

Healthcare Systems & Services Practice

# The CEO of Blue Shield of California on scaling up coronavirus testing

Paul Markovich, who coleads California's COVID-19 Testing Task Force, describes the goals, challenges, and early achievements of a statewide effort to increase the volume of coronavirus testing.



On April 4, California governor Gavin Newsom announced the creation of a task force to expand COVID-19 testing across the state and named Paul Markovich, the president and CEO of Blue Shield of California, as cochair (with Dr. Charity Dean, assistant director of the state's public health department). In a video interview, conducted on April 6 by McKinsey's David Knott, Markovich described the goals of the task force, its initial efforts to scale up COVID-19 testing, and its approach to the challenges it has encountered. A condensed and edited version of Markovich's remarks follows.

### **The goals of the task force for increasing coronavirus testing**

The state's running at about 2,000 tests per day. We would like to get that up to 10,000 tests per day in two weeks and to 25,000 tests per day in about four weeks' time. And then, by the end of the summer, we'd like to get it to 50,000 tests per day, including serology tests.

### **A two-pronged work plan**

The work is organized around two basic notions. One is to dramatically improve the productivity of the current supply chain so there's current, reasonably proven tests and we're not just cranking out as many of them each day as we possibly could. There's a scarce supply of resources, and it's not really being allocated well. So getting that scarce supply allocated well and driving it through that supply chain effectively is one piece. And then another is to find the most effective alternative tests that are coming out.

### **Challenges in quickly scaling up coronavirus testing**

The infrastructure for keeping track of how many tests were conducted, how many were positive, and how many were negative is not that solid. It was built for the flu and it wasn't built for this pandemic. The adjustment's been awkward and imprecise. It was

surprising to me that facts as basic as how many tests were conducted today, and what were the results of those tests, and what's the backlog are not easy to come by.

Nor is it easy to say how many supplies went where. We will get there, but it's amazingly manual—literally picking up the phone and calling people at times to lay out the supply chain in detail.

### **The accomplishments of the task force**

I think we've done a nice job of identifying all the designated testing sites in the state and figuring out where there needs to be more supplies. Getting a supply of swabs and transport media seems so basic that it's odd for me to be talking about acquiring swabs as an accomplishment. It feels like you should just be able to walk down to the pharmacy and get some Q-tips, but it's not quite that simple. We're surveying the labs and figuring out which have the highest potential to increase output and then designating where supplies need to go so we maximize our increases.

### **How Blue Shield of California is supporting its employees**

When it comes to taking care of our own employees, we anticipated the need to get people sheltered in place. We triggered our disruption plans and enabled almost every employee to work from home by the time that the San Francisco Bay Area announced its shelter in place. We've put in a leave policy that says if you are ill or one of your family members is ill, you're still going to get paid. And we've told everybody that we won't have major layoffs at this point. We can't make that promise forever, but for now we're telling people not to worry.

Every week we have a call—typically with managers and above, and sometimes with all employees—where the senior executives go around and do quick updates on what's going on and answer questions. We've had a number of people say that has helped them stay calm.

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## **Blue Shield's approach to aiding members and communities**

Because almost all of our customer-service representatives are taking calls from home, we have not missed our service measures any day this year. We promised to use mail orders to get more pharmaceuticals. And we haven't announced this publicly, but we've effectively said we're not going to cancel anyone's policy in March, and we haven't. We're not canceling anyone's policy for nonpayment in April. When people have an issue, we're just trying to work our way through it because we know it's a shocking time, economically.

To be a good corporate citizen and help with public health, we've made a number of contributions. We put half a million dollars into a fund started by Mayor Libby Schaaf of Oakland to help with testing and getting food to people. We made a contribution to secure personal protective equipment for frontline workers. And, of course, we're volunteering on Governor Newsom's task force—not just myself but 30 people. The next step will be announcing something that we think could help bring some much-needed cash flow to providers that are hurting.

## **Lessons from the outbreak on improving healthcare**

At the top of the list for me would be public-health readiness and response. It's clear that the infrastructure to respond to a runaway virus like this was not in place.

Number two is data infrastructure, which has been a passion of mine for a while. We have important health information locked in organizational vaults. The federal government has made great efforts to loosen those up, but you still can't make that data centrally available in real time so that public-health officials can make good decisions. We have to figure out how to make that data private and secure so that there is a cloud-based, comprehensive digital record, for every citizen, that can be aggregated and used for public-health purposes in situations like this.

Third, we should accelerate the adoption of ways to get access to healthcare without visiting a doctor's office or hospital. There are many ways to provide care and advice—whether it's "telehealth" or a set of questions on the internet or a trip to a drive-in testing site. Those can be every bit as effective as the traditional means by which people access healthcare.

**Paul Markovich** is the president and CEO of Blue Shield of California. This interview was conducted by **David Knott**, a senior partner in McKinsey's New York office.

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