

Future of healthcare: Reimagining strategies for resiliency

A series of market shocks is altering U.S. healthcare: inflation, supply chain disruption, democratization of generative artificial intelligence (AI), workforce unrest, regulatory shifts, not to mention the aftereffects of a pandemic.

Leslie Anderson, chief strategy officer at Vizient, discusses how these disruptions, along with industry trends are forcing healthcare leaders to reimagine how they'll compete in the future marketplace.



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What are the primary obstacles impacting healthcare organizations?

Workforce management is the top immediate concern for healthcare leaders. Hospitals are caring for sicker patients with more specialized, costly therapies, leading to longer inpatient days and more challenging care transitions. Upward pressure on wages, an aging workforce, burnout and talent competition have contributed to workforce shortages. Additionally, leaders are highly focused on cost transformation through revenue cycle and supply chain management.

However, these leaders are also trying to balance these near-term priorities with other existential threats as part of the longer-term strategic bets that will inform the future of healthcare including revenue diversification, digital health, consumer loyalty and generative AI.

How are non-traditional and emerging market players disrupting healthcare?

The biggest disruptions have been in lower-acuity care and chronic disease management by retailers, tech giants and single-focused digital native companies. Despite satisfying consumer needs for access and convenience, these players can disintermediate the care delivery model, making it difficult for patients to navigate when they require higher-acuity care. As these new entrants expand their footprints and capabilities, we can expect the battle for the patient to heat up.

Also, advances in pharmaceutical therapies, such as the recent FDA approvals of GLP-1 agonists for weight loss (e.g., Ozempic, Mounjaro, etc.), will have a seismic effect. Profitable service lines such as bariatric surgery and cardiology will be impacted with the potential for massive reductions in patients with diabetes, heart disease and other chronic conditions linked to obesity. Dialysis providers and pharma companies with a dominant market share in diabetes treatment will also need to reimagine their go-forward strategies. This presents an incredible opportunity for industry players to rethink how they create value for consumers.

What areas are healthcare organizations investing in technology?

Healthcare systems are leveraging AI-enabled technologies such as workforce automation and ambient listening to provide clinical decision support, ease administrative burdens and improve patient flow.

Additionally, Electronic Health Record platform companies (e.g., Epic) can improve coding, enhance patient communication and provide up-to-date insights for providers. Virtual care solutions also increase provider efficiencies and patient access, which have been especially important during our national behavioral health crisis.

How will value-based care expand and change the way care is delivered and financed?

In the short-to-medium term, many healthcare organizations are doubling down on fee-for-service and profitable service lines to return to the 3% to 4% margins that they need for sustainability. However, they aren't taking their eyes off the bigger picture as Centers for Medicare & Medicaid Services continues its march toward all Medicare payments and 50% of Medicaid payments being value-based by 2030.

The pace at which organizations shift to value-based care rests heavily on insurers. In the meantime, regardless of payment model, healthcare systems continue to prioritize care model redesign to deliver improved patient outcomes and more affordable care.

How is Vizient partnering with healthcare leaders to help them navigate the fast-changing environment?

Vizient works closely with healthcare leaders to deliver market-leading data and digital capabilities to help manage cost, improve outcomes and drive operational performance. Our category-specific, analytics-enabled managed services address expense management and we are evolving our capability as a "convenor" to bring providers and suppliers together beyond their traditional transactional relationships.

As healthcare leaders navigate the myriad macroeconomic challenges, our industry experts in strategic and financial planning, performance improvement and high reliability will continue to help them achieve sustainable growth and improve patient care.



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