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That Changed Healthcare Forever— *Or At Least For This Year*

By Ayla Ellison

Day after day and week after week, many of the same tired phrases are used when discussing healthcare. Some say it's going through a period of unprecedented change while others phrase it as progressing through a significant transition, but no matter what words are used, one thing is clear — healthcare is a complex industry that is always transforming.

From the backlash against HMOs in the 1990s to the controversy surrounding the Patient Protection and Affordable Care Act that still exists today, the number of debatable healthcare topics is limitless.

In an attempt to find a model that works for everyone, including providers, patients and payers, the healthcare industry has molded into different forms, reacted to industry outcry and taken progressive steps, only to leave some groups satisfied and others disappointed.

Due to the continual modifications, it's nearly impossible to know what healthcare will look like one, 10 or 20 years down the road. However, it is possible to identify the words that will influence healthcare this year and — who knows — maybe forever.

1. Accountable care organization

Created under the Patient Protection and Affordable Care Act, ACOs are meant to reward providers for improving quality of care while reducing healthcare costs. Although many of the intricacies of these organizations are still being ironed out, with more than 626 ACOs already formed and more created every week, the industry will likely see more ACOs in coming years.

2. Bankruptcy

Anything from administrative mismanagement to a natural disaster can send a hospital down the road to bankruptcy. With 11 hospitals filing for bankruptcy in 2013 and 16 hospitals filing in 2014, according to a report from Value Healthcare Services, bankruptcy is becoming a commonly used term in the healthcare industry.

3. Big data

Healthcare organizations are harnessing big data technology to give them a more complete picture of a patient, which can help improve care coordination and outcomes. With the focus on improving quality of care and cutting costs, big data is more relevant and useful in the healthcare industry than ever before.

4. Bundled payments

Used as a mechanism to reduce healthcare costs and transition from fee-for-service to value-based reimbursement, bundled payments have grown in popularity since provisions for them were included in the PPACA. A bundled payment includes a set price meant to cover every element of clinical care and support for a specific procedure or condition.

5. Cadillac tax

Scheduled to take effect in 2018, the PPACA's "Cadillac tax" is meant to reduce overall healthcare costs by encouraging employers to offer cost-effective health benefits. With the tax looming, many large employers are already scaling back the benefits they offer employees, causing the affected workers to be offered plans with higher deductibles and co-payments.

6. Collaboration

The success of value-based payment models and population health hinges on providers and payers working together more than ever before, and they are joining forces under new types of agreements every day. These types of agreements include value-based contracts between insurers and health systems, clinical affiliations between competing health systems for certain types of care and partnerships between hospitals and outside agencies to improve the social determinants of health.

7. Consolidation

Whether driven by a desire to increase bargaining power or to stay financially viable, there is rampant consolidation in the healthcare industry. Although there has been some friction between antitrust laws and consolidation under the PPACA, 2014 brought 95 hospital transactions, making it the third consecutive year in which at least 95 hospital transactions were announced. Of the 95 transactions between acute-care hospitals, 80 involved the acquisition of nonprofit organizations and 15 involved the acquisition of for-profits.

8. Consumerism

With the increasing popularity of high-deductible health plans and the availability of data about prices and outcomes, healthcare is increasingly becoming an industry in which consumers shop for care. As patients take on more responsibility for healthcare costs, the industry will likely become even more patient-centric.

9. Coordinated care

There are numerous participants involved in coordinated care — such as primary care physicians, specialists, post-acute care facilities, family members and the patient — and each is responsible for a different aspect of care delivery and health outcomes. In their efforts to provide coordinated care across the healthcare continuum, providers must identify and eliminate gaps in the episode of care, share information and reach out to patients to help improve health outcomes.

10. Culture

An organization's culture can affect everything from patient safety to employee engagement, from innovation to financial performance. There is a tremendous amount of buzz around culture in the healthcare industry, as it can cause employees to become invested in an organization's mission and propel it forward to reach its goals, or it can lead to setbacks for hospitals and health systems.

11. Data breach

The healthcare industry is being transformed through the increased use of technology. However, as more patient information is stored electronically, the threat of data breaches becomes greater. With this increasing threat, last year was even dubbed by some as the "year of the data breach." Across industries, the healthcare sector experienced the highest percentage of breaches in 2014, according to Identity Theft Resource. Of the 761 data breaches reported last year, 322 of them came from the healthcare industry. There have been several headline-making healthcare data breaches in recent years, including a significant one earlier in 2015 that involved a cyberattack on Anthem.

12. Do-it-yourself

By allowing consumers to use technology to more effectively manage and track their own health, the do-it-yourself healthcare movement is growing in popularity as patients take on more responsibility for managing and paying for the care they receive. People can track their health independently or work with a healthcare professional to do so. Physicians are jumping on board as well, according to a 2015 PwC report on trends in the industry.

13. High deductible

The popularity of high-deductible health plans has increased significantly in recent years, with more than 20 percent of the insured population having these plans in 2014 compared to just 5 percent 10 years ago, according to a report from The Advisory Board Company. Five to 10 years ago, \$500 to \$1,000 would have been considered a high deductible, whereas about 81 percent of enrollees in these types of plans had deductibles of more than \$2,500 in 2014. These plans are a concern for consumers as they become responsible for paying a greater percentage of their medical costs, and they're also causing concern among providers, as many patients cannot afford to pay their deductibles.

14. ICD-10

One of the most talked about topics in healthcare in recent years has been the industry's transition to ICD-10. The transition has been thrown off course by three separate delays already. With global plans to move forward to ICD-11 already in motion, the looming Oct. 1, 2015 deadline for the transition to ICD-10 in the U.S. seems late at best.

15. Insurance exchange

Created to help facilitate the purchase of health insurance plans by consumers under the PPACA, insurance exchanges are a relatively recent addition to the healthcare environment. These insurance marketplaces, which can be run by the state, the federal government or a hybrid of the two, have been shrouded in controversy. They are even at the center of a U.S. Supreme Court case, *King v. Burwell*, which will determine the future of health insurance subsidies.

16. Interoperability

As hospitals and health systems join forces through partnerships, mergers and other collaborations, such as ACOs, interoperability — or the ability to exchange information — is essential. The technology systems used

by healthcare organizations must be able to communicate, or “talk to one another,” and exchange data to paint the full patient picture for providers. The ONC has set a deadline of 2017 for national interoperability.

17. Lean

A common strategy in manufacturing companies for decades, the philosophy of lean management has gained traction in healthcare, as it is a mechanism for driving out waste and providing more efficient care. A successful lean strategy requires a top-down approach, with leadership actively involved in the transition, to create a cultural shift in an organization.

18. Meaningful use

Investing in and implementing an EHR is a lengthy and costly endeavor for healthcare organizations, and using technology to improve quality, patient engagement and care coordination while maintaining a patient's privacy and security is a difficult task. However, that is what meaningful use requires. There are three stages in the process, with the proposed rule for meaningful use stage 3 recommending a requirement that all providers attest to the final stage by 2018.

19. Medicaid expansion

The PPACA threw expansion of Medicaid into the spotlight, and it has stayed there ever since. A 2012 U.S. Supreme Court decision made Medicaid expansion optional, and as of March 6, 29 states had expanded Medicaid, including Washington, D.C., six were discussing or considering expansion, and 16 were not adopting Medicaid expansion at the time, according to Kaiser Health Facts.

20. Metal tiers

Bronze, silver, gold and platinum have been discussed in relation to health insurance plans more than jewelry in recent years. The insurance plans sold through the state and federal marketplaces are primarily separated into those four tiers, and the metal indicates the average percentage a person will spend on essential health benefits under the plan. Consumers using the exchanges are overwhelmingly selecting bronze and silver tier plans, which both have sizeable deductibles, according to a report from The Advisory Board Company.

21. Narrow network

By providing a limited choice of physicians and hospitals to choose from, narrow networks can help lower insurance premiums. However, narrow networks have received scrutiny in sources of the mainstream media, as some consumers have struggled to get the care they need with the limited choices in their network.

22. Navigators

Under the PPACA, a navigator program was established to help guide consumers and small businesses in their quest to purchase insurance plans through the exchanges. By law, navigators are organizations or individuals who are required to be unbiased and offer their services for free, helping consumers learn about their

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coverage options and how to enroll. The program has seen its fair share of controversy, with some states passing laws to regulate navigators' work and some brokers and insurance agents viewing the navigator program as a business threat, according to a *Health Affairs* report.

23. Open payments

By requiring physicians and teaching hospitals to report on payments from drug, medical device and biologics companies, the Open Payments program aims to create greater transparency around the financial relationships of these entities. Almost immediately after the Open Payments website launched in September 2014, physicians said the database included incorrect information that was giving the public the wrong impression. In January, CMS officials said there were going to be major changes made to the program, and the entirety of 2014's data is expected to be available by June 2015.

24. Patient experience

Hospitals and systems are focused on distinguishing themselves by providing a great patient experience. The patient experience is made up of each and every interaction a patient has with a healthcare organization and how they perceive those interactions before, during and after they receive care.

25. Pay for performance

The major transition occurring in the healthcare industry that involves compensating providers based on the quality of care they provide rather than quantity isn't anything new, but it continues to be the center of many conversations and debates in the industry.

26. Personal health information

With hackers targeting healthcare organizations to gain access to patient information and strict rules surrounding the protection of it, safeguarding patient health information is a major focus of the healthcare industry this year.

27. Population health

In its truest form, population health refers to the health of an entire population of a geographic location — not just the people inside a hospital or physician's office. Whether focused on patients with a specific chronic condition or those assigned to a particular ACO, population health allows providers to target a defined group of patients and work to improve their health outcomes. Population health also relates to the social determinants of health, not just medical care.

28. Tourism

Medical tourism is a growing phenomenon, attracting those seeking lower medical costs as well as people wanting to turn getting medical care into a vacation-like experience. It is estimated that more than 1 million Americans went abroad for care in 2014, according to a CNN report. Many medical tourism professionals have their eyes on Cuba this year, as it may become the next hot spot for Americans seeking healthcare abroad, according to *The New York Times*.

29. Transparency

As consumers become more involved in their healthcare and take on more responsibility for paying for it, there has been a major push for more transparency in the industry. From making procedure prices available online to publishing quality scores, the healthcare industry has responded to the pressure.

30. Value

Value is defined as outcomes relative to costs, or health outcomes achieved per dollar spent. There has been a lot of chatter around this term in recent years. With the increasing popularity of value-based payment models, this term has become patient-centric and will continue to become even more patient focused in coming years. ■

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