

11th Annual Industry Pulse Report

First Look at Key Findings:

Special presentation for participants of The Healthcare Innovation Congress

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 report 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 HCEG Network.

The first Industry Pulse Report was co-commissioned and co-developed by the **HealthCare Executive Group** 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 HealthCare Executive Group and WEDI, the **Workgroup for Electronic Data Interchange**.

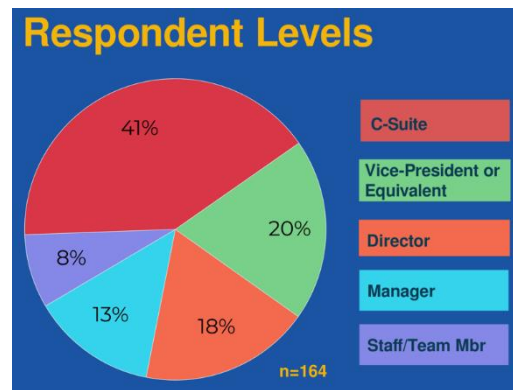
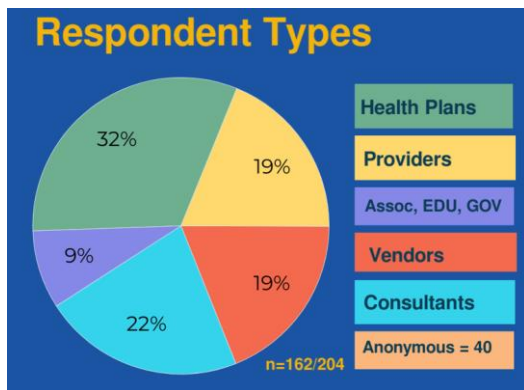
Focus Areas of the 11th Annual Industry Pulse Report

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 completed all survey items and 164 respondents shared demographic data**.



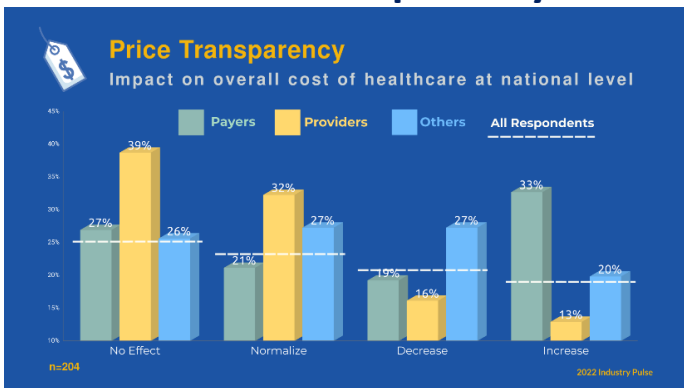
We hope the insight revealed in this First Look at Key Findings of the 11th Annual Industry Pulse fosters greater interest in exploring the more comprehensive, complete Industry Pulse report that will be released in June 2022.

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 WEDI: Workgroup for Electronic Data Interchange at members.wedi.org/contact



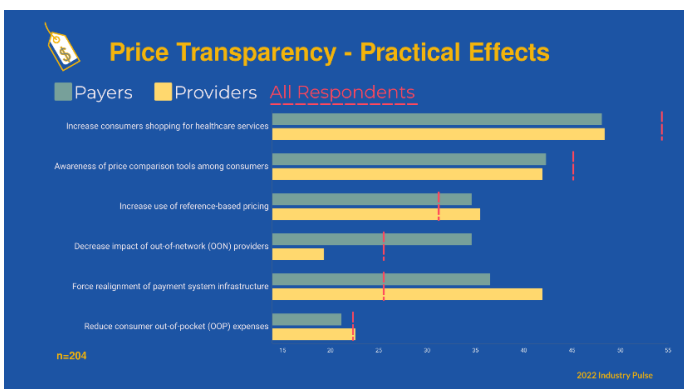
11th Annual Industry Pulse Report

Price Transparency: Great Uncertainty or a Mixed Bag



Uncertainty: Payers and Provider are at opposite ends on impact of price transparency

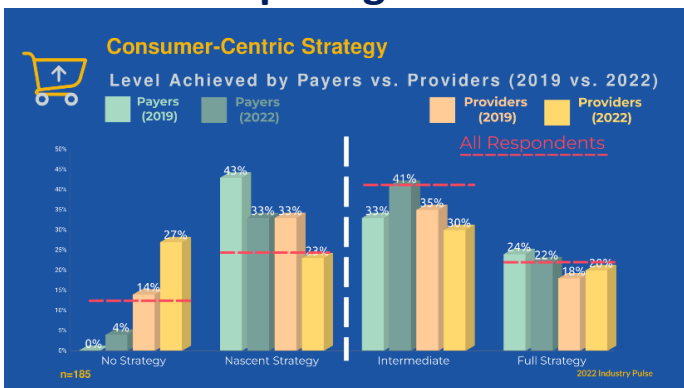
- Even distribution across all four impacts - a sign of great uncertainty or a mixed bag of different perspectives?
- Devil is in the details: Payers expecting costs will decrease and Providers expecting prices with increase!
- Overall, industry perspectives not aligned with the idealized policy impacts (i.e., lawsuits, politics, state 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-Pocket Expenses
- Both Payers and Providers focused on Realignment of Payment System Infrastructure
- Not shown: consumers will be More Likely To Shop For Best Fit Providers and Favor Lower Cost Providers

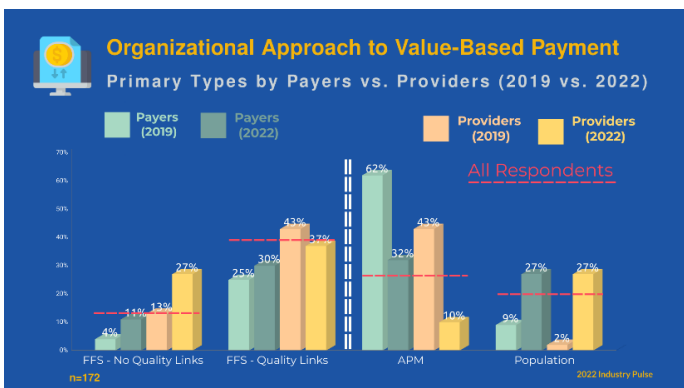
Comparing Consumer-Centric Strategies: 2019 vs 2022



Pandemic slowed the advancement of consumer-centric strategies (SaaS and healthcare startup markets might suggestion otherwise)

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

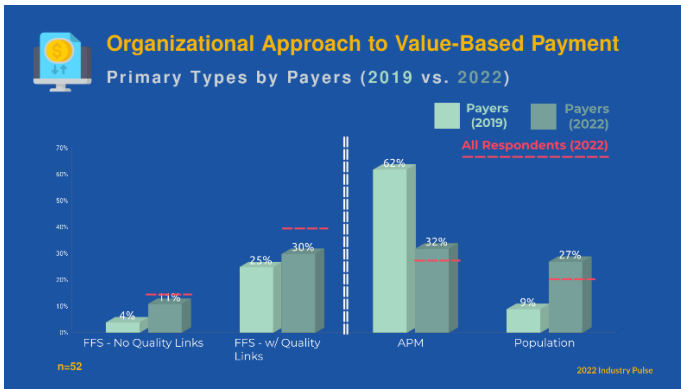
Value-Based Payments: Stagnation or Slow Progress?



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

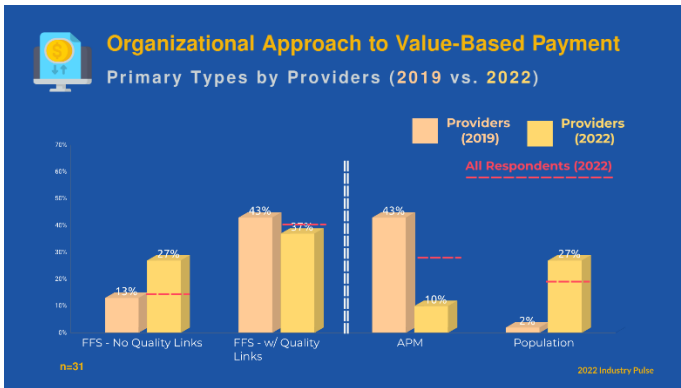
- Pandemic pulled back movement to Value-Based Programs: 2 years in emergency state
- May change as providers get back to optimizing the care continuum and creating new care pathways
- Value-based Programs has, at best, stagnated - likely due to COVID disruptions

11th Annual Industry Pulse Report



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

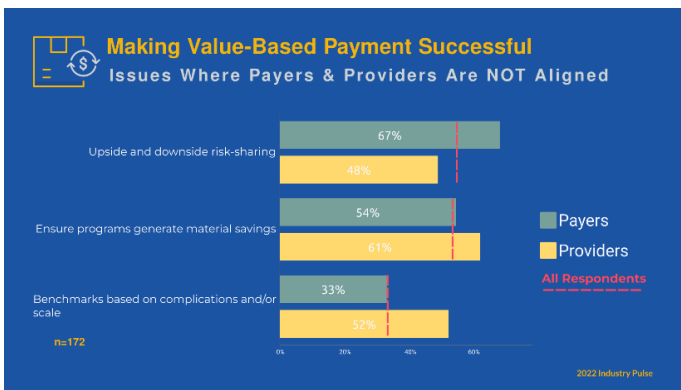
- In 2019, 71% of Payers fell on the right side while 59% of Payers were on the right in 2022
- At the same time, the large majority of payers said they had Value-Based Programs in place but less than half of the providers had Value-Based Programs



Providers still predominantly under Fee-for-Service models

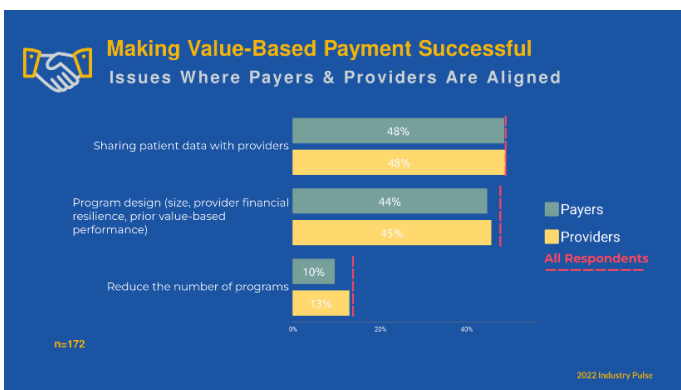
- In comparison to 2019 on this identical question, 54% of providers were FFS Only or FFS with Quality Measures
- Combined APM and Population models total 37%, down from 45% in 2019
- For 2022, 27% of providers indicate FFS with No Quality Links, an INCREASE from 2019

Issues Hampering Success of Value-Based Payment Programs



Consistent with Prior Research of 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

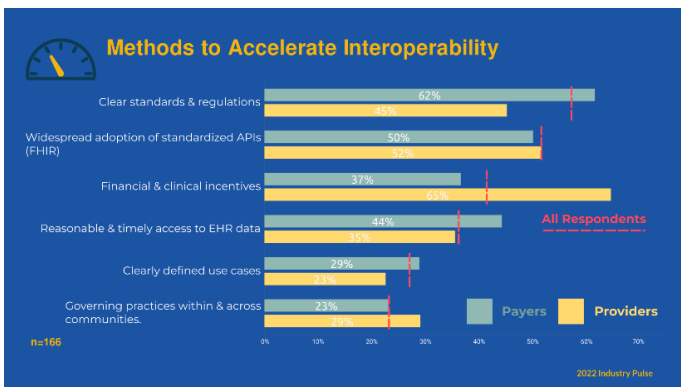
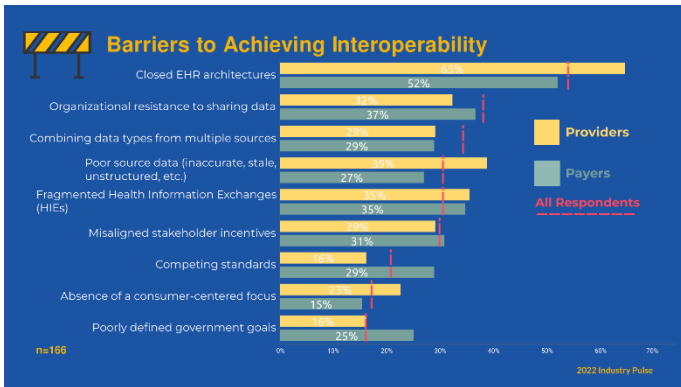
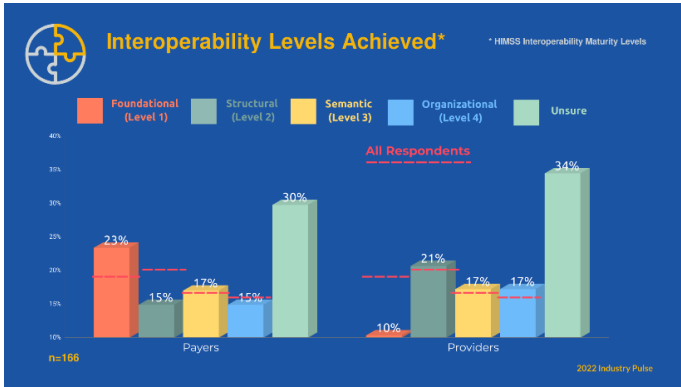


Aligned and Facing Numerous Obstacles – Together?

- 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
- Large percentage of responses to nearly all issues is an indication of the obstacles ahead in transitioning to Value-Based Programs

11th Annual Industry Pulse Report

Interoperability: Payer & Provider Perspectives on Barriers



Ongoing Uncertainty with Interoperability

- Mostly even distribution of responses for each of four Interoperability Levels is a clear indication of uncertainty
- “Unsure” being the biggest response suggests Interoperability needs to be a strategic issue
- 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 Stakeholder 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 ranked by over 1/3rd
- 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

More on the 11th Annual Industry Pulse: Full Report & Webinar

We hope the insight revealed in this First Look at Key Findings of the 11th Annual Industry Pulse fosters greater interest in reviewing the more comprehensive, complete Industry Pulse report that will be released in June 2022.

Readers are encouraged to visit www.hceg.org/industry-pulse, reserve a [seat for a webinar](#) on June 15th at 2:00 PM ET, and to reach out to us with any questions about the 2022 Industry Pulse Report or any of the data presented in this First Look at Key Findings.

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 WEDI: Workgroup for Electronic Data Interchange at members.wedi.org/contact