companies to truly manage health and costs.**

In this aspect of health care being disrupted from the outside, not much has changed. What has changed is the pace at which change is occurring among the most well-financed disruptor companies. This past year saw a multitude of significant moves by seven companies.

The AHA 2024 Health Care Disruption Outlook report is designed to bring greater context to the health care strategies of the largest outside disruptors over the past year and where they may be headed in 2024. In addition, the report provides examples of how hospitals and health systems are collaborating with these disruptor companies to adopt best practices, advance care and efficiency. ●

AMAZON

While continuing to adjust its health care vision, this mega-retailer keeps its foot on the accelerator.

During an incredibly busy year on multiple fronts in health care, Amazon extended its reach in primary care and honed its focus by expanding partnerships, making care more affordable and accessible and integrating its key acquisitions into operations.

Partnerships boost expansion efforts

- Amazon's One Medical in November began collaborating with Edison, New Jersey-based Hackensack Meridian Health, allowing specialists from the health system to deliver care to the company's primary care patients. The two also plan to open multiple locations over the next several years.
- CommonSpirit Health's Virginia Mason Franciscan Health has partnered with One Medical so the health system's specialists can provide care to the tech company's patients. Virginia Mason will be One Medical's referral partner for its eight primary care clinics in the Seattle area. One Medical also has collaborated with Advocate Aurora Health to open offices in Illinois, Mount Sinai Health System of New York and UC San Diego Health.
- These partnerships appear to be a precursor to more moves by Amazon to expand work with providers and others in the health care ecosystem. Sunita Mishra, Amazon's chief medical officer, told Yahoo! Finance in October that the company has a flexible vision for its future in health care. "We're not going to be able to do it alone. We're going to have to partner, and we're coming to this with a lot of humility," Mishra said.

Focus on value permeates consumer strategy

- Amazon Clinic, the company's virtual care platform, became available in all 50 states last August. It provides care for 30 common health conditions ranging from urinary tract infections to pink eye and erectile dysfunction. The service's messaging-based consultation launched with fees of \$35 ([See Amazon Clinic FAQ.](#)) for a message-based consultation and \$75 for a video visit.
- As of November, Amazon Prime members could buy One Medical primary care subscriptions for \$9 per month. The fee gives members unlimited 24/7 virtual visits and online scheduling for same-day or next-day appointments at One Medical's more than 200 brick-and-mortar clinics.
- Early last year, Amazon rolled out its RxPass prescription service for \$5 per month. RxPass offers commonly prescribed generic medications. Medications are delivered free as part of the Prime membership program.

Acquisitions may not be over yet

- Amazon closed on its \$3.9 billion purchase of One Medical last February, giving the online retailer a foot in the door to compete with companies like CVS Health, Walgreens and Walmart in primary care services. But that may not be the end of the company's acquisitions.
- The Motley Fool reported in October that given Amazon had \$64 billion in cash and marketable securities as of June, it could easily fund some more significant deals in health care, particularly among companies with falling valuations. ●



What to watch in 2024

- **Amazon cut hundreds of jobs early in 2024 in its pharmacy and One Medical operations while closing the latter's headquarters. The company said the cuts were done to streamline operations. Will One Medical be able to achieve its growth targets going forward?**
- **What form will future partnerships with health care providers take as Amazon continues to deliver a more diversified level of health services to its customers?**
- **Amazon is holding to its mantra of "fail fast" as it rapidly adjusts its vision on the fly. The larger question may be what breakthrough success will define its growth strategy in health care?**

CVS HEALTH

Investments in senior care and home health diversify portfolio.

The company spent nearly \$19 billion last year on two major acquisitions that will help the company extend its reach in senior care and home health, among other areas. CVS is working to capture revenue at each step along a patient's health care journey by building a vertically integrated business that comprises physicians' offices, a health plan, pharmacy and more.

2 big acquisitions create opportunities

- Its \$10.6 billion acquisition of Oak Street Health in May of last year helped move the retail giant further into direct primary care delivery. Oak Street operates in multiple states, offering a hybrid of virtual and in-person care. The deal also broadens CVS' value-based primary care platform because it benefits patients' long-term health by improving outcomes and reducing costs, particularly in underserved areas.
- The \$8 billion acquisition of Signify Health last March, with its more than 10,000 providers and 2.5 million patients across all 50 states, brings CVS added capabilities to serve seniors. Signify provides in-home care for seniors, offering in-home evaluations, preventive health services and testing. Its partners like Center Health, Quartet and PatientBond also can provide chronic care and behavioral health services.

Retailer takes a breather on major M&A activity, but keeps investing

Through its CVS Health Ventures venture capital arm, CVS continues to invest in digital health startups that may help impact the field in the future. Here are some of the companies it helped finance last year, according to a CB Insights report.

- Monogram Health offers in-home and virtual care for patients with polychronic conditions, including chronic kidney and end-stage renal disease. It also provides diagnostics, remote monitoring and behavioral health.
- Strive Health specializes in home and virtual care services for patients with chronic kidney disease, including those who need dialysis. Patients can receive dialysis at home and be monitored for health outcomes or side effects through an automated care planning and analytics platform.
- Carbon Health offers primary care services, including urgent care, diabetes and mental health services. Urgent care locations can offer imaging and testing, while virtual care services enable on-demand appointments for common primary and urgent care needs.

Focus on pharmacy price transparency gets a boost

- Late last year, CVS launched its CostVantage pharmacy reimbursement model that will shift to fixed reimbursement rates for pharmacy benefit managers (PBMs). Pharmacies will be reimbursed by contracted PBMs and payers using a transparent formula built on the cost of the drug plus a set markup that has not yet been disclosed and a patient management fee. The program is set to launch in 2025 for CVS Health's commercial payers. CVS anticipates that the CostVantage model will reset the financial outlook for its retail business.
- CVS' PBM operation Caremark also rolled out a new model called TrueCost to offer client pricing that reflects the true net cost of prescription drugs, with visibility into administrative fees, the company stated.
- CVS Caremark's move to address price transparency wasn't enough to stop Tyson Foods from dropping the PBM and signing on with Rightway, a startup founded in 2017. Tyson, which has about 140,000 employees, said it made the move because it was struggling to get key data on drug prices. ●



What to watch in 2024

- CVS Health now is focused on integrating its huge acquisitions into its businesses and operations and has paused its acquisition activity. But that could change as it sharpens its focus on value-based care.
- With its added capabilities in providing home care services and assisting those with chronic conditions, particularly seniors, it bears watching what types of partnerships the company forms going forward and how hospitals and health systems fit into this mix.
- Will CVS Health's moves to join the price transparency movement that kicked into high gear in part with Mark Cuban's cost-plus drug pricing model continue to gain traction and lead to lower drug prices for consumers?

UNITEDHEALTH GROUP (UHG)

(Optum/UnitedHealthcare)

Aggressive growth continues for one of the nation's most diversified health companies.

Neither inflation nor an often-sluggish economy in 2023 could slow arguably the nation's most well-funded and diversified health care companies.

Advancing value-based care initiatives

- UHG named value-based care as one of its five strategic growth priorities in 2023, noting that it will integrate in-clinic, in-home, behavioral and virtual care delivery capabilities to comprehensively serve more people in models that achieve higher-quality outcomes at a lower cost. The company says it will use its roughly 130,000 physicians and advanced practice clinicians in this effort and will treat more than 4 million patients in fully accountable value-based arrangements.
- Optum's \$3.3 billion bid in June to buy home health care company Amedisys will give Optum access to the company's 465,000-plus patients. Amedisys provides value-based home health, hospice, palliative care and skilled nursing. The move, subject to regulatory review, also gives Optum greater power to compete with CVS Health, which bought Signify Health for \$8 billion last March, and Walgreens Boots Alliance, which last fall bought the remaining 45% stake in CareCentrix, a home-health benefits management firm.
- In February, Optum closed on a multimillion-dollar deal to acquire home health and hospice company LHC Group.

Expanding service arrangements with health systems

- Optum reached a deal with Waukesha, Wisconsin-based ProHealth Care in which it will hire more than 800 of its employees. Optum will manage the health system's revenue-cycle management, information technology, informatics, analytics and inpatient care management.
- Brewer, Maine-based Northern Light Health in January 2023 contracted with Optum to manage its revenue-cycle management, information systems, inpatient care management, analytics, project management office and supply chain functions.
- Owensboro (Kentucky) Health chose Optum to manage its revenue-cycle management and information technology services. Optum hired 575 employees from the health system.

Forecasting growth for 2024

- Value-based care will be a major growth pillar for Optum this year, company officials noted at their investors' conference in November. The company moved more than 900,000 patients to fully accountable arrangements in 2023, UHG reports. Optum's integrated care model allows it to drive improved outcomes and a better patient experience, noted Amar Desai, M.D., Optum Health's CEO.
- UHG expects Optum Health to post double-digit revenue growth in 2024, with an operating margin forecast of between 8% and 10%.
- UHG projects revenues of \$400 billion in 2024 across its holdings in care delivery, pharmacy care, tech-enabled services, Medicare and senior care services and other areas. ●



What to watch in 2024

- **Optum is facing increased competition from a variety of startups and other competitors in areas like pharmacy benefit management, patient data and analytics, revenue-cycle management, virtual, primary and senior care, and other areas. Will it be able to maintain and grow its market position in this increasingly competitive environment?**
- **SSM Health and UHG ended their administrative partnership in January that included inpatient care management, digital transformation and revenue-cycle management. Should this serve as a cautionary tale for other provider organizations?**
- **It bears watching how successful UHG will be as it continues to grow its behavioral health network, which CB Insights noted in 2023 had grown by 25% since 2020, with 5 million members and a virtual care option as part of its benefits plan.**

WALGREENS BOOTS ALLIANCE

Retailer's strategy revisions and cost-cutting moves bear watching in 2024.

Once again struggling with efforts to grow its health care business and sustain profitability, Walgreens has reshuffled its leadership, paused major acquisitions as its cash position sank and started closing some VillageMD retail clinics that bordered its stores.

Change in leadership signals strategy shift

- Tim Wentworth, the former Express Scripts CEO, assumed the helm of Walgreens and joined its board of directors in October. The company said Wentworth was joining the company at a “pivotal time” while it focused on right-sizing the business, driving execution and creating greater value for its customers, employees, patients and shareholders.
- As part of its strategy moves, the retailer said it would close 60 VillageMD primary care clinics as the provider focused on density in “high-opportunity” markets, Wentworth said in an earnings call.
- In another potential move that could signal a shift in its operations, Walgreens was considering selling its specialty pharmacy business Shields Health Solutions to improve its finances, Bloomberg reported in January 2024. Walgreens took full ownership of Shields in 2022 in what then CEO Roz Brewer said represented a “major milestone” for the company. Bloomberg reported that Shields could be valued at more than \$4 billion in a sale.

Boosting financial performance will be critical in 2024

- Walgreens reported in January 2024 that it would cut its dividend nearly in half to free up capital to grow its businesses.
- The company states that it is on track to reduce expenses by \$1 billion during 2024 in part by closing stores and exiting some markets to increase cash flow and free up capital to spend growing its pharmacy and health care businesses.
- While the retailer is committed to its primary care business with VillageMD, Summit Health and CityMD, it does not plan to invest in additional primary care assets in the near term.
- Illustrating its limited available capital for future investments, Walgreens' Q4 2023 fiscal report showed the company had \$740 million in cash and marketable securities at the end of the period (Aug. 31) compared with \$2.5 billion a year earlier.

Will the shift to new drug pricing models deliver hoped-for value?

- Walgreens is exploring new pharmacy models as cost-plus drug pricing gains momentum.
- The company will work with payer and PBM partners on models that recognize and reimburse pharmacies for “the unmatched value” Walgreens provides patients, including pharmacy services, as well as models that can ensure greater transparency and predictability in reimbursement, Wentworth said in his fiscal year 2024 Q1 earnings call.
- Walgreens launched Rx Savings Finder, a new digital marketplace designed to help customers save money on prescription medications. Wentworth believes there is growing momentum for cost-plus models, in which pharmacies are reimbursed on some measure of the cost of acquiring a drug plus added amounts to cover a pharmacist's services, the cost of dispensing and profit. Going forward with these models, he sees that margins largely will be based on how much service pharmacies provide to patients. ●



What to watch in 2024

- **This will be pivotal year for the retailer after it recently named Mary Langowski to head its health care operations. She was previously CEO with Solera Health, a chronic condition management company. Getting VillageMD to reach profitability on a quarterly basis will be a critical area for Langowski and other Walgreens leaders to address.**
- **Will Walgreens' cost-cutting and right-sizing initiatives help it to achieve a more stable financial footing so the company can execute its evolving health care strategy?**
- **Walgreens along with CVS Health, Express Scripts and others are adopting their own cost-plus drug models. These models will compete with Mark Cuban's CostPlus Drug direct-to-consumer venture that is designed to reduce pricing in the generic pharmaceutical space. Walgreens is betting it can lower drug prices to consumers while adding value in the process. The coming year should provide some interesting early results on whether these models can significantly move the needle on drug pricing.**

WALMART

How fast will the nation's largest retailer grow its health care business?

Unlike some of its rivals such as CVS Health and Walgreens, Walmart has been operating at a more deliberate pace in providing health services to its customers and expanding access for its employees. It has eschewed huge acquisitions or expansive partnerships as it steadily adds virtual care, primary care clinics, diagnostic testing and other services designed to fit its low-cost identity.

Improving access to affordable care

- Late last year, Walmart executed a new partnership with Orlando Health that is designed to improve care coordination and patient engagement. Under the deal, Walmart Health will work with Orlando Health to ensure continuity of care between care sites at the two organizations. Both are hoping the collaborative will make each organization better-positioned to more quickly identify patient needs and improve outcomes in the Orlando area.
- Walmart also is focusing on improving access by partnering with Ambetter from Sunshine Health, which operates out of Centene Corp., as a preferred provider in seven Florida counties. Walmart Health clinics operate as other retail health providers, with 23 locations throughout Florida. The clinics offer primary care, labs, X-rays and electrocardiograms, behavioral health, dental and some specialty services.
- Walmart also has begun partnering with RadNet, a national provider of cost-effective diagnostic imaging services, to launch MammogramNow. The first location in Milford, Delaware, opened at a Walmart Supercenter. The initiative aims to enhance breast health awareness and accessibility to care and includes the integration of DeepHealth technology into the Walmart Supercenter environment, providing women with convenient access to crucial breast cancer screening services.
- Doubling down on ways to expand convenient access to affordable care, Walmart in October expanded its virtual primary care services. The company now offers the chance to establish long-term relationships with physicians nationwide through its virtual primary care network.

Expanding the Walmart medical center network

- Walmart Health stated last March that it will open medical clinics in Missouri and Arizona for the first time in 2024, while deepening its presence in Texas by expanding in the Dallas area and growing into Houston.
- Overall, the company plans to open 28 new Walmart Health Centers this year, which would bring the total number of locations to more than 75. The medical centers, which are targeted toward patients with no or poor insurance coverage in underserved areas, are located next to or inside Walmart Supercenters.
- Despite this expansion, the number of Walmart Health locations is far behind the 5,300 retail locations the company has in the U.S., including nearly 3,600 Supercenters.
- Walmart will rely on its extensive brick-and-mortar footprint, brand recognition and a series of partnerships to drive consumers to its health care locations.
- Along with the additional revenue its health centers generate, retail clinics can lead to increased script writing and front-of-store sales. With more than \$600 billion in annual revenue, Walmart continues to look for more growth opportunities. ●



What to watch in 2024

- **As Walmart continues to execute its growth plans in health care, analysts will be watching closely this year to see if the company begins to take a more aggressive approach to expansion, possibly through acquisitions.**
- **Walmart steadily has been building partnerships with health care organizations, working as a collaborator rather than a competitor to lower costs and improve quality. The pace at which it is able to forge more of these relationships could help the retailer crack the code on ways to manage costs more effectively for its employee base of more than 2.1 million worldwide, of which 1.6 million are U.S.-based.**
- **Whether the company will develop more expansive relationships with hospitals and health systems across the country and what results come from those efforts will bear watching in the coming year.**



Tech Disruptors Target Operations and Unlocking the Power of Data

Google and Microsoft focus on optimizing performance with artificial intelligence.

GOOGLE HEALTH

New generative AI partnerships and product launches help company cement its position.

The company continues to have vast ambitions for health care, most notably in leveraging generative artificial intelligence (AI) to streamline the work of clinicians and cloud-based systems to help users find relevant information over a broader spectrum of data types.

New AI offerings streamline clinician workflows

- In December, Google launched MedLM, a suite of new health care-specific AI models designed to help clinicians and researchers carry out complex studies, summarize physician-patient interactions and more.
- The company says it plans to introduce health care-specific versions of Gemini, its latest and most powerful AI model. Google would license Gemini to its Google Cloud customers to use in their own applications. It also will power consumer-facing Google AI apps like the Bard chatbot and Search Generative Experience.
- Last March, Google launched Med-PaLM 2, the next version of its Med-PaLM large language model (LLM) that is designed to provide high-quality responses to medical questions. The company says Med-PaLM 2 consistently performed at an “expert” level on medical exam questions with more than 85% accuracy. The company also is testing responses from real clinicians.
- Google Cloud’s Vertex AI Search for health care and life sciences organizations launched last fall. It facilitates a medically tuned, generative AI-powered search on a broad spectrum of data including clinical sources.

Partnerships become the focal point for the future

- Google Health has been expanding its partnerships with health systems and tech companies well before these product launches and will continue to expand its relationships. Mayo Clinic in Rochester, Minnesota, was involved in testing the Med-PaLM 2 model.
- HCA Healthcare partnered with Google to launch generative AI tools that can document emergency department visits and accelerate nurse handoffs.
- Edison, New Jersey-based Hackensack Meridian Health in August expanded its partnership with Google Cloud to use AI to reduce the administrative workload, support clinical decision-making and help personalize the patient experience.

What the journey ahead will look like

Google Cloud will focus on three broad categories going forward, according to Aashima Gupta, global director of health care strategy and solutions at Google Cloud.

- **Short-term optimization**, i.e., to ease current administrative and cognitive burdens facing health systems and practitioners.
- **Long-term transformation**, i.e., using the new technology’s power to create more efficient workflows, gain better insights from existing data and enable interoperability across data sources.
- **Profound learning**, which refers to getting the entire ecosystem, including Google, health organizations and policymakers to learn how to marry AI with the complexities and nuances of care delivery and health care outcomes. ●



What to watch in 2024

- **Gemini, Med-PaLM2 and Google Cloud’s Vertex AI represent Google’s latest attempts to monetize health care AI tools in this highly competitive space that includes Amazon and Microsoft. The cost of the suites varies depending on how companies use the different models. The question is: How many health systems will adopt these tools?**
- **Look for more results to come in from Google’s partnerships with health care and tech companies as the rapid adoption of new AI tools continues.**
- **Google ultimately wants to make consumers’ cellphones the equivalent of a “doctor in their pocket” that relies on the company’s AI. To do that, Google will need to win over skeptical lawmakers who have raised concerns that its tools could become a threat to patient privacy and safety or a threat to its competitors.**

MICROSOFT

The focus turns to using AI to unlock the power of data.

A [Deloitte report](#) from 2022 notes that 30% of global data is generated by the health and life sciences field, but about 97% of it remains unused. Microsoft was busy in 2023 expanding its data and AI products to help hospitals, health systems and physicians learn more from the sea of information they collect.

Data and analytics advancements drive growth

- In October, the company developed new health care-specific tools in its Fabric data and analytics platform to help eliminate the time-consuming process of searching through multiple sources like EHRs, images, lab systems, medical devices and claims systems one by one. The platform will enable organizations to standardize data from all these sources and access them in the same place.
- The company also released new health care AI capabilities through its Azure AI platform. Azure AI Health Insights will provide prebuilt models that can generate insights for use by clinicians to analyze unstructured patient data to create a chronological timeline of a patient's medical history. The program also simplifies clinical reports so that medical literature and terminology can be shared with patients. Radiology insights provide high-quality checks and follow-up recommendations.
- Azure AI Health Bot can be customized and embedded into clinical workflows to provide intelligent, accurate information, Microsoft reports.

Health systems pilot new capabilities

- In November, Mass General Brigham became one of the first health systems to use a generative AI-powered radiology "co-pilot" from Nuance, a Microsoft subsidiary. The PowerScribe Smart Impression technology drafts impressions for radiologists, saving them up to one minute per read, Nuance estimates.
- St. Louis-based Mercy entered into a three-year partnership with Microsoft to use the company's AI tools in several ways:
 - Generative AI-powered assisted communication will help patients understand their lab results.
 - The technology also will be used to recommend follow-up actions during initial patient calls.
 - Mercy staff will use a chatbot to help them find information about Mercy's policies.
- Microsoft officials said in August that Epic clients can run their EHR databases on Microsoft's Azure Large Instances program. The application can run up to 50 million database accesses per second, Microsoft states.
- Minnesota-based Mayo Clinic committed to using Microsoft 365 Copilot, which combines LLM with organizational data to streamline administrative work, including filling out forms for clinicians. Hundreds of clinicians and health care workers at the health system were given an early-access version of the program, which can be used across emails, meeting transcripts, chats, calendars and documents. ●



What to watch in 2024

- **Adoption of generative AI solutions are expected to more than double to reach nearly 60% this year, according to a KLAS research report. The trick will be getting large health systems — those that stand to have the most to gain from the technology — to invest. Given the financial challenges facing the field, it may be difficult to achieve that level of growth.**
- **Implementing generative AI and LLMs is not without its challenges to ensure accuracy when scaling the technology across health systems. It bears watching how successful early adopters are in implementing these systems to address patient queries, clinician notes, improving patient engagement and more.**
- **Microsoft has had early success in building partnerships with some of the most recognizable names in health care on the provider and tech sides of the field. Maintaining these bonds for the long haul will be critical to achieving its wide-reaching vision for health care.**



Other Emerging Disruptors to Watch in 2024

Grocery chains, appliance and electronics outlets and other retailers stake a claim in health care.



BEST BUY

The chain and its partners leverage strengths to deliver remote monitoring

- Last March, Best Buy partnered with **Atrium**, the nation's largest hospital-at-home provider, to allow patients with certain types of medical conditions to receive hospital-level care in the comfort of their own homes. This partnership enhances the patient experience, tapping into specially trained **Geek Squad** agents to provide and set up in-home wearable technology that allows a patient's vital signs to be monitored remotely by an Atrium Health care team 24/7.
- Best Buy also is helping patients manage chronic conditions with the help of its care-at-home platform **Current Health**, which combines connected monitoring devices, patient communication tools and real-time actionable alerts. ●



DOLLAR GENERAL

Retailer trying to close a gap in rural health care delivery

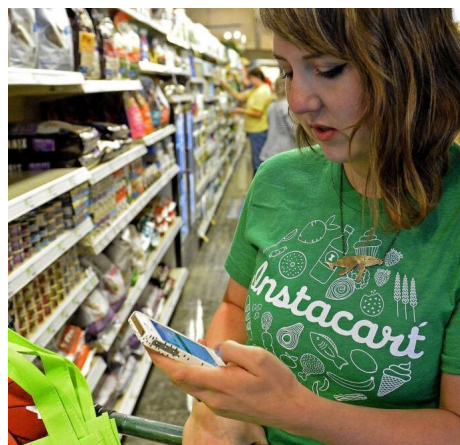
- Early last year, Dollar General, one of the nation's largest retailers, rolled out mobile clinics in three Tennessee locations for preventive care, urgent care and chronic condition-management services in partnership with mobile medical services company **DocGo On-Demand**. The pilot is part of Dollar General's health initiative, dubbed **DG Wellbeing**, to test whether the company could draw more customers and tackle persistent health inequities. All mobile clinic visits are overseen by a licensed nurse practitioner, physician's assistant or physician. They accept Medicaid/TennCare, Medicare and certain plans under major health insurers, with flat rates starting at \$69 for those without insurance.
- About 1,000 patients had been seen by last October, either at Dollar General sites or community pop-up events, according to DocGo. ●

Grocery chains step up their health care games



COSTCO

Last fall, Costco began offering medical care to members nationwide through a partnership with **Sesame**, a direct-to-consumer health care marketplace. Under the partnership, Costco members can receive a range of medical services from Sesame, including virtual primary care, health check-ups, virtual mental health therapy and 10% off all other services, including in-person appointments. Virtual primary care costs \$29, health check-ups that include a standard lab panel with a virtual follow-up consultation cost \$72 and virtual mental health therapy costs \$79. ●



INSTACART

Through partnerships with payers and providers, including Boston Children's Hospital, Medically Home and Mount Sinai Solutions, Instacart has created **Care Carts**, which are designed to give health care providers and caregivers the ability to order groceries on behalf of someone else. Providers can send groceries and medical supplies to a patient after discharge. A clinician can have groceries delivered for a patient's prescribed meal plan. Or a caregiver can send groceries to a friend or family member who lives far away. Care cart technology also can give providers tools to measure program effectiveness and identify where nutritious foods can make the greatest impact in health. ●



KROGER

Kroger announced in December that it is testing a strategic shift for its in-store clinics and moving into primary care for seniors. Its **Kroger Health** unit transitioned eight of **The Little Clinic** sites in Atlanta to focus on seniors, in addition to their regular services. The clinics offer annual physical exams, nutrition counseling and medication review, among other services. Seniors will have longer appointments, and the goal is to set patients up for routine visits. ●

4 ways to respond to the disruptive environment in 2024

1 | MAKE THE LANDSCAPE SHIFT WORK IN YOUR FAVOR.

Model and embrace opportunities for patient experience improvements at all points in the health care journey. Foster “sticky” relationships with patients regardless of how they enter your system — through a virtual encounter, the emergency department, a primary care office, a laboratory, etc. — with seamless connections to integrated care and care coordination.

2 | FOCUS ON WHAT YOUR ORGANIZATION DOES BEST.

Emphasize the value your providers deliver consistently as a trusted health partner for the community and reinforce to patients the importance of care coordination when they seek outside services from retail outlets to ensure that primary care providers are in the communication loop.

3 | EXPLORE OPPORTUNITIES TO COLLABORATE WITH RETAIL AND TECH DISRUPTORS.

As this report illustrates, many outside disruptors are working to develop collaborative programs with hospitals and health systems to improve access to timely, convenient, affordable and equitable care and deliver greater insights from health care data, etc. Look for opportunities to expand your footprint in the community, develop and scale new digital capabilities to improve clinical outcomes in the home or ambulatory setting, and broaden wraparound services to achieve health equity.

4 | FOCUS ON DRIVING SUSTAINABLE, SUCCESSFUL CHANGE.

The pandemic and its aftermath brought a sense of urgency that hospitals and health systems can channel. Change management has never been easier, as one hospital executive put it recently, because there is an overwhelming need to change. Start small but accelerate improvements. And remember that many of the outside disruptors have been learning important and sometimes costly lessons about the complexities of moving the field forward. Leverage the long-term trust you’ve built with patients and your communities and continue looking for opportunities to collaborate where it makes sense to make it easier for patients to be as healthy as they can be. ●

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