Health's NewFUTURE

How leaders can outmaneuver uncertainty brought about by COVID-19

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accenture

OUTMANEUVER UNCERTAINTY

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OUTMANEUVER UNCERTAINTY

As the health and humanitarian impacts of the COVID-19 pandemic evolve, so do the business and economic challenges. Organizations looking to balance their immediate needs with longer-term opportunities will see the trade-offs play out across three waves of impact: **the Now, the Next and the Never Normal.**

The Now includes an emphasis on supporting people, customers and suppliers. The Next will feature refocusing the business to withstand new threats and seize new opportunities. And the Never Normal will require navigating rapid shifts in cultural norms, values and behaviors.

This is the moment to reinvent business models and reintegrate the value organizations provide into a new societal landscape. The time to shape a mindset of bold business transformation powered by new approaches to technology and responsible leadership is underway.

The world is adjusting to new norms brought about by COVID-19, **impacting all strategies** going forward

Healthcare is changing. The crisis and its response efforts have left a mark on people and institutions, economically and mentally:
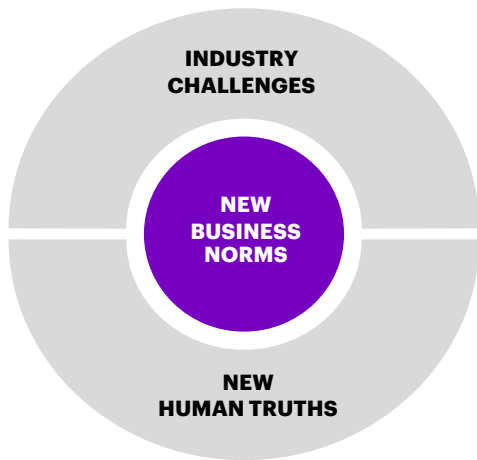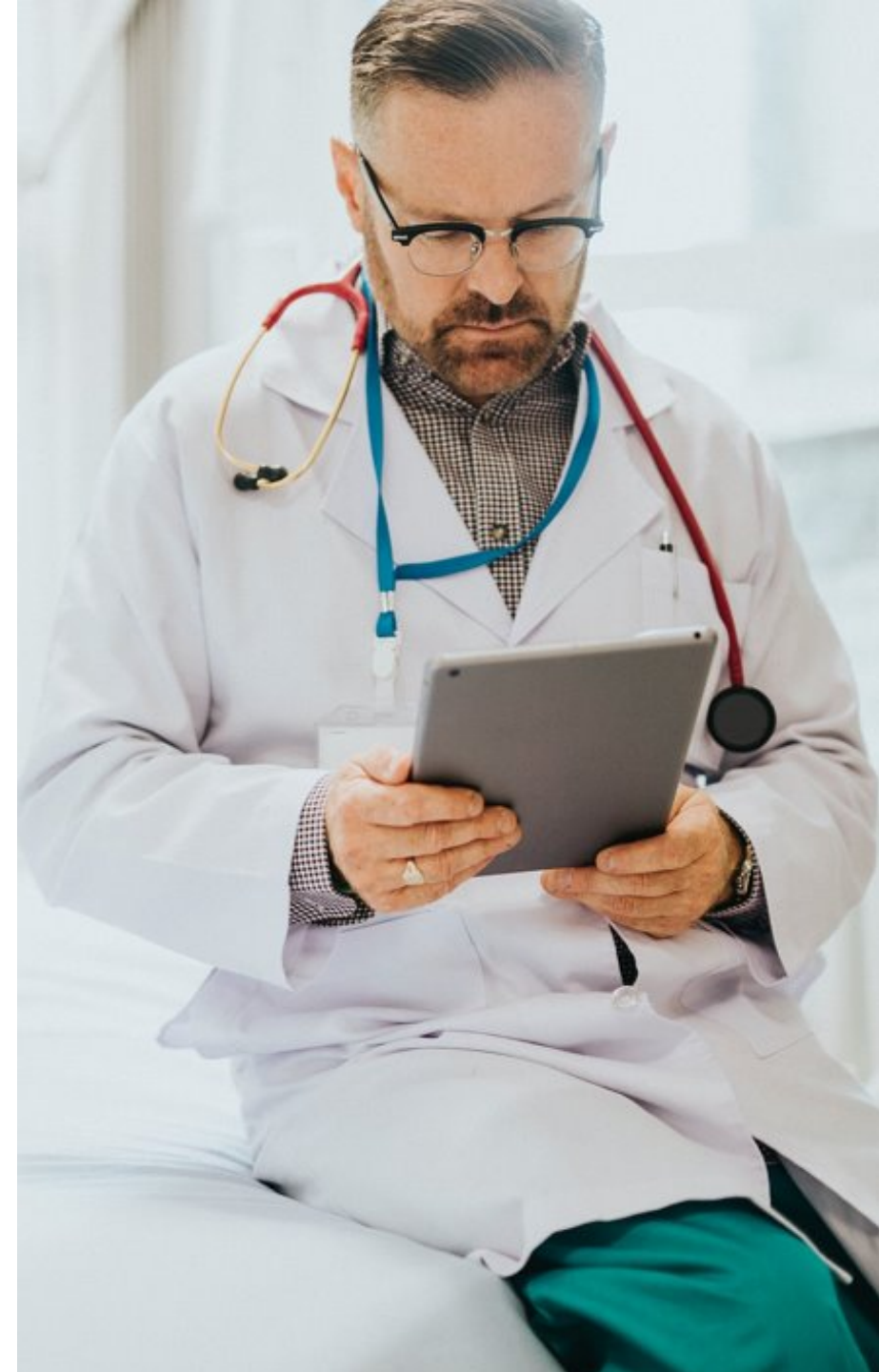

Industry challenges are being magnified or exacerbated

New human truths are emerging in society, based on evolving behaviors and sentiment

New business norms are leading to new strategic requirements that all healthcare organizations must address…

Necessitating a new strategic framework to propel into a **NewFUTURE** and outmaneuver uncertainty

The pandemic is magnifying **industry challenges**, testing healthcare's resilience

| INDUSTRY CHALLENGES	LOOKBACK *Pre-COVID-19*	THE 'NOW'
LABOR SHORTAGE on the front line of care	A rising clinician shortage along with early stage incorporation of automation, artificial intelligence and innovative care models	Demand for nurses is currently **20x** higher than this time last year[1]; **70%** of healthcare workers reporting mental health issues during crisis[2]
CAPACITY CONSTRAINTS for intensive care	Hospitals reducing investments in buildings to conserve capital expenditures in name of efficiency, thus sacrificing surge capacity	US needing **1.3-2.7x more inpatient beds** and **2.5-5x more ICU beds** to care for all COVID patients[3]
SUPPLY CHAIN HURDLES for essential products/equipment	Institutional, longstanding hurdles delaying introduction of new sources of product innovation	Shortage of personal protective equipment and ventilators, leading to U.S. to ramp-up production of **187k** ventilators[4]
LIMITED DIGITAL ABILITIES for care continuity and detection	Challenges associated with alleviating legacy technical debt, poor digital experience and clinical workflow integration, and lack of trust	**48%** of physicians are now utilizing telemedicine during the COVID-19 crisis[5]
FRAGILE ECONOMICS for financing of care	Activity-based payments with push-pull towards value-based payments and incentives	Potential loss of **$2800** per COVID-19 case[6] **$34-250B** unexpected costs for national commercial insurers due to COVID-19[7]

Sources: 1. NBC News, 2. JAMA, 3. Health Affairs 4. Reuters 5. The Physicians Foundation & Merritt Hawkins, 6. Healthcare Innovation, 7. Covered California

Meanwhile, the crisis has left its mark on humans, challenging feelings of safety and influencing behaviors
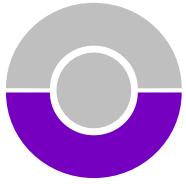
FIVE NEW HUMAN TRUTHS ARE EMERGING IN SOCIETY

1 Confidence

Trust will be more important than ever, with increasing emphasis for organizations to rebuild trust quickly and credibly.

2 in 3 Americans believe U.S. as a whole was/is not very prepared or not prepared at all to deal with coronavirus (Apr 14).[1]

2 Virtual <> Distance

The pandemic has fueled a massive and further shift to virtual activity for anything. Anything that can be done virtually will be.

15-20x increases in virtual visit volume for telehealth providers.[2]

3 Healthcare is Everyone's Business

A health economy will emerge with opportunities for all to plug into. Every business will need to understand how it participates.

75+ Household brands (e.g., Uber, GM, Armani, Exxon, etc.) are pitching in – from manufacturing of PPE and ventilators or other.[3]

4 Cocooning

Winners will be those who zero their sights on the home. This pattern will endure with meaningfulness and comfort carrying a price premium.

40M+ Americans providing unpaid caregiving to friends or family during COVID-19.[4]

5 Authority

If governments get their handling of the crisis broadly right, expect top-down control to be back in fashion; if not, the reverse.

50% of Americans disapprove of how the government is handling the virus response.[5]

Excerpted from "5 new human truths that experiences need to address" (Accenture)

Sources: 1. The Economist/YouGov Poll (#60) 2. StatNews 3. Forbes 4. Bureau of Labor Statistics 5. FiveThirtyEight

New business norms will impact strategies for all healthcare organizations in the next two years
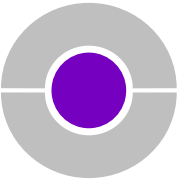
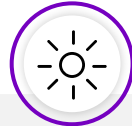## Persistent DISTANCE
From "convenience" → "necessity"

NEW FUTURE POTENTIAL

1 in 3
Healthcare visits to be conducted virtually, from 1 in 20 pre-COVID-19[1]

INDUSTRY IMPLICATIONS

Monumental, structural shift in care models, physical plant and patient experience

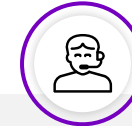## Community TRUST
From individual liberty → collective good

NEW FUTURE POTENTIAL

2x
Swing in Net Promoter Score for brands with perceived strong response fostering trust during COVID-19[2]

INDUSTRY IMPLICATIONS

Increased emphasis on the triple bottom-line, with generating societal benefit essential to trustworthiness

SURGE as Requirement
From emergency response → persistent pandemic

NEW FUTURE POTENTIAL

$130 million
Minimum reserve an average health system would need, to maintain cash flow swings[3]

INDUSTRY IMPLICATIONS

New operational approaches needed to manage capacity and volumes, minimizing financial disruption
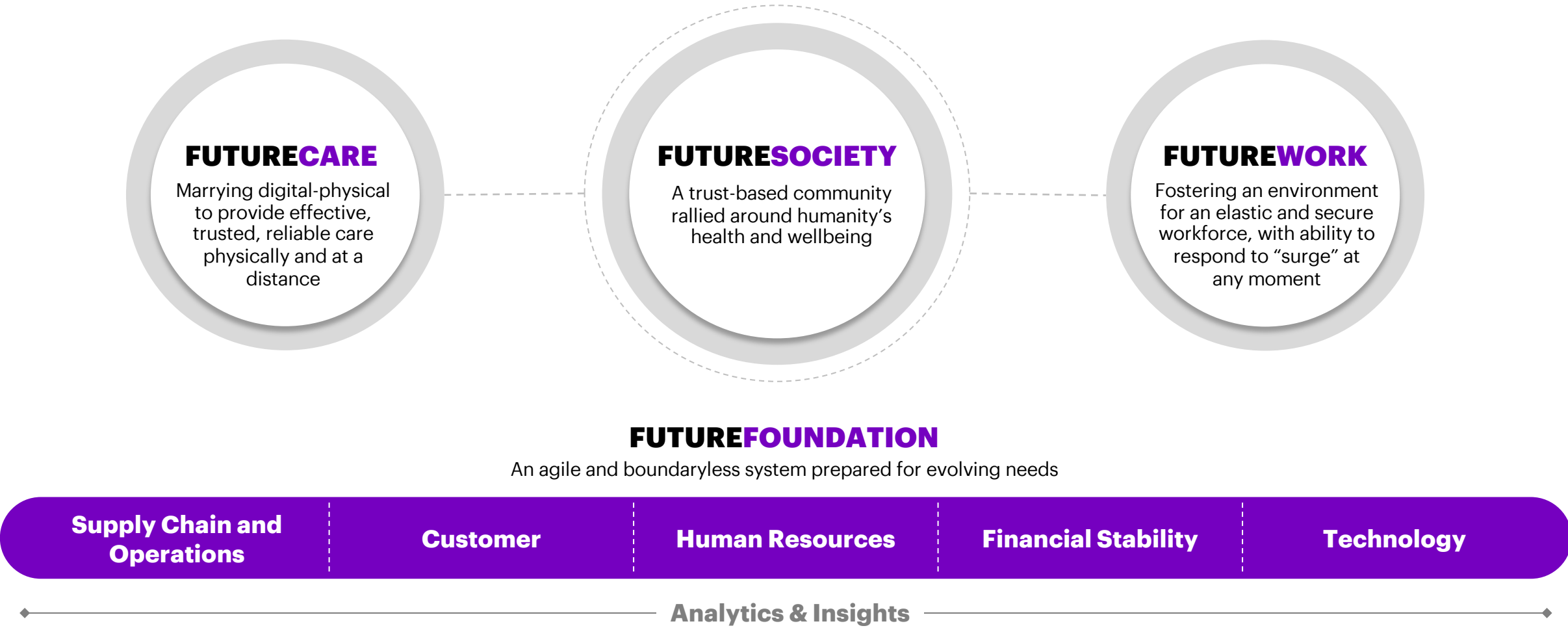
Material changes are on the horizon, necessitating a **NewFUTURE framework** to outmaneuver uncertainty and reimagine healthcare: seamlessly connecting care, society and work
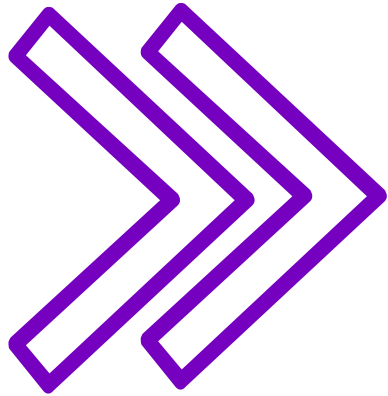
Health's NewFUTURE Framework

A strategic framework to create a resilient health ecosystem that outmaneuvers uncertainty and empowers humans to be safe, secure and confident

FUTURECARE
Marrying digital-physical to provide effective, trusted, reliable care physically and at a distance

FUTURESOCIETY
A trust-based community rallied around humanity's health and wellbeing

FUTUREWORK
Fostering an environment for an elastic and secure workforce, with ability to respond to "surge" at any moment

FUTUREFOUNDATION
An agile and boundaryless system prepared for evolving needs

Supply Chain and Operations	Customer	Human Resources	Financial Stability	Technology

Analytics & Insights

FUTURECARE

Marrying digital-physical to provide effective, trusted, reliable care physically and at-a-distance

The NewFUTURE of care will rely on seamless, coordinated care that provides people with the right attention, services, therapies and products anytime, anywhere, to instill confidence, safety and respect across all moments.

NEWFUTURE EXPECTATIONS
- Connected health experiences
- Smart buildings and facility management
- Proliferated virtual services
- Next-gen care management
- Care-in-the-home

Strategic requirements
- Structural, care model redesign and deployment
- "At-a-distance" capabilities
- Expanded and secure data sharing
- Aligned economics and incentives
- Seamless orchestration
- Planning for wide variations of volume

FUTURE CARE — FUTURE SOCIETY — FUTURE WORK

FUTUREFOUNDATION
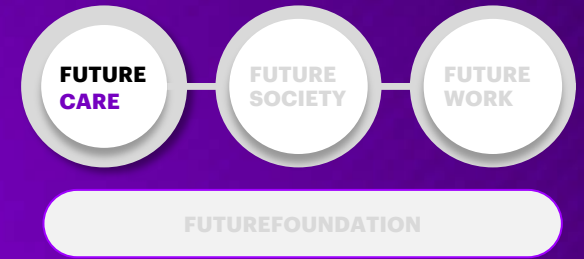
1 in 10
Patients had used telemedicine before the pandemic[1]

3000%
Increase in number of physicians using telemedicine for first time[2]

11M
People at high risk of COVID complications will likely remain at home for a longer period during the entire crisis timeline[3]

Sources: 1. QZ 2. AJMC 3. Gallup

FUTURESOCIETY

## A community rallied around humanity's health and wellbeing, earning trust

The NewFUTURE of society will connect community resources, the public and private sectors, and customers to address the health of their community and respond to public health needs.

NEWFUTURE EXPECTATIONS

- Linkage to social necessities
- Mental health support and services
- Economic security
- Connected health and government

Strategic requirements

- Health + social forever linked
- Greater public-private collaborations
- A "platform" society
- Personal health data shared more overtly (and securely)
- Aligned economic incentives and financial safety nets

FUTURE CARE — FUTURE SOCIETY — FUTURE WORK

FUTUREFOUNDATION
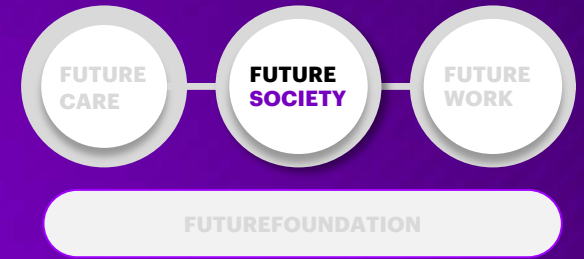
1 in 3
Patients hospitalized are African American[1]

36M
Jobs are at high risk of automation, as companies prepare for a recession[2]

ONLY 13%
Of companies offer stress management tools for employees, yet 60% of employees report mental health issues[3], [4]

FUTUREWORK

Fostering an environment for an <u>elastic, secure workforce</u> to respond to "surge" at any moment

The NewFUTURE of work will require development and management of an elastic workforce of everyone in the *health ecosystem:* from clinicians to administrators to back office staff and everyone in between, ensuring productivity and wellbeing in periods of certain and uncertain times.

NEWFUTURE EXPECTATIONS
- Always-equipped clinical workforce
- Elastic health workforce
- Work-at-a-distance

Strategic requirements
- Safe and supportive work environment
- <u>Human + Machine</u> approaches
- Expanded care team makeup
- Fluid digital-physical workspace
- Virtual-first mentality, with "come-to-office" as exception
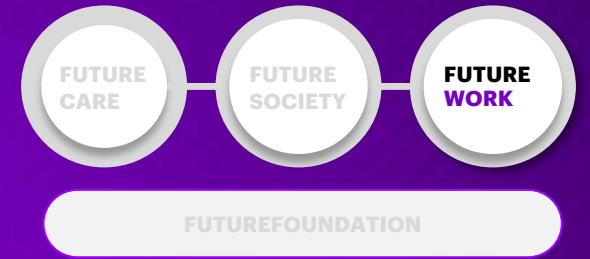
300%
Increase in chatbot utilization during the crisis[1]

60%
Of the jobs in the US can be converted to remote work[2]

96%
Of healthcare job losses were for outpatient clinicians and staff[3]

Sources: 1. <u>Inbenta</u> 2. <u>Investors</u> 3. <u>Modern Healthcare</u>

FUTUREFOUNDATION

## An agile and boundaryless system prepared for evolving needs

The NewFUTURE of organizational foundations will be both solid and nimble to both weather any future crisis or surge and thrive in capturing new growth opportunities.

NEWFUTURE EXPECTATIONS
- Undisrupted supply chain
- On-demand citizen support
- Expanded human resources
- Sustained financial stability
- Next-gen information technology
- Advanced analytics and insights

Strategic requirements
- Cloud-enabled infrastructure that is flexible and secure
- Data sharing and interoperability
- Modern collaboration tools
- Resilient supply chain and operations
- Right balance between public health and innovation
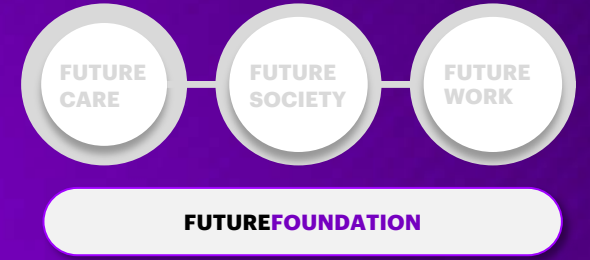
44%
Of N95 masks that are ordered by providers are actually delivered (at onset of COVID-19 crisis in U.S.)[1]

1000%
Increase in video calls in Microsoft Teams in March[2]; 200M daily users of Zoom (up from 10M in January)[3]
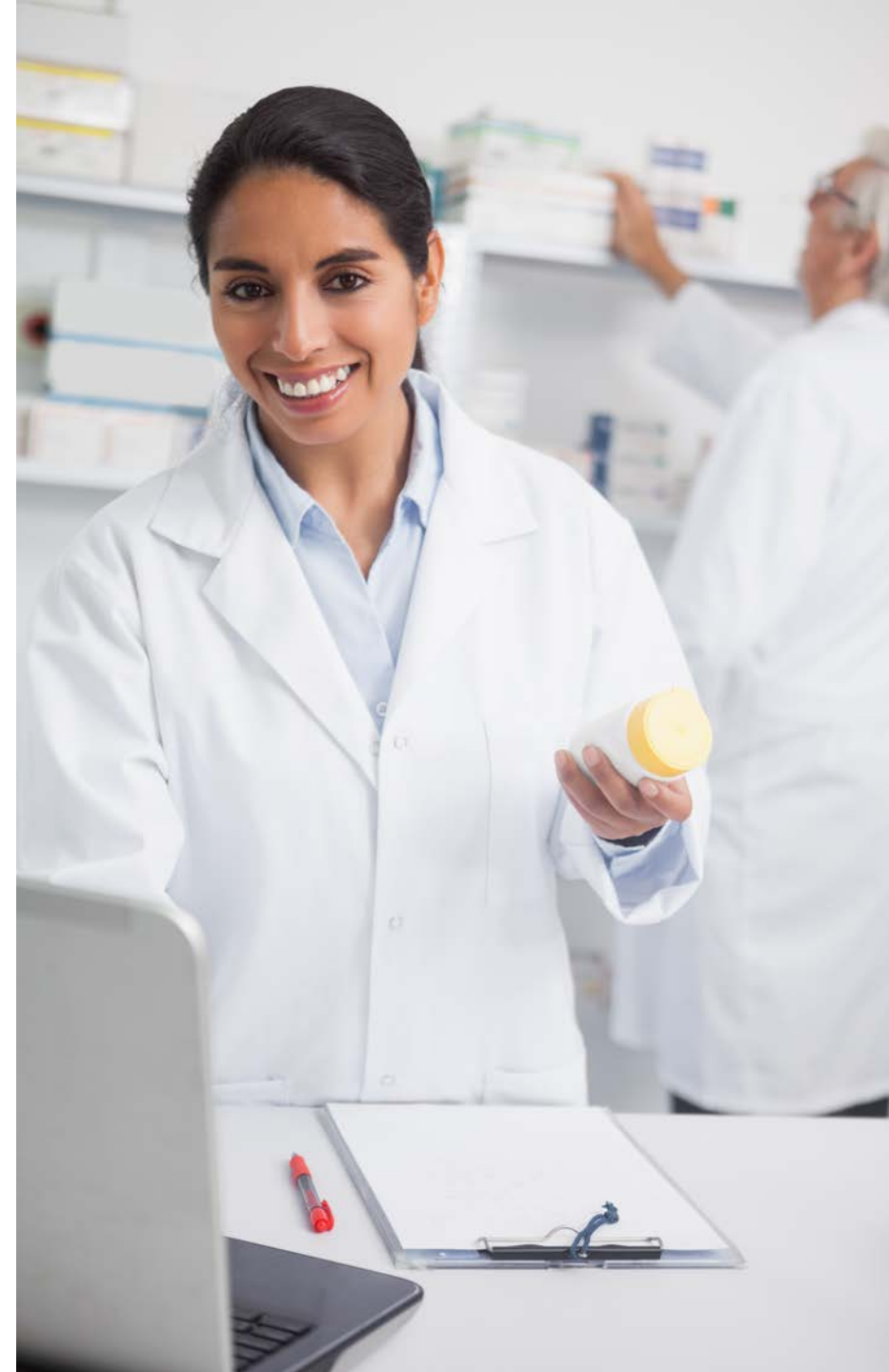
1
Number of industries (financial services) that are required to conduct federal stress tests[4] - is healthcare next?

Sources: 1. Healthcare Finance 2. Microsoft via Tech Crunch 3. VentureBeat 4. Federal Reserve

As the future unfolds, healthcare organizations can seize this moment and earn trust by resetting promises to constituents. **Experiences delivered will be where these promises are kept.**

It's oft said that *the best-laid plans often go awry...* in this moment beyond the "now" or "next" of pandemic response, **how will leaders address the world's NewFUTURE and outmaneuver uncertainty?**
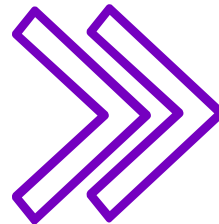
Embarking on the **NewFUTURE** will require a measured path...

READY
Plan the **NewFUTURE**

- **FutureCare:** Blueprint future care models that best maximizes ability to serve
- **FutureSociety:** Identify and connect the key community resources to core business operations
- **FutureWork:** Assess talent needs and capabilities with new tools and rethink principles of work
- **FutureFoundation:** Identify vulnerabilities in business processes and technology

SET
Build the **NewFUTURE**

- **FutureCare:** Build future care models, bringing together assets, talent, technology and partners
- **FutureSociety:** Establish presence as key local/national influencer, connecting business to societal obligations
- **FutureWork:** Deploy necessary training and change management, elevating culture and commitment
- **FutureFoundation:** Deploy a cloud strategy to enable an efficient enterprise

GO
Deliver the **NewFUTURE**

- **FutureCare:** Launch care models that can create capacity for care needs in next 24 months
- **FutureSociety:** Initiate a solution that connects care and work obligations to improve quality of life in the community
- **FutureWork:** Implement new incentives, performance expectations, and engagement to empower workers in health
- **FutureFoundation:** Deploy capabilities for persistent virtual workforce and resilient supply chain and operations

...guided by strategic leadership, propelled by technology and innovation.

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To help our clients navigate both the human and business impact of COVID-19, we've created a hub of all of our latest thinking on a variety of topics.

Each topic highlights specific actions which can be taken now, and what to consider next as industries move towards a new normal.

From leadership essentials to ensuring productivity for your employees and customer service groups to building supply chain resilience and much more, our hub will be constantly updated. Check back regularly for more insights.

VISIT OUR HUB HERE
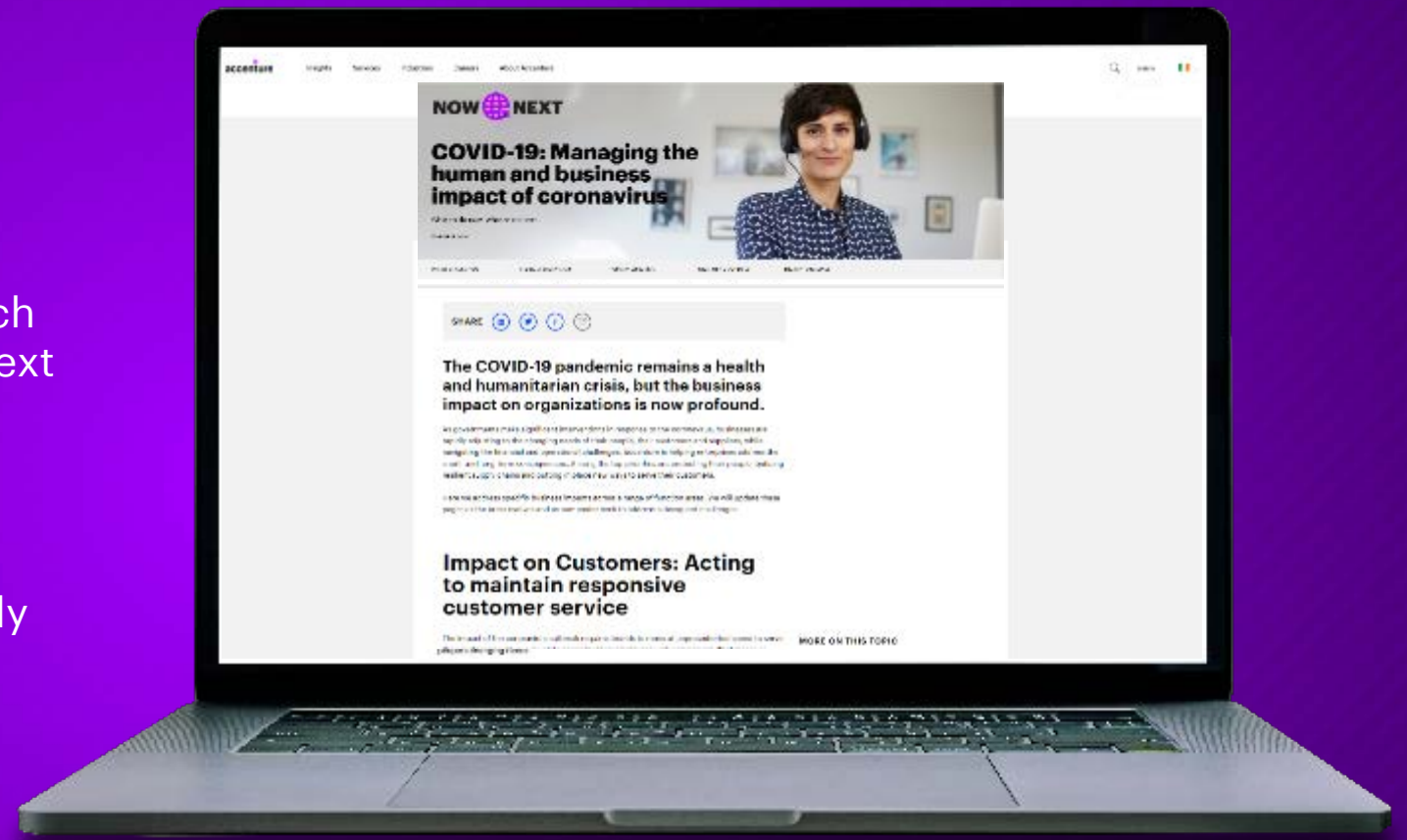
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