

FUTURESCAN

Health Care Trends and Implications

2022-2027

Society for Healthcare Strategy & Market Development
American College of Healthcare Executives



Society for Health Care
Strategy & Market
Development™



Foundation of the
American College of
Healthcare Executives®



Society for Health Care
Strategy & Market
DevelopmentSM

- Preeminent organization for health care strategists; a professional membership group of the American Hospital Association.
- Prepares the field for the evolving landscape, helping members drive change and shape the future of health care.
- Offers micro-credentials in key skills pertaining to the future role of the health care strategist.
- Provides a best-in-class annual conference for marketers, strategic planners, business developers and communicators.
- Connects thousands of strategists to identify solutions, expand thinking and engage in peer networking.



American College of
Healthcare Executives

for leaders who care[®]

- International professional society of more than 40,000 health care executives who lead hospitals, health systems and other health care organizations.
- Offers the prestigious FACHE[®] credential signifying board certification in health care management.
- Foremost provider of education, research and publications on health care management and leadership.
- Fulfilling the vision of being the preeminent professional society for leaders dedicated to improving health.

Futurescan 2022-2027 Health Care Trends & Implications

Featuring Ian Morrison, PhD

- **Consumerism and Innovation Beyond the Walls of the Hospital**
Michael Dowling, President & CEO, Northwell Health
- **Supporting the Healthcare Workforce**
Catherine A. Jacobson, President & CEO, Froedtert Health
- **New Competitors Challenge Health Systems Strategy**
Kenneth Kaufman, Managing Director and Chair, Kaufman Hall
- **Focus on Diversity and Inclusion**
Juana S. Slade, Chief Diversity Officer and Director, Language Services, AnMed Health
- **The Future of Provider Reimbursement**
David Blumenthal, MD, President, The Commonwealth Fund
- **Virtual Health Strategies**
Randy D. Oostra, DM, FACHE, President & CEO, ProMedica
- **The Growing Importance of Behavioral Health in the COVID and Post COVID Landscape**
Harsh K. Trivedi, MD, President & CEO, Sheppard Pratt
- **How COVID-19 Has Changed Hospital and Health System Emergency Preparedness**
Gregory R. Ciottone, MD, Emergency Physician and President, World Association for Disaster and Emergency Medicine

How To Use Futurescan

- Strategic planning.
- Senior executive updates.
- Board education.
- Medical staff briefings.
- Staff training.
- Use in conjunction with AHA's Environmental Scan. aha.org/environmentalscan
- Watch Transformation Talks videos for more insights aha.org/transformation-talks

Join SHSMD today!
(shsmd.org)

Purchase Futurescan 2022 ([here](#))



Health Systems Have a Lot on Their Plate: *Omicron makes it even more difficult.*

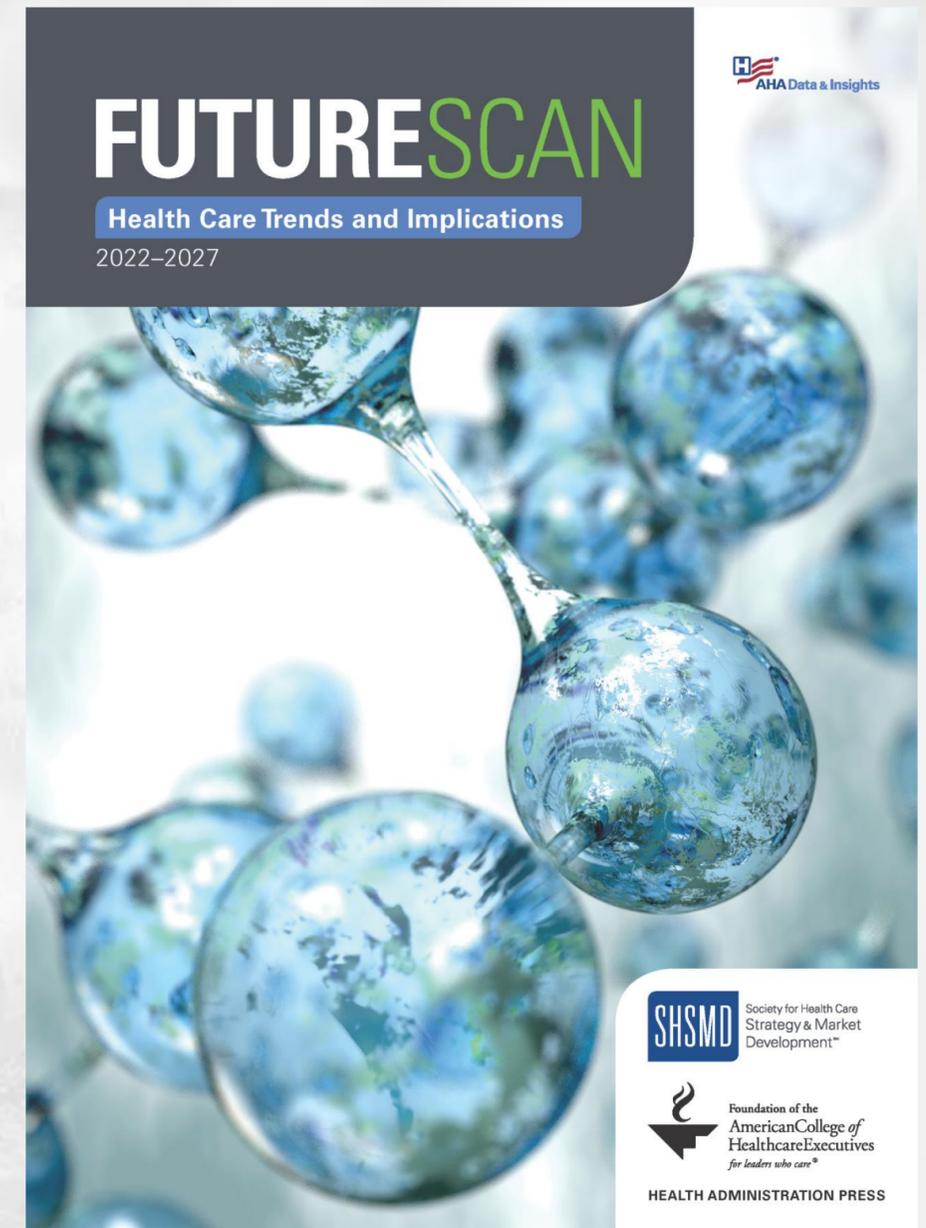
- Health systems are spent
- Vaccine mandates, pandemic surges, governors, strikes and the terror of frontline care.
- Covid costs: PPE, LOS much longer, and elective shutdowns.
- Acuity up because of postponed care, sicker patients.
- Workforce shortages
 - Doctors retiring or taking sabbaticals.
 - Traveler RNs cost \$200-\$300 per hour.
 - Subsidies to employed doctors \$250K.
- Supply costs way up for PPE etc. and supply chain challenges.
- Payer Mix Impairment as Medicare, Medicaid, and Exchanges grow.
- Responding to Big Tech, Big Retail and Digital Disruptors.
- Looking to commercial for margin (increasingly self-insured).
- Revenue Cycle Management and Administrative Complexity.
- Increasing policy hostility e.g. anti-trust, transparency, prices and surprise bills.
- Lots of big name CEO retirements.
- Omicron may be the last straw: 2022 will be like 2020 without the CARES Act.

Futurescan 2022-2027: Health Care Trends & Implications

The COVID pandemic has created massive changes in the health care system:

- Profound shift to digital health solutions
- Increased awareness of inequity in health care
- Exposure of weaknesses in health care financing models
- Massive pressure on the health care workforce
- Need to integrate physical and mental health more effectively
- Imperative for improved emergency preparedness

Futurescan 2022 draws on the expertise of 8 SMEs to synthesize key trends that will shape health care in a post-pandemic world.





Consumerism and Innovation Beyond the Walls of the Hospital

Michael Dowling, President & CEO, Northwell Health

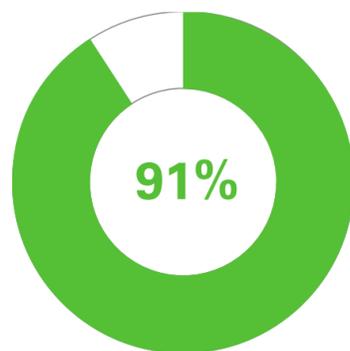
Care Transformation

Michael Dowling, President & CEO, Northwell Health

The rise of consumerism is the most transformative overarching trend Post-COVID. Others include:

- Technology's role in care transformation
- Pricing transparency
- Systemness
- Innovation in care delivery

INSIGHTS FROM HEALTH CARE EXECUTIVES IN FUTURESCAN SURVEY



Say by 2027, 91% of health care executives said their organization is already engaged or likely to engage in digital consumer strategy investments.



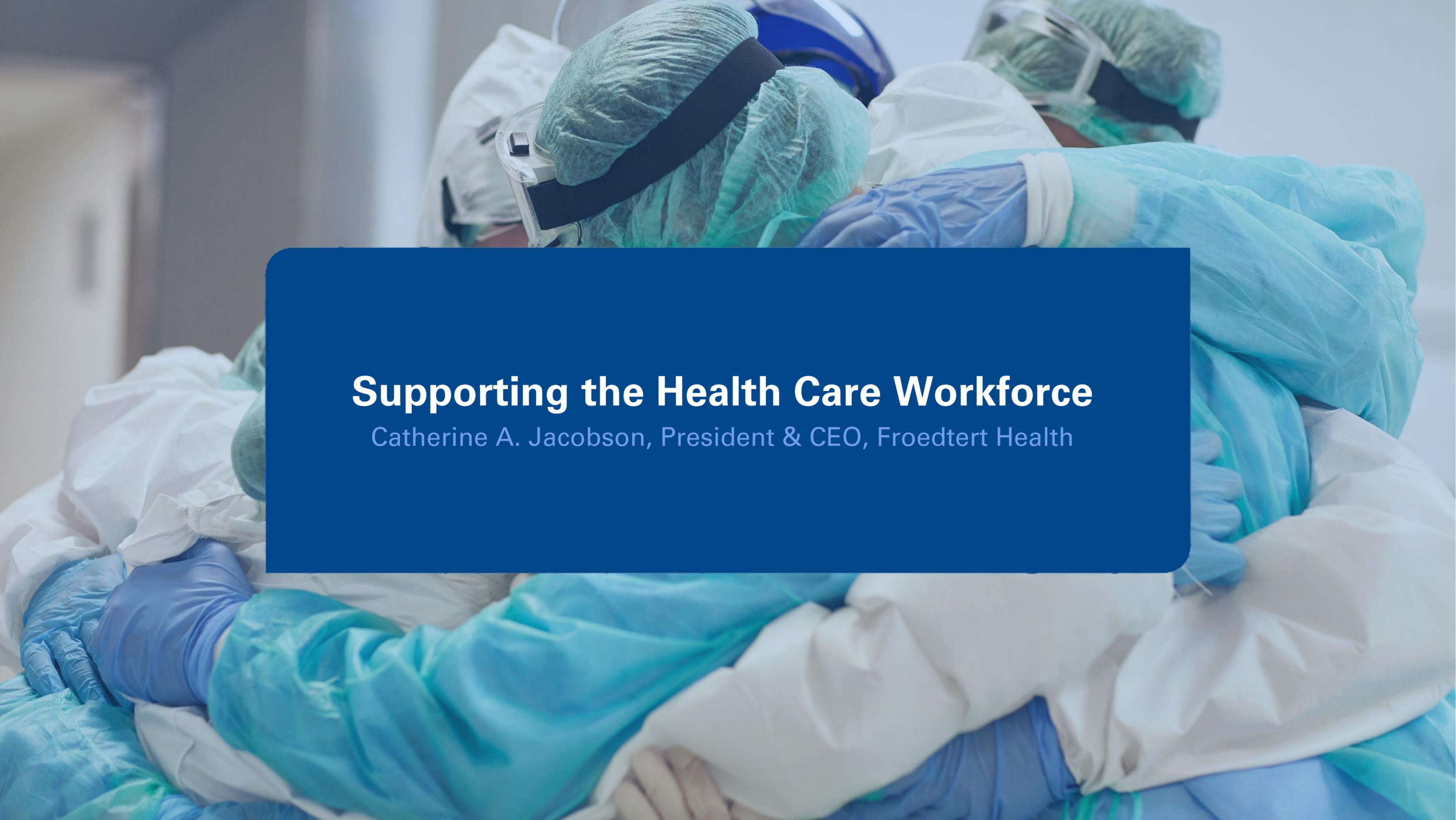
Care Transformation

Michael Dowling, President & CEO, Northwell Health

Dowling advises:

- Focus on consumerism and the customer experience
- To invest in technology infrastructure
- Advocate for easing regulatory burdens
- Focus on care outside the hospital walls





Supporting the Health Care Workforce

Catherine A. Jacobson, President & CEO, Froedtert Health

Workforce

Catherine A. Jacobson, President & CEO, Froedtert Health

The COVID pandemic amplified workforce trends that were already of concern:

- Burnout among clinicians
- Shifts in workflow and workforce requirements
- New technology that requires different types of care delivery
- Inequities and bias in the workplace



Workforce

Catherine A. Jacobson, President & CEO, Froedtert Health

Jacobson recommends:

- Facilitate mental well-being
- Foster leadership development
- Re-engineer the workforce
- Erase racial bias and inequities



New Competitors Challenge Health Systems Strategy

Kenneth Kaufman, Managing Director and Chair, Kaufman Hall



Strategy

Kenneth Kaufman, Managing Director and Chair, Kaufman Hall

Fundamental question: To what extent will the business model and nature of competition in health care be based more on technology and less on face-to-face care delivery?

Key Challenges:

- The approach to telehealth and digital health care capabilities and delivery
- How services are organized and presented to consumers

amazon

Google

CVS



Walgreens

Strategy

Kenneth Kaufman, Managing Director and Chair, Kaufman Hall

Competition now being driven by:

- Tech companies encroaching on the space of traditional providers.
- The need for greater digital sophistication in traditional health systems

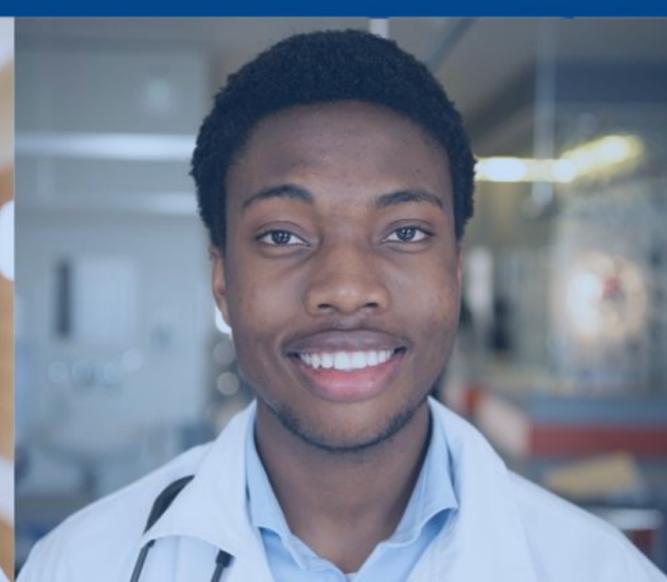
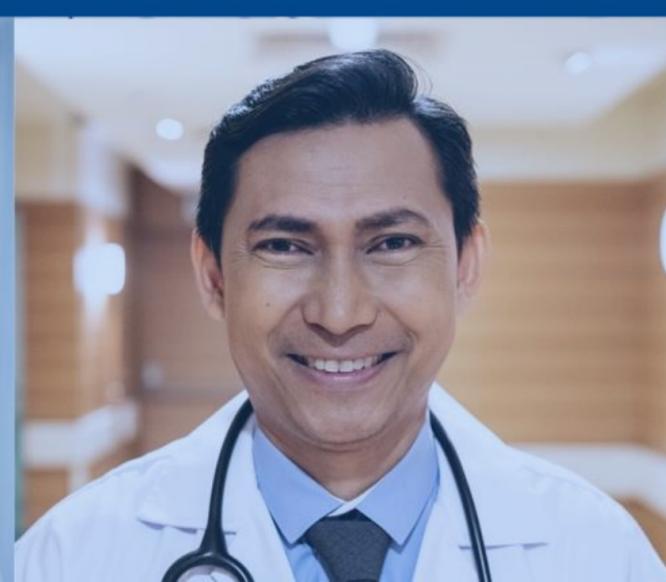
Kaufman advises:

Competitive strategy must be informed by a new thought process shaped to confront an economic and competitive environment that, accelerated by the pandemic, is in the process of changing forever.





Focus on Diversity and Inclusion
Juana S. Slade, Chief Diversity Officer and
Director, Language Services, AnMed Health



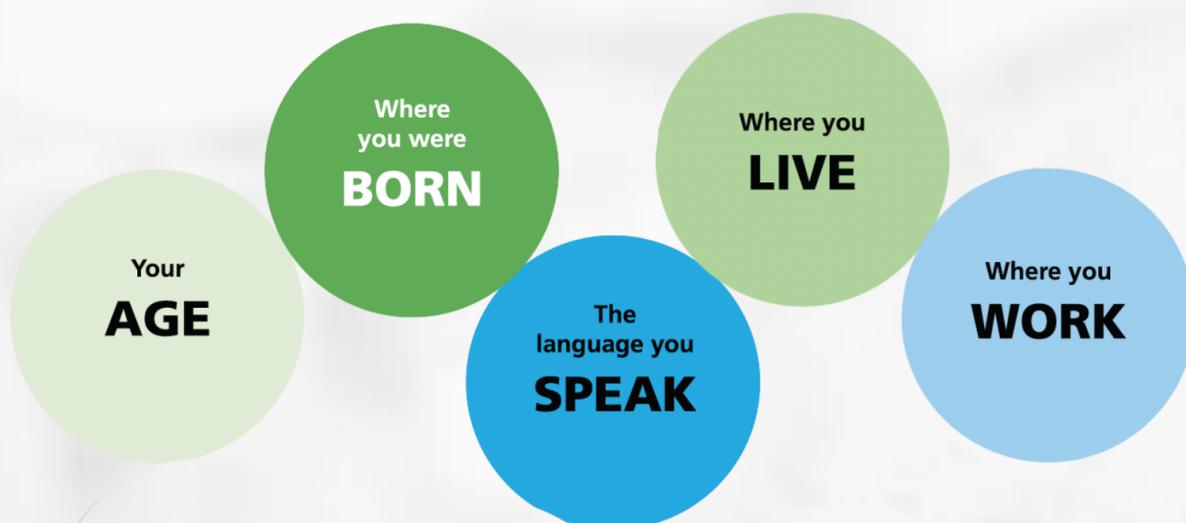
Health Equity

Juana S. Slade, Chief Diversity Officer and Director,
Language Services, AnMed Health

2020 was a pivotal year for re-examining:

- Social injustice – George Floyd
- Racial bias – Hiring and personnel practices
- Diversity and inclusion
- Health inequities – COVID mortality; Social Determinants of Health

Social Determinants of Health



Health Equity

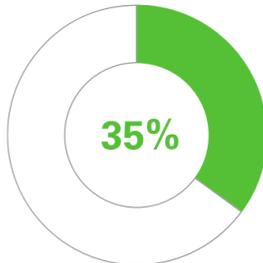
Juana S. Slade, Chief Diversity Officer and Director, Language Services, AnMed Health

Slade advises:

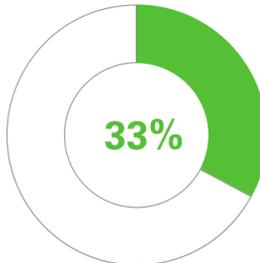
- Develop a diverse organization that reflects the community
- Foster cultural competence that meets the needs of ethnic and cultural minorities
- Influence and invest in the community

INSIGHTS FROM HEALTH CARE EXECUTIVES IN FUTURESCAN SURVEY

Already Happening



Very Likely



35% said their hospital or health system already has multiple partnerships and collaborations in place to increase the diversity of its workforce, and another 33% said it is very likely that by 2027, they will have such partnerships





The Future of Provider Reimbursement

David Blumenthal, MD, President, The Commonwealth Fund

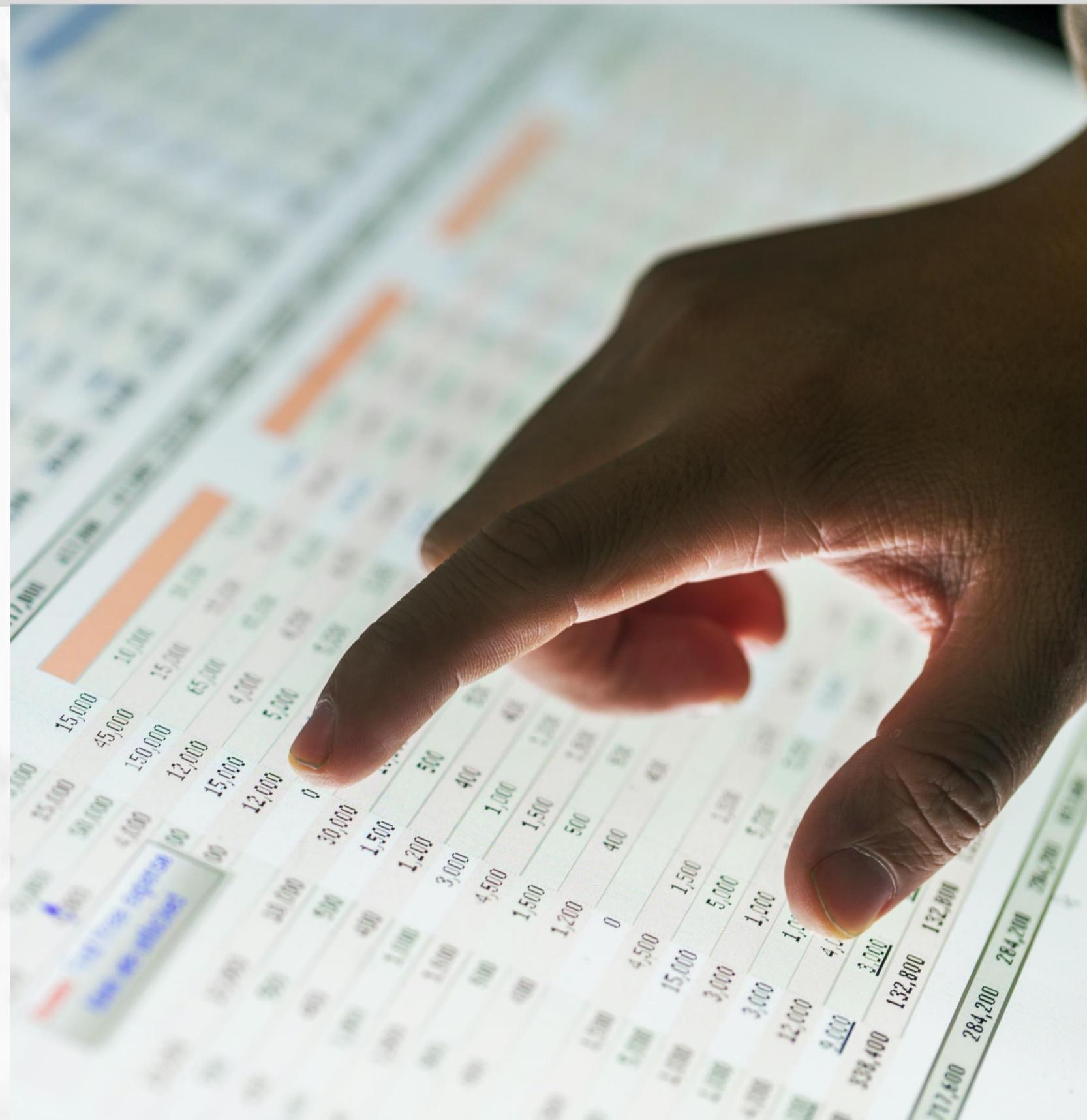
Finance

David Blumenthal, MD, President, The Commonwealth Fund

How will the COVID pandemic affect provider reimbursement?

Public Insurers

- Measures to make health care more accessible via Medicaid expansion and health insurance marketplace
- Greater emphasis on value-based care and reduced health inequities



Finance

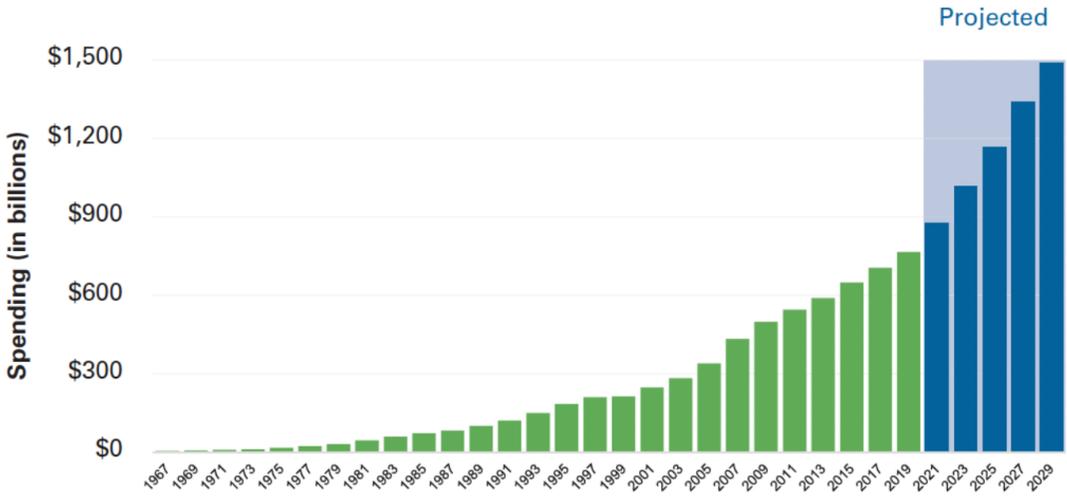
David Blumenthal, MD, President, The Commonwealth Fund

How will the COVID pandemic affect provider reimbursement?

Commercial Insurers

- Mandates on price transparency may result in increased pressure for providers to lower costs and insurers to redirect care
- Continued movement toward prospective payment models and value-based contracts

Projected Medicare Spending



Source: Commonwealth Fund (2020).



A photograph of a doctor in a white lab coat sitting at a desk. The doctor is looking at a laptop screen. On the desk, there is a white cup of coffee on a saucer, a small potted plant, and a pen. The background shows a blurred office setting with a chair and a desk.

Virtual Health Strategies

Randy D. Oostra, DM, FACHE, President & CEO, ProMedica

Virtual Health

Randy D. Oostra, DM, FACHE, President & CEO, ProMedica

Virtual health is expanding far beyond telehealth and is being driven by consumer demand and nontraditional competition (Amazon, Google, CVS and Walmart)

Health care leaders need to weigh:

- Capital investments in bricks and mortar
- Impact on providers
- Impact on social determinants of health



“Telemedicine may be the most prevalent form of virtual health but will soon be far from the only one.”

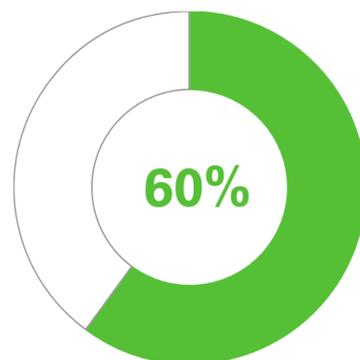
Virtual Health

Randy D. Oostra, DM, FACHE, President & CEO, ProMedica

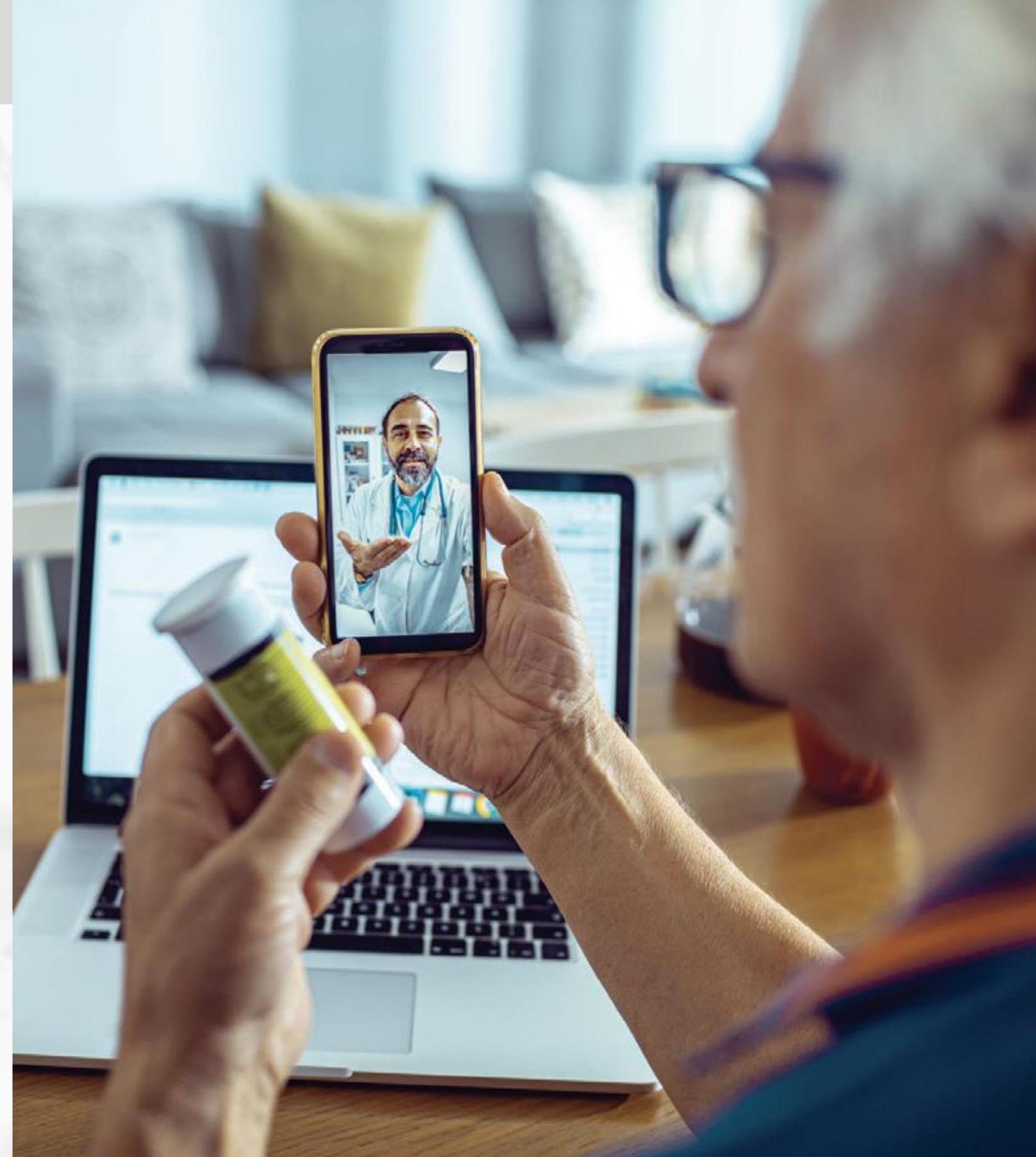
Oostra suggests health care executives:

- View patients as consumers
- Consider how to deliver current services in nontraditional ways
- Evaluate the costs
- Look for collaborators

INSIGHTS FROM HEALTH CARE EXECUTIVES IN FUTURESCAN SURVEY



Nearly 60% agree that clinician sharing will either be likely or very likely via telehealth by 2027.



A group of four people are seated in a circle in a modern office or meeting room. They are all wearing light blue surgical face masks. The room has large windows with black frames, and the floor is made of light-colored wood. The lighting is bright and natural. The people are dressed in business-casual attire. The overall atmosphere is professional and focused.

The Growing Importance of Behavioral Health in the COVID and Post COVID Landscape

Harsh K. Trivedi, MD, President & CEO, Sheppard Pratt

Behavioral Health

Harsh K. Trivedi, MD, President & CEO, Sheppard Pratt

Behavioral health services have been unprofitable service lines for many years, yet the need has never been greater

- Many psychiatric beds were converted during the pandemic
- Boarding patients in the ER has been a growing problem
- Impending shortage of qualified professionals
- Families have lost insurance coverage or employment
- People of color have been hit especially hard

Percentage of U.S. Population Reporting No Treatment Received

Demographic	Any mental illness	Serious mental illness	Major depressive episode
Blacks	69%	42%	65%
Hispanics	67%	44%	62%
Overall	57%	36%	59%

Source: SAMHSA (2020a).



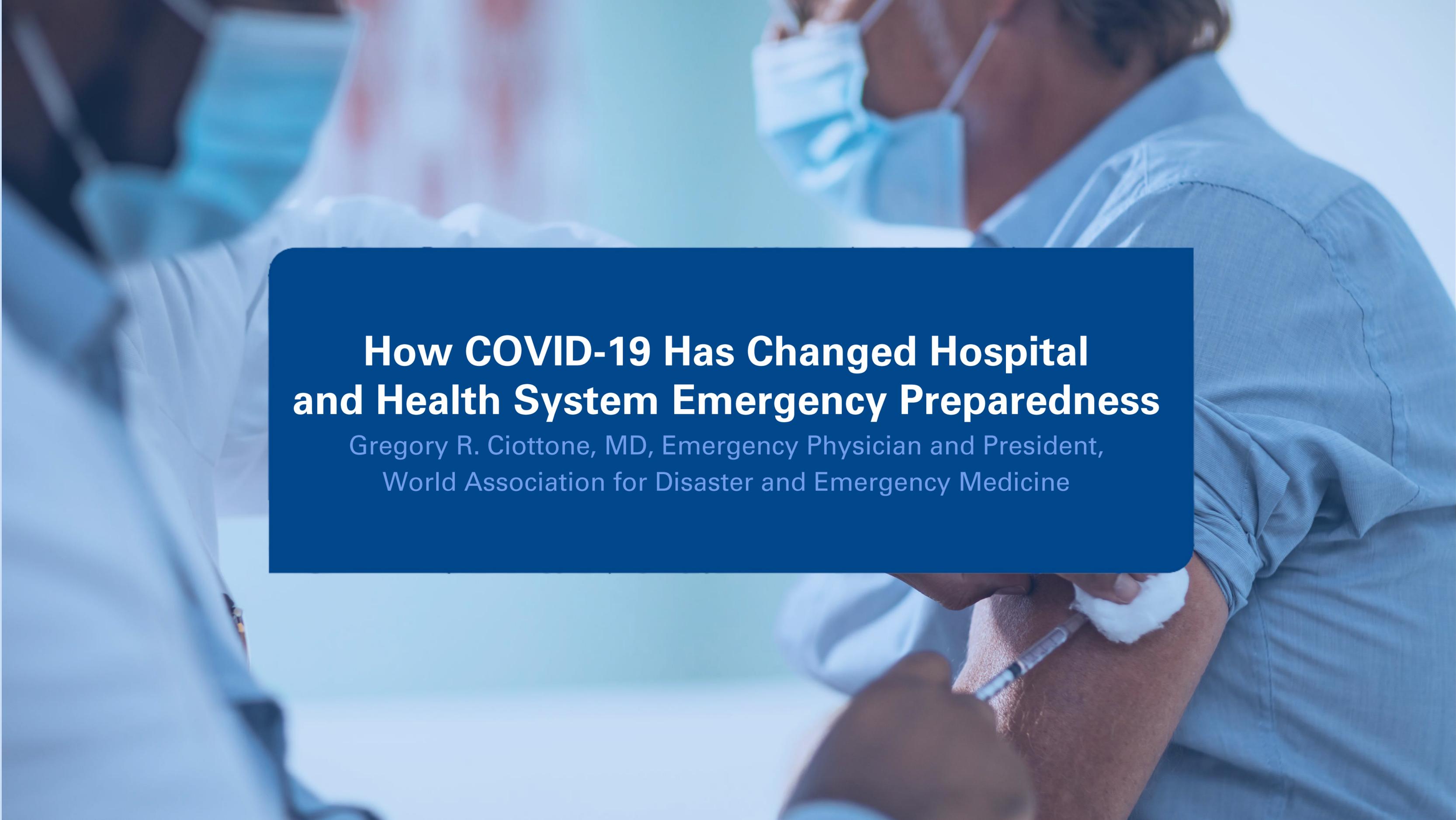
Behavioral Health

Harsh K. Trivedi, MD, President & CEO, Sheppard Pratt

Trivedi recommends:

- Develop the infrastructure
- Create linkages
- Embrace telehealth





How COVID-19 Has Changed Hospital and Health System Emergency Preparedness

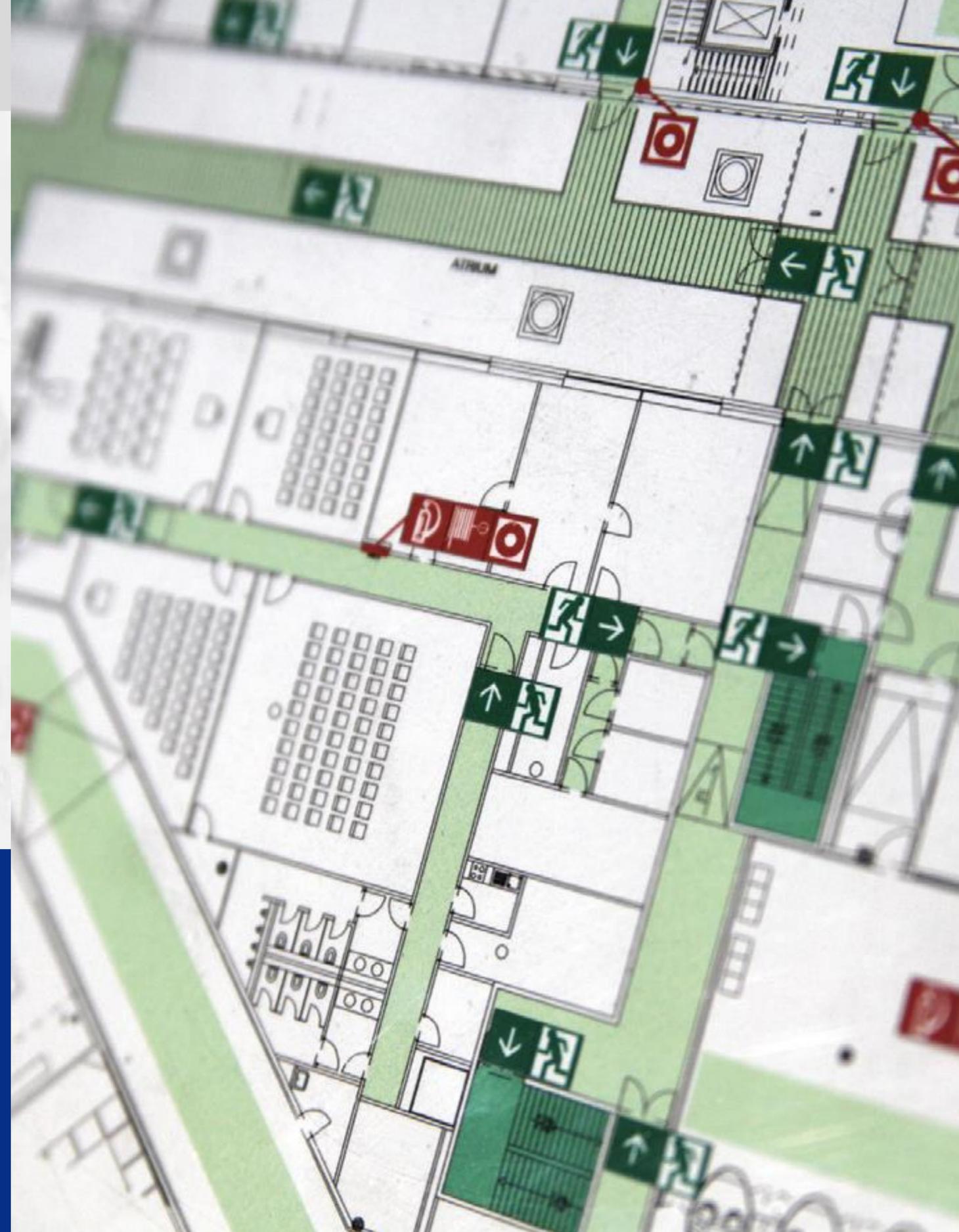
Gregory R. Ciottone, MD, Emergency Physician and President,
World Association for Disaster and Emergency Medicine

Emergency Preparedness

Gregory R. Ciottone, MD, Emergency Physician and President,
World Association for Disaster and Emergency Medicine

- The pandemic has also underscored that we need to pay more attention to emergency preparedness
- Hospitals need to be continually engaged in mitigating, preparing for and responding to the next complex disaster

“Future emergency preparedness will require a more prominent role not just in health care but in public health and society overall.”



Emergency Preparedness

Gregory R. Ciottone, MD, Emergency Physician and President, World Association for Disaster and Emergency Medicine

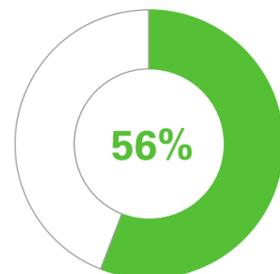
Ciottone advises:

- Teach crisis leadership skills
- All departments understand their role in a disaster
- Build relationships with other first responders in the community
- Closely link to public health for communication and interagency cooperation
- Consider the psychological toll of disasters on workforce

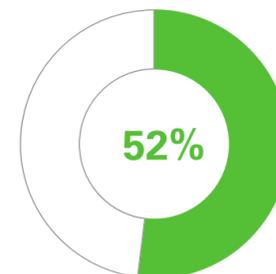


INSIGHTS FROM HEALTH CARE EXECUTIVES IN FUTURESCAN SURVEY

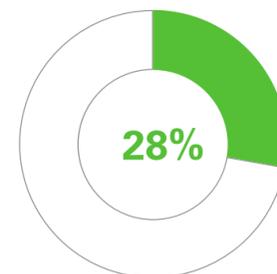
Ability to triple ICU bed surge capacity within one week, by 2027



Already have a one-month stockpile



Will likely have a one-month stockpile by 2027



56% said by 2027, their ability to triple ICU bed surge capacity within one week will be likely, very likely or already happening.

When asked about PPE, more than half (52%) of respondents reported that they already had a one-month stockpile, and an additional 28% of respondents stated that this would very likely be the case by 2027.

Conclusion

The pandemic has wreaked havoc on health care but also spurred leaders to respond creatively

Futurescan 2022 provides expert-based perspectives informed by the SHSMD Futurescan survey of the field to light the way ahead.

The Emerging Health Care System Post-COVID

Key Themes:

- Digital health
- Workforce resilience
- Address encroaching competition
- Foster diversity and inclusion
- Integrate behavioral health into the care continuum
- Respond creatively to the next health care crisis



Thank you for participating!
Questions & Answers

FUTURESCAN

Health Care Trends and Implications

2022-2027

AHA Data & Insights

Futurescan 2022-2027

- Order your print or digital copy at shsmd.org/resources/futurescan-2022
- Packages of 15 are available to share with others in your organization.
- SHSMD members receive a complimentary digital copy!

SHSMD Society for Health Care
Strategy & Market
Development™

 Foundation of the
American College of
Healthcare Executives
for leaders who care®

HEALTH ADMINISTRATION PRESS

Join SHSMD today



Society for Health Care
Strategy & Market
Development™

SHSMD.org