

Saving Milgram Health Inc. from a Global Pandemic

Introduction

While doing her morning workout, three months ago, Sarah Griffith saw a story on TV about a new infectious disease that had begun spreading in a remote area of the Brazilian state of Amazonas. For a fleeting moment, Sarah Griffith, the CEO of *Milgram Health Inc.*, pondered the potential risk of this disease spreading to the United States. Sarah, a 46-year-old with degrees in health informatics and management was recruited from a major medical devices firm to be the CEO three years ago. Sarah succeeded the former CEO, Harvey Epstein who had been at the helm for 21 years but was forced to resign amidst a financial scandal. Milgram Health Inc (MHI) is one of the nation's largest providers of health insurance and services. Launched in 1927 in Bridgeport, Connecticut, MHI grew to become one of the most diversified insurance companies in the United States providing insurance products serving more than 40 million customers last year. It offers a broad spectrum of products and services, from health care coverage and benefits services.

Since her arrival, Sarah has been pushing hard to ramp up the company's information technology-enabled health services. Her educational background in health informatics and past experiences working in a medical devices firm helped her recognize how critical digitalization was to be competitive. But all her efforts encountered severe push-back from those in the leadership who were very committed to - and satisfied with - existing profitable product lines. And the numbers backed them up. Through its businesses, MHI serves more than 40 million customers. Last year, the company reported revenue of \$70.6 billion, up 7% from the previous year, and net income of \$4.6 billion. Up until now, the company estimated revenues this year in the range from \$75 to \$80 billion. But over the past 3 years, Sarah was finally getting more confident - and gaining more confidence - about her role in the company. At the last quarterly Board meeting, just a week after she saw the story on TV, Sarah raised the possible impact of the new infectious disease and its potential risk for MHI. However, based on discussions among the Board members, MHI decided not to take any specific pre-emptive action opting instead to "carefully monitor the situation."

But everything changed three days ago. Sarah's husband woke her up to terrible news. "*The first case of the infection has been reported in the U.S. and models projected it might spread across the country at an unprecedented pace and persist for well over a year pending the development of a vaccine.*" Sarah immediately reached out to her leadership team and board members. She convened an emergency board meeting the following day to decide how to handle this unprecedented situation. The board was now convinced that this disease might become a global pandemic. The time for carefully monitoring had given way to taking decisive action. Sarah argued that the exigencies of social distancing and remote work might favor a surge in demand for offerings by a growing number of startups that were natively designed as online platforms. Sarah reminded her colleagues of a [Harris Poll conducted in 2017](#) which found

that only 16 percent of adults in the U.S. believe health insurance companies put patients above profits. Sarah urged her Board to recognize that the tech world had also taken note and a number of startups were looking to shake up the industry. Some of them had already raised hundreds of millions in funding with valuations of over \$1 billion. These tech-centric firms offered digital platforms that focused on simplifying and enhancing the user experience, allowing its users to send bills from their smartphone and access in real-time the detail of all of their refunds. Some had developed their own algorithms, powered by machine learning, to lower the cost of insurance by breaking out certain procedures. This made it possible for some to have no deductibles or co-insurance, and additional coverage could be added on when needed. The onset of a global pandemic, with its concomitant health care implications, Sarah argued, would accelerate the defection of customers to these startups.

Projection scenarios generated overnight, at Sarah's request, by MHI's Accounting and Finance Department suggested customer attrition over the next year ranging from 57% to 78% resulting in a 63% loss in company revenue and a net loss of over \$21 billion. MHI had faced adversity before. The founder of the company, Charles Hamilton, had navigated the then 2-year old MHI through the stock market crash of October 1929 and the ensuing Great Depression. But this time MHI faced the trifecta of economic downturn, health pandemic, and a competitive landscape sprouting disruptive tech-fueled startups.

A firm believer in never letting a crisis go to waste, Sarah seized this moment to push ahead with her previously stymied plans to ramp up the company's information technology-enabled health services. Armed with the dire financial statistics, Sarah pitched the Board on betting the future of the company by pivoting to a more digital suite of offerings. She proposed standing up the *Milgram Affordable Healthcare for All (MAHA) Task Force*. The 4-person MAHA Task Force would be charged to spend no more than 6 months to develop newer, effective, affordable, and personalized individual and family digitally enabled healthcare plans that will not only fend off competitors from poaching their customers but aggressively recruit new customers. After a robust 6-hour debate, Sarah prevailed but the Board put the onus on her to make sure she recruited the Dream MAHA Task Force to take on this existential burden.

Assembling the DREAM MAHA Task Force

Sarah understood the importance of selecting the right individuals since MAHA will have to coordinate several departments, providers, and health networks in no more than half a year. Sarah identified four departments that she believed needed to be represented on MAHA since they were mission-critical to enact this pivot for MHI. They were:

- **Production:** One member on MAHA who has experience in managing portfolios of medication and products.
- **Marketing:** One member on MAHA to coordinate the campaigns and advertisements that will promote these new plans.

- **Accounting and Finance:** One member of MAHA must study the proposed packages and their costs.
- **Human Resources:** One member on MAHA who has insights on how to acquire and retain talent.

Sarah worked with the leadership in each of these four departments to identify their top 3 nominees to serve on MAHA. These were individuals who had the right set of individual skill sets, expertise, and performance track records required for this task and also reflected the various dimensions of diversity and inclusivity so central to the values of MHI. Below, is a list of the candidates shortlisted from each of the four relevant departments.

Production

- Cameron Pressley:** Cameron has been with the company for 7 years. He has a B.S. in Industrial Engineering from the University of Illinois. He has been essential for the implementation of numerous insurance services that Milgram Health Inc. designs in-house, and that are competitive advantages for them in the current healthcare marketplace. He has close relationships with other department managers, as well as providers.
- Raymond Hayes:** Raymond has been with the company for 4 years. He got a Master in Medical Finances from John Hopkins University. He worked before in another healthcare company, bringing his expertise to Milgram Health Inc. He has developed novel strategies to make healthcare plans more efficient. The board has recognized his contributions to the company, but he has earned several enemies in his way.
- Maria Howard:** Maria has been with the company for 4 years after working in a retail company. She went to a Business School in the Bay Area and decided to switch to healthcare services. She has been leading several expanding operations in the U.S., which have been recognized by the CEO of the company. Maria has been working remotely and has not been seen by many other workers from the company. Despite the distance, she has been very productive in directing her assistants remotely.

Marketing

- Melissa Hall:** Melissa has been with the company for 8 years and has coordinated numerous marketing campaigns for television and radio. Melissa has been instrumental in coordinating the Marketing department with other departments of the company. She joined Milgram Health Inc. directly after she graduated with her Bachelor's degree in Communication from Cornell University.
- Anthony Banks:** Anthony has been working in this company for 10 years. He has been in charge of several marketing successful campaigns and has gained the trust of the board. He is well known as a leader by many workers. He joined the company after working in two main companies in the health insurance industry. He got a Master's degree in Communication from the University of California, Santa Barbara.

- F. **Linda Mcfarlin:** Linda has been with the company for 7 years and has been recognized for her creative campaigns on television. She started an internship at Milgram Health Inc. and then joined the company with her Bachelor's degree in Marketing from Boston University. The department has received several awards and recognitions thanks to her campaigns. She is widely recognized by the department.

Accounting and Finance

- G. **Barbara Dixon:** Barbara has been working at Milgram Health Inc. for 20 years. She started her career at this company after graduating from Penn State. During her career, she has been instrumental in helping Milgram Health Inc. design affordable healthcare. The board recognized her important role in reducing costs during the subprime crisis in 2009.
- H. **Wayne Sahota:** Wayne is an accountant for the company and he has served as a finance coordinator for 5 years. He has a Master in Finance from the University of California, Los Angeles. Wayne came to Milgram Health Inc. from a small boutique accounting firm in Chicago, where he worked for 7 years. He has been instrumental in helping the company negotiate new agreements and contracts with in-networks and providers.
- I. **Felicia Rogal:** Felicia has been a financial analyst at Milgram Health Inc. for 3 years. She graduated in 2010 from the Wharton School at the University of Pennsylvania. Felicia came from a recognized accounting firm in Boston, where she worked for 3 years. She has been fundamental to financial operations. However, she has been actively posting updates to her resume on LinkedIn which some suspect indicates that she might be looking for a new adventure.

Human Resource Management

- J. **Elda Bahl:** Elda has been with the company for 5 years. She graduated from DePaul University, where she received an award from the Provost for her community services. When she arrived at MHI, Elda spent time getting to know each member of her department, as well as from other departments. Elba has been recognized by her peers for her authenticity. She works on employment and HR issues across the company's departments. During her free time, she has been volunteering in a local charity organization in Chicago.
- K. **Lacey Gamble:** Lacey has been with the company for 10 years. Before joining the company, she completed her MBA at the Booth School of Business, University of Chicago. Lacey has also been recognized for her leadership role in the department. She has supported multiple social initiatives to promote a safe environment in the company. Her novel ideas have been acknowledged by her colleagues and superiors.
- L. **Theodore Young:** Theodore joined the company 8 years ago with his Bachelor in Psychology from Michigan State. He has been interested in implementing new ideas and

strategies in the HR department. There are some rumors in the department that he is looking to move to another company in the East area.

But MAHA Taskforce is more than just its individual members

After doing her own due diligence, Sarah was confident that all those on the shortlist would make excellent MAHA Taskforce members. But she was uncertain how well these star individuals would work together as a team. To allay these concerns, Sarah identified a final set of four criteria to help her select the 4-person MAHA Taskforce from this shortlist of 12. *First*, MAHA will have six months to work together. In these tumultuous times, it was critical to recruiting task force members with minimal risk of leaving MHI. *Second*, it is crucial that the members of the task force work well together (i.e. internal cohesion). They were going to be engaging in many hard-nosed debates and MAHA needed to have the ability to manage those constructively. *Third*, the members of the task force must have broad and diverse network ties (external range) across MHI to solicit and incorporate information and viewpoints from as many of their fellow employees across the company. *Fourth*, and finally, the members of the task force must include individuals who, in addition to their impressive skill-sets which got them short-listed in the first place were, by virtue of their networks, likely to be highly creative in generating good ideas, and/or highly influential in getting buy-in for those ideas by influencing their colleagues across the organization.

The birth of the Relational Analytics Dashboard (RAD)

Shortly after starting as CEO at MHI, Sarah recruited Melissa Martinez as the Chief Technology Officer of MHI. Prior to joining MHI, Melissa had managed the Workplace Analytics team at a Fortune 100 firm. She was a graduate of Northwestern University where she was introduced to the insights one can gain about human behavior based on their social networks. Her first priority at MHI was to spearhead MHI's migration from what she called "archaic" communication and collaboration technologies such as email and Skype to enterprise social media tools such as Microsoft Teams, Google Drive, and Zoom. She saw the value of these tools, not just in their ability to facilitate collaboration but, to utilize the digital traces created by these interactions to understand and leverage the social networks among MHI employees. With support from Sarah, she put together a Skunkworks styled team to develop a [Relational Analytics Dashboard \(RAD\)](#) that mapped the networks of the 700+ top management tiers within MHI. Melissa and her team had demonstrated this platform linked [here](#) to Sarah just a few months ago. Melissa showed Sarah how RAD was capable of identifying those at MHI who, by virtue of their social networks, were more likely to come up with good ideas, influence others, or even quit MHI! RAD offered insights on how efficient and innovative a team of individuals would be by virtue of their social networks. Sarah was intrigued but not sure if, how, or when she would make the insights offered by RAD actionable. That is, until now. Sarah immediately saw the potential of RAD to help her with the challenge of selecting the MAHA Taskforce from the shortlist based on the four final

criteria she had deemed critical. She sounded Melissa on this idea. Melissa was excited - and apprehensive. Was RAD ready for prime time?

Enter YOU!

In order to avoid the possibility of personal biases, Sarah reached out to MHI's long-standing consultant organization, of which you are a member, to help use RAD to make a final recommendation of who should be on the MAHA Taskforce.

Report

After reviewing this document and RAD (linked [here](#)), please prepare a brief report listing who you propose to Sarah should be assigned to the four-member task force. Please address the following questions by Sarah in support of your recommendation.

- What were the criteria you used? Why?
- How did you weigh the different criteria? Why?
- What other information do you think would help you make your decisions?

Please submit your recommendations and rationale via the form at <https://forms.gle/srGCBGQC136MpZLf6>