Podcast 116: Digital Success in Health Care with Stewart Gandolf

John Marchica:

Welcome to season four of Health Care Rounds. Here, we explore the vast and rapidly evolving health care ecosystem with leaders across the spectrum of health care delivery. Our goal is to promote ideas that advance the quadruple aim, including improving the patient experience, improving the health of populations, lowering the cost of care, and attaining joy in work.

I'm John Marchica, host of Health Care Rounds. I'm also the CEO of Darwin Research Group and faculty associate at the Arizona State University College of Health Solutions. Please don't forget to rate and review us wherever you get your podcast, and send your questions, comments, or ideas for Health Care Rounds to podcast at darwinresearch.com. Let's get started.

My guest today is Stewart Gandolf, the Chief Executive Officer of Healthcare Success, leading healthcare and digital marketing agency. Over the past 20 years, Stewart has marketed and consulted to over 1,000 healthcare clients, ranging from practices, to hospitals, to multibillion dollar companies. A frequent speaker, Stewart has shared his expertise at over 200 venues nationwide. All right, let's get the commercial out of the way, Stewart. Tell me about Healthcare Success.

Stewart Gandolf:

Wow, I thought you'd never ask. Okay. Look, I didn't expect it quite so early in the morning, but okay, great. So, Healthcare Success is a marketing company that I co-founded, and now, I'm solo owner of about 14 years ago. Our tagline currently is scientific marketing that delivers patients. So, most of what we do, although the mission is expanding quickly as we speak, but is really it's all about results.

And so, if you say what company is it? I would say it's a digital-first integrated agency, meaning we do branding, we do external advertising, we do digital, we do a lot of things other people don't do. We get involved with patient experience, we get involved with physician relations, and building doctor referrals. So, it truly is full service.

But when I say digital first, I'd say probably two-thirds to 70% of our revenue is all about digital. It's digital one way or the other. So, we have all these other things that we do, and I think our clients find that a value because we do digital, they want digital, but they like we have these other areas of expertise. We're not like just a pay-per-click company, for example, or an app company, for example

The target audience varies. It's an unusual mix, we have one of our bread and butter clients are larger enterprise level practices. Some of the bigger ones in the country we work with, and we help them get patients, as well as bread and butter client for us might be 10, or 15, or 20 locations. So, we do a lot with that niche. We do work with hospitals and health systems as well.

And we even have a couple different things we do too, it's unusual. Because we're so heavily search engine optimized, we get doctor's offices, just single one, or two, or three doctors calling us every day,

lots of them. So, we have a division that works with the smaller practices. And then, our management team has our creative director, our executive managing director also works in pharma device.

So, it's a pretty broad mix, really. But if you were to say what makes us unique is just the fact that it's digital. And then, maybe that knowledge of each specialty, my joke when I'd speak, is you could wake me up at 2:00 in the morning and you said, "Hey, I've got a nephrologist downstairs, an oncologist, an orthopedic surgeon, a neurosurgeon, a physiatrist, keep them spellbound. We could do it just because we've done it for so long."

John Marchica:

So, that's interesting. I heard pharma in there. I know that we've got well, as best as I can tell, based on the way that we market podcast, probably have a substantial number of pharma executives, they're listening. So, how do you work with them? How do you help them?

Stewart Gandolf:

It's interesting. We're actually working on a couple projects right now. It's funny. I told you, I just brought in some really, really strong people on the pharma side to join my team, as we're evolving. And we were talking AstraZeneca, a couple months ago, and I thought what was really intriguing to me is in the middle of the conversation said, "Yeah, I understand, all you pharma people, that's great. But Stewart, tell me about your company.

I'm intrigued. You work with one of our very largest cancer providers." And so, they tend to like certainly, you have to speak pharma, have the secret handshake, and understand regulation, and adherence. And there's little differences, is the patient centric in pharma, or patient experience in hospitals? So, there's some language there.

But really, the pharma team on my side is doing things like it has done for years branding, and digital, and patient education on the pharma side. But I like to think that our experience, having worked with those doctors, I personally have worked with, I don't know, 1,500 doctors over my career, on a very deep level. So, they like that insight. They like the fact they understand the doctors that serve them.

And they like the fact that we drive patients. That tends to be a thing. So, it's an easier connect than you would think, and it was really interesting, but then [inaudible 00:05:08] told me like, "No, we want to know about your experience over there because we work with some of their biggest clients."

John Marchica:

Right, right. So, what has COVID-19 done to your business and to your clients? How have you been affected?

Stewart Gandolf:

Great question. So, interestingly, one of my best friends, I'm in healthcare. One of my best friends is a neuroscientist over at UCI. And he sent me an email with this article right after Stanford went virtual. And so, we ended up going virtual based upon this article and his strong advice. We went virtual about a week and a half or two before anybody else did, or at least most companies did. So, our company, we began scrambling, we had that little bit of a window in advance, and so we emailed or called all of our

clients immediately and said, "It wasn't political back then." If you remember, it wasn't like, it is now. But the email said, "Hey, we're not trying to cause hysteria, but we just went virtual. Don't worry, we're fine. But we're ready.

We think we should be putting out notices on your websites that you're open for business and safety precautions." This was happening really, really, really fast. It was changing almost on an hour by hour basis. So, I wrote up some copy as a generic script for them to put out on their website. They modified it, because obviously, we have a lot of clients, they had to come up with their own internal stuff. But we had them posted within a couple days. And even that little thing was a big task. So, over the time, I've been doing a lot of speaking, and talking about this, and our clients are, we have I'd say maybe 20% of our clients paused, almost nobody quit, but a lot paused. If they're just not in market, they can't market, they pause. A lot are still doing other things.

Some of the things we write about is we look at this opportunity for our clients if they have budget. For example, search engine optimization is evergreen, you can do SEO, it's long term anyway. So, we've been spending money on pay-per-click, or paid social, or whatever, and we're out of that market. Why don't we take those dollars allocate for the long term? And so, a lot of clients go like, "Okay, that's a good pivot." Or if we've been talking about rebranding, or if we've been talking about a new website. So, there's that side of it. So, in other words, instead of using dollars that were being spent for driving patients in, at least given whatever day it is, as it changes, we've pivoted to long-term strategies. When the opening began, it's funny because we were talking offline.

I would talk to my clients and say, "Okay, we've got a window of opportunity. Sadly, I don't want to be right, but I'm really pessimistic. I'm worried this is going to start shutting back down, and I really for the record did not want to be right." So, it's an interesting area where most of our clients, they're not making money with COVID. And people that are close to the hospital market know they're losing money, and all the money is from the, "Lack of the surgeries they're not doing." So, you have the announcements of safety, which is ongoing, you have to let people know they're safe, and people are missing really good care that he was okay to miss for a week or two.

But people are having strokes, and dying at home quiet in New York at the height of the pandemic. So, you have to A, keep revenues going for many clients, you have to make sure the client, or the patient base know what you're saying. If you know a healthcare entity, you know healthcare entity. So, for example, if it's a hospital, they know who their patients are, they know who the routine care is, they can email them, they can call them. Interestingly enough, some of the data I've seen is that patients, even if they're fearful, about half will come in if you just ask them. So, if the doctor's office calls them and says, "Hey, we're safe," does that little bit of proactive nudge, they're more likely to come in. So, there's a lot you can do, but it is definitely dynamic. It is definitely fast moving, and now that things are slowing down again, it's like nobody knows the future.

My own recommendation to clients as well as with our own company is I feel like it's you're going to be have a conservative outlook through probably spring. My hope is I've been reading a lot about this, and wants to talk about it offline. We can talk about it, but it looks like the vaccine is best case approved in the fall by time to roll it up production, the next, get it distributed. So, it's spring-ish. So, that means that if they have that long-term view, you can start preparing for that, start thinking through, and how can

you be... what are your scenario plans? Things open up, things closed back down, what can you do? What can you do long term? From an operation standpoint, what do you have to do? Another thing, I'm just ranting here, because I've thought about this a lot.

Another thing that we think about a lot lately, and I can talk about this, if you like, is how will health care be changed? So, we have this period between now, and I don't know, March-ish, May-ish, or whatever. And by the way, again, I hope I'm wrong. I hope we get somehow, a vaccine tomorrow, and we're all fine by Halloween, but-

John Marchica:

Yeah. I don't think so. Leaving the data on the Moderna vaccine looks somewhat promising, but people are getting some side effects. Some fevers are showing up, so I don't know.

Stewart Gandolf:

Yeah. Is the Moderna one the same one as the Oxford one, or is that a different one?

John Marchica:

That's a different one. That's a different one.

Stewart Gandolf:

Yeah. I was reading about that one. So, there's some candidates. That's great news. There're some candidates, but I don't think it's going to be a perfect solution quickly, and just hopefully, they'll be able to get it out, and safe, and do be good enough. That's what we're looking for is good enough. Anyway, the point is, so let's pretend for a minute the hypothesis is correct. We're looking at March or May, then in that case, some things are happening that will be fundamentally, I think change health care. So, the biggest obvious one, and this is old news, is telemedicine, but certainly, telemedicine is a big deal. But I think it's bigger than even people are talking about. And so, hospitals that were able to for 10 years have hand wringing, the doctors really don't want to do this. We're afraid the patients won't want to do this technological, HIPAA who, right?

John Marchica:

Right.

Stewart Gandolf:

They do. They have HIPAA, and security, and all these regulations. And then, they got it done in two weeks. It's just fascinating. I really admire some of the hospital systems were able to do this so fast, and they really rose to the occasion. So, there's that. Interestingly, a lot of patients who are skeptical of data I've seen were skeptical of embracing it. And I think it's going to go from being skeptical to demand. And so, I would say, my only two cents to add to that discussion that people are already having is, I would look at it as a competitive advantage. So, if you can truly integrate the telehealth into your program, faster, better, smarter than your competitors, there's a window of opportunity that you can begin exploiting now. And then, it's also deeper than just promotion.

Marketers, average marketers always talk about advertising. And if you go back to marketing 101, the four Ps of marketing, price, place product, and promotion. I look at telehealth, and also remote

monitoring, and different technologies as being part of the P. So, what is our new product? How do we design it? And then, place. So, it's also places your house, and then you start thinking about how can we scale when we have an epidemic, or we have even just the flu or whatever? Do we really need all these old buildings? I'm looking now at my own office space. My lease is up in May. I'm paying for empty office space probably until May. But I can assure you when that lease is up, we're not taking the same amount of office space we did before. And I think a lot of people are thinking that way. And in health care, all these barriers to progress have been in place for so long. It's like this cascade of a change will cause as I think to finally look at it, it's like, "Okay, it didn't work. Let's start from the scratch."

John Marchica:

Let me interrupt you, Stewart. I want to ask you something off topic because I want to go back to your office space. The first question that I had was, I was intrigued about what paper that you've read that encouraged you to go off site so quickly and before everyone else, what was in that paper? But also, I've been having this conversation with a lot of people, and we're looking at buying a building at some point here in the next year. Do you feel that anything is lost by not being able to physically meet with your team on a regular basis? In other words, is there an energy to your office by having people there that otherwise that you can't get through Zoom or Google meets?

Stewart Gandolf:

Yeah, great question. So, the paper was written by Tomas Pueyo, and I can send you a link to that, and what was in that paper? And I trusted it, especially because my friend, Michael Leon, is an incredible scientist. So, if Michael is reading a paper, and thinks it's good, I'm going to suspend a lot of disbelief because I really trust Michael. Michael is one of those people that if you have anything to ask about anything, he can tell you an informed, educated answer. So, he's pretty amazing in that regard. And we've had some fun together. So, anyway, there's that. But the paper said that essentially, it talked about the virus expert growth rate. And essentially, it's going to grow by 40% per day. It's like the best data they had at that point. And that's assuming that there's no social distancing, nothing. And it's like 40% a day. And the paper was a call to arms. It's essentially, I implore you, if you're a leader of a business, if you're a leader of health care, get people to stay at home to take action now. And so, it's really intriguing. Wow, is it portend the future, right?

Yeah. So, I felt like, "Okay, ethically, it's funny, I got the paper at about 5:00 that evening." And I read it and I thought, "Okay, my management team is in here." And then, I had to tell my management team that I'll talk about that in just a second too. "Yeah, I read this paper, and we're all going virtual this afternoon." I want to go that minute, but I couldn't quite get it done just in a few minutes. So, we ended up going virtual. I have seven of my date is March 12. And I remember, so that was about a week and a half before most people did. Stanford had just closed. I think the NBA just announced they were suspending the season, but we took action immediately. And interestingly enough, so this story is all interrelated, and to me, fascinating, hopefully, our listeners. But we had just hired some new people, some new executives, and some new team members to our team. And it turned out that among the people that we were working with, it's very possible one of them had COVID. So, have we been together, we could have infected our company. So, [inaudible 00:15:30] I can't go into more detail than that.

But it's possible that we could have brought COVID into our office through some of the people that we're working with him. So, it's like, we may have really dodged a bullet. So, you can imagine, this was

early on that suddenly getting your entire team to be infected, there would have been an unmitigated disaster. So, I felt proud that I took action. It wasn't easy because people looked at me like I had three heads. And then, it was interesting, the managing director, a day and a half later said, "Stewart, oh my gosh, you were so right." And it's not about being right, I just had to take a tough decision. So, anyway, it's not self-congratulatory, I just had a really good friend who informed me it was time to do something. So, the part about the camaraderie, that's really a big deal. So, you can imagine, I just alluded to, we have now brought in recently a managing director with deep pharma, and device, and enterprise level health system experience. We just brought in a creative director with deep pharma experience. We just bought an account manager, deep pharma, hospital experience of direct to client service, deep health planning, like this crazy, great team. And up until now, we're about 25 employees-ish, 10 million-ish revenue. Up until now, it's larger than Stewart shall. Well, now, we've gone to a point where we needed... I mean, it's not a disrespect to my team. I'm just saying it's like you didn't need to have health care experience when I hired you. Now, you do. And because I figured I could teach everybody. So, I had these really strong people, and we've never been in the room together because COVID hit just before we landed that last person.

So, it's been challenging for sure. So, we have to over communicate because you're talking about culture, best practices, how we do things. And then, we have also, the hierarchy now. So, it used to be so flat. Now, I have a managing director between me and a lot of other people. So, we're figuring it out. It's not easy. So, I would say that we are using a lot of Zoom. I just had a call today, it was supposed to be a half hour, it was an hour and a half. And I'm, some people put it nicely, a personality. So, people in my team said, I told her the other day, I said, "Look, I know I talk fast, I think fast and move fast. I'm going to help you learn how to speak Stewart." And so, she emailed me and said, "Hey, right now, I want you to know how to speak mine," her name unnecessarily. But she's like, "I want you to speak her name, Susie, [inaudible 00:17:49] Susie." So, it's like that, really, we have to make an extra effort. So, you can imagine we have a new team. We have a pandemic. We're scrambling with clients that are canceling, trying to respond in a whole brand new team. And we have to do this virtually without being in the same room. So, it's challenging. I would say that going forward is slowing down now.

I think the biggest thing is to anybody in the audience if they're not already there, we've done some podcasts about stages of grief. People are denial, anger, bargaining the whole thing. Well, I'm at acceptance that we're in this until the spring. And I think that really helps. If you come in with the acceptance phase, then quit waiting for a miracle, and just say, "It's this face of thunder. It's going to be if you're watching [inaudible 00:18:30]. It's going to be-

John Marchica:

Yeah.

Stewart Gandolf:

Yeah. It's going to be March, or May, or something like that. And then, that frenetic energy disappears like, "Okay, what do you have to do? What are our contingency plans? What do we have to do?" But yeah, it's tough. I mentioned the office space when we... what we'll probably do is we have X thousands of square feet, we'll probably take 30%-ish of that, do shifts, have teams meet on different days. Because honestly, most of our people are productive. The only real barrier is the work that the moms with young children, it's really hard for them. So, maybe they'll get to be there every day. But other than that, it would be team sport, and then it's amazing, we could do a party every month, and save money

off that office space. So, we could still get together as a team. And obviously, we're an agency. It's not like we're at hospital. Hospitals don't have that option. But even pharma, in tech companies now, was it Yahoo, and Google, and these big companies are saying we don't have to come back. Some of them are saying already, you have to come back. So, I think that's going to fundamentally change healthcare, and going to change our industry.

John Marchica:

Yeah. It's like the way that I look at it, it's like there was a phase when open offices were all the rage, and I see this long term as this being a phase because I think that people have a desire, where possible, lots of sales reps, they work out of their house. There're certain professions where there isn't a lot of interacting. But I feel like there's something missing. We do a lot of the video conferencing as well. I feel like there's something missing when we're not all congregating. It can be a function of this business, but then I could make the argument in a market research company, where people are on their computers all day doing research, and writing, this entire business could be virtual if we wanted it.

Stewart Gandolf:

Yeah. It's interesting. So, I mentioned our managing director, he came from an agency that was 100% not virtual, nobody could work from home. It was just who was against the religion. He used to say, "This is where you make the sausage. And this is what sausage is made. You need to be here." And this is an area we've struggled with. We started bizarrely, I'm talking to you from my home office, because we're COVID, this is where the company started. We started virtually with the first few million dollars for the revenue. And that was really rare back then, people didn't do that. And then, so we really liked office space, and definitely, the spree decor and the team. And so, after being not virtual, relatively quickly, I'm like, "Okay, I wasn't so smart with virtual. It definitely has its limitations." So, I think going forward for us, I think it's a hybrid. One thing, there are some big benefits. If you go, we have permanent space, but then you're now open to working remotely. For example, we have some very smart people on our team there from Chicago, and they've introduced us to another very, very smart writer in Chicago. So, now opening a Chicago office isn't just like a fake Regis office. You know what I mean?

John Marchica:

Yeah.

Stewart Gandolf:

No diss on Regis, I'm not saying that. But it's not smoke and mirrors. It's real. She's part of the team. She works with us every day. And believe me, the leadership, the members of my team would love to go back to Chicago constantly for client meetings. So, it allows us to open up our pool where it just wouldn't have been realistic. And this is really a strong player that we're talking with. So, I think for us, at least, it's going to be a hybrid. But for sure, there will be a face-to-face component to it because there is a lot lost. And particularly, in a company like mine where it's been so full of energy and then you're all virtual, it's hard. And it's also, think about different ages. It's millennial and Gen Z, the social aspect, a lot of times it's tied heavily to work. And so, now, you're sitting by yourself in your house. So, I think that's another issue as well. So, yeah, it's going to be interesting to see how that shakes out. But I can tell you, I'd be shocked if I bought as much office space as I have now. I just don't think I will.

John Marchica:

So, where I interrupted you, I think you're talking about telemedicine, and how that can be a marketing opportunity. And those were your words from a prior conversation. But how do you see that unfolding?

Stewart Gandolf:

I think it's not so much from an ad. But I think it's just integration, that true integration. Because here's the thing with health care, as you know, health care, especially at the provider level has been known as about a stodgy of an industry as you can. And so, intriguingly, there's one of the groups on the hospital side we go to, is called SHSMD, Society of Health Care Marketing Strategy Development. And I can't remember the speaker last year, but it was really an intriguing thing he said. He was talking about from the tech and private equity point of view and investment banking point of view. And so, he was talking about his discussions because he came in from a different world, the investment world. And he said to them, to the hospital administrator as well, you really should integrate telemedicine into that.

We can't do that. You really should make pricing transparent. We can't do that. All these things, consumers, you should be able to communicate with your... I'm paraphrasing, but communicate with your patients, but we can't do that. And so, that's what brings in disruptors. When you have somebody from the outside who keep saying they can't do that, for all the reasons they built these walls in this building that it's become a prison, I don't see it. And so, then you have someone like CDS that was like, "We can do that. We can do current pricing. We can do walk in pricing." So, the problem is, is like well, you can either choose to you can say you can't do this, but honestly, other people will. And do you want to be trying to catch up? It's a blockbuster analogy, blockbuster Netflix, which is now famous business case. I'd rather be the disruptor than the disruptee, if I just made up those terms. But you know what I mean. It's like, I kept trying to think, I can't reveal what it is, but we're working with a great big chain and one of the marketplaces medical specialties right now. And they are number three. And what's intriguing is number one and two are really dead set in their ways of what they're doing. And number three is going to take a different road, which is less expensive care. But it's a great idea because it's a disrupter. So, they don't have as much to lose. They've got more to gain by creating a new product. So, that's what I was saying about the telemedicine. It's not certainly advertising to your patients. We offer telemedicine, that's an opportunity, but more what I was talking about was thinking about the point of care.

Do you have a network of telemedicine to do triage, and that's integrated with each specialty to the extent that's possible? Do you have urgent care system that's spread out around the city? And some cities, I've seen them do deals with Walgreens or different people just to get that boots on the ground, or creating different clinics. And then, you have that as part of your care. And then, you have your family doctor, and then you have the hospital. So, it becomes more of a truly integrated system. We're still working towards, I'm not the only first person to think about this. But I have seen many systems communicate the convenience of that. And really, make a truly integrated one. A lot of times it's not. We say it is, but they all have different records. They all have different HER, and everybody's moving toward that, but I could just see these barriers, for example, with reimbursement was one of the big deals too. I didn't mention that earlier about telehealth. So, there was the doctors didn't want to do it, patients with skeptical. HIPAA, but then also reimbursement. So, all these things going down.

I just feel like the opportunity for some health systems to take their leadership and say, "Look, we have care designed around you. I just made up a tagline. But you know what I mean? It's really more like, we are where you are. I think that's a huge opportunity. And then, if you look at the demographics of this,

the older people are set in their ways. They're used to doing things. They'll wait for their doctor. One of the things I talk about and rant about when I speak around these patient experiences my mom wants... I have lots of bad horror stories about the last years of her life patient experience. So, I might as well pick this one for brevity. We went down to her cardiologist. I got up at 7:00 in the morning to be there for 7:00 AM... 7:30, I guess, AM appointment. Remember, I do run a company. My mom is 93 at the time, and so 7:30, 8:00 goes by, nothing's happening. 8:15, what's going on? And the lady says, "Oh, I'm sorry. The doctors want to make sure patients are ready. He comes in at 9:00. I was like, "Oh my gosh. WTF, you value my time so little, you value my mother's time so little when she's frail." That was really what happened. So, I told my mom, "Let's go, let's go." And she's, "Oh, no, he's a doctor. He's busy. No, let's go." And so, we ended up staying, I was livid. But that doesn't happen anymore. That's old school. And this wasn't very long. This was about five years ago. And so, you have the older people that are willing to do that, but millennials didn't even have a doctor. So, if you just start, and think about, "Okay, it's really, really hard to self-disrupt." It's really hard to innovate, especially with a hospital system, but people can do it. I interviewed Paul Matsen from Cleveland Clinic for my podcast about a year and a half or two ago, maybe more, I don't know. But Cleveland Clinic, Toby Cosgrove, the CEO decided, "We're going to do same-day appointments for patients." And I thought, "What? I know people at the Cleveland Clinic." And so, I ended up with Paul, and I've interviewed other people there too. But that's ground shaking. This is before COVID. And somebody, think about Cleveland Clinic, think about all the academic-based doctors, think about all the entrenchment to the status quo. But a leader of the hospital came back and said, "No, we're going to do same-day appointments, and offer that, and figure out how to do that." With that leadership, they found the solution. And so, that's what all I was saying is I think telehealth is part of that, like patient truly inform. I mentioned, we talked about patient centric. In hospital side, we talk about patient experience, but really, instead of thinking about operation, so sorry, I'm going to contradict myself, I'll share another story with my mom. So, my mom broke her hip. Not that any other lady broke her hip, it's like just common as it gets. But when she broke her hip, I noticed they put her out in the hallway where she was called in by herself. Because it was in my assumption is that nobody told me this, but there's like lined up on the hallway waiting for the next available spot in radiology. That would make sense from a systems perspective.

We want to get them in as fast as we can, and I totally get it. I'm not making them wrong, but from the patient's point of view, sitting out in the hallway and being cold, it's little things like that. It's like, okay, the tradeoff between operational efficiency, and what the patient would want if you ask them. And it's just so all these little touches. But I think, again, that's where health care is going. And so, we talk a lot when I'm speaking about the age of consumerism. So, they all, and I hope this isn't getting too abstract for you, but I think it all blends. You think about the product, you think about how you deliver care, what's the price? Price and just go back to the four Ps, you'll solve everything, pricing, talk about transparency, and billing, and that whole thing. I just feel like it's the day of the innovator. And in fact, I've been thinking about this a lot lately, as you can tell, and I plan to write a position piece blog on this very shortly because I just think it's now okay, if we look at yeah, I know we've talked about all these things before. This isn't new, telehealth, but thinking about what is the current competitive opportunity this presents if we line this up perfectly from the patient's point of view I think it's a rare opportunity to win real market share and make real change. And politically as well, that's coming up too, which is a whole different thing. But it's hard to get everybody just switched to value-based care, or to population health, and all those things. But maybe, depending on how this thing plays out, it's going to be forced upon us anyway.

John Marchica:

Yeah. It's interesting. We're in the midst of doing a quarterly survey of healthcare executives. It's a tracking study, a whole bunch of different components of it. But one question that we asked was if reimbursement parity weren't there, and again, I'm paraphrasing, I don't have it in front of me. Would you still see the value in telemedicine? Something along those lines, so taking the reimbursement-

Stewart Gandolf:

That's very interesting.

John Marchica:

... taking that out of it, and 70% or 75% of the people, between somewhere in there, said they do see the value in it, even if not reimburse parity.

Stewart Gandolf:

So, you're talking about patient said this or providers?

John Marchica:

No, this is providers.

Stewart Gandolf:

Okay, all right. Go ahead.

John Marchica:

So, primarily physicians, but then, when you ask about follow-up question was what do you see are the long-term barriers to fully implementing telemedicine in your system? The number one thing was reimbursement parity.

Stewart Gandolf:

That is so classic. That is so classic.

John Marchica:

I guess one, the first question was more theoretical like, do you see the value that taking the money out of the equation, but then when you ask them, "Hey, man, it is about the money." Then, it's one of the reasons, I'm sure why telemedicine didn't really take hold. And because there wasn't that reimbursement parity.

Stewart Gandolf:

Yeah, for sure. It's funny. Another thing I talk about a lot depending on who listen, is the idea of in medicine, not very long ago was a good old boys network. Literally, it's mostly men, and it was the relationships. And even, I used it back when I started working in health care, fewer of a different skin tone coming into some of the areas in the country, it'd be really hard to get doctor, or to get referrals from the doctors and really not good. But today, it's still one of the things we talked about a lot is marketing became legal for providers depending on when you say this is a Supreme Court case, the FTC got involved. But 1977 was a Supreme Court case. But anyway, the point is, is that the marketplace despite marketing coming, first of all, doctors and hospitals, everybody hated marketing. It's like illegal, unethical, and seemingly there's a whole... and you can understand the culture. But beyond that, it took

a long time for it to get adapted, because there's all these artificial barriers to competition health care, especially that. So, you have the way people are paid, the way referrals happen, the way just things are done. There're all these artificial barriers. So, it took a long time for marketing to really take an impact. And you had a generational issue as well, where these doctors either were around when marketing was illegal, or they were taught by people when marketing was illegal, so it took a long, long time. But then today, if you talk to younger doctors, they're like, "Well, of course, I market." It's funny, I thought, this is, I'm going to come back to telemedicine in a second, but there is a point here.

I had a practice once, a group of neurosurgeons where I was tearing them apart because the older doctors were like, "No, no, no, no, just be affable, available, and able." The three As, if you're a doctor, you know that story, or that phrase. And the other guys are like, "Are you crazy? Our competitors are at launch, they're out-marketing us by into this." They were doing things like symposium for the referring doctors, they had thought leadership, they were doing all the stuff we talked about. The point is, is the barriers are gone, just like we're talking about earlier, disruption is gone. And so, I deliberately did laugh out loud sincerely over the reimbursement thing, because that has been a problem. But there's so much pressure to break these walls down, and COVID, like I said, I think is just the final crack in the dam where this stuff just stops. And now, there's to get this to be parity. But that's a microcosm, the reimbursement issue is a microcosm. So, if you start looking at okay, we're on a fee-for-service basis, there's also enormous, enormous incentive to keep up the status quo and do more procedures. And that's why we have some changes that are happening and have been happening. But it's really tough because there's a lot of status quo.

There's a lot of deep-set interest for keeping things the way they are. And then, you've got innovators, and we'll just have to see how it shakes out. But yeah, the money is always the first place to look. What do they say? Follow the money. And it's not faulting the doctors on this, by the way, I understand. It's how you make your livelihood. So, I'm not saying anybody's wrong. I'm just saying it's exceedingly difficult to break that habit because it's not how they've been paid. And the other thing too is, obviously, the Affordable Care Act is there's no perfect model, anything is imperfect. And so, if we wait around for perfection, we weren't responsive. And clearly, don't know if you thought about this much, I'm thinking about this as what is our pandemic response can be like now? Are we going to continue with this model we have now where the states are off to themselves? Will they have a czar, this idea of being able to look health care is usually local, but when a pandemic hits, no, it's not.

John Marchica:

It's not.

Stewart Gandolf:

So, how do you adapt? Are we going to take this opportunity to rethink and start with zero-based thinking? What should we have done? Are we going to go back to the same stuff we just did? Hopefully, not the ladder, for sure.

John Marchica:

Well, and you can't talk about anything today without it being political. But the reality is, is that there's no direction coming from the top when it's needed. That's the thing. This is a time for collective action. It's not the time to have everybody off on their own doing what they want to do.

Stewart Gandolf:

Yep.

John Marchica:

And there's just been zero leadership. I think President Trump made the decision. He's done with it. He wants it to go away. He thinks it's going to go away. One of the troubling things that I saw this week that I'm going to be writing about was the fact that the hospitals are not submitting data to the CDC anymore. And I don't see any logic. The reason that they gave was something like the CDC turnaround was a week, and they didn't have all the hospitals. Now, we're going to have all the hospitals, and we're going to have 24-hour turnaround because we've contracted with this external company to do data management. But where's the transparency? And that's what I'm concerned about. At least, what you were seeing from the CDC, at least they were being transparent. Now, what if we don't have access to knowing our data?

Stewart Gandolf:

It's really troubling and what you were saying a moment ago is, the political part of it, for sure. I'll be gentle. As a national disaster, what we're doing right now, I think that's also maybe a self-assessment of our country right now. We like to say we're number one, and we are, but sadly, right now, we're number one in the developed world for Coronavirus. I don't think it's the number one we want to be remembered for.

John Marchica:

There's personal responsibility too. And I get that. Here in Scottsdale, if I go to the supermarket, everybody's wearing a mask. Last weekend, there's a weekend before up in Prescott, it's about an hour and a half north of here, smaller town. I went to the supermarket 8:00 in the morning, and the only people wearing masks were me and the cashiers.

Stewart Gandolf:

That's scary.

John Marchica:

Everybody else walking around, and a lot of older people too.

Stewart Gandolf:

That's the other part of it too is that where they're getting their news, or what they're listening to, so there's personal response ability, but also just ethically. One of the things we've been talking about, I didn't mention earlier is what we got involved with the very early stage of this. We created blog posts that I sent out to my subscribers. And we created social media assets for our clients to get the word out about social distancing. And the theory back then was, and it was the right thing to do is look, you're health care leaders in the community, there's the national stuff, and it wasn't nearly as political back then. And there's no what I'm going to do. And health care providers are still among the most trusted people, the actual, they're at the top of the food chain, nobody else is down below there, substantially. And so, the idea was get the word out responsibly in your community. If you're a doctor, great, you're a hospital, great, but how can you take some thought leadership, how can you get the word out of what to do? And some did, and that was great. So, some of our readers, some of our clients emailed their

some of the better ones, even private practice doctors started emailing, like translating the news to their patients. Here's what's really going on. Here's why you shouldn't come to me if you think you've got the virus because we're not equipped you or whatever. But it was a constant series, and even at the little doctor level, let alone the hospital system. So, yeah, there's that, and I feel like it is really sad to me, how it became so political. And I've never been so politically minded in my life as I feel right now, just because it's so tragic. It didn't have to go this way. It's really sad. And we talked offline beforehand. There's nothing that makes me very optimistic of getting better anytime soon. So, it's too bad, for sure.

John Marchica:

Well, Stewart, really enjoyed talking to you. Glad that I've been getting to know you over the months. And I'm sure one day, we'll figure out a way to work together. But this has been fascinating.

Stewart Gandolf:

Great, John. Hey, thanks for having me. if I have to come back, anytime.

John Marchica:

Thanks again.

Kim Asciutto:

From all have us at Darwin Research Group, thanks for listening. Health Care Rounds is produced by me, Kim Asciutto, and is engineered by Andrew Rojek, theme music by John Marchica. Darwin Research Group provides advanced market intelligence and in depth customer insights to healthcare executives. Our strategic focus is on healthcare delivery systems and the global shift for value-based care. Find us at darwinresearch.com. See you next round!

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