

Health Care Consumerism



Health Sector Advisory Council
November 3, 2017



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Friday, November 3, 2017

JB Duke Hotel

230 Science Drive, Durham, NC 27708

8:00 am Light Breakfast

8:30 am Welcome and Introduction

- David Ridley, PhD
Faculty Director, Health Sector Management
The Fuqua School of Business, Duke University

8:45 am Introduction and Discussion

- What does "health care consumerism" mean to you?

9:00 am Implementation of Health Care Consumerism

- Brian Caveney, MD, JD
Chief Medical Officer
LabCorp

Friday, November 3, 2017 (Cont'd)

9:30 am Policy Perspective

- Secretary Mandy Cohen, MD
Secretary, NC Department of Health and Human Services

10:15 am Break

10:30 am Research on Health Care Consumerism

- Peter Ubel
Associate Director, Health Sector Management
The Fuqua School of Business, Duke University
Madge and Dennis T. McLawhorn University Professor

11:40 am Break (Change room location to Kirby Reading Room, Fuqua School of Business)

12:00 pm Lunch and Panel Discussion with Fuqua's Board of Visitors

- Joe Swedish
Chairman, President, and CEO
Anthem
- David Snow
Founder and CEO
Cedar Gate Technologies
- Mark McClellan, MD, PhD
Director and Robert J. Margolis, MD, Professor of Business, Medicine and Policy
Duke-Margolis Center for Public Policy

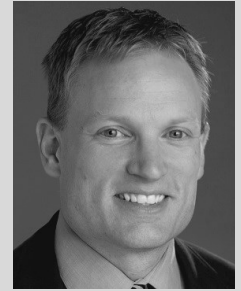
1:45 pm Looking Ahead

- David Ridley, PhD

2:00 pm Adjourn

Speakers

Brian Caveney, MD, JD is Senior Vice President and Chief Medical Officer of Lab-Corp. Previously, he was Chief Medical Officer of Blue Cross Blue Shield where he directed the development and implementation of strategies to help employers control health care costs while improving the health of their employees. Earlier in his career, Dr. Caveney was a practicing physician and Assistant Professor at Duke University Medical Center and also provided consulting services for several companies in the Research Triangle Park region. He has worked on issues such as employee wellness, benefit plan design, disability, workers' compensation, employee productivity, case management and regulatory compliance. Dr. Caveney earned his MD from the West Virginia University School of Medicine, a JD from the West Virginia University College of Law and an MPH in Health Policy and Administration from the University of North Carolina at Chapel Hill. He completed his residency at Duke University Medical Center and is board-certified in preventive medicine with a specialty in occupational and environmental medicine. He is the Past President of the Southeastern Atlantic College of Occupational & Environmental Medicine and continues to hold an active law license in North Carolina.



Caveney

Mandy K. Cohen, MD, MPH. Since being appointed as Secretary of the N.C. Department of Health and Human Services in January, Mandy Cohen, MD, MPH, and her team have worked tirelessly to improve the health safety and well-being of North Carolinians. DHHS is a cabinet-level agency with approximately 16,000 employees and an annual budget of \$20 billion. Among her top priorities are combating the opioid crisis, building a strong, efficient Medicaid program, and improving early childhood education.



Cohen

Cohen is an internal medicine physician and has experience leading complex health organizations. Before coming to the North Carolina Department of Health and Human Services she was the Chief Operating Officer and Chief of Staff at the Centers for Medicare & Medicaid Services (CMS). She brings a deep understanding of health care to the state and has been responsible for implementing policies for Medicare, Medicaid, the Children's Health Insurance Program and the Federal Marketplace.

A graduate of Cornell University, she received her medical degree from Yale School of Medicine, a Master's in Public Health from the Harvard School of Public Health and trained in Internal Medicine at Massachusetts General Hospital.

Cohen is married to Sam Cohen, a health care regulatory lawyer. The couple has two daughters, ages 3 and 5.



McClellan

Mark McClellan, MD, PhD, Director and Robert J. Margolis, MD, Professor of Business, Medicine and Policy, is a doctor and an economist whose work has addressed a wide range of strategies and policy reforms to improve health care, including payment reforms to promote better outcomes and lower costs, methods for development and use of real-world evidence, and approaches for more effective drug and device innovation. Dr. McClellan is a former administrator of the Centers for Medicare & Medicaid Services (CMS) and former commissioner of the U.S. Food and Drug Administration (FDA), where he developed and implemented major reforms in health policy.

Dr. McClellan has served as a member of the President's Council of Economic Advisors and as Deputy Assistant Secretary of the Treasury for Economic Policy. He was also a Senior Fellow at the Brookings Institution and a professor of economics and medicine at Stanford University where he directed the Program on Health Outcomes Research.



Ridley

David Ridley, PhD is the Dr. and Mrs. Frank A. Riddick Associate 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, Dr. Ridley examines innovation, location, and pricing, especially in health care. To encourage innovation in medicines for neglected diseases, Dr. Ridley, with Jeffrey Moe and Henry Grabowski, proposed a priority review voucher prize. The prize became law in 2007. Dr. Ridley received a doctorate in economics from Duke University in 2001.



Snow

David B. Snow, Jr., MHA is a nationally recognized healthcare executive with 38 years of experience leading Fortune 50 companies, hospitals and innovative start-ups. He has been featured in several articles and was acknowledged as one of America's Best CEO's by Institutional Investor in 2008. He is passionate about healthcare and has participated in many Government and Industry forums.

Mr. Snow is the Founder and CEO of Cedar Gate Technologies, an advanced prescriptive analytics company that provides the analytic capabilities and operating systems healthcare entities need to successfully manage under the new value risk-based payment and performance models.

Prior to Cedar Gate, Mr. Snow held positions of CEO Medco Health Solutions, President and COO of Empire Blue Cross Blue Shield, EVP Oxford Health, as well as other executive management positions at leading health insurance and hospital organizations. He is a member of the Board of Directors of Pitney Bowes and of CareCentrix, and Chairman of the Teladoc Board of Directors. He is a member of the Board of Visitors for The Fuqua School of Business at Duke University and a member of Clemson Institute for Study of Capitalism Board.

Mr. Snow holds a Bachelors Degree from Bates College and a Masters Degree from The Fuqua School of Business, Duke University. He and his family reside in Darien, Connecticut.

Joseph R. Swedish, MHA is chairman, president and chief executive officer of Anthem, Inc., a Fortune 33 company and the nation's leading health benefits provider. Anthem serves more than 40 million members—or one in eight Americans—through its affiliated health plans, and over 74 million individuals across 27 states through its broad portfolio of health insurance and services subsidiaries, including Amerigroup, Anthem Blue Cross and Blue Shield health plans, CareMore, and Simply Healthcare.

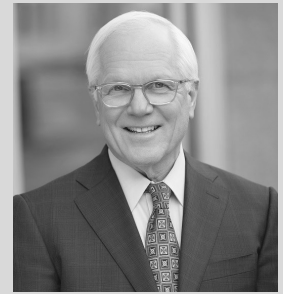
Mr. Swedish has reinvigorated Anthem's culture and leveraged his personal commitment to diversity and inclusion in order to create a company that can truly meet the unique needs of its increasingly diverse members and communities. Mobilizing the company's 53,000 associates around four strategic pillars – provider collaboration, managing total cost of care, consumer centricity, and quality – he has put Anthem on track to realize its vision to be America's valued health partner. Since Mr. Swedish joined the company in March 2013, Anthem's membership has grown by four million, or 11 percent, to more than 40 million, the average share price has approximately tripled, and operating revenue has increased 39 percent to over \$84 billion.

A visionary leader with a deep commitment to expanding access to high quality and affordable health care, Mr. Swedish works closely with political leaders and policymakers to find innovative, cost effective solutions to some of the nation's most pressing health care challenges. In January 2017, amidst a pivotal time in the industry, he was appointed Chairman of the Board of America's Health Insurance Plans (AHIP), the national trade association whose members provide coverage for health care and related services to millions of Americans every day. He continues to be a strong proponent for quality health care for all, including the nation's most underserved and vulnerable populations.

Mr. Swedish has more than 44 years of health care leadership experience, including over 25 years as CEO for several major health systems, most recently as president and CEO of Trinity Health, an 18-state integrated health care delivery system. Previously he held CEO and senior leadership positions with Centura Health and Hospital Corporation of America. Mr. Swedish received his bachelor's degree from the University of North Carolina at Charlotte and his master's degree in health administration from Duke University.

Peter Ubel, MD is the Associate Faculty Director, Health Sector Management and Madge and Dennis T. McLawhorn University Professor at The Fuqua School of Business, Duke University. His research explores health and healthcare decision making, from decisions at the bedside to policy decisions. A practicing physician for twenty years, Dr. Ubel is interested in where policies and management practices intersect with clinical care. He uses the tools of decision psychology and behavioral economics to explore topics like informed consent, shared decision making, and health care cost containment.

Dr. Ubel's books include *Pricing Life: Why it's time for healthcare rationing* (MIT Press 2000) and *Free Market Madness: How economics is at odds with human nature—and why it matters* (Harvard Business Press, 2009); and *Critical Decisions* (HarperCollins, 2012), which explores the challenges of shared decision making between doctors and patients. Dr. Ubel is currently writing a book about healthcare consumerism. You can find his blogs and other information at <http://www.peterubel.com/>.



Swedish



Ubel



Member Roster

Robert I. Blum

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Cytokinetics

Paula Garrett

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

Ruth Hancock

Director, Palliative and Chronic Care
HCR Manorcare

Shaun Horrigan

Director, Value Marketing
Amgen

Tom Kaminski

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Jim Kinser

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Amgen

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Krishna Udayakumar, MD, MBA

*Head of Global Innovation
Duke Medicine*



Spring 2017 Meeting: Health Policy Under the New President and Congress

Two current members of Congress and a retired member of Congress spoke on health reform at the spring 2017 meeting of the Duke Health Sector Advisory Council. The policy makers discussed the future of health care with representatives from hospitals, insurers, drug manufacturers, and Duke University.

One speaker was Bill Gradison, who served 18 years in Congress and watched the Clinton, Obama and now Trump administrations tackle health care reform with varying levels of success.



Clinton, and so far Trump, failed to build coalitions whereas Obama did, Gradison told members of the Duke Health Sector Advisory Council. Another failing of the current Republican approach, Gradison said, is that it "doesn't address the number one issue to people: Cost."



Gradison is now on the Medicare Payment Advisory Commission (MedPAC), a nonpartisan agency that advises Congress on Medicare policy.

Gradison told meeting attendees about proposals considered by MedPAC to control drug spending, including limiting price increases for generic drugs to medical inflation, and negotiation of the price of sole-source Part B drugs.

Spring 2017 Meeting: Health Policy Under the New President and Congress (Cont'd)

That future of US health care remains uncertain after plans to bring a repeal of the Affordable Care Act to the House floor were abandoned just hours after the meeting ended.

U.S. Rep. David Price, a Democrat, said that there's "political accountability coming" for Republicans who spent years undermining Obamacare and are now faced with offering an alternative.

Republican U.S. Sen. Richard Burr said there was no "silver bullet" but that the solution lies in allowing market forces to make health care function more efficiently. Burr recommended greater leveraging of data, starting with the government. "The American government has more data than any private company," he said, "but doesn't have a culture to do anything with it."



Regardless of whether broader health reform succeeds, both the President and members of Congress on both sides of the aisle seem to agree that drug prices are too high, according to Professor Mark McClellan.

Justin McCarthy, senior vice-president of global policy and international public affairs for Pfizer, said it's "a more complex issue than it appears in the headlines."

Groundbreaking and sometimes lifesaving treatments can cost thousands of dollars before generic equivalents hit the market, but McCarthy said those prices are what fuels the experimentation necessary to develop new drugs. "Innovative medicines are expensive, but by and large they deliver excellent value," he said. Only about 12 percent of medicines in development actually make it to market."

McCarthy continued, "If we aren't willing to pay for the value of innovative medicines for a short period of time, I don't know how we can sustain such a high-risk, high-reward industry. We as a society have to decide whether we are willing to pay for that innovation."



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 Health Care

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 Associate Professor of the Practice



The HSM Certificate is offered as part of the Daytime MBA, Weekend Executive, Cross Continent, 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 health care industry.



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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 Care Innovation & Entrepreneurship



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

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