



Market Update: Primary Care and Payvider Disruption

Strategy Catalyst Update and Discussion

October 31, 2023

Goals today:

- Get smart beyond the headlines
- Don't repeat much of what you've already heard
- Focus on the “so what” for LHS

Agenda for our time today

1

Explore updates across 3 disruptor growth channels: MA, ACO REACH, D2C

2

For each, discuss:

- What's happened recently?
- What is the "so what" for LHS?
- What's next?

3

Small group reflection (10 mins)



In just **four** deals late last and early this year, disruptors spent **\$28.6B** on ambulatory acquisitions



*More than the GDP
of Iceland*

These acquisitions have fundamentally shifted the disruptor taxonomy

Segmentations by end payer and patient are growing less relevant



Tech-Enabled Outsiders

Wealthier, health-conscious adults

Consumers willing to pay premium for convenience in terms of access, digitally enabled care, and comprehensive services



Retail Expanders

Convenience and/or cost-conscious consumers

For the straightforward and convenient care-seeker that wants clear prices (esp. for those un/under-insured) and access outside of working hours, with or without an appointment



Risk-Taking Heavyweights

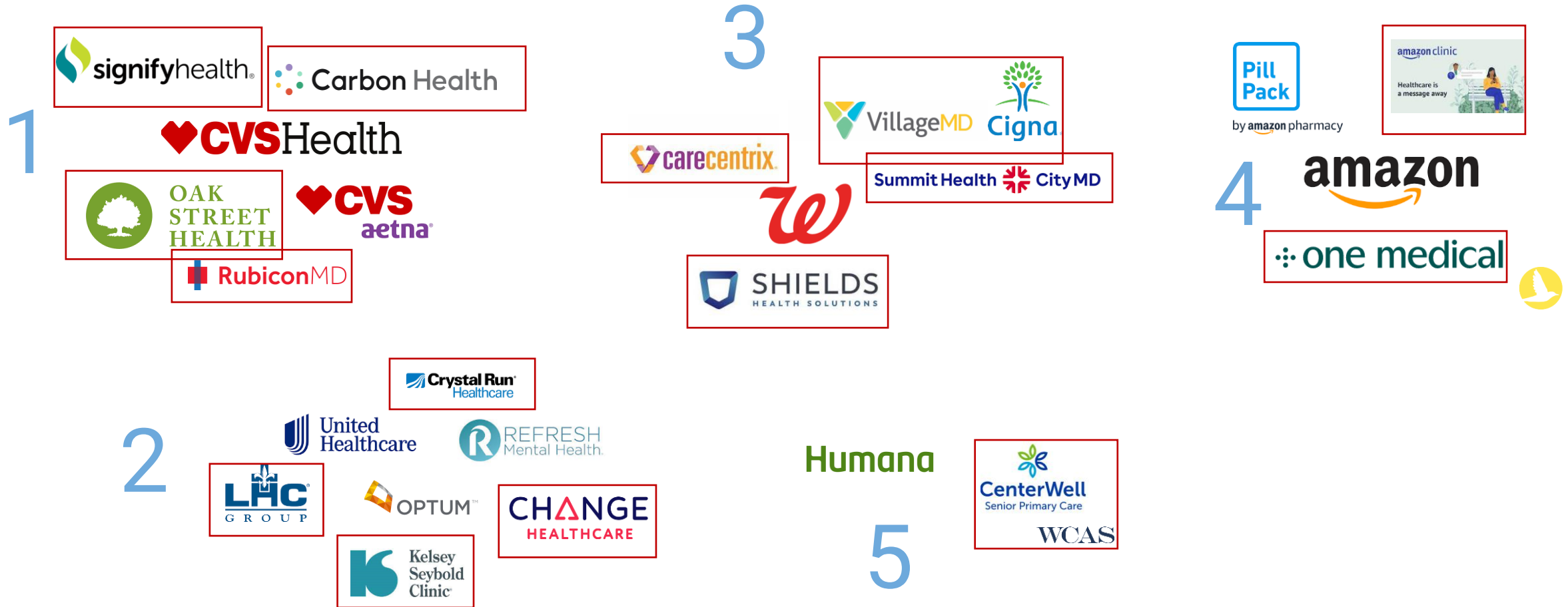
Older adults who want simple, coordinated services

Consumers that have difficulties accessing primary care due to age or acuity, often with multiple complex chronic conditions; may be dual-eligible or underserved

Sources: Academy research and analysis.

There are five disruptors of concern today

Red boxes highlight changes (e.g., new deal, deal expansion or deal closing) in the **past 12 months**



Every disruptor is now betting on MA to some extent– with a few also pushing D2C

We previously talked about the four ways disruptors can grow. **MA has become the major one....**

1

Medicare Advantage

2

ACO REACH/ MSSP

3

Employer-Sponsored

4

Direct-to-Consumer

Employer-sponsored growth has not been a major focus in recent months (with only One Medical and Carbon pursuing it)

ACO REACH has expanded the MA-type payment model to the entire Medicare FFS population, which expands the possible population substantially

Direct-to-consumer is still a growth path, but with less financial upside. Amazon may take most of this, with retailers shifting away except for as a low-cost labs/ med adherence option

Medicare Advantage

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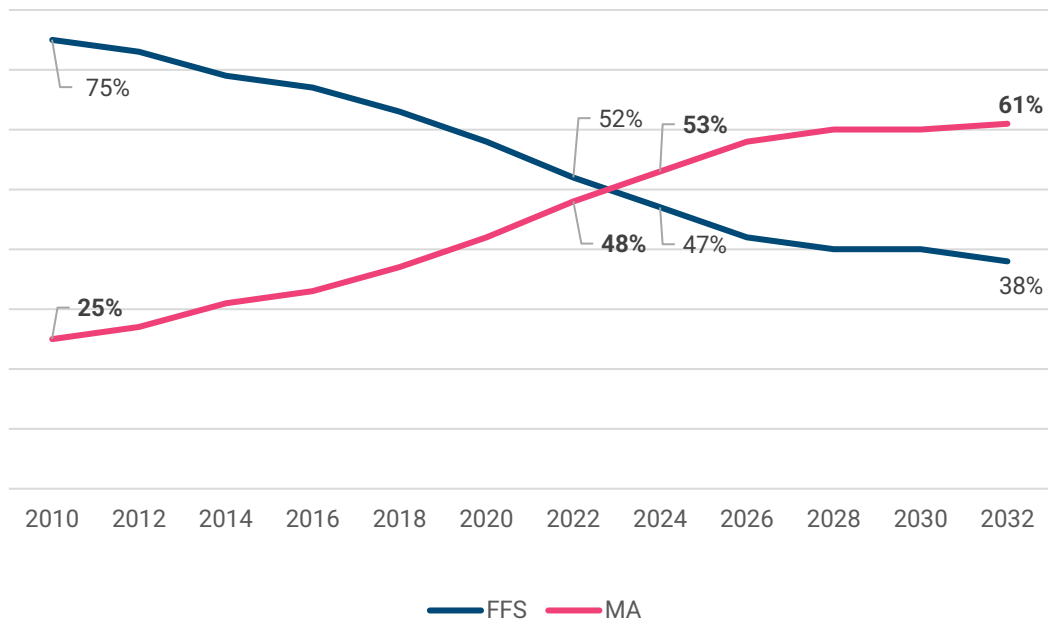
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Direct-to-Consumer

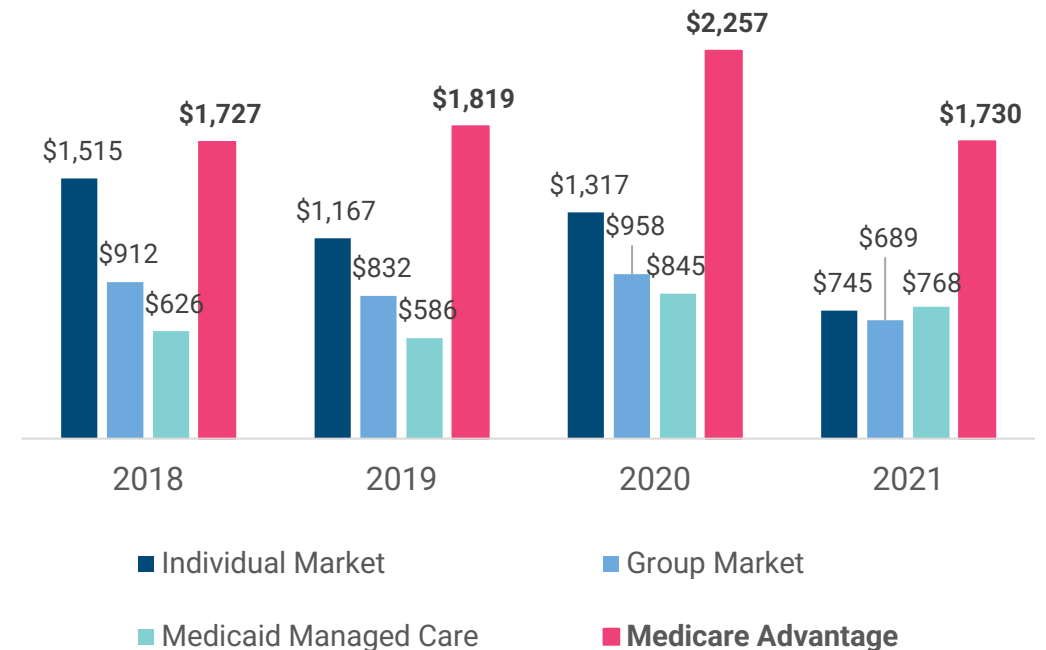
MA's enrollment surpassed FFS this year as MA margins grow

MA enrollment increased 337% from 2006-2022 as Medicare FFS declined by 2.9%

MA is now more popular than traditional Medicare as of this year



Gross margins per enrollee type



Medicare beneficiaries are reforming the program with their feet...Across the country, they are consistently choosing MA plans over traditional Medicare"

Erin Trish, Co-director of the USC Schaeffer Center

Sources: CMS, Elevance, KFF "[Health Insurer Financial Performance in 2021](#)," KFF "[MA in 2022](#)," [Wendall Potter](#), UHG, Academy research and analysis.

However, MA might not be quite the same windfall moving forward

Two important changes to know

1. CMS is making the MA star rating system more challenging– benefitting a smaller number of plans

\$2.3-\$4.6B

CMS annual savings by 2028 if all changes are adopted

1%

Projected cut in MA plans' average revenues

2. CMS is shifting from ICD-9 to ICD-10 and cutting HCC codes applicable for payment aims to limit “over-coding”

2,269

HCC codes no longer mapped to payments

2.16%

Projected cut in 2024 plan payments



While these changes will only reduce payments by a couple of percentage points, average MA profit margins were only 1.8-4.7% from 2017-2021

Sources: [Milliman](#), [CMS](#), Academy insights and analysis

Optum Health is seeing its lowest margin in years

MA changes plus integration challenges are leading to broad cost cutting

Optum Health operating margin

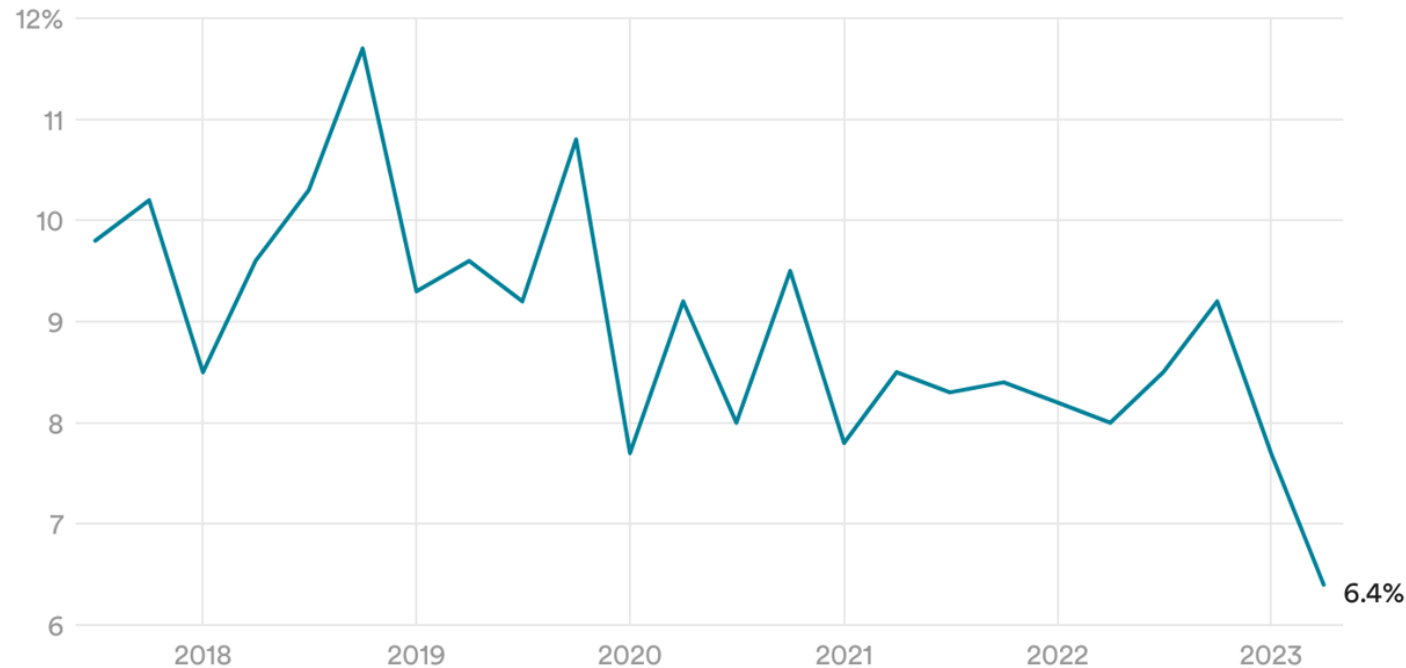


Chart: J. Emory Parker/STAT • Source: Company financial documents

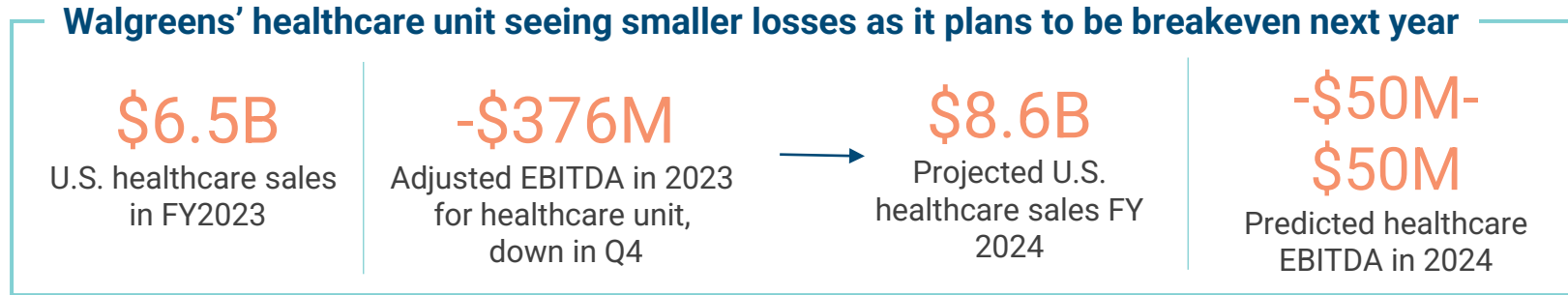


Facing a declining operating margin, Optum has been pushing layoffs and divestments

- As part of a broader round of layoffs, Optum cut all nursing positions across 150 facilities at its **MedExpress** subsidiary
 - The decision was made despite negative press coverage and an employee petition
- The company has also recently closed multiple service lines at its **WellMed** subsidiary, and also 67 employees from **The Everett Clinic** and **The Polyclinic** in Seattle

Sources: [STAT](#), [Healthcare Finance](#), Academy insights and analysis

Walgreens share price falters, forcing new leadership



Walgreens' steady slide

Historical daily stock price for Walgreens Boot Alliance Inc.



- Named **Tim Wentworth as its new CEO**; previously CEO of Evernorth, and he also served as CEO of Express Scripts prior to its acquisition by Cigna in 2018
- Following a disappointing fourth quarter, the company plans to **close 60 VillageMD clinics in 5 less-densely served markets** as part of a \$1B cost-cutting plan

\$1B

spend Walgreens is cutting next year through it's Transformational Cost Management Program

10%

of corporate workforce was already cut

150

expected pharmacies which will be closed, along with micro fulfillment centers to use robots to fill scripts

CVS also pushes cuts as it “builds a more attractive business”

Oak Street expansion costs and rising expenses forced enterprise cuts

Levers



\$800M

Cost reduction through restructuring and layoffs



Continue to integrate Oak Street Health into its broader operations to enhance MA enrollees' experiences and boost quality ratings

60

New clinics in 2024

300

Clinics in operation by 2026

Challenges



Rising expenses



Soft retail performance



Oak Street Health expansion costs

Enterprise financial shifts

37%

Decline in net income Q2 2023

10.3%

Increase in revenue Q2 2023



We're trying to accomplish two objectives: One is to create more accretive earnings growth from year-to-year, but **also over time to fundamentally change the growth rates inherent in this company as we build a new business that has more attractive long-term growth characteristics than the enterprise.** That's the big challenge financially.

-CFO, CVS earnings call

Reminder on the J-curve of clinic profitability

Price Per Clinic

\$60M



\$12M



Price CVS paid per OSH center

Humana-owned CenterWell Clinic

Expectations on Return

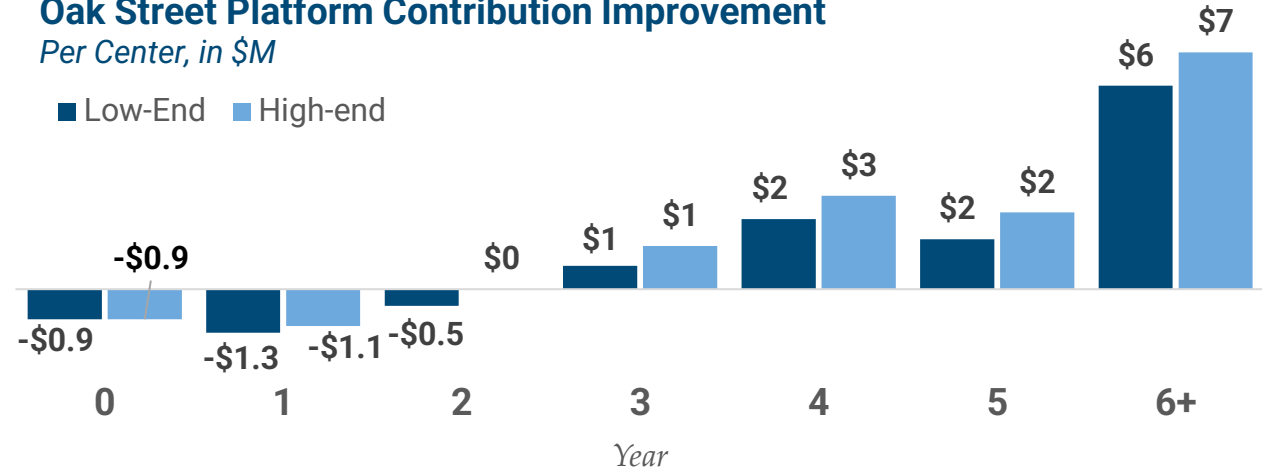
CVS believes OSH could drive **“double digit returns” on its investment by year 7**. It expects the investment to be **EPS-neutral by year 4** and **accretive by year 5**.

To hit those goals, **Oak Street needs:**

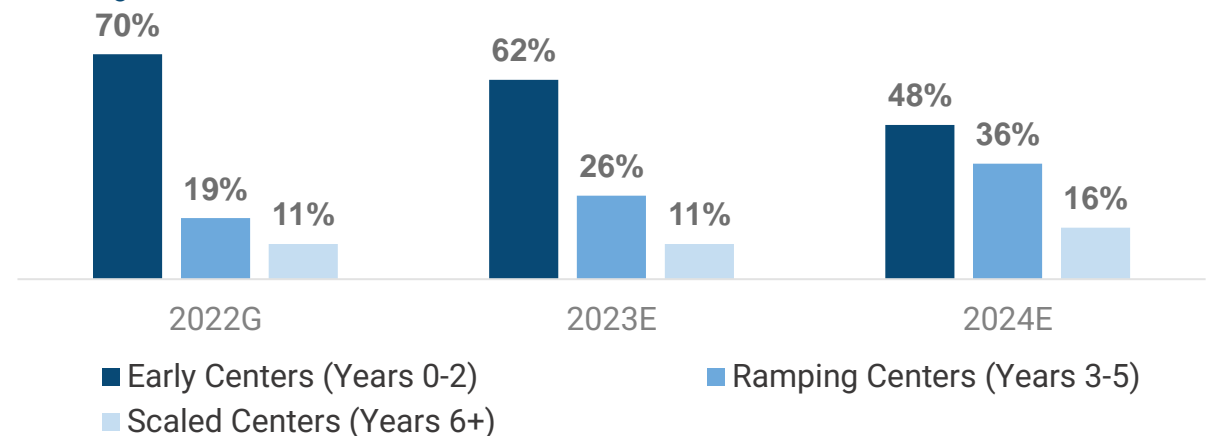
- **300 centers to have matured in revenue at the same rate as previous centers.**
- **Earn \$7M per clinic**

Oak Street Platform Contribution Improvement Per Center, in \$M

■ Low-End ■ High-end



Oak Street Anticipated Portfolio Shift By Percentage of Platform Contribution



Payviders are consolidating home health to control MA spend

Home health market has historically been highly fragmented with a long tail...

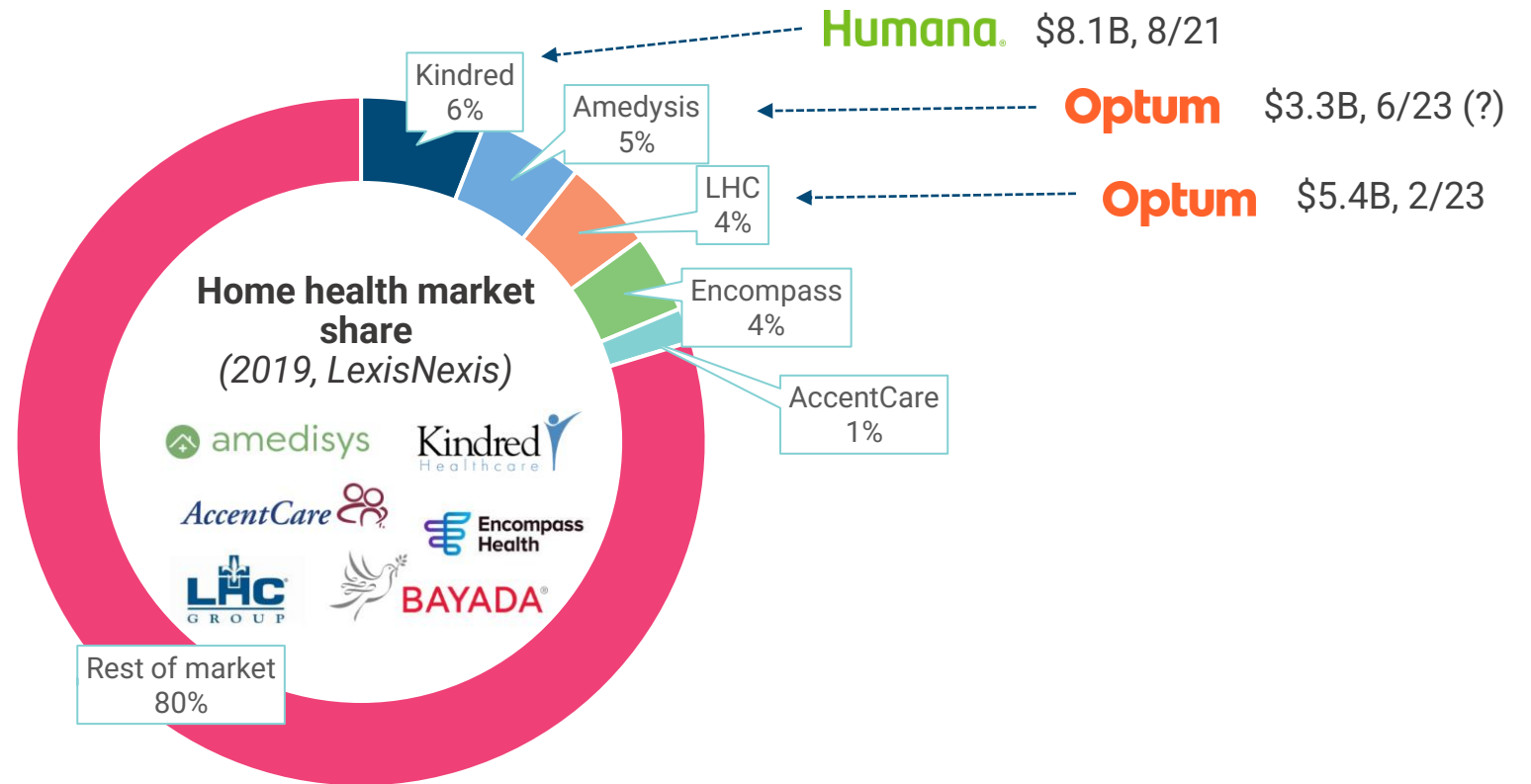
...But the last year has seen substantial M&A from payviders

11.3K

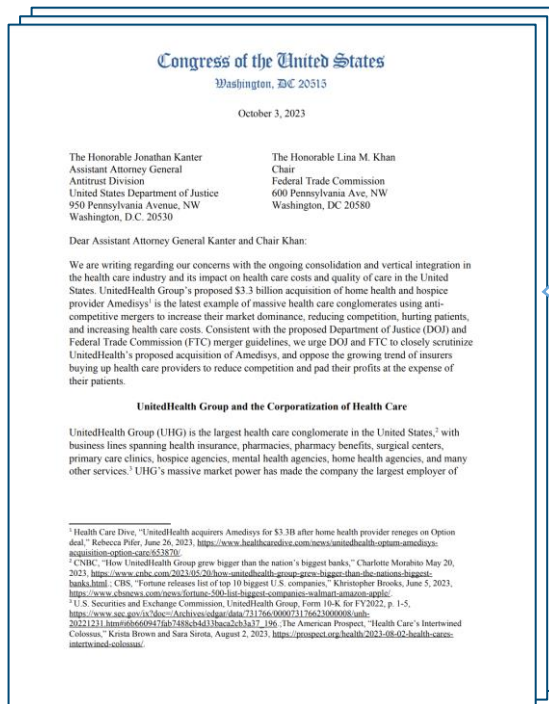
Number of home health agencies in 2022 (82% for-profit)

20%

of the market is owned by the top 10 players



Progressive lawmakers call for antitrust probe of UHG/Amedisys deal



“UHG’s enormous reach and vertically integrated structure has allowed the company to profit off of every part of the health care system, controlling and steering patients, workers, and taxpayers into more profitable services for UHG.”

- Sen. Elizabeth Warren (D-Ma.)
and Rep. Pramila Jayapal (D-Wash.)

After a DOJ request for more info, progressive lawmakers question deal

- On Oct. 3, Sen. Elizabeth Warren and Congressional Progressive Caucus Chair Rep. Pramila Jayapal sent a joint letter to the DOJ and FTC urging an investigation into UnitedHealth Group's proposed acquisition of Amedisys
- The letter cites UHG's size, subsidiary profits, treatment of physicians, and anticompetitive reimbursement tactics
- If the acquisition proceeds, Optum will control roughly 10% of the home health market

So What? Implications with disruptor MA growth

As disruptors invest in MA more deeply and payer arms face tighter margins on MA, they will likely:

1

Continue to negotiate more aggressively on MA rates

LHS will face more downward pressure on rates

2

Be stricter with prior authorizations

LHS will see more discharge delays, pushing up LOS

3

Look for fully capitated, delegated options for primary care partners

LHS that want risk will see more competition over MA patients

4

Continue to expand MA into more rural markets

LHS that have not seen as much MA due to low penetration may see it grow

How are LHS responding?

Many rural—and some non-rural— LHS are dropping all or some MA plans



65+ clinics contracting for MA are growing increasingly popular

LHS mimic risk-taking heavy weights (ChenMed, OakStreet, Iora) to support MA and downstream services growth

Geisinger

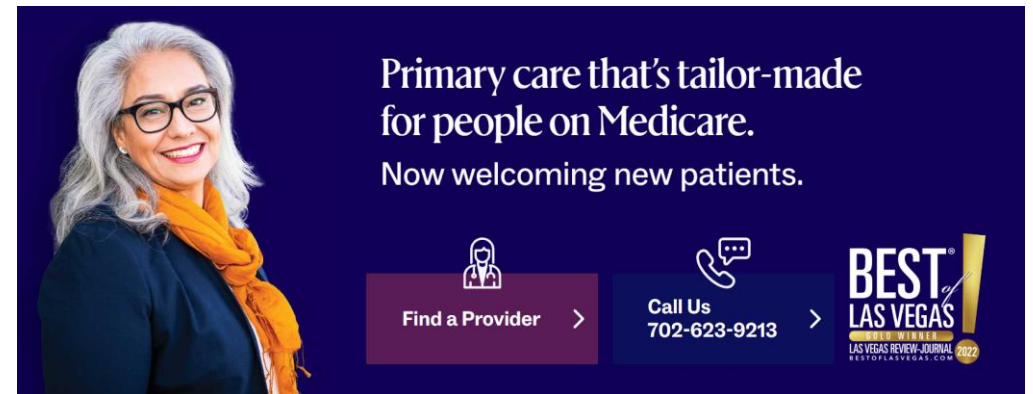


Geisinger's "65 Forward" was one of the first concierge MA-focused primary care programs

- Offered for members of the system's MA plans, also participates in downside risk MSSP ACO
- Panel size substantially smaller than national average
- Provide wraparound services like nutrition, genomics, fitness clubs, etc.
- Offers same-day appointments, same-day labs and imaging with no out-of-pocket expenses
- Now have **11 clinics**
- Progress to date:
 - **99th percentile on patient engagement** and satisfaction
 - Between **25-40% reduction in ER utilization** rates and inpatient admissions

Several other systems have created similar offerings

LHS	Brand	Scale (# of clinics)
AdventHealth	Well 65+	9 (FL)
Ochsner	65 Plus	4 (FL, SC)
Intermountain	myGeneration	10 (NV)
Northwestern	Innovative Primary Care	1 (IL)



Ochsner, Novant use 65+ clinics to grow into new markets

Could other LHS partner to replicate a similar strategy?

Ochsner and Novant partner to expand 65+ clinics across Southeast

- Ochsner already ran two senior-focused primary care clinics
 - Clinics offer longer visit times and services like group fitness, mental health coaching, condition-specific care models
- Novant will help **expand Pensacola location through co-branded JV, identify other sites for expansion**
- Ochsner founded an MA plan in 2021, the Ochsner Health Plan.
 - Novant bought into Cone Health’s MA called HealthTeam Advantage in September 2022
- Progress to date:
 - Ochsner’s first clinic opened in 2022
 - Ochsner has contracted for MA patients with **Humana, Peoples Health, and Blue Cross**



LHS benefits to consider:



Control over downstream specialty care beneficial in value and FFS



Maintain existing relationship with seniors in the health system



Growth potential: 65+ population has grown by >1/3 in last decade

Partnerships are also an option, although many are unhappy

Many LHS are partnering—or looking to partner—with MA disruptors

2023 THMA survey of population health leaders, n=29

27%

of LHS are engaged in a senior care disruptor partnership, although **~40% were unhappy** with those relationships

38%

of LHS are actively looking to establish primary care disruptor relationships

33%

of LHS are not interested in establishing a primary care disruptor relationship



Maine Health Partners with agilon to support providers on value-based transition

- agilon supports MaineHealth physicians to drive success in value-based contracts by:
 - Identifying patient conditions
 - Mapping out care plans
 - Meeting preventive care goals

What's next?

What to anticipate

ChenMed might be the final large domino to fall in the MA land grab

What to Know

- **Walmart** is exploring buying a majority stake in ChenMed, according to *Bloomberg*
- The deal is not finalized, but would potentially value the company **“in the billions”**
- In July, Chen family members stepped aside from leadership roles and the company tapped Steve Nelson (formerly **UHC**) as its new president

Implications for LHS

- ChenMed is one of the last large independent primary care disruptors
- Would represent a hard pivot to MA for Walmart, likely doubling down on MA plans with UHG
- Fresh cash could accelerate growth—ChenMed previously grew slowly under family leadership

ChenMed's 130 clinics



Humana is launching a home-based primary care model

Humana launches “Primary Care Anywhere”...

- CenterWell will offer in-home primary care at select locations in Georgia and Louisiana
- The program will harness the capabilities of Heal, which Humana acquired earlier this year (after initially investing \$100M in the company in 2020).



... as part of broader home utilization goals

20%

Projected share of Humana’s MA expenditures that can be addressed via home health services

50%

Goal percentage of MA members Humana aims to get into a value-based home health model by 2027

11%

Reported reduction in readmissions for MA members who received care from Kindred at Home, compared to other home health providers

Duly is likely a next acquisition target

Key stats

1K *physicians employed*

6K *total staff*

150+ *locations*

\$2B *revenue in 2022*



- Chicago-based Duly Health & Care (formerly **DuPage Medical Group**) initiated a second round of layoffs this year
- The company replaced its CEO for the third time in four years, and several executives including the CFO and COO also departed
- In an internal memo, company leaders acknowledged financial difficulties and opted not to fund a discretionary employee profit-sharing program this year
- The company also recently ended its palliative services line
- Some of the company's financial struggles can be linked to debt from a 2017 buyout by PE firm Ares Management

Enhabit could be the next target in home health

June 2023:

- Longtime investor **AREX Capital Management** called on the company to consider alternatives to standalone operation, including a sale.

August 2023:

- Following its Q2 results, Enhabit says it intends to launch a strategic review process that could ultimately end in a transaction



Enhabit's home health (blue) and hospice locations (purple)

Enhabit's market reach:

- **253** home health locations
- **107** hospice offices
- **34-state** market presence
- **\$262M** revenue in Q2 2023, including **\$213M** in home health revenue

ACO REACH/ MSSP

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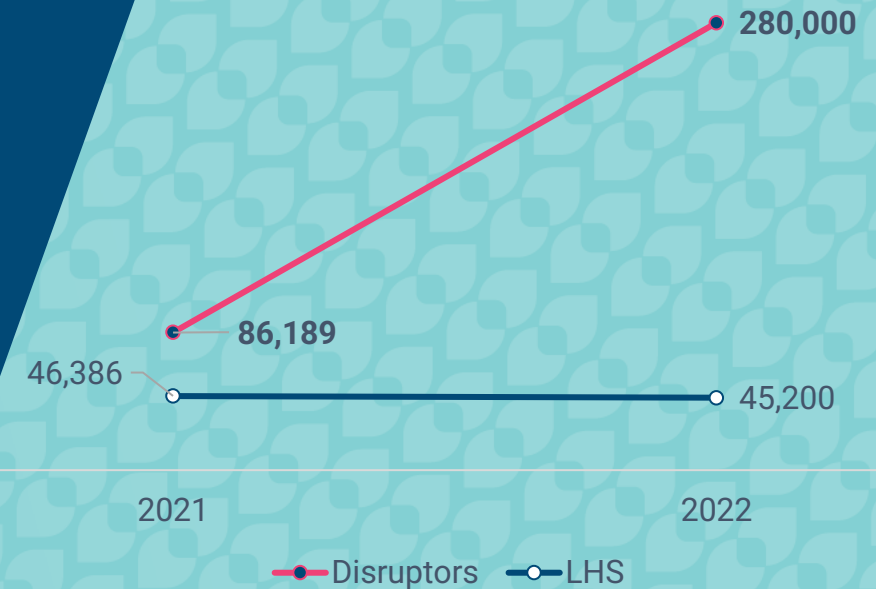
Employer-Sponsored

4

Direct-to-Consumer

Disruptors have almost 280K patients in ACO REACH

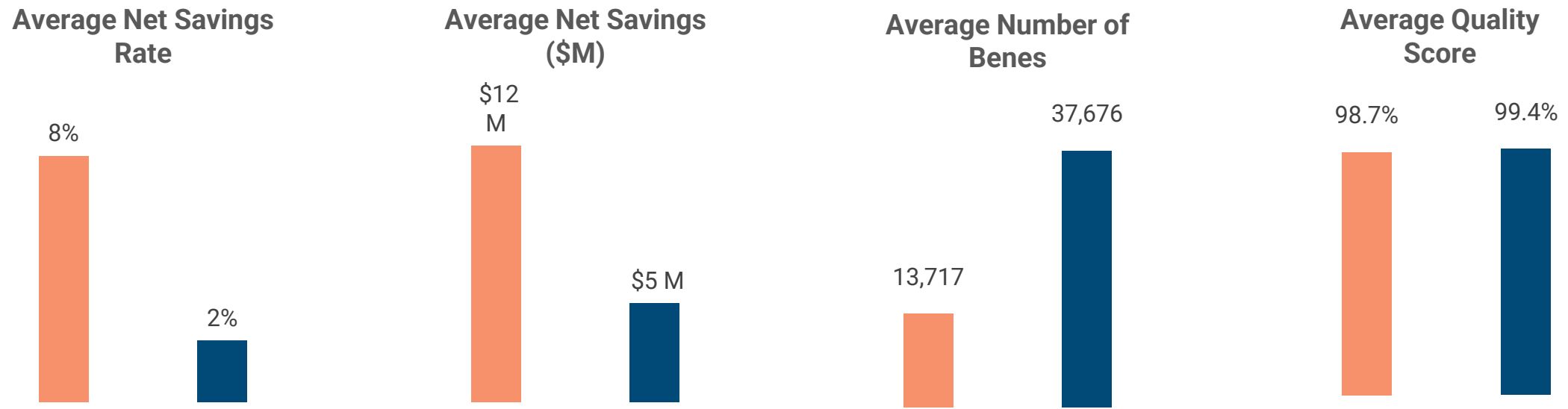
Change in total benes, disruptors vs. LHS



ACO REACH results prove the financial viability of disruptors

Disruptors say an average 8% net savings rate (and \$12M in savings) compared to LHS' 2% average

2022 results for disruptors (orange) and LHS ACOs (blue)



Top performing disruptors

<p>21%</p> <p><i>Iora Health</i> net savings rate</p>	<p>21%</p> <p><i>VillageMD</i> net savings rate (across 6 ACOs)</p>	<p>18.6%</p> <p><i>Oak Street</i> net savings rate</p>	<p>7.8%</p> <p><i>CenterWell</i> net savings rate (across 3 ACOs)</p>
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So What? Implications with disruptor ACO REACH growth

As disruptors seek to get scale in ACO REACH and future models, disruptors will:

1

Try to replicate MA tactics in ACO REACH

LHS will see more volumes shift to the home and other care sites

2

Seek to limit IP visits as much as possible

LHS will see continued downward pressure on IP volumes

3

Get better at stitching independent groups

LHS risk losing referrals from aligned groups

How are LHS responding?

Two health systems partner with CVS on ACO REACH

The models for partnership— joint risk and referral relationships— are not broadly popular yet



Jointly taking on risk in ACO REACH

- CVS and Catholic will jointly take on risk for 40K patients
- CVS will offer same-day access for patients as well as analytics tools for the health system

Partnering for follow-up care for MinuteClinic ACO REACH patients

- MinuteClinics will refer to Rush for primary, specialty care
- Patients also “customized care” including home-based care and transportation support for AWWs

Direct-to-Consumer

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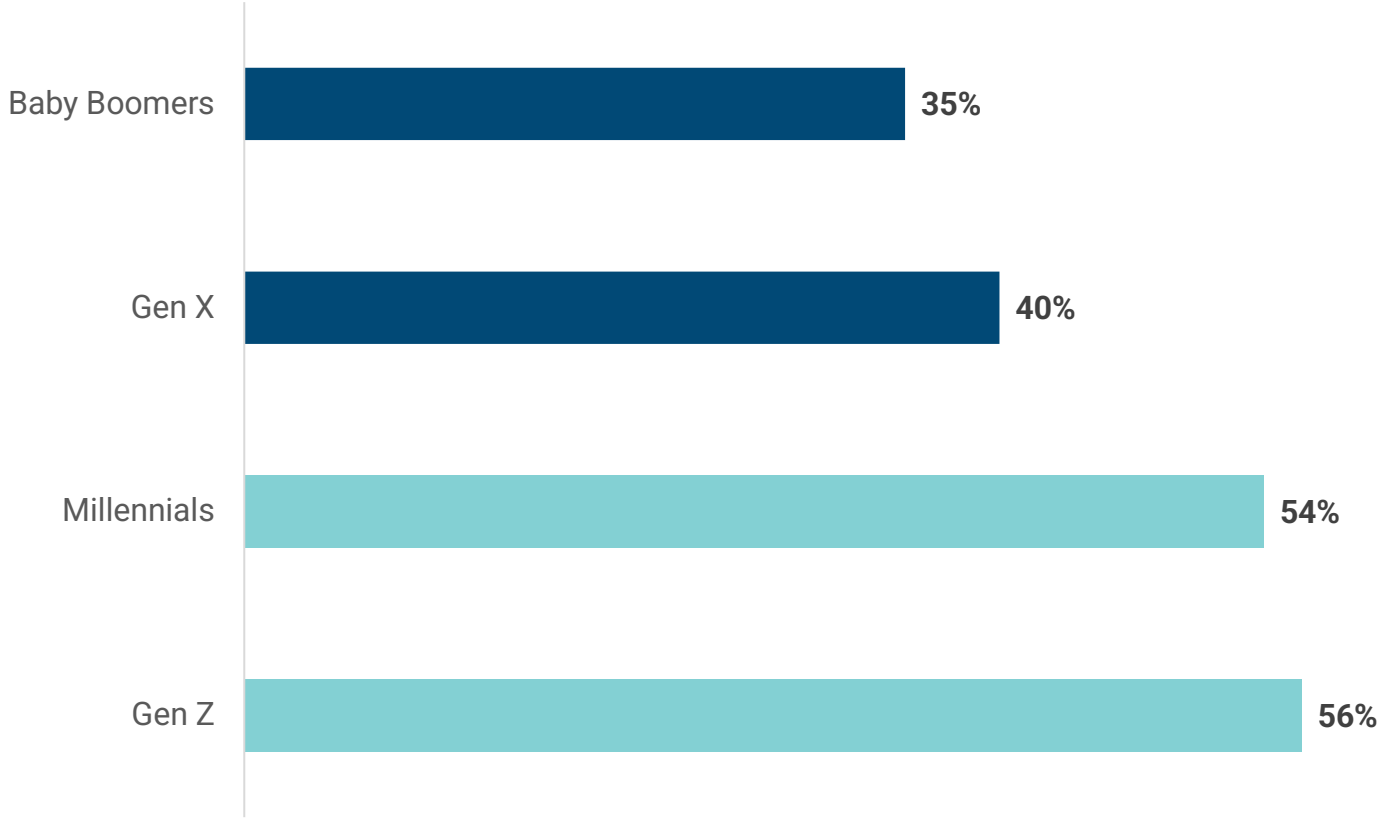
Employer-Sponsored

4

Direct-to-Consumer

58% of Americans want to visit a retailer as a first step for non-emergent care

Percent of Americans who reported seeking care at a retail pharmacy in 2022, by generation



58%




Percentage of Americans likely to visit a pharmacy for a **non-emergent medical issue**

81%

Percentage of Americans who **trust a pharmacist, NP or RN to diagnose minor illness and prescribe medications**

(Some) retailers are attracting older patients

CVS is aligned with retail assumptions, but the others aren't as much

	 CVS	 Walgreens	 Walmart
Median age (visits 2021-2022):	35	49	67
Most common reasons for visit:	<ul style="list-style-type: none">• Communicable disease exposure• Suspected disease observation• Infectious disease screening• COVID-19• Acute pharyngitis	<ul style="list-style-type: none">• Hypertension• Type 2 diabetes• Hyperlipidemia• Acute upper respiratory infection• COVID-19	<ul style="list-style-type: none">• Other general symptoms• Type 2 diabetes• Special examination without complaint• Communicable disease exposure• Primary hypertension

PCP loyalty continues to erode, even among seniors

Meanwhile, only 48% of remaining PCPs are loyal to the system they work for

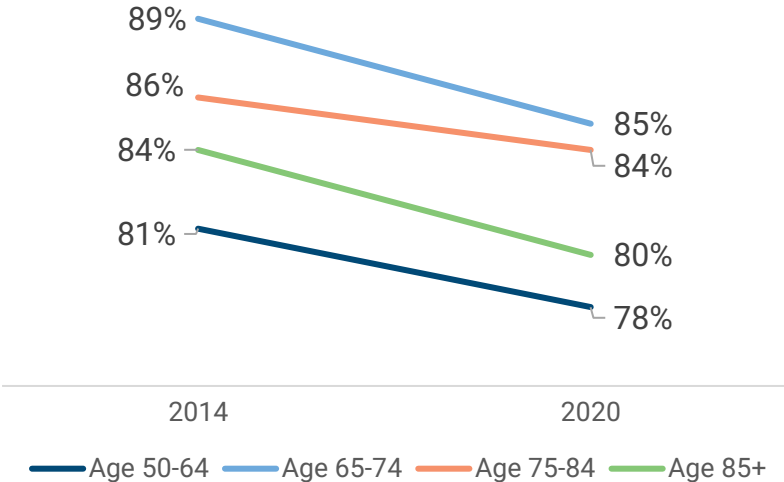
Patient-PCP relationships are weakening, even among MA patients

45%
Percentage of **millennials without a PCP relationship**

60%
Increase in the percentage of **those 65+ without a PCP, 2014-2019**



Seniors with a usual source of care by age



-7.8 to -4.1%

Decline in primary care utilization across large metro areas, with the largest decline in Miami and Chicago (-7.8%) and the least in DC (-4.1%)

From 2020-2021

Meanwhile, in rural areas...

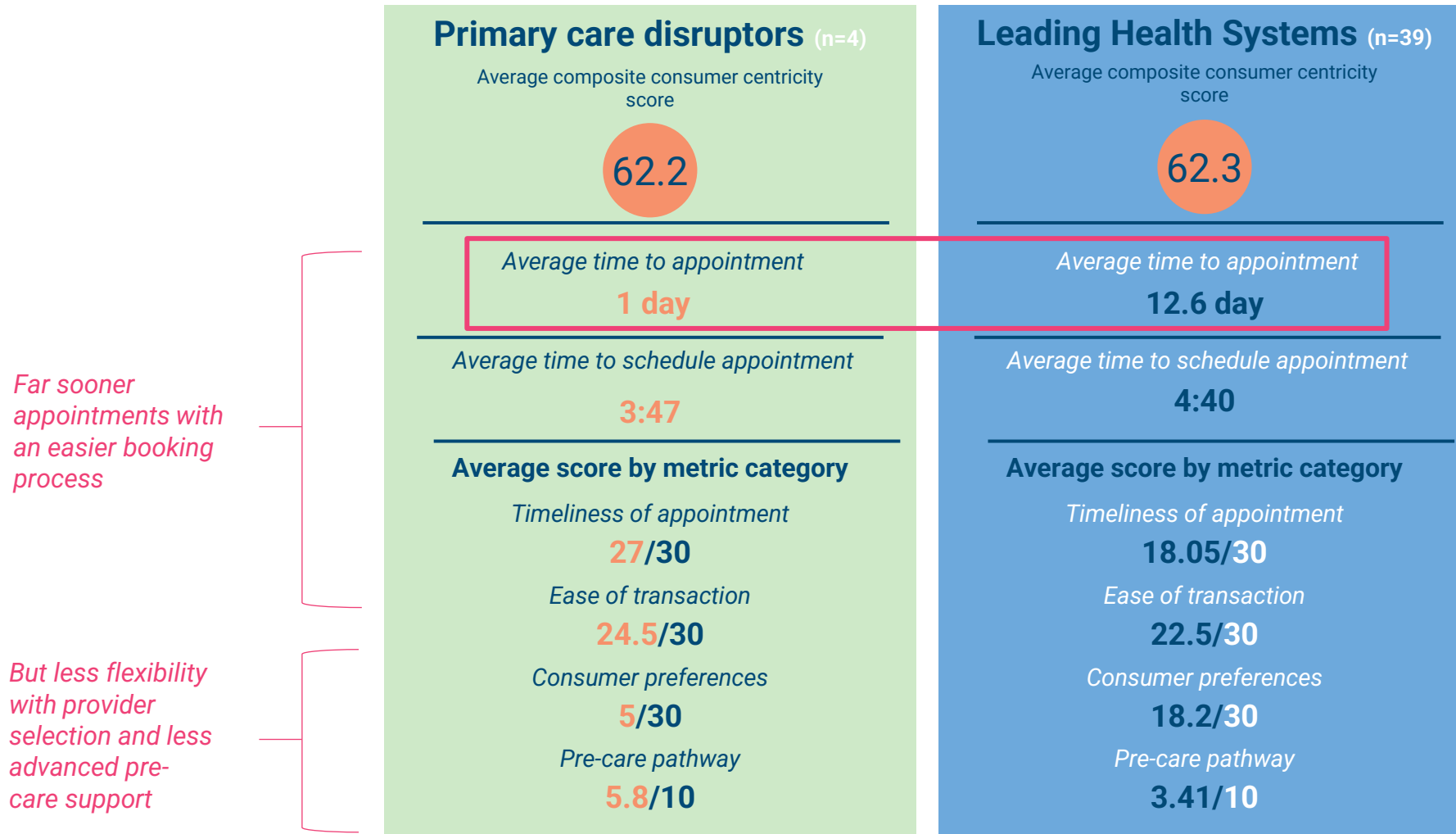
100M+

Or one-third of Americans don't have access to a usual source of care due to provider shortages

As of 2022, a number that has nearly doubled since 2014

Access continues to be a dividing factor

Results from Strategy Catalyst's self-scheduling secret shopping



Disruptors are bringing telehealth cost to near \$0 to get volumes

Walgreens

- Dermatology, primary care, urgent care, women's health and men's health
- Chat visits cost **\$33** out-of-pocket, video visits cost between **\$36** to **\$75**

Walmart

- Partnership with Included on virtual primary care for employees
- **\$0** copays
- Shows 38% reduction in inpatient hospital costs

COSTCO WHOLESALE

- Partnership with Sesame to offer members various outpatient services
- **\$29** for virtual care, **\$79** for online mental health, **\$72** for health checkups with lab panel



Continued price reductions compared to current offerings (e.g., Walmart's current \$49 virtual visit price)



UnitedHealthcare is also offering free telehealth services to some of its fully insured plans in an attempt to reduce urgent care and ED visits

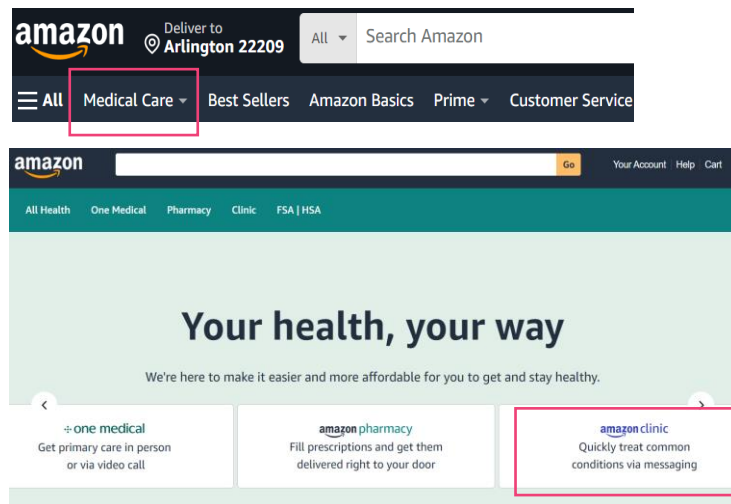


As virtual care effectively becomes a commodity, prices are falling to new lows

Amazon Clinic expands nationwide with telehealth

By replicating the strategy that made it a Fortune 2 company, Amazon Clinic is betting that telehealth is a commodity that can be packaged by condition, compared by price, and sold much like any other good

High-profile positioning on the Amazon home page



1,500-3,000

Monthly visits¹

5

Current vendors

30,000

Unique monthly visitors on the Clinic website

35

Low-acuity conditions

Connection to five telehealth partners compared by price, response time

1. Select state and visit type

Choose your state
We need to know where you're located to show you virtual clinics licensed in your state.

STATE
Colorado

Choose a visit type

Message Only
From \$35.00
1 hour and 30 minutes typical response time

Video
From \$74.00
1 hour and 30 minutes typical wait time

Get started

2. Select chat-based offering...

Choose an online clinic
Amazon Clinic consultations aren't covered by insurance and don't include the cost of medication.

alpha \$35⁰⁰
1 hour and 30 minutes or less typical response time
Learn more about HelloAlpha

SteadyMD \$35⁰⁰
2 hours and 15 minutes or less typical response time
Learn more about SteadyMD

wheel \$37⁰⁰
5 hours and 30 minutes or less typical response time
Learn more about Wheel

Curai Health \$40⁰⁰
30 minutes or less typical response

...or video-based offerings

Choose an online clinic
Amazon Clinic consultations aren't covered by insurance and don't include the cost of medication.

SteadyMD \$74⁰⁰
1 hour and 30 minutes or less typical wait time (available 7 AM to 1 AM ET)
Learn more about SteadyMD

wheel \$74⁰⁰
1 hour and 45 minutes or less typical wait time
Learn more about Wheel

Get started

3. Complete intake questionnaire

Let's get some details
We'll start with your personal information.

Name as it appears on your government ID

LEGAL FIRST NAME (REQUIRED)

MIDDLE NAME

LEGAL LAST NAME (REQUIRED)

4. Conduct visit. Receive treatment plan and any prescriptions (to be filled at patient's preferred pharmacy or Amazon Pharmacy)

Text care only available in 34 states

Currently not accepting insurance (but takes HSA, FSA). Visits are charged at a flat fee

Limited to adults 18-64-years-old

1. The Amazon Clinic website currently has about 30K unique monthly visitors and, assuming that 5-10% convert into actual visits, it could be seeing around 1,500-3,000 visits a month.

However, staffing shortages are limiting growth plans

Expanding services rather than markets due to staffing shortages

A “very disciplined approach” to expansion with **no particular growth targets**

- 1 Upcoming expansion market remaining in 2023 (Milwaukee)
- 3 Markets the company meant to expand to in 2023 but has no open locations

Building an aspirational pipeline

“ We can bring more people into the fold of healthcare delivery by **making the job awesome**. The more people are interested in primary care careers, the more impact we can have on community health”

- Andrew Diamond, One Medical CMO

Bringing awareness to One Medical

“ The integration process is still **in early days**. It’s still about getting to know each other’s capabilities, strengths and opportunities.

There are great discussions happening about where we can help one another and we’re uncovering those opportunities...

The most important thing for us to do in terms of integration is just bringing more awareness of One Medical, and I think that is already happening, thanks to Amazon, and just to the fact that we have joined a high-profile company.”

- Andrew Diamond, One Medical CMO

Considering additional partnerships for growth

“ There’s this perception that we have this grand plan...I’ll say that we’re really stubborn on this vision, but **we’re really flexible on how we get there**.

We’re not going to be able to do it alone, we know that we’re going to have to partner, and we’re coming to this with a lot of humility.”

- Sunita Mishra, Amazon CMO

60% Of everything sold on Amazon is sold by a third-party

So What? Implications with disruptor D2C growth

As disruptors try to pick off low-acuity volumes with direct-to-consumer care they will:

1

Take more medication refill and non-emergent volumes

LHS will see a continued erosion to the longitudinal patient-PCP relationship

2

Use virtual and digital to make self-service seamless for younger patients

LHS will need to be even better if they want to use primary care for consumer acquisition

3

Force down telehealth prices to effectively zero

Virtual care will be less viable for consumer acquisition if costs remain higher

4

Compete with specialty-specific virtual disruptors

LHS might benefit from letting disruptors like Amazon compete with Ro, Hims, etc...

How are LHS responding?

Virtual-first models aim to increase convenience

LHS replicate tech strategy to capture patients who otherwise wouldn't receive primary care

Virtual-first primary care model rarely requires in-person, telehealth services



Omnichannel, non-traditional access to care

- Connect with care team via text, phone, video, or in-person visits as needed
- Digital health tracking and virtual therapy options



Focused on customization, patient outcomes

- Highly personalized care plan based on patient goals
- Data driven risk stratification supports proactive engagement



Convenient, easy to use

- Designed for commercial patients with complex needs, unable to accommodate in-person care

Progress-to-date

- **33% reduction in total cost of care** over 3 years
- Reduction of **ER visits, hospitalizations, ancillary services**, and out-of-network visits



Learn more: Read our virtual-first primary care program snapshots to learn more about other LHS virtual models

Sources: Academy research and analysis.

Retail campuses aim to increase upstream capture

Aiming to take wellness one step further than disruptors

Cone Health's Drawbridge Campus Integrates Wellness into Medical Care to Increase Consumer Loyalty



Virtual Platform

- Access to virtual fitness, recipes (wellness profile will integrate with EHR)
- Digital bar onsite to assist with set-up



Sagewell Membership

- Fitness center, teaching kitchen, connections hub, youth learning space
- Accessible pricing (similar to YMCA, Planet Fitness)



Onsite Medical Care

- Primary care, behavioral health, cancer center, women's health, ED, heart care, imaging, lab, ortho, outpatient rehab, sports medicine, retail pharmacy

Progress-to-date

- Enrolled 603 members 3 months post-launch (Year one goal: 1200)
- Metrics for success
 - New patients serviced
 - Class attendance
 - Customer experience
 - Financial stewardship
 - Community health outcomes
 - Membership enrollment, retention

LHS Benefits:

- Capture consumers upstream
- Compete with retailer fitness classes

Limitations:

- Requires significant capital investment
- Harder change management, sign-off

“I talk way more to my fitness instructor than my doctor. That's never going to change. We need services, businesses, processes that have frequent, longer engagement. 30 min a year in physical doesn't do it.”
—President Enterprise Investment Strategy, LHS

Sources: Academy research and analysis.

What's next?

What to anticipate

5,000+ pharmacy workers are launching a three-day walkout this week

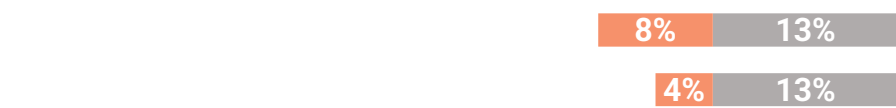
This is the third labor action by pharmacy workers at CVS and Walgreens in a little over a month

What is the broader outlook on disruptor competition for LHS staffing?

APP access is getting better, but PCP competition has gotten worse

Compared to a year ago, what is the current state of workforce shortages in your organization for the following professions?
Percentage of LHS Respondents

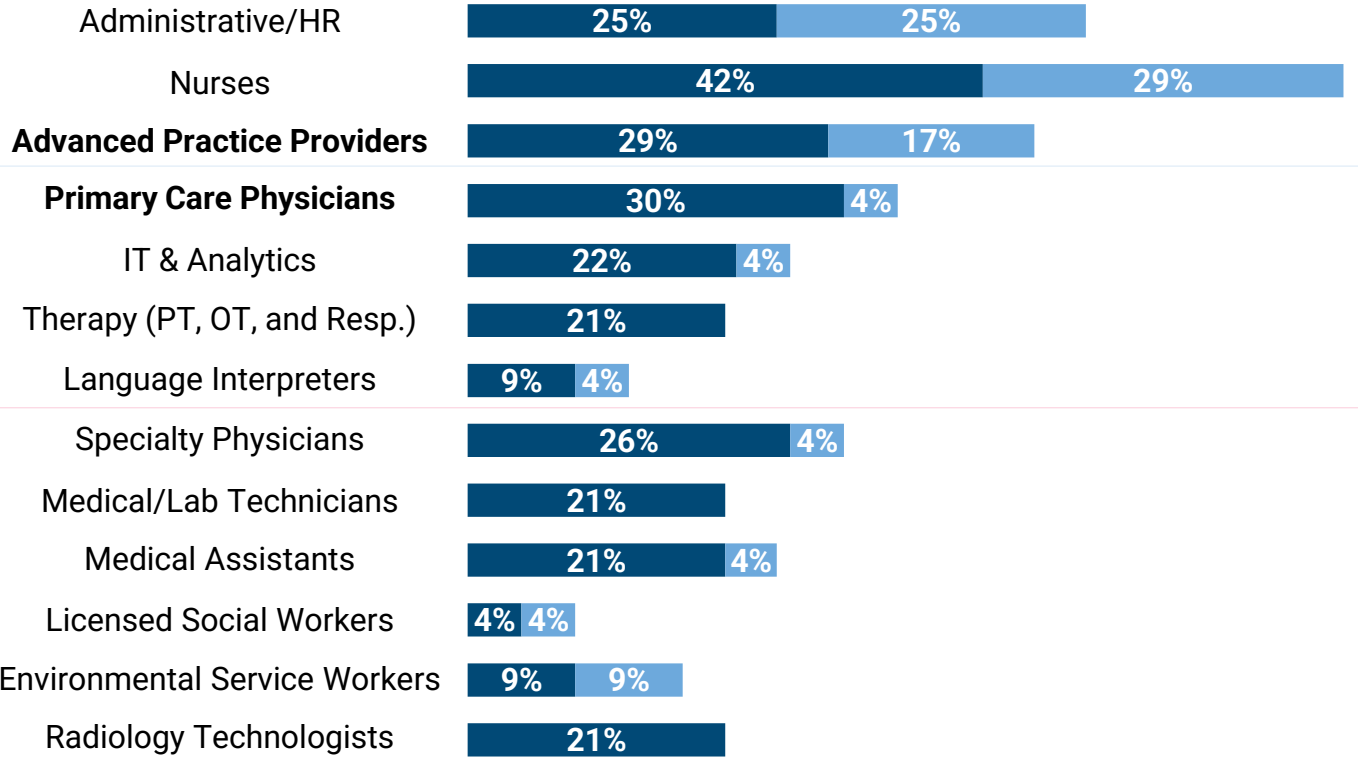
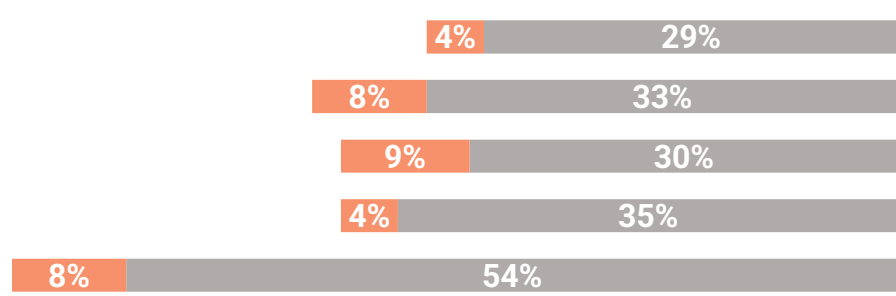
Outlook Improved



Outlook Mixed



Outlook Worse



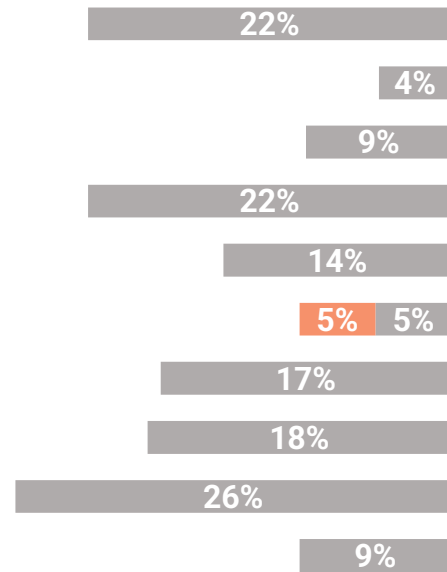
■ Somewhat worse ■ Significantly worse

■ Somewhat better ■ Significantly better

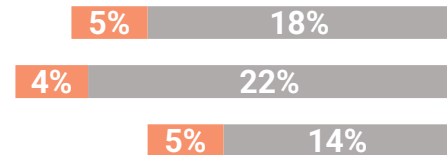
39% expect positive outlook for PCPs in the next year

What is the projected outlook for workforce shortages in your organization for the following professions over the next 6-12 months?
Percentage of LHS Respondents

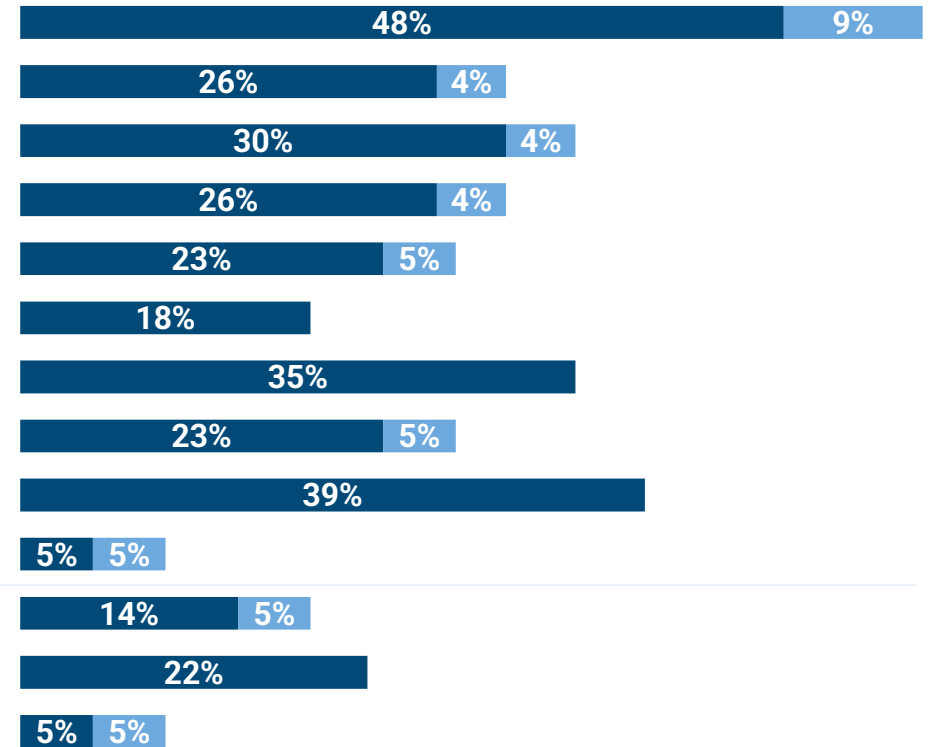
Outlook Positive



Outlook Negative



Nurses
 Administrative/HR
Advanced Practice Providers
 Medical Assistants
 IT & Analytics
 Therapy (PT, OT, and Resp.)
 Specialty Physicians
 Environmental Service Workers
Primary Care Physicians
 Language Interpreters
 Radiology Technologists
 Medical/Lab Technicians
 Licensed Social Workers



■ Somewhat worse ■ Significantly worse

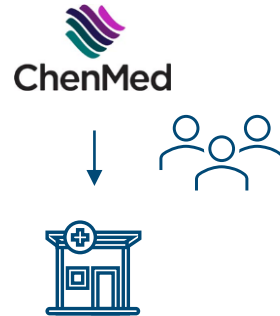
■ Somewhat better ■ Significantly better

We may continue to see possible provider defections post-acquisitions

Anecdote 1

Health System in the South

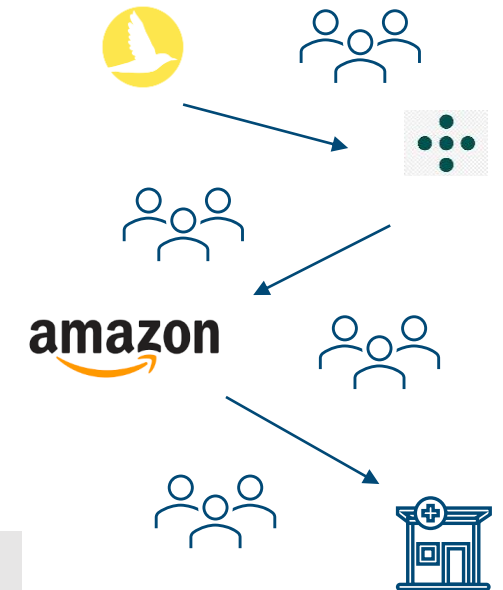
- Built senior-focused primary care clinic
- Staffed with former Chen Med providers who had become disillusioned with company



Anecdote 2

New England-based Health System

- Iora providers left following Amazon's acquisition of One Medical
- Providers hired by health system as part of primary care/ambulatory expansion efforts



Changes in culture, scope, may lead to disgruntled providers despite best efforts

- CVS included **provider-focused language in all communications** on Oak Street deal
- However, OSH APPs have **much broader scope** than CVS NPs, accustomed to **managing patients longitudinally, as opposed to one-off episodes**



Small group breakout (10 mins)

▶ Which **disruptor moves** have your leaders discussed most in the past six months? What moves have had the **biggest impact on your strategy**?

→ How much of your strategy is built around a **longitudinal PCP-patient relationship**?

→ **What is your organization doing** similar to the LHS reactions discussed today? What else are you doing that we didn't discuss?

→ **What are you watching** with disruptor moves in the next six months?