

4sight Health: The Next 10 Years

Market Corner Commentary
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By David W. Johnson



4sight Health celebrated its tenth anniversary on June 27th. On that auspicious date in 2014, the IRS granted 4sight Health its tax identification number. In the United States, corporate identity and paying taxes are inextricably linked. With the blessings of our government, 4sight Health now had the ability to enter the marketplace, sell our services and pay taxes on our profits.

U.S. healthcare is broken. Since its inception, 4sight Health's messaging has emanated from a core belief that the U.S. healthcare system requires revolutionary transformation to overcome an artificial economic model riddled with perverse incentives that reward activity and treatment over outcomes and prevention. That transformation now is upon us.

4SIGHT HEALTH'S ORIGIN STORY

At the time of its founding, I was the company's only employee. Our "global" headquarters was and still is my office on the third floor of our Chicago house. Without fully appreciating the magnitude of my undertaking, I began a transition from Dave the investment banker to Dave the full-time writer. As a New Yorker might say, "What I didn't know about launching a business was a lot." How many great ideas are born in ignorance?

Before launching 4sight Health, I had been a healthcare investment banker for over 25 years. Capital formation was my expertise. I helped create and fine-tune the capital structures of many of the nation's leading health systems through debt offerings, mergers, acquisitions, asset-liability management and risk mitigation strategies.

Truth dawns slowly. By 2014, I had come to believe the U.S. healthcare system contained significant structural flaws. It was effective at reactive/crisis care but woefully inadequate at preventive care. The system defaults to rescuing people when they're drowning without ever teaching them how to swim. That had to change. I wanted to help make that happen.

The last stop in my investment banking career was at BMO Capital Markets, a division of the Bank of Montreal. I was the group head for BMO's nonprofit healthcare and higher education team. To my surprise and delight, BMO gave me media training and encouraged me to elevate the bank's profile in the U.S. market.

The biggest difference between 4sight Health today and 10 years ago is that we no longer believe that the healthcare industry can change from the inside-out. The coming revolution will happen from the outside-in. It will be messy. As a consequence, most industry incumbents have lost control of their destiny. For better and worse, external forces will shape their futures.

U.S. healthcare is at an inflection point. The delivery of healthcare services will change more in the next 10 years than it has in the last one hundred. Ultimately, this is good news for American consumers who can expect better care services at lower costs with greater convenience. The coming healthcare revolution, however, will eviscerate incumbents that cling to inefficient and ineffective business practices.

With that nudge, I began writing a monthly column on market-driven reforms within the massive U.S. healthcare system. Almost all healthcare analysts focus their attention on government-led legislative and regulatory policies. I wanted to do something different.

While exceptionally important, a top-down government-focused perspective misses the bottom-up organic efforts of individual companies to create value within competitive markets. This was where I chose to concentrate my editorial lens.

Within short order, I became BMO's most-read author. I enjoyed all aspects of the writing process, from ideation to editing, and wanted more. That desire led me to found 4sight Health as a boutique media and advisory company. I haven't looked back.

Good writing leads to good thinking. Creating a cogent narrative enhances perspective and sharpens arguments. With pen in hand, 4sight Health's team seeks to bring clarity to healthcare's complex and often counter-intuitive supply-demand dynamics.

As the company launched, I had two objectives. The first was to write a book on market-driven healthcare reform. That became "Market vs. Medicine: America's Epic Fight for Better, Affordable Healthcare," published in 2016. My second goal was to create an engaging and interactive digital platform with an honest, bold, insightful and provocative voice.

4sighthealth's corporate mantra is "Outcomes matter. Customers count. Value rules." Our tagline is "Expect Better Healthcare." These twin pillars shape our strategy, orientation, editorial positions and content creation. They represent our corporate soul.

It is in 4sight Health's DNA to challenge the U.S. healthcare industry to improve its services and outcomes. This gets our team up and going every morning. The author Simon Sinek emphasizes, "Working hard for something we don't care about is called stress. Working hard for something we love is called passion." At 4sight Health, we believe U.S. healthcare must become better. Indeed, we're passionate about it.

**Outcomes matter. Customers count.
Value rules.**

PEOPLE, PLATFORM, ARENA

While campaigning for president in 2012, candidate Mitt Romney infamously responded to hecklers at the Iowa State Fair by quipping, “Corporations are people, my friend.” Although Romney took political heat for this comment, his observation was correct.

At their best, companies are collections of people united in a common purpose where the whole is far greater than the sum of the individual parts. That, in a nutshell, is 4sight Health. We are a nimble and high-functioning team of talented individuals who challenge and support one another.

We live our mantra: outcomes triumph over process; we strive to solve our customers’ problems; and value-creation rules our realm. We’re willing to experiment and make mistakes. We acknowledge our failures and celebrate our wins. Humor is ever-present. We embrace quirkiness, but never let go of our revolutionary fervor. There are always more healthcare dragons to slay.

Entering our second decade, 4sight Health has grown into a credible media company with a clear voice, large audience and compelling content distributed through multiple mediums. As our platform’s reach has increased, so has our ability to attract outstanding contributors. Ours is a big tent. There’s always more room for those with a sincere desire to liberate and transform U.S. healthcare. Join us. Create the healthcare revolution we all want to see.

With our high-performing media platform intact and growing, it’s now time for 4sight Health to jump the barricades and enter “the arena” to support revolutionary healthcare transformation. It’s an exciting time. Here are several initiatives we’re undertaking:

- In November, Wiley will publish “[The Coming Healthcare Revolution: Ten Forces that will Heal America’s Health Crisis](#).” This megatrends book, co-authored by David W. Johnson and Paul Kusserow, explores how 10 macro and market forces are fundamentally reshaping healthcare’s supply-demand dynamics. Individually, these forces are powerful. Collectively, they are irresistible and strong enough to disrupt the nation’s largest industry.
- In partnership with Premier Inc., 4sight Health is launching an intimate, [invitation-only forum](#) this fall for health system executives. The forum will explore strategies



for adapting to the disruptive innovations roil the healthcare marketplace. This coalition of the willing will redefine value-based care delivery by embracing consumerism, emphasizing health promotion and decentralizing care delivery.

- I’m chairing the HFMA’s Healthy Futures Task Force whose mandate is to promote industry-wide financial sustainability and improved health outcomes for all. The work strives to advance value-based payment models and metrics that support pro-health investments *and* generate positive economic returns for both purchasers and providers.
 - In partnership with Third Horizon Strategies, 4sight Health is participating in the Safety Net Moonshot Project whose purpose is to improve health outcomes within Chicago’s South and West Side Communities. The Project will answer two action-oriented questions: 1. If we had \$1 billion, how would we invest it to advance community-wide health? and 2. How do we find that \$1 billion?
 - 4sight Health is partnering with [Equity Quotient \(EQ\)](#), an AI-powered intelligence platform, to create a new hospital/health system index that will assess and rank relative organizational value, vulnerability and care access. Data is the new oil. EQ is a fast-growing, early-stage company that delivers actionable insights, manages compliance and supports sustainable growth.
 - I have become the first board member and external advisor for [SparkChange](#). The Kansas City-based company offers cutting-edge process automation that cleanses data, eliminates friction points and streamlines transaction management. Their targeted solutions reduce labor burden and generate immediate cash-flow savings. Healthcare’s intermediary costs are unnecessarily high and labor-intensive. SparkChange reduces them.
 - In partnership with Seattle-based [OptiSpan](#), 4sight Health is launching a new book project to explore the science and practice of optimizing health and extending lifespan. A constellation of history, people and forces make Seattle the perfect place to launch a Manhattan Project to advance individual and national well-being.
- We’re considering numerous other initiatives. These include the creation of a market intelligence company, a relationship with Reveal to understand and improve healthcare journey mapping and working with Cain Brothers to create forums to advance value-based collaborations. It’s going to take an expansive village to revolutionize U.S. healthcare. We want to be smack in the middle of the industry’s creative evolution.

CONCLUSION: THE FORCES ARE WITH CONSUMERS

There are two aspects of capitalism that I love. The first is that entrepreneurs can create a company from scratch. This ability is among the highest forms of human achievement. Like mutations in nature, most new business ideas die, a few adapt and catch on and a handful change the world (think Amazon). Ten years in, 4sight Health and its commitment to market-driven reform have definitely caught on. Our goal now is to amplify the company's impact.

The second thing I love about capitalism is that successful companies must convince buyers to part with their hard-earned money to purchase the product or service they're offering. This requires company leaders to put themselves in their customers' shoes and create ways to solve their customers' problems, what disruption guru Clay Christensen labeled their "jobs to be done."

As a consequence, it's not pre-ordained that companies will succeed. Level-field competition is a beast. Nowhere is that more true than in the marketplace of ideas and the competition for "eyeballs." If you've come this far, we've won one more battle but the struggle never ends. Constant improvement is the only way for companies to retain market relevance.

Few successful companies enjoy competition. Once they reach scale, too many rely on political and market leverage to sustain their operations. They forget that value creation is the only strategy that truly generates true competitive advantage. This is what Nobel Laureate economist Sir John Hicks meant when he asserted, "The best of all monopoly profits is a quiet life." As Tom Hanks' character said in *A League of Their Own*, "It [competition] is supposed to be hard. It's the hard that makes it great."

"The coming healthcare revolution will eviscerate incumbents that cling to inefficient and ineffective business practices."

—David W. Johnson, 4sight Health

Unfortunately, too many incumbent healthcare companies have "a quiet life." Despite claims to the contrary, they use their power and leverage to sustain a sub-optimal but profitable existence, not to create value for consumers. They tolerate inefficiency, overtreatment, over-pricing and error. They forget that there are human beings at the receiving end of every treatment, diagnostic, consultation, intervention and bill.

Woe to those who do not embrace consumerism, who continue to act as though the healthcare ecosystem revolves around them, not the people receiving care services. The marketplace is rightly reorganizing to put them out of business.

At 4sight Health, we'll continue to fight the good fight — to do our level-best to promote kinder, smarter and affordable care for all Americans. It's a noble enterprise.

Here's to the next 10 years. And may there be 10 more years after that!

AUTHOR



David Johnson is the CEO of 4sight Health, a thought leadership and advisory company working at the intersection of strategy, economics, innovation and capital formation. Dave wakes up every morning trying to fix America's broken healthcare system. Prior to founding 4sight Health in 2014, Dave had a long and successful career in healthcare investment banking. He is a graduate of Colgate University and earned a Masters in Public Policy from Harvard Kennedy School. Employing his knowledge and experience in health policy, economics, statistics, behavioral finance, disruptive innovation, organizational change and complexity theory, Dave writes and speaks on pro-market healthcare reform. His first book ***Market vs. Medicine: America's Epic Fight for Better, Affordable Healthcare***, and his second book, ***The Customer Revolution in Healthcare: Delivering Kinder, Smarter, Affordable Care for All*** (McGraw-Hill 2019), are available for purchase on www.4sighthealth.com. Look for his new book, "**The Coming Healthcare Revolution: 10 Forces that Will Cure America's Healthcare Crisis**," in 2024.