Sg2 EXECUTIVE BRIEFING

Health Care's Game Changers Press Their Advantage

KEY TAKEAWAYS

- Systems' nontraditional competitors are buying their way further into care delivery.
- Disrupters are gaining advantage in areas previously considered health systems' prime means of competitive differentiation.
- The time for a wait-and-see approach before crafting a strategic response has long passed.

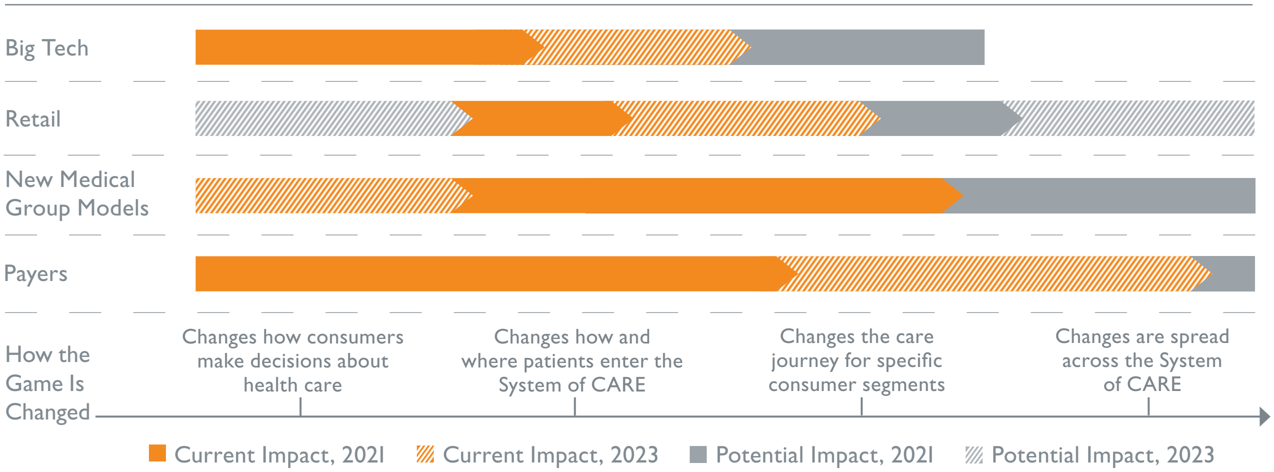
Moves among players reshaping the health care industry have converged to the point of exponential change. They've gained scale across the System of CARE at a pace even surpassing what Sg2 predicted in 2021.

Activity over the past two years makes the business models and financial stability of legacy systems increasingly vulnerable. And the threat comes from all corners—Big Tech, retail chains, burgeoning medical groups and payers. All have successfully played to their strengths, changing the way consumers seek and consume health care services. As they buy their way further into care delivery, these game changers are gaining competitive strength in an area where traditional provider systems had so far reigned supreme—longitudinal care—and simultaneously one where incumbents have fallen short—value-based care. Health system executives must act now to formulate a strategic response informed by both national and market trends.

Fast and Furious

Sg2 analyses of claims activity quantify the extent to which disrupters are chipping away market share, consistently producing nearly 20 million patient encounters since 2021. That data contribute to Sg2's perspective on disrupter progress and influence. The **solid colors on the below graphic denote Sg2's 2021 perspective**. When compared to the current analyses, **denoted in stripes**, it becomes apparent how quickly disrupters are moving across the continuum. As disrupter volumes grow, and to remain competitive, incumbents will need to advance virtually all aspects of their business: channel strategy, payer contracting, physician alignment and workforce recruitment. A deeper dive into each disrupter category can help spark action.

PREDICTED AND ACHIEVED ADVANCES IN GAME CHANGERS' IMPACT



Source: Sg2 Analysis, 2023.

Sg2 health care intelligence

Big Tech

Amazon stands alone as the only Big Tech disrupter becoming a provider and broker of health care. Its captive consumer audience, found among Amazon Prime membership, places it top of mind when members need on-demand care. As convenience continues to trump loyalty in consumer preference, according to Sg2 Consumer Survey findings, Amazon is a force that legacy health systems cannot ignore.

Outside Amazon, activity in the Big Tech space since 2021 has centered around continued investments, largely focused on big data and cloud services, along with an emerging emphasis on life sciences companies, with a trend toward specialty drug development. There has also been heightened activity and buzz surrounding artificial intelligence (AI) and large language models.

Game-changing Potential

Data depth uniquely positions Big Tech companies to optimize each step of the patient journey, from initial service selection through payment. Some industry experts anticipate Amazon will further extend its health care reach by buying or building a payer arm. But rather than take on payer risk, Amazon could choose to double down on its strengths, building or buying innovative product offerings that dramatically heighten consumer expectations for seamless, price-transparent, anytime, anywhere care.

Strategic Responses

Legacy providers still have time to leverage their hometown advantage over Amazon and safeguard their payer mix through consumer innovation coupled with direct-to-employer initiatives. The window is narrowing with each new acquisition.

- Build patient loyalty with a unified digital platform that enables frictionless consumer interactions, such as online scheduling, in-app payments and easy access to virtual visits.
- Ensure robust digital medicine offerings that can challenge Amazon's e-commerce health care marketplace. One example of this approach is **Ochsner Health's** partnering with telehealth provider **Hims & Hers** to provide direct access to its digital medicine program for patients who have high blood pressure or diabetes.
- Embrace price transparency, particularly for common services (eg, visits, therapies, diagnostics).
- Devise direct-to-employer offerings in line with the needs of small and mid-sized employers in the market, which may be a lower priority for nationally scaled entities.

THREE COMPANIES MAKING MOVES THAT MATTER

Microsoft

- After acquiring a majority stake in **Azure OpenAI** (the company that powers **ChatGPT**) in late 2022, Microsoft announced its goal of reinventing the search engine, pitting Bing against Google's search bar.
- Less than six months later, Microsoft announced a deeper collaboration with **Epic** by way of integrating Azure OpenAI to the electronic health record. A subset of capabilities will be implemented with three health system partners—UC San Diego, UW Health and Stanford Health Care.

Alphabet (Google)

- The company dissolved its dedicated health care division but continues to invest in health and wellness products and companies. Deals are moving away from direct to consumer to focus on business-to-business solutions. For example, **Google Cloud** partnered with **Epic** to enable its EHR clients to migrate to the cloud.
- **Google Ventures** invested heavily in AI start-ups, many focused on pharmaceutical research and development.

Apple

- Corporate strategy in the health sector remains focused on touting iPhone features for sharing patient data and the health tracking capabilities of the **Apple Watch**.
- Further partnerships with large health care systems to facilitate research trial registration via patients' iPhones also are underway.

Retail

Seeing untapped innovation opportunities in the prescription drug market, investors running the gamut from insurers to online retailers to private equity (PE) have challenged traditional brick-and-mortar pharmacies with online options. Forced to fight for relevance and replacement revenue streams, traditional retail pharmacies are buying their way into direct patient care through the acquisition of large, new medical group practices, taking aim at not only health systems' upstream services but also the provider infrastructure required. To bolster their chronic care strategies, large pharmacy chains (eg, Walgreens, CVS Health) have gone on buying sprees to acquire medical groups that deliver risk-based senior primary care as well as tech companies that boost skill sets.

Game-changing Potential

Sg2 data show retail pharmacies traditionally yield more low-acuity, convenience-care visits than chronic disease–focused care visits. As they pivot to strengthen their chronic care models while leveraging their consumerism strengths, retailers could gain ground on payers and providers to achieve health care's quadruple aim (enhance patient experience, improve population health, advance work-life balance of practitioners and reduce costs). The models they have created consolidate everything needed to provide longitudinal care to those with chronic conditions (eg, risk modeling, clinical services, pharmacy). Such comprehensiveness further erodes health systems' key differentiation in end-to-end care delivery. Patient loyalty for services beyond acute care is at stake.

7%

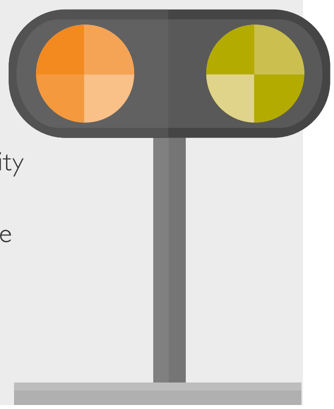
Total CVS MinuteClinic visits that resulted in a **return to CVS** clinics within a year

Note: Analysis includes pre-pandemic claims from 2019 through Q3 2022. **Sources:** Proprietary Sg2 All-Payer Claims Data Set; IQVIA; Sg2 Disrupter Tracking List v2; Sg2 Analysis, 2023.

SIGNALS TO WATCH

An emerging group of game changers far removed from or peripheral to health care is shaping the way consumers access services and engage with providers.

- Grocery chain **Kroger** launched a clinical trial site network that aims to help contracted research organizations and health systems maximize access and diversity in trial participants and ensure their enrollees stay engaged.
- **Dollar General** is piloting mobile clinics for such services as routine primary care and chronic illness management to bring care closer to its consumers.
- **Best Buy** expanded its remote patient monitoring assets to include a hospital at home offering.



Strategic Responses

If moves by retailers go unaddressed, health systems risk being seen by patients and payers as strictly holders of high-acuity assets to avoid.

- Identify areas of primary care in which the system is best equipped to compete: commercial concierge, senior focus, dual eligible, direct to employer, virtual first and complex chronic care.
- Continue to demonstrate differentiated clinical expertise while curtailing the complexity of the consumer journey to meet expectations being set by retailers entrenched as providers of care.
- Weigh ownership versus partnership opportunities by taking inventory of the assets and competencies needed to capture downstream referrals from partner channels.
- Rethink primary care delivery. Tailor offerings to discrete needs of patient segments.
- Consider how current primary care delivery models may exacerbate care inequities; ensure care redesign helps to counter this.
- Revisit specialty pharmacy strategy now that traditional retail players have seized on this area as a growth opportunity. Approximately one quarter of all hospitals (89% of those with more than 600 beds) were operating specialty pharmacies as of 2019, up from just 8% in 2015. Health systems may encounter fierce competition but also high interest from potential partners. Specialty pharmacy operator **Shields Health Solutions** (majority owner: Walgreens) announced in early 2023 partnerships with **Nemours Children's Hospital** and **Phoenix Children's**.
- Invest in care coordination to defend downstream services and establish consumer loyalty. This should include personnel and technology-based tools, such as referral management applications and virtual consults.

THREE COMPANIES MAKING MOVES THAT MATTER

Walgreens Boots Alliance

- This national pharmacy chain shifted its strategy from simply leasing store space for health clinics to building its own provider network and expanding offerings across the care continuum.
- In 2021, the company took a majority ownership stake in **VillageMD** and acquired full ownership of **CareCentrix**, expanding its reach into post-acute and home care.

CVS Health

- To expand beyond in-store **MinuteClinics**, its recent investments enable plays in Medicare Advantage (MA) and other value-based care offerings, the latest being a $10.2B purchase of **Oak Street Health**. In 2022, CVS Health beat out Amazon and Optum to buy home health provider Signify Health.
- The company's full game-changing power and capabilities for longitudinal care come from the retail-provider-payer combo it achieved in its acquisition of **Aetna**. Deep insights into patient behaviors, health status and risk helped to buoy revenue gains by double digits. Further investment across the System of CARE seems likely.

Walmart

- Unlike its competitors, this big-box chain is expanding health equity initiatives and taking a build approach. Through partnerships with **Johnson & Johnson Consumer Health** and **CareSource**, a nonprofit Medicaid provider, a pilot program addressing Black maternal health has been launched. The initiative focuses on maternal health from prepregnancy planning through postnatal care by offering digital, high-touch care and self-care support.
- The retailer also has cautiously grown its footprint of **Walmart Health** clinics, launched in 2019. It currently has 32 locations in four states; it recently announced plans to expand into four additional states with 45 new clinics by the end of 2024. A partnership with **Epic** enables the clinics to share and obtain patient data through its EHR across all Epic users, regardless of location or affiliation.
- The company is dabbling in payer partnerships, including a co-branded Medicare Advantage plan with **United Healthcare** in Georgia and as the virtual care provider for the insurer's commercial preferred provider organizations through its telehealth arm **MeMD.**

New Medical Group Models

Private equity has made deeper incursions into specialty services core to health systems' acute care business. Noting the moves of new entrants, in early 2019 Sg2 advised system executives that their service lines should brace for impact. That impact is occurring quicker than expected. A key reason: new medical group models are proving even more disruptive than early entrants who offered narrow point solutions.

The growth plans of this group of game changers commonly emphasize value-based care and drive scale of primary care and specialty practices. A prime example: **Healthcare Outcomes Performance Company (HOPCo)**. With 40+ musculoskeletal (MSK) practices and 50+ hospital and health system partners (including **Ascension** and **Memorial Healthcare System**) in 31 states, HOPCo is the largest orthopedic value-based care organization in the country. Its goal is to go fully at risk for all MSK DRGs. But it is rapidly scaling due to its willingness in the interim to focus on condition-based bundles, which payers can adjudicate.

Game-changing Potential

Private equity is creating provider-friendly platforms and aggregating physician practices in specialties considered primarily outpatient, such as ophthalmology, dermatology, gastroenterology, urology, women's health and behavioral health. Even pediatrics is not immune. Perhaps even more notable are actions PE is taking on those specialties key to health systems' margins and long-term sustainability, such as orthopedics and cardiovascular.

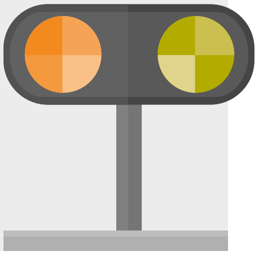
The impending risk is evident in CV, a target for disrupters even though health systems employ more than 80% of cardiovascular specialists. New medical group models focus first on acquiring independent practices to create attractive platforms they can then use to lure hospital-employed physicians into their groups.

Activity in this arena is also changing clinician expectations. Health systems with traditional primary care practices may face tougher competition in recruiting physicians and advanced practitioners. Despite lagging profitability, new entrants are able to pay value-based care incentives to physicians even before they have full panels. Legacy players also may be forced to match smaller panels, extended appointment slots, multidisciplinary care team support and access to EHR/technology that enable risk stratification and care coordination.

SIGNALS TO WATCH

Corporate practice of medicine lawsuits filed by physicians against their PE-backed owners are cropping up, indicating these groups may have pushed providers too hard. The change in tenor from acquired practices signals potential for the pendulum to swing back toward employment at legacy providers.

The Federal Trade Commission's (FTC's) proposed ban on noncompete clauses is noteworthy, given they are often included in PE-backed firms' employment contracts, particularly in specialty practices. Some states (eg, Indiana) are moving ahead with bans of noncompete clauses prior to a final decision from the FTC. Nonprofits are currently exempt, but it is too soon to tell if the rule will be finalized as is and the impact it could have on PE-backed medical groups.



Strategic Responses

Health systems should move beyond productivity-focused practice management by creating alignment between care models and payment structures.

- Consider compensation structures better aligned to needs of specific patient populations (eg, Medicare Advantage beneficiaries). Combine basic productivity thresholds with quality, cost, access and patient experience targets. Prior work to standardize physician compensation may need to be unwound.
- Accelerate adoption of team-based care models consistently across and within specialties. These models can be essential for success in value-based care and, given provider shortages, offer significant relief for overstretched physicians—and an added recruitment tool.
- Devise capital-light options (eg, management services organizations, clinically integrated networks) to help independent physicians achieve quality, efficiency and cost-control goals. Pursue physician alignment with a partnership mindset. Continued platform growth and ambulatory surgery center (ASC) market consolidation create more partnership opportunities. Tenet-owned **United Surgical Partners International (USPI)** entered a joint venture with **United Urology Group** to operate 22 ambulatory surgery centers. USPI also expanded its partnership with **Providence** to develop additional ASCs in California and Washington.
- Thoughtfully partner with a value-based care (VBC) enablement platform to align independent physicians as they solidify their VBC strategies. Privia Health partnered with **Novant Health** and **OhioHealth** to build statewide clinically integrated networks. Agilon Health aligned with more than 1,600 independent primary care physicians. It also expanded its reach to health systems, including **MaineHealth**, to transform primary care for MA patients across the state. An Sg2 analysis of claims activity revealed that, as of year-end 2022, Agilon's aligned physicians see the third highest number of patients each year, behind Optum and CVS Health.

THREE COMPANIES MAKING MOVES THAT MATTER

VillageMD

- Acquisition of multispecialty practice **Summit Health** in 2023 doubled VillageMD's locations and expanded its reach beyond Medicare and primary care. Interestingly, an Sg2 analysis of claims data shows over 80% of volume in legacy VillageMD clinics is commercially insured patients, presumably a by-product of practice acquisitions with mixed panels. This payer mix affords VillageMD, which maintains its value-based care focus, the opportunity for consistent MA conversions for years to come.
- Its payer-agnostic strategy and recent growth suggests prioritization of patient acquisition to ensure a solid funnel of future MA patients. Its patient population is slowly shifting to MA, and the 65+ demographic is its only growing patient segment.

Oak Street Health

While it continues to rapidly scale its MA-focused clinic footprint, this medical group also is expanding its in-person and virtual specialist offerings through acquisition of **RubiconMD**.

ChenMed

This group has more slowly scaled its health centers for seniors and remains predominately in the Southeast. Its primary payer partner is **Humana**. Look for ChenMed to continue to scale with a focus on markets in which it expects success for its value-based model. The company goes for depth in each market—usually entering with five or more clinics before expanding.

Payers

Payers are not waiting for traditional providers to start playing in value; they are amassing value-based assets across the continuum. Incumbent providers hedging their bets on value risk losing patients, as well as downstream volumes, to disrupters when patients transition to Medicare.

As major payers grow their MA businesses, they are tightening their hold on the System of CARE to address cost of care at each node on the continuum. They started with building out their primary care footprints and VBC capabilities via acquisition. More recently they have turned their attention to curtailing costs in continuing care (eg, skilled nursing, rehabilitation services, home-based care). Large payers also have devised new patient-centered care models and built tech platforms that support care management and guide patient decision making.

Game-changing Potential

Payers' growing tentacles are slowly compromising the integrity of incumbents' Systems of CARE. Most health systems face capacity issues and rising lengths of stay, driven by increased patient acuity and discharge roadblocks. The deepening hold of payers on post-acute placement options represents an added obstacle to smooth care transitions. Payers have stepped up efforts to engage their members, allowing them to increasingly influence consumers' provider and site selection through technology, consumer-focused benefit design and care models that align with consumer preferences. They also likely will strengthen their position in rate negotiations with systems' managed care contracting teams.

Strategic Responses

Whether through partnerships or building their own, legacy health systems must now advance their value-based care competencies and reduce total cost of care in response to payer pressure. They also must continue to pursue payer partnerships despite a traditionally cool reception. **Penn Medicine** recently acquired a minority stake in **Tandigm Health**, an Independence Blue Cross subsidiary. The partnership brings Penn Medicine specialists and services (including virtual) to Tandigm's value-based network, with a goal of improving outcomes while controlling costs.

- Reassess value-based care strategy and timing. Seek experienced programmatic and technology partners if competencies are nascent and insufficient for timely action.
- Tailor length of stay improvement initiatives in line with the market's post-acute care capacity. Balance the full portfolio of care at home models with an eye toward payers' activity and the potential for partnerships. For example, in some markets Humana, via DispatchHealth, is delivering hospital at home for patients with chronic conditions; health systems could counter with continuing care at home services for orthopedic or neuroscience patients.
- Safeguard network inclusion by expanding acumen in total cost of care improvement; early efforts to build capabilities often focus on self-insured systems' own employees or those covered in a direct-to-employer contract. Create a road map for care redesign that spans the care continuum and share success stories with payers to establish the organization as an indispensable partner.
- Improve price transparency and consumer financial support services rather than risk strong steerage of patients to low-cost options if they must rely on payers for such information. Optum's acquisition of **Change Healthcare** and added infrastructure (eg, revenue cycle management, price transparency, patient stratification) signal this goal, enabling it to aggregate provider cost data with patients' benefit design.

THREE COMPANIES MAKING MOVES THAT MATTER

Humana

Providers still unconvinced the time is now to focus on a value-based strategy should consider this payer's early 2023 announcement that it will exit commercial products to focus solely on the "greatest opportunities for growth": government-sponsored plans. In addition, since its joint venture with **ChenMed** to create the senior medical clinic chain **JenCare**, Humana expanded into home health by acquiring **Kindred at Home** (rebranded to **CenterWell Home Health**) and investing in **DispatchHealth**.

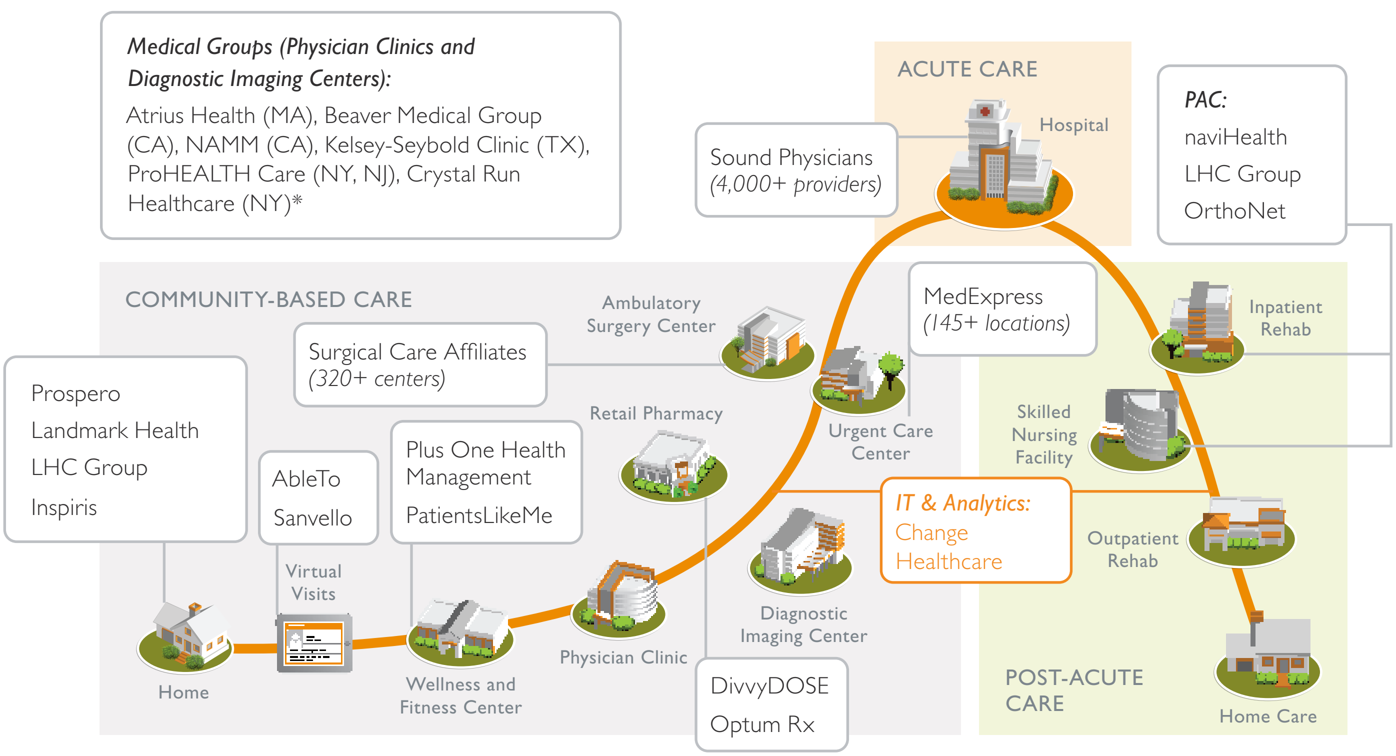
Elevance Health

Elevance (previously Anthem) has quietly invested across the System of CARE, including $92M in Privia Health, rather than acquiring its own providers. It has also invested heavily in physician groups transitioning to value (both MA and commercial focused) and has entered home and palliative care.

Optum–UnitedHealth Group

- So far, Optum is the only payvider to expand across the entire continuum, including hospital operations. It has entered partnerships to manage revenue cycle and other operations for smaller hospitals and health systems.
- Although there are no signs of a slowdown, it is unlikely Optum will acquire a hospital. It will continue to find other ways to create lower-cost solutions—driving more care to home. Optum's acquisition of multispecialty groups, often with imaging and procedure centers, continues across major metro markets.
- Combined with Surgical Care Affiliates and MedExpress urgent care assets in select markets, Optum has the ability to create a formidable ambulatory footprint.

OPTUM CONTINUES TO BUILD A COMPLETE CARE CONTINUUM ADDING AMBULATORY, PAC AND IT ASSETS



*Additional medical groups: Southwest Medical (NV), WellMed (TX), ProHealth Physicians (CT), USMD ACO (TX), New West Physicians (CO), American Health Network (IN, OH), Reliant Medical Group (MA), DaVita Medical Group (CA, FL), The Everett Clinic (WA), The Polyclinic (WA), Unity Health Network ACO (OH), Oregon Medical Group (OR), GreenField Health (OR). PAC = post-acute care. **Sources**: UnitedHealth Group. Our family of businesses. Accessed April 2023; Gomez B. Crystal Run Healthcare sold to Optum. News 12 New York. April 12, 2023; Parker J. Prospero Health to merge with Landmark within UnitedHealth Group's Optum. *Hospice News*. March 8, 2023; Matthews A. UnitedHealth buys PatientsLikeMe after startup was forced to divest Chinese investment. *Wall Street Journal*. June 25, 2019; Sanborn BJ. OptumHealth and Summit Partners to acquire staffing firm Sound Inpatient Physician Holdings for $2.2 billion. *Healthcare Finance*. June 7, 2018; Donlan A. $5.4 billion LHC Group-Optum deal closes. *Home Health Care News*. February 22, 2023; Optum. Optum and Change Healthcare complete combination [press release]. October 3, 2022; Sg2 Analysis, 2023.

Keys to Success

Big Tech, retail chains, new medical group models and payers represent a fierce foursome against which provider systems must more effectively defend or with whom they could forge partnerships. Systems still have enviable strengths—established brands, depth of clinical expertise, expansive footprints. They must fully leverage them while appraising the competency gaps that make them vulnerable to game changers.

Claims data analyses at the local market level will be needed to protect systems from being caught flat-footed in the face of disrupters' moves. See utilization shifts as warning signs that novel competitors are assembling assets. Incorporating a consumer loyalty lens into all strategy planning initiatives will be equally crucial to balance short-term margin opportunities via transactional care with services that extend relationships. Only then will legacy systems be able to secure their position as providers of choice.

RELATED RESOURCES

- Executive Briefing: Fine-tuning Mergers and Acquisitions Focus
- Podcast: How Disrupters Are Changing the Game for the Health Care Consumer
- Podcast: Stories From the Field—Balancing Care Redesign, Disrupters and Short-term Growth
- Report: *The Growth Mindset for 2023*
- Resource Kit: Consumerism

To speak with one of our experts or learn more about solutions that can help your organization secure your position as a provider of choice, reach out through **membercenter@sg2.com**.

CARE = Clinical Alignment and Resource Effectiveness. **Sources:** Sg2 Executive Briefing: *Game Changers Take Aim at the Full System of Care*. July 2021; One Medical. One Medical joins Amazon to make it easier for people to get and stay healthier [press release]. February 22, 2023; *Sg2 Consumer Survey Report*. 2021; Sg2 Executive Briefing: *Strategic Workforce Investment: The Case for AI and Automation*. November 2021; Baxter A. Health tech experts view Amazon as a major threat. *Health Exec*. January 5, 2023; Twenter P and Bruce G. Can Amazon disrupt the pharmacy industry? *Becker's Health IT*. February 1, 2023; b.well Connected Health. ThedaCare introducing 'ripple' to the community and announcing partnership with b.well Connected Health [press release]. July 9, 2020; MedStar Health. MedStar Health launches a new digital experience for patients as another way to schedule care and keep track of important health information [press release]. February 3, 2022; b.well Connected Health. UnityPoint Health selects b.well Connected Health to support its digital transformation strategy [press release]. October 14, 2021; Ochsner Health. *Digital Health: Reimagining Healthcare for the Future, Ochsner Annual Report*. 2019; Microsoft. Microsoft and Epic expand strategic collaboration with integration of Azure OpenAI Service [press release]. April 17, 2023; Moreno J. Google dismantling health division. *Forbes*. August 21, 2021; Google Cloud. Hackensack Meridian Health aims to boost innovation, increase efficiencies and strengthen security with plans to run Epic on Google Cloud [press release]. November 14, 2022; Google Ventures. Portfolio. Accessed April 2023; Apple. Apple Watch user guide. Accessed April 2023; Apple. With Apple Watch, researchers explore new frontiers in heart health [press release]. February 21, 2023; Apple. Apple advances personal health by introducing secure sharing and new insights [press release]. June 7, 2021; Cigna Group. Cigna completes combination with Express Scripts, establishing a blueprint to transform the health care system [press release]. December 1, 2018; Amazon. The pharmacy that really delivers. Accessed April 2023; Cohen J. Mark Cuban's Cost Plus Drug Company continues to revolutionize generic drug pricing. *Forbes*. January 1, 2023; Sg2 Executive Briefing: *Primary Care for Seniors: Aligning Mission and Transformation*. December 2022; Sg2 Executive Briefing: *Emerging Opportunities in Direct-to-Employer Deals*. June 2021; Sg2 Report: *Developing a Market-Driven Chronic Care Strategy*. 2016; Shields Health Solutions. Shields Health Solutions and Nemours Children's Health, Delaware, partner to enhance specialty pharmacy services for pediatric care [press release]. March 16, 2023; Shields Health Solutions. Shields Health Solutions and Phoenix Children's partner to establish specialty pharmacy services [press release]. January 24, 2023; Olsen E. Kroger Health launches clinical trial site network. *Mobi Health News*. January 25, 2023; Dollar General. DG Wellbeing. Accessed April 2023; Atrium Health. Atrium Health and Best Buy Health partner to enhance hospital at home experience [press release]. March 6, 2023; Walgreens. Walgreens Boots Alliance makes $5.2 billion investment in VillageMD to deliver value-based primary care to communities across America [press release]. October 14, 2021; Walgreens. Walgreens Boots Alliance accelerates full acquisition of CareCentrix [press release]. October 11, 2022; CVS Health. CVS Health to acquire Oak Street Health [press release]. February 8, 2023; Signify Health. CVS Health completes acquisition of Signify Health [press release]. March 29, 2023; Carbon Health. Carbon Health secures Series D investment to drive primary and urgent care expansion [press release]. January 9, 2023; Japsen B. CVS Health beats Amazon and rivals for Signify Health with winning $8 billion bid. *Forbes*. September 5, 2022; CareSource. CareSource, Walmart and Johnson & Johnson team up to improve health outcomes for Black mothers [press release]. January 23, 2023; Carmouche D. Walmart Health nearly doubles size with launch into two new states in 2024 [press release]. March 2, 2023; Walmart. Walmart selects Epic to help customers simplify their health care [press release]. September 27, 2021; Walmart. Walmart and UnitedHealth Group collaborate to deliver access to high-quality, affordable health care [press release]. September 7, 2022; Walmart Health. United Healthcare members have access to 24/7 virtual visits to feel better faster. Accessed April 2023; Sg2 Report: *Consumerism: Service Lines Brace for Impact*. 2019; Healthcare Outcomes Performance Company website. Accessed April 2023; HOPCo. Memorial Healthcare System partners with HOPCo for musculoskeletal services [press release]. November 14, 2022; HOPCo. Performance Orthopedics and Spine program expands into Florida Panhandle [press release]. November 2, 2021; Dorbian I. PE-backed ChildSmiles buys two pediatric physician practices. *PE Hub*. January 28, 2021; Federal Trade Commission. FTC proposes rule to ban noncompete clauses, which hurt workers and harm competition [press release]. January 5, 2023; Physician noncompete agreements. Indiana General Assembly Senate Bill 7. 2023; JD Supra. Emergency medicine group suing over alleged corporate practice of medicine violations in California. January 25, 2023; Physicians Advocacy Institute. *Physician Employment and Acquisitions of Physician Practices 2019–2021 Specialties Edition*. 2022; United Urology Group. USPI and United

(Cont'd on next page)

Urology Group to form joint venture [press release]. June 21, 2022; United Surgical Partners International. USPI and Providence expand partnership with a new development agreement [press release]. February 8, 2023; Privia Health. Privia Health and Novant Health Enterprises form strategic partnership [press release]. November 3, 2022; Privia Health. Privia Health and OhioHealth System sign definitive partnership [press release]. March 7, 2023; Agilon Health. Agilon Health partners with MaineHealth, northern New England's largest integrated health system, to accelerate primary care delivery for patients [press release]. March 11, 2022; Oak Street Health. CVS Health to acquire Oak Street Health [press release]. February 8, 2023; Oak Street Health. Oak Street Health acquires virtual specialty care provider RubiconMD [press release]. October 21, 2021; Summit Health. VillageMD finalizes acquisition of Summit Health-CityMD, creating one of the largest independent provider groups in the US [press release]. January 5, 2023; American Hospital Association. CVS Health buys Oak Street Health, but will the investment pay off? February 14, 2023; Sg2 Executive Briefing: *Designing a Sustainable Portfolio for Care at Home*. January 2023; Optum. Optum and Change Healthcare complete combination [press release]. October 3, 2022; Humana. Humana and ChenMed announce five-year network agreement [press release]. February 8, 2023; DispatchHealth. DispatchHealth raises $135.8 million in Series C financing [press release]. June 23, 2020; Humana. Humana completes acquisition of Kindred at Home [press release]. August 17, 2021; Privia Health. Securities and Exchange Commission Amendment No 2 to Form S-1 Registration Statement. April 22, 2021; Pifer R. Anthem relies on flexible partner-not-build strategy in shift to value. *Healthcare Dive*. February 2, 2022; Minemyer P. Elevance Health teams with Aledade on value-based primary care. *Fierce Healthcare*. August 2, 2022; Filbin P. Elevance Health—formerly Anthem—has big at-home care plans. *Home Health Care News*. July 25, 2022; Proprietary Sg2 All-Payer Claims Data Set. IQVIA; Sg2 Analysis, 2022, 2023.

Project Team

Jennifer O'Connor, *Principal, Intelligence*
Trevor DaRin, *Associate Principal, Intelligence*
Janelle Kwan, *Senior Director, Intelligence*
Casi Roethler, *Senior Director, Intelligence*
Pamela L Dolan, *Content Director*

Production Team

Emily Wong, *Strategic Communications Director*
Amy McCarthy, *Senior Designer*
Barbara Mulhern, *Senior Editor*