

The 2020 Industry Pulse Report References

Top 10 #	2020 HCEG Top 10 Item	Stats/Text	References
1	1. Costs & Transparency	<p>Who's Best Positioned to Provide Cost & Quality Data?</p> <p>Payer View</p> <p>Payers</p> <p>Providers</p> <p>Cost & Quality</p> <p>73%</p> <p>7%</p> <p>Patient Journey</p> <p>33%</p> <p>55%</p> <p>Provider View</p> <p>Payers</p> <p>Providers</p> <p>Cost & Quality</p> <p>14%</p> <p>42%</p> <p>Patient Journey</p> <p>13%</p> <p>69%</p>	<p>2020 Industry Pulse Report</p>
1	<p>1. Costs & Transparency</p> <p>3. Delivery System Transformation</p>	<p>Healthcare spending accounts for ~18% of US GDP</p>	<p>American Health Care: Health Spending and the Federal Budget</p>

1	1. Costs & Transparency-Consumer	<p>Premiums, Deductibles, & Wages</p> <p>Average annual family premiums for employer-sponsored health insurance rose 5% to \$20,576 this year, while deductibles rose 162%</p> <p>Average single deductible is \$1,655, vs. \$826 a decade ago, according to the 2019 benchmark KFF Employer Health Benefits Survey.</p> <p>Meanwhile, workers' wages rose 3.4% and inflation rose 2% over the same period.</p>	<p>2019 Employer Health Benefits Survey</p>
2	2. Consumer Experience	<p>Consumer-Centric Strategy</p> <p>Only 18% of providers and 24% of payers say they have a “full consumer-centric strategy” in place.</p> <p>4% of providers say they have “no consumer-centric strategy”</p> <p>100% of payers report having a strategy or one in development.</p>	<p>2020 Industry Pulse Report</p>
2	2. Consumer Experience	<p>Status of Consumerization Initiatives</p>	<p>2020 Industry Pulse Report</p>

		<p>Consumerization efforts overall are mostly in the early stages, with 34% of providers and 43% of payers calling their strategy “nascent,” and just 36% of providers and 33% of payers characterizing their efforts as “intermediate.”</p> <p>Payers and providers also disagree on who is best positioned to provide cost and quality data to consumers, both believing they are the best choice.</p>	
3	3. Delivery System Transformation	<p>Smart Software (AI & Machine Learning) Can Help Reduce Costs</p> <p>Vendors – 56% All participants – 42% Payers - 28%</p>	2020 Industry Pulse Report
3	3. Delivery System Transformation	<p>Nearly \$760 billion annually is spent unnecessarily in healthcare</p> <p>Recent study published in JAMA.</p>	Wasteful Health Care Spending in the United States
3	3. Delivery System Transformation	<p>Waste in the Healthcare System</p> <p>“30% of U.S. healthcare spending is wasteful in nature, implying more than \$1 trillion of waste amongst \$3.6</p>	What Does the Affordable Care Act Say about Hospital Bills?

		trillion of total healthcare expenditure in 2018.”	
4	4. Data & Analytics	<p>Benefits of AI and Machine Learning Investments</p> <p>Payers and providers are aligned on the benefits of AI and machine learning investments.</p> <p>Smart technologies are having a positive impact on operations by improving health system efficiency (payers 38%, providers 56%)</p> <p>Smart technologies reducing costs (payers 28%, providers 42%).</p> <p>AI and machine learning are also improving consumer engagement, with 36% of payers and 39% of providers reporting a payoff.</p>	2020 Industry Pulse Report
4	4. Data & Analytics 3. Delivery System Transformation	<p>Access to and Use of Available Data</p> <p>95% of hospitals and physician group executives have access to data analytics applications, up 32% since 2016, but most don't utilize these decision-making tools.</p> <p>90% of data in provider</p>	Data Analytics Utilization 'Negligible' Among 80% Of Healthcare Orgs

		<p>organizations goes unutilized (Blackbook)</p> <p>78% of staff-level employees who were surveyed said that most leaders rely on "superficial analyses to retroactively justify decisions they have already made."</p>	
5	5. Interoperability / Consumer Data Access	<p>Healthcare Interoperability</p> <p>More than twice as many providers (23%) than payers (11%) see consumer demand as driving interoperability,</p> <p>Nearly 40% the C-suite believe interoperability will materialize when consumers insist on it.</p> <p>Payers and providers are divided on what will make healthcare interoperability happen.</p>	2020 Industry Pulse Report
6	6. Holistic Individual Health	<p>Social Determinants of Health</p> <p>30% of all respondents are providing some level of direct support to members and patients based on SDOH</p> <p>(Asked for the first time in the 2020 Pulse Survey)</p> <p>Directionally, more organizations are Coordinating with</p>	2020 Industry Pulse Report

		Community-Based Organizations and Resources in 2020 than in previous years.	
6	6. Holistic Individual Health	<p>Patient-Generated Health Data Stanford Survey: self-reported data from a patient’s health app would be clinically valuable in supporting their care</p> <p>A majority of students and residents (78%) and physicians (80%) say that self-reported data from a patient’s health app would be clinically valuable in supporting their care.</p>	<p>Stanford Medicine’s 2020 Health Trends Report spotlights the rise of the data-driven physician</p>
7	7. Next Generation Payment Models	<p>Alternative Payment Models</p> <p>Less than half (43%) of providers use alternative payment models and a mere 2% report full capitation in use.</p> <p>Payers (25%) are much more likely than providers (8%) to cite IT Infrastructure as a key barrier to implementing value-based care.</p>	<p>2020 Industry Pulse Report</p>
7	7. Next Generation Payment Models	<p>Payers report being much farther along the path to value-based care than providers</p> <p>Two-thirds (62%) are using</p>	<p>2020 Industry Pulse Report</p>

		<p>alternative payment models and 9% using full capitation</p> <p>Less than half (43%) of providers use alternative payment models</p> <p>13% of providers are operating with No Quality Links. An equal percentage (43%) are operating in FFS Linked to Quality and Alternative Payment Models. Only 2% of providers have Full Capitation.</p> <p>2% report full capitation in use</p> <p>Payers (25%) are much more likely than providers (8%) to cite IT Infrastructure as a key barrier to implementing value-based care.</p>	
8	8. Accessible Points of Care	<p>Importance & Adoption of Virtual Care</p> <p>75% of U.S. consumers digital technology is important for self-service healthcare</p> <p>90% of U.S. would share wearable health device data with doctors</p> <p>Source: Accenture</p>	<p>Stanford Medicine's 2020 Health Trends Report spotlights the rise of the data-driven physician</p>
8	8. Accessible Points of Care	<p>Importance of Virtual Care</p>	<p>Virtual care takes center</p>

	Care	<p>Increasing for Payers</p> <p>Nearly 100% of payers acknowledge the importance of virtual care and the vast majority of payers are offering virtual care services.</p>	stage for health plans
9	9. Healthcare Policy	<p>Regardless of who wins the White House in 2020, payers and providers don't expect disruptive change to the U.S. healthcare system.</p> <p>C-suite respondents (39%) believe there will be no significant changes to the U.S. healthcare system following the 2020 elections and a majority (28%) of respondents overall agree.</p> <p>Most providers (31%) predict a continued unwinding of the Affordable Care Act while 26% of payers expect the ACA to be strengthened.</p> <p>17% of payers and providers expect to see a public option take hold and only 3% predict America will have a single-payer, "Medicare for all" system post-election.</p>	2020 Industry Pulse Report
10	10. Privacy / Security	<p>All respondent types agreed on the top reasons for continued cybersecurity breaches:</p>	2020 Industry Pulse Report

		<ul style="list-style-type: none"> · Sophistication of Attacks · Human Factors · Cost to Address · Too Many Other Priorities <p>Nearly 25% of C-Suite respondents believe that Cybersecurity is not Recognized as a Priority at the Executive/Board Level.</p>	
10	10. Privacy / Security	<p>Healthcare remains one of the most highly targeted industries for cyber-attacks.</p> <p>Healthcare sector accounted for 41% of all breaches.</p> <p>Source: Beazley Breach Insights</p> <p>Cost of data breaches are amongst the highest of any industry – healthcare data breach costs average \$429 per record (the highest of any industry, for the ninth straight year).</p> <p>Source: IBM and Ponemon Institute 2019 Cost of a Data Breach Report</p>	<p>Beazley breach insights - February 2019</p> <p>IBM and Ponemon Institute 2019 Cost of a Data Breach Report</p>