The next decade in health care: Increased volumes and shifts in care sites

The Impact of Change (IoC) forecast from Sg2, a Vizient company, provides historical trend insights and 10-year growth projections using proprietary data-driven methodology. The data and insights shed light on the strongest growth influences across the care continuum and key service lines, helping organizations understand and leverage growth opportunities to deliver value-driven care in the decade ahead.

Overview

As the COVID-19 pandemic wore on, 2021 brought another year of suppressed volumes across the care continuum, with patients deferring or avoiding care. In 2022, inpatient volumes are expected to return and will grow over the decade, while outpatient volumes are projected to return and grow slightly above estimated population growth. Some permanent site of care changes were made including surgical volume shifts, and virtual and urgent care models. Looking ahead, the aging population, increased survivorship and rise in chronic disease are the main drivers of growth.

Inpatient and outpatient volumes expected to increase

In 2021, volumes suppressed as the COVID-19 pandemic continued, with inpatient volumes remaining down 5% from 2019. According to the 2022 Impact of Change® report, published annually by Sg2, a Vizient company, inpatient volumes are growing below population as low acuity services are shifting outpatient.

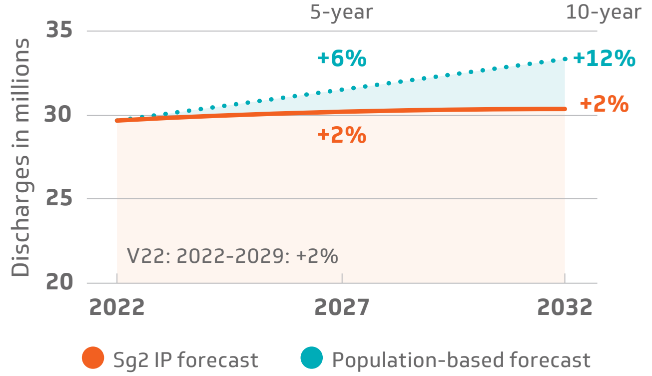
Following a similar pattern, outpatient volumes remained below 2019 levels, but are anticipated to return and grow slightly above estimated population growth by 2032 because of the aging population, increased survivorship, and the incidence of chronic disease continuing to grow.

This rise is a result of two notable trends:

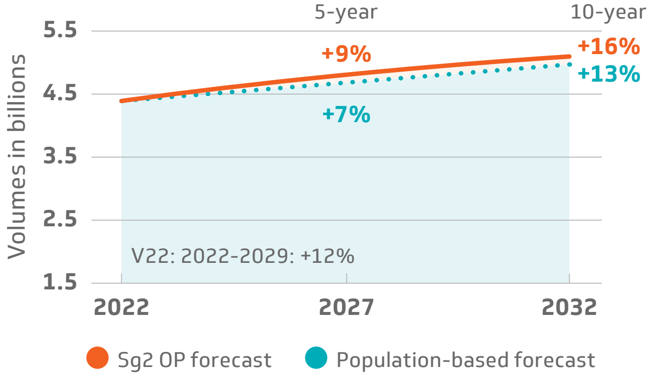
1. The increased acuity as patients age and present with more complex conditions.
2. The volumes that could be safely shifted to outpatient will begin to reach a floor for select conditions.

With this increased volume comes increased patient complexity and longer lengths of stay, which could lead to capacity constraints.

Adult inpatient forecast
U.S. market, 2022-2032



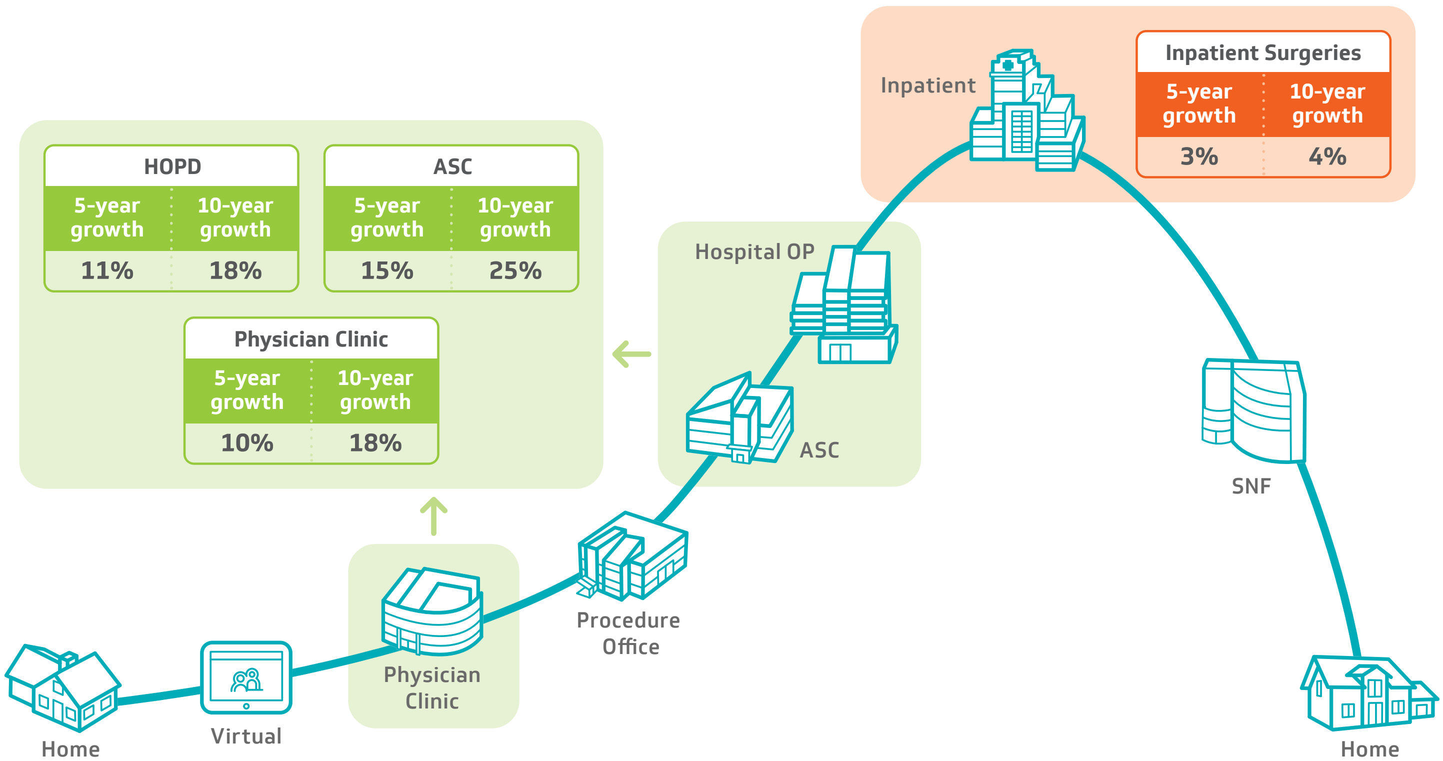
Adult outpatient forecast
U.S. market, 2022-2032



Note: Forecast excludes 0-17 age group. **Sources:** Impact of Change®, 2022; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2019; The following 2019 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2022; Sg2 Analysis, 2022.

The shift in sites of care will continue, but soften

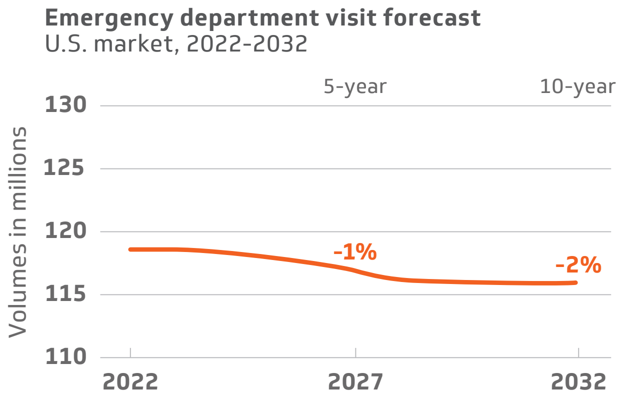
The pandemic fast-tracked the shift in volumes from inpatient to lower-cost settings. While this trend will continue, the surgical shift to outpatient facilities is expected to soften, resulting in a 4% increase in inpatient surgical procedures by 2032. The accelerated shift in surgeries to the outpatient setting during the pandemic resulted in some permanent site of care changes. For example, Vizient's Clinical Data Base (CDB) shows total joint replacements sharply shifted from 85% inpatient and 15% outpatient in 2019 to 30% inpatient and 70% outpatient in 2021. These volumes will not revert to inpatient. In addition to surgical volume shifts, medical visits will continue to move toward virtual and home settings as seen throughout the pandemic, leading to a 20% increase over the decade, primarily in supply-constrained specialties where frequent touch points support positive outcomes, like behavioral health.

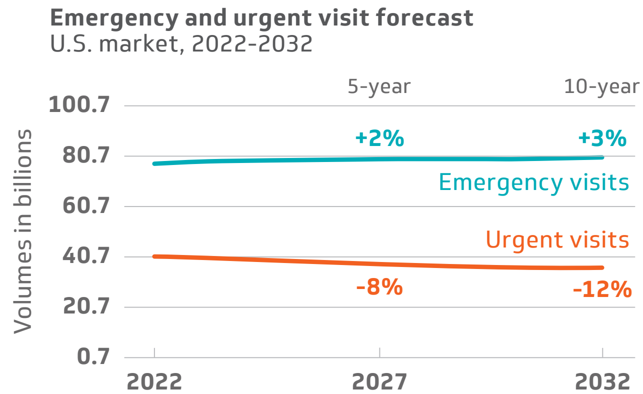


Note: Analysis excludes 0-17 age group. Forecast pulled for procedures—major and endoscopy volumes only. ASC = ambulatory surgery center; HOPD = hospital outpatient department; SNF = skilled nursing facility. **Sources:** Impact of Change®, 2022; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2019; The following 2019 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2022: Sg2 Analysis, 2022.

Emergency departments to see an increase in volume this year

Emergency department (ED) volumes have fluctuated with COVID-19 surges. The CDB and Strata Decision Technology showed a range in ED recovery. For instance, nationally, volumes were significantly lower compared to pre-pandemic levels in 2021, ranging from a 7% to 14% decline versus same time periods in 2019. EDs are expected to see an increase in volumes this year as social distancing measures expire and people return to their routines. Looking over the next decade, lower-acuity cases moving out of the ED toward urgent care sites is a trend expected to continue, however this shift will slow as volumes begin to reach a floor. Those patients who remain in the ED will be more complex, require increased access to resources and have longer lengths of stay, likely driving an increase of ED patients admitted into inpatient care.





Note: Analysis excludes 0-17 age group. **Sources:** Impact of Change®, 2022; Proprietary Sg2 All-Payer Claims Data Set, 2019; The following 2019 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2022; Sg2 Analysis, 2022.

Prioritizing for the future

The forecast provided has been developed through expert-led research, data-driven methodology at the market level. Driven heavily by Systems of CARE and epidemiology on the inpatient side and population and epidemiology on the outpatient side.

- Consider service line prioritization, service distribution and care at home investment initiatives to help mitigate potential capacity constraints as the population ages and present with more complex cases.
- Redesign care delivery to leverage remote patient monitoring and other in-home or virtual options to increase operational efficiency and lower costs.
- Prepare for more complex, higher-acuity cases across all sites of care, requiring renewed focus on efficient care delivery to meet patient demand.

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than half of the nation's health care providers. Vizient provides expertise, analytics, advisory services, and a contract portfolio representing more than $130 billion in annual member purchasing volume, to improve patient outcomes and lower costs.