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**SUPPLIER IMPACT & RECOGNITION SUMMIT**

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# State of Healthcare: What you Need to Know

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# Current Healthcare Trends



# Several Megatrends Continue to Shape Healthcare as the Industry Recovers from the COVID-19 Pandemic

## Trust and Equity



The new health ecosystem shifts to address key trust issues, including gaps in health equity and data breaches.

## Resiliency



The industry begins to rebuild in earnest, with a more intentional focus on resiliency - with an eye towards inflation and shifting labor markets

## Medical cost trend



After a year of big year of uncertainty medical cost trends dip down in 2022, with a number of contributing inflators and deflators.

## Digital displacement



Healthcare organizations begin to enhance digital experiences for consumers and clinicians, while rethinking clinical trials and research.

## Mental health



The stress of the pandemic and the economy weighs heavy on the American public, showing higher levels of anxiety and depression -- with a frontline clinical workforce absorbing the brunt of the impact.

## Convergence (?)



With the exception of a few niche digital pure plays the industry has demonstrated both supply and demand side economics have favored consolidation - now will policy continue to support the trend

*The pandemic has added momentum to pre-existing demand and accelerated the emergence of new models*

# Key Trust Issues

*Signs of today's low-trust model indicate declining consumer trust over the past two years. The new health ecosystem is shifting to address these key trust issues, including **gaps in health equity** and **data breaches**. The future health ecosystem is removing roadblocks and becoming more trusted by:*



Investing in developing a better **understanding of individuals and communities**

... to address chronic disease burden and healthcare disparities exacerbated by the pandemic



Adopting better processes for **sharing and protecting data**

...to rebuild consumer trust lost as a consequence of the toll healthcare data breaches have



Making more **fact-based data and information** available to consumers

...to combat vaccine hesitancy and the threat it poses to pandemic recovery



Better **listening to employees, caregivers, and customers**

...to ensure working conditions support a healthful and productive environment (especially for heavily impacted clinical staff)

## Implications

Chronic disease burden and healthcare disparities have been growing. The pandemic has laid bare fault lines in the healthcare system and highlighted socioeconomic and racial divides that have been prevalent but ignored by many. COVID-19 added momentum to pre-existing demand for total health and equity.

Shifting trends calls for increased adoption of care anytime, anywhere and on-demand with a focus on convenient and digital experiences that consider specific steps to assess and design for the needs of marginalized and impacted communities.

# Resiliency

*In the wake of the COVID-19 pandemic, the industry has begun to rebuild, with a more intentional focus on resiliency, developing **advanced forecasting systems**, reshaping business portfolios and creating a more nimble and transparent supply chain.*



Forecasting is crucial for CEOs and healthcare executives as they begin to rebuild in earnest. Analyzing historical trends and claims reviews are no longer sufficient tools for managing impact. Leaders have begun developing:

- ❑ Forecasting systems applying **real-time insights** to identify early warning signs and allow for dynamic planning that helps to predict supply/demand
- ❑ Tools that facilitate **local collaboration**, utilizing collective community data to drive regional approaches

## Implications

**Re•sil•ience:** the capacity to recover quickly from difficulties, toughness. The ability to spring back into shape; elasticity.

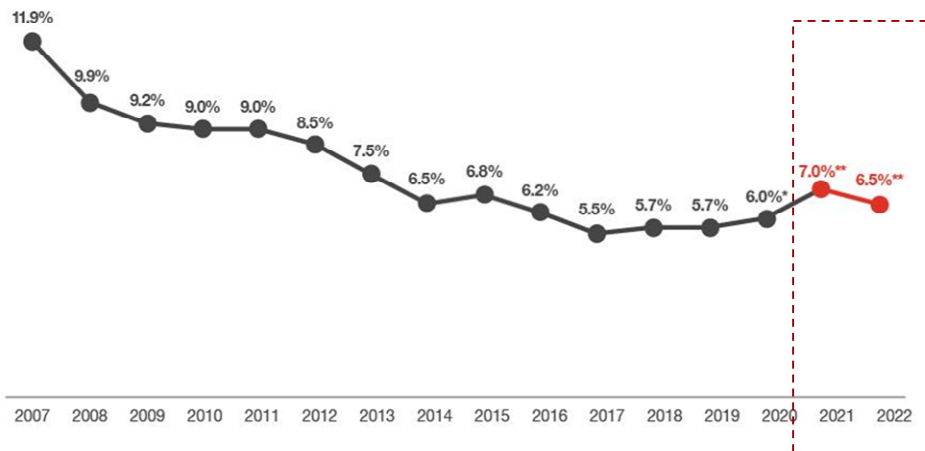
Developing the right sensors to alert leaders of important shifts ahead is not a one-time exercise and a forecasting model, no matter how powerful, is not omniscient. Leaders and organizations will have to practice dynamic planning in order to sharpen their senses (and stay ready).

Fueling forecasts with real-time local data that contextualizes people's lives can help reconnect patients to the healthcare system in meaningful ways. Developing targeted marketing and communication strategies can help patients feel safe and avoid waves of disrupted care, leading to healthier consumers, cost savings, and less waste.



# Decreasing Medical Cost Trend

*The medical cost trend for 2022 is projected to decrease to 6.5%, down from 7% in 2021. The pandemic reshaped Americans' lives and made a pronounced impact on how and where they gain access to care, a shift large enough to influence multiple aspects of price and utilization and, thus, medical cost trend.*



## Implications

**Pandemic fallout** has led to increased utilization of care and services. Healthcare organizations are on track to make investments in real-time data collection and reporting, as well as research and planning to help better address health disparities, which will provide an improved understanding of the patients being served and how to best manage their care. These are **key inflators of medical costs for 2022**.

**Deflators** of medical costs include consumers leaning into lower-cost sites and care + health systems leveraging technology to reduce medical and administrative costs and provide more healthcare for less.

# Digital Displacement

*Building on the lessons learned from the sudden 2020 virtual experiment, healthcare organizations have begun to enhance the digital experiences for consumers **and clinicians** while rethinking clinical trials and research.*

Until now the health industry has focused more on ease and simplicity of technology solutions for consumers, and less for the clinicians who treat them, but that is changing. With telehealth going mainstream as a by-product of the pandemic, health ecosystems are morphing to mesh the local and the virtual in ways that benefit the patient consumer and the clinician.

## MORE LOCAL

...winning trust and maximizing impact on communities, caregivers, and clinicians



## MORE GLOBAL

...tied into the ecosystem through care networks, integrated data and community partners

## FEET ON THE GROUND

...rethinking the network of care to get closer to the consumer



## HEAD IN THE CLOUD

...delivering care digitally: more efficiently and dynamically



## Implications

Healthcare organizations can achieve efficiency with better digital relationships, but will need to partner in order to successfully transform in the new ecosystem.

The right digital tools for clinicians can improve the provider experience and serve as an opportunity for growth by automating administrative tasks freeing up time for them to focus on building patient/provider and provider/provider relationships.




Healthcare organizations should set an example for other industries by offering a menu of mental health benefits, including digital therapies, to their employees who as essential workers have arguably been under more stress during the pandemic than others. A one-size-fits all strategy for improving clinical satisfaction will not work, but prioritizing clinicians' mental health is important to reinforce and spread practices throughout the organization that align with company values.



# Mental Health

*The stress of the pandemic and the economy weighs heavy on the American public, showing higher levels of anxiety and depression -- with a frontline clinical workforce absorbing the brunt of the impact.*

The pandemic's effect on Americans' mental health is staggering. When asked in a recent HRI survey 'Have you experienced any symptoms of anxiety or depression as a result of the COVID-19 pandemic?' responses were telling.

Income 	Race 	Insurance Status 
<b>43%</b> \$25K - \$40K	<b>44%</b> Latinx	<b>48%</b> Medicaid

Furthermore, **36%** of healthcare clinical workers reported symptoms of anxiety or depression as a result of the COVID-19 pandemic, but only 12% said their employer had offered them new mental health benefits to cope with the pandemic.

## Implications

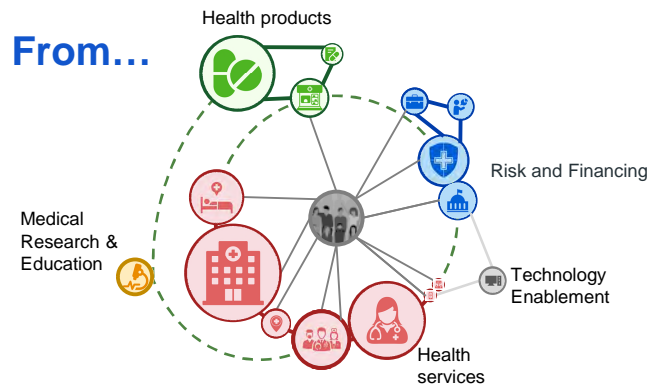
In the wake of the pandemic, healthcare organizations will need to recommit to **prioritizing the health and wellbeing of clinical staff and leaders**. This is not only imperative for staff satisfaction and retention, but also has **downstream implications on the quality of patient care**.

Telehealth presents many opportunities as a new healthcare channel, including managing mental health conditions brought on by the pandemic. Virtual care delivery may improve the ability to personalize mental health issues. Several elements are crucial to success:

- ❑ Care delivery must be orchestrated in a way that mitigates reimbursement issues
- ❑ Virtual modalities may cause new inequities that lack technology or bandwidth; careful design and simplicity is key
- ❑ Leaders should bear in mind: happy clinicians are the best ambassadors for virtual care, of mental health or other conditions

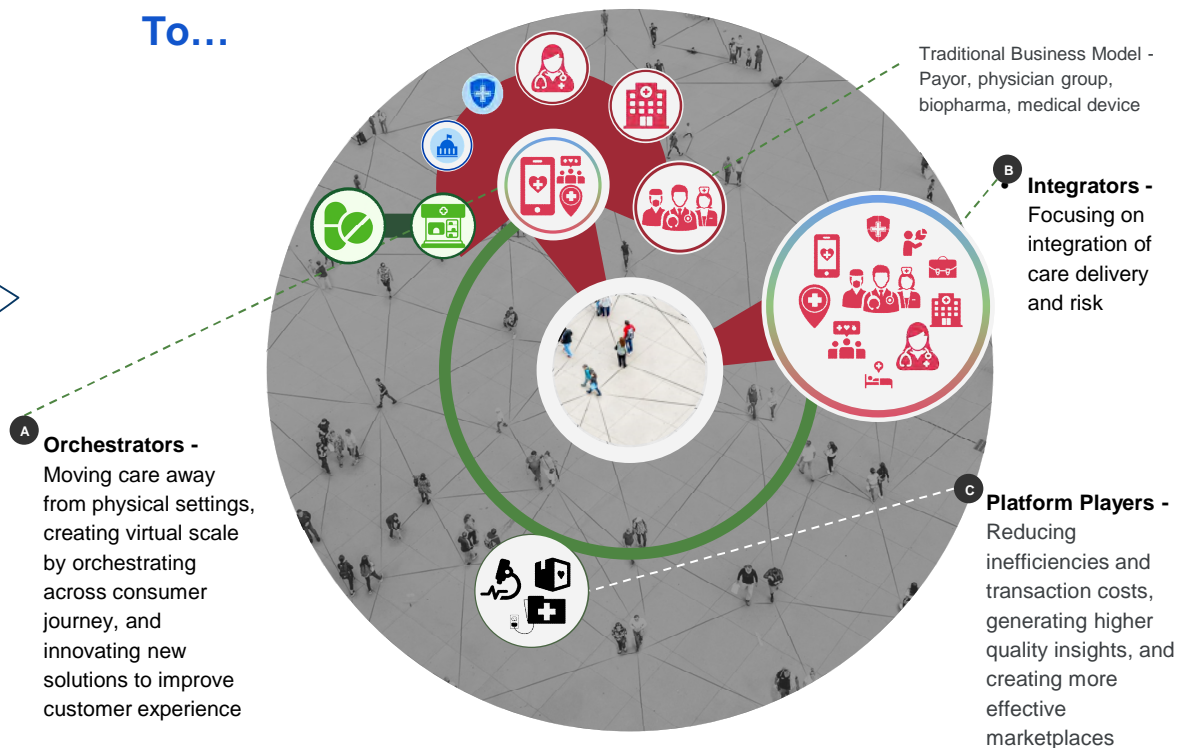
## Convergence With A ... ?

*Following a trend of winners growing and consolidating, COVID further demonstrated the strength of integrated economics and shared risk given tailwinds to converging models - questions are emerging on how Biden administration signals may temper that trend.*



## Implications

To...



# Needs, Priorities, and Market Solutions for Kaiser Permanente

Carlos Aguilar,  
Vice President, Sourcing

# Potential Near-Term Opportunities

Asset Counting	Express and Ground Shipping	Parking Lot Sweeping Services
B2B Marketing Agency	Furniture Products and Related Services	Print and Copy Services
Batteries (Hearing Aid as well as AA, 9V, Watch, etc.)	Furniture Products and Services	Print Fulfillment Services
Billing/Collections Workers Comp Claims	Ground Medical Transportation	Promotional Products
CAHPS Survey	Industrial Water Treatment Services	Silver Recovery Services
Can Liners	Janitorial Services	Specialty Shelving and Casework
Creative Marketing Agency	Maintenance, Repair and Operations Products	Uninterruptible Power Supply Maintenance
Dental Services Third Party Claims Administration	Medical Gases and Related Products	UV Disinfection Machines
Disposable Cubicle Curtains	Medical Refrigerators Equipment Products	Vertical Transportation Maintenance Services
Distribution of Specialty Respiratory Products	Moving, Storage, Staging, and Deployment	Video Remote Interpretation Services
Oxycide cleaning chemicals	Onsite Interpreter Services	Virtual Sitters
Environmental Services Distribution	Optometry Staffing	Written Translation services
Ergonomic Office Products	Over The Phone Interpretation Language Services	