



REVENUE CYCLE VIRTUAL SYMPOSIUM 2021

Future in focus

Presented by:

Andrew Sudimack

Agenda

- Healthcare In The Last Decade
- Healthcare Policy
- Technology
- Healthcare Provider Market

Your presenter



Andrew **Sudimack**

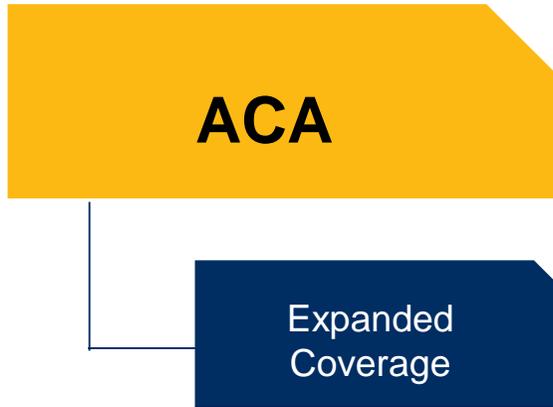
CPMA Manager

Mr. Sudimack is a Manager within Crowe's Healthcare Consulting practice. He has over 10 years of diverse healthcare experience, including clinical, laboratory, project management and revenue cycle consulting. His role within Crowe is focused on data analytics and engagement delivery within the Clinical Revenue Management team.

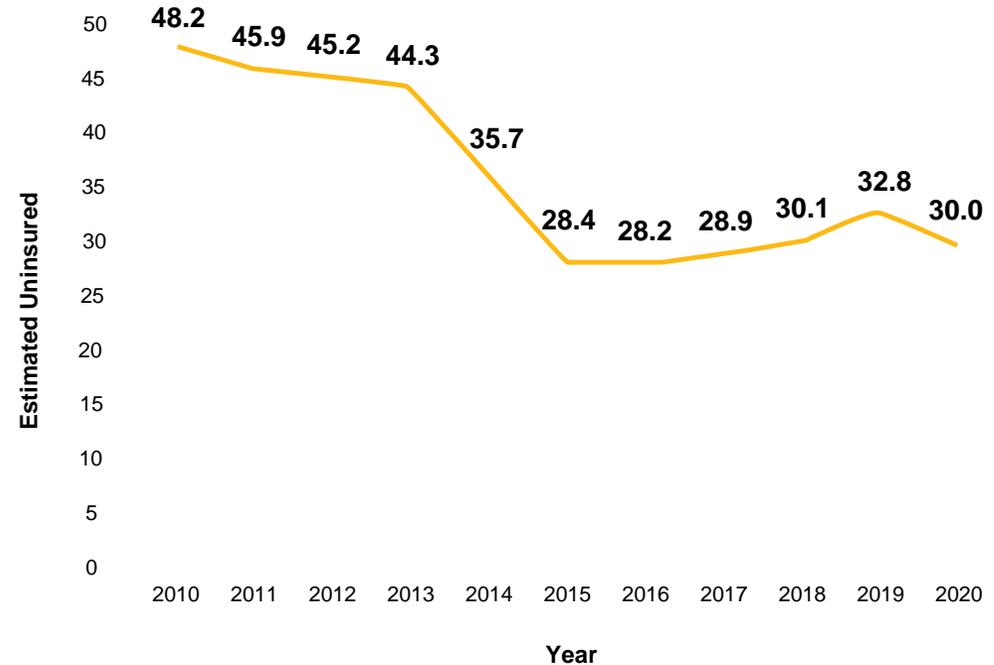
Looking Back

HEALTHCARE IN THE LAST DECADE

Lasting impact of the Affordable Care Act

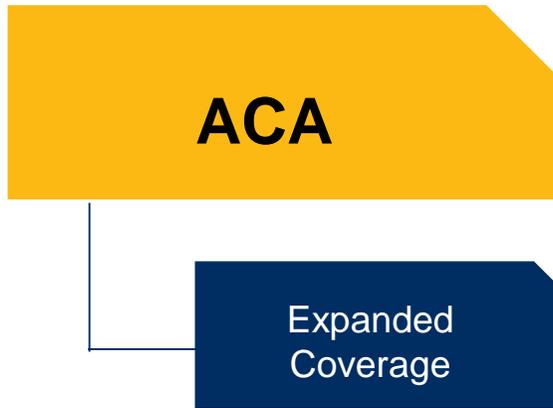


**U.S. Nonelderly Uninsured Population,
2010-2020 (in millions)**

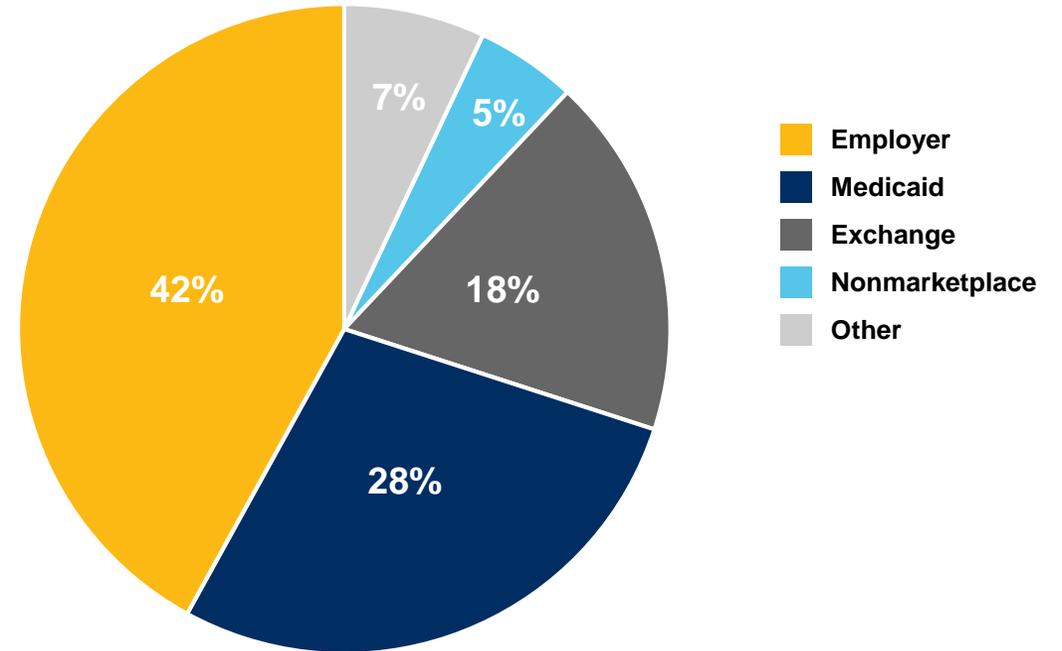


Source: Early release of estimates from the National Health Interview Survey, 2010-2020. National Center for Health Statistics. Available from www.cdc.gov/nchs/nhis/healthinsurancecoverage.htm. 2020 estimates are for January-June only.

Lasting impact of the Affordable Care Act

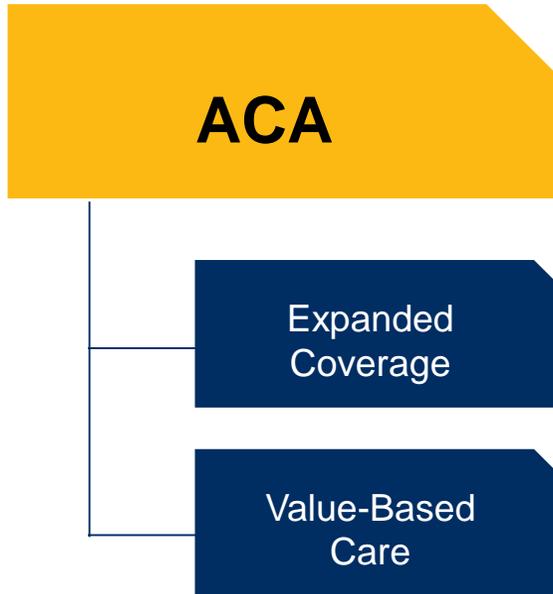


Breakdown of Coverage Among Newly Insured
(Oct 2013 – April 2015)

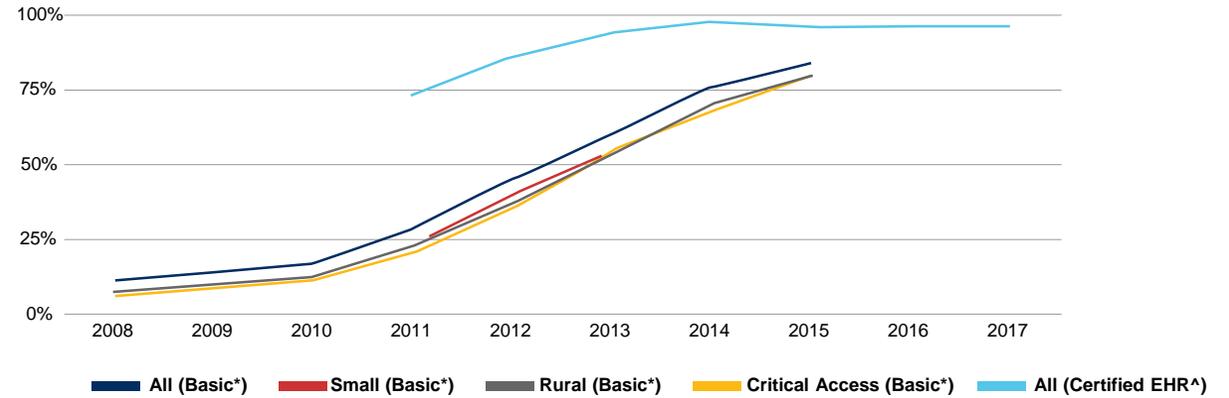


Source: RAND

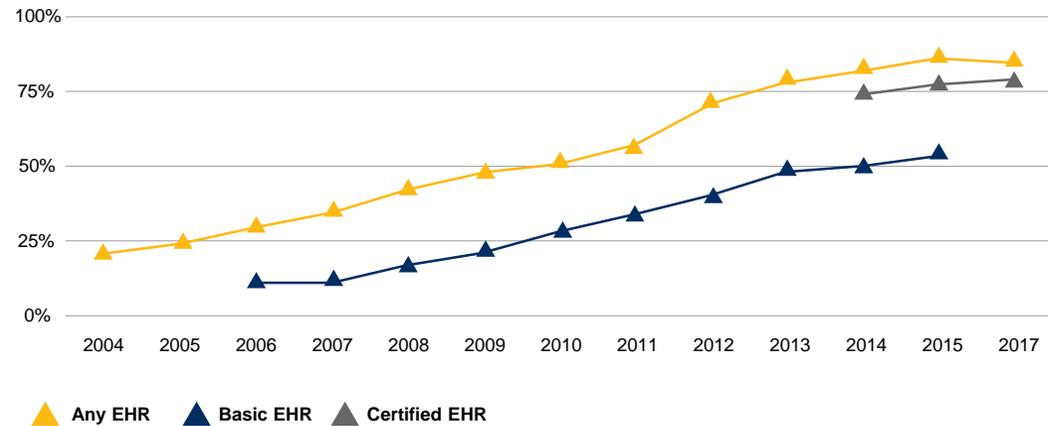
Lasting impact of the Affordable Care Act



Non-federal Acute Care Hospital EHR Adoption

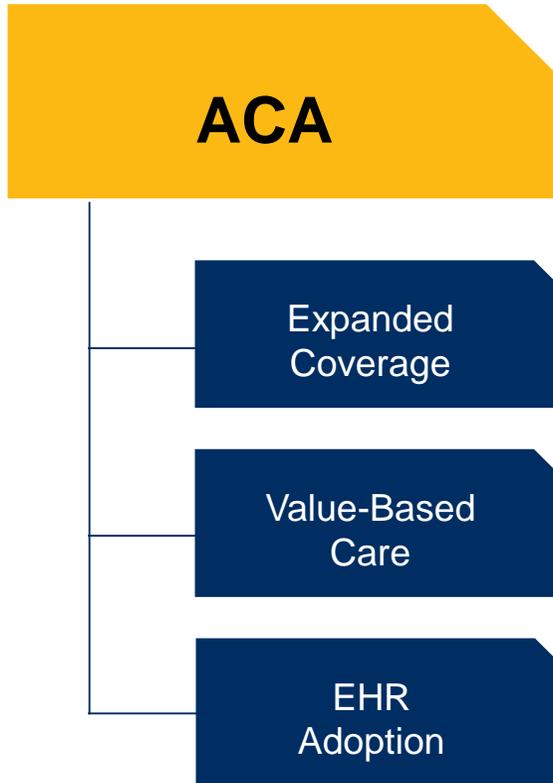


Office-based Physician EHR Adoption

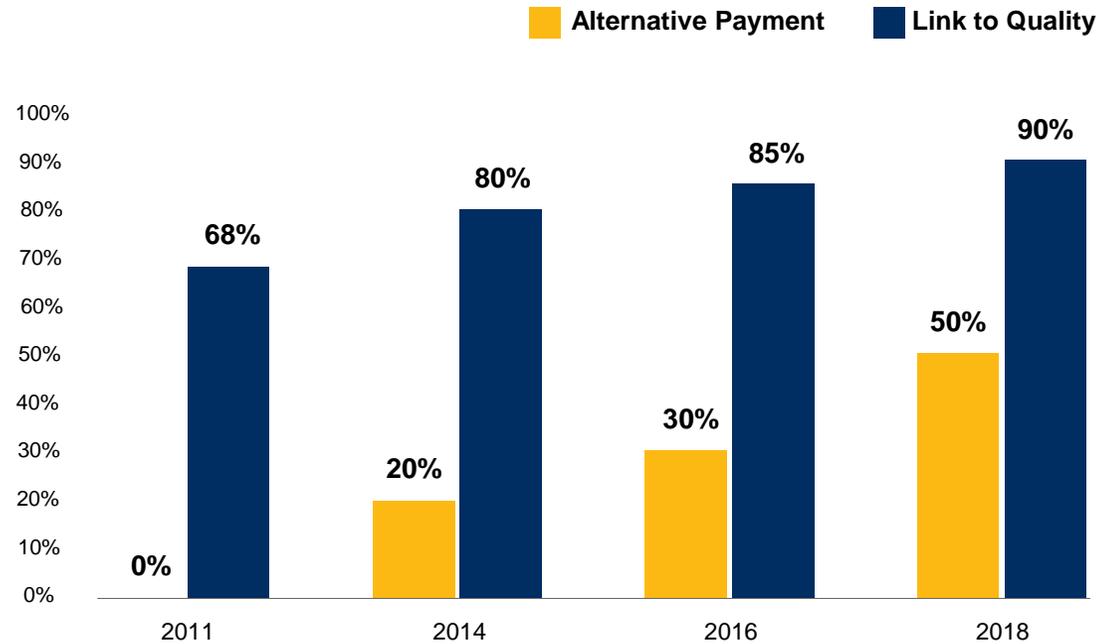


Source: HealthIT.gov

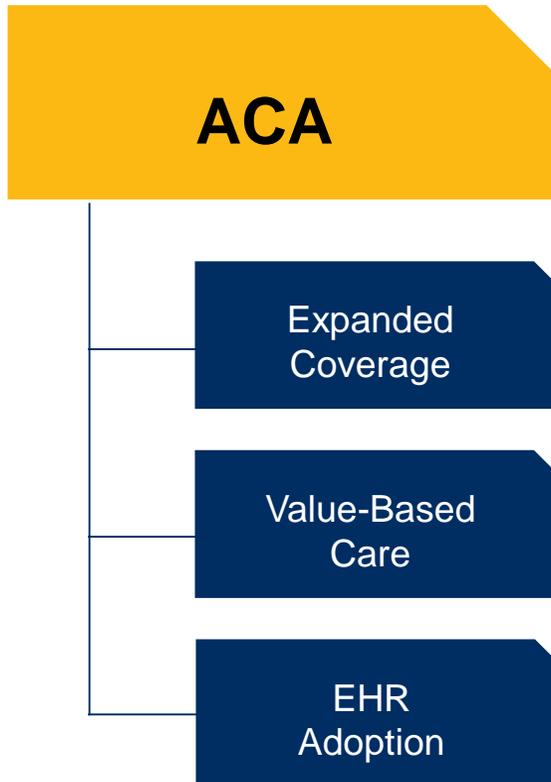
Lasting impact of the Affordable Care Act



Percent of Medicare FFS Payments



Lasting impact of the Affordable Care Act



Lasting impact on healthcare providers:

- **Increased** patient volumes
- **Reduced** uncompensated care
- **Reduced** Medicare payments
- **Forced** modernization and digitization of hospital systems

Other notable trends in healthcare over last 10 years



Consolidation



Big Tech/ Big Data



**Rise of
consumerism**

COVID-19

How the pandemic will shape the future of Healthcare

COVID-19's impact on healthcare industry

- **Exposed significant vulnerabilities and risks** within current healthcare delivery and reimbursement models
- **Accelerated development and adoption timelines** of technology and treatment advancements
- **Altered patient behavior** with respect to medical care
- **Emphasized need for public health** and interoperability
- Additional, unknown consequences

COVID-19's impact on healthcare industry

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Temporary vs. Permanent?

Future in focus

HEALTHCARE POLICY

Biden-Era Healthcare Policy

1

Expand **Coverage**

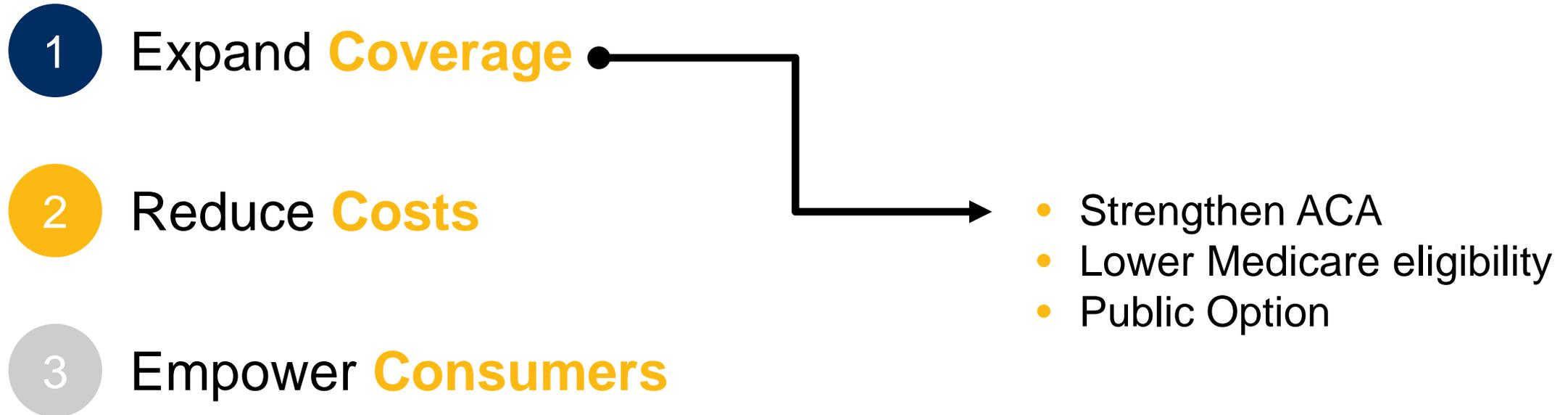
2

Reduce **Costs**

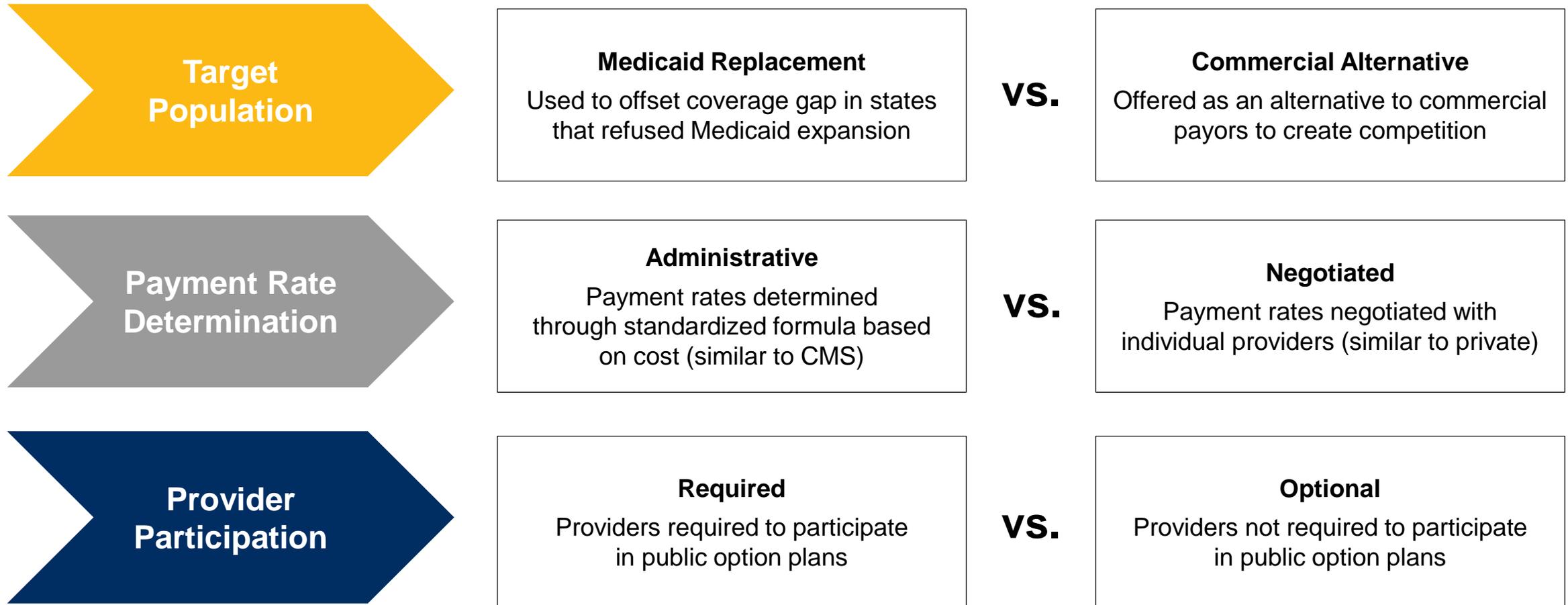
3

Empower **Consumers**

Biden-Era Healthcare Policy



Implementing a public option – potential approaches

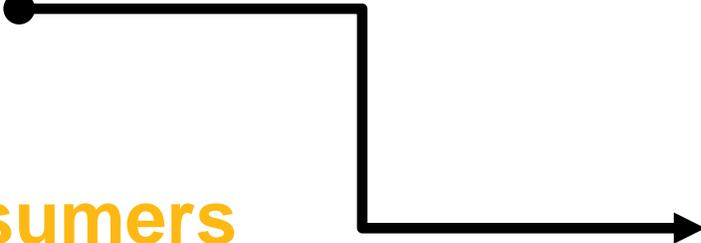


Biden-Era Healthcare Policy

1 Expand **Coverage**

2 Reduce **Costs**

3 Empower **Consumers**

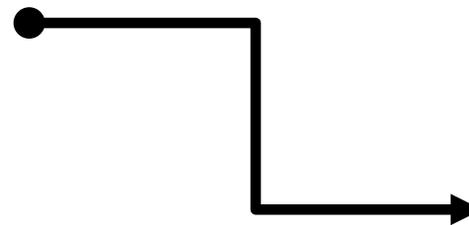
- 
- Value-based care
 - Promote outpatient alternatives
 - Prescription drug pricing

Biden-Era Healthcare Policy

1 Expand **Coverage**

2 Reduce **Costs**

3 Empower **Consumers**



- Pricing transparency
- Surprise billing regulations
- Digital health expansion

Future in focus

TECHNOLOGY

“Digital health is dead”

- Rob Coppedge, CEO Echo Health Ventures

Digital health is Healthcare

5G potential to revolutionize healthcare industry



Access

Greater coverage in rural areas will eliminate physical barriers to care



Bandwidth

Potential to support 25x more devices than 4G provides bandwidth for expanded IOT



Speed

Significant reduction in latency allows for instantaneous transmission of data

Expansion of digital health in three areas



Telemedicine



**Wearables and
Remote Monitoring**



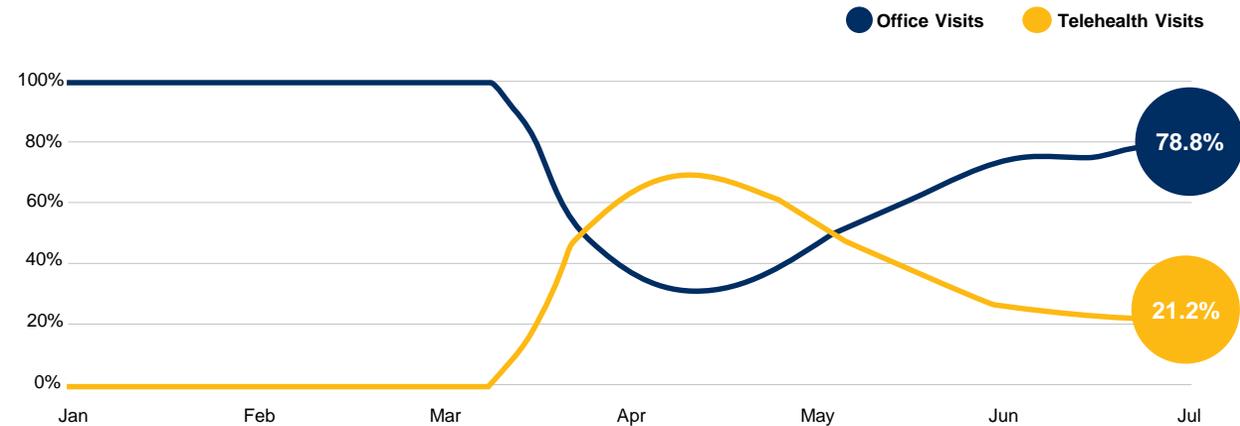
**Care Management
and Navigation**

Telemedicine boom during COVID

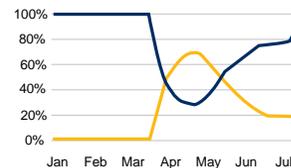
50-175x

Increase in telemedicine visits in 2020

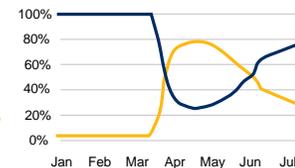
Ambulatory Visits – U.S.
(163,251,526 Total)



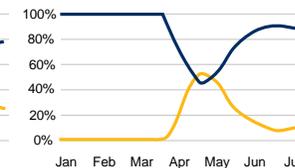
Midwest (33,023,172)



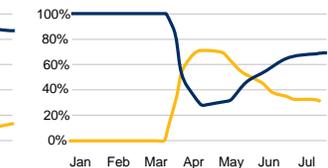
Northeast (63,653,835)



South (43,756,594)



West (22,817,925)



Telemedicine outlook post-pandemic

Historical barriers to telehealth adoption:

- Lack of familiarity/ resistance to change
- Patient access to technology and internet
- Limited coverage and reimbursement
- Red tape (e.g. licensing requirements)
- Safety and privacy concerns
- Provider liability

Telemedicine outlook post-pandemic

Historical barriers to telehealth adoption:

- Lack of familiarity/ resistance to change
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Since beginning of pandemic

49%

of patients used telehealth in 2020 (compared to 11% in 2019)

74%

of millennials prefer telehealth visits to in-person exams

80%

of providers used telehealth in 2020

59%

of providers viewed virtual visits to be as effective as in-person

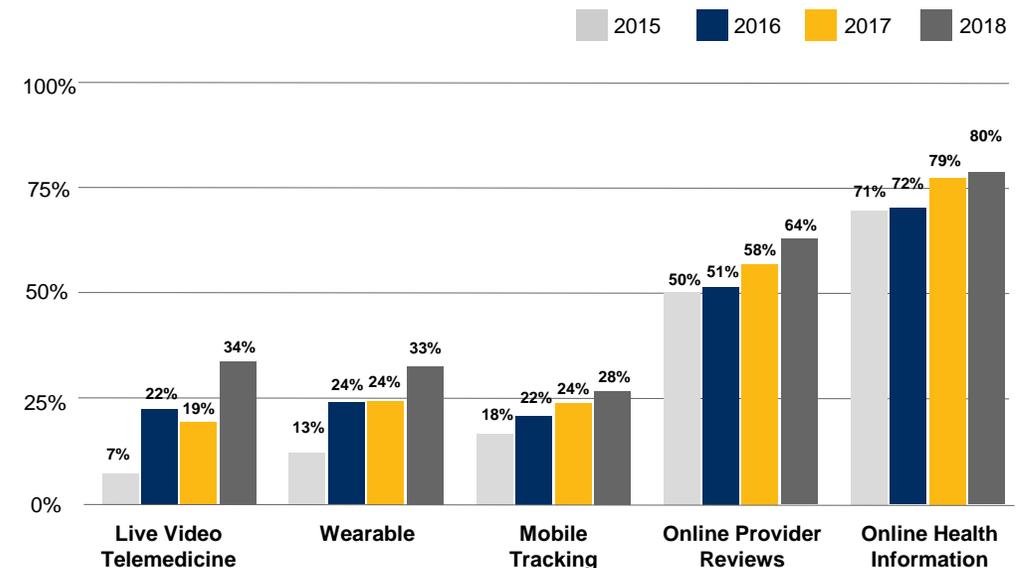
112

new services added to CMS permanent telehealth coverage list in 2021

Wearables and remote monitoring

- **Rapid expansion** in number and type of remote monitoring or wearable devices over last 5 years
- **In addition to boost during pandemic**, various factors driving surge in RPM market:
 - Increased IOT capacity with 5G
 - Expanded coverage and reimbursement for RPM services
 - Increasing sophistication of wearable technology
 - Collaboration between Big Tech and EHRs to facilitate integration and enhance monitoring capabilities
- **Promising developments** in miniaturizing technology expected to play significant role in future of RPM

Adoption of Digital Health Tools
(2015-2018)



Source: Rock Health Digital Health Consumer Adoption Survey – 4,000; - 3,997; -4,055, -4017

Care Management and Navigation

- **Emerging category** of consumer-focused apps aimed at providing holistic support and coaching across various aspects of patient experience
 - Chronic care management
 - Healthcare navigation
- **Typically contracted** by payor to prevent unnecessary care and reduce cost
- **Navigation apps** expected to play significant role in consumer empowerment moving forward
 - Price shopping
 - Quality ratings
 - Care recommendations



Future in focus

HEALTHCARE PROVIDER MARKET

Healthcare provider and consumer market predictions

Consumerism

Consumerism is becoming the dominant force in healthcare market

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What do consumers want?

Consumerism is becoming the dominant force in healthcare market

What do consumers want?



Convenience

Consumerism is becoming the dominant force in healthcare market

What do consumers want?



Convenience



Control

Consumerism is becoming the dominant force in healthcare market

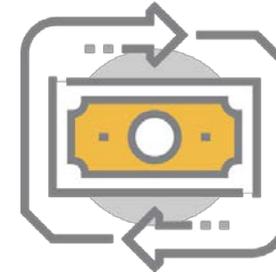
What do consumers want?



Convenience



Control

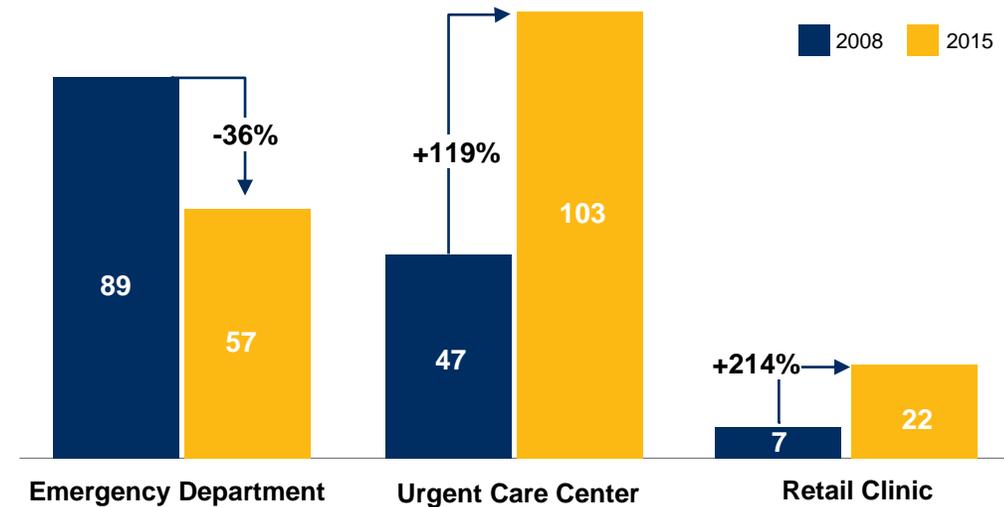


Value

Consumerism is becoming the dominant force in healthcare market

Even prior to pandemic, patients have been increasingly leveraging more decentralized, cost-efficient care options.

U.S. Patients are forgoing Traditional Hospital Services for Urgent and Retail Care Clinics
(Visits per 1,000 patients)



Note: For treatment of low-acuity conditions (e.g. rashes and respiratory infections).
Source: JAMA, N=20.6 million visits, 2018

Consumerism is becoming the dominant force in healthcare market

- **Even prior to pandemic**, patients have been increasingly leveraging more decentralized, cost-efficient care options
- **Pandemic fueled this trend further**, with hospitals limiting care to potential COVID patients and cancelling elective procedures



49%

say that having **convenient locations** is a primary driver for their **healthcare decision making**

52%

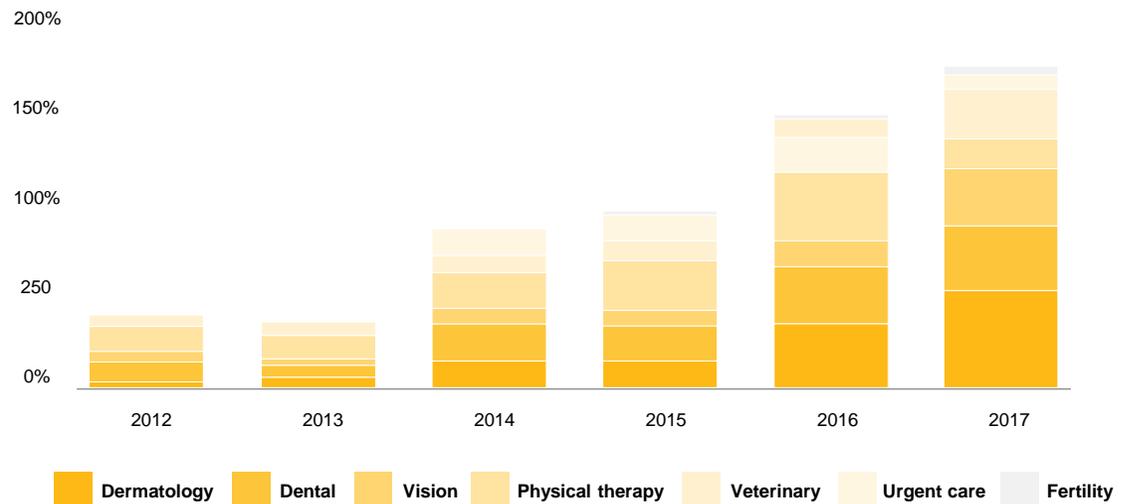
say that **convenience** is their second-most important driver for **brand choice**

Source: NRC

Consumerism is becoming the dominant force in healthcare market

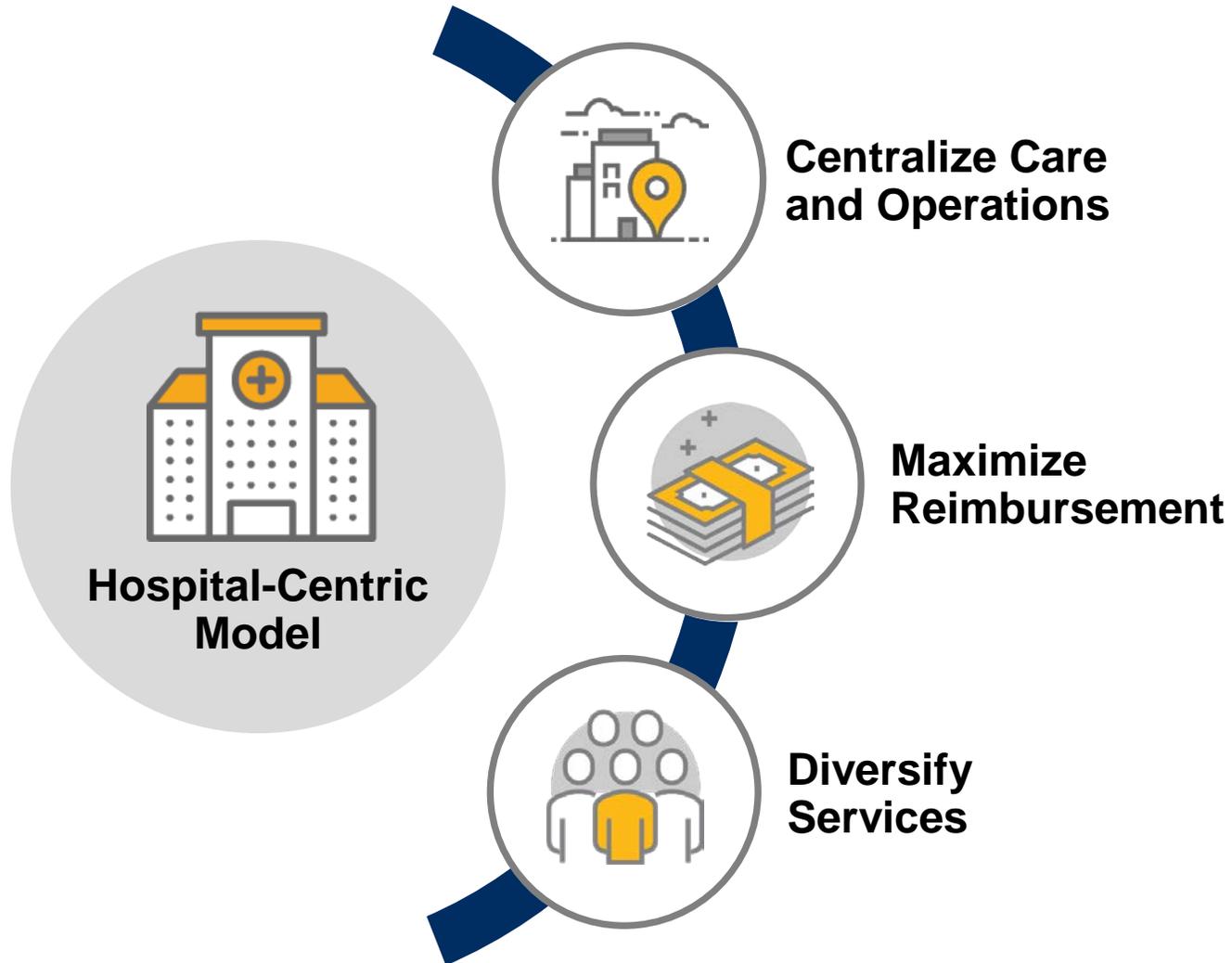
- **Even prior to pandemic**, patients have been increasingly leveraging more decentralized, cost-efficient care options
- **Pandemic fueled this trend further**, with hospitals limiting care to potential COVID patients and cancelling elective procedures
- **Retail health provides a viable strategy** for health systems to navigate a patient-consumer market, but market is becoming saturated with outside investors

The number of North American retail health buyout deals has been growing rapidly
(North American retail buyout deal count)

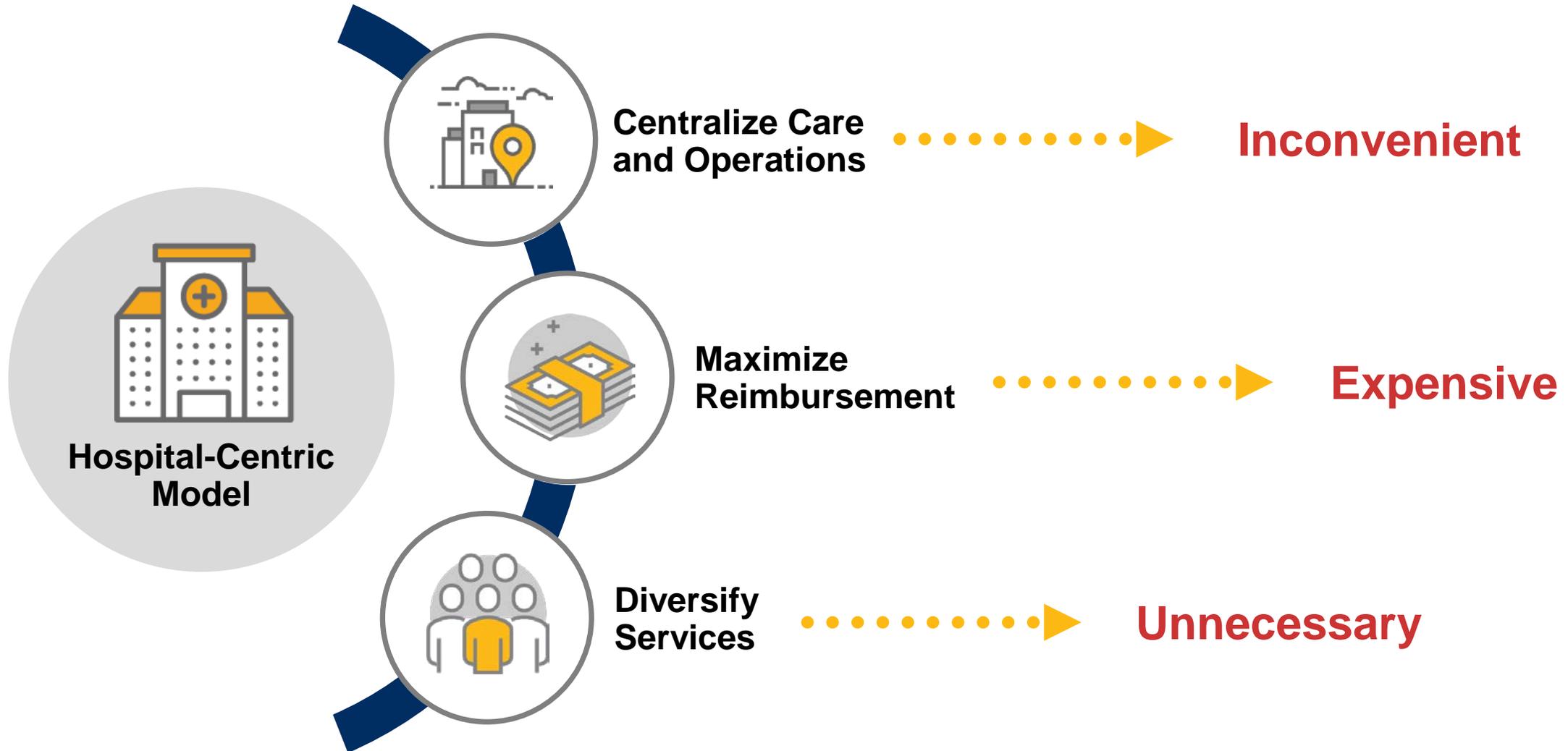


Source: Bain retail health deal database

Hospital-centric healthcare from consumer perspective



Hospital-centric healthcare from consumer perspective



Outside competition is threatening health system monopoly on care

- **Private equity investments** in physician groups and outpatient care

Outside competition is threatening health system monopoly on care

- **Private equity investments** in physician groups and outpatient care
- **Emerging market of consumer-centric** healthcare companies that centralize all aspects of patient experience

Amazon Care poised to significantly disrupt Healthcare industry

- **Built for consumerism** – convenient, integrated, and on-demand
- **Catering to employer health programs** as means of reigning in costs and supporting employee health in work from home age
- **Built for expansion** and further integration

The future of healthcare is here.

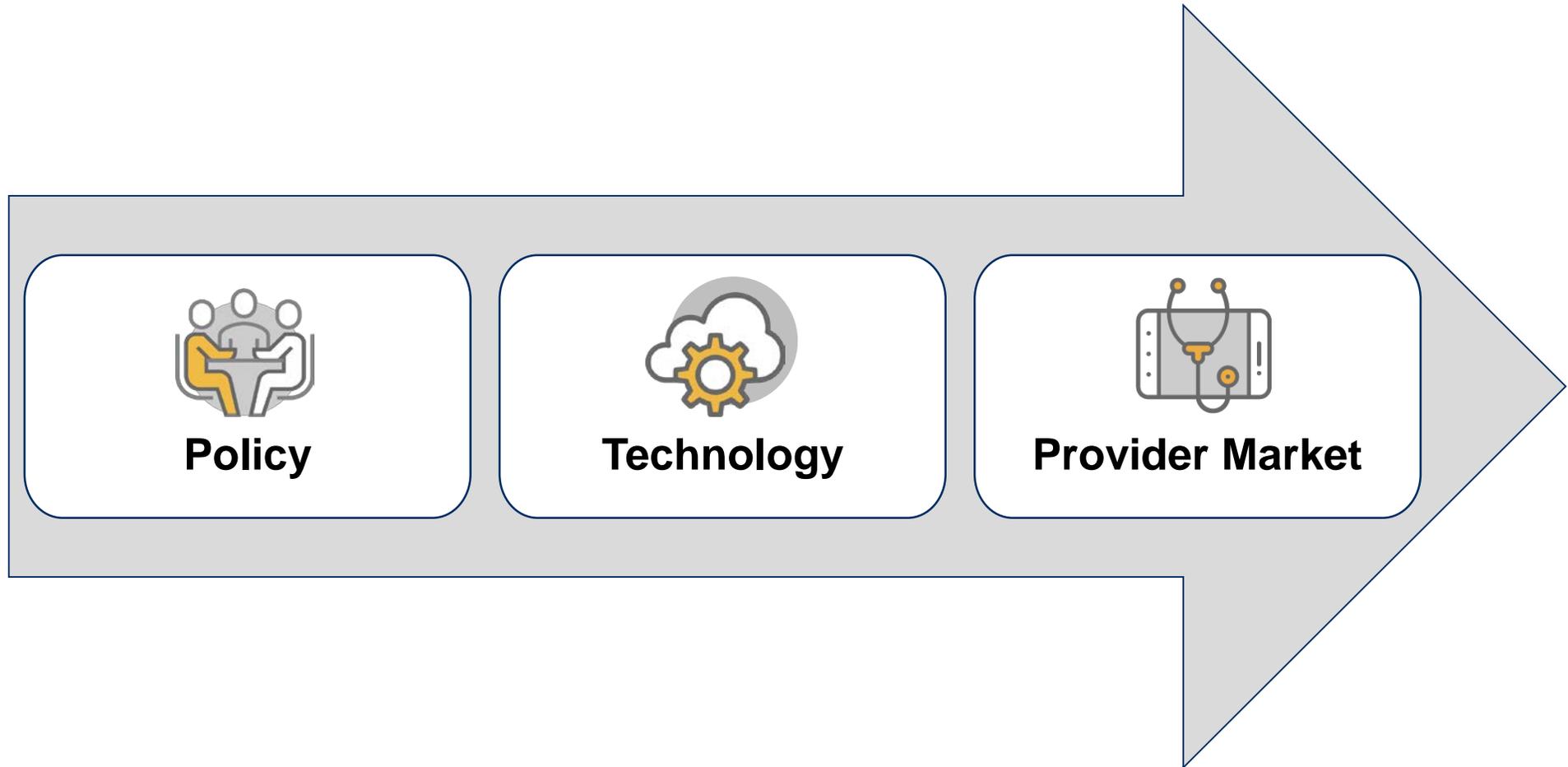
ARE YOU READY?



REVENUE CYCLE VIRTUAL SYMPOSIUM 2021



Healthcare industry is at a tipping point



Healthcare industry is at a tipping point

Consumer Empowerment



Policy



Technology



Provider Market

Cost Reduction



Thank you

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