A Collaborative Strategy Aims to Enhance Care for Seniors

By Carol Cruickshank, Alyson Potenza, Megan Geelhoed & Kelsey Christian

American health care faces challenges that could compromise the health of tens of millions of Americans today and hundreds of millions over time as chronic diseases impact our aging population. Fortunately, retail pharmacy and other health care professionals are rapidly adopting virtual integration, a collaborative strategy offering aging patients hope and enabling them to improve their standard of living.

Preface to a Crisis

With 80 million Americans aging and getting sicker, we confront a crisis. By 2030 over 65% of the population will double, creating a “silver tsunami” that will be unaffordable by tax contributions, which will drop from 7.2% to 1% to retiree ratio in the 1950s to a 2:1 to 1 ratio by 2030. While annual health care expenditures in the United States approach $2 trillion and health care resources increasingly strained, payers are focusing on keeping older Americans healthier.

Barriers to Improved Care

Three barriers stand between an aging population and improved treatment of chronic diseases: delayed detection, inaccessibility to health information and services, and treatment noncompliance.

Detecting chronic conditions early is imperative for improving health outcomes. Yet less than half of all patients take medications as prescribed.

Solving for Patient Outcomes

Patients are demanding better results from providers, more personalized advice from pharmacists, and faster results from their medications. Adherence isn’t easy to improve, often requiring counseling, a personalized patient relationship and knowledge of how a patient reacts to specific drugs. Physicians don’t generally have enough time to both counsel patients and develop customized disease management strategies.

Do These Efforts Go Far Enough?

Innovative companies are developing virtual integration efforts. Health care companies are working across sector lines to develop and deliver more comprehensive virtual integrated patient solutions that hold the potential to significantly impact care outcomes and engage prospective partners.

The Supreme Court’s decision upholding the Affordable Care Act reinforces the idea that outcomes will become the new metric of health care success. The implications are far reaching. Retail pharmacy, pharmaceutical manufacturers, providers and other key players participating in the health care value chain will need to work together differently to improve patient outcomes, especially in chronic diseases, opening the door for virtual integration.

Vertically to Virtual Integration

Over time, multiple pharmacy providers have made big vertical integration “bets” driving integration within the health care value chain. Yet more effectively detecting and treating patients is sufficiently educated about the drugs they are prescribed and comply with the treatment protocols that their physicians define. Improving outcomes is a team effort, and the ones that get it right will win the right to keep playing the game.

Win With Virtual Integration

When companies focus on this path know it’s harder than they thought it would be. Collaborations across sector lines to develop and deliver effective care can’t be borne by the tax base, and Americans continue to resist the notion of a national health care model. The options are clear—pursue incremental change that adds growth stress on the health system as the population ages or leverage the principle of virtual integration to deliver improved care at lower cost.

Moving Forward

The links between demographics and health care delivery have rarely been clearer. Patients who just a few years ago were independent now need an extended range of outreach services. The financial burden of delivering effective care can’t be borne by the tax base, and Americans continue to resist the notion of a national health care model.

Chain Drug Review/August 27, 2012

RX/News

Kelsey Christian is a New York-based principal of A.T. Kearney (kelsey.cruc@atkearney.com). Alyson Potenza and Carol Cruickshank are consultants with A.T. Kearney. Carol Cruickshank is the Toronto-based president of T.K. Kearney (carol.cruickshank@atkearney.com), Alyson Potenza is a New York-based principal of A.T. Kearney (alyson.potenza@atkearney.com), Megan Geelhoed and Kelsey Christian are consultants with A.T. Kearney.