Healthcare Industry Overview

We are approaching a healthcare bubble in the US – nearly half of Americans are covered by some form of govt-sponsored or subsidized health insurance. This includes Medicare, Medicaid, and the publicly financed state and federal exchanges. And the number is rising. Nationalized health care may not be de jure (the law), but it is rapidly becoming de facto (in practice). Is that sustainable?

The rise is happening as Becker's Hospital Review warns that hospitals are on course for their worst fiscal reckoning decades, with a wave of bankruptcies on the way. This is on top of a looming nursing shortage, a spike in mental health issues, and an aging population that will put an even greater demand on already stretched resources. If the industry itself were a patient, the prognosis might be grim.

It is within this framework that the healthcare is evolving. Some of the change is by necessity as cost is a leading driver but not the only one. Several emerging technologies can ease the strain, but in the end, patient care is a people-driven enterprise. We're also coming out of a pandemic that disrupted essential services and changed the public's perception of the system. A rapid transformation is underway to rebuild trust, provide more cost-effective solutions, and improve outcomes.

What's coming

Healthcare delivery is tilting toward more technology – apps, wearables, AI, remote monitoring equipment, and more, which combine to present a familiar challenge that will be addressed later - privacy and security. These emerging trends are reshaping the paradigm for practitioners and patients alike. What they may lack in bedside manner is made up for in speed, more accurate records, and a means of bridging the access divide.

- Telemedicine: virtual visits became commonplace during the height of the Covid pandemic, and like remote work in the traditional office, this is a development that is sticking. For context, less than 15% of doctors could engage in virtual visits in 2016; the number had jumped to 80% by 2022. Telemedicine affects the cost curve because fewer resources are required, it provides faster access to professionals in non-emergency situations, and it eliminates travel time and lengthy waits. It also allows for links to wearables that are becoming more commonplace.

- Remote monitoring of conditions such as diabetes or heart disease with real-time access to the available data. These allow doctors to keep an eye on patients outside of clinical settings and track everything from heart rate to sleep patterns to caloric intake and more.

- Cardiac wearables are the fastest-growing segment in North America and Asia-Pacific, providing continuous ECG monitoring, with blood pressure monitoring as another feature that will become more widespread.

- Fitness apps are more for the user's benefit than a medical professional's, but they help keep track of exercise routines and the impact those have on the individual.

- Digital prescription records: this helps to reduce human error in interpreting which medications a patient may need or is taking and how the different drugs might interact. The digital approach also represents tremendous savings in the time required to process paperwork and the costs of storing hard copies.

  Value-based care: under this system, providers are paid based on outcomes, not the volume of patients they see or the number of treatments they prescribe. This model could be invaluable in addressing the spending issue by spreading the risk across multiple parties rather than off-loading the cost to patients and their insurance carriers.

  AI & machine learning: no list of technology innovations would be complete without these two components. The pair can be used to spot patterns, analyze data, and even provide guidance on personalized care plans. One company developed a system using AI in ultrasound scans to identify potential heart failure; the technology can be non-specialists, too, making it more affordable and accessible.

Healthcare technology is a thriving marketplace that will only accelerate over time. It is also paving the way for a move away from medications that are produced for universal application. Genomics, digital twins, and AI give caregivers the means for tailoring treatments to individual patients, considering factors such as diet, exercise, age, ailment severity, and other conditions that may be present.

Two other developments are also making headway. The first is retail care which, as the name implies, has retailers like Walmart, CVS, and Amazon offering blood tests, vaccinations, and other services traditionally hosted in clinical settings. They are easily accessible, no appointment is required, and the cost savings are notable. The second is the clinical solutions app for appointment setting, information exchanges among practitioners, and easy communication between patients and providers. The app can also be used to set reminders, contact professionals in an emergency, and make payments.

Did you know

- About 30% of rural hospitals are at risk of closing

- Six in ten people struggling with mental illness get neither treatment nor medication

- The global population is aging while the birth rate is slowing

Facing the challenges

There is no way to sugarcoat the fiscal pressures that exist. If current trends hold, more than half of the US population will get care on the government's (read: taxpayers') nickel than through private companies. Globally where nationalized care is often the norm, systems are feeling a similar pinch as people live longer and the demand for service outpaces the available supply of providers and facilities, frequently creating long waiting periods and fueling insecurity about future viability.

Issues go beyond money, however, beginning with cybersecurity. With more patient data stored digitally, the risk is obvious. The average data breach costs more than $10 million, and the industry has the highest mean costs for a decade. To compound the issue, attacks are happening more often and are larger. The single-largest hack involved nearly 80 million records and cost more than $100 million. That has sparked serious investment in security, money that is being diverted from care and personnel. Even as technology has allowed for cost-containment and greater efficiencies, it can present a double-edged sword:

- The sheer volume of data grows with each patient, each treatment, each appointment, and new procedure. While technology makes records management more accessible and less error-prone, not every hospital has upgraded from legacy systems. The overflow and mismanagement create problems ranging from misdiagnosing issues to missed appointments to failing to appropriately monitor patients.

- When data volume is not well-managed, then data sharing becomes a spin-off concern. Medical mistakes are already the third-leading cause of death in the US after cancer and heart disease. Inaccurate data transfers risk patient health and impact administrative costs, potentially spawn lawsuits, and damage clinical reputations.

- Ineffective supply management systems are the third leg on this stool. Most of us do not consider the behind-the-scenes work involved in procuring equipment and supplies, handling inventory of medicines, and preventing shrinkage, but that adds to the overall cost while also impacting the quality of care.

While a digital transformation can rectify those issues, the patient experience remains an ongoing work in progress. Telemedicine may well address issues of timely appointments, shorter waits, and direct contact with a practitioner, but the system cannot rely purely on virtual interactions. Packed schedules often mean doctors engage in revolving door patient care, and that's for the patients not consigned to seeing a physician's assistant or nurse practitioner. Those two fields have become prominent in recent years, with higher levels of training producing more skilled providers, but still, "going to the doctor" does not necessarily mean seeing a doctor.

In addition to the trends highlighted earlier, other avenues can be explored. The technical tools are in place, from electronic records software to data analytics solutions to cloud migration, and they will only become more sophisticated and user-friendly. We often talk about how the real value of data lies in interpreting and, from there, informing decision-making based on facts and historical trends.

This document earlier discussed remote monitoring tools, and a critical benefit is in using them to catch conditions early or to be ahead of the curve if an existing condition changes. Doing that benefits the patient above all others by opening the door to early treatment when success is most likely. The worse a condition gets, the more resources that are needed, the greater the cost, and the possibility of diverting attention and people away from someone who needs it. When staffing is an issue, priorities compete, which serves no one very well.

Where we fit

The further adoption of technology and the rise of telemedicine, combined with the faster speeds of 5G, cloud computing, and AI, creates a more complex environment that spills over to make customer care issues more intricate. Our client list includes companies in the healthcare space. We look for process efficiencies and issues such as scalability to handle growth, flexibility for managing peak demand, and addressing needs that most industries face:

People: support is labor-intensive; we are designed to handle service and support inquiries efficiently over multiple channels

Money: outsourcing service and support is usually less expensive than hiring internal personnel, plus the cost is predictable

Technology: the pace of innovation can be daunting; it often makes more sense to outsource certain activities while dedicating internal resources to ensuring infrastructure can support new development

We provide the panoply of customer care: technical and general support, appointment setting, call-backs, and other patient-facing tasks. In addition, we provide back-office process management, which can be administrative or technical. In either case, we track metrics in real time, engage in one-to-one conversations with consumers that yield grass-roots information, and analyze the findings to spot trends and help you avoid potential issues.

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