OUTSIDE # LINES

BE THE CHANGE: SPARKING A MOVEMENT

One year ago AARP, representing nearly 40 million Americans 50-plus, announced the formation of its Innovation Fund. A new partnership with JPMorgan Asset Management, the intent and focus of the fund is to disrupt aging, energize marketplace change and provide start-up capital for companies particularly focused in the healthcare space.

According to AARP's CEO, <u>Jo Ann Jenkins</u>, "this is AARP putting its money where its mouth is. We often talk about 'be the change' ... we hope this will spark a lot of interest and, indeed, innovation in products and services that address the needs of the 50+ population."

AARP has committed to providing \$40 million to the fund over 3 years with major areas of focus to include:

 Aging at Home – To spur forward technology-based products and services that allow older people to live in their homes longer, safely and



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- affordably.
- Convenience and Access to
 Healthcare To support telemedicine,
 consumer diagnostic, consumer care
 transparency and other tools that
 enable 50+ consumers to more easily
 interact with the primary healthcare
 system.
- Preventative Health To expand the market to include more products and services that help 50+ consumers prevent the onset of serious health conditions.

Still in start-up mode itself, it is hard to uncover where the AARP Innovation Fund is making investments to companies. However, One Medical Group is one of them.

Announced in December 2015 as the first investment recipient, AARP selected it because One Medical Group uses technology to give its members virtual access to healthcare providers. Another company the fund has invested in, announced in late September 2016, is FreshDirect because of its ability to deliver fresh, healthy food direct to peoples' homes.

In addition to the fund, AARP started "Project Catalyst" to advance healthcare changes in digital healthcare delivery.

Partners in this initiative include MedStar Health, United Healthcare, Pfizer, the Robert Wood Johnson Foundation and others.

With the aging population trend – including the projection that, by 2030, one of every five Americans will be 65+ and one of every three will have celebrated their 50th birthday – these AARP initiatives are significant. We at <u>Strategy Advantage</u> believe in sparking a

movement of change in healthcare delivery, and we focus on breakthrough growth strategies that balance the best of the proven, traditional strategies with the fresh insight of solid, future-forward models of care. We're quite aware of the difficulties of healthcare transformation. For example, just a few days ago a Forbes article noted that "In tech investors bet on people. Healthcare is different. In healthcare, most great ideas don't work." But there are new innovator companies that are proving a difference and making a mark, there are progressive hospitals and health systems that are boldly moving forward, and there is an ACA and healthcare industry that is broken with millions of people looking to us to make it better. So, what are we waiting for? Let's be that change!

Always looking ahead,



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NEWS ALERT! WHAT'S HAPPENED THIS WEEK

While AARP is driving a movement with 40 million of its members watching, another (less conventional) someone else is doing his bit and reaching 70 million+ viewers online. Dr. Zubin Damania – aka ZDoggMD and founder of Turntable Health, a primary care organization in Las Vegas – has been producing YouTube videos about healthcare, most recently one entitled "Lose Yourself" and is calling for a "Health 3.0" challenge. This is different – it may be a bit hard to take – but an important something to know about, especially in the "outside the lines" space.

Back to the topic of people 50-plus, especially the more senior of the AARP members, caregivers and caregiving. As we all know, this population is massively important to many aspects of healthcare delivery. As part of its innovation efforts, AARP released in January 2016 its <u>Caregiving Innovation Frontiers Report</u>. According to AARP, by 2020, about 120 million Americans will need caregiving assistance of some kind, while there will be less than 50 million caregivers available to provide it. Concluding that this area is ripe for disruption, the free report features and explains six healthcare areas that can be solved with technology and other new ideas, products and services including: Daily Essential Activities, Health & Safety Awareness, Care Coordination, Transition Support, Social Well-Being and Caregiver Quality of Life.

WHAT'S TRENDING

Of course you're thinking and wondering about payment for innovative (including techenabled) healthcare products and services. While Medicare has been slow to embrace and provide reimbursement for new programs, CMS is starting to pay for some telehealth services and, recently, it announced (prospectively) a method of reimbursement for Diabetes Prevention Program (DPP) participants, including patients who participate in the program via digital platforms. Over the years, the DPP model has proven to help prediabetic individuals reduce their risk factors and prevent their condition from advancing to Type 2 diabetes. If approved, by the start of 2018, Medicare could expand DPP nationally, including changes to the Physician Fee Schedule that would reimburse doctors for patients who are successful in the program.

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