

# Latest Healthcare Forecast: Cloudy with a Chance of Change

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Since the 2010 passage of the Affordable Care Act (ACA), healthcare has changed dramatically. As a result, conventional approaches to achieving clinical and financial excellence are shifting. Hospitals and providers have a critical business imperative to implement effective operational strategies to keep up with healthcare's regulatory, technological, clinical, and financial changes while maintaining profitability. From new methods of care delivery and the redefined role of the healthcare provider to evolving reimbursement models and big data, the impacts are great. Healthcare organizations will do well to seek out technology innovation partners to help them prepare for these changes with the information, guidance, and solutions needed to thrive in an everchanging and competitive market.

## The Change to Healthcare Delivery Methods

New methods of healthcare delivery have transformed the traditional physicianpatient encounter. Mobile computing has made it easier and more cost-effective to treat patients remotely. Telemedicine, the delivery of long-distance medical care using audiovisual communications technology, is an example of burgeoning healthcare delivery models that are gaining traction among providers and patients alike. A recently conducted survey by the American Academy of Family Physicians indicated that 78 percent of respondents believed that the use of telemedicine improved both access to and quality of healthcare. Another 68 percent stated they believed that continuity of care was improved by telemedicine. Many hospitals and providers, recognizing the expectation from consumers, have begun leveraging telemedicine technologies to deliver patient care. They're reaping the benefits, too, including improved patient care and outcomes, greater patient satisfaction, and reduced costs. Even tele-ICU—an offsite command center for critical-care teams to connect to patients in distant ICUs to exchange health information using real-time audio, visual, and electronic means—is now being widely implemented, with about 30 percent of ICU beds in the U.S. connected to remote monitoring technology.

As the number of digitally savvy, consumer-minded patients seeking convenience and value from providers continues to increase, so will the demand for health services that can be delivered electronically. Additionally, the availability of sophisticated wearable health devices that enable users to monitor basic health statistics and wirelessly sync them to their personal health records will further reduce the need for

in-office patient visits. There are technology solutions designed to monitor vital signs and trigger a warning system that alerts a provider to initiate contact with a patient who isn't compliant with medications or is having a spike in blood pressure or blood glucose levels. These and other new paradigms in healthcare delivery will make patient treatment more timely, affordable, and convenient.

### The Change to Healthcare Provider Roles

The advent of technology-driven healthcare will also impact the role of primary care providers. The trend of shared care has led to some medical services traditionally provided by physicians being relegated to other healthcare professionals trained in specific specialties. These kinds of specialists include nutritionists, physical and occupational therapists, exercise physiologists, smoking cessation coaches, social workers, care coordinators, and health coaches. This diversification of healthcare will enable doctors to focus on the most medically serious cases, thus making healthcare delivery across the continuum of care more efficient and less costly. An example of this type of care provider is the clinical aide. Working under the close supervision of a nurse or physician and using tablets to communicate with supervisors during patient encounters, clinical aides can be trained in three to four weeks to work with patients with specific diagnoses in clinics, emergency rooms, home visits, and over the phone. Clinical aides are currently being used in six sites nationally with positive results.

Studies conducted of hospitals that have implemented a clinical aide program reported that 74 percent of non-acute pediatric emergency room visits and 62 percent of walk-in pediatric cases were resolved without seeing a physician. In one pilot for post-discharge management of heart-failure patients, there was a drop of 58 percent in 30-day, all-cause readmissions and 77 percent in heart-failure-related readmissions. A clinical aide also enables patients with chronic but manageable health conditions to see providers less frequently.

### The Change to Healthcare Reimbursement Models

The new fee-for-value payment model is another change for which the industry has been bracing. Payers are requiring hospitals and providers to shift from fee-for-service to a value-based reimbursement structure that's centered on population health management. This change is expected to have a particular bearing on the revenues of hospitals, as they will no longer receive payment simply for providing health services. The objective of fee-for-value reimbursement is to ensure hospitals and providers deliver the best care possible to improve outcomes and patient satisfaction. To make the successful transition to a value-based reimbursement model, hospitals and providers must prepare to move from the conventional siloed brand of healthcare into a network model to support continuity of care and the ability to scale effective interventions with patient populations. The new payment model also necessitates the acquisition, aggregation, and analysis of data, as well as the deployment of an integrated financial and clinical platform that provides a 360-degree view of the patient record.

MACRA—the Medicare Access and CHIP Reauthorization Act, which went into partial implementation earlier this year—changes how Medicare providers get paid. Under MACRA, provider reimbursement will be based on a Merit-Based Incentive Payment System. Many providers are unaware or don't understand what MACRA is and how it will impact their reimbursement. It is important that hospitals and providers get guidance on what exactly MACRA will require of them in order to get paid.

Whatever the methods for attaining value-based system of care—through technology and data analytics, fee-for-service schemes, or federally enacted legislation—the end goal for healthcare is to achieve the Triple Aim of improving care quality, reducing costs, and enhancing the patient experience.

### The Change to Health Information Technology

Another significant change that has disrupted healthcare in a largely beneficial way is the adoption of health information technology (HIT), including the use of data analytics. It's an exciting time on the HIT front for healthcare. In addition to electronic health records (EHR), new technologies, such as artificial intelligence, virtual reality, and ingestible devices, are changing the face of healthcare.

The healthcare industry is now actually outpacing many other industries when it comes to IT spending. Research and Markets has predicted that the health IT market will be worth \$31.3 billion this year. Much of this growth is attributable to the utilization of big data in healthcare. Last October, Healthcare IT News conducted a survey of healthcare executives about their projected IT expenditures for 2017. When asked which technologies they were planning to upgrade in 2017, 51 percent of survey respondents said they would be investing in data analytics. There's no question that clinical data is making it possible to coordinate care delivery and improve patient outcomes. Similarly, financial data is playing an important role in providing valuable insight into claims denials and the efficacy of collection efforts, as well as a patient's propensity to pay. This data helps inform an organization's overall RCM strategy for achieving maximum reimbursement.

Industry experts believe that in the coming years technological developments in the areas of database infrastructure, decision support platforms, and mobile communication devices will enable providers and payers to thwart disease progression and reduce unnecessary hospital admissions and emergency room visits, which are the foundation of population health management.

Healthcare organizations must be forward-thinking and willing to adapt to change, or else they will be left behind. Hospitals and providers seeking to stand out from the crowd would do well to enlist the services of experienced industry partners that can help them deploy technology and processes that will enable them to respond agilely to current and future changes in healthcare.



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[www.revspringinc.com](http://www.revspringinc.com) • (248) 567-7300 • [learnmore@revspringinc.com](mailto:learnmore@revspringinc.com)