Episode #7: Kyle Kiser

Why Healthcare Innovation Requires Collaboration w/Kyle Kiser

00:00:10

Michael: Welcome to the Health Connective show. I'm your host, Michael Roberts, and I've got Justin Bentley here with me today. We're going to be interviewing Kyle Kiser, the chief executive of Arrive Health, a company focusing on delivering real time cost and coverage data to decision making workflows. In our conversation, we're going to chat about collaboration between health care organizations, which is always an elusive target. We'll look at price transparency and even some government mandates that are popping up around the topic.

Kyle, thank you so much for joining us today.

Kyle: Glad to be here.

Michael: All right. So let's start with you. Let's start with Arrive Health. Tell us about your company and the efforts that are required to make a health care technology startup grow.

00:00:49

Kyle: Sure. Yeah. So Arrive Health is at its core a data network. What we're focused on is what I describe as trying to reintroduce consumer choice or introduce consumer choice for the first time at the point of care and throughout the patient experience.

We do that in a few ways. One is we integrate directly into the EMR that providers use to order their medications. In doing so, we provide real time, patient specific, moment in time specific pricing based on what we can discern about their benefits through direct connections with payers and PBMs. The way that works without us is that that's usually a fairly generic insight. There have been sort of, you know, flat files or formulary benefit information in the EMR that wasn't real time for a number of years, decades.

And the change is we are, you know, in a subsequent transaction, working with our PBM to say, here's what's going to cost here or any here's specificity around the benefit design of the formulary that might be important. And then here are alternatives. So lower cost drug or lower cost pharmacy or the two forms those alternatives often take.

So that's the core product is informing the point of care. With that information we also have a product we call accelerate that's focused on prior. So you know the natural continuation of knowing how much something costs. Can you, or can we, get the decision right? The first time is step one.

Step two is can we actually get the medication that requires, you know, working with those same payers and PBMs often to understand those requirements and then satisfy those requirements through a variety of ways? What we we've focused on doing this in a, in what's called a prospective way, meaning we take EMR data, we take our connectivity to the payers and PBMs, and we do our best to automate that and resolve that prior off before the scripts ever released or even sent to the pharmacy. The vast

majority of us today are done retrospectively, meaning they started as a denied claim. Our goal is to see how many of those we can resolve before that claim ever gets denied.

And then sort of the last bucket of the things we do is we worked with UPMC in Pittsburgh towards the end of last year. Beginning of this year. We brought in a capability from them that is an AI driven patient outreach tools and adherence tool. And what that allows is just sort of a continuation of that experience throughout the patient journey that enables a two way communication around how well someone's tolerating your meds, do their required refills, sort of general barriers that prevent patients from taking their medications. We do all that through an automated way to reach out to a whole population of people is sort of AI driven to a counter SMS based.

So the goal is inform the point of care with consumer choice, help patients actually get their medication as fast as possible through that same capability, and then create an opportunity for them to engage in ways that they can. And ultimately, what that usually results in the end of that process is a queue up with an actual pharmacy tech or a pharmacist, depending on the need, so that they can take their medication consistently. Right. And so end to end, it's get the decision right, overcome the barriers they're getting it and consistently taking.

00:03:48

Michael: So you've hit on quite a few different initiatives there. So we were trying on some a little bit about this is what arrive health does like you said like one thing obviously that just got added on of the different things that you're talking about there. So I guess like where did arrive health start? Is that kind of like the order that you took things in or is it, hey, we jumped in all at the same time or.

00:04:07

Kyle: Yeah, that's pretty much the order. The origin story is a good one though, where the original Clinical Founders guide, Kevin O'Brien, he's still a doctor in Denver. We're Denver based company. And this all started because Kevin was trying to help his mom. Ultimately, he got inspired to do this because his mom approached him with a high out-of-pocket spend. He's a doc. He looked at her meds, said, you know, here's some ways that you can save on your medications. And that inspired him to start doing this in his clinic. So he just he started managing a big, unwieldy spreadsheet of ways to save on medication for patients that were coming into his office just because he saw the needs, saw the pain people were under.

That's really the outset of what became our technology. Was Kevin doing this himself in his practice in Denver? His mom's name is Lucy. And we still have a mantra around the company called Lucia. It's kind of like our way to say like, you know, hey, we're doing something important. And yeah, lifting your eyes to the mission. And I think that's kind of taking a life of its own in the organization. Like, we're all about the Lucy culture now. And how do we, you know, everybody's got somebody in their life that's had an experience with the system that didn't make any sense. It was hard to afford or just was frustrating in some way. So in that way, everybody has a Lucy, and that's a big part of our DNA and who we are and how we operate.

00:05:17

Michael: Absolutely. Yeah. As you were going through the list of different, you know, components that your, your company touches, like, yeah, that affects our family. Yes, that affects our, you know, just going through like we definitely make use of the health care system quite a bit. And so running into, you know, especially that point about like hey most people get the denial first. And so you know, just like hey up to this point everybody's agreed that this was the best pathway forward. And now all of a sudden somebody's saying like, oh no. Like, you know, now the pathway is denied. And now we have to kind of start back over. So definitely a frustrating experience, I think in a lot of different ways for patients.

00:05:53

Kyle: So often just a generic response rate is pretty common, right? Like the vast majority of meds that are dispensed are generic. But even within generics there's a ton of variability. So if you think about something like albuterol, you know, I don't know if you guys have children, but you have children, you're more often. And at some point you'll get prescribed albuterol for your kids because they have some, you know, crud they picked up at school.

That's generic, generic for a long time. But within that there's a lot of different forms of albuterol inhalers or disc or nebulizer. You know, all those ways that you can administer that med. And the payer is more often than not contracted specifically for a form. So in the doctor, until they plugged into things like our technology had no visibility to that. So one of them, $0 and all the rest of them are 200 bucks. And if they just happened to choose the wrong one, then you think you're getting a generic med, you think you're getting something easy to afford, and you know, $200 unexpected expense for the average American is pretty significant.

Yeah, there's a lot of opportunities to just get the answer right the first time. Ultimately, by providing the information to those that are making that decision in that instant.

00:06:59

Michael: For sure. For sure. There's coworker and I were we're talking about the ability to navigate the health care system just in general, just trying to just figure out how to get through, like a certain number of doctor appointments. And we're in this space. We talk about health care all day long, but there's still so many like, surprises that, you know, you just don't have visibility into. We work in the medical technology space quite a bit, and we run into a lot of conversations about who owns data, you know, who owns a lot of different types of data, especially when it comes to like patient data, whether it's the hospital or whomever and who's willing to share that information.

So, you know, for us, it can be really beneficial for, you know, medical technology companies to say, like, hey, we did this procedure with this technology and look at the set of outcomes that happened, you know, sort of on an ongoing basis. So in your work, you've already touched on this a little bit, but how are you seeing that collaboration between health care groups really play out? So hospitals, EHR vendors,

health plans, you know, how is that bringing meaningful patient data to the point of care? And like we've touched on this a little bit, but I'd be interested to hear more about how that collaboration is really helping.

00:08:04

Kyle: Yeah, absolutely. So our point of care product is arrived. Navigate is the name of that tool a component of that is what's called real time benefit. So real time benefit is now a CMS requirement. If you're a part D plan, you have to have a real time benefit tool that can reach both the point of care and patients. So tailwinds regulatory tailwinds are good. But what that's enabled is EMR came to the table, worked really well with us and with the rest of their customer base and with the payers and PBMs to get these things launched. And they launched them and for the most part pretty well scaled ways. So we're you know, we went from doing a few thousand transactions to doing more than 10 million transactions a month since 2019.

And it's that's pretty representative of the growth of real time benefit, that sort of point to point percentage. So that's a win. And what's required to achieve real time benefit is you have to take patient data out of the EMR and then send that to their appropriate payer and PBM, get insurance information as a response, and then get that back into the provider workflow. So it's a very good example of, you know, regulators made a decision. Payers and PBMs had a need that the solves EMR helped enable it. And providers are ultimately a great beneficiary to it because there's, you know, 65 million callbacks a year related to reworking scripts.

So, you know, it's hard to find some of these success stories, but this is certainly been one of them. The launch and adoption so far of real time benefit, there's still a long way to go. I think from a user experience perspective, we've made enormous strides in just how we manage that data so that the quality is high so that the physicians trust the tool, and ultimately the physicians don't trust the tool. They're not going to use it and change their behavior to these lower cost options. Right. We've spent a ton of time making our tool intelligent enough to manage the data on both ends of that, which is required for it to be successful. But this is certainly one of those scenarios where multiple stakeholders in the industry got together, solved a problem. It's working, not that it's complete. You know, there's still a lot of opportunity to make it better, but it's working.

00:10:09

Justin: Have you encountered any circumstances? I guess first off, like, are y'all doing first party connection to these EHRs? You develop the software that connects directly to them. You're not using an intermediary layer of any sort. Do you encounter circumstances where there's an EHR that you haven't been able to connect to yet, or hadn't hashed that out with them directly? Because I'd imagine all of them implemented a little bit differently.

00:10:34

Kyle: There are certainly ones out there that we don't work with yet, but they yeah, they've all got their own flavor. I think the yeah, consistency on the EMR side is actually a little bit better than consistency on the payer PBM side.

00:10:44

Justin: Okay, that's great. I'm really happy to hear that.

00:10:45

Kyle: Yeah. And that's mostly just because, you know, to enable this on the payer and PBM side, you're more often than not connecting to a kind of a modern API wrapper that then connects to all of the claim systems inside that place that have come from a half a dozen acquisitions over the last three decades. So God knows what those things are made of. So I think there's and I intend that as a compliment to the payer PBM customers that have done the hard work to take all those systems and turn them into something consumable externally. It's not a not a small task not to be underestimated. It's been a good effort.

00:11:16

Justin: That seems to be like one of the biggest challenges is talking to all the different EHRs, at least on the side that we work with.

00:11:23

Kyle: There was a kind of a once in a generation opportunity that real time benefit presented where, yeah, it was, for the most part deployed with the script 2.0 updates, which required updating the script standard to meet new controlled substance prescribing requirements. And they sort of bundled all that together into one launch.

For the most part, that created some good consistency. And it also, you know, from our perspective, created this really valuable real estate where we're now connected really broadly to providers. And, you know, more than I think we estimate, a little over 25% of prescribers in the country now are connected to our system, which if we had to do that through, you know, one of the third party developer programs in those images, we'd be connecting to it until the end of time.

00:12:04

Justin: That's really cool. Yeah, I've seen a lot of things where the connectivity would benefit everybody, but there's adversity to the risk of working with that patient data and wanting to keep things fully

anonymized in a way that hobbles the more impressive connectivity and capability. That's really cool that y'all are stepping into that space and filling that need.

00:12:27

Kyle: Yeah, it seems to be working well. It's kind of become a kind of an essential part of a value based toolkit, right? Like to me, the it's hard to articulate that you are delivering best in class care without considering cost anymore because, you know, we're deductibles. We're in the hundreds and hundreds of dollars. They're in the thousands of dollars where formularies used to be relatively simple. And, you know, co-pays are in the tens of dollars. Formulas are really complicated.

And more often than not, there's a high deductible that forces the patient to then face the full freight until they've reached that deductible. And so, you know, the only kind of medication that works is the one you can afford. So now we we're feel like it's essential work to bring that into clinical workflow. So that docs can then consider those things because ultimately that's the that's the right steward for that information. People who have questions about their, you know, drugs, even when their insurance questions pick up the phone call or doc doesn't actually have the answer, right?

But you don't get up in the morning and like, think about wanting to get on a phone call with your help plan. That's just not something people seek out, but they do seek out conversations with their provider. So our goal is really to further empower that relationship with the right information at the right time.

00:13:35

Justin: That makes perfect sense.

00:13:36

Michael: Yeah, I can't tell you how many times we've gotten to the pharmacy, gotten to the desk, and they said, this one's going to be 140. Did you know that there's this thing? That's the same thing, but all we have to do is change this one little thing … but then they have to go back and call the doctor. And it's usually about a 4 or 5 step process before we can just kind of resolve on, oh, this is only a $20 problem, not $140 problem or whatever it may be.

We've touched upon a couple of, or you've mentioned this kind of a couple of times where government mandates some of these different, you know, regulations and stuff came along that made it work. And that's it's so refreshing to hear a success story. Like there's just so many, like, so many health care conferences you go to and so many conversations around, we need this to be better. This is, you know, going wrong. This is all these kinds of things. So yay for success stories, first of all. But, you know, there are more things that are popping up around price transparency, interoperability. Can you kind of walk us through, I guess, like some of the most important things that have happened recently around.

00:14:34

Kyle: That, it's certainly been more things passed or executive orders signed around price transparency in the last two and a half years than in the last 52, varying degrees of success. So we mentioned the real time benefit mandate in CMS. That's the one that's most specific to us. They're two and a half, three years ago, there was the point of care mandate. A year following that, there's a patient mandate. That actually means the keepers of that data, part D plans have to provide a programmatic way for patients to access that data.

So we see the patient opportunity is a huge part of our future and really ultimately are trying to. Create an experience that looks and feels a little bit more like every other e-commerce experience in your life. Like we inform the point of care, the doctor can make the choice more specifically based on the insurance information. You walk out the door, you get a text message that then can be your kind of guidepost as you go through the prior auth process, as you get to filling your script, and then ultimately as you sort of continue to take your script. So that's sort of our world primarily.

But there's also been price transparency, mandates for health plans, price transparency mandates for providers. There's also the no Surprise Bill act, which kind of stitches those two together. Right. It's that they're both required to ultimately prevent a surprise bill. And then all of that overarching all of that in one way or another, is the Cures Act, which ultimately allows patients to kind of demand access to their data. So there's a lot of good stuff out there. I think the last three are still in the early innings, you know, like there's questions around enforcement there.

You know, not all of those are being fully enforced yet. So that as you might expect, the full compliance with the letter of the law is not exactly where it is. Or it could be. But I think the most promising is cures, right? Like at the end of the day, HIPAA requires that a patient have access to their data. Well, how do you access any other piece of information in your life right now? It's through a piece of technology. And so here's kind of extends that to say you can demand programmatic access to your data in one form or another, you can delegate that to something that you trust, which I think creates a huge opportunity in the grand scheme of things.

If you've got a piece of technology that you're already using to shop for medication, for pharmacy, for, you know, maybe it's your health plan, that maybe it's some other third party app that you're using to make that decision. The technology exists, the interoperability capabilities exist to pull in a clinical record and understand more context. We just gotta sort of push the pedal on adoption and use cases and growing the access to that, because ultimately the patient's the one that has to make this decision. And they may be working with a variety of delegates to get that done. And getting access to that information to that whole group is what we aspire to. Because ultimately, you know, the care team is the patient and the provider all singing from the same sheet of music that's going to be required to make the system work better overall.

00:17:25

Michael: Prior to this show, we had a show called Paradigm Shift of Healthcare, and this was kind of we called it that before Covid hit, and it was kind of a surprise about how much health care had to change in the whole process. One of the guests we had on was I was actually a patient advocate and one of her jobs, you know, part of her job was just to go in the appointment with people and help them understand

these kinds of things, like what's possible and what they can get at and all that sort of stuff. But as great as that idea is, it's still not mainstream, right? It's still not what everybody's doing.

So wherever we can use technology to make that happen as well, we've talked some about sort of what the government's doing. We've also there's also the aspect of showing up at the pharmacy and you get those surprises and all that kind of stuff. So I did a little bit of LinkedIn stalking before this episode. So you may have seen my name pop up in there, but you posted an article recently from CNN Business on December 5th that was talking about how CVS is introducing cost advantage to, quote, use a simpler formula that includes the cost of the drug, a set markup, and a fee to determine the drug's price and reimbursement with pharmacy benefit managers.

So this is another thing that's out there. It's supposed to create more simplicity, more visibility around all this stuff. So how do you think these kinds of moves are helping when these kind of big mega retail pharmacy groups get involved? And then, you know, what else do we need in order to make this easier for people?

00:18:47

Kyle: Yes. Definitely progress. I mean, at the end of the day, there's what the to generalize this as best I can. There's what the claim pays. There's what the pharmacy charges, there's what the patient pays. You know, for a long time there's what's called spread. It's sort of whatever's left over went into the pocket of the plan sponsor, the PBM or whoever it was. And I think this is progress that that's changing, right. That the, the complexity of that calculation will get simpler, easier to understand. And I think the reason for that is primarily because a lot of folks are facing the full cost of the drug inside of a deductible.

More often than not, more than half of health plans have a high deductible health. And so I think that's all good news. You know, I think in that post, my point is also that that's not going to make anything simpler for the doctors. And so, you know, the adoption of that is going to require that the plan sponsors adopt those programs, right. So there's going to be a patchwork quilt of adoption of those types of programs over the next how many ever years. So that means a clinical day is going to have more variability in the complexity of those decisions, not less.

And so, you know, tools like ours become way more important and way more valuable to the provider, because it doesn't help just to know that you're saying a CVS Caremark patient or you're seeing a Optum United patient, you've got to have the ability through the technology to understand the specific impact on. This patient's out-of-pocket costs. So to me, it fully validates that consumer choice at the point of care and throughout the patient experience is the present and absolutely the future of the way this has to work. But I think in general, it's a really positive data point. It's probably also an impressive data point as to how effective Mark Cuban's sort of effort as a PR strategy is working, because folks are responding, right. Like the it's just simpler to use, and it seems to be an interesting effort on his part. That's admirable.

00:20:44

Michael: Absolutely. Okay, I got you for one more question. I'm going to try to squeeze one in while we've got a few minutes. You mentioned that you've got some an AI tool that's helping try to look at like sort of how patients are adhering to their medication. We had the chance to go to an event on the West Coast where they were talking about sort of how some medical devices are now like including more information on the way that patients are maybe adhering to, like, different like physical therapy plans or stuff like that.

So I'm just all of this is very fascinating. And taking medicine so much further than I gave you this plan. Now did you follow it? I hope you followed it, which is where medicine has been for so long. So I'd love to just hear a little bit more about, you know, these efforts, you know, and then you said you're, you know, like working with university there to, to help build that out. Can you explain that?

00:21:30

Kyle: We actually bought it from UPMC, which is a University of Pittsburgh medical Center. It's an incredibly innovative place with an incubator of their own that's spun out several successful things. And, you know, at the end of the day, it's kind of intended to be a little bit of a co-pilot to patients. It's simple. It's really just, you know, how well are you tolerating the med? Do you know you have a refill coming up?

You know, those sorts of things even been extended to the point of helping to guide and interpret benefit design around drugs for the for the health plan. They're an integrated system with a health plan. But I think those are the types of things where these emerging technologies have a really powerful role, because at the end of the day, it's an interface right? Like it's a simple interface that patients already know, like a consumer is already going to know how to interact with and is intelligent enough to be simple and organize really complicated information.

So at the end of the day, you know, benefit design, formulary costs, all those things are the answers out there. You just have to flip through a 75 page PDF to get to it. And, you know, it seems like a really good use case to start to apply some of these things to allow patients to just interact with these things in a simpler way. So we've got a lot of ambitions for that thing. And think that tool, which we call arrive collaborate, we named collaborate on purpose because adherence is a team sport. The health plans involve the providers involved. There's usually some patient support services that are involved.

There's a variety of folks that are going to need to contribute to making sure that we can tailor the solution to something that's valuable throughout the patient's journey. We're in the early innings, but there's a there's a lot of a lot of opportunity to make that something that just looks and feels like every other experience we have digitally in commerce. This is the medications are one of few, maybe the only place in our economy where someone else makes a purchasing decision on your behalf.

And neither of you know what it cost until you get to the pharmacy. And then once you even get beyond the pharmacy sort of refills and all those things just, you know, having some level of guidance consistent throughout that experience is tied back to your provider. It just seems absolutely essential. Yeah.

00:23:29

Michael: I couldn't agree more. Couldn't agree more. So, you know, thank you for being with us so much. I really appreciate you walking through all this information with us. And let me pepper you with other questions that I had along the way. So thank you so much.

00:23:42

Kyle: My pleasure. Appreciate the invitation.

00:23:43

Michael: Oh, absolutely. And so, you know, just as a recap for everybody today, you know, we covered collaboration between health care organizations. We looked at interoperability. We talked about price transparency. And there's so much more that we could cover. Like we've just barely scratched the surface. And all this. You can find Kyle Kiser like I did on LinkedIn. He's also at ArriveHealth.com. For more on the Health Connective Show, please visit HC.show for previous episodes and for Health Connective as a company. Thank you for listening. Have a great one, everybody!