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# COLLABORATION HEALTH CARE

## ALIGNING IDEAS WITH COLLABORATION TO IMPROVE HEALTH CARE TODAY



Collaboration Health Care, Inc., 601 Carlson Parkway, Suite 1050; Minnetonka, Minnesota 55305  
[www.collaborationhealthcare.com](http://www.collaborationhealthcare.com); [info@collaborationhealthcare.com](mailto:info@collaborationhealthcare.com) 952-475-6322

### Happy Holidays- 2008

Well, 2008 is coming to a close. There's no getting around it, it's been a tough year from a business perspective. And, 2009 looks like it's going to have its own set of challenges.

It would be very easy to sink down to talk about all of the bad stuff that's going on in our economy for this particular newsletter. While we are ardent supporters of the "facing reality" mindset, we're also big supporters of trying to find the opportunities existing in any situation. Sometimes they are just harder to find.

Over the past 12 months we've put together some topics we believe are important to focus on in the health care business today. While the topics may have been important in the past, they will be more important in the health care environment that is evolving for tomorrow. Topics such as mission, values, execution, listening to the consumer, think-win/win, trust, and the others may seem like fluff when things are rolling along well. They are the "nice-to-have" thoughts you'll get to when you have the time. But, they take on a whole new meaning when things get tough.

In this newsletter we're going to throw out some of the things we expect to see in 2009. We'll confront the "brutal facts" by providing some of our perspectives on what may occur and the opportunities that may develop as a result.

Bottom-line, the fundamental way our economy operates changed in 2008. The health care industry wasn't spared this time. Organizations and individuals who recognize, adjust, and capitalize on the opportunities that are created as a result of the changes will continue to be around. Those that don't- won't.

It's your call.

### Confronting Reality For 2009

Economists are going to have a field-day studying the economic events of 2008. They're going to have plenty of material to pull from and it's going to be interesting to hear their explanations of what really created the mess that we're in today.

Regardless of what or who created it, the reality is that the fundamental way our economy operates, the fundamental way businesses will need to operate, and the fundamental ways that individual consumers participate, has all changed. We don't know the magnitude of the change, but it's changed (and we think it's a big change)

Health care wasn't immune to the impact this time. Health care stock prices plummeted (creating a whole set of other challenges), bond markets dried-up which has limited health care investment, employer health care costs continued to increase to unsustainable levels, and other providers of care continued to struggle to survive in the system we have today.

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### Health Care 2009; The Daschle View

Last week president-elect Obama nominated Senator Tom Daschle for his Secretary of Health and Human Services. Senator Daschle will be taking a leading role in the Administration's attempt to reform health care.

Earlier this year Senator Daschle released a book (Critical; What We Can Do About The Health-Care Crisis) that might provide some insight into the direction his reform efforts may take. We're providing some of the highlights below:

*\*Create a Federal Health Board in a similar political structure as the Federal Reserve to oversee the organization and delivery of health care*

*\*Maintain the employer-based system and build on what we have- expand the Federal Employee Health Benefits concept to provide more options for individuals*

*\*Aggressively promote prevention, health, and wellness*

*\*Address the looming explosion in long-term care*

*\*Focus on value in service delivery- instead of how many services are delivered*

*\*Build the technology infrastructure to improve efficiency*

We don't know which direction the final format will take. The Obama Administration has already started several initiatives to receive input and to put their initial plans together. Regardless of the final outcome, we should anticipate to see the start of the plans unfold in 2009. And, the health care industry is going to need to work together and collaborate better than it has in the past to make it all work.

Source: *Critical; What We Can Do About The Health -Care Crisis; Daschle, Greenberger, Lambrew; St. Martins Press; 2008*

We'd love to hear from you. Let us know your thoughts, your feedback, and other ideas.

e-mail us at: [info@collaborationhealthcare.com](mailto:info@collaborationhealthcare.com)

## 2009 Projections (con't)

So, what can we learn from all of this? What can we expect to happen in 2009 as a result of the events in 2008? Here are three of our thoughts on what we're expecting in the upcoming year. We don't profess they'll be the same for everyone and in some cases they might be viewed as what should happen- not necessarily what will happen. But, they'll give you something to think about. It was an interesting exercise for us to go through. We'll see how right we were at the end of the year.

### Three General Business Projections for 2009

1. *Businesses will be smaller and more closely organized- but the demands of the marketplace, the workload with individual projects, and the need for creativity and innovation will not slow-down.*

This simply means more things will need to get done with fewer people to do it. Businesses and managers will need to operate smarter and more efficiently. The focus on Mission, Purpose, Strategy, and Execution is going to be more important than ever before as you won't be able to waste resources on projects that don't matter. But, you still need to do what you can to innovate and become more efficient in the marketplace or you're going to be left behind. The new reality is creating an interesting management challenge for many businesses which will require a different type of thinking to put all of the pieces together.

2. *Relationships, partnerships, and collaboration will be part of the new reality- not something "we'll think about when we have the time".*

Our free-market system creates wonderful opportunities for businesses. But, as we've seen with the expansion of the global marketplace and other rapid changes that are occurring, a completely free-market is vulnerable if it is focused in the wrong direction or doesn't adjust as the market changes.

In the coming year, relationships with customers will become more important than they may have been in the past. Retaining the existing customer and revenue-base will be an important part of any business strategy. It should be a regular part of doing business anyway, but we tend to lose sight of its importance when things are going well.

Organizations will need to work together in a more collaborative fashion and establish win/win strategic partnerships to offset the reduction in resource availability they may have experienced. This has already started in some industries that share research, technology applications, and service infrastructure to develop their final products. The concept will have more importance in the years ahead and should be part of the strategy discussions in a broader set of industries. The successful companies will be able to pull together the right strategic partners to make their own plans work.

3. *Profits, stock-price, executive compensation, and expectations of immediate returns at all costs will be scrutinized more closely by the marketplace.*

This is just a sore-spot and maybe we've learned a lesson this time. We would have thought we would have learned from the "dot-com bubble" of a few years ago when

astronomical valuations were created for companies that never turned a profit (and some never had any revenue). We believe the "greed factor" that has become a significant part of the market reality of today may have finally met with the brutal realities of basic economics and social expectations. Creating real and measurable value will become part of the equation again and will be a fundamental requirement of business- as it always should have been in the first place.

### Health Care

We've said for some time that health care will also need to fundamentally change the way it thinks, and the way it works. The system, as it works today, is unsustainable and the numbers won't work for much longer. Industry participants will need to come up with some creative and innovative ideas to fix it. Bailing out autos, housing, and financial services will be a "walk-in the park" compared to the dollars that would be required to bail out the health care industry.

The Obama Administration has put "health care reform" as one of the top domestic agenda items. It's going to be interesting to see how far we're going to be willing to go and what direction we will take given the current economic challenges our country is facing. But, the time is now. We can't just talk about it any longer. And, health care is now an economic issue as well as a social issue.

The items outlined previously in the general business environment will also apply to health care. Resources are going to be tight (both money and human resources), there will be a need for more collaboration and strategic partnerships, and value (not perception) will be a key. Here are a couple others that apply specifically to health care:

- *The government is going to be involved, so get used to it.*
- *Partisan turf protection of the fragmented delivery system is going to need to give way to more collaboration*
- *Technology is going to get a lot of emphasis- not only medical technology- but service delivery technology as well*
- *The organizations that adjust their business models to the new realities can come out of 2009 stronger than when they went in- there are opportunities as well as challenges*

These are just a few things to think about as you establish your strategies for 2009. There are too many moving parts to predict for certainty what's going to take place. But, we think it is safe to predict that if you go into 2009 using the same assumptions and business approach you used when you went into 2008, you're likely to have some problems.

### Something To Think About

*"When it becomes necessary to do a thing, the whole heart and soul should go into the measure, or not attempt it."*

Thomas Paine