

# DaVita Health Solutions Q&A with President, Hank Schlissberg

## Interview with ForbesBooks Radio

In an [interview](#) with Gregg Stebben of ForbesBooks Radio, Hank Schlissberg, President of DaVita Health Solutions, shares his insights on the company's business strategy, its care model for our nation's most chronically ill patients, success to date, and long-term vision for applying our delivery model to as many patients as possible through strategic partnerships with health plans. Below is an excerpt from this interview.

### ***Tell us about DaVita Health Solutions.***

A lot of people know DaVita as one of the world's largest kidney care companies. DaVita is an exceptionally mission, vision, and values driven place and we spend a lot of time thinking about what that means. We think that the center of the bullseye is the chronically ill. Not just those with kidney disease. DaVita has a track record of commitment and success treating the most chronically ill patients for the last 20 years. All of our kidney disease patients have other conditions. It's an organic expansion of our services.

DaVita Health Solutions is a new venture inside of DaVita whose mission is to improve the health-related quality-of-life for what we call our nation's most vulnerable patients (MVPs) – those with multiple chronic conditions and high utilization of the health care system. We think this is an incredibly underserved population. The core of our care model is the house calls program. It's like the old fashioned doctors with black bags who went into patients' homes to provide primary care. We want to return to this level of service and give these patients more support, when and where they need it.

### ***What part of the population statistically needs this care?***

We think that the providers in our country are doing an amazing job, but the model itself is structurally not suited for the 5-6% most chronically ill. If you think about patients who have kidney disease and diabetes and hypertension and heart failure and depression, how are their needs going to be addressed in a 15-minute office visit? The idea is to bring the care to them when they need it.

When you go into a patient's home and you see a patient who has had three strokes in the last six weeks and has not had a lipid panel and is not on cholesterol medication, I know we can help. When you see some of the things in their home around fall hazards or around medications that they don't understand, I know we can help. It's actually more economical for the health care system to send providers to patients than it is for patients to continue doing what they're doing today. One in three go to the ER at least once every year and one in four has at least one hospital stay every year.

### ***"41% of the US health care spend is driven by 12% of the population with 5 + chronic conditions." How can you separate that 12% out and find a better model while also providing economic value?***

Our dialysis side of the company has done this with one part of the health population – those with end-stage renal disease. We believe we can do the same for the polychronic population. We develop unique capabilities and scale to manage them better. Health plans in local communities may believe in value-based care and want their providers to have financial risk and skin in the game. The problem is every individual local provider would have to build a capability for the MVPs, which are a small part of the population. Our whole thesis is why don't we just build it once for the whole market? We understand that health care is local. We can have our nurse practitioners and our physicians driving around in cars backed by the right type of electronic health records, the right care pathways, and the right predictive analytics to support the entire market.

### ***How many people in the market need to be served?***

We work with our health plan partners through claims data, clinical data, and consumer data to understand not only who the highest cost is, but much more importantly who will be the highest cost. It's very predictive. We do not go to the health plan and ask them to give us a list of their most expensive patients. We start with the chronic diseases and build up from there to see which patients are likely to be the highest cost. Unfortunately these patients are not going to get better; this is not acute illness, this is chronic care.

### ***Where is DaVita Health Solutions in terms of rollout? What is the growth plan?***

We have been delivering this care model to DaVita Medical Group patients for over 15 years. In 2016, we launched our first partnership with a health plan. This was first time we actually commercialized and productized these amazing clinical capabilities and it went unbelievably well. For the patients we engaged we had an extraordinary impact. We reduced inpatient admissions by 40%, we reduced emergency room visits by 20%, and we reduced Skilled Nursing Facility length of stay by half.

This was our first pilot market and it really convinced us that this is something we can deliver more broadly. We're now in that growth phase where we're rolling it out nationally and looking for the right kind of partners. The reason we're so bullish on the growth is because it really worked. We actually bent the trend.

### ***What is your background? How did you get here?***

I'm not a clinician and I'm very fortunate to not have had this all start with a major health event in my family. I spent 11 years in consulting at McKinsey & Company and what drew me originally was not some of the patient stories that inspire me today, but how hard the problems are. I found it so intellectually challenging, which then attracted unbelievable people, and I got the bug for entrepreneurship. After 11 years at McKinsey, I left and went into the world of venture-backed health care to a company in the radiology technology space. After we sold that company in 2014, it was striking to me that I'd spent 13 years in health care and had almost never talked about the patient. When I was looking for my next journey that was at the very top of the list. I wanted to be far, far closer to the patient. I was fortunate that DaVita gave me an opportunity to lead a lot of our integrated care and patient innovation efforts.

### ***Did this extension of DaVita come out of you joining the company and seeing an opportunity?***

DaVita is very bullish on value-based care and I was leading a lot of those initiatives. I was talking to health plans about value-based care for our dialysis patients and they said 'that's great ... what else do you have?' This is how the idea for DaVita Health Solutions began.

### ***What's your vision for the future?***

Today, this is still a B2B business. We partner with a health plan who wants to change the care model for their MVPs, run our algorithm to identify the right patients, and then build and implement our care model. The vision for the future is that a service like ours is available to all patients. Our push is for a new care model for the U.S. health care system; it is not that "DaVita is the best at this." Our entire thesis is that the care model for the 3-5% with multiple chronic conditions needs to be fundamentally different than the care model for the other 95%. With the data we have today, we are able to understand the needs of the chronically ill and design a care model specifically for them.

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