

MERGERS & ENTRANTS DISRUPTING HEALTH CARE

Health
Sector
Advisory
Council Meeting

March 29
2019



MERGERS & ENTRANTS DISRUPTING HEALTH CARE



Health
Sector
Advisory
Council

March 29, 2019

Friday, March 29, 2019

The Fuqua School of Business—Faculty Hall

100 Fuqua Drive, Durham, NC 27708

- | | |
|---------------|--|
| 8:00a | Light Breakfast |
| 8:30a | Introduction and Discussion
David Ridley, PhD
Faculty Director, Health Sector Management
Duke University |
| 9:00a | Claire Pearson, MBA
Managing Director
Barclays Investment Bank |
| 9:45a | Break |
| 10:00a | Gerald Hautman, MD
Chief Medical Officer
Optum |
| 10:45a | Aaron McKethan, PhD
Senior Policy Fellow, Duke-Margolis Center
Duke University |
| 11:30a | Lunch |
| 12:30p | Ryan McDevitt, PhD
Associate Professor of Business
Duke University |
| 12:45p | Barak Richman, PhD, JD
Professor of Law and Business
Duke University |
| 1:30p | Wrap Up
David Ridley, PhD |
| 2:00p | Adjourn |

Speakers

Gerald Hautman, MD is the Chief Medical Officer/ SVP for Population Health Services. In this role, he is involved with product transformation and design as well as supporting strategic clients and key opportunities. This often involves the leverage of Optum and United Health Group capabilities to formulate tailored clinical solutions for key customer opportunities. Using clinical, financial, and operational data, he leads the design of the population health solution for each customer. The goal is to create a seamless integrated consumer experience for every member. Jerry has been with Optum since 2012.

Prior to coming to Optum, he was a practicing Ob/Gyn for 16 years, most recently with HealthPartners in Minneapolis/St. Paul. During his tenure with HP he was also an Assistant clinical professor with the University of Minnesota department of Ob/Gyn.

Jerry also serves as a Colonel in the U.S. Army reserves. He currently serves as the Commander of the 7302nd Medical Training Battalion. In the past he has served as a Deputy Chief of Staff for Army Reserve Medical Command, Division Command Surgeon, Chief Medical Officer and Staff physician.

Jerry is a graduate of Albion College (BA), Wayne State University School of Medicine (MD) and The Fuqua School of Business at Duke University (MBA).

Ryan C. McDevitt is an Associate Professor of Economics at Duke University's Fuqua School of Business. His research focuses on the field applied microeconomics, primarily in empirical industrial organization.

Within health care, he has studied how medical groups strategically choose physicians based on their gender, how healthcare providers' productivity influences the quality-quantity tradeoff of their treatments, how long-term care hospitals alter their discharge plans in response to Medicare's reimbursement policies, and how dialysis firms transfer their corporate strategies following facility acquisitions.

He has also conducted large-sample studies on various topics, including firms' responses to changes in their reputations and the correlation between a firm's name choice and its quality. In addition, he has collaborated on papers that consider the economic benefits of broadband Internet and the impact of social frictions on consumers' purchases.

Professor McDevitt received a B.A. from Williams College and a Ph.D. from Northwestern University, both in economics. Before joining the faculty at Duke, he worked as an analyst in Morgan Stanley's Investment Banking Division and taught Competitive Strategy at the Kellogg School of Management and the Simon School of Business.

During a recent sabbatical, Ryan worked in Amazon's Prime Video & Music division.



Hautman



McDevitt



McKethan

Aaron McKethan is an Assistant Professor in the Duke School of Medicine Department of Population Health Sciences and a Senior Policy Fellow in the Duke Margolis Center for Health Policy.

He recently served as the Chief Data Officer for the North Carolina Department of Health and Human Services. His career in government, academia and the private sector has focused on health care delivery innovation, data and information technology.

Before coming to Duke and NCDHHS, he co-founded RxAnte, a predictive analytics and technology company focusing on improving population health (acquired in 2016). Previously, he directed the Beacon Communities program - the nation's largest health IT cooperative agreement program - at the Office of the National Coordinator for Health IT at the U.S. Department of Health and Human Services.

He also previously served as Research Director in health policy at the Brookings Institution, where he led projects focused on provider payment reform, health care quality and state health policy.

Dr. McKethan's academic work has appeared in the Journal of the American Medical Association, the New England Journal of Medicine, and Health Affairs.



Pearson

Claire Pearson is a Managing Director in Barclays' Global Healthcare Banking group where she is responsible for providing strategic advice on mergers and acquisitions, corporate finance and capital raising.

Claire covers healthcare services clients including hospitals, ambulatory care facilities, and physicians. Claire is based in the New York office.

Claire has a bachelor's degree in Economics and a Certificate in Finance from Princeton University and earned an MBA from the Fuqua School of Business at Duke University, with concentrations in Health Sector Management and Corporate Finance.

Prior to business school, Claire was a Consultant at Trinity Partners, a life sciences strategic consulting firm.

Barak Richman is the Edgar P. and Elizabeth C. Bartlett Professor of Law and Business Administration at Duke University. Both an attorney and an institutional economist, his primary research focuses on how social relationships shape economic performance.

His book *Stateless Commerce: The Diamond Network and the Persistence of Relational Exchange* published by Harvard University Press in 2017, studies how ethnic merchants organize the diamond industry.

His health policy research has examined the utilization of health insurance benefits, antitrust policy towards healthcare providers, and organizational innovation in healthcare markets.

Professor Richman's primary appointment is at Duke Law School, where he won the Blueprint Award in 2005 and was named Teacher of the Year in 2010, and he also is on Fuqua's Health Sector Management faculty and is a Senior Fellow at the Kenan Institute for Ethics.

He represented the NFL Coaches Association in an amicus curiae brief in *American Needle v. The Nat'l Football League*, which was argued before the U.S. Supreme Court in January 2010, and again in *Brady v. The Nat'l Football League* in 2011.

His recent work challenging illegal practices by Rabbinical Associations was featured in the *New York Times*.

David Ridley is the Dr. and Mrs. Frank A. Riddick Professor of the Practice of Business and Economics. He is also the Faculty Director of the Health Sector Management program at Duke University's Fuqua School of Business.

In his research, David examines innovation and pricing in health care. To encourage development of new treatments for neglected diseases, David, with Jeffrey Moe and Henry Grabowski, proposed the priority review voucher program which became law in the United States in 2007.

David's research appears in economics journals (Journal of Public Economics), medical journals (Journals of the American Medical Association), and scientific journals (Nature Reviews Drug Discovery).

David teaches daytime and executive MBA students. He received a doctorate in economics from Duke University in 2001.



Richman



Ridley

Nov. 9,
2018

HSAC

Health Sector
Advisory Council



Hosted by Duke University—Fuqua
School of Business



Member Roster

Robert I. Blum

Cytokinetics
President and CEO

Paula Garrett

Eli Lilly and Company
Senior Director, Alzheimer's Global Marketing

Ruth Hancock

HCR ManorCare
Director, Palliative and Chronic Care

Shaun Horrigan

Amgen
Director, Value Marketing

Tom Kaminski

Laboratory Corporation of America
Senior Vice President, Corporate Strategy

Jim Kinser

HCA Healthcare
Assistant Vice President, Bundled Payments

Dan Sullivan

Amgen
Executive Business Director, US Value & Access
Director, Payer Segments

Jonathan Meltzer

Laboratory Corporation of America
Vice President

David Price

U.S. Congress
Representative

Mike Reed

Heartland Home Health & Hospice, HCR ManorCare
Vice President and General Manager

Jeff Reiersen

Medtronic
Global Marketing, Strategy, & Business Dev Leader

Rina Shah

Beacon Laboratory Benefit Solutions, Inc.
Vice President, Clinical Programs

Bernie Tobin

Crescendo Bioscience
President

Duke University Affiliated Members

George Abercrombie, MBA

*Adjunct Associate Professor
The Fuqua School of Business*

Bill Boulding, PhD

*Dean and Professor of Marketing
The Fuqua School of Business*

Mary Frances Luce, PhD

*Associate Faculty Director, Health Sector
Management
Robert A. Ingram Professor of Business
Administration
The Fuqua School of Business*

Mark McClellan, MD, PhD

*Director, Duke-Robert J. Margolis Center for
Health Policy
Duke University*

Jeffrey Moe, PhD

*Professor of the Practice of Global Health
Duke Global Health Institute*

Arti Rai, JD

*Professor
Duke University School of Law*

Barak Richman, PhD, JD

*Professor
Duke University School of Law*

David Ridley, PhD

*Faculty Director, Health Sector Management
The Fuqua School of Business*

Devdutta Sangvai, MD, MBA

*Associate Chief Medical Officer
Duke University Health System*

Wendy Sanhai, PhD, MBA

*Adjunct Associate Professor
Duke University Health System*

Frank Sloan, PhD

*Professor
Duke University Department of Economics*

Don Taylor, PhD

*Professor
Duke University Sanford School of Public Policy*

Peter Ubel, MD

*Professor of Business, Public Policy and
Medicine
The Fuqua School of Business*

Krishna Udayakumar, MD, MBA

*Head of Global Innovation
Duke Medicine*

Health Sector Management

The health sector is increasingly intricate, dynamic and far-reaching – a global network of business, government, and non-profit entities that impacts people and economies like no other. The demand for and development of new health care products and services calls for leaders with both business acumen and insight into the industry's complexities. Equally critical is the need for creative new approaches to improve patient outcomes, access to care and cost management strategies.



Health Sector Management (HSM) at The Fuqua School of Business leverages Duke University's longstanding leadership in education, research, and clinical care to develop the leaders who will drive and innovate the health care industry. HSM layers the interdisciplinary study of the global health sector onto Fuqua's world-class business management curriculum, providing rich, holistic and lasting learning experiences inside and outside the classroom.

HSM students work closely with faculty and industry leaders to explore and identify answers to health care's most fundamental and emerging issues, among them:

- Health Sector Economics
- Biopharmaceutical and Medical Device Strategy
- Health Systems Management
- Commercialization of Disruptive Innovations
- Health Care Law and Policy
- Financial Management of Healthcare

With their understanding of the industry, highly applicable skills, and professional network, HSM graduates join noted public and private organizations to become industry leaders making a difference in healthcare.



"Health care has a major impact on our well being and budgets. Furthermore, health care technology and regulation are always changing. In Duke's HSM program, we help you stay ahead of trends and provide fundamental tools of economics and strategy. With this knowledge you'll have opportunities to make important contributions in business and society."

David Ridley, PhD
Faculty Director, Health Sector Management
Dr. and Mrs. Frank A. Riddick Professor of the Practice

DUKE
FUQUA
SCHOOL OF BUSINESS

The HSM Certificate is offered as part of the Daytime MBA, Weekend Executive MBA, and Global Executive MBA Programs.

HSM Students are exposed to a multitude of extra- and co-curricular events and programming that serve to augment their coursework and subsequently their knowledge within the healthcare industry.

HSM
Duke Health Sector Management

Health Sector Management
Duke University
The Fuqua School of Business
100 Fuqua Drive, Box 90120
Durham, NC 27708-0120 USA

Tel: 919.660.7989
Email: hsm@fuqua.duke.edu

www.hsm.duke.edu

HSM Daytime Curriculum

Fuqua daytime students must complete six courses to earn the HSM certificate:

- Three required HSM courses.
- Three electives (minimum 9 credits).



Required Courses (Must complete all three)

Health Institutions, Systems, and Policy (HSM Bootcamp) - HLTHMGMT 710:

A detailed overview of the health care system's segments and stakeholders; analyzes the industry's evolution and on-going changes within the sector during the next century.

Health Care Markets - HLTHMGMT 711:

Economics and strategy of the challenges and opportunities faced by product manufacturers, insurers, health care providers, and hospitals.

Seminars in Health Care - HLTHMGMT 705 and 706:

Duke Faculty and external industry experts explore the most current health care issues.

Elective Courses

More than twenty-five elective courses, including:

- Medical Device Strategy
- Biotech and Pharma Strategy
- Duke University Hospital Project Course
- Health Policy & Management (Week in DC)
- Fuqua Client Consulting Practicum
- Provider Strategy
- Health Law and Policy
- Health Analytics & Innovation



HSM EMBA Curriculum

Executive MBA students complete four required courses and two electives.

EMBA courses are designed and delivered specifically for working professionals.



Required Courses (Must complete all four)

Health Institutions, Systems, and Policy (HSM Bootcamp) - HLTHMGMT 710:

See description above.

Health Care Markets - HLTHMGMT 711:

See description above.

Seminars in Health Care - HLTHMGMT 705 - 709:

See description above.

HSM Project Course - HLTHMGMT 897:

Capstone project that applies MBA skills and training to address a health sector business opportunity.

Elective Courses

See examples above. Please note, not all daytime elective courses are available to EMBA students.



For more information, visit www.fuqua.duke.edu

Health Sector Management

Duke University
The Fuqua School of Business
100 Fuqua Drive
Box 90120
Durham, NC 27708-0120
Tel +1.919.660.7989
Email: hsm@fuqua.duke.edu