2020 Environmental SCAN
they say that change is the only constant in life. That certainly holds true today. Fresh technologies, new players in the market, increased emphasis on population health and social determinants of health, the advance of consumer-friendly care delivery models ... all of these factors and more promise a significant and lasting transformation of health care. For those in health care, we welcome this change. Because as we have always done, hospitals and health systems are leading this transformation, helping to shape and direct the future.

As a field, we have a remarkable track record for adaptability, seamlessly integrating decades of major breakthroughs in technology, biology and science — evolving treatments for cancer come to mind — into improved patient care.

In health care, change brings with it the opportunity to continue improving. It means better care for our patients. Change is what hospitals have been doing for far longer than any of us have been around. We know that there will always be changes we need to make to prepare for the future. That’s what we’re doing today.

To help you, each year, we publish the AHA Environmental Scan. This year’s scan offers an overview of the trends, statistics and economic forecasts likely to affect patients and providers at every level of care.

We track, interpret and share developments to make your job easier. With that in mind, we have identified several key topic areas that will likely impact health care in 2020 and beyond.

- **Access.** The cornerstone of healthy communities is having access to the right care at the right time in the right setting. Many factors affect this: availability of government programs such as Medicare, Medicaid and the Children’s Health Insurance Program, private insurance coverage and a strong and resilient workforce.

- **Health.** The health care system continues to evolve beyond the walls of the hospital as hospitals and health systems seek to manage and prevent chronic disease and improve the well-being of patients. This includes addressing the social determinants of health such as housing, food insecurity and violence in partnership with community organizations, providing access to behavioral health resources and working to stem the tide of tragic drug overdose.

- **Innovation.** Innovative strategies are becoming the norm. Eighty-six percent of health systems have at least one executive dedicated to exploring partnerships, investments and other tactics to position for the future. Top priorities for innovation initiatives and investments will include IT/data analytics, patient/consumer engagement and use of artificial intelligence to improve care delivery.

- **Affordability and value.** Affordable health care is one of the biggest concerns facing families, employers and government. Hospitals and health systems are doing their part to make care more affordable. They are leading the charge toward value-based care with new models that provide better coordinated care at a lower cost. They are using the best technology and data to improve patient outcomes.

- **Individual as partner.** Today’s consumers want health care when and where they want it. The availability of virtual care, patient-friendly online portals and alternative places of care such as retail clinics will be more important than ever.

This scan offers facts, predictions and statistics to think about and plan for, but nothing to fear. We’ve embraced change in the past and grown from it, and we will again.

As always, the AHA will stay on top of it as part of our commitment to helping America’s hospitals and health systems as they care for their communities ... saving lives, performing miracles and keeping people healthy.
Hospitals, health systems and health care organizations recognize that access to care for individuals is the cornerstone for developing healthy communities across the nation. Insurance coverage and a strong workforce are key elements that influence access to health care.

### ACCESS

Access to affordable, equitable health, behavioral and social services

**TOP REASONS FOR BEING UNINSURED AMONG NONELDERLY ADULTS**

- **Cost is too high**: 45%
- **Lost job or changed employers**: 22%
- **Lost Medicaid**: 11%
- **Marital status change, death of a spouse or parent, left school**: 11%


### COVERAGE

#### The Uninsured

**UNINSURED RATE: YOUNGER THAN 65**

- 2010: 18.4%
- 2011: 17.9%
- 2012: 17.7%
- 2013: 15.3%
- 2014: 12.0%
- 2015: 10.5%
- 2016: 10.1%
- 2017: 9.2%
- 2018: 10.0%


#### The Underinsured

**UNDERINSURED RATE: ADULTS AGES 19-64**

- 2010: 22%
- 2018: 29%

- In 2018, high out-of-pocket costs and deductibles contributed to underinsurance.
- The greatest growth in the number of underinsured adults occurred among those with employer plans.
- Continuously insured adults, including the underinsured, are more likely to get preventive care and cancer screenings.

The Affordable Care Act (ACA)

The ACA individual marketplace

**MARKETPLACE ENROLLMENT (in millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>8.0</td>
</tr>
<tr>
<td>2015</td>
<td>11.7</td>
</tr>
<tr>
<td>2016</td>
<td>12.7</td>
</tr>
<tr>
<td>2017</td>
<td>12.2</td>
</tr>
<tr>
<td>2018</td>
<td>11.8</td>
</tr>
<tr>
<td>2019</td>
<td>11.4</td>
</tr>
</tbody>
</table>

**AVG. NUMBER OF PARTICIPATING INSURERS PER STATE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5.0</td>
</tr>
<tr>
<td>2015</td>
<td>6.0</td>
</tr>
<tr>
<td>2016</td>
<td>5.6</td>
</tr>
<tr>
<td>2017</td>
<td>4.3</td>
</tr>
<tr>
<td>2018</td>
<td>3.5</td>
</tr>
<tr>
<td>2019</td>
<td>4.0</td>
</tr>
</tbody>
</table>

**MARKETPLACE AVERAGE BENCHMARK PREMIUM**

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$273</td>
</tr>
<tr>
<td>2015</td>
<td>$276</td>
</tr>
<tr>
<td>2016</td>
<td>$299</td>
</tr>
<tr>
<td>2017</td>
<td>$359</td>
</tr>
<tr>
<td>2018</td>
<td>$481</td>
</tr>
<tr>
<td>2019</td>
<td>$477</td>
</tr>
</tbody>
</table>

Impact of the ACA on early-stage diagnosis and treatment for women with ovarian cancer.

Increased access to health care resources and services.

Medicare

As measured by expenditures, Medicare is the largest health care insurance program in the U.S.

**2017 ENROLLMENT**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>% of U.S. Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Part A</td>
<td>58 million</td>
<td>18.0%</td>
</tr>
<tr>
<td>Medicare Part B</td>
<td>53 million</td>
<td>16.0%</td>
</tr>
<tr>
<td>Medicare Part D</td>
<td>44 million</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Medicaid and the Children’s Health Insurance Program (CHIP)

**ENROLLMENT**

- More than 72 million people, or 22% of the U.S. population.
- Medicaid expansion adult enrollment: nearly 17 million people.
- 47% of Medicaid and CHIP recipients are younger than 21.
- 11% of Medicaid recipients are 65 years or older.

**MEDICAID PAYS:**

- $1 in $6 in the health care system.
- $1 in $3 to safety net hospitals and health centers.
- $1 in $2 for long-term care.
- For nearly half of all births in a typical state.

AFRICAN AMERICAN CANCER PATIENTS

Increase in African American patients beginning treatment within a month of receiving diagnoses of advanced cancers in Medicaid expansion states post-expansion.

**IMPACT OF SUBSIDIES ON ENROLLMENT**

-24% Unsubsidized enrollment

Subsidized enrollment +4%


**The ACA linked to reduced disparities**

- Gaps in insurance coverage among racial and ethnic groups decreased after implementation of the ACA coverage expansions. These effects were greatest in states that expanded Medicaid.
- Under the ACA, women with ovarian cancer were more likely to be diagnosed at an early stage and receive treatment within 30 days of diagnosis.

Impact of a potential Medicare public option

- By 2025, 6.3 million people would gain coverage, as opposed to 9.1 million people gaining coverage through additional support of the ACA.
- A reduction of $836 billion to hospitals over a 10-year period.
- A significant disruption to the employer-sponsored insurance market, which provides coverage to more than 150 million Americans.


Workforce shortages

PHYSICIAN SHORTAGE PROJECTIONS BY 2032

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Projected Shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary care physicians</td>
<td>21,100 - 55,200</td>
</tr>
<tr>
<td>Non-primary care specialties</td>
<td>24,800 - 65,800</td>
</tr>
<tr>
<td>Surgical specialties</td>
<td>14,300 - 23,400</td>
</tr>
</tbody>
</table>


HEALTH CARE WORKFORCE SHORTAGE PROJECTIONS BY 2025

<table>
<thead>
<tr>
<th>Profession</th>
<th>Projected Shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home health aides</td>
<td>446,300</td>
</tr>
<tr>
<td>Nursing assistants</td>
<td>95,000</td>
</tr>
<tr>
<td>Medical and lab technologists/technicians</td>
<td>98,700</td>
</tr>
<tr>
<td>Nurse practitioners</td>
<td>29,400</td>
</tr>
</tbody>
</table>


PSYCHIATRIST SHORTAGES BY 2030

<table>
<thead>
<tr>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychiatrist supply</td>
<td>Psychiatrist demand</td>
</tr>
<tr>
<td>-27%</td>
<td>+6%</td>
</tr>
</tbody>
</table>


PERCENTAGE OF COUNTIES WITHOUT A PSYCHIATRIST

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>27%</td>
</tr>
<tr>
<td>Non-metropolitan</td>
<td>65%</td>
</tr>
</tbody>
</table>


NURSING EDUCATION CAPACITY

75K

Number of qualified applicants turned away from baccalaureate and graduate nursing programs by U.S. nursing schools in 2018 due to an insufficient number of faculty, clinical sites, classroom space, clinical preceptors and budget constraints.

“Fact Sheet: Nursing Faculty Shortage,” American Association of Colleges of Nursing, aacnnursing.org, April 2019.

Workforce and immigration

IN 2017, IMMIGRANTS’ ACCOUNTED FOR:

- 15.5% of the U.S. population.
- 27.5% of direct care workers.
- 18.2% of health care workers.
- 30.3% of nursing home housekeeping and maintenance workers.

*Immigrants are defined as those born outside the U.S. and are naturalized citizens, legal noncitizens and unauthorized immigrants.

Zallman, Leah et al. “Care For America’s Elderly And Disabled People Relies On Immigrant Labor,” Health Affairs, vol. 38, no. 6 (June 2019).

Drivers of workforce changes

- Generational shifts
- Technology
- Consumerism
- Open talent models (e.g. gig, virtual and contract)
- Diversity*


Artificial intelligence (AI) and the workforce

PERCENTAGE OF TASKS THAT COULD BE AUTOMATED IN HEALTH CARE

- Support occupations: 40%
- Practitioners/technical occupations: 33%

Implications:

- Improved efficiency, productivity and performance.
- Expanded job responsibilities.
- Practicing at the top of license.
- “Soft” skills will matter more.
- Workforce will acquire new digital skills to be able to collaborate with AI teams.

**Nonmedical tasks take time**

- Primary care physicians spend more than one-half of their workday, nearly 6 hours, interacting with the EHR during and after clinic hours. *1*
- During the time spent interacting with the EHR, 44% is focused on administrative tasks like order entry and billing and coding, and 24% is focused on inbox management. *1*
- An ED physician makes 4,000 mouse clicks over the course of a shift. *2*


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**Workplace violence**

**HOSPITALS THAT HAVE FORMAL WORKPLACE VIOLENCE PREVENTION PROGRAMS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>47.1</td>
<td>53.0</td>
<td>55.5</td>
</tr>
</tbody>
</table>

* 2018 data is preliminary.

**RATE OF INTENTIONAL INJURIES BY OTHERS, PER 10,000 WORKERS IN 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care and social assistance workers</td>
<td>9.1</td>
</tr>
<tr>
<td>All private industry</td>
<td>1.9</td>
</tr>
</tbody>
</table>


**VIOLENCE IN THE EMERGENCY DEPARTMENT (ED)**

- Nearly half of emergency physicians stated they have been physically assaulted at work.
- 71% personally witnessed others being assaulted during their shifts.
- 96% of female emergency physicians and 80% of male emergency physicians reported that a patient or visitor made inappropriate or unwanted advances toward them.


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**Clinician burnout**

**PHYSICIAN BURNOUT AND DEPRESSION**

- Burnout: 44%
- Colloquial depression: 11%
- Clinical depression: 4%

**NURSE BURNOUT**

- Nurses reporting burnout: 63%
- Nurses considering changing jobs due to burnout: 41%


**PHYSICIAN BURNOUT COST**

Focusing on physician turnover and reduced clinical hours, the annual cost of burnout on a national scale:

**$4.6 billion, or $7,600 per employed physician**

**NURSE BURNOUT COST**

Annual cost of nurse burnout to the average hospital:

**$5.2 – $8.1 million**

Social determinants of health

SOCIETAL ISSUES HAVE A MAJOR IMPACT ON CONSUMER HEALTH

Factors that contribute to health outcomes, %

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social determinants of health</td>
<td>~40</td>
</tr>
<tr>
<td>Health behaviors</td>
<td>~20</td>
</tr>
<tr>
<td>Clinical care</td>
<td>~15</td>
</tr>
<tr>
<td>Nonmodifiable factors (e.g., genetics)</td>
<td>~25</td>
</tr>
</tbody>
</table>

Average amount of data generated over a person’s lifetime

- 1,100 terabytes (volume, variety, velocity, veracity)
- 0.4 terabytes (clinical data)
- 6 terabytes

Note: This graphic has been adjusted from the original version.


HOUSING*

- 11% of households spend more than half their income on housing costs.
- Severe housing-cost burden is associated with an increase in food insecurity, child poverty and people in fair or poor health.

FOOD INSECURITY†

- 11.8% of households were food insecure in 2017.
- 40 million people lived in food-insecure households.


SOCIAL DETERMINANTS AND YOUTH VIOLENCE

Many risk factors of youth violence are the result of chronic stress from living in impoverished neighborhoods or poor housing, food insecurity, racism and other instability.

- Each day, 14 young people become victims of homicide and 1,300 are treated in EDs for nonfatal, assault-related injuries.

-$21$ BILLION Estimated cost of youth violence annually

1 in 5 high school students reported being bullied at school

Hospitals and social determinants

SCREENING FOR SOCIAL DETERMINANTS

88% of hospitals screen for social needs.

UNMET SOCIAL NEEDS ARE ASSOCIATED WITH:

- Nearly twice the rate of depression.
- 60% higher prevalence of diabetes.
- More than double the rate of ED visits.
- More than double the rate of missed medical appointments.

TOP 3 GOALS UNDERLYING HOSPITALS’ STRATEGY ON HEALTH-RELATED SOCIAL NEEDS

- Improving health outcomes: 70%
- Improving patient experience: 57%
- Building community relations: 50%

TOP 3 TYPES OF SOCIAL NEEDS METRICS TRACKED BY HOSPITALS

- Number of referrals (e.g., community providers): 57%
- Number of individuals screened: 55%
- Number of people connected to community resources: 45%

Hospitals, health organizations and behavioral health

- Nearly 30% of patients who visited a hospital ED had at least one behavioral health diagnosis.

2,538 Number of community mental health centers in operation across the country in 2017

“Behavioral Health Integration: Treating the Whole Person,” American Hospital Association Center for Health Innovation, 2019.

PERCENTAGE OF HOSPITALS REPORTING INTEGRATION OF ROUTINE BEHAVIORAL HEALTH SERVICES INTO THE FOLLOWING AREAS:

- Emergency services: 54.6%
- Acute inpatient services: 49.6%
- Primary care services: 41.2%
- Extended care: 17.3%

Major depression

DEPRESSION AND TREATMENT IN THE U.S.

People in the U.S. reporting at least one major depressive episode in 2017:

<table>
<thead>
<tr>
<th>No. of people</th>
<th>% of the respective population</th>
<th>% not receiving treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>17.3 million</td>
<td>7.1%</td>
</tr>
<tr>
<td>Adolescents (ages 12 to 17)</td>
<td>3.2 million</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

- The prevalence of adults with a major depressive episode was highest among individuals ages 18 to 25.
- The prevalence of a major depressive episode was 13.2% higher among adolescent females compared with males.


Behavioral health

NATIONAL LANDSCAPE

1 in 5 Americans affected by behavioral health disorders

- 70% of adults with behavioral health disorders also have physical health conditions.
- Costs are 75% higher for people with both behavioral and physical conditions.
- Fewer than half of adults with any mental health disorder receive treatment.

“Behavioral Health Care is High-Value Care,” American Hospital Association, May 2019.

Suicide

IN 2017:

- More than 47,000 Americans died by suicide.
- The most common method of suicide — firearm (51%).
- Tenth-leading cause of death in the U.S.
- Second-leading cause of death among individuals ages 10-34.
- There were twice as many suicides as there were homicides.
- 4.3% of adults 18 and older had thoughts about suicide.

Veterans' behavioral health
- About 20 former and current veterans die by suicide each day.
- The suicide rate is 22% higher than the general population.
- The Department of Veterans Affairs (VA) is using algorithms to identify potential veterans at risk.
- Since the VA adopted this technology in 2017, 250 fewer veterans have died by suicide than would have been expected based on the previous rate.


Reversing the tide of drug misuse
DRUG OVERDOSES
Preliminary data from the CDC indicates that overdose deaths declined 5.1% in 2018, the first drop in the U.S. since 1990.

• Deaths from heroin and prescription painkillers are decreasing.


Opioids and naloxone
HIGH-DOSE OPIOID PRESCRIPTIONS (in millions)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48</td>
<td>38</td>
</tr>
</tbody>
</table>

-21%

NALOXONE PRESCRIPTIONS INCREASE (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>270</td>
<td>556</td>
</tr>
</tbody>
</table>

+106%

MISUSE OF PRESCRIPTION PAIN RELIEVERS BY U.S. RESIDENTS 12 OR OLDER (in millions)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.1</td>
<td>9.9</td>
</tr>
</tbody>
</table>

-11%

AMERICANS 65 AND OLDER

<table>
<thead>
<tr>
<th>No. of people</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>52 million</td>
</tr>
<tr>
<td>2060</td>
<td>95 million</td>
</tr>
</tbody>
</table>

AMERICANS 65 AND OLDER REQUIRING NURSING HOME CARE (in millions)

LONELINESS
Older adults ages 50 to 80:
- Feel a lack of companionship: 34%
- Feel isolated from others: 27%


ALZHEIMER’S DISEASE
- The sixth-leading cause of death in the U.S.
- 5.8 million Americans are living with the disease.
- By 2050, it is projected that 14 million Americans will have the disease.
- Every 65 seconds someone in the U.S. develops the disease.

$290 BILLION
In 2019, Alzheimer’s and other dementia will cost the nation $290 billion. By 2050, these costs could rise to $1.1 trillion.

“Key Substance Use and Mental Health Indicators in the United States: Results from the 2018 National Survey on Drug Use and Health,” Department of Health & Human Services, Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality, HHS Publication No. PEP19-5068, 2019.
The health care field is transforming. The digital health evolution, consumerism, clinical advancements, new entrants and unique partnerships are accelerating this transformation. Hospitals and health systems are taking a leadership role in preparing for the future by investing in innovative technologies, practices and cultures with the goals of improving outcomes, addressing affordability and reducing friction for individuals.

**Health system innovation**

**TOP PRIORITIES FOR INNOVATION INITIATIVES AND INVESTMENTS**

- Access: 90%
- IT/Data analytics: 90%
- Patient/Consumer engagement: 90%
- Care delivery / Clinical restructuring: 86%

**Innovation infrastructure**

86% of health systems have one or more executives responsible for innovation strategy and oversight.

**HEALTH SYSTEMS THAT HAVE A DEFINED DEPARTMENT DEDICATED TO INNOVATION**

- 71% Large health systems
- 48% All health systems

**Forces driving health system innovation**

- Prioritizing consumerism.
- Disruption from new entrants.
- Improving quality of care.
- Increasing value-based contracting.
- Decreasing operating margins.

**INNOVATION INVESTMENT**

14% of health systems have a formal investment or ventures arm.

**MOST COMMON HEALTH SYSTEM INNOVATION PARTNERSHIPS**

- Technology companies: 67%
- Academic institutions: 52%
- Pharmaceutical companies: 48%

**SPEED OF IMPLEMENTING AND SCALING INNOVATION**

- 38% of health systems report the ability to scale quickly.
- 88% of health systems with a formal process for scaling innovation report the ability to scale quickly.

*Trends for Scaling Innovation in Health Care,* Center for Connected Medicine and the Health Management Academy, June 2019.
Digital Health Forecast

Health care IT leaders predict that digital health innovators will work to demonstrate real-world applications.

Examples:
• Broader adoption of AI and machine learning in population health to improve identification of those at risk and delivery of personalized services.
• Virtual reality/augmented reality as a routine treatment for pain control.
• Wearables and implantable health devices to enable detection of chronic conditions and monitor treatments.
• Broader use of voice recognition and intelligent assistants to reduce clinician burden.
• Increased use and impact of digital therapeutics.


HEALTH TECH AND DIGITAL HEALTH INVESTMENTS (in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$10.8</td>
</tr>
<tr>
<td>2018</td>
<td>$30.8</td>
</tr>
</tbody>
</table>


Disruptive innovation

Based on a survey of health care leaders

SERVICE LINES MOST RIPE FOR DISRUPTION FROM TECHNOLOGY

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral health</td>
<td>71.0%</td>
</tr>
<tr>
<td>Primary care</td>
<td>70.5%</td>
</tr>
<tr>
<td>Cardiology</td>
<td>29.5%</td>
</tr>
</tbody>
</table>

TECHNOLOGY THAT WILL HAVE THE BIGGEST IMPACT ON HEALTH CARE IN 2020

<table>
<thead>
<tr>
<th>Technology</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telehealth</td>
<td>59.4%</td>
</tr>
<tr>
<td>Data analytics/Big data</td>
<td>34.8%</td>
</tr>
<tr>
<td>Internet of medical things</td>
<td>28.6%</td>
</tr>
<tr>
<td>Machine learning and AI</td>
<td>22.3%</td>
</tr>
</tbody>
</table>

ORGANIZATIONS POSING STRONG COMPETITION TO HOSPITALS AND HEALTH SYSTEMS

Health analytics

• Health systems with a higher number of value-based care arrangements are more likely to have a mature approach to analytics.

HEALTH SYSTEMS’ INVESTMENT IN ANALYTICS

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a chief analytics officer</td>
<td>12%</td>
<td>30%</td>
</tr>
<tr>
<td>Have a clear and integrated strategy for analytics deployment</td>
<td>40%</td>
<td>70%</td>
</tr>
<tr>
<td>Have a designated department to deliver business intelligence/analytics services to the organization</td>
<td>76%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Hagan, Alison et al. “Shifting into high gear: Health systems have a growing strategic focus on analytics today for the future.” Deloitte Insights, Deloitte Center for Health Solutions, 2019. © 2019 Deloitte Development LLC.
THE DYNAMICS OF HEALTHCARE ARE SHIFTING
OUR LEADERS KEEP HOSPITALS HEALTHY.

A leadership opening can be an opportunity to re-engineer processes and re-energize your team. B.E. Smith is a strategic partner uniquely equipped to engage and secure the right talent across the continuum from managers to executives.

We work in collaboration with our clients and our candidates to ensure we are placing and supporting the right people, in the right place, at the right time. They consistently improve clinical, financial, and operational performance; reduce disruption; and enhance the patient experience.
Internet of Things (IoT)

AVERAGE NUMBER OF INTERNET-CONNECTED DEVICES PER PERSON IN THE U.S.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.1</td>
</tr>
<tr>
<td>2022</td>
<td>13.6</td>
</tr>
</tbody>
</table>


Opportunities and challenges of IoT

**Opportunities:**
- Telehealth and remote monitoring, smart sensors, medical device integration, health care building facilities that optimize clinical processes and operational systems, voice assistants, robotics, smart pills and treatments of diseases.†

**Challenges:**
- Data storage capability, cyberrisk, the need to update hospital infrastructure and human error.‡


Personal genetic data

- By the start of 2019, more than 26 million consumers added their DNA to four leading commercial ancestry and health databases.
- As many people purchased consumer DNA tests in 2018 as in all previous years combined.
- If the pace continues, these companies could have the genetic makeup of more than 100 million people by the start of 2021.


10 AI applications with the greatest near-term impact in health care

- Robot-assisted surgery
- Virtual nursing assistants
- Administrative workflow assistance
- Fraud detection
- Dosage error reduction
- Connected machines
- Clinical trial participant identifier
- Preliminary diagnosis
- Automated image diagnosis
- Cybersecurity


HEALTH AI MARKET SIZE

![Graph showing health AI market size increase from $600M in 2014 to $6.6B in 2021, with a 40% compound annual growth rate.](graph)


Interoperability

PERCENTAGE OF HOSPITALS THAT SEND RECORDS TO AMBULATORY CARE PROVIDERS OUTSIDE THEIR SYSTEMS

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>37%</td>
</tr>
<tr>
<td>2017</td>
<td>88%</td>
</tr>
</tbody>
</table>


BARRIERS TO INTEROPERABILITY

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other providers do not have an EHR or lack capability to receive information</td>
<td>63%</td>
</tr>
<tr>
<td>Experience challenges sending/receiving data across different vendor platforms</td>
<td>57%</td>
</tr>
<tr>
<td>Difficult to match or identify the correct patient between systems</td>
<td>37%</td>
</tr>
<tr>
<td>Additional costs to send/receive data with organizations outside system</td>
<td>35%</td>
</tr>
<tr>
<td>Had to develop customized interfaces to exchange information electronically</td>
<td>28%</td>
</tr>
</tbody>
</table>

Affordable health care is one of the biggest concerns facing families, employers and government. Health care transformation and value-based care models focusing on populations can improve the quality of care at a lower cost.

**AFFORDABILITY AND VALUE**

The best care that adds value to lives

Affordable health care is one of the biggest concerns facing families, employers and government. Health care transformation and value-based care models focusing on populations can improve the quality of care at a lower cost.

**COST TO STAKEHOLDERS**

**U.S. national health expenditures**

<table>
<thead>
<tr>
<th>Year</th>
<th>% growth</th>
<th>Amount</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.9%</td>
<td>$3.5 trillion</td>
<td>17.9%</td>
</tr>
<tr>
<td>2018*</td>
<td>4.4%</td>
<td>$3.6 trillion</td>
<td>17.8%</td>
</tr>
<tr>
<td>2019*</td>
<td>4.8%</td>
<td>$3.8 trillion</td>
<td>17.8%</td>
</tr>
<tr>
<td>2020-2027*</td>
<td>5.7% average</td>
<td>$6.0 trillion by 2027</td>
<td>19.4% by 2027</td>
</tr>
</tbody>
</table>

*Projection


**Patient perspective**

**69%** Reducing health care costs should be a top national priority.

**TOP HEALTH CARE PRIORITIES**

- Lowering prescription drug prices
- Health insurance coverage for pre-existing conditions
- Making sure Medicare benefits are not cut
- Lowering the overall cost of health care
- Increasing spending on research to find cures for diseases

**Financial impact for hospitals**

**HOSPITALS’ COST TO PROVIDE UNCOMPENSATED CARE (in billions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>$50B</th>
<th>$25B</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$38.4</td>
<td></td>
</tr>
<tr>
<td>2018*</td>
<td>$41.3</td>
<td></td>
</tr>
</tbody>
</table>


**$76.6 BILLION** Combined Medicare and Medicaid underpayments to hospitals in 2018*

* 2018 data is preliminary.

**OUT-OF-POCKET COSTS**

- Out-of-pocket costs increased by 12% for inpatient, outpatient and ED care from 2017 to 2018*
- Medical fundraisers account for 1 in 3 campaigns for the crowdsourcing website GoFundMe.†


Employer-sponsored plans

INDIVIDUALS ENROLLED IN EMPLOYER-SPONSORED PLANS

- Half of Americans say they or an immediate family member have put off going to the doctor, not filled a prescription or delayed other medical care because of cost.*
- Four in 10 had difficulty paying a medical bill or insurance premium within the past year.†
- Four in 10 enrolled in a high-deductible plan do not have enough savings to cover the deductible.†
- One in 5 say health care costs have used up all or most of their savings.†


Drivers of medical cost trend

Retail drugs

Between 2020 and 2027, retail drug spending under private health insurance is projected to increase 3-6% a year.

Chronic disease

- Adults with one chronic disease
- Adults with two or more
- For employers, per capita spending on an individual with a complex chronic disease is 8 times that of a healthy individual.

Mental health services

PERCENTAGE OF EMPLOYERS OFFERING MENTAL HEALTH DISEASE-MANAGEMENT PROGRAMS

- Costs will go up in the short term. In the long term, addressing mental health is a significant deflator of medical cost trend.

Employees bear the cost

- Average deductibles for employer-sponsored plans tripled between 2008 and 2018.*
- Average annual rate of cost sharing outpaced growth in wages from 2006 to 2016.*
- 84% of employers offered a High-Deductible Health Plan (HDHP) in 2019.*
- Enrollment in HDHPs reached 47% of the commercially insured, pre-Medicare population in 2018, representing a 3.3% increase from 2017.†


Prescription drugs

PRICES FOR MORE THAN 3,400 DRUGS INCREASED IN THE FIRST SIX MONTHS OF 2019

- An increase of 17% in the number of drug price increases.
- Average increase is 10.5% — five times the rate of inflation.

HOSPITAL PRESCRIPTION DRUG SPENDING

- Average total drug spending per hospital admission increased by 18.5% from 2015 to 2017.

MEDICARE AND MEDICAID DRUG SPENDING

From 2013 to 2017, prescription drug spending grew at an annual rate of 10.6% in Medicare Part D, 10.0% in Part B and 14.8% in Medicaid.

**Prescription Specialty Drug Costs in 2017**

$78,781

VS.

$60,336

The average annual cost of prescription specialty drugs vs. The median U.S. household income

7.0% Increase in cost vs. 2016

2.1% General rate of inflation


**Drug shortages**

- Cost hospitals $359 million a year in additional labor costs.
- More than half of hospitals reported they had managed at least 20 shortages during a six-month period.


**Advanced Illness and Palliative Care**

- Advanced illness accounts for 4% of the Medicare population and 25% of its costs.*
- 12 million U.S. adults and 400,000 children are living with serious illness.†
- 72% of hospitals with 50+ beds have a palliative care program.‡

**Palliative Care Impact**

$3.5 Billion per year savings if hospitals nationwide implement high-quality palliative programs

66% reduction in symptom distress reported by palliative care patients


**Care Models**

**Trends in Delivery Models**

**Hospitals Participating in an Accountable Care Organization (ACO)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.4%</td>
<td>35.0%</td>
<td>53.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Hospitals with Contracts with Commercial Payers Tied to Quality/Safety Performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.7%</td>
<td>48.7%</td>
<td>56.0%</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: 2018 survey question is not directly comparable to prior years.

**Hospitals with Some Percentage of Net Patient Revenue Paid on a Shared Risk Basis**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.5%</td>
<td>12.6%</td>
<td>17.6%</td>
<td></td>
</tr>
</tbody>
</table>

**Healthcare Leaders Think Value-Based Relationships That Contain Both Upside and Downside Risk Will Occur**

- Less than 1 year: 9.7%
- 1-2 years: 26.7%
- 3-5 years: 39.8%
- 5 or more years: 17.5%
- Never: 6.3%

- Obstacles to shared-risk, value-based contracts: limitations in data sharing, no agreement on outcomes measures and a lack of incentives for payers and providers to work together

† 2018 data is preliminary.
ACOs

ACOs BY THE NUMBERS
• The number of ACOs has multiplied 5 times since 2012.
• At the end of the first quarter of 2018, there were more than 1,000 ACOs across the U.S., covering 33 million lives and representing almost 1,500 commercial and public payment arrangements.
• 33% of ACOs had at least one contract with downside risk.

IN 2018, ACOs CONTRACTED WITH:

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>84%</td>
</tr>
<tr>
<td>Commercial payers</td>
<td>72%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>23%</td>
</tr>
</tbody>
</table>


$740 MILLION Net savings generated by Medicare ACOs in 2018.


Top ACO priorities

TOP 5 PRIORITIES OF INTEGRATED SYSTEM/HOSPITAL-LED ACOs

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce avoidable emergency department visits and inpatient admissions</td>
<td>57%</td>
</tr>
<tr>
<td>Manage post-acute care spending and quality</td>
<td>50%</td>
</tr>
<tr>
<td>Prevent readmissions through better care transitions</td>
<td>42%</td>
</tr>
<tr>
<td>Actively manage high-need, high-cost patients</td>
<td>37%</td>
</tr>
<tr>
<td>Reduce avoidable/unnecessary care</td>
<td>29%</td>
</tr>
</tbody>
</table>

TOP 5 CHALLENGES OF INTEGRATED SYSTEM/HOSPITAL-LED ACOs

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty aligning physician compensation with value-based contracts</td>
<td>63%</td>
</tr>
<tr>
<td>Ability to design and implement care delivery changes</td>
<td>57%</td>
</tr>
<tr>
<td>Quality of data provided by payers</td>
<td>36%</td>
</tr>
<tr>
<td>Lack of data analytic capability and tools</td>
<td>33%</td>
</tr>
<tr>
<td>Prospect of/participation in mandatory downside risk</td>
<td>22%</td>
</tr>
</tbody>
</table>


VALUE AND PERFORMANCE IMPROVEMENT

Performance improvement practices yield positive outcomes

HOSPITAL-ACQUIRED CONDITIONS: PROGRESS BETWEEN 2014 AND 2017

• 13% decrease in conditions
• 20,500 lives saved
• $7.7 billion saved in health care costs


PERCENTAGE DECREASE IN HOSPITAL-ACQUIRED INFECTIONS BETWEEN 2016 AND 2017 IN ACUTE CARE HOSPITALS

<table>
<thead>
<tr>
<th>Infection</th>
<th>Percentage Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clostridioides difficile events</td>
<td>-13%</td>
</tr>
<tr>
<td>Central line-associated bloodstream infections</td>
<td>-9%</td>
</tr>
<tr>
<td>MRSA bloodstream events</td>
<td>-8%</td>
</tr>
<tr>
<td>Catheter-associated urinary tract infections</td>
<td>-5%</td>
</tr>
<tr>
<td>Ventilator-associated events</td>
<td>-3%</td>
</tr>
<tr>
<td>Surgical-site infections</td>
<td>-1%</td>
</tr>
</tbody>
</table>


Top 5 patient safety concerns

• Diagnostic stewardship and test result management using EHRs
• Antimicrobial stewardship in physician practices and aging services
• Burnout and its impact on patient safety
• Patient safety concerns involving mobile health
• Reducing discomfort with behavioral health


Learn more about how the AHA accelerates performance improvement and advances patient safety:
aha.org/center/performance-improvement

Learn more at AHA.org

**INDIVIDUAL AS PARTNER**

Recognize the diversity of individuals and serve as partners in their health.

Health care providers are fostering true patient engagement, recognizing that individuals are increasingly viewing health care through a consumer lens and connecting in ways that make sense in today’s digital world.

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**The consumer perspective**

**THE FOLLOWING ELECTRONIC CAPABILITIES INCREASE THE LIKELIHOOD OF AN INDIVIDUAL CHOOSING A PROVIDER:**

- **Request prescription refills**
  - 2016: 67%
  - 2019: 77%

- **Receive reminders via email or text for preventive or follow-up care**
  - 2016: 57%
  - 2019: 70%

- **Communicate with provider through secure email**
  - 2016: 53%
  - 2019: 69%

- **Book/change/cancel appointments online**
  - 2016: 58%
  - 2019: 68%

- **Use remote or telemonitoring devices to record health indicators**
  - 2016: 39%
  - 2019: 53%

- **Communicate with provider through video conferencing**
  - 2016: 36%
  - 2019: 49%

---

**MOST IMPORTANT HEALTH CARE FACTORS INFLUENCING CONSUMERS’ DECISION-MAKING**

- Convenient, easy access: 51.3%
- Insurance coverage: 46.4%
- Doctor/nurse conduct: 44.2%
- Brand reputation: 39.8%
- Quality of care: 34.6%

---

**Virtual care**

Interest in virtual care is higher among consumers with more complex needs.*

**EMPLOYERS OFFERING TELEHEALTH SERVICES†**

- 2016: 41%
- 2018: 86%

61% of employers set employee cost-sharing lower for telemedicine visits than in-person visits in 2019.

**CONSUMERS WITH EMPLOYER COVERAGE ARE WILLING TO USE TELEHEALTH FOR:**†

- Ongoing assessment of a physical condition or ailment: 62%
- Initial assessment of a physical condition or ailment: 43%
- Mental/behavioral health services: 27%
- Emergency situations, such as urgent care: 25%

---

**Online Access**

**PERCENTAGE OF HOSPITALS THAT PROVIDE PATIENTS WITH THE ABILITY TO VIEW HEALTH INFORMATION ONLINE**

- 2012: 27%
- 2018: 92%

---

† “Medical cost trend: Behind the numbers 2020,” PWC Health Research Institute, June 2019.

© 2019 American Hospital Association
Alternative places of health care services: Consumer trends

**UTILIZATION GROWTH RATES FROM 2016 TO 2017 ACCORDING TO PRIVATELY INSURED HEALTH CARE CLAIMS DATA**

<table>
<thead>
<tr>
<th>Service</th>
<th>Utilization Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telehealth</td>
<td>53%</td>
</tr>
<tr>
<td>Urgent care centers</td>
<td>14%</td>
</tr>
<tr>
<td>Retail clinics</td>
<td>7%</td>
</tr>
<tr>
<td>Ambulatory surgery centers</td>
<td>6%</td>
</tr>
<tr>
<td>Utilization of emergency departments</td>
<td>-2%</td>
</tr>
</tbody>
</table>


Who has a primary care physician?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent generation</td>
<td>92%</td>
</tr>
<tr>
<td>Baby boomers</td>
<td>82%</td>
</tr>
<tr>
<td>Gen Xers</td>
<td>73%</td>
</tr>
<tr>
<td>Millennials</td>
<td>57%</td>
</tr>
</tbody>
</table>

LGBTQ disparities

- 16% of people who identify as lesbian, gay, bisexual, trans, queer/questioning (LGBTQ) report being personally discriminated against when going to a doctor or health clinic because they are part of the LGBTQ community. *
- 18% of people who identify as LGBTQ say they have avoided medical care, even when in need, citing fear of discrimination. *
- High school students who identify as LGB are almost 5 times as likely to attempt suicide compared with their heterosexual peers.†
- Adults ages 50 to 95 who identify as LGBT reported greater rates of disability, depression and loneliness and increased likeliness to smoke and binge-drink compared with heterosexuals of similar ages.‡


Health care and the economy

- 11% of all jobs in the overall U.S. economy at the end of 2018 were in the health care sector.*
- 1 in 7 new jobs in the overall U.S. economy at the end of 2018 were in the health care sector.*
- 2.8 million Number of jobs added to the health care sector between 2006 and 2016, a rate of growth almost 7 times faster than the rest of the economy.†

Projections

- Employment of health care occupations is projected to grow 18% from 2016 to 2026, much faster than the average for all occupations, adding about 2.4 million new jobs.‡
- Job growth in the home health field is projected to grow 54% from 2016 to 2026.§

Hospital prices

HOSPITAL PRICE GROWTH REMAINS LOW

In August 2019, annual health insurance inflation hit a five-year peak of 18.6%, while hospital prices increased just 2.1%.


Community hospitals

INPATIENT/OUTPATIENT REVENUES FOR COMMUNITY HOSPITALS

<table>
<thead>
<tr>
<th>Year</th>
<th>Inpatient</th>
<th>Outpatient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>2018</td>
<td>51%</td>
<td>49%</td>
</tr>
</tbody>
</table>


*Rural hospitals at risk

• According to a study of hospital closure impacts, rural closures were associated with a 5.9% increase in inpatient mortality. *

AS OF SEPTEMBER 2019

• 118 rural hospitals have closed since January 2010.
• 17 hospitals closed in 2019 alone, outpacing previous years.


Rural health care workforce shortages

• While almost 20% of the U.S. population lives in rural areas, less than 10% of physicians practice in these communities. *

66% of primary care physician shortages in the U.S. in 2018 were located in rural or partially rural areas.†

62% of mental health professional shortages in the U.S. in 2018 were located in rural or partially rural areas.†

Decrease in the supply of physicians in rural areas by 2030 while remaining steady in urban areas’

• In 2017, more than 50% of rural physicians were at least 50 years old and more than 25% were at least 60 years old. †


Health care access in rural America

• 42% of rural adults without health insurance reported they did not get care when they needed it, while 24% of those with health insurance did not get care when they needed it.

REASONS FOR NOT GETTING CARE

Could not afford it 45%
Physical access/Distance 23%
Difficulty getting appointments during the hours they needed 22%
Could not find a doctor who would take their health insurance 19%

AHA Agenda for Innovation and Transformation

The AHA continually examines the environment to develop strategies that both address the issues of today and proactively prepare our field for the future. The AHA’s Agenda for Innovation and Transformation advances the areas of public policy, field engagement and innovation to enhance our support, value and leadership for members. Maryjane Wurth is responsible for AHA’s overall strategic direction and is the lead executive for the AHA Center for Health Innovation.

QUESTION: Hospitals and health systems are investing in innovation to address access, affordability and outcomes. What role does the AHA play in assisting and encouraging innovative culture, processes and solutions throughout the hospital field?

WURTH: Over a year ago, we launched the AHA Center for Health Innovation to help members drive high-impact innovation and transformation within their organizations and communities. The Center provides market intelligence, key insights, targeted education and actionable data and tools that support the unique situations of our members. One goal is to help hospitals and health systems build innovation capacity within their institutions.

Additionally, the AHA is uniquely positioned to provide a national perspective on forward-looking ideas and solutions, helping members learn from each other as well as traditional and nontraditional stakeholders. Examples include the AHA’s work with more than 1,600 hospitals in the Hospital Improvement Innovation Network, efforts to address affordability through The Value Initiative, creation of a data collaborative with state hospital associations, exploration of new delivery models and development of resources to support population health management.

We’re taking the work of spreading ideas and best practices to the next level. We are developing a process to scale transformation throughout the field through the Center’s new virtual entity called the Design Studio, created in partnership with members, that focuses on advancing the next-generation health care system.

QUESTION: Can you tell us more about the AHA Design Studio? How is it different from hospital and health system innovation centers?

WURTH: The purpose of the Design Studio is to accelerate and lead transformation, addressing complex challenges in the field with unique member collaborations. The Design Studio will not duplicate what hospitals and systems are doing in their labs. The goal is to harness hospitals’ and health systems’ collaborative energy to discover novel solutions that would be much more challenging, or perhaps impossible, to develop alone.

The work in the Design Studio is based on a human-centered design approach. As the virtual studio ‘rooms’ progress, the design teams may take different paths and employ unique approaches. The Design Studio will emphasize issues that matter to our members and will rely on their input, engagement and enthusiasm. Our initial areas of focus, supported by the AHA’s Board of Trustees, are behavioral health, EHR data usability and risk approaches.

A key outcome of the Design Studio will be the spread of curated learnings to all members throughout the design process. Other outcomes could include transformational partnerships, products, resources or tools or other outcomes we have yet to imagine. Our journey may take surprising turns. All together, the Design Studio ideas, solutions and results will drive value to address affordability and better health for patients, families and communities.
“Innovation is not just a buzz word — it is a shift in mindset and culture that allows for both continual improvement and transformative ideas to develop from all stakeholders within hospitals and health systems. The digital health evolution plays an important role; however, both high-tech and high-touch solutions are needed to solve our most difficult challenges. A starting point for innovation is to truly listen to and understand the needs of our patients and communities.”

“I am optimistic about health care’s future because emerging leaders in our field have the passion for improving the health of patients and populations and have an inspirational vision for a reimagined health system. They understand that health care is a team sport, and teams are more diverse and multigenerational than ever before. High-functioning teams that are empowered can express empathy, embrace change, solve problems and improve the health care experience for all.”

“How to use the 2020 AHA Environmental Scan

• Share with your board and staff at meetings and retreats. Ask: What two or three pieces of information concern or surprise you the most? What are the implications for our patients and our community? If we were reinventing the health care system from scratch, what kind of system would we create to respond to these issues?

• Use the information to tell your story to the community you serve. Identify vehicles for these communications, such as presentations, reports, op-eds and material you share with legislators and funders. Post relevant information to your website and link to the entire Environmental Scan at aha.org/environmentalscan.

• Talk with your strategy team about the implications on your strategic plan, partnerships and business development strategy. Identify possible disruptions to your organization’s business model. Use the scan data and themes in a SWOT analysis (strengths, weaknesses, opportunities and threats).

• Talk with your chief innovation officer and chief financial officer about the implications for your investment in innovation.

• Perform competitive analyses and gather intelligence to understand what existing or potential competitors might be planning around these trends.

“Affordability is one of the most important factors influencing Americans’ ability to access care. The AHA recognizes that addressing the out-of-pocket costs for our patients needs to be a key focus of our efforts. From redesigning delivery and payment systems, to implementing operational solutions and investing in innovation, the hospital field is making changes to increase value, improve outcomes and reduce costs. And we are working to influence other stakeholders to do the same.”

Continue exploring AHA’s market intelligence, strategy and data resources on a regular basis to bring fresh issues and data to your teams. Resources include:

• AHA Data: ahadata.com
• AHA Market Scan e-newsletter: aha.org/marketscan
• AHA Market Insight reports: aha.org/marketinsights
• Futurescan 2020-2025, a publication exploring key issues that are transforming the field: shsmd.org/futurescan
• Learn about additional AHA tools and resources to help you Scan and Plan throughout the year: aha.org/scanandplan
4 PILLARS TO BUILD LEADERSHIP STRENGTH

Organizations must simultaneously pursue strategies in these four areas to build strong leadership. Discover what insights are influencing the healthcare workforce.

RETENTION
- 40% have a formal system for identifying high-performing leaders
- 45% have strategies to retain top performers

PREFERRED METHOD OF RECRUITING
- 37% referrals
- 22% website

ENGAGEMENT
WAYS ENGAGEMENT IS MEASURED
- 72% effect on patient satisfaction
- 54% operational measures
- 46% finances

LEADERSHIP DEVELOPMENT
CURRENT PROGRAMS
- 64% formal leadership institute
- 64% mentoring
- 60% organizational planning

RECRUITMENT
- 44% plan to increase recruitment of passive candidates
- 43% say diversity is a primary recruitment focus

B.E. SMITH: MATCHING LEADERS WITH ORGANIZATIONS
B.E. Smith supports leadership needs ranging from permanent and interim placements to advisory services - covering all clinical, operational, and financial areas of care delivery. Visit www.BESmith.com or call 855.296.6318 for more information.