The Employers Strike Back: Toward a Real Market in Health Care

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1998-2018: Stuck at 40% Waste

For every $1:

We should buy:

- 100% Value for Less Cost

$0.60 Value

$0.40 Waste

Services That Add Value

Preventable Complications

Unnecessary Treatments

Inefficiencies

Errors

Cost Savings

Services That Add Value

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Employers Reject Healthcare’s “A Dose of Lean”

• Embracing efficiency, reliability, safety as central to excellence

• Lean is...
  • A fundamental organizing principle
  • The way of doing business

• Lean is NOT a Band-Aid
Wired for Excellence
The Very Hungry Tapeworm

“The ballooning costs of healthcare act as a hungry tapeworm on the American economy”

Warren Buffett,
Berkshire Hathaway Chair and CEO
announcing his company’s new healthcare partnership with
JP Morgan Chase
and Amazon.com
The Employer Awakening

- Amazon-Berkshire Hathaway-JPMorgan: Starting own healthcare company
- Boeing, GE, JetBlue, Lowe’s, McKesson, Walmart: Negotiating with health systems, tying contracts to quality/outcomes
Employers Create Own High-Value Health Systems

• Apply rigorous standards of excellence

• Introduce:
  • Workplace primary care clinics
  • Teladoc
  • Employer Centers of Excellence for specialty surgeries