CEO Healthcare ROUNDTABLE

A Partnership of The CEO Advisory Network & The Healthcare Roundtable

# Spring Meeting 2025

## *"Moving Beyond the Tipping Point: Will You Be a Disrupter or Will You Be Disrupted?"*

### Keynote Speaker: Dennis Butts, Executive Vice President, Chief Strategy & Network Development Officer Henry Ford Health

On **March 19 - 21, 2025**, the CEO Healthcare Roundtable gathered at the **Scottsdale Resort & Spa at McCormick Ranch in Scottsdale, Arizona** to focus on our general theme of ***"Have we finally reached the Tipping Point?"***

The consensus of our Roundtable members is that our healthcare organizations have indeed reached a "Tipping Point." This Roundtable, we focused on how our Member organizations can ***"Move Beyond the Tipping Point"*** by exploring innovative ideas and solutions. We focused on transitioning to Value Based Care and developing effective approaches to understanding and utilizing Artificial Intelligence (AI) as a meaningful tool in addressing "Disruption."

## Now is the Time to Re-evaluate Your Organization's Strategies

Our Spring Roundtable began with our Wednesday afternoon "keynote" speaker, **Dennis Butts,** Vice President, Chief Strategy & Network Development Officer at Henry Ford Health. Calling upon his experience for many years as one of the nation's leading healthcare strategists, Dennis opened his presentation by ***identifying several key issues and challenges that are driving the need for hospitals to evaluate their strategies.*** These include:

1. **Challenges to Traditional Growth -** Factors such as higher operating costs, labor shortages, increased construction costs, greater scrutiny of mergers and acquisitions, and fewer opportunities for physician alignment are significantly impacting our healthcare organizations' growth strategies.

2. **Shifting Profit Pools -** Medicare Advantage is the fastest-growing line of business for many healthcare organizations, ***but providers often struggle to profit from MA*** due to payers' strong negotiating leverage. As a result, not all growth is profitable.

3. **Need for Intentional, Prioritized Strategic Decision Making -** Successful healthcare systems are making intentional strategic decisions to address challenges. Recognizing that there is a risk in inaction, systems need to decide whether to lead the market by offering innovative solutions or tactfully lag and learn from others.

4. **Importance of Vision and Market Alignment -** Defining a clear vision is crucial for guiding future innovation. However, ***it is essential to adjust strategies based on market conditions,*** system positioning, and other specific circumstances to ensure effective execution.

5. **Reframing Growth for Differentiation -** Health systems should reframe their approach to growth to create market differentiation and help their communities solve the problem of access. This involves considering various growth avenues. These include acquisitions for expanded capabilities or access to strategically enhance their systems' overall value to payers, employers and consumers, especially younger consumers.

In response to the above challenges, ***Dennis shared the following recommendations:***

- **Acknowledge the "New Normal" -** The healthcare sector is operating in a "new normal" characterized by decreasing control of total margins while facing increased challenges and competition for growth opportunities.

- **Strategic Prioritization -** Health systems must prioritize the right service mix and assess its capabilities to improve margins and achieve sustainable growth. This requires aligning strategic initiatives with both margin potential and the system's vision for community care and access.

- **Focus on Value and Differentiation –** Healthcare systems must emphasize delivering value to customers and creating differentiation from competitors. Consumers are demanding engagement and active involvement via transparency and personalized services. ***To demonstrate and elevate the importance of the concept of "Value," Henry Ford Health System has created a new Value-Based Care organization, "Populance."*** It consolidates all care coordination and care management activities that impact patients and consumers into one entity.

- **Adapt to Change:** Given the volatility and uncertain policy-driven nature of the industry, ***health systems need to be adaptable.*** They must closely monitor policy changes and market dynamics to adjust their strategies accordingly.

Dennis concluded his thought-provoking presentation with the question **"How do we drive action?"** He then suggested that in order to answer this question, our member organizations must:

- Clearly define and articulate their Vision
- Adjust to circumstances while identifying and evaluating solutions
- Prioritize strategies
- Act!

## Strategies for Preparing Your Organization for Financial Stability

**Seth Edwards,** Vice President of Strategy, Innovation and Population Health, Premier. Based on his experience advising and facilitating several accountable care and value-based collaboratives in his role at Premier, ***Seth shared several trends that he is observing*** based on his work with hospitals, health systems and physician groups. He shared the following observations:

1. **Financial Resiliency is Paramount -** The shift from fee-for-service to value-based care, coupled with changing reimbursement models, necessitates a focus on financial resiliency. Although Medicare Advantage growth and revenue are a high priority, health systems should also be focusing on direct-to-employer contracting strategies as employers continue to play a major role in the marketplace.

2. **Workforce Challenges Demand Attention –** The healthcare industry will continue to face significant workforce issues, including aging clinicians, physician shortages, nursing shortages, and burnout. Addressing these challenges through team-based care models and strategies to improve provider well-being is crucial.

3. **Shift in Care Delivery Sites –** The ongoing shift in care delivery from traditional hospital settings to outpatient departments, ambulatory surgery centers, and home-based care will continue to grow. This trend requires health systems to not just adapt their service offerings and locations but also to create targeted strategies for retaining patients within their network.

4. **Value-Based Care and Contracting are Evolving -** Value-based care is growing and progressing with increased direct-to-employer contracting, Medicare Advantage growth, and the need for specialist alignment. Health systems must evolve strategies and operations to navigate this transition in order to maintain financial stability and improve care quality.

5. **Strategic Partnerships are Essential-** Forming strategic partnerships are becoming increasingly important for health systems to access capital, specialized expertise, and drive market growth.

## Population Health Outcomes and Value-Based Care

**Andrea Wener,** Chief Population Health Officer, Emplify Health. Andrea shared an informative, and creative, case study about the creation of Emplify Health *(formed by the merger of Gundersen Health System and Bellin Health)* and framed her presentation around the leadership of ***Emplify Health's view of Population Health as a noun, verb, and pronoun***. At Emplify, Population Health is not just a concept (noun) but an active process (verb) and a core part of the organization's identity (pronoun).

Andrea noted that as a ***noun, Population Health is a defined as a" thriving community."*** Based on that definition, Emplify developed a "Community Health Score" that highlights population health as an overall measure of success, reflecting the community's well-being while emphasizing the importance of physical, mental, and social well-being of each individual as well as the entire community. The Community Health Score is tracked, measured, and used to help Emplify prioritize organizational initiatives and resource allocation.

As a ***verb, Population Health implies action*** so Emplify created a "Total Health "model which focuses on listening to the entire community, co-designing solutions, creating plans, and transparently delivering results.

Finally, as ***pronoun, the organization views Population Health as its identity***. In order to be successful, the strategy must ensure all team members understand and embrace this multifaceted definition of population health.

***Andrea also stressed the importance of healthcare affordability***, recognizing affordability's impact on access to care, economic stability, and a thriving community. In order to accomplish this, Emplify is actively involved in value-based contracts, including ACO (Accountable Care Organization) and Employer Direct Contracts.

***Emplify Health believes that Value-Based Care is a key mechanism for driving better outcomes and managing costs.*** This was further emphasized by Andrea's statement that an organization cannot achieve effective value-based "reimbursement" without a total system-wide commitment to value-based "care."

Finally, Andrea noted her agreement with Seth Edwards' comments on partnerships and shared her opinion that an ***organization cannot be a successful population health organization without building partnerships.***

## AI Innovation Session

**Ron Rerko,** Director of Healthcare & Life Sciences, Onix

Ron Rerko opened the AI session by sharing the impact of data and technology on our healthcare organizations including:

- Google receives over two billion inquiries each day about healthcare.
- Physicians spend an average of 4.5 hours per day documenting their respective patient electronic health records (EHR)
- The ***threat of cybersecurity and the use of AI by hackers has forced organizations to no longer just think about "how to protect" their organizations but they must also increase their focus on "how to recover"*** since the likelihood of a successful hack of their data is ever-increasing.

Ron then shared the following observations for hospital leaders:

- The use of AI is becoming much more sophisticated as traditional AI has reacted to inputs, but agentic AI can act autonomously to analyze data, automate workflows, and generate content, offering the potential to transform healthcare operations. ***Given the rapid changes and developments in AI, Ron recommended that organizations form an AI task force*** with clinical, IT, legal, compliance, and ethics representatives to guide AI implementation.
- He also suggested that organizations identify specific pain points in their organization (e.g., revenue loss due to claims denials, physician burnout from EHR documentation) and use AI to help prioritize AI enabled solutions that can address them.

Ron concluded his introductory remarks by drawing a parallel to the transformative impact of the Model T Ford on transportation by highlighting Henry Ford's famous quote, "If I had asked people what they wanted they would have said faster horses." Ron suggested that healthcare needs a similar paradigm shift and encouraged the attendees to consider a mindset transformation within their organizations. ***He encouraged attendees to strategically prioritize and invest in innovative solutions like AI, even if they represent a departure from current practices or thought processes,*** to achieve significant improvements in care, efficiency, and cost-effectiveness.

**Shelly Sexton,** Director of Customer Engineering, Healthcare & Life Sciences, Google Cloud

**Amy Waldren,** Executive Business Lead, Healthcare & Life Sciences, Google Cloud

Shelly and Amy provided a brief overview of the evolution and workings of Google Cloud as well as ways that ***Google Cloud is innovating and supporting multiple industries including the healthcare industry, which has been a significant priority for Google*** since its inception.

***Shelly and Amy encouraged attendees to not wait but to begin learning, understanding, exploring, and experimenting not just with AI but with AI Agents and Agentspace*** immediately since other organizations, including payers and competitors, are actively implementing these tools into their organizations. One major use of Google and AI is to address the problem of connecting data and getting multiple data systems across the entire organization to connect and talk to one another leading to greater efficiency and accuracy.

It was noted that although Google will support providing information and data to improve quality, outcomes, and efficiency, it will not allow its technology to make independent clinical decisions. ***Some healthcare organizations and payers are investing heavily in AI and other technologies to assist with functions*** such as billing, accounting, and prior authorizations to make these areas easier, more accurate and more transparent.

Finally, both speakers from Google emphasized that ***using AI, the Cloud and other emerging technologies requires not just an organizational commitment but also having the right people at the table*** when assessing and making decisions about products and services. This may create the need to involve knowledgeable, experienced outside entities such as Google or AI consultants or vendors in the evaluation and decision-making process.

**Scott Fleming,** Senior Vice President of Services, Public Sector, Onix

Scott concluded the AI Innovation Session by sharing how organizations such as Onix partner with Google to bring expertise, as well as data, AI (including generative and predictive AI) and Cloud solutions to healthcare organizations and other industries such as Financial Services, Retail and Telecom. ***In many cases adoption of these new services also involves the need for organizations to assess and modernize their IT infrastructure.***

***Scott then introduced the concept of agentic AI and Google Agentspace, which can act autonomously to achieve specific goals and activities*** such as connecting data, enabling search and analysis, and automating workflows. This can result in streamlining workflows for providers, improving member experiences, personalizing customer experiences, and enhancing care coordination.

Ron Rerko concluded the AI Innovation Session by summarizing the following key takeaways for Hospital CEOs:

1. ***AI is rapidly transforming healthcare***, offering solutions to improve care delivery, enhance revenue, and identifying areas where costs can be reduced.

2. ***Agentic AI has the potential to automate tasks,*** analyze data, and provide real-time insights, enabling healthcare organizations to operate more efficiently.

3. ***Partnering with experienced technology providers*** such as Onix and leveraging platforms like Google Agentspace can accelerate the adoption of AI in healthcare.

4. ***Addressing data quality, governance, and security is crucial*** for successful AI implementation in healthcare.

5. Cybersecurity is a critical concern, and healthcare organizations need to prioritize robust protection and recovery strategies to mitigate risks.

## AI Has the Potential to Transform Your Organization

**Angela Adams,** CEO, InfloHealth

**Kandace Garcia Tomkins,** MS, RN, Quality Improvement Director, ACR Learning Network, American College of Radiology

CEO Healthcare Roundtable Corporate Member, Angela Adams, along with guest Kandace Garcia Tomkins, ***shared their collaborative experience with using InfloHealth's AI empowered detection and improved automated workflow capabilities to create greater provider engagement.*** This results in significant clinical improvement, better patient outcomes, reduction in liability risk and revenue growth.

Angela opened her comments by noting that AI is projected to be a leading investment area for healthcare organizations in 2025, with a focus on enhancing workflow efficiencies while demonstrating a clear return on investment (ROI). She noted that ***AI has the potential to transform diagnosis, treatment, and patient care.*** She also noted that AI-powered tools are assisting with diagnosing diseases and recommending treatment plans based on specific, unique patient data.

Angela and Kandace shared a case study based on East Alabama Medical Center's implementation of InfloHealth's system and processes. The case study showed the following results after just six months:

- 95% increase in operational efficiency
- 20% improvement in quality measures
- 74% increase in follow-ups
- 3X ROI

It was noted that ***Radiology has been at the forefront of AI adoption due to large data volumes, workflow opportunities, physician shortages, early adoption, and AI advancements.*** Kandice shared that the American College of Radiology has developed specific criteria as part of its "Vendor Selection Best Practices" to select organizations like InfloHealth as a preferred partner. The criteria are based on the way a vendor integrates technology and AI into ACR's four elements for process improvement. These elements include:

- People
- Process
- Technology
- The integration and interaction of the above will result in increased operational efficiency, quality improvement, and revenue opportunities.

Angela shared the following conclusions and recommendations:

- **Prioritize AI Investment:** Recognize the importance of AI as a strategic investment and allocate resources to explore and implement AI solutions that align with organizational goals.

- **Focus on Workflow and ROI:** When evaluating AI solutions, prioritize those that demonstrate clear workflow efficiencies and a tangible return on investment.

- **Leverage AI to Improve Care:** Explore AI applications to enhance diagnosis, treatment planning, and patient care, with a focus on improving outcomes and patient safety.

- **Implement AI for Follow-up:** Utilize AI to improve the management of follow-up care, ensuring timely and appropriate interventions, reducing missed opportunities, and increasing revenue.

## View From Washington

**Blair Childs,** President and CEO, Childs & Associates, LLC; Senior Executive Advisor, Premier

Our March Roundtable concluded with the very popular "View from Washington" presentation by Blair Childs.

Blair opened by noting that ***our healthcare system continues to move towards a market-based system,*** driven by incentives that are shifting from the traditional government-designed system to a market-based focus. This transition, though uneven due to political differences, is a fundamental trend and one for which there is bipartisan support. The shift is being driven by the fact that healthcare costs continue to be a growing, significant burden on the GDP, on consumers, and on government budgets, making cost containment a top priority.

***One way the policy makers intend to facilitate this shift is to create a more consumer-driven healthcare system.*** There is a growing emphasis on empowering consumers with interoperable data access, AI-powered apps, more insurance choices, and transparency by requiring hospitals to provide clearer, consistent cost and quality information.

Blair also shared that ***Medicare Advantage is expected to continue growing, with bipartisan support,*** by adopting policies that encourage enrollment and provide greater benefit flexibility. This trend, along with the push for "Total Cost of Care" payment models, means providers are increasingly required to take on increased financial risk.

There is also a policy drive towards fostering competition among providers as well as a growing focus on deregulation.

In summary, Blair stated that ***the above will continue to be an area of focus and priority, regardless of which party is in control,*** because of the following three policy goals which have bipartisan support:

- Shift Risk from the government to the private sector
- Fix the perverse healthcare incentives
- Encourage and support consumerism

Blair concluded his presentation with the following recommendations for our Roundtable attendees:

- **Embrace Market-Based Realities -** Acknowledge and adapt to the ongoing shift towards a market-based healthcare system.

- **Control Costs and Demonstrate Value -** Focus on strategies to control costs and clearly communicate cost and quality value to consumers, employers, and payers.

- **Manage Risk and Payment Models -** Develop expertise in managing risk-based payment models, particularly with the growth of Medicare Advantage and Total Cost of Care initiatives.

- **Enhance Consumer Engagement -** Invest in tools and strategies to empower consumers with price transparency, quality information, and easy access to their health data.

- **Prepare for Continued Change -** Stay informed about policy changes and be prepared to adapt strategies as the healthcare landscape continues to evolve.

## SAVE THE DATE!

**Next Scheduled Fall Meeting**

## October 15 - 17, 2025

**The Oxford Hotel**
**1600 17th Street, Denver, CO 80202**

Please join us at our next Healthcare Leadership Forum at the beautifully renovated historic Oxford Hotel. We look forward to providing you with another informative and stimulating program.

For reservations and inquiries about the Fall 2025 Roundtable Meeting, please contact Alexis Matic at Alexis@healthcareroundtable.com

CEO Healthcare ROUNDTABLE

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