



What's Your Moonshot?

A Podcast Series Where World-Class Healthcare Leaders Seek To Solve Big Problems



TRANSCRIPT

[00:00:00] Dr. Nishant Anand: I fundamentally believe that we should move towards value-based care. Now, I'm also a pragmatist and I know it's going to take some time because healthcare has been in this model for quite a bit of time, and there is a lot of players in there in the mix. I think the ultimate destination is when you get to value-based care where people are incentivized by outcomes. Not just by the number of services that you do, not based on the number of times that I see someone, but really based on the outcomes that I deliver. I think that's the future of healthcare.

[00:00:30] Host: Welcome to A&M Healthcare Industry Groups', What's Your Moonshot podcast series where world-class healthcare leaders seek to solve big problems. Listen as we talk to today's health system CEOs about the journey to achieve their moonshots.

[00:00:49] Dr. Jon Masoudi: Hi, and welcome to A&M's, What's your Moonshot podcast? I'm Jon Masoudi, a urologist and senior director at Alvarez and Marsals Healthcare Industry Group. I'm joined today by my co-host, the Honorable Secretary Dr. David Shulkin. Today, we welcome Dr. Nishant Anand, he's the president and CEO of Altais. He joined Altais as president and Chief Executive Officer in May of 2022, bringing his passion for value-based care.

In his role, he's focused on delivering solutions that enhance the quality of care, improve outcomes, and transform patient experience. He's also an emergency medicine physician. Before joining Altais, Dr. Anand served as executive vice president and chief medical officer of Bay-Care Health System in Florida. He's authored several peer-reviewed publications and he's received awards for clinical competency, worked with underserved populations, patient satisfaction, and innovation. Dr. Anand, we're delighted to have you join us on this podcast today.

[00:01:53] Dr. Anand: It's my pleasure Dr. Masoudi and Dr. Shulkin to be here with you and talk about a very exciting time in healthcare.

[00:02:00] Dr. David Shulkin: Great. I too want to add my thanks for joining us today. As you probably know, what we try to do on this podcast is to find people who have big ideas, who really want to change healthcare for the better. We want to give you an opportunity to talk about what your moonshot is, what your hope and aspirations are as a leader of your organization to be able to try to change the way that we're delivering healthcare.

[00:02:28] Dr. Anand: It's been an incredible time for me and especially in healthcare right now. I've dedicated my life and really focused my life on improving the health and maintaining the health of individuals so that they can enjoy their best life. I've seen, as the emergency medicine physician, I've seen a lot of people at the end of life, I've seen people with conditions that suffer.

I believe that the best way to improve the health of individuals is through value-based care and population health, where you improve the health of a specific group of populations over time. Healthcare in my opinion has gone through three transitions. We've had the advent of antibiotics, we've had surgical technique, and now we're in this most interesting, and challenging at times, where we're focusing on how we actually deliver care together. That's where I think population health has such a great role to play.

Part of this is when you look at, when I was an emergency medicine physician I would see people coming in and they would be labeled as non-compliant, and I would talk to them. I really enjoy talking to people and trying to understand their why, why are they non-compliant? It turns out a lot of times it's not the people but it's the health system that's too complicated, too cumbersome, or there are too many barriers.

I really believe that if we can come together as a healthcare industry, partnering together to improve the health of outcomes, focusing on people who are sick, keeping them out of the hospital. People with a single condition like diabetes, helping them reverse that or not develop complications. People like me who have some minor condition like knee pain, getting them early so that they can start to fix their muscle imbalances so they don't have to have knee surgery. I think that would be my moonshot.

[00:04:09] Dr. Shulkin: Before I let you finish that thought, do you think that population-based health, the value-based care is appropriate for segments of the healthcare market and certain parts of the provider community? Or do you think this should become the primary way that we deliver healthcare? That this is our primary contracting vehicle? In other words, that fee for service medicine simply goes away?

[00:04:40] Dr. Anand: I fundamentally believe that we should move towards value-based care. Now, I'm also a pragmatist and I know it's going to take some time because healthcare has been in this model for quite a bit of time. There is a lot of players in there in the mix. I think the ultimate destination is when you get to value-based care where people are incentivized by outcomes, not just by the number of services that you do. Not based on the number of times that I see someone but really based on the outcomes that I deliver.

I think that's the future of healthcare, especially in this country. We've seen that healthcare has a percentage of gross domestic product increase. We've watched it within our lifetime go from much smaller numbers to where it is right now and it's going to continue to increase. Personally for me, with three young kids, I worry about that. That this is incumbent upon us as executives to really come together to transform it with the payment model being value-based care and the clinical delivery model being population health.

[00:05:39] Dr. Masoudi: That's great. I'd like to talk a little bit more about the history of Altais and your history as a leader. Tell us the story of Altais and then tell us about how you transitioned and why you transitioned from being an emergency medicine physician to being a healthcare leader.

[00:05:58] Dr. Anand: Yes. Starting with Altais. Altais is named for a star in the Draconian, Daco star system, and it's basically a giant star that's twice the size of the sun. Now, when we look at stars in all throughout history, stars serve as guides along a journey. That's where we believe Altais can be that beacon or that guide that can help healthcare transform, not by ourselves but be one of the key contributors to that going forward.

Altais was formed in 2019, We've since grown and expanded across the state of California, and we have really started to really find great outcomes that we can demonstrate now to different populations. Now, my journey is been a little bit atypical. When I was in undergrad I started as a actually management information system. I liked technology and data but then I also did business and I did biochemistry.

I did a little bit of everything but I ultimately decided I wanted to go into medicine and I wanted to be an emergency medicine physician because I wanted to take care of people when they needed it the most. I practiced for several years, I did disaster medicine and emerging infections but I realized that I can only take care of a certain number of people 2,000 or 3,000 people a year and I really wanted to transform the delivery system.

I could see day in day out challenges that people were facing and I knew that together we could make a much more meaningful impact. That led me to go into administration. I've had the privilege of working at health systems such as Banner Health, Memorial Hermann, Advent Health, and Bay-Care. Now, being at Altas we're right smack in the middle of the intersection of the people who pay for healthcare with the people who deliver healthcare. That's what really excites me about being able to transform the delivery system.

[00:07:47] Dr. Shulkin: People have been talking about value-based care for a long time and yet we've really not seen it make significant inroads into the way that most health systems or provider groups are doing business. It's more something that I think that people talk about than actually experience in a meaningful way. Most hospitals are still making most of the revenue by keeping their hospital beds filled by doing procedures, by maximizing fee for service medicine.

I can't help but wonder you left BayCare on the provider side to go to Altaris which you say sits in the middle, but it really is outside of that traditional provider structure although it's clear that you're collaborating with providers. Do you feel that you can accomplish or that we can see this type of transformation in the healthcare system from within? Can the providers actually do this or do they need to be in some ways disrupted? That doesn't have to be a negative disruption but in some ways encouraged or forced to do this from external pressure.

[00:09:08] Dr. Anand: Great question. Let me answer with three responses. The first I think we're further along, just my humble opinion, I think we're further along in value-based care than we think. The best analogy I can give you is, look up in the sky and see a plane flying. You look at it and you think it's just flying very slow. In reality, it's flying 400 or 500 miles an hour.

When you look at Medicare's now DRG payment so for inpatient stays, that in, for all intents and purposes, there's a bundle, there's readmission penalties for hospitals, there's hospital-acquired infections. It may not be the complete picture and it may not be big enough but that's just a matter of time before that changes. I think we are in the midst of the transformation.

I think COVID has really accelerated the transformation because now we're seeing inflation or inflationary prices increase. Now, when you have people in the hospital you could take care of them but labor cost, supply cost all increase. I think we are in the midst of the transformation.

Second, I would say that what's unique about Altas is we're actually are a provider. We have health system partners, we're part of them. We actually have our own providers or physicians that deliver care. We can actually take, which has been the real biggest challenge in healthcare, we can take the financing of healthcare and figure out how to pass the risk or incentivize the people who actually deliver the care. There's a mismatch right now between making this affordable because people who take care of healthcare like you said, Dr. Shulkin, are incentivized by doing services. We have to change that paradigm.

The third, the disruption statement that you made, I think any industry that's been-- We look at industries all across the world right now. You look at taxi drivers, Uber has disrupted, Lyft has disrupted because it was ripe for disruption. Banking, how many people go into a ATM branch now to deposit a cheque maybe for other reasons? I think healthcare is ripe for disruption.

I also think disruption has to be, not just at the fringes and where you can take a particular segment and come in, such as home care or primary care. It has to be someone who comes

in and integrates and aggregates all the components, so they're working together instead of at odds, which is sometimes what happens in healthcare.

[00:11:24] Dr. Masoudi: You're talking about some really interesting things about the transition to value-based care, and you've put yourself right in the middle of it, which isn't easy. Could you share with us the challenges that you've faced in trying to move, at least your part of the world from a fee-for-service model to a value-based care model?

[00:11:49] Dr. Anand: Yes. I think sometimes being right in the center of a transformation can be pretty uneasy, but it also has quite a bit of rewards to it. My perspective, I think there is this inertia building where the payment models, and CMS is a great example, the Centers for Medicaid and Medicaid Services has indicated that by 2030, they want all of their beneficiaries to be in a accountable care organization.

Payers across the country like Humana, they will not sign up individual providers for their Medicare advantage unless they take risk. I think we're moving pretty far in that journey. I think it's an incredible testament that now the delivery system has to catch up with them, and with the people who are paying for healthcare, and employers who are looking for it. I think that is what really energizes me and excites me and gives me hope that this can be done. Although some days are more stressful than others as you can imagine.

[00:12:56] Dr. Shulkin: I think you certainly are optimistic and provide some factual basis for being optimistic that you are seeing this type of advance. I think that's terrific. What type of advice would you give other leaders that are either on the payer side or the provider side in moving more towards this value-based or full-risk environment? How do you steer a ship that you believe it's clear where it's going, but they may be in a different direction right now?

[00:13:34] Dr. Anand: Yes, a great point. Whether it's payer or a provider, some may say it's like turning an aircraft carrier. I think the first thing I always recommend for leaders, board members who are part of health systems or payers, is understand it. I think there's a lot of misconceptions out there. We've hit on a couple, it's not coming, just wait your turn and it'll be fine. I think people don't understand. When you say population health or you say value-based care, if you have a room full of 50 people, you probably have at least 20 different definitions of that. First and foremost, really understand how to be successful.

Second is think about it as a diversified revenue stream. We would not all want all of our retirement savings to be in 401k, in a equity market only. Especially if you're approaching ripe retirement age, we'd want a diversified portfolio. Now, that may change over time. Some health systems may want to be more in value-based care, some may want to be more in fee for service, but think of it more as a diversified portfolio.

The third is, what I found across the country, my experience in speaking with colleagues and other audiences, is that the sequencing is really important. People fail a lot when they go into value-based care because they don't sequence the order correctly. They do it reactive. They do it once they sign a signature, and they take on a bunch of risk and a bunch of financial potential loss before they're ready to do it.

I've over the years built a stair-step, starting with the contracting process all the way to the clinical delivery. I would encourage, it doesn't have to be this particular model that I have but pay key attention to a sequencing of the move to value so that you're not unsuccessful.

[00:15:19] Dr. Masoudi: That's great. Well, we've really enjoyed spending time with you today, Dr. Anand. We've learned a lot about your journey in value-based care and heard some great advice for other leaders, and we really appreciate your time.

[00:15:34] **Dr. Anand:** Yes, it's my pleasure.

[00:15:36] **Dr. Shulkin:** Yes. Thanks for joining us today on *What's Your Moonshot*.

[00:15:39] **Dr. Anand:** I appreciate it. I wish you well and thank you again for the opportunity to speak with you both.

[00:15:44] **Dr. Shulkin:** Thank you.

[00:15:45] **Dr. Masoudi:** Thank you.

[music]

[00:15:54] **Host:** Alvarez & Marsal leadership, action, results.

[music]

[00:16:12] **Dr. Shulkin:** I thought that was pretty interesting in that he clearly is on the glass-half-full side believing that we are making progress and had some pretty compelling evidence that things are moving much more towards a value-based environment than many people may think so. It may be that his company is a true enabler of being able to move in that transition, that you may need somewhat that middle ground in between the payer and provider to actually accelerate the change in healthcare. What are your thoughts about that?

[00:16:53] **Dr. Masoudi:** Well, I spent most of my career with Kaiser Permanente, which is probably the largest value-based care system in America. That payer-provider relationship is critical to the success of Kaiser, because it allows you to align the incentives of the decision-makers, which is the physicians, the patients, and the payer all at the same time. I really do think that he's onto something there and that really the future is in payer providers.

[00:17:33] **Dr. Shulkin:** It is so interesting how we can have such different models that coexist in the American healthcare system from Kaiser and the VA, all the way to health systems that really are just beginning to dip their toe in this value-based world. Then you have the models like Altaris and others that are in this pretty much full bore. Yet it just doesn't seem clear that there's a consensus about this is the direction we're going. It almost seems like we're going to let everybody find their own way.

[00:18:13] **Dr. Masoudi:** Yes. I think CMS is really helping push that because as goes CMS so goes the rest of the American healthcare system. I think that a lot of providers for so long, for so many years have been thinking, "Oh, I'll just wait this out." Like it's coming, but it never comes. With CMS pushing this so hard, I think it is coming, and I would urge providers to get ahead of this rather than waiting for it to be put onto them because then they just won't be ready for it.

[00:18:56] **Dr. Shulkin:** Yes. I think that's such a good point, and I couldn't agree with you more. That whether people like it or not really government does, in one sense, set a policy that the commercial sector does follow. I think it's very hard for people to understand that this type of government CMS policy is not necessarily influenced by political decisions and political elections the way that many other policy decisions are.

I think you just have to take a look at President Obama's Affordable Care Act in 2009. We've gone through Republican administrations that have had a lot of vocal statements that they wanted to undo the Affordable Care Act, but in fact, it's pretty much been consistent policy since 2009. I think when Medicare sets out on a direction, that is very likely to survive no matter what administration comes in.

I think you're right, that is beginning to set a clear path on where we're going. That clearly is towards value-based care as Dr. Anand was talking about today. Well, I think that this is something that's worth us following and watching as these intermediaries like Altas and other groups really begin to have some success, whether this is one of those accelerators in healthcare. We have a sense that guys like him have a vision and are going to be successful at really helping this system perform better.

[00:20:48] Dr. Masoudi: Yes. I think as soon as people start really making money doing value-based care, which you can do if you do it right, that will be what really draws others in.

[00:20:59] Dr. Shulkin: I just wanted to mention one thing just because I was just reviewing a study today that came out of the value-based care home care model. That showed that in what was really a pilot program that they were able to save \$1.38 billion, decrease the use of skilled nursing facilities by over 20%, and reduced hospital admissions and actually had the quality scores, six areas, move up.

We're seeing the impact of these value-based models across different segments of the healthcare ecosystem. It may be coming just in time because, as Dr. Anand said, the cost of labor, the cost of supplies, the affordability and accessibility of healthcare is really at greater risk now than we've seen in a long time.

[00:22:00] [END OF AUDIO]

ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 7,500 people providing services across six continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

To learn more, visit: [AlvarezandMarsal.com](https://www.alvarezandmarsal.com). Follow A&M on [LinkedIn](#), [Twitter](#) and [Facebook](#).