

11th Annual Industry Pulse Report

The Industry Pulse is an annual poll of U.S. healthcare leaders that is based on specific focus areas identified in the yearly HCEG Top 10 list of priorities facing payers, providers, and healthcare industry stakeholders. The goal of the research is to “take the industry’s pulse” on strategic and tactical focus areas prioritized by healthcare executives nationwide and then share that information with others in the industry.

The first Industry Pulse Report was commissioned and developed by the **HealthCare Executive Group (HCEG)** and long-standing technology sponsor **Change Healthcare** over 10 years ago. While the goal has not changed, this year’s Industry Pulse is co-developed and co-commissioned by the **HCEG** and **WEDI**, the **Workgroup for Electronic Data Interchange**.

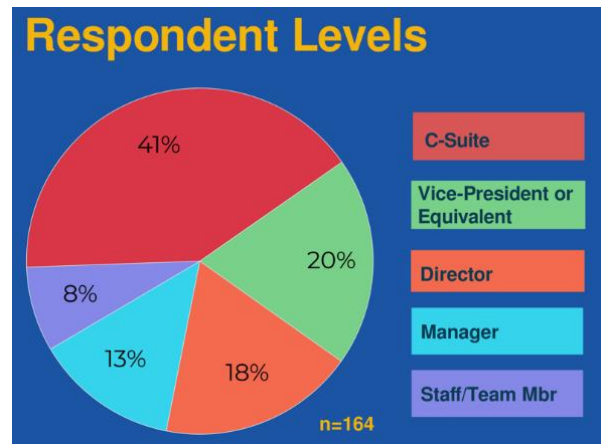
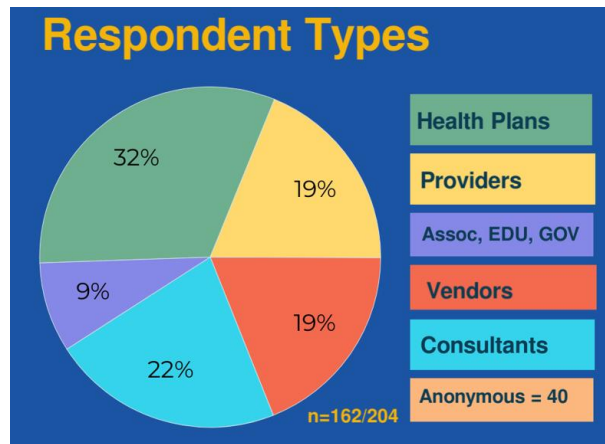
Focus Areas of this 11th Annual Industry Pulse Report

In late 2021, members of the HCEG and WEDI networks selected and ranked their priorities to create the **2022 HCEG Top 10**. With input from a diverse set of stakeholders, this Industry Pulse survey explores the following seven focus areas of the 2022 HCEG Top 10: **Price Transparency, Consumerism, Accessibility, Personalized Health, Payment, Interoperability, and Health Policy**.



Respondent Demographics

While the Industry Pulse survey is targeted at healthcare industry executives – particularly those in the health plan/payer, health system, and risk-bearing provider space – the survey was open to everyone, and **204 individuals started the survey with 185 people completing all survey items and 164 respondents sharing demographic data**.



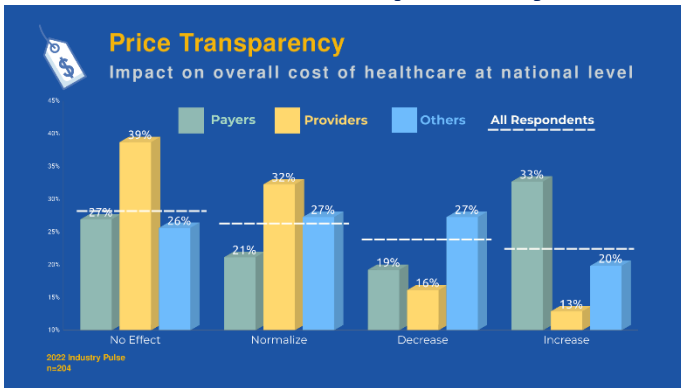
We hope the insight revealed in this Key Findings Summary of the 11th Annual Industry Pulse fosters greater interest and industry engagement in exploring the complex, interconnected insights highlighted in this 2022 Industry Pulse report.

Interested individuals are encouraged to subscribe to the HCEG newsletter at bit.ly/hcegnewsltr, connect with the HealthCare Executive Group at info@hceg.org, and get involved with WEDI at members.wedi.org/contact. See the last page of this document for additional ways to engage.



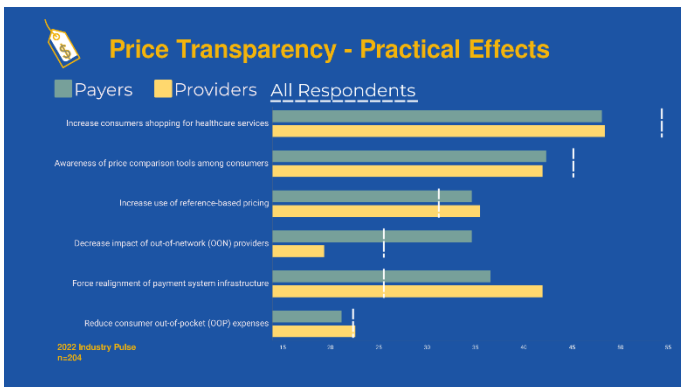
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Price Transparency: Great Uncertainty or a Mixed Bag



Uncertainty: Payers and Provider are at opposite ends on possible cost impacts of price transparency

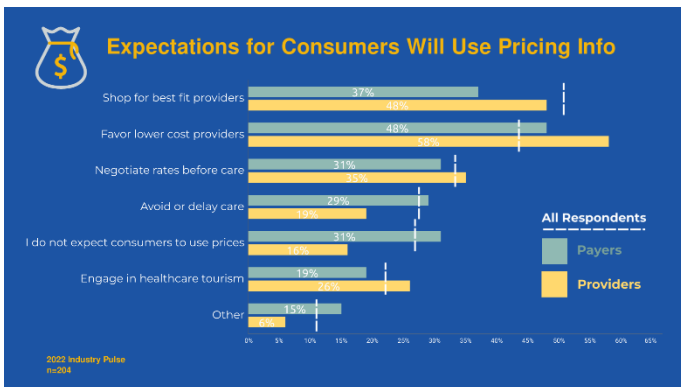
- Is even distribution across all four impacts a sign of great uncertainty or a mixed bag of different perspectives?
- The devil is in the details: Payers expect costs will increase and Providers expect prices will have no effect, normalize or decrease costs!
- Overall, industry perspectives not aligned with idealized policy impacts (lawsuits, politics, legislation)



Payers and Providers show less consensus than *Other Respondents* in terms of the practical effects

- Increased consumer shopping and awareness of price comparison tools identified by 50% of responders
- Providers concerned with Out-of-Network implications, Reference-Based Pricing, Consumer Out-Of-Pockets
- Both Payers and Providers are focused on Realignment of Payment System Infrastructure

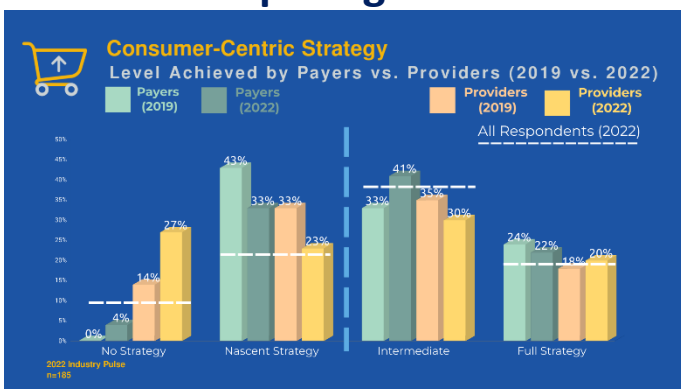
Consumer Use of Pricing Information



Consumers likely to Shop for Best Fit/Lower Cost Providers

- Providers would rather consumer shop based on quality or “fit” rather than price
- Payers have a somewhat different outlook, but may naturally tend to favor directing members toward more affordable options, when possible
- A third of payers don’t expect consumer to use prices - this may be due to years of limited success in early price transparency efforts led by health plans

Comparing Consumer-Centric Strategies: 2019 vs 2022

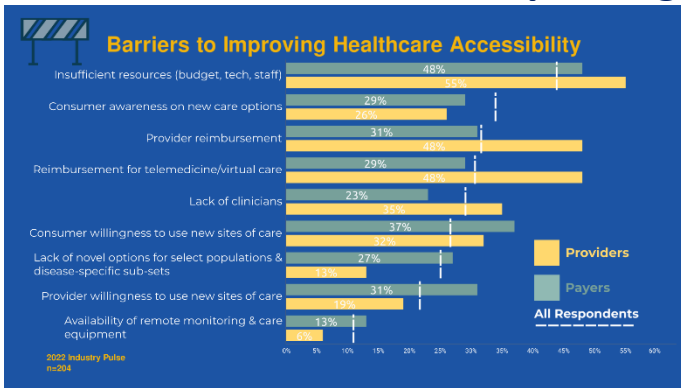


Pandemic slowed the advancement of consumer-centric strategies (SaaS and startups might suggest otherwise)

- Anticipated increase in consumer-centricity due to COVID did not significantly materialize
- Payer shift of 6% to the right side of continuum
- Providers still 50%/50% left and right of center (13% of providers shifted back to No Consumer-Centric Strategy)

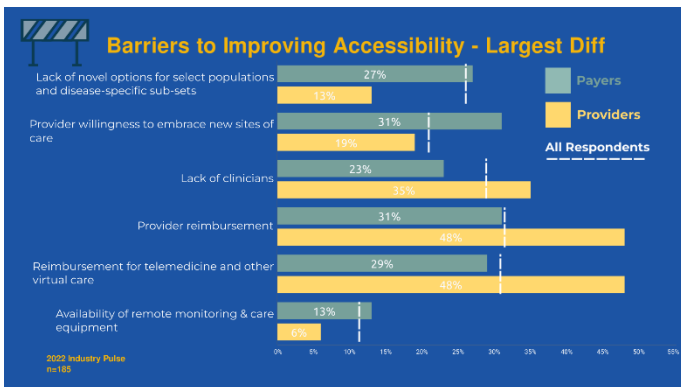
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Barriers to Improving Healthcare Accessibility



Improving healthcare accessibility is slow going

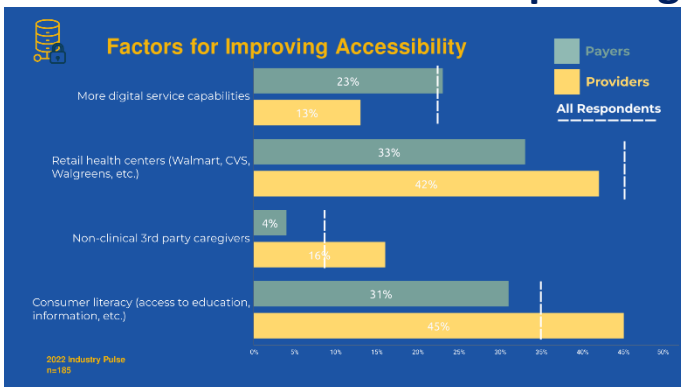
- Largest barrier is lack of resources
- Providers want to be fairly compensated for new care pathways
- New care models require investment in new technologies and update physical spaces
- Moderate concern about patient adoption of novel care options.



Largest differences between Payers & Providers

- Payers recognize a number of different barriers, but don't have broad consensus on which ones are key
- Providers express a bit more certainty, focusing on reimbursement issues
- Continued reimbursement for telemedicine and virtual care is a major Provider concern

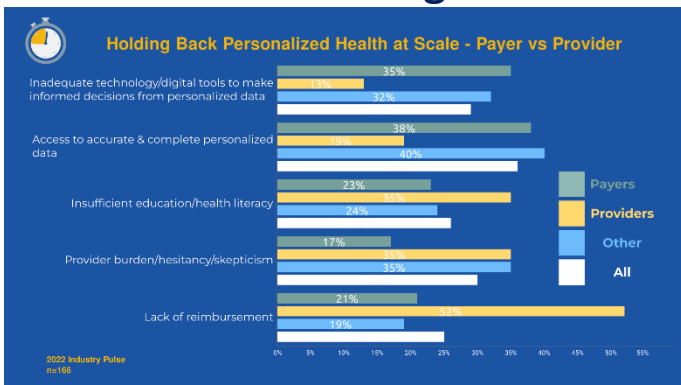
Factors for Improving Healthcare Accessibility



Strong interest in Hybrid & Retail Care Models

- Data suggests the market sees no single solution for improving healthcare accessibility
- A significant number of payers and providers see convenient sites of care would improve accessibility
- Consumer healthcare literacy was also a popular choice, but represents a difficult mountain to climb
- Digital is not a stand-alone factor, but embedded across the delivery transformation of healthcare

Holding Back Personalized Health at Scale

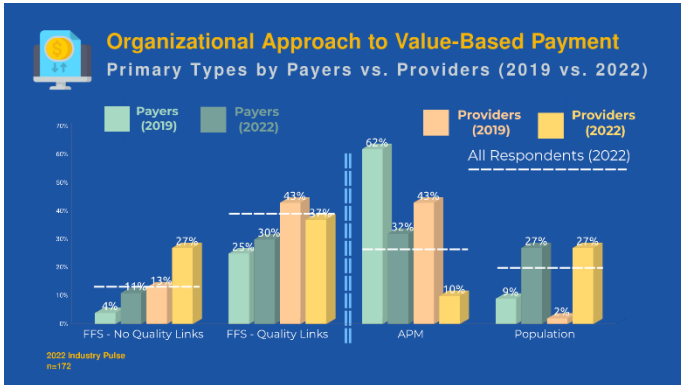


Availability and Cost of Personalized Care is an Issue

- 52% of providers reported a lack of reimbursement as the biggest thing holding back personalized health.
- Reimbursement likely continues as new pathways develop and reimbursement methodologies lag
- One third of providers feel there is a lack of technology
- Personalized Health and its impact on SDoH are worth exploring more deeply

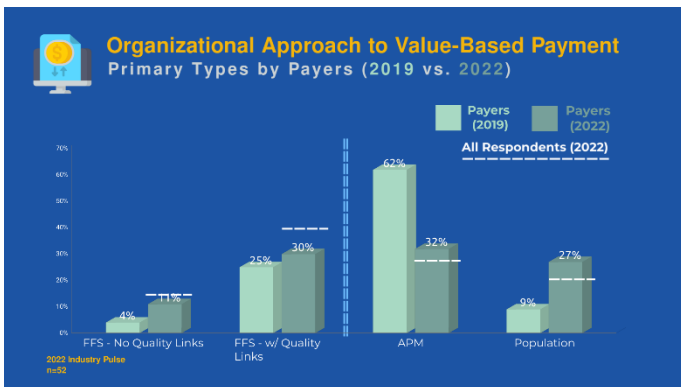
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Value-Based Payments: Stagnation or Slow Progress?



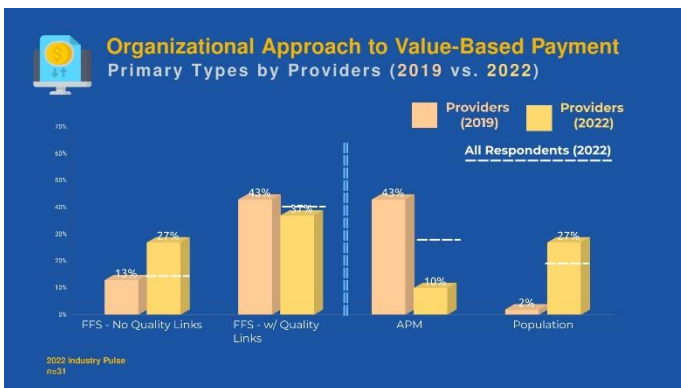
Value-based programs have not advanced, as was expected, for Payers nor Providers

- Pandemic pulled back transition to more Value-Based Programs
- May change as providers get back to optimizing the care continuum and creating new care pathways
- Value-based Programs, as a priority, has, at best, stagnated - likely due to COVID and staff disruptions



Payers are more likely to have migrated to value-based care models

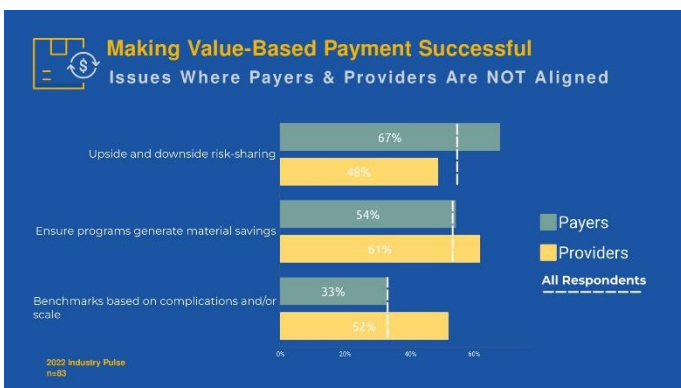
- In 2019, 71% of Payers fell on the right side of continuum while 59% of Payers were still on the right in 2022
- While the large majority of payers said they had Value-Based Programs in place, less than half of the Providers reported having Value-Based Programs
- Noticeable shift for Payers and Providers back to the left



Providers still predominantly under Fee-for-Service models

- In comparison to 2019 on this identical question, 54% of providers were FFS Only or FFS with Quality Measures
- Combined Advanced Payment and Population models total 37%, down from 45% in 2019
- For 2022, 27% of providers indicate FFS with No Quality Links, an INCREASE from 13% 2019

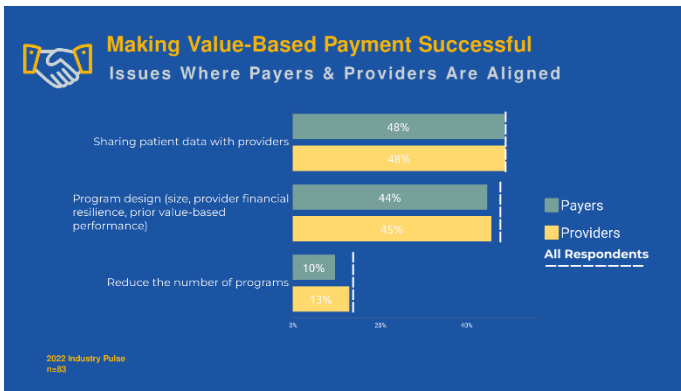
Issues Hampering Success of Value-Based Payment Programs



Consistent with Prior Research on VBP Programs

- Payers more enthusiastic about providers taking on risk
- Providers want practical goals and potential substantial upside before taking on downside risk-sharing
- Significant percentage of providers concerned about Ensuring Programs Generate Material Savings and Benchmarks Based on Complications and/or Scale

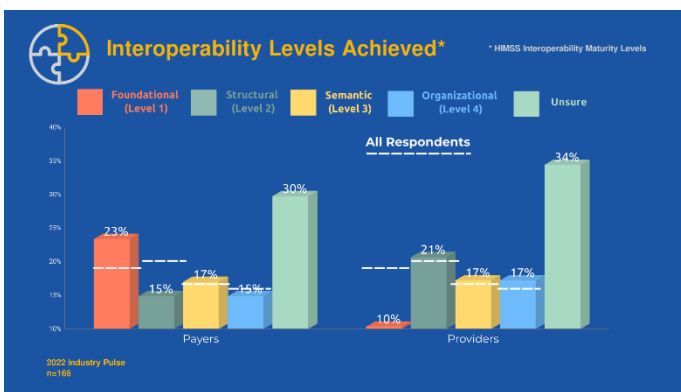
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Aligned and Facing Numerous Obstacles – Together?

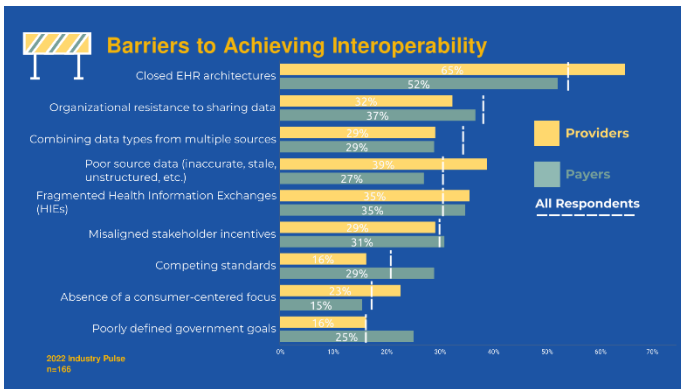
- Payers and Providers aligned on issues such as Sharing Patient Data with Providers and Program Design
- “Reduce the Number of Programs” not a priority among all respondents
- The large percentage of responses to nearly all issues is an indication of the number of obstacles ahead in transitioning to Value-Based Programs

Interoperability: Payer & Provider Perspectives on Barriers



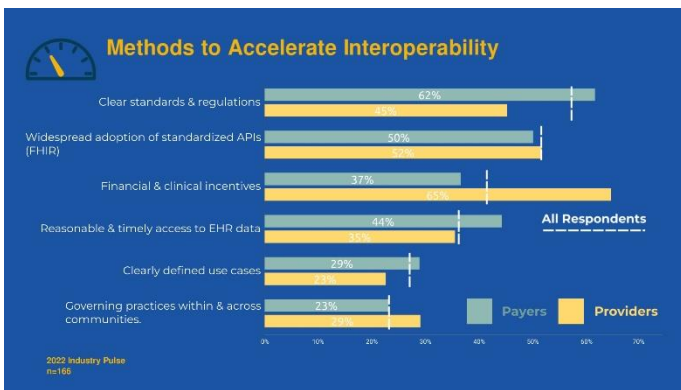
Ongoing Uncertainty with Interoperability

- Mostly even distribution of responses across the four Interoperability Levels is a clear indication of uncertainty
- “Unsure” being the biggest response suggests Interoperability needs to be a more strategic priority
- Slight majority feel the industry is only at Foundational or the Defining level of interoperability
- This is one of healthcare’s biggest objectives, but many challenges (i.e., ‘barriers’) are still to be addressed



Achieving Interoperability is one of healthcare’s biggest objectives

- Biggest barrier, by a significant amount, is Closed EHR Architectures
- Second largest barrier, Organizational Resistance to Sharing Data, is consistent with Closed EHR Architectures
- Over a third of All Respondents identify Combining Data Types from Multiple Sources, Fragmented HIE Data, Poor Source Data and Misaligned Incentives as barriers



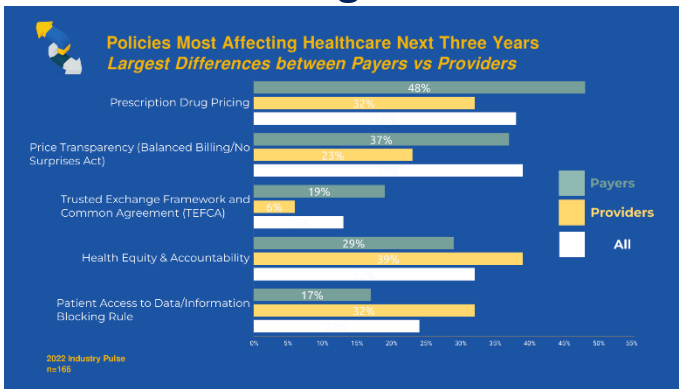
Lot of agreement on methods but Providers want to see more incentives

- Clear Standards & Regulations and Adoption of Standardized API's likely to accelerate interoperability
- Reasonable & Timely Access to EHR Data and Financial/Clinical Incentives highly ranked
- Payers looking for more Standards & Regulations while Providers look for Financial & Clinical Incentives
- Payers and Provider are more closely aligned on Increased Data Liquidity and Improved Privacy & Security

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Health Policies Most Affecting Healthcare Next Three Years

- Largest Differences Between Payers & Providers



Lingering questions around Health Policy

- Drug pricing and price transparency/No Surprises Act policies continue to enrapture the industry, for good reason
- Policies around Health Equity and Patient Access to Data are important policy priorities, especially for Providers
- TEFCA appears to be on its way to acceptance

More on the 11th Annual Industry Pulse: Join the 2022 Discussions

We hope the insight revealed in the Key Findings Summary of the 11th Annual Industry Pulse fosters greater interest and engagement in discussions and dialogue around these critical issues.

Readers are encouraged to visit www.hceg.org/industry-pulse and to engage with HCEG and WEDI on the topics presented in the Industry Pulse and other healthcare focus areas in the following ways:

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