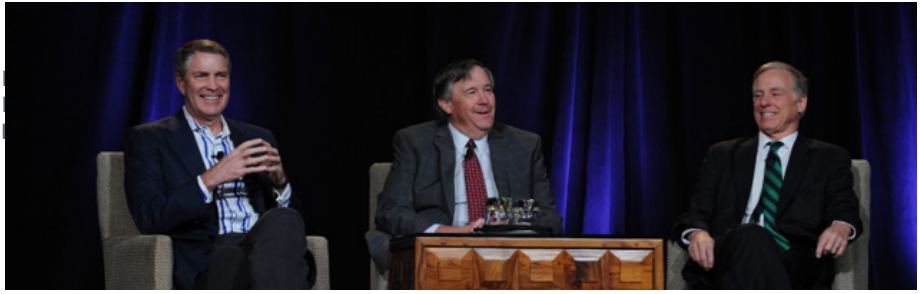


MUNICH HEALTH

Munich Health North America

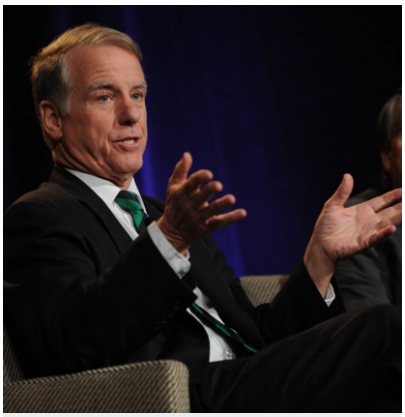
# Symposium 2014 Special Edition

## Health Care Newsletter - Summer 2014

IN THIS EDITION

This edition of our newsletter features excerpts from several keynote speakers at our annual Health Care Symposium. For more information about this event, including selected video clips, click here.

Howard Dean
Former Governor of Vermont &
Chairman of the Democratic
National Committee



## The Affordable Care Act: Flawed but Fixable

**How successful has the Affordable Care Act been at reforming health care?**

Through passage of the Affordable Care Act our nation has decided to do health reform, at least in terms of full public access. I think that can work. It has worked in other countries and it has worked in Massachusetts.

As a result of this bill and changes forced by the private sector, I believe fee-for-service (FFS) medicine will go away, it has to. That really is the single biggest driver of health care costs. We can all complain about lawyers and doctors and drug companies, but the real health care cost-driver is the incentives that are built in to our current system. The FFS approach guarantees that medical providers will always do as much as possible and more. That is how they get paid. Even though I believe medical professionals are honest decent people, as are 95% of all people in most professions, they are still going to behave this way because incentives work. So the incentives have to be changed and the way to do that is to have some kind of capitated care or managed care system.

As a result of this bill and changes forced by the private sector, I believe fee-for-service medicine will go away, it has to.

**What can we learn from Massachusetts?**

Massachusetts has done what I think this bill ultimately is capable of doing for the nation – 98% of all people in that state have health insurance. This can work. It's been modeled for five years now in Massachusetts and I think it will work for the country, but it will require some adjustments.

Having said that, I also think Massachusetts is going to realize before the rest of the country, because they have lived it for five years already, that they have to get rid of FFS. And I see them taking some small steps in that direction. However, you can have all the regulatory apparatus you want but price controls will never work. They haven't worked outside of health care, they are not going to work inside health care. Truman tried it after the war. Nixon tried it during the inflation in his second term. It just doesn't work. It doesn't work in medicine either. You've got to fix the incentives and I think Massachusetts will get there before the rest of the nation because they've had five more years of experience.

**Would giving states more flexibility in running their programs be a useful way to increase participation in the Medicaid expansion?**

I disagree with those advocating more states' rights for Medicaid. Texas for example, for all their talk about jobs, 26% of their adults have no health insurance and 22% of their kids are uninsured. That is inexcusable. So, if that is your idea of more flexibility for Medicaid, I'm not interested. Now if you hold states to high accountability, then I am perfectly interested in talking about whether to increase their flexibility.

**Will the ACA break the bond between employers and health insurance?**

It is true that it makes sense to just give everybody a voucher or a tax subsidy to go out and purchase health insurance. Employers could do that and not have to worry about managing that part of the business. But that has not been our

culture, and I think culture matters a great deal. I don't think our culture will be reversed quickly. Six months ago I might have agreed that this was going to be the tipping point that breaks the bond between employers and health insurance, and I don't think that is a bad thing. But lately I have revised my thinking on this. I think the top companies - whether they have a small number of workers with relatively high wages like a law firm or maybe a high tech company, or big companies with many types of employees and many different wage levels - these types of firms will need to compete in the workplace and providing health insurance will remain an important competitive factor.

Six months ago I might have agreed that this was going to be the tipping point that breaks the bond between employers and health insurance. But lately I have revised my thinking on this.

I believe there are employers out there who had planned to put their employees in the exchange but are now holding off because of all the confusion and uncertainty during the ACA rollout. They want to maintain the morale of their workforce and they don't want to put their employees into this maelstrom of uncertainty. If we ever get to a total break between health insurance and employers, I think it will be a slow process and I don't think it will happen for a very long time. I do believe the big companies are going to keep this system for the foreseeable future because there is some degree comfort in it. I think there are a lot of employees who, given the opportunity to go out and purchase health insurance on their own, will prefer the system just the way it is, even if the company might make the choices for them.

**Political gridlock and predictions for 2016 elections?**

Republicans can win among young people with libertarian economic arguments but they can't win if they continue to bash immigrants, gays, muslims and others.

I think the Republican Party is undergoing an enormous amount of change and the reason they have to change is because in the last two elections roughly 67% of the under 30 vote went to Barak Obama, and the under 35 vote was really big too. The Republican leadership is not stupid and they know this.

If Democrats win the presidential election again in 2016, that will be three consecutive terms of Democrats just as we had three terms of Republicans after Reagan won. That will allow the Republican Party to excise its demons just as three terms of Republican leadership forced Democrats to divorce themselves from the far left.

Today people talk about the left and right, but I grew up when there was a real left in this country and they were lunatics, blowing up buildings and all kinds of crazy stuff. That is gone; it doesn't exist anymore. Now I would say that the lunatics are on the right. And the Republicans are going to get rid of those people, they have to because they can win among young people with libertarian economic arguments but they can't win if they continue to bash immigrants, gays, Muslims and others. Those people are all these kids' friends. They all grew up together, unlike my generation who grew up somewhat in silos. But it is all driven by elections. I think the reason House Speaker Boehner, with Democratic support and at some personal risk to his speakership, forced through a vote to avoid a second government shutdown was that he understood in the long term, not only was it bad for the country, it was also bad for the Republican Party to continue to vote in that kind of manner.

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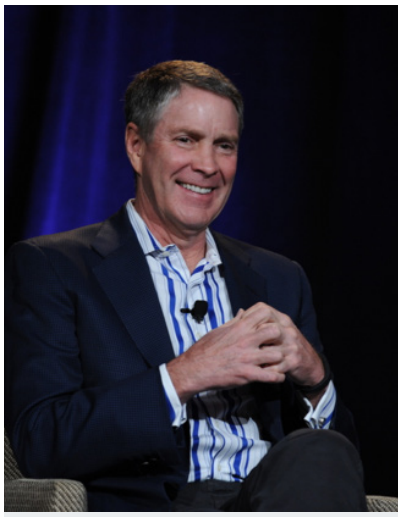
*This article is an excerpt from Governor Dean's presentation at the Munich Health North America Symposium 2014. Statements expressed here are the opinions of the presenter and do not necessarily represent the views of Munich Re or Munich Health North America. For more information on the conference, click here.*

Bill Frist,
Former Senate Majority Leader,
Tennessee Senator, Heart-Lung
Transplant Surgeon



The ACA represents health reform only in the area of public access to health care. In terms of payment reform it accomplishes very little.

## Suggestions for Improving Health Reform

**What changes to the Affordable Care Act would you recommend?**

I am not one of those who says throw the Affordable Care Act (ACA) out and start over. I really am in the fix it mode. I think as citizens and former policy makers we all have the obligation to improve what I believe to be a very messy bill, to make it as good as we can.

The ACA represents health reform only in the area of public access to health care. In terms of payment reform it accomplishes very little. It is true that the bill contains many interesting ideas like Accountable Care Organizations (ACOs), but there are what seems like hundreds of such ideas all thrown together with no central organizing principle beyond expanded access.

I would like to see much more emphasis on payment reform. Bundled payment for example is mentioned in the bill and a modest demonstration project is established, but that could have been much more aggressive. I would have liked to see it expanded from just acute care to include treatment up to 90 days. Instead of just covering major procedures like heart transplants, hip and knee replacements, why not extend it to the chronic field? You could incentivize this move to more bundled payments. Some of that was included in the ACA, but it could have been much more aggressive.

Also consider the disadvantages for younger people signing up; those 28, 30, 32 years old. The insurance is relatively expensive and at that age the likelihood of needing health care is small. So the pricing corridors of 3-1 is a real barrier to entry. Expanding that to a 5-1 pricing ratio would help get more young, healthy people into the market. Once they are participating in the market, maybe over time the pricing could be actuarially readjusted, but get them into the market first.

Another change I would recommend is on the Medicaid side; give more flexibility through federal waivers to allow states to carry out their Medicaid programs, rather than over-regulate them. I just see so much innovation going on in the states today. If you free them up a little bit from the mandates and regulation out of Washington, I believe it will generate creativity, commitment and a lot of innovation could come forward.

So in summary:
- Payment reform, advance it quickly
- Risk corridors, expand from 3-1 to 5-1
- Medicaid, set up the apparatus, give the flexibility, hold states accountable

**What can we learn from Massachusetts?**

I think it is very important that we look at the Massachusetts example. Unfortunately, I don't think the Washington policymakers are doing so.

Whatever the baseline health care spending is, it will be significantly increased by the ACA and I think we can point to Massachusetts as an example.

Right now we all know that health care spending is flat. Some of us might say this is because of the recession, others might say it is because of all the health reform changes that are underway today. We could debate whether the slowdown is permanent or not. But I think most would agree that generally, whatever the baseline health care spending is, it will be significantly increased by the ACA and I think we can point to Massachusetts as an example.

Today in Massachusetts health care cost and spending are 36% higher than the average across America. About five years ago it was only about 22% higher. Implementation of a massive program that expanded access but did not address cost meant that the cost and spending in that state went up a multiple faster than any other state in America during that same period of time. I do think that is the exact same situation the ACA will create on a national scale.

Massachusetts says now that the cause for the rising cost is over utilization. That is the same thing we need to worry about in America as a surge of new people enter the system. If you didn't have insurance, you used the system less. Now you'll use it more and spending will go up; not necessarily a bad thing but an expensive thing. So there is a lot to learn from Massachusetts.

Nationally we should expect premiums to go up, cost to go up, spending to go up, utilization to go up, and I think all of that because of the ACA.

**Does the ACA have the potential to achieve real health care cost savings?**

Better physician training, new technology and social media will do more to drive down health costs, particularly in the treatment of chronic diseases, than anything in the ACA.

Better physician training, new technology and social media will do more to drive down health costs, particularly in the treatment of chronic diseases, than anything in the ACA.

But for that to happen there needs to be a revolution in the way doctors are trained. We are still educating physicians for the system that existed 10 or 20 years ago, a system that didn't have cloud-based computing or the ability to interact in a continuous real-time way with patients.

When I went to school I had four years of pre-med, four years of medical school, a year of internship, five years general surgery, two years cardiac and thoracic surgery, two years of transplant surgery, and a year of research before I performed my first actual heart transplant. That could have been condensed down to four years. Medical school needs to be reduced from four years to three. Physicians need to be trained to work in a team-based approach, where you respect nurses and the ancillary people around you; shared decision-making needs to be the norm. That is the way we know medicine has to move.

Also, physicians who are in practice today are not equipped to use electronic health records (EHRs). When you start using EHRs your productivity falls way off; instead of seeing 18 patients a day you see 12, and this lasts for six months or a year. Now the newer generation is going to come through demanding electronic records but that will take ten years to work its way through the entire system.

It's not the heart attack patient in the hospital that drives cost, it's chronic disease, that is where the action is.

And the consumer – in the world we are in now where deductibles have gone from $500 to $2500, consumers will increasingly be using mobile devices and specialized apps to learn if a procedure they may need, like a colonoscopy, is going to cost $1400 or $5000, which is the typical price range in most of our communities. And with an app you can locate the providers in your area offering that service and also see the actual cost and your out-of-pocket. That sort or empowerment will allow 200 million people to shop in a system that demands the transparency and accountability the American people deserve. This means markets for the first time can work because you don't have a third-party payer being the barrier, or government over-prescribing where you have to go.

With real-time monitoring apps on mobile devices like smart phones, you can get apps that monitor heart rhythms for $125. If I had chest pains and went to the hospital it would cost $200 to get to hospital, $300 to get in the door, $400 to see the doctor, more for testing - maybe a $1300 total charge to do the same thing that this $125 app does in real-time, and with the added advantage that it automatically becomes a part of my EHR. A range of wearable monitoring devices now allows real-time monitoring of everything from heart rate to oxygen saturation, electrolytes and glucose. When you have these kinds of sensors on 100 million people, in real-time you can intervene for things like chronic disease before individuals get so sick that they have a heart attack.

10% of patients account for 85% of all health care costs. And it's not the heart attack patient in the hospital that drives cost, it's chronic disease; that is where the action is. The empowerment that consumers will have in terms of remote monitoring will allow them to avoid expensive hospital stays. It's called tertiary prevention and that is where the real savings will come from. By concentrating on people with chronic disease, through monitoring and out-patient care, getting them out of expensive hospital settings, having patient navigators in the field, better home health care, that is where we will achieve real cost savings.

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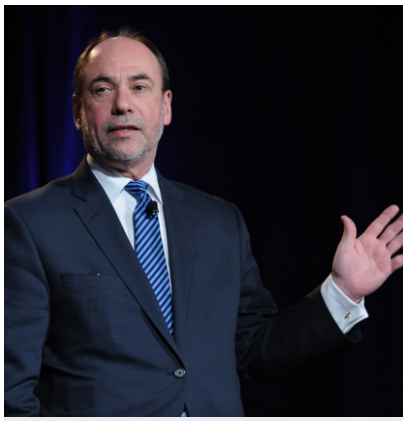
*This article is an excerpt from Senator Frist's presentation at the Munich Health North America Symposium 2014. Statements expressed here are the opinions of the presenter and do not necessarily represent the views of Munich Re or Munich Health North America. For more information on the conference, click here.*

Douglas Holtz-Eakin
Former Director of the Congressional Budget Office
Economic & Fiscal Policy Expert



They have set up a political dynamic where there is a lot of uncertainty now and there is no endgame either.

## The Post-ACA Landscape - What's Next?

If you had asked me what I thought would be true about the post Affordable Care Act landscape in the U.S. by March of 2014, I would have thought the following: we would have an individual mandate that every person must have health insurance, an employer mandate that all companies above a certain size must offer health insurance, a defined list of minimum essential benefits all policies must offer, and the state health exchanges set up to provide coverage for those who are not otherwise insured would be balanced risk pools.

Instead, what we actually have is no employer mandate until 2015, assuming they don't delay it again, no individual mandate, exchanges dominated by an older, sicker population, and fundamental plan uncertainty on whether the essential health benefits are required. And we did all this to insure about one million people who had previously been uninsured and to expand Medicaid, which is a system that desperately needs reform. In my opinion this is not a great landscape and the real question becomes, where do we go next?

The first thing to note is that, because of what the President has done, we are never going to see the individual mandate or the essential health benefits as they are written into law. Think about it. What the President has said through the repeated delays, extensions and rule changes is that this is politically risky to do. He is putting much of the heavy lifting off until after he is out of office. So if the next president is a Republican, how likely is that to happen? If Hillary Clinton wins in 2016, is she going to say - this is something that he wouldn't touch but I'll do it in my first 100 days? It's not going to happen. So they have set up a political dynamic where there is a lot of uncertainty now and there is no endgame either. They have just left this wide open. I'm afraid that the regulatory part of this is something we are not going to know until we get some political resolution and it may require another law passed through Congress. That is a realistic assessment of where we are because the politics of it have become completely toxic.

On the exchanges themselves, one possibility was that they would become reasonably balanced risk pools and develop as healthy, vibrant insurance markets. Employers start doing the math and it is overwhelming; for anyone up to about 300% of the poverty line, the employer can get out of the health insurance business, pay the penalty and give the employee a raise. The after-tax value of that raise, plus the available government subsidies, will purchase insurance that is just as good or better than what is available now through the employer. Also, the employer can make money in the process.

That is a very compelling scenario and it initially worried me because I thought the exchanges could become too big. But as I look at it now, I don't think that is going to happen. We're not getting balanced pools and I don't see the appetite to just keep throwing in money to support an older, more expensive population until the young people show up. It is just too politically contentious. So they might just stay in their current form, in which case we have created a de facto federal high risk pool called the exchanges – a relatively small population of expensive people to cover.

The difficulty for me with a national high risk pool is that it becomes a tremendous lever for politicians to do things to the rest of the system. You've seen this movie before. These are our most needy, perhaps our poorest individuals. It shouldn't cost so much for their care. There will be demands that providers give them a special rate schedule. Insurers shouldn't make any money on these people, it's not fair. If it really does devolve to be a high risk pool, there are all sorts of ways to leverage the exchanges in the future that are very dangerous. So seeing how the exchanges play out is going to be a crucial part of the landscape. It is too early to tell now, and things change every day, but I think it is worth keeping an eye on.

A likely scenario is that we end up in January 2015 with exactly the same cast of characters doing exactly the same things they are doing now.

Another piece of the landscape that I think is going to be important to watch is what happens in the states. I think it is likely that the most important developments that are going to happen over the next couple of years are going to happen at the state level. Part of that is due to federal dysfunction. I love Congress. I work for congress. I follow congress, but they just can't get anything done right now. They can't do the simplest things and I don't see that changing quickly. There is always talk about how it's going to be different after the next election. I'll just remind everyone that there is nothing less reliable than Republicans saying they are going to take over the Senate.

A likely scenario is that we end up in January 2015 with exactly the same cast of characters doing exactly the same things they are doing now. That is not a recipe for getting the kinds of federal reforms done that we need – fixing the ACA in a substantial way or undertaking something significant in the way of Medicare reforms. They are barely going to get the sustainable growth rate fix through Congress, and they will only get that done through a bunch of gimmicks, which means they won't really pay for it. I don't believe Congress will have the appetite for getting anything big done so that pushes the action down to the states.

I think it is likely that the most important developments that are going to happen over the next couple of years are going to happen at the state level.

Generally, if we are really going to reshape the way we deliver care in the U.S., it is the states that have the certificates of need and all of the regulatory apparatus that will matter the most. So the states are important but that means there are a lot of places to keep track of and no simple description of what is going on out there. If my forecast on Medicaid is right, the states are going to have a very big incentive to do new things because their budgets are going to get stretched in ways they didn't anticipate.

So what do we get over the next three to five years? First, I think we'll see a tick back up in the overall pace of health care spending. Second, in places where things turn out to look different and substantially change the trajectory from what we see right now, states and their Medicaid programs are the most promising places for innovation and reform. A less promising place is the Medicare program which needs reform and where we have a bad strategy that is being enforced administratively. I don't see much chance of real of legislative change there.

For the centerpiece of the ACA, the exchanges, in my view, a year from now they look a lot like they do today. I've described the other possibility where they become vibrant and really take off, adding a lot of value for the taxpayer, but I just don't see that right now. I think the balance of risk has changed partly because the exchange rollout has gone so poorly in the initial startup and the price sensitive young people are simply not showing up at all.

I'm hopeful because we are finally seeing on the Republican side of the isle not just complaining about Obamacare, something which has been politically very successful, but now they are also providing some alternatives.

And then there are the current small group and individual markets that really have become a political football. I don't have any clue how that will play out. As recently as three months ago I couldn't have guessed how it looks today. While I have no idea how this will play out, it does strike me that there will be a lot of pressure to get something changed because of the fundamental inequities that are going to persist with similar people unable to get similar coverage just because of where they live, and because of the difficulties some will have finding and keeping a policy that they like if they are not in the right state.

The hopeful part of this is we are not going to stay in political gridlock forever. Maybe after the midterm elections there might be some sentiment for fixing some things but I'm not betting too heavily on that. Certainly the 2016 presidential election is going to be about these issues. And after that something will happen. I'm hopeful because we are finally seeing on the Republican side of the isle not just complaining about Obamacare, something which has been politically very successful, but now they are also providing some alternatives. We are increasingly seeing groups of Senators and some House members developing new comprehensive plans. House Majority Leader Eric Cantor has said he will schedule a vote on one plan this year. House Republicans are also talking about doing a listening tour to find out what people like in the way of fixing health care. So the dam is breaking and they are starting to think about the next steps, and that is the most hopeful thing that I can say because we can't stay in the current condition for the indefinite future. There is far too much in the way of internal contradictions for this to last very long. We are going to have to get it fixed over the next couple of years.

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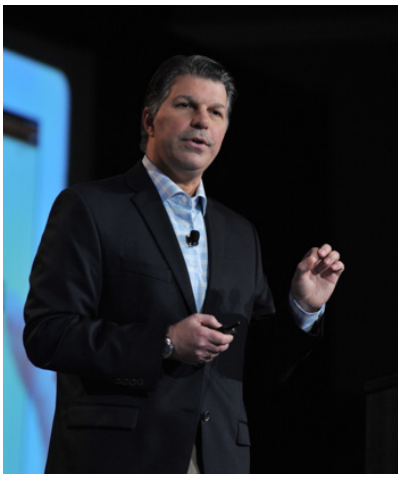
*This article is an excerpt from Mr. Holtz-Eakin's presentation at the Munich Health North America Symposium 2014. Statements expressed here are the opinions of the presenter and do not necessarily represent the views of Munich Re or Munich Health North America. For more information on the conference, click here.*

Carmine Gallo
Forbes.com Columnist
Bestselling Author



## Secrets of the World's Most Inspiring Leaders

If you are a leader in your organization, your team is looking to you for inspiration, guidance and clarity of communication. Today what I would like to focus on are some of the key traits that many of the world's most inspiring leaders share, which allow them to lead their teams effectively, particularly in difficult times. So, what are some traits that the world's most inspiring leaders share?

Passion is the first trait. Inspiring leaders are passionate about a cause. I wrote two books about Steve Jobs – about how he communicated. I quickly found out that he was not passionate about computers. Computers were what his company made, and they did it very well. But he was passionate about building tools that would help people unleash their personal creativity.

I interviewed Howard Schultz, CEO of Starbucks. He was not passionate about coffee. He was passionate about creating that third space between home and work – somewhere comfortable where people could socialize, work or just relax.

Richard Branson, CEO of Virgin Airlines, is not passionate about transportation. He is passionate about shaking up the status quo and delivering an amazing customer experience.

Is there is a difference between what you make, or the service you provide, and what you are really passionate about? As a leader you must find that passion and communicate it constantly to stakeholders, to clients and especially to your team.

What are you truly passionate about? Is there is a difference between what you make or the service you provide and what you are really passionate about? As a leader you must find that passion and communicate it constantly to stakeholders, to clients and especially to your team. Don't be afraid to express that passion, especially in times of uncertainty.

Communicating a bold vision is also a core quality of the world's most inspiring leaders. For Steve Jobs, his vision was not to build a computer, it was to put that computer into the hands of everyday people; to take it out of the hobbyist market. That was the vision in 1976. Fast-forward to 1979. He was visiting the Xerox research facility in Palo Alto, CA and there for the first time he saw a graphical user interface tested. Scientists were working with computers that had colorful icons on the screen and they were using something called a "mouse." Jobs realized that this new technology could help him fulfill his vision of putting computers in the hands of everyday people. He once said that Xerox could have dominated the entire industry but it did not because, as he described it, its vision was limited to making another copy machine. In that case, different people saw the same thing but interpreted it very differently based on their vision. So vision is important.

A vision sets forces in motion, but a vision with a date attached to it is more likely to become a reality.

A vision sets forces in motion, but a vision with a date attached to it is more likely to become a reality. I had the privilege once of meeting former NASA astronaut Neil Armstrong. He was a very humble man and reminded us that it took 400,000 of the world's best scientists and researchers to get him to the moon. But it all started with a vision first outlined in 1961 by President John F. Kennedy who famously said - By the end of the decade we will land a man on the moon and return him safely to earth. That is a bold vision with a deadline. Many of you may know the history. Back then a number of scientists said publically that they didn't think it was possible. They didn't have the technology to accomplish the task. But if you are going to put a deadline on it, they asked - what would we have to do to reach that goal? The rest is history.

So you need to ask yourself – what is my vision? Because passion fuels the rocket, but it is vision that directs the rocket to its ultimate destination. Passion and vision go hand-in-hand. I've never met an inspiring leader who was not passionate and who did not have a big, bold vision with a timetable.

Creativity, Steve Jobs said, is just connecting things. He was on to something.

Now let's talk about creativity. Most inspiring leaders are creative, aren't they? How do they come up with such great, innovative ideas? Creativity, Steve Jobs said, is just connecting things. He was on to something. Harvard researchers spent nine years studying the world's most innovative entrepreneurs. They reached the conclusion that innovators associate ideas from different fields. They take ideas from different fields and apply them to their company or industry. That is what Steve Jobs had been doing his entire career, connecting things.

So let's go back to my research on the Apple store. Did you know much of what inspired them came from the Ritz Carlton hotel? That is why, when you walk into an Apple store you will not find a cashier, you will find someone with a nametag that says Concierge. What is in the back of the Apple store? The genius bar. That idea came from the Ritz Carlton. Executives looked at luxury hotels and they tried to benchmark themselves, not against another competitor, but against something completely outside of their industry. And that is why when you walk into an Apple store you will find a bar, but it doesn't dispense alcohol, it dispenses advice. Apple executives told me on the record that it was a direct inspiration from a visit to the Ritz Carlton.

What is happening is that creative individuals are associating ideas from outside their field. That is exactly what Munich Health is doing at this conference when it invites speakers from outside the health insurance area – speakers like me.

Did you know much of what inspired Apple stores came from the Ritz Carlton hotel chain?

Here is another example of creativity in the health field. In Dallas, the Walnut Hill Medical Center opened recently. Everything about it was inspired by the Apple Store. Everything from the way it is designed, to the interaction with people, to the way staff are being hired and taught to communicate with patients; everything is based on the Apple model. I know this because I've been speaking to their CEO for about a year on this. He was inspired by some of my work on Apple, he also visited Zappos and the UCLA Medical Center. His team looked at companies both inside and outside of their industry for inspiration.

Many of you may be familiar with the story of Griffin Hospital in Derby Connecticut. Griffin's got a great story of transformation. In the mid 1980's it was literally voted a hospital you would rather avoid. Flash forward to the 1990's and it starts to appear on Fortune's Best Places to Work list. It made that list ten years in a row. It was a complete transformation. One of the reasons for this transformation is because the CEO and the executives there looked outside of the hospital environment for inspiration on how to elevate the patient experience.

In 2008 they opened the Center for Caner Care at Griffin Hospital. When I first read about it I thought, wow, this does not sound like any cancer treatment center I ever heard about. When you walk in they give you warm cookies. They have massages and soft music. Everything about it, even the way people were hired to work there, was totally different. It didn't seem like a hospital. The inspiration was a Las Vegas hotel.

When you have to come up with creative ideas to solve new challenges, inspiring leaders are creative in the way they connect ideas from different fields. So ask yourself – what ideas can I connect?

Great leaders are also typically inspiring communicators. A person can have the greatest idea in the world, but if they can't convince enough other people, it doesn't matter. So if you want to be an inspiring leader, you need to communicate effectively. How is that done?

A person can have the greatest idea in the world , but if they can't convince enough other people, it doesn't matter.

I just wrote a book called *Talk Like TED*. If you are familiar with the TED conference and looked at any of the TED talks – they are very persuasive. I looked at over 500 TED talks and interviewed many of the best speakers trying to analyze how and why they sell ideas that stick?

I found that a persuasive idea has three components if communicated effectively: it is emotional, it is novel and it is memorable. It needs to touch my heart before it can reach my head. It needs to teach me something new. And it needs to be presented in a way that I'll never forget.

Let me focus on the first part – emotion. Inspiring leaders frequently employ the art of storytelling. Most of us don't tell enough stories in our communication. Stories are memorable. Stories connect with people in ways that facts and figures really don't. In fact, remarkable things happen to our brains on stories. Researchers at Princeton University find that if I tell you a story the same regions of our brain will actually light up, which means that we are in sync. The researches call it brain-to-brain coupling.

Stories are powerful, stories illuminate, stories inform and inspire. I found in the TED talks about 65% of the content fell under what Aristotle would call "pathos" – emotion, storytelling. Only 25% fell under "logos" – data, numbers and statistics. 10% fell under "ethos" which is establishing creditability.

Most of us don't tell enough stories in our communication. Stories are memorable.

How do you tell the story behind your company, service or product? I'll give you a technique that works extremely well. It is called a message map. A message map is simply the visual display of your story on one page. The beauty of the message map is you can share it with your team so that everybody is speaking from the same playbook. Everybody is communicating the same story about a particular product, service or idea.

In order to build a message map first you need to create a headline. I call them Twitter friendly headlines because they must be short - 140 characters, one or two sentences. If you cannot explain your product or service in 140 characters or less, go back to the drawing board. What is the one thing you want your listener to know about your company, product or service?

We the support the one big idea with three supporting messages. This is called the "Rule of Three." It simply means that in short-term memory most of us can remember about three things. So the big picture is followed by the Rule of Three. A message map simplifies the story. If your message is complex, try the message map exercise, it works really well. You can share that with your team and they will be talking about your product or service in the same way.

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*This article is an excerpt from Mr. Gallo's presentation at the Munich Health North America Symposium 2014. Statements expressed here are the opinions of the presenter and do not necessarily represent the views of Munich Re or Munich Health North America. For more information on the conference, click here.*

Munich Health North America

# Symposium 2014 Special Edition

## Health Care Newsletter - Summer 2014

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We welcome questions and comments on the newsletter and the topics covered. Please direct questions to raristarco@munichhealth.com.