

# Top health industry issues of 2016

HFMA MA/RI Chapter

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PwC's Health Research Institute



## About this report

Each December, HRI names the top US health industry issues for the coming year. These issues include trends that will impact insurers, providers, employers, PLS, government and consumers.

This fall, HRI surveyed 1,000 US adults on their perceptions, beliefs and actions regarding healthcare.

HRI also interviewed industry experts, clients and others to gain a broad understanding of the issues that will impact our clients in 2016.



## *Top issues centered around three themes*

### **1** *Innovation*

- Care in the palm of your hand
- The new money managers
- New databases improve patient care and consumer health

### **2** *Access*

- Care moves to the community
- Behavioral health: no longer on the backburner
- Enter the biosimilars

### **3** *Troubleshooting*

- 2016 is the year of merger mania
- The medical cost mystery
- Cybersecurity concerns come to medical technology
- Goldilocks comes to drug pricing

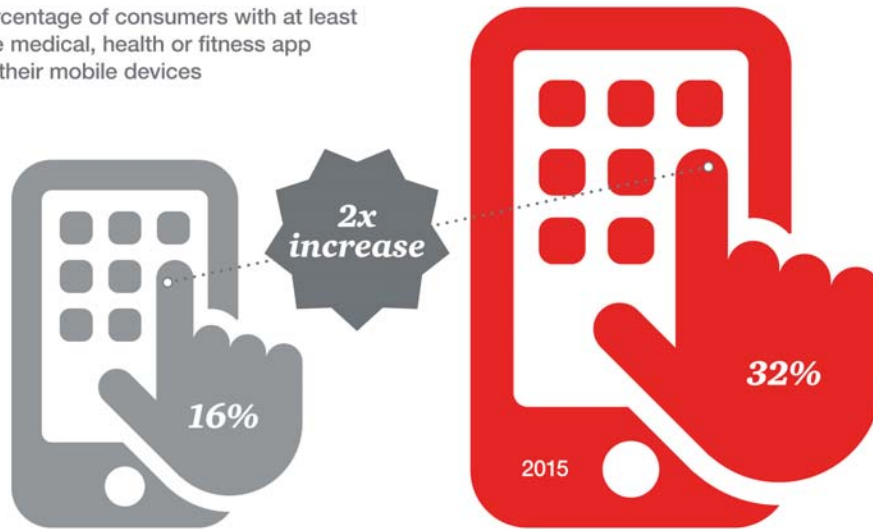
## *Innovation*

# 1

## Care in the palm of your hand

### Mobile health app adoption doubles in two years

Percentage of consumers with at least one medical, health or fitness app on their mobile devices



Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

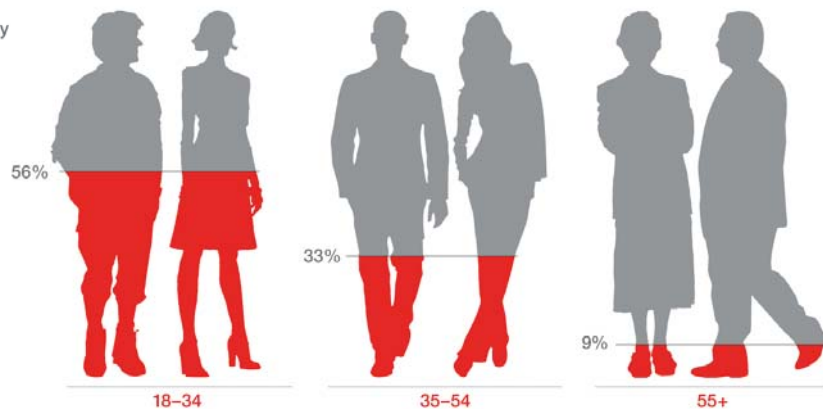
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## The new money managers

### Openness to new ways to manage health expenses skews young

Percentage of consumers who would use a service that helped them plan for medical expenses, similar to what retirement advisors offer today



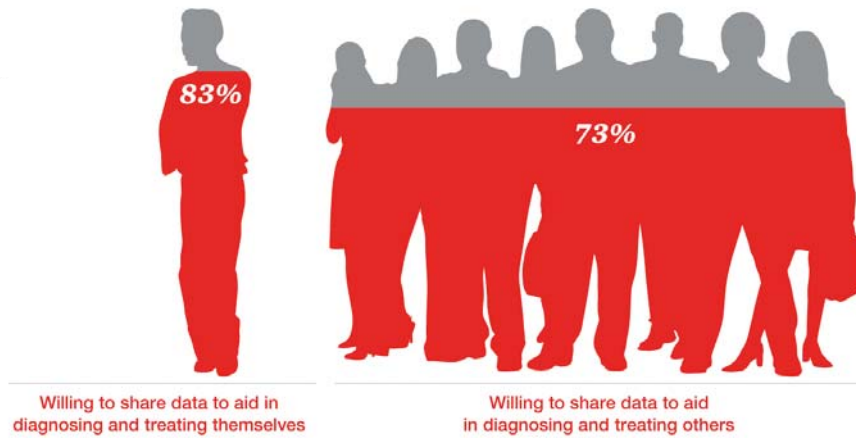
Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

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## *New databases improve patient care and consumer health*

*Happy to share, especially for personal benefit*



Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

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## *Access*

# 2

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## Care moves to the community

### Health systems are pursuing strategies to deliver lower-cost care

Acquisitions, new types of facilities and partnerships are ways that health systems are delivering care to the community

	 <b>Acquire or affiliate with community hospitals</b>	 <b>Build a bedless hospital</b>	 <b>Build a virtual care center</b>	 <b>Partner with retail clinics</b>
<b>Description</b>	Patients sent to community hospitals, while inpatient beds at "mothership" hospital are reserved for the sickest and most complicated patients	New types of facilities that are multi-specialty and offer many hospital services except inpatient care	Centers that utilize audio and virtual technology to provide lower-cost care anywhere, anytime	Retail clinics are starting to deliver lower-cost and local services beyond primary care, such as chronic disease management
<b>Capital investment</b>	Acquisition costs	Construction costs	Construction costs	Partnership fees

## Behavioral healthcare: no longer on the backburner

### Telehealth mental health services for the Snapchat generation

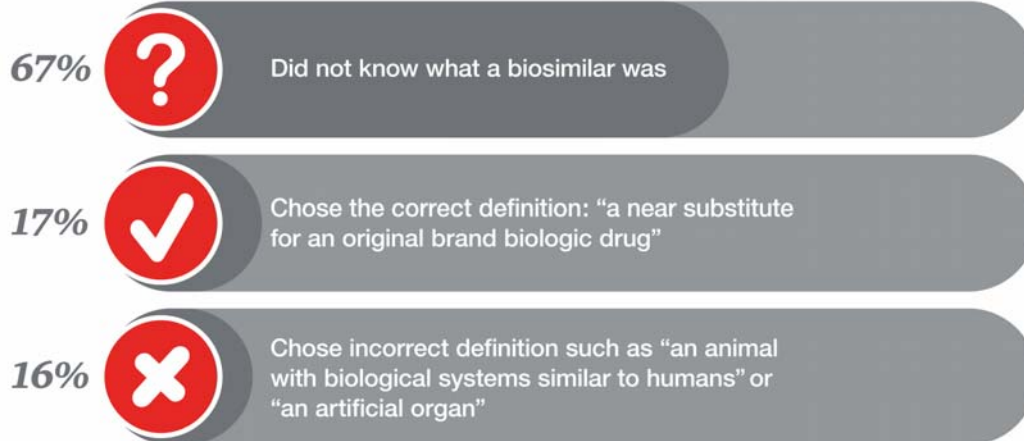
Percentage of consumers willing to use telehealth services, such as videoconference, to consult with a mental health provider instead of an in-person visit



## *Enter the biosimilars*

### *Consumers remain in the dark about biosimilars*

When given multiple choices for definitions of a biosimilar...



Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

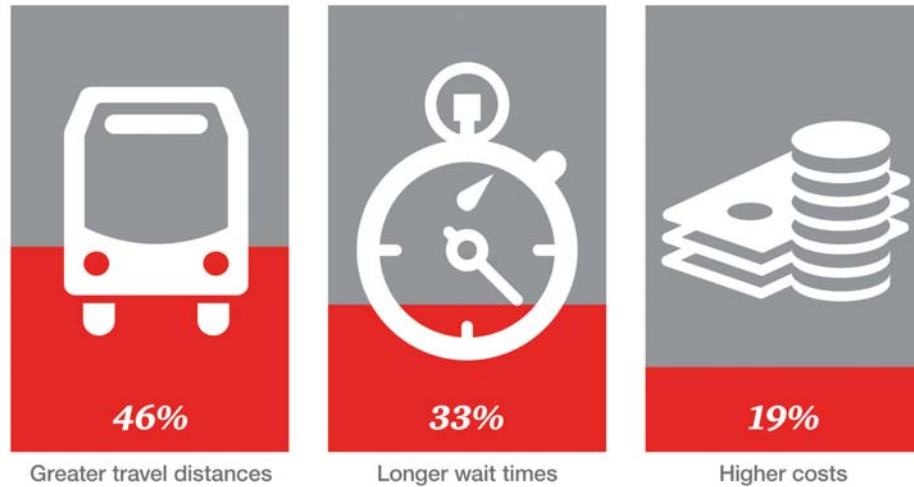
## *Troubleshooting*

# 3

## 2016 is the year of merger mania

### Many willing to go the distance for “best in field” care

Percentage of consumers who are willing to make the following tradeoffs to receive services from a health system recognized as “best in field”



Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

## The medical cost mystery

### Price is the unspoken word

Percentage of consumers who have never had a conversation with a physician or nurse about:

Price of a visit

66%



Price of a prescription

57%



Price of a procedure

60%

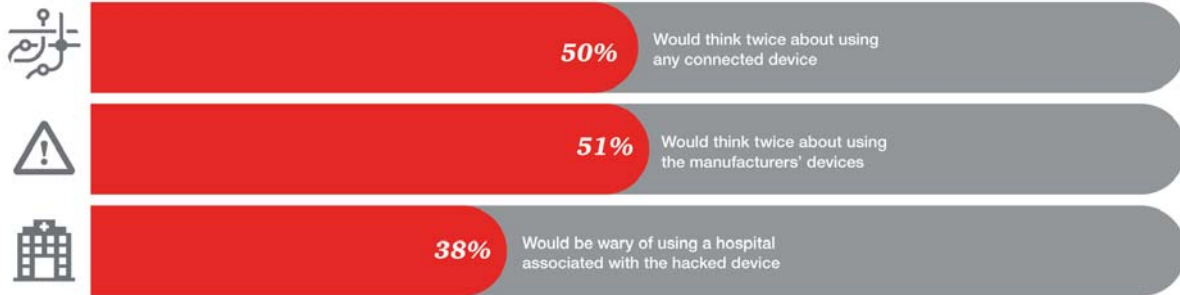


Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

# Cybersecurity concerns come to medical technology

## Hacked devices, lost customers

Many consumers would be wary of using connected medical devices after a hacking incident

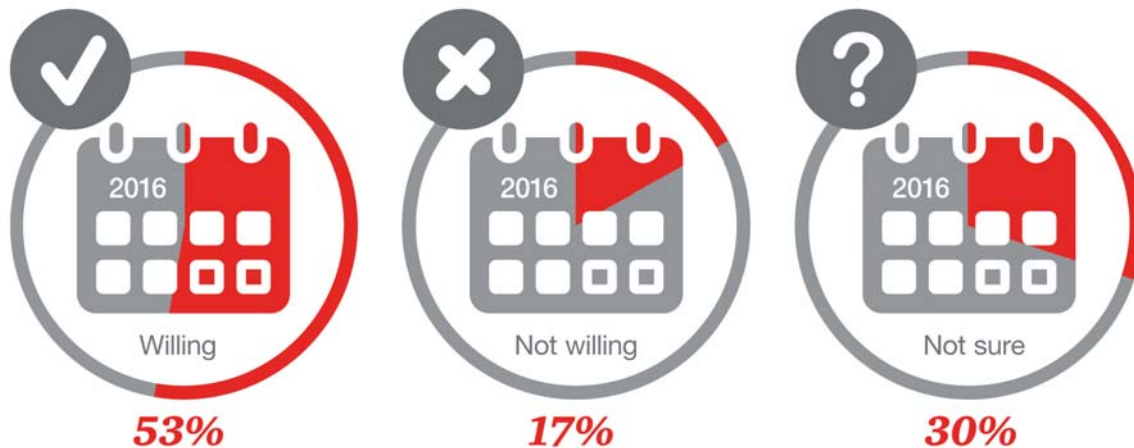


Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.

# Goldilocks comes to drug pricing

## Consumers are open to financing their prescriptions

More than half of consumers would be willing to pay the cost of a drug over time instead of all at once



Source: PwC's Health Research Institute, "Top Issues Consumer Survey," 2015.



## For more information



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