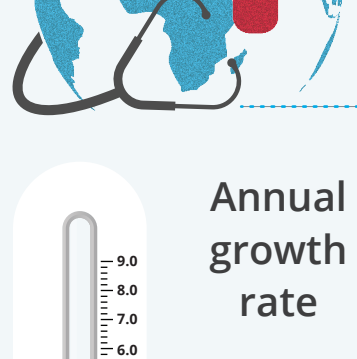


2019 Global Health Care Outlook

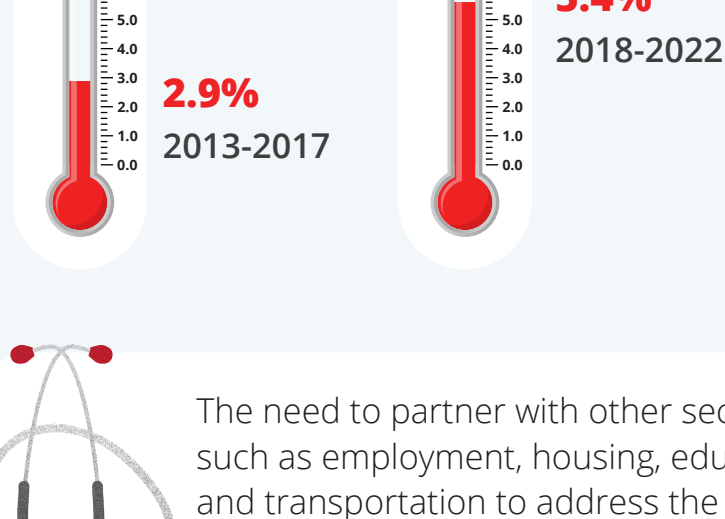
Shaping the future

Global health care spending continues to increase dramatically



is projected to reach

\$10.059 trillion by 2022



Factors impacting health care costs

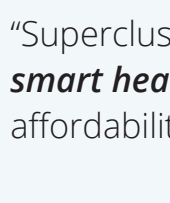
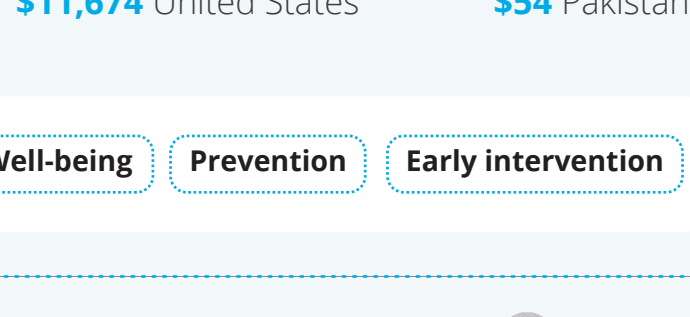
- life expectancy continues to climb—number of people aged over 65 globally is more than **668 million**, or **11.6%** of the total global population
- winning the fight against communicable diseases
- non-communicable diseases (NCDs)—most prominently, cancer, heart disease, and diabetes—continue to grow



The need to partner with other sectors such as employment, housing, education, and transportation to address the **social determinants of health**, and with new sectors such as retail, banking, and technology giants to **improve data** and **platform interoperability**

Spending is expected to continue to be uneven

Health care per person by 2022



Shifting the focus from **'sick'** care to one of **'health'** care, supported by:

- Well-being**
- Prevention**
- Early intervention**

"Superclusters" of public-private providers, payers, and market disruptor using a **smart health** community approach to collectively drive innovation, increase access and affordability, improve quality, and lower costs through more efficient delivery models.

- Informed and empowered consumers



- Change agents and active caretakers of their health who have high expectations of their health care ecosystem

- These consumers will likely be "pulling" solutions rather than being "pushed" services (move from B2C to C2B).

How will stakeholders respond?

- use innovative technologies and personalized programs to engage with consumers and improve the patient experience.
- data interoperability, security, and ownership moves to the forefront
- health care delivery and mobility may radically alter everything from the site of care to who delivers care and how.

Top issues

Creating financial sustainability in an uncertain health economy

Financial disruptors

- emergence of personalized medicine
- exponential technologies
- disruptive competitors
- expanded delivery sites
- revamped payment models

Health care spending in 2019 will likely be driven by the shared factors of:

- aging and growing populations
- developing market expansion
- clinical and technology advances
- rising labor costs

How are providers addressing this issue?

- Health technology
 - Health technology sector is expected to reach USD **\$280 billion** by 2021, at a CAGR of **15.9%** between 2016–2021
- Mergers, acquisitions, and partnering
 - Vertical and horizontal
 - Alternative revenue sources

Using new care delivery models to improve access and affordability

Continued transition from volume-based/fee-for-service (FFS) models to value-based care (VBC)

A successful value-based payments strategy likely requires:

- payer/provider collaboration
- sharing of patients' health data
- IT and analytical support

Technology is helping in this transition:

- virtual health/telehealth
- wearables
- sensors, biometrics

Virtual health

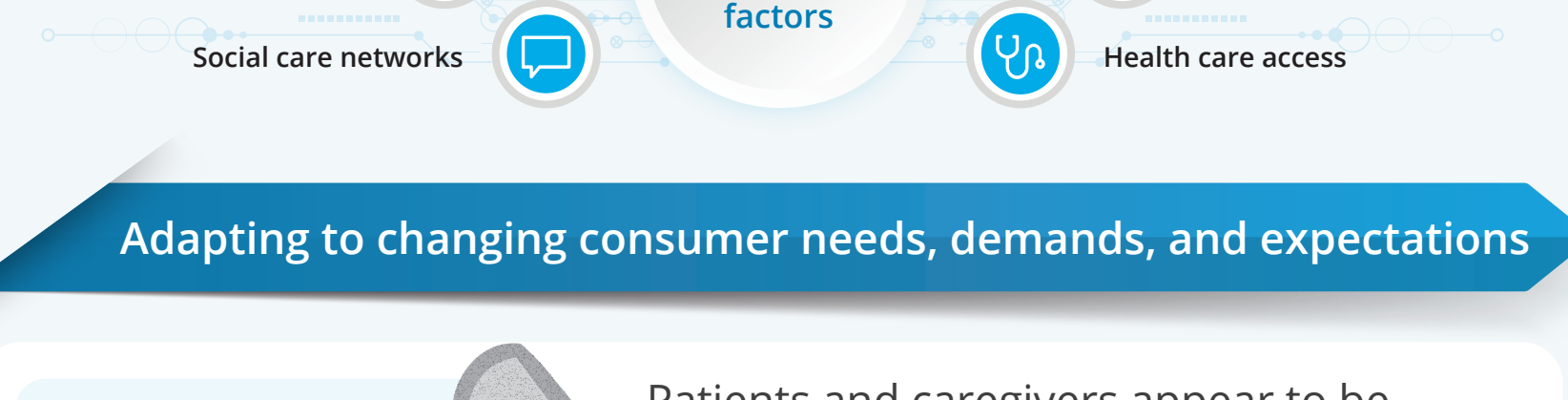
64% of consumers point to convenience and access as important benefits of virtual health

- Physicians' top benefits:**
- improved patient access to care
 - improved patient satisfaction
 - staying connected with patients and their caregivers

Barriers of virtual health

- lack of reimbursement
- complex licensing requirements
- high cost of the technologies
- reliability/errors
- privacy & security

Social determinants of health often have a greater impact on health outcomes than does health care



Adapting to changing consumer needs, demands, and expectations

Transformation to value and outcomes-based health care

Patients and caregivers appear to be demanding change. Dissatisfied with poor service and lack of transparency around **price, quality, and safety**, today's health care consumers are expecting solutions that are **coordinated, convenient, customized, and accessible**.

- Digital technologies can improve engagement, enable convenience-driven access to care, and nurture a two-way relationship for the long term
- Patient engagement strategies—digital health, telehealth, wearable monitoring and fitness devices, online resources, social media
- New players in this area—consumer, retail, and technology sectors
- There is emerging support for moving away from a reactive approach to chronic care management, in which coordination between stakeholders, therapy, and care is limited or ad hoc, to a proactive model in which engagement tools and support bolster both patients and health care providers

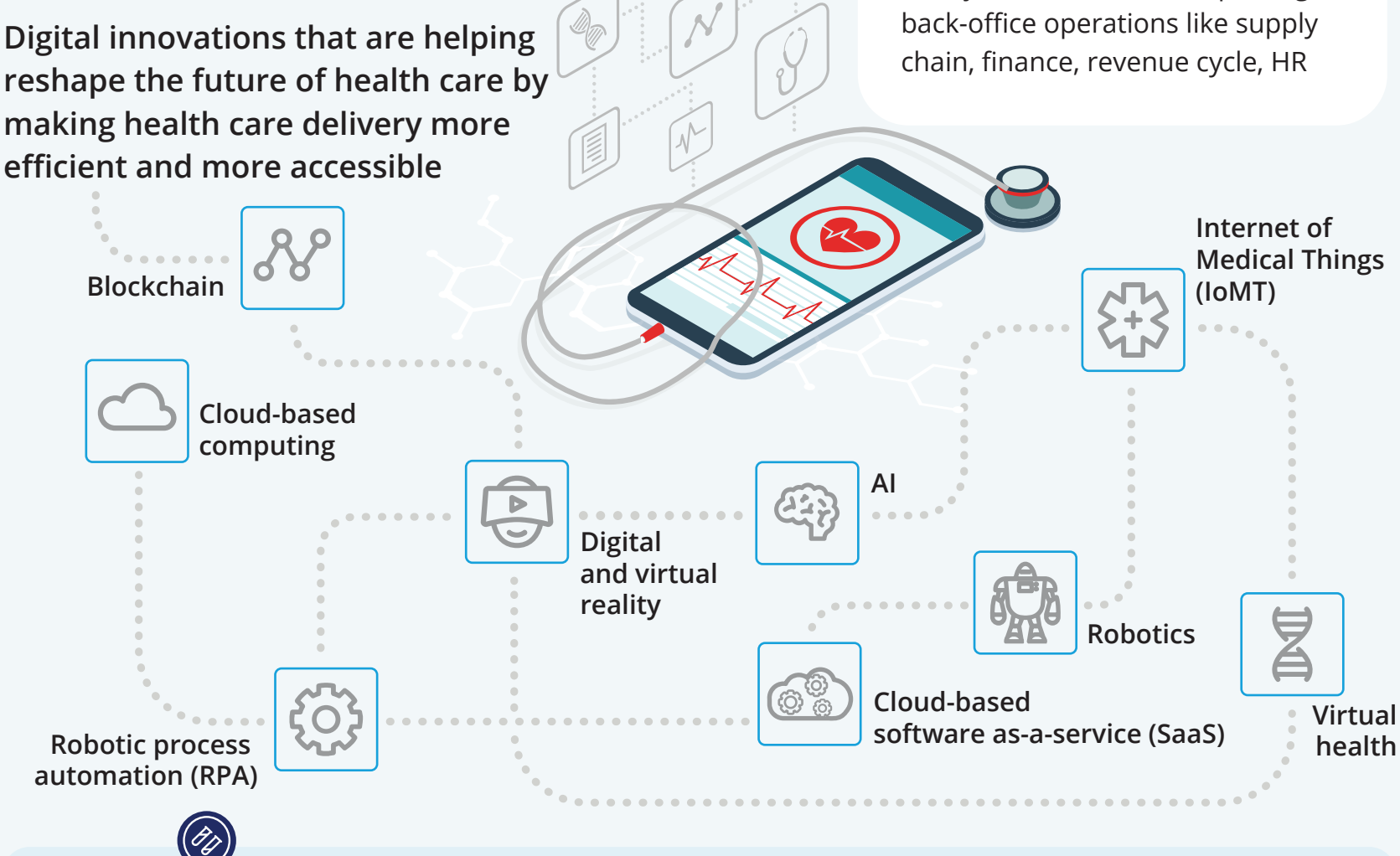
"Nudging"—a change in the way choices are presented or information is framed that alters people's behavior in a predictable way without restricting choices—in increasingly seen as an option to help with patient adherence.

Investing in digital innovation and transformation

There is an **exponential** increase in the **pace** and **scale** with which digital health care innovations are emerging

Digital innovations that are helping reshape the future of health care by making health care delivery more efficient and more accessible

Digital innovation impacting more than just clinical—also impacting back-office operations like supply chain, finance, revenue cycle, HR



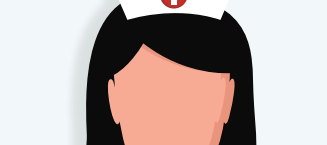
How is digital helping?

- diagnosis & treatment
- quality
- speed & accuracy
- accelerating the development of new drugs and devices
- personalization
- self-service
- patient experience
- training

Digital innovation is **supporting** and **augmenting** workers and not replacing them. It is allowing highly trained resources to focus on more **valuable, patient-facing** activities.



Digital technologies are supporting health systems' efforts to transition to new models of patient-centered care and "smart health" approaches to drive innovation, increase access and affordability, improve quality, and lower costs.



Maintaining regulatory compliance and cyber security

As **data** is becoming the new health care currency, **protecting** it will be key

Clinical **innovations**, digital **interconnectivity**, and market **complexity** is heightening the need for new government policies, regulatory oversight, and risk management in health care

Cybersecurity currently heads the list of regulatory issues for many health care leaders

Crises are on the rise. Are organizations prepared?

- Experiencing a crisis teaches organizations to avoid them
- Leaders need more development for crisis management
- Confidence outstrips preparedness
- Being at the ready significantly reduces the negative impact of a crisis
- Third parties are part of the problem—and the solution

- Volume of data
- Interoperability
- Connected devices
- Safety
- Cyber
- Privacy



Recruiting, developing, and retaining top talent



Staffing can represent up to **70%** of a hospital's cost

Causes of current staffing issues:

- increased demand/heavy workload
- poor work/life balance
- declining morale
- well-being concerns

Three dimensions shaping the future of work

What work can be automated?

- AI
- Cognitive tech
- Robotics

Where is the work done?

- Telehealth
- Digital medicine
- Remote monitoring

Who can do the work?

- Clinical recruitment
- Alternative models
 - Part-time
 - Contractors
 - Freelancers
 - Crowdsourced
 - Automated

Key point—innovative approaches to workforce planning, recruitment, skills development, and technology use will be key for the future of work

