FUTURE SCAN
Healthcare Trends and Implications 2017–2022

The Building Blocks of Transformation

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

With support from Evariant
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Futurescan 2017–2022 focuses on:

- Hospital/Health System Integration
- Next Generation Payment Reform
- Applications for Big Data in Healthcare
- Evolution of the Healthcare CEO
- Transformation of the Healthcare Workforce
- Physician Leadership and Engagement Strategies
- Advances in Virtual Healthcare
- Innovations in Healthcare

The new Trump administration and Republican-controlled Congress will have a profound impact on these and other major healthcare issues.
For healthcare organizations to succeed in the changing landscape, they will need new capabilities that require the scale and resources that come with integration and consolidation.
The trend toward large-scale operations is continuing:

• Hospital and health system consolidations continue at a rapid pace.
• Chain pharmacies are gaining more influence over the provision of care.
• Major insurers are seeking greater scale through proposed mergers.
• Drug manufacturers are acquiring genomics companies.
To remain strong in this environment, hospitals/health systems need these capabilities:

- A broad range of convenient patient access points.
- Online patient links to scheduling, clinicians, health records, etc.
- A patient experience that recognizes socioeconomic and ethnic factors.
- Programs that manage the care of defined populations.
- Well planned services across the care continuum in strategic locations.

Continued…
• Comprehensive intelligence to inform clinical and financial decisions.
• Effective value-based payment arrangements.
• Skills to manage risk-based payments.
• Innovations that improve care and provide new revenue streams.
Few providers have the resources, talent, or technology to develop the needed scale and capabilities alone.

As a result, leaders must continue to pursue:

• Mergers and acquisitions.
• Affiliations with traditional and non-traditional providers.
• Creative partnerships, that will increasingly evolve into more fully integrated arrangements.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

62% THINK THEIR ORGANIZATION WILL ENTER INTO A MERGER OR OTHER AFFILIATION WITH ANOTHER ORGANIZATION.
Two payment systems will dominate the transition to value-based care.
CMS is placing increased emphasis on episode- and population-based payment.

Early results are positive but not overwhelming.

- Implementation has been challenging.
- Only modest savings achieved to date.
Key insights for the future:

- Population-based payment is likely to accelerate and may be more likely to expand in markets dominated by large providers.
- Markets that are fragmented are more likely to see the development of episode-based payment models.

SAY MORE THAN HALF OF HOSPITAL REIMBURSEMENTS WILL BE POPULATION BASED IN FIVE YEARS.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

68%
Leaders need to adapt by:

• Shifting their mind-set from “hospital manager” to “population manager.”
• Changing the measures of success.
• Building new data capabilities.
• Expanding their continuum of care.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

46% THINK HOSPITALS WILL ACQUIRE ADDITIONAL POST-ACUTE CARE PROVIDERS.
The advent of big data is revolutionizing the delivery of healthcare in ways futurists only imagined a few years ago.
Three developments are influencing the use of big data:

1. Increasing availability of data at a large scale.

2. The scaling-up of computer systems and adoption of secure cloud computing technologies.

3. Increased sophistication of analytics and cognitive technologies.
As healthcare evolves, leaders can anticipate several changes:

- Big data will play a heightened role in directing patient care.
- There will be increased use of natural language processing technologies.
- E-health providers and retail clinics will increasingly integrate their services with hospitals.
- HIPAA-enabled cloud applications will facilitate improvements in healthcare.

91% of healthcare leaders predict clinicians will use computer-generated “pathways” to deliver optimal care to individuals.
To leverage advancements in big data, hospitals and health systems need to be prepared to:

- Adopt technology that supports care management across the continuum.
- Implement sophisticated IT systems that enhance medical decision making.
- Expand clinicians access to population-level health and wellness data.
- Provide physicians with computing and analytics capabilities necessary to deliver personalized care.
The CEOs of the future must have a keen ability to transform their organizations to provide care differently using an entirely new set of tools.
Achieving this goal will be challenging in the volatile healthcare environment.
These changes are complex and interrelated, and must be managed in a way that balances individual health with population health.
Striking this balance will require leaders to:

- Simultaneously achieve performance improvement and superior patient outcomes.
- Engage providers to move toward population health.
- Incentivize the entire organization to support the transition to value-based care.
- Consider the acquisition or development of an insurance product.

Continued…
• Quickly adapt to consumer demands for more connectivity and communication.
• Establish creative partnerships and make adept decisions about when to build versus buy.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

BELIEVE THEIR HOSPITAL WILL PARTNER WITH OTHER ORGANIZATIONS TO PROVIDE CERTAIN HEALTHCARE SERVICES. 92%
Interwoven in the transformation of healthcare are profound shifts in the composition of the workforce at hospitals and health systems.
Today, healthcare leaders are managing four generations of employees:

- **BABY BOOMERS**
  - Born 1943–1964
  - (Age 53–74)

- **GENERATION X**
  - Born 1965–1979
  - (Age 38–52)

- **MILLENNIAL GENERATION**
  - Born 1980–1997
  - (Age 20–37)

- **GENERATION Z**
  - (Age 1–19)

BELIEVE THEIR ORGANIZATION’S HUMAN RESOURCES TRAINING, REWARDS, AND RECOGNITION WILL BE DESIGNED TO SUPPORT THE NEEDS OF THE DIFFERENT AGE GENERATIONS.
Just as important as generational differences is the ever-increasing diversity of the workforce, in terms of:

- Gender
- Culture
- Race
- Ethnicity
- Socioeconomic factors

What healthcare leaders predict by 2022

84% predict their hospital will establish a strategic goal to have its workforce reflect the diversity of the communities it serves.
These dynamics require new capabilities and strategies to lead the workforce into the future, including the ability to:

- Approach challenges as opportunities for improvement and innovation.
- Understand the evolving expectations of caregivers and staff.
- Recognize that all employees have unique strengths to be leveraged.

Continued…
• Build diverse, multigenerational, and multidisciplinary teams that work effectively together.
• Keep the workforce vital, vibrant, and healthy.
• Develop strategies to improve hiring and address turnover.

BELIEVE DIVERSITY WILL BE A CRITICAL SUCCESS FACTOR FOR CLINICAL AND NON-CLINICAL TEAMS.
When executives engage physicians and involve them in organizational leadership, hospitals and health systems achieve significant improvements in the quality of patient care.
During these challenging times, leaders can effectively engage physicians by:

- Helping them understand how the changes in healthcare will impact their medical practices and their patients.
- Supporting doctors through the transition by providing the guidance and resources they need to be successful.
- Developing open, trusting relationships with physicians.
Placing physicians in leadership positions is important for several reasons:

- Experts believe meaningful change in delivery systems must be led by professionals providing care.
- Hospitals with physician CEOs achieve higher quality scores.
- Doctors can draw on their medical experience to predict the impact administrative decisions may have on patients.
Engaged physician leaders can play a vital role in the transition to value-based care by:

- Positively promoting change management among the medical staff.
- Participating in organizational performance improvement initiatives.
- Supporting upgrades to information technology that drive value.

Continued…
• Working collaboratively with administrators to bridge the gap between the clinical and financial aspects of medicine.
• Providing senior management with expert insights into the clinical implications of operational decisions.
• Convincing their peers that organizational financial viability supports the mission of patient care.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

97%
BELIEVE THEIR HOSPITAL WILL INCREASE COOPERATION WITH PHYSICIANS TO ACHIEVE GREATER STRATEGIC ALIGNMENT.
Virtual care is transforming medicine by expanding access for patients and providing clinicians with more efficient and cost effective ways to deliver care.
The trend toward virtual care is the result of several factors:

- The shift from volume to value.
- Consumers and employers demand for quicker and easier access to quality, lower-cost healthcare.
- America’s aging population requires more medical services.

WHAT HEALTHCARE LEADERS PREDICT BY 2022

Forecast at least 25 percent more patients will use virtual care to obtain more convenient and timely care.
Integrating virtual care can create a pathway to value and provide a competitive advantage.

Keys to getting started include:
• Incorporating virtual care into your strategic plan.
• Planning your capital expansion strategy carefully.
• Collaborating with leaders in the field.
• Engaging the whole organization.
Advances in medical technologies are growing exponentially. Providers must be prepared to harness these innovations to improve the quality, efficiency, and effectiveness of patient care.
Breakthroughs in the following areas could reshape the practice of medicine in the near future.

- **3D Printing**: Researchers hope to expand its use to develop increasingly complex organs and replacement body parts.
- **Machine learning and AI**: Advances may enable clinicians to use algorithms to analyze patients’ health, diagnose problems and more.

*Continued...*
Wearables: Soon it may be common for consumers to wear technology that captures vital signs data and monitors their health 24 hours-a-day.
• **Genomics:** New technologies could make it possible to sequence patient genomes to determine optimal care.

• **Robotic surgeries:** A new generation of robots will likely perform procedures with enhanced precision and accuracy.

• **Mobile telepresence robots:** Robots with greater autonomy will likely perform procedures such as coronary artery bypass and hip replacement.

**WHAT HEALTHCARE LEADERS PREDICT BY 2022**

33% forecast their hospital will use robots with greater autonomy to perform certain common surgeries.
Stem Cells: Advances may lead to more effective treatments for heart disease, cancer, brain disorders, and other conditions.

45% believe stem cell therapies will benefit patients in their service area.
Exponential technologies will become a core responsibility for executives, who must do the following:

- Stay informed.
- Anticipate the future.
- Embrace rapid change.
- Swiftly adopt innovations in care and operations.
CONCLUSION
In the new healthcare and political environment, leaders must stay abreast of the trends highlighted in *Futurescan* to help their organizations successfully navigate the changing waters ahead.
The voyage will require:

- A deep understanding of the issues covered in the report.
- A focused analysis of what matters most.
- An ability to translate intelligence from the field into action.
Discussion Questions

• What issues identified above are or are most likely to affect our organization?
• How are we addressing them?
• Are there any additional issues or trends that we as leaders should be strategically addressing or monitoring?
• Of the issues we identified, what are the top five to seven that we should be focusing on over the next three to five years?
• Which of these should be our top priorities?
• How will these issues affect our strategic plan?
• What should we as a board be doing to monitor and stay abreast of key environmental issues and trends?
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