I’m guessing that, like me, most of our readers have not heard the term “hassle map.” Recently I had the privilege of speaking to the executive team of a Fortune 500 healthcare company, along with colleagues from the national consulting company, Oliver Wyman. I read one of their recent white papers titled “The Marketplace Revolution: Shattering the Foundation of the $3 Trillion Sick-Care Marketplace,” which was authored by 2 of their consultants, Tom Main and Adrian Slywotzky.1 The in-person presentation and this report piqued my interest; hence, this editorial.

Let’s start with the basics. The authors of the report, Main and Slywotzky, contend that we are evolving from healthcare marketplace 1.0 to version 2.0 as a result of rapidly changing consumer expectations, which are driven by new technology. Consumers are caught in what they call the “hassle map,” which can be defined as care that is uncoordinated, error-prone, and not immediately accessible. So, to navigate the “hassle maps,” consumers will use technology in much the same way that we now use GPS on our smartphones to get where we need to go and to access transportation on demand (eg, Uber).

“Over the past five years,” Main and Slywotzky state, “innovation has exploded in the health and wellness space. What we thought were the big changes— care-model redesign and fee-for-value payment systems—are being dwarfed by consumer-tech, retail, and scientific advancements.”1 Rather than focusing on how to protect their existing business model, the authors suggest, many new companies in healthcare set out to build vastly better business designs to serve consumers by solving their complex, and often unique, hassle maps with highly personalized open architecture models.1

As we evolved into this “Health Market 2.0,” Main and Slywotzky contend that leaders are answering key questions, such as what are the new natural boundaries of consumer value? How many chains, or how broad a consumer experience will it take to make vast markets personal and even customizable? And what holds the chains together?1

To navigate the hassle map, Main and Slywotzky describe 4 new evolving ecosystems, including (1) retail pharmacy as a hub for the community to live healthy, (2) better living with chronic diseases, (3) a personalized consumer marketplace, and (4) precision and personalized medicine for rare and complex diseases.1 Let me describe the first 3 in some detail and attempt to synthesize the take-home messages of this fascinating white paper.

The first ecosystem—retail pharmacy as a community stay-healthy hub—is the result of nearly a decade or more of trial and error and experimentation by national retail pharmacy chains, such as Walmart, Walgreens, and CVS. Consumers are now willing to receive care from nonphysician experts in new settings that are easily accessible, convenient, and competitively priced.

Navigating the “Hassle Map”

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The challenge will be to bring together health education, chronic care management, prevention, nutrition, and others into a fully integrated, always-on, consumer engagement platform, with incentives that make sense to the average consumer.
Early indications suggest that this new multichain model will quickly become consumers’ go-to source for help, and will lead to big improvements in health and the near elimination of avoidable acute adverse events. This particular ecosystem can only be operationalized with the broader adoption of the “quantified-self” movement—wearable Fitbit connectivity, with real-time insight and active online coaching. Is this appropriate for my 86-year-old mother? Probably not, but it is definitely appropriate for my 28-year-old twin daughters and 25-year-old son.

The third ecosystem—the personalized consumer marketplace—is characterized by the evolution of 3 conninging new business ecosystems into a multivalue chain that addresses the consumer’s hassle map. Main and Slywotzky describe these 3 merging ecosystems as businesses that concentrate on health engagement and rewards, personalized transparent shopping, and simplified consumer payments.1 Leading firms in this merged ecosystem include companies such as Welltok, a venture-funded consumer platform headquartered in Denver, CO, and condition management companies, such as Brain Resource, Wildflower Health, and Propeller Health. They are joined by health trackers (eg, Jawbone and MapMyFitness) and nutrition companies (eg, Zipongo).

The challenge will be to bring together health education, chronic care management, prevention, nutrition, and others into a fully integrated, always-on, consumer engagement platform, with incentives that make sense to the average consumer. The way I see it, we’re going to need a greater degree of transparency in outcomes, pricing, and quality to make this vision a reality. We’ll also have to simplify consumer payment.

The fourth ecosystem—precision and personalized medicine for rare and complex diseases—can be described as the merger of big data and genomics, and is certainly a topic worth visiting in a future article.

In an era where strategy matters more than ever,2 I believe Main and Slywotzky have done a great job summarizing these 4 ecosystems. In the conclusion of their white paper, they make specific recommendations for health plans, providers, and other stakeholders for the leadership challenge of moving to Health Market 2.0.1

I’m not going to restate their conclusion, except to reiterate the advice that they give to health plans, which I believe is right on target: health plans need to move from contracted provider networks to personalized consumer marketplaces, and they need to accelerate the availability and integration of innovative solutions, such as convenient care clinics, triage modalities, telehealth, and precision medicine.

The way I see it, we’re going to need a greater degree of transparency in outcomes, pricing, and quality to make this vision a reality.

I always enjoy well-written, far-reaching reports from respected organizations. This white paper was a treasure trove of critical thinking and prognostication about what lies ahead in 2016. How are your leaders thinking about the challenges inherent in shattering the foundation of the $3-trillion sick-care marketplace?

As always, I’m interested in your views, and you can reach me by e-mail at david.nash@jefferson.edu.

For further details about their white paper, feel free to contact the authors directly: Tom Main at tom.main@oliverwyman.com, and Adrian Slywotzky at Adrian.slywotzky@oliverwyman.com.

References