Tom Koulopoulos: How did you end up at John Muir Health? And give us some background on the story behind the story, kind of what led to this.

Chris Pass: Sure, so I had come to John Muir Health back in 2008, and we were, I was, in charge of the revenue cycle. And we had the benefit of being one of the few end-to-end processes in health care that we could really sort of optimize for the outcome. And so we did everything ourselves, and it was time to think about, well, we’re not perfect at everything, maybe we should look at what some others are doing. And I have been, coming from consulting, I recognize that, and I did not anticipate the value that we would bring from seeing it done hundreds of other places. And you didn’t see that when you stay sort of inside your four walls. And so we started on the journey to think about how do we work with partners? Because your great companies don’t do everything themselves.

Tom: So speaking of being a great company, I know for a fact that at John Muir Health you’re actually quite proud of your revenue cycle. You are doing a really good job of it, and revenue cycle is a core piece of a provider’s business. But you were doing well. Why’d you pick that to smartsource on?

Chris: So great question, and just to be clear, it was the revenue cycle team who was doing so well. I just sort of stayed out of their way, and they really got to a point where we’re one of the top performing revenue cycles across the country. If we were going to take it any further (and we believe there’s always room), we needed to make investments. And we needed to innovate and we needed to do things that frankly, when you work in a health system, your capital goes to your core business. And it’s hard to compete for — we’re furthering care, we’re furthering innovation and clinical things. And so it becomes some of your last places to make investments. And so we knew that through a partner where we could create value together and incentivize both parties, we had the opportunity to do something unique.

Tom: We’ve talked a bit about some of the exciting things that are going on at Optum360. In your words, what’s exciting you as leader of the organization and what you see happening with John Muir Health and in general, with some of the activities that you’ve got going on?
Robert Musslewhite: Sure, look, I think it’s been awesome coming into 360 and if you think about the mission of what we do in 360, it’s really to think about, reducing administrative complexity. It’s a lot going against providers today in terms of regulation and reimbursement, pricing, payer mix, mix shift in terms of patients. I mean there’s a lot going on that creates challenges especially on the bottom line. And one of the great things is given our focus, is we can really come in and create a compelling value proposition and compelling return story, so very tangible financial ROI in the work we do. That’s number one. It’s great to have those conversations because we can really address a key need. People really do believe that the work we do in reducing complexity and simplifying this interface, does go to helping the mission of the organizations we serve because that’s where the extra dollars get spent. They get to go towards mission investments and towards creating better care and better patient and consumer experiences.

Tom: Yeah, I mean this notion of investing in the core is such an important part of what drives this kind of a partnership. Because it allows you to innovate where you innovate best, but also allows you to partner to innovate where they innovate best.

Robert: Absolutely.

Tom: That’s why those areas where those puzzle pieces come together — you’re supporting the clinical excellence of the organization, right, through that?

Robert: Absolutely, absolutely, and it all starts with you getting the information to the right people at the right time where we can impact that. And again this is the connection point between payers and providers, but we can take in the rules and policies that payers have, automate those and we’re building those upstream into the provider workflow.

Tom: You talk about these transoms, I would call the silos, whatever. But there are numerous, that these are prevalent in every industry, but certainly in health care these transoms. You talk about the fact that there’s added transparency in this sort of a partnership, which is almost counterintuitive, right? When I think of transparency, I think of, you know, holding the cards close to my vest. We’re transparent with those that are close to us, but you want to be transparent with the
partner. Talk about that transparency and how that enables higher quality health care?

Chris: Well, I mean, so the one thing I would say is, if you think about revenue cycle, people are surprised how much interaction you have with your customers through the revenue cycle. And so as I think about just immediate innovations around transparency, it’s two things. One, transparency with our patients that can be provided by their innovations to schedule more openly, make a reservation, if you will. It’s easier to make a dinner reservation than see your doctor. And taking advantage of pricing transparency. I mean being able to understand, well I prescribe this drug or that drug and it’s going to cost you five or 10 dollars. And so patients, one of the most frustrating things, they don’t know how much it costs. They don’t know if it’s going to be $1,000 or two dollars. And then if you think about our partnership being transparent as we can be aligned on what we’re trying to achieve, and kind of create that value that you have in that smart-sourcing band, we depend on that transparency. We can’t do it if we’re not working together.

Tom: As a patient, which we all are at some point or another, I have to tell you that that administrative piece of the experience as part of that clinical experience, as far as I’m concerned — if I walk in already stressed, you know, I’m compromised to begin with and you’re adding your billing issues, claims issues, insurance issues on top of that. And then I’m getting hit with a bill for several thousand dollars I didn’t expect afterwards. That is a clinical implication on me, right? So that is not divorced. It’s, we can say it’s administrative, but it’s still part of delivering high quality health care and effective health care from the patient standpoint, correct? So I’m going to put you on the spot here. I talked about core competency. What is John Muir’s core competency? How would you define that?

Chris: I mean our core competency is caring for our community, caring for our patients, taking care of our customers and thinking about both their health and healing them. And you know, fundamentally we don’t want to cause any harm.

Tom: Yeah, which is, you know, clearly the mission of many of these organizations today. Robert, can I put you on the spot too? What about Optum360?

Robert: In terms of core competencies?
Tom: Competency, yeah.

Robert: Well I think what’s been great about Optum in general is we have a massive set of capabilities and a lot of places we’re investing a ton behind really improving the whole health system. And so, we take those capabilities and deliver them through partnership to our clients in ways that drive innovation and really help them focus on their mission. So it’s a real partnership mentality in terms of what we can do. And I think that’s been one of the most important core capabilities that we can bring.

Tom: You know, you take the social partnership, I think to another level though, because much of what you do is to create a malleable organization from the standpoint of Optum360, that fits the model that works for that particular customer, right? Because you can’t do this cookie cutter, this is not lift and shift. Each situation’s unique and you need infinite malleability to be able to work with that and you seem to have that as a core competency of the organization by the ethos of the company.

Robert: I’d completely agree. Like when you talk about the old models of lift and shift, that’s really not our approach. Our approach is that middle part where you talk about smartsourcing. There’s a lot of different ways to work with clients to bring capabilities to bear, that help them focus on their core business. Whether that’s through specific products and services that can provide a capability that, let’s freeze up people or resources to do other things, or through a larger scale partnership. That again is not a lift and shift. It’s very much in collaboration with them, but it’s bringing capabilities to support improving the functions that might not be core capabilities to let them focus on the places where, you know, that clearly is their core competency.

Tom: How have you crafted that message? What do you say to your employees to a community, to not just put them at ease, but actually illustrate that there are opportunities here for growth, for value?
Chris: It’s a good question. We had two years to figure out the message. And you know, I think it was a couple of things. And you know, we spend a lot of time with our board, which is you know, community based. They have a drive to remain independent, they want to be locally governed. And they view John Muir Health as an asset to the community. And when we introduced the concept of, no, they’re not going to lose their job, they’re going to join a bigger company, and they’re going to join a bigger company that’s growing rapidly, and they’re going to join a company that’s innovating and educating and the career path. And so they were concerned. I can tell you that I am so proud of the employees at John Muir Health about how they’ve received this message two weeks ago, how the maturity they’ve shown, and just really have stood up and leaned in and they’re trying to find out all about it and they’re excited. And so that was the employee side. And if anyone described that to me before this happened, I wouldn’t have believed it. And then on the other side is the community understands how expensive it is. They’re frustrated by the lack of affordability, and they knew we had to do something. And when we looked at all of the opportunities and different options that we had, this was something that they were able to say, this is the best decision we can make for John Muir Health. And that’s why we’re here to do this for the community.

Tom: Well you know, innovation is often bold. Change is something that we often resist — it’s just that it’s our human nature. There are still people using white-out on computer screens today — they don’t want to move into the future. And that takes managing. But you have to be aware of that, and you have to manage it and you have to communicate the opportunity in a way that makes it positive. We’re running short on time, could I ask you both to maybe share with the audience one thing that you believe will be most important for them to take away from this session. And in general it will help them when they think about strategic partnerships of the sort that we’re talking about today, Chris?

Chris: So what I would say is, someone echoed, when I started to work at John Muir, a colleague at a different health system told me that you know, you’re working in finance but make a difference. And what I would ask everybody in this audience to take away is don’t underestimate your role in the organization, and your role in being able to fix and change health care for the better. I think that some of us sometimes lean away from the clinical aspects of care, but there are a lot of costs and a lot of opportunity in all that we do, that we can really make a difference for patients.

Tom: That’s a wonderfully inspirational message. Robert, your takeaway?
Robert: I would come back to the theme of innovation that you hit on in your intro remarks. Which is, I agree with everything Chris says, by the way, so I love your mission focus. We really take it as we need to keep innovating and pushing forward to enable our partners to carry out the mission that’s so important to all of us. And so, we invest a lot in innovation. We really want to create this denial-free system where there’s seamless payer/provider interaction, because that really does unlock a lot of, releases friction and unlocks a lot of energy that can be plowed into other more important parts of the health system.

Tom: Join me in thanking Robert and Chris for being here today. Thank you, gentlemen.