

Three Healthcare Trends to Watch for in 2015

Many of the primary trends of the past several years continue to challenge hospitals and health systems. Many providers are continuing to develop and refine their Affordable Care Act (ACA) readiness strategies by exploring a variety of innovative reimbursement models and building infrastructure for population health management (PHM). These may include physician practice employment and acquisition, building capabilities for continuum of care through acquisition or partnership and forming narrow networks and expanding the acute care footprint through hospital acquisitions.

Hospital IT investment remains high to meet meaningful targets for implementing electronic health records (EHRs) and patient systems. In addition, providers are continuing to implement a broad range of cost cutting measures, including lean operations, reducing supply chain and labor costs and clinical integration to stay afloat.

Some areas of particular note are the continued growth in the importance of supply chain, further reliance on data to aid in decision-making and healthcare consumers taking a larger role in managing their healthcare. Let's look at these three key areas more closely:

Growing Importance of Supply Chain

Today's market dynamics coupled with healthcare reform measures have made supply chains extremely complex and planning more difficult. Representing 25-35 percent of a healthcare provider's budget, the supply chain holds significant opportunities for savings. Supply chain savings translate directly into increased operating margins for healthcare providers. Savings can be realized through both lower costs of acquisition and lower operating costs. An optimized supply chain can help a facility stay lean, manage costs and respond to fluctuations in demand. Some components of an optimized system include:

- Taking control of the item master.
- Establishing metrics for measurement and benchmarking.
- Effectively managing clinical preference items.
- Exploring standardization.
- Recognizing that purchased services can and should be managed through supply chain processes.

Rising Consumerism in Healthcare

The exponential growth in and availability of healthcare information in various formats, together with the element of more insured citizens being asked or required to participate in a much higher level of payment for their healthcare has proactively led many consumers to be more proactively engaged in the delivery of their healthcare. When individuals take a more active role and truly understand how it will affect them economically, they will pay much more attention to pricing and quality of care, and participate in research to determine the best value.

Consumer-driven healthcare will impact providers by placing expanded emphasis on the need to reduce costs so they can remain price competitive, while ensuring enhanced clinical outcomes and lifestyle benefits. A more proactive and interactive approach to care, involving patient participation and the maintenance of a continuum of care philosophy will need to be adopted.

Reliance on Data

The success or growth of the above two areas are driven by and reliant on the availability of data.

Relevant, actionable data is the basic building block for an organization's economic direction and also provides the facts and evidence needed both internally and externally to communicate the realities facing every stakeholder. Using the best data available and analytic tools, both in terms of spend and other areas, is the foundation to savings, improved bottom lines, improved clinical outcomes and efficient care delivery.

In 2015 and beyond, hospitals and health systems will need to continually monitor performance and manage costs, while maintaining high levels of quality while working through new care delivery models. The three important trends around supply chain, proactive consumer involvement and use of data will gain even greater significance, and will drive healthcare in 2015 and into the future to undertake continuous improvement.