

2025



# ENVIRONMENTAL SCAN



# WELCOME TO THE 2025 ENVIRONMENTAL SCAN

It's often said, "The best way to predict the future is to create it."

America's hospitals and health systems are the heart of health care. Every hour of every day, they deliver care, comfort and compassion to patients and communities. They are tackling today's numerous challenges while at the same time leading the way to a healthier future.

While hospitals and health system teams are on the front lines of caring, the American Hospital Association works every day on their behalf to ensure that they have the representation, resources and support they need.

One of those resources is the 2025 AHA Environmental Scan. We are excited to share this valuable tool, which contains data, surveys, trends, thought leadership and educational resources, illustrating some of the top issues facing our field. The Scan can help you plan for the future within your organization and consider ways our field can move forward together.

Among other topics, the Scan highlights:

- **Workforce:** Longstanding challenges around clinician burnout, administrative burden and staff shortages, as well as how hospitals are investing in artificial intelligence technology and tech skills development to alleviate burden and enhance flexibility. It also covers reimagining care delivery models; creating innovative new entry paths to health care careers; and establishing partnerships



**RICK  
POLLACK**

PRESIDENT AND CEO  
AMERICAN HOSPITAL  
ASSOCIATION

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to design and implement long-term solutions.

- **Financial Sustainability:** A number of factors, including significant inflation, severe fractures in the supply chain for drugs and supplies, and commercial insurer denials and delayed payments, are challenging hospitals' ability to deliver care to the patients and communities they serve.

- **Better Care and Greater Value:** Insights and analyses related to quality, safety, value-based payment models and care transformation strategies.

- **Consumerism:** Trends in how patients are using information, tools and technology to make informed decisions about their health care options – both inside and outside the clinical setting. The Scan also addresses an important factor influencing health care consumers — affordability.

American health care is blessed with having motivated clinicians, care teams and hospital and health system leaders who strive to push our field forward, knowing that there is always new knowledge to gain, new boundaries to explore, and new ways to improve patient care.

Hospitals and health systems are leading the way on so many innovative efforts that are creating a future where all individuals can reach their highlights potential for health. We hope you use the 2025 AHA Environmental Scan and in your strategic planning efforts as we chart the path forward together.

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# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

Hospitals and health systems continue to experience significant financial pressures that challenge their ability to provide 24/7 care for the patients and communities they serve. Recent data suggest that some hospital and health system finances have experienced modest stabilization from historic lows in 2022. However, the financial health of hospitals is still far from where it needs to be to meet the increasing demand for patient care, invest in new and promising technologies and interventions and stand ready for the next health care crisis.

Persistent workforce shortages, severe fractures in the supply chain for drugs and supplies, and high levels of inflation collectively have fueled hospital costs. Additional challenges include Medicaid disenrollment and commercial insurer denials and delayed payments, impacting hospitals' cash on hand. Struggles with staffing, closures, regulatory barriers and insurance reimbursements contribute to delays in hospital patient discharges. These headwinds have been exacerbated further by the unprecedented Change Healthcare cyberattack in February 2024 and additional cyber incidents, forcing many hospitals to dip into their diminishing cash reserves to maintain operations.

The American Hospital Association (AHA) and its members continue to urge Congress and the Administration to support policies to ensure that hospitals and health systems have the resources they need to continue to provide vital care to communities throughout the nation.



# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## RECENT HISTORY

### U.S. HOSPITALS BY THE NUMBERS

	2018	2022
No. of hospitals	6,146	6,120
No. of community hospitals	5,198	5,129
Total no. of beds	924K	917K

2024 AHA Statistics, <https://www.ahadata.com/aha-hospital-statistics>, accessed Aug. 2, 2024

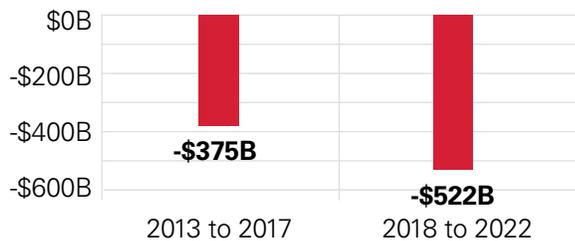
### INFLATION GROWTH MORE THAN DOUBLE THE GROWTH IN MEDICARE INPATIENT REIMBURSEMENT, 2021-2023



\*IPPS: Inpatient Prospective Payment System

"America's Hospitals and Health Systems Continue to Face Escalating Operational Costs and Economic Pressures as They Care for Patients and Communities," April 2024

### CUMULATIVE MEDICAID AND MEDICARE HOSPITAL UNDERPAYMENTS\*

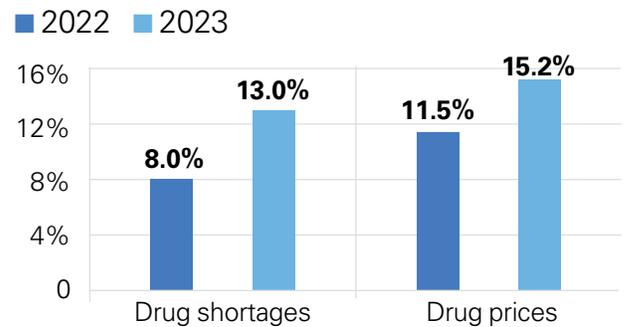


- Hospitals received payment of **only 82 cents for every dollar** spent caring for Medicare patients in 2022.<sup>†</sup>
- 67% of hospitals had negative Medicare margins** in 2022.<sup>†</sup>

\*"America's Hospitals and Health Systems Continue to Face Escalating Operational Costs and Economic Pressures as They Care for Patients and Communities," AHA, April 2024

<sup>†</sup>"Infographic: Medicare Significantly Underpays Hospitals for Cost of Patient Care," AHA, January 2024

### INCREASE IN DRUG SHORTAGES AND DRUG PRICES, 2022-2023\*



- In **Q1 2024, drug shortages reached an all-time high**, and Q2 2024 marks the sixth straight quarter with at least **300 drugs on shortage**.<sup>†</sup>

\*"America's Hospitals and Health Systems Continue to Face Escalating Operational Costs and Economic Pressures as They Care for Patients and Communities," AHA, April 2024

<sup>†</sup>Reed, Tina. "Six straight quarters of drug shortages," Axios, July 22, 2024

### LABOR CONSTITUTES LARGEST PERCENTAGE OF HOSPITAL EXPENSES

	Cost	% of hospital expenses
Labor	\$839B	60%
Other	\$269B	19%
Supplies	\$181B	13%
Drugs	\$115B	8%

- Examples of other expenses include maintaining and upgrading technology infrastructure and cybersecurity.
- Wage rates across all hospital jobs **jumped by 10.1%** in 2023.

Note: Median 2023 values across all hospital spending; labor includes purchased services and professional fees.

"America's Hospitals and Health Systems Continue to Face Escalating Operational Costs and Economic Pressures as They Care for Patients and Communities," AHA, April 2024

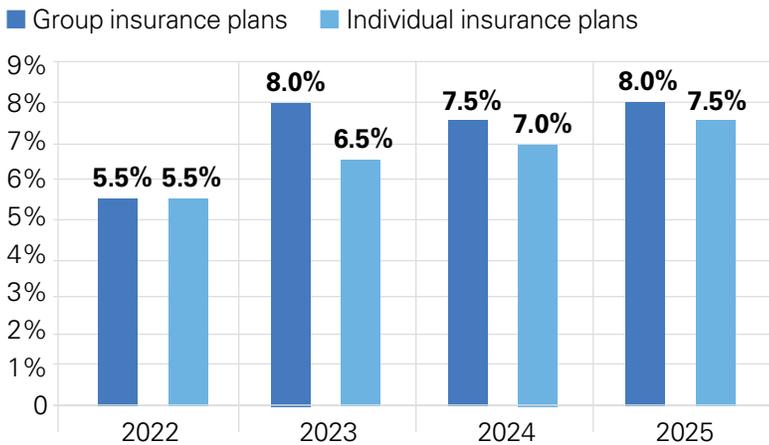
# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## MEDICAL COST TREND

The medical cost trend is the projected percentage increase in the cost to treat patients from one year to the next, assuming benefits remain the same. Insurance companies use the projection to calculate health plan premiums for the coming year. This growth rate is influenced by cost inflation and changes in per capita utilization.

### PROJECTED % INCREASE IN THE COST TO TREAT PATIENTS

Medical cost growth estimated to rise to highest level in 13 years.



"Medical cost trend: Behind the numbers 2025," PwC's Health Research Institute, July 2024, ©PwC; not for further distribution without the prior written permission of PwC

### 2025 PROJECTION

- **Inflators:** Inflation impacts, new launches in prescription drugs for chronic conditions, including obesity drugs, and the continuous rise of behavioral health needs.
- **Deflators:** Biosimilars coming to market and reassessing total cost of care management through a holistic approach such as an affordability command center.
- **Trends to watch:** Centers for Medicare & Medicaid Services (CMS) Price Transparency, Medicaid redetermination, implementation of generative AI, No Surprises Act and implications of the Inflation Reduction Act.

## CURRENT PULSE

### SUPPLY CHAIN IS A CONTINUED CONCERN

The physical supply chain interruptions of the past and potential risks over the next year should act as reminders that investments in health care supply chain resilience remain vital from both a strategic and financial perspective. Supply chain leaders see a resilient supply chain as key to high-quality patient care continuity, competitive advantage and financial success.

**\$3.5M** Average **increase in cost** of providing care for a medium-sized health system due to supply shortages per year.

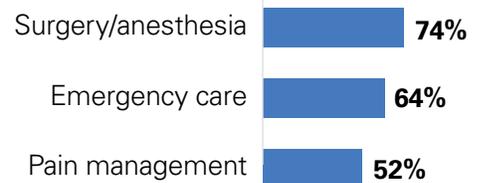
**80%** of health care providers expect supply chain **challenges to worsen or remain the same** over the next year.

**39%** of providers had to **cancel or reschedule** cases or procedures at least quarterly due to product shortages.

- Ongoing **inflation and cost pressures for labor and products** are cited as the **biggest operational and financial challenges** for both provider and supplier organizations in 2024.

"Supply Chain Resiliency Report 2024," Premier Inc., 2024

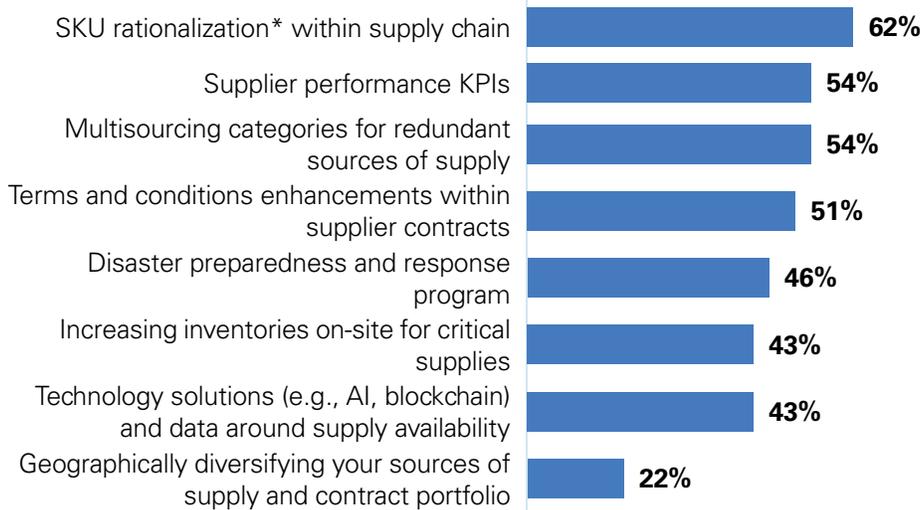
### SUPPLY CHAIN LEADERS CITE TOP 3 CLINICAL AREAS OF SHORTAGES, 2023



"Trailblazers: Streamlining Supply Chain Practices as Health Systems Expand," AHA Center for Health Innovation, Jan. 23, 2024

# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## PROVIDERS REPORT A FOCUS ON THESE SUPPLY CHAIN RESILIENCY EFFORTS FOR 2024



**59%** of providers think domestic manufacturing is extremely or very important as a resiliency strategy.

\*Note: SKU stands for stock-keeping unit, a unique identifier for each product in an organization's inventory. SKU rationalization involves analyzing the SKUs to determine which products to keep, discontinue or modify.

"Supply Chain Resiliency Report 2024," Premier Inc., 2024

## CLAIM DENIALS FROM COMMERCIAL INSURERS ADD BURDEN TO PROVIDERS

**\$19.7B\***: Annual cost to providers to fight denied claims.

- **Nearly 15% of all claims submitted** to private payers for reimbursement initially are denied.
- **3% of all claims denied** included those that were already preapproved via prior authorization.
- **54% of denials by private payers** ultimately were overturned, but only after multiple, costly rounds of provider appeals.
- **14% of claims were past due** for remittance because of delays, with providers often unable to recoup costs for up to six months after services were delivered.

\*Figure does not include costs associated with added clinical labor.

"Trend Alert: Private Payers Retain Profits by Refusing or Delaying Legitimate Medical Claims," Premier Inc., March 21, 2024

## AI EFFECT ON CLAIM DENIALS

One factor driving the growth of denials is the increased use of machine learning algorithms and other artificial intelligence (AI) tools. Poor applications of these technologies can result in automatic denials of care without consideration of a patient's individual clinical circumstances or review from a clinical or plan medical director as required. Hospital staff must expend valuable time and resources to overturn inappropriate denials.

"Skyrocketing Hospital Administrative Costs, Burdensome Commercial Insurer Policies are Impacting Patient Care," AHA, September 2024

## ADMINISTRATIVE COSTS BURDEN HOSPITALS

**>40%**

of total expenses that hospitals incur in delivering care to patients are attributed to administrative costs including regulatory burden.

"Skyrocketing Hospital Administrative Costs, Burdensome Commercial Insurer Policies are Impacting Patient Care," AHA, Sept. 2024

## HEALTH CARE LEADERS CITE TOP IMPACTS OF FINANCIAL CHALLENGES

- Longer wait times and delayed access to care due to shortages of staff/equipment.
- Delayed or limited investment in medical equipment or technology solutions.
- Inability to invest in new or more advanced medical equipment or technology solutions.
- Reduced training for staff.

"Better care for more people: Bridging the gaps in healthcare, U.S. Report," The Future Health Index 2024 report commissioned by Philips, 2024

# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## CYBERSECURITY

### AVERAGE COST OF A HEALTH CARE DATA BREACH IN THE U.S.



- For 14 consecutive years, health care had the **highest sector cost per breach**.

"Cost of a Data Breach Report 2024," IBM Security, Ponemon Institute LLC, July 30, 2024

### THIRD-PARTY PROVIDER ATTACKS ON THE RISE

Hospitals depend on third-party providers such as business partners, medical device providers and supply chain vendors to deliver critical functions that support clinical care — so when third parties get hit, so do hospitals and their patients.

- **85% of the largest health care data breaches** are due to attack on third-party providers or non-hospital health care organizations.
- In 2024, the health care records of over **150 million Americans have been hacked** — the most in history.

"Cases Currently Under Investigation," Department of Health and Human Services Office for Civil Rights, [https://ocrportal.hhs.gov/ocr/breach/breach\\_report.jsf](https://ocrportal.hhs.gov/ocr/breach/breach_report.jsf), accessed Nov. 12, 2024

## CHANGE HEALTHCARE CYBERATTACK: MASSIVE FINANCIAL IMPLICATIONS

**100M** individuals were impacted by the February 2024 cyberattack on UnitedHealth Group's subsidiary Change Healthcare.\*

- **94% of hospitals<sup>†</sup>** and **80% of physicians<sup>‡</sup>** financially impacted.
- **74% of hospitals** report direct patient care impact.<sup>†</sup>
- Change Healthcare processes **15 billion health care transactions** annually, handling **1 in 3** patient records.<sup>†</sup>

\*Diaz, Naomi. "Change Healthcare cyberattack impacts 100 million people," Becker's Health IT, Oct. 24, 2024

<sup>†</sup>"AHA Survey: Change Healthcare Cyberattack Significantly Disrupts Patient Care, Hospitals' Finances," AHA, March 2024

<sup>‡</sup>"Physicians struggle to keep practices afloat after Change cyberattack," American Medical Association, April 10, 2024

## TECHNOLOGY, INNOVATION AND FUTURE OUTLOOK

### 2034 FORECAST: CARE IN ALTERNATIVE SETTINGS ON THE RISE

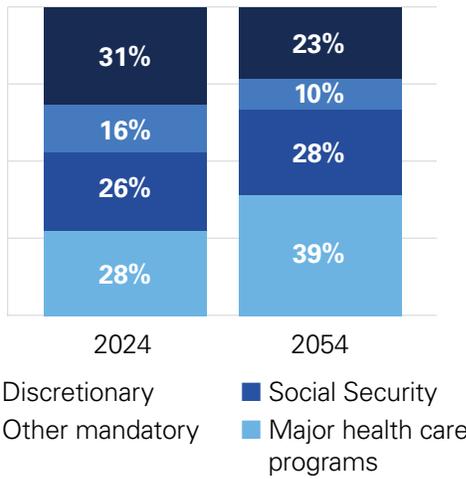
SITE OR TYPE OF CARE		SITE OR TYPE OF CARE	
Inpatient volume	<b>+3%</b>	Office/clinic: In-person	<b>+8%</b>
Inpatient days	<b>+9%</b>	Hospital outpatient/ambulatory surgery center	<b>+14%</b>
Outpatient volume	<b>+17%</b>	Skilled nursing facilities	<b>-2%</b>
ED volume: Urgent and emergent visits	<b>+4%</b>	Home-based services	<b>+22%</b>
Urgent/retail care: In-person	<b>-4%</b>		

- 23% of evaluation and management visits will occur virtually by 2034.
- As the population continues to age and chronic disease incidence rises, there will be increased demand across all sites of care.

Data from "2024 Impact of Change® Forecast Highlights," Sg2, a Vizient company, accessed July 26, 2024. Used with permission of Vizient Inc. All rights reserved. Impact of Change®, 2024; 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, 2022; the following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2024

# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## FEDERAL BUDGET PROJECTIONS: NONINTEREST OUTLAYS



Note: A federal outlay is a payment made by the federal government to fulfill obligations. Other mandatory includes the refundable portions of the earned income tax credit, the child tax credit, and the American Opportunity Tax Credit. Discretionary spending stems from annual appropriation acts and funds programs like defense, education and transportation. Major health care programs: Medicare, Medicaid, the Children's Health Insurance Program (CHIP) and premium tax credits for health insurance purchased through the Affordable Care Act marketplaces.

"The Long-Term Budget Outlook: 2024 to 2054," Congressional Budget Office, March 20, 2024

## NET FEDERAL SPENDING PROJECTION ON MAJOR HEALTH CARE PROGRAMS

Year	% of Gross Domestic Product (GDP)
2024	5.6%
2054	8.3%

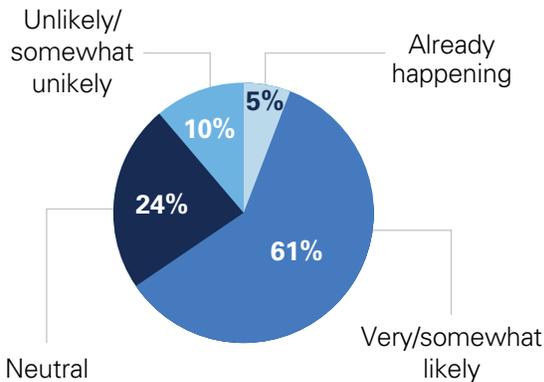
Spending on major health care programs climbs largely because health care costs per person are projected to rise. The aging of the population also contributes to growth in spending on health care programs and Social Security.

## FEDERAL ECONOMIC OUTLOOK: % OF GDP

	2024	2054
Budget deficit	5.6%	8.5%
Debt held by the public	99.0%	166.0%
Outlays	23.1%	27.3%
Revenues	17.5%	18.8%

## HEALTH CARE EXECUTIVES' PREDICTION: AI AND ADMINISTRATIVE COSTS

By 2030, AI use at your hospital or health system will have achieved a 10% reduction in administrative costs.



"Futurescan 2025: Health Care Trends and Implications," AHA Society for Health Care Strategy & Market Development, November 2024

## PROVIDER CARE DELIVERY PROJECTIONS FOR 2035

- Providers are projected to accelerate the path into risk, driving investment in alternative sites of care, including ambulatory surgery centers and hospital-at-home.
- New asynchronous care models will evolve allowing patients and providers to share information virtually without real-time interaction.
- Deeper development of population health initiatives, vertical consolidation and increased implementation of value-based care will bring about a greater orientation toward consumer-centric services.

Hoban, Charles and Zeldin, Rachel et al. "Designing for 2035: Reimagining how healthcare is delivered, paid for, and consumed," Oliver Wyman, 2023

# HOSPITAL AND HEALTH SYSTEM LANDSCAPE: FINANCIAL STABILITY

## HEALTH EQUITY

### EXCESS COSTS FROM MENTAL HEALTH INEQUITIES EXPECTED TO GROW



- Expenditures include associated chronic physical health conditions, emergency department (ED) overutilization when alternate treatment sites are unavailable, productivity loss and premature death.

*The analysis included segmentation by race and ethnicity, socioeconomic status and age.*

*"The projected costs and economic impact of mental health inequities in the United States," Meharry Medical College School of Global Health and Deloitte Health Equity Institute, May 15, 2024*

### HEALTH CARE EXECUTIVES PLAN ON HEALTH EQUITY INVESTMENT

Top four areas of increased investment in health equity:

- Technology and analytic solutions.
- Design and implementation of health equity initiatives.
- Organizational and workforce development.
- Ecosystem and community partnerships.

*Note: The ecosystem includes other providers, nonprofits, payers, life sciences and government.*

*"2024 Health Equity Outlook Report — Findings from the EY Center for Health Equity Survey," Ernst & Young LLP, 2024*

## AHA RESOURCES

- **Advocacy Action Center:** Information and resources to help hospitals advocate for relief and recovery.
- **Fast facts on U.S. hospitals, 2024:** A series of infographics that provide an overview of hospitals and health systems.
- **Health Plan Accountability Updates:** Members-only hub of resources and media highlights to hold health plans accountable for certain practices that threaten patient access to care and drive excessive administrative costs and burden in the health care system.
- **Cybersecurity & Risk Advisory:** Learn more about how the AHA advises and assists the health care field in mitigating the many cyber-risks it faces, and view threat intelligence and alerts.
- **Association for Health Care Resource & Materials Management (AHRMM):** A professional membership group of the AHA, AHRMM offers education, networking and advocacy for health care supply chain professionals.
- **The Health Equity Roadmap:** A framework to help hospitals and health systems become more equitable organizations and dismantle structural barriers to health.

# WORKFORCE

A talented, qualified, engaged and diverse workforce is at the heart of America's health care system.

Long-standing challenges include burnout, administrative burden and workforce shortages. These challenges continue to threaten hospitals' and health systems' ability to care for their patients and the communities they serve.

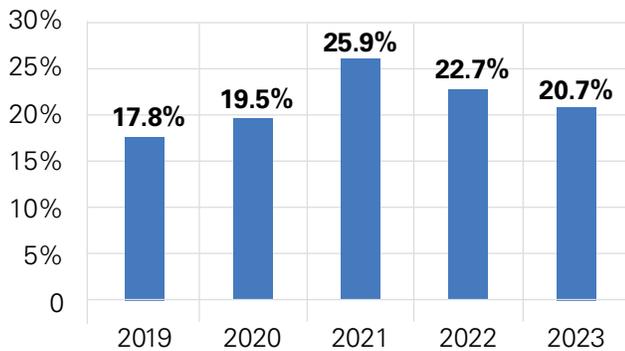
The AHA and its members are committed to developing a new path forward to support and prepare our nation's health care workforce. This commitment includes building a strengthened culture of healing, care model redesign, technology integration, restructured educational models and pathways, utilization of data and analytics, and more. Traditional methods of investment in the workforce must continue to progress, including pathway development, recruitment and retention practices. Additionally, the way in which the work is done must change and evolve as the field explores care delivery model redesign. The field will continue to innovate, as the demand for health care services will grow in the future.



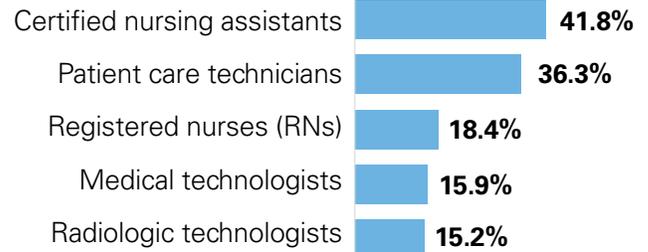
# WORKFORCE

## RECENT HISTORY

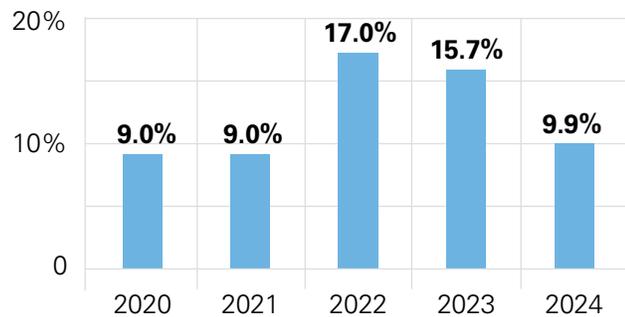
### HOSPITAL STAFF TURNOVER RATE



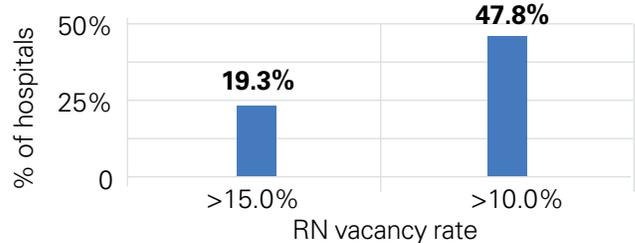
### THE TOP TURNOVER RATES FOR ADVANCED PRACTICE AND ALLIED HEALTH PROFESSIONALS, 2023



### AVERAGE RN VACANCY RATE



### HOSPITALS EXPERIENCE HIGH RN VACANCY RATES, 2024



- It takes approximately 3 months to recruit an experienced RN, with medical-surgical nursing presenting the greatest challenge.

"2024 NSI National Health Care Retention & RN Staffing Report," NSI Nursing Solutions Inc., March 2024

### MEDICAL LABORATORY DEPARTMENTS: TOP AVERAGE VACANCY RATES INCREASE

2020\*

Lab department	Vacancy rate
Chemistry/toxicology	12.7%
Immunology	11.2%
Phlebotomy	11.1%
Blood bank	10.4%
Core lab	10.3%

2022†

Lab department	Vacancy rate
Core lab	18.0%
Blood bank	17.8%
Chemistry/toxicology	17.3%
Hematology/Coagulation	16.6%
Immunology	16.0%

- It is anticipated that 19.6% of the cytology department workforce will retire in the next five years, followed by immunology at 18.2%.

Note: Learn more about the [ASCP workforce initiatives](#).

\* Garcia, Edna et al. "The American Society for Clinical Pathology 2020 Vacancy Survey of Medical Laboratories in the United States," American Journal of Clinical Pathology, volume 157, issue 6, June 2022, pages 874-889, <https://doi.org/10.1093/ajcp/aaab197>

† Garcia, Edna et al. "The American Society for Clinical Pathology 2022 Vacancy Survey of medical laboratories in the United States," American Journal of Clinical Pathology, volume 161, issue 3, March 2024, pages 289-304, <https://doi.org/10.1093/ajcp/aaad149>

# WORKFORCE

## CURRENT PULSE

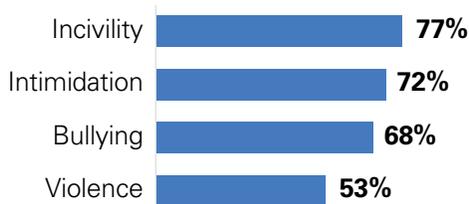
### U.S. HEALTH CARE PROVIDES JOBS

- **10.8%** of people employed in the U.S. worked in the health care sector in 2023.
- Top sites of health care employment:
  - Hospitals: **31%**
  - Physician offices: **17%**

Telesford, Imani et al. "What are the recent trends in health sector employment?" Peterson-KFF Health System Tracker, March 27, 2024

### NURSES AND WORKPLACE SAFETY

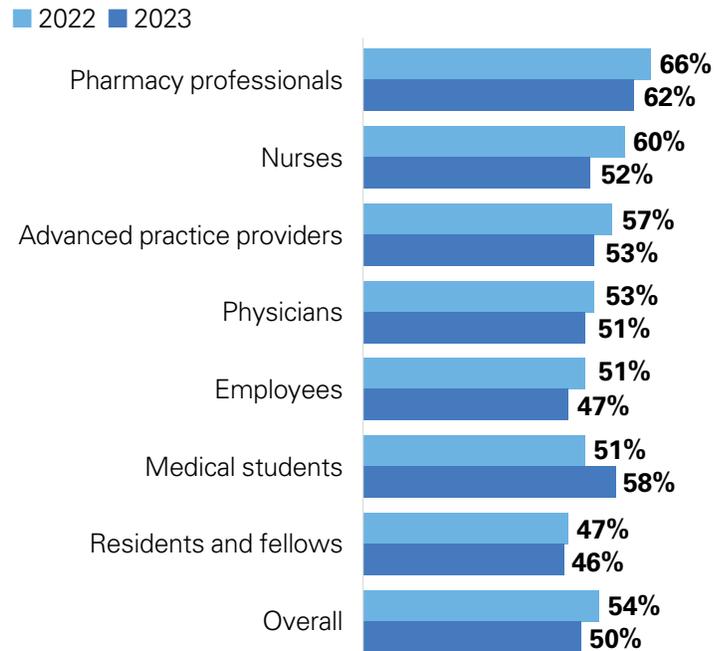
Nurse leaders reported witnessing the following acts at work over the past year



Note: Patients and patient families are the top sources of these acts. "AONL Foundation Longitudinal Nursing Leadership Insight Study," American Organization for Nursing Leadership and Joslin Insight, 2024

### BURNOUT BY OCCUPATION

Health care workers reporting burnout during the past month



Note: Data from more than 118,000 Well-Being Index assessments in 2022 and 79,000 assessments in 2023.

"State of Well-Being 2023-2024," Well-Being Index, <https://www.mywellbeingindex.org/insights>, 2024

### PHYSICIANS AND MENTAL HEALTH

**NEARLY 8 in 10** physicians (78%), residents (79%) and medical students (76%) agree that there is stigma surrounding mental health and seeking mental health care among physicians.

**4 in 10** physicians were either afraid or knew another physician fearful of seeking mental health care, given questions asked in medical licensure/credentialing/insurance applications.

"Amplifying Physician, Resident and Student Voices to Drive Wellbeing and Care Delivery Solutions," The Physicians Foundation, 2023

### COMMERCIAL INSURER PRIOR AUTHORIZATION FRUSTRATES PHYSICIANS

- **95% of physicians** report that prior authorization somewhat or significantly increases physician burnout.
- **1 in 4 physicians** report that prior authorization has led to a serious adverse event for a patient in their care.
- **94% of physicians** report that prior authorization delays access to necessary care.
- Physicians and their staff spend **12 hours each week** completing prior authorizations.
- **35% of physicians** have staff who work exclusively on prior authorization.

"2023 AMA prior authorization physician survey," American Medical Association, 2024

# WORKFORCE

## NURSING SCHOOLS

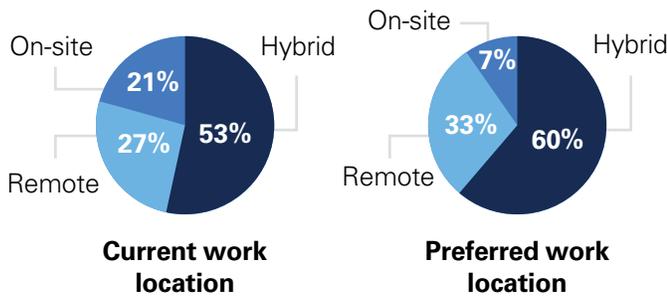
- Enrollment in baccalaureate nursing programs **increased by 0.3%** in 2023.
- Enrollment in Ph.D. and master’s nursing programs **decreased by 3.1% and 0.9%**, respectively.
- U.S. nursing schools **turned away 65,766 qualified applications** in 2023 due to an insufficient number of clinical sites, faculty and clinical preceptors as well as budget constraints.
- The national nurse faculty **vacancy rate was 7.8%**.

“Fact Sheet: Nursing Shortage,” American Association of Colleges of Nursing, May 2024

## REMOTE WORK

- **5 in 10 U.S. full-time workers** have remote-capable jobs.

Location of employees working remote-capable jobs (Q2 2024):



### TOP ADVANTAGES OF HYBRID WORK

- Improved work-life balance.
- More efficient use of time throughout the day/week.
- Less burnout or fatigue at work.

### TOP CHALLENGES OF HYBRID WORK

- Less access to work resources and equipment.
- Feel less connected to organization’s culture.
- Decreased collaboration with team.

“Hybrid Work,” Gallup, [www.gallup.com/401384/indicator-hybrid-work.aspx](https://www.gallup.com/401384/indicator-hybrid-work.aspx), accessed July 28, 2024

## VIRTUAL CARE HAS POTENTIAL TO CREATE FLEXIBLE CAREER OPTIONS

- **56%** of health care leaders say virtual care eases staff shortages by adding capacity to serve more patients.
- **46%** of health care leaders see virtual care as a way to provide flexible work schedules and create new career opportunities for health care professionals who want to work remotely.
- **Offering new career paths** to seasoned staff, such as virtual nursing, can prevent a critical loss of expertise while supporting professional development of front-line caregivers.
- **Workplace flexibility** likely will appeal to future generations who have grown up in a digital world and value autonomy in their schedule and location.

“Better care for more people: Bridging the gaps in healthcare, U.S. Report,” The Future Health Index 2024 commissioned by Philips, 2024

## REMOTE WORK POSSIBLE IN HEALTH CARE

- **More than one-third** of surveyed providers plan to mix in-person, hybrid and remote models primarily for administrative work.\*
- **67% of medical practices** that adopted hybrid or remote work models during the pandemic continue to use them due to increased productivity and employee morale.†

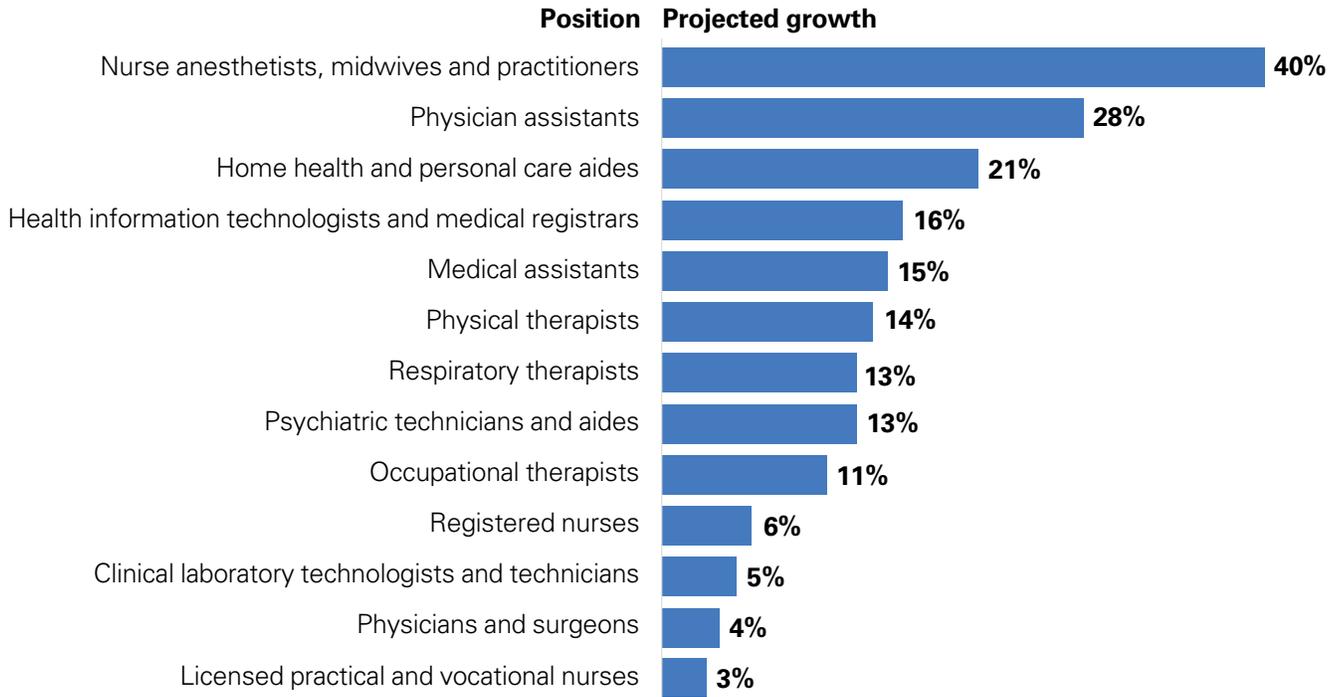
\*“2022 Healthcare Trends Survey: Trends in Talent Acquisition, Management and Retention,” AMN Healthcare, Oct. 26, 2022

†Morris, Lisa. “Morale Improved for 86% of Medical Practices That Went Hybrid,” Software Advice, Feb. 27, 2023

# WORKFORCE

## TECHNOLOGY, INNOVATION AND FUTURE OUTLOOK

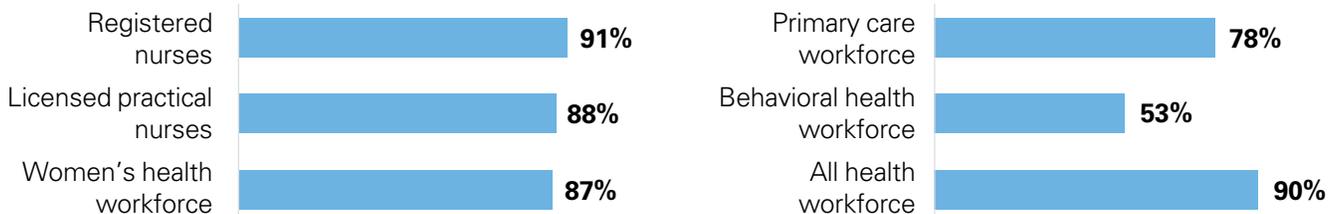
### HEALTH CARE EMPLOYMENT GROWTH: PROJECTION 2023-2033



"Occupational Outlook Handbook," Bureau of Labor Statistics, Aug. 29, 2024  
<https://www.bls.gov/ooh/healthcare/home.htm>

### PROJECTED % ADEQUACY THAT THE WORKFORCE SUPPLY WILL MEET DEMAND IN 2036

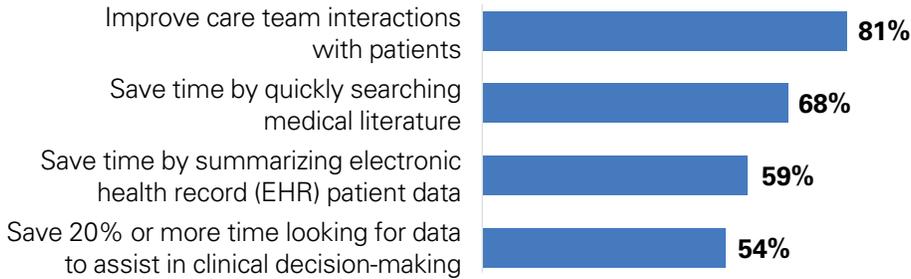
Projected percentage adequacy is the relationship between the projected future supply and projected future demand. It is the quotient of the supply divided by demand.



"Workforce Projections," Health Resources & Services Administration, accessed July 27, 2024

# WORKFORCE

## BENEFITS OF USING GENERATIVE AI (GenAI) ACCORDING TO PHYSICIANS



- **91%** of physicians surveyed would need to confirm that the source materials are verified and created by doctors and medical experts before using GenAI in clinical decisions.

"Clinical authors are the trusted foundation for generative AI adoption," Wolters Kluwer, April 16, 2024

### DATA EXPLOSION

The average hospital produces roughly 50 petabytes of data every year, which is more than twice the amount of data housed in the Library of Congress.

Pant, Rabin et al. "A unified data model improves care and service for patients, providers and payers," Becker's Hospital Review, Nov. 2, 2023

### NURSE-LED STARTUPS

Nurse Capital, a venture capital firm that invests in nurse-led enterprises providing innovative solutions in health care, launched the Nurse Founders Fund. This fund invests in startups founded and led by RNs launching innovative products and services that improve patient health and wellness, safety and treatment approaches. The effort recognizes nurses' front-line view of health system challenges and opportunities.

"Nurse capital closes debut, first-of-its-kind venture fund to invest in nurse entrepreneurs," PR Newswire, June 17, 2024

### HEALTH CARE EXECUTIVES' PREDICTION: VOICE TECHNOLOGY

By 2030, discussions between patients and caregivers automatically will be summarized using voice technology.

- Already happening
- Very/Somewhat likely
- Neutral
- Unlikely/Somewhat unlikely



"Futurescan 2025: Health Care Trends and Implications," AHA's Society for Health Care Strategy & Market Development, November 2024

## HEALTH EQUITY

### MAJORITY OF HOSPITALS HAVE COMMITMENT TO HEALTH EQUITY AND WORKFORCE DIVERSITY STRATEGY

- **77.1%** have a leadership commitment to promote culturally appropriate care in all aspects of hospital operations, with 53.3% including this commitment in their strategic plan.\*
- **72.0%** have signed at least one equity pledge or an anti-racism statement.\*
- **71.5%** of hospitals have a leadership commitment to standard operating procedures for accountability to sustain diversity, equity and inclusion activities within the hospital system.\*
- **61.4%** of hospitals report having a strategy to hire individuals from historically marginalized populations.†

\*"DEI Data Insights: Diversity, Equity and Inclusion Strategies in Hospitals and Health Systems," AHA, November 2023

†"DEI Data Insights: Workforce Diversity in Hospitals and Health Systems," AHA, January 2024

## WORKFORCE

### PRIMARY STRATEGIES FOR HIRING INDIVIDUALS FROM HISTORICALLY MARGINALIZED COMMUNITIES



"DEI Data Insights: Workforce Diversity in Hospitals and Health Systems," AHA, January 2024

### CAREGIVERS UNDERVALUED IN THE U.S.

- **Women comprise 75%** of caregivers for adults in the U.S. and **more than 90%** of paid caregivers.
- **61%** of paid care workers are people of color and **27%** are immigrants.
- **44%** of paid care workers live in or near poverty.
- **More than 50 million Americans** provide unpaid care for a loved one, and many may be "sandwiched" between caring for an older person and a child.
- Unpaid care work is associated with a **greater mental health burden**.

"[Growing Calls for More Equitable Care Work](#)," Robert Wood Johnson Foundation, accessed Aug. 5, 2024

## AHA RESOURCES

- **Workforce Resources:** Provides information and tools to help hospitals navigate workforce challenges and opportunities, including the guide "Building a Systemic Well-being Program: A 5-step Blueprint."
- **Behavioral Health Resources:** Provides information and tools to help understand the changing behavioral health care system, including a suicide prevention guide containing evidence-informed interventions to reduce the risk of suicide among health care workers.
- **American Organization for Nursing Leadership (AONL):** National professional organization of more than 12,000 nurse leaders works across the continuum and provides professional development, advocacy, community and research to advance nursing leadership practice and patient care.
- **Physician Alliance:** Supports physician leaders in improving care for their communities and helps clinical and administrative leaders collaborate effectively. View the Be Well knowledge hub to access resources addressing well-being.
- **Hospitals Against Violence:** Learn about effective prevention strategies and program development on national, state and local levels to help end violence in our communities and to help hospital employees cope with the impact of violence, whether at home, on the job or in their neighborhoods.
- **Professional membership groups:** These individual membership organizations support specific areas of hospital operations and offer opportunities for education, collaboration and access to valuable tools and resources.
- **Team Training:** This evidence-based program provides education and resources to both clinical and nonclinical health care professionals to improve process and outcomes as well as patient and staff satisfaction.
- **Institute for Diversity and Health Equity:** Advances health equity, diversity and inclusion by disseminating evidence-informed practices, resources and innovations. Supports leadership development programs such as the Executive Certificate in Diversity and Health Equity and an internship experience through the Summer Enrichment Program.
- **Does Your Hospital Reflect the Community it Serves?:** A diversity and cultural proficiency assessment tool for leaders.

# Providing Exceptional Leadership at Every Level

Powered by the size, strength, and scale of AMN Healthcare, B.E. Smith delivers the highest-caliber and most extensive network of C-suite and executive leadership talent in the industry, driven by innovation and dedicated to carrying your vision from today through the challenges of tomorrow.

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# BETTER CARE AND GREATER VALUE

While hospitals and health systems vary in size, location, services and patient populations, they all possess a foundational, common purpose based in compassion and healing — aspiring to provide the highest-quality health care for individuals and communities.

Infection prevention and control practices are critical components of hospitals' efforts to keep patients safe. However, many other factors affect health care quality and patient safety. For instance, workforce training, shortages and burnout affect quality of care. Additionally, facilities, equipment, medical devices and the availability of medical supplies and other resources can have an impact. Another important component includes rapidly changing technology and tools, such as the use of AI in clinical decision support. Environmental and societal factors also influence health care quality, including public health emergencies, health inequities and climate change.

One approach to improving quality of care is through care delivery transformation models. These different models include strategies like team-based care, telehealth, alternative sites of care, care at home, addressing societal factors that influence health, population health management and more. Value-based payment models serve as a component of a hospital's operational infrastructure to support these strategies.

Other sections of the Environmental Scan highlight challenges and opportunities in many areas that can have an impact on quality and safety. This section provides select insights related to quality, safety, value-based payment models and care transformation strategies. Hospitals and health systems continuously implement quality improvement initiatives and strive to create a culture of safety throughout their organizations.



RECENT HISTORY

REDUCTION IN HEALTH CARE-ACQUIRED INFECTIONS (HAIs) IN ACUTE CARE HOSPITALS

In 2022, there was progress in preventing several HAIs in U.S. acute care hospitals (ACHs). This progress is the first of its kind since the emergence of the COVID-19 pandemic in 2020.

HAIs IN ACUTE CARE HOSPITALS, % CHANGE\*

HAI	2021 to 2022	2015 to 2022
Catheter-associated urinary tract infections (CAUTI)	-12%	-30%
Central line-associated bloodstream infections (CLABSI)	-9%	-16%
Ventilator-associated events (VAE)	-19%	+19%
Methicillin-resistant Staphylococcus aureus (MRSA)	-16%	-10%
Clostridioides difficile (C. difficile)	-3%	-52%

AI APPLICATION TO HAIs

A study demonstrates AI's potential in accurately identifying HAIs like CLABSI and CAUTI. Clear, specific prompts are crucial for reliable AI responses, highlighting the need for human oversight in AI-assisted HAI surveillance.

Wiemken, Timothy L. and Carrico, Ruth M. "Assisting the infection preventionist: Use of artificial intelligence for health care-associated infection surveillance," American Journal of Infection Control, volume 52, issue 6, pages 625-629, March 13, 2024, <https://doi.org/10.1016/j.ajic.2024.02.007>

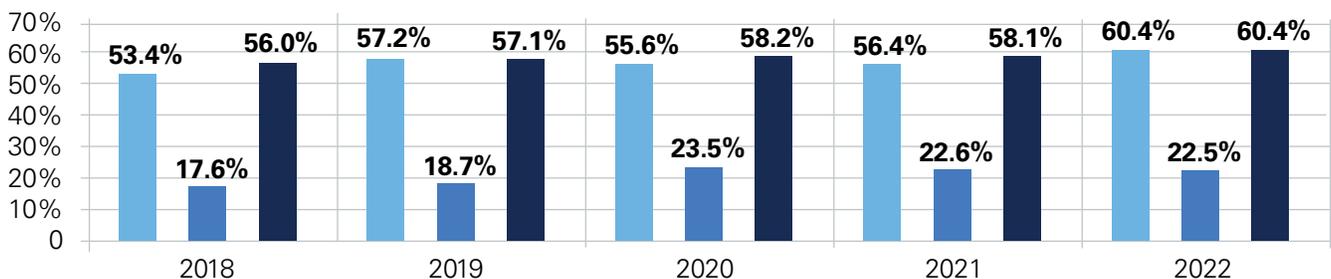
- There were no significant changes in **surgical-site infections** (SSI) related to 9 of the 10 select procedures between 2021 and 2022. However, hip arthroplasty SSIs increased 8%.
- There was little progress in reducing HAIs in other health care settings between 2021 and 2022.

\* Data reflects change in the Standardized Infection Ratio (SIR), a statistic that tracks HAIs over time. The SIR baseline was established in 2015 by the CDC.

"2022 National and State Healthcare-Associated Infections Progress Report and Executive Summary," Centers for Disease Control and Prevention (CDC), accessed July 28, 2024, <https://arpsp.cdc.gov/profile/national-progress-2022/united-states>

VALUE-BASED PAYMENT MODELS USE MEASURES OF QUALITY AND COST TO DETERMINE PAYMENT FOR PROVIDERS.

- Community hospitals participating in an accountable care organization (ACO)
- Community hospitals with some percentage of net patient revenue paid on a shared-risk basis
- Community hospitals with contracts with commercial payers tied to quality/safety performance



Note: Community hospitals include all nonfederal, short-term general and specialty hospitals whose facilities and services are available to the public. ACOs are groups of clinicians, hospitals and other health care providers who come together voluntarily to give coordinated high-quality care to a designated group of patients. AHA Annual Survey Database, 2018-2022

CURRENT PULSE

**HOSPITALS IMPROVE PERFORMANCE ON KEY PATIENT SAFETY MEASURES**

As compared to prepandemic data, hospitals are seeing more patients and higher-acuity patients who require more complex care. Despite these trends, a recent analysis shows that key patient outcomes have improved.

**Hospital data analysis: Q1 2024 compared with Q4 2019**

- Hospital volumes **increased by nearly 2%**.
- Patient acuity **increased by 3%**.
- Risk of mortality is **22% lower** for hospitalized patients.
- Hospitals' CLABSI and CAUTI rates **decreased**.
- Breast, colon and cervical cancer screenings have **increased 60%-80%**.

"New Analysis Shows Hospitals Improving Performance on Key Patient Safety Measures Surpassing Pre-pandemic Levels," AHA in association with Vizient, Sept. 12, 2024

**TOP PATIENT SAFETY CONCERNS: 2024**

1. Challenges transitioning newly trained clinicians from education into practice.
2. Workarounds with barcode medication administration systems.
3. Barriers to access maternal and perinatal care.
4. Unintended consequences of technology adoption.
5. Decline in physical and emotional well-being of health care workers.
6. Complexity of preventing diagnostic error.
7. Providing equitable care for people with physical and intellectual disabilities.
8. Delay in care resulting from drug, supply and equipment shortages.
9. Misuse of parenteral syringes to administer oral liquid medications.
10. Ongoing challenges with preventing patient falls.

"Top 10 Patient Safety Concerns 2024," ECRI, March 1, 2024

**AHA REPORT HIGHLIGHTS QUALITY LEADERS' PRIORITIES**

In 2024, the AHA released the [Quality Collective](#) report with insights from leaders in health care quality improvement.

**Priorities shared by leaders include:**

- Reduction in readmissions.
- Reduction in harms/zero harm.
- Reduction in HAIs and improved antibiotic stewardship.
- High reliability.
- Improved patient experience.
- Operational excellence.
- Health equity.
- Workplace violence prevention.

"Learnings from AHA's Quality Collective: Strategies and insights from health care leaders exploring quality and performance improvement," AHA, July 2024

**PATIENTS PERCEIVE SAFETY IN THREE WAYS**

- **Preventing physical harm:**  
Examples include preventing HAIs, diagnostic errors, medication errors and falls.
- **Preventing emotional harm:**  
Examples include tailoring care to each person with compassion, respect, clear communication and teamwork.
- **Providing a safe environment:**  
Examples include ensuring cleanliness and security.

"2024 Experience Perspective," NRC Health, Feb. 26, 2024

# BETTER CARE & GREATER VALUE

## HEALTH CARE QUALITY AND SAFETY WORKFORCE READINESS

The National Association of Healthcare Quality developed the Healthcare Quality Competency Framework, identifying eight domains of quality and safety which encompass the work performed by health care quality professionals. A survey of quality professionals revealed competency strengths and weaknesses.

### Quality professionals report working at higher levels of the competency spectrum in these domains:

- Quality leadership and integration.
- Regulatory and accreditation.
- Patient safety.

### Quality professionals report working less often or at lower levels of the competency spectrum in these domains:

- Population health and care transitions.
- Performance and process improvement.
- Health data analytics.
- Professional engagement.
- Quality review and accountability.

"Healthcare Quality and Safety Workforce Report: New Imperatives for Quality and Safety Mean New Imperatives for Workforce Development," National Association for Healthcare Quality, October 2022

## TECHNOLOGY, INNOVATION AND FUTURE OUTLOOK

### AHA'S QUALITY COLLECTIVE REPORT LOOKS TO THE FUTURE

Health care leaders provided some insights for the future agenda for quality.

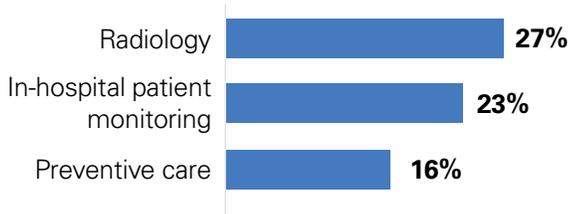
- **The role of technology:** AI and emerging innovations in disinfection practices will become more prevalent. Examples include the use of AI in guiding health equity solutions and helping clinicians synthesize evidence-based medicine. Telehealth's role will continue as the field engages patients in their home. Innovations, such as dry hydrogen peroxide disinfection technology, have the potential to improve infection prevention.
- **Innovation mindset:** The field needs to continue to embrace the innovation mindset that was required during the pandemic to be able to meet patients' needs.
- **Additional resources:** More resources are needed for quality improvement support to continue to innovate, implement interventions and collect and analyze data.

"Learnings from AHA's Quality Collective: Strategies and insights from health care leaders exploring quality and performance improvement," AHA, July 2024

### AI FOR CLINICAL DECISION SUPPORT

Health care leaders report implementation status for AI for clinical decision support in the following areas:

#### AI has already been implemented



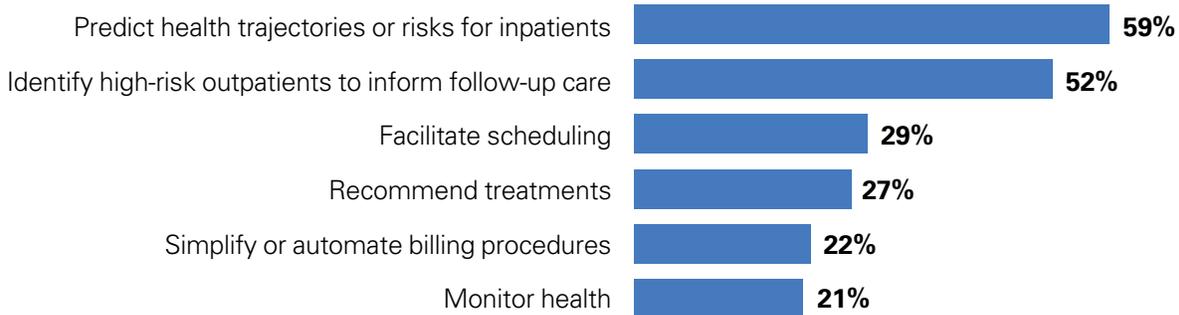
#### Plan to implement AI within next 3 years



"Better care for more people: Bridging the gaps in healthcare, U.S. Report," Future Health Index 2024 commissioned by Philips, 2024

## BETTER CARE & GREATER VALUE

### HOSPITALS USE APPLIED MACHINE LEARNING OR OTHER PREDICTIVE MODELS TO IMPROVE HEALTH



- **67.5% of reporting U.S. hospitals** indicated using either machine learning or other predictive models that display output or recommendations in the EHR.

AHA Healthcare IT Database, AHA in collaboration with the Department of Health and Human Services Office of the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology, 2023

### CARE TRANSFORMATION SPOTLIGHT: HOSPITAL-AT-HOME (HaH)

HaH enables some patients who need acute-level care to receive care in their homes, rather than in a hospital. HaH programs have existed since the mid-1990s. The CMS Acute Hospital Care at Home (AHCAH) waiver program launched in November 2020, and the program was extended through the end of 2024. Waivers have been granted to 138 systems, 366 hospitals in 39 states (as of Oct. 17, 2024).\*

\*Approved Facilities/Systems for Acute Hospital Care at Home," CMS, accessed Oct. 17, 2024

### HaH REPORT SHOWS PROMISE

CMS released a report on the AHCAH initiative (September 2024) and highlighted several findings:

- **Improved quality of care:** The report shows lower mortality rates and fewer hospital-acquired conditions for patients treated under AHCAH compared to those treated in traditional hospital settings.
- **Readmission rates:** The results were mixed, with AHCAH performing better for some conditions and worse for others.
- **Cost savings and utilization:** Patients treated at home had slightly longer stays, but Medicare spending for AHCAH patients in the 30 days post-discharge was lower than for inpatient care. Due to differences in patient complexity, cost results were difficult to determine.
- **Patient and caregiver experience:** Feedback from patients, caregivers and clinicians was overwhelmingly positive. Patients appreciated the convenience and comfort of receiving care at home, and caregivers echoed this sentiment.

"Report on the Study of the Acute Hospital Care at Home Initiative," CMS, September 2024

## HEALTH EQUITY

High-quality care must be equitable care. Health equity is realized when all individuals have a fair opportunity to achieve their full health potential. Hospitals and health systems recognize the imperative of ensuring that all patients regardless of race, ethnicity, language, geography, sexual orientation and gender identity or any other characteristic receive high quality care. The AHA's [Health Equity Roadmap](#) provides a path for hospitals to advance health equity in their organizations.

# BETTER CARE & GREATER VALUE

## QUALITY LEADERS SHARE HEALTH EQUITY DATA CHALLENGES AND STRATEGIES

AHA's [Quality Collective](#) report shares common challenges in establishing consistent and reliable methods for collecting and assessing health equity data and statistics.

### Challenges

- Incomplete ethnicity identification upon admission.
- Suboptimal EHR.
- Capabilities for gathering health equity data/reports.
- Difficulty in effectively using the collected data.

### Strategies for success

- Create a team focused on health equity.
- Partner with community organizations.
- Use a multi-factor community-level proxy for health equity (e.g., [Social Vulnerability Index](#), [Area Deprivation Index](#)) to help target interventions.

"Learnings from AHA's Quality Collective: Strategies and insights from health care leaders exploring quality and performance improvement," AHA, July 2024

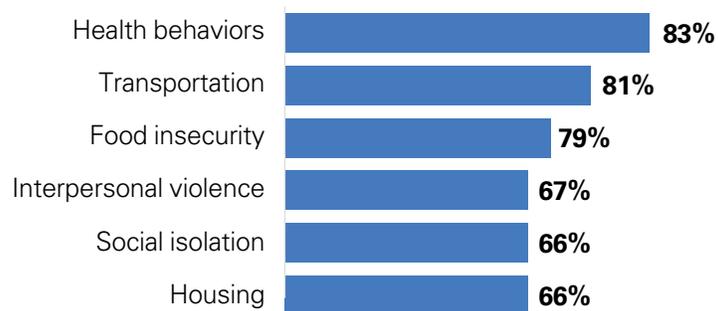
## MAJORITY OF HOSPITALS COLLECT SOCIAL NEEDS DATA

**91%** of hospitals report collecting data on patients' health-related social needs.

**53%** of hospitals have collected data indicating that activities used to address social needs have resulted in better health outcomes for patients.

AHA Annual Survey Database, 2022

## TOP SOCIAL NEEDS CATEGORIES ADDRESSED BY HOSPITALS AND HEALTH SYSTEMS THROUGH PROGRAMS AND STRATEGIES



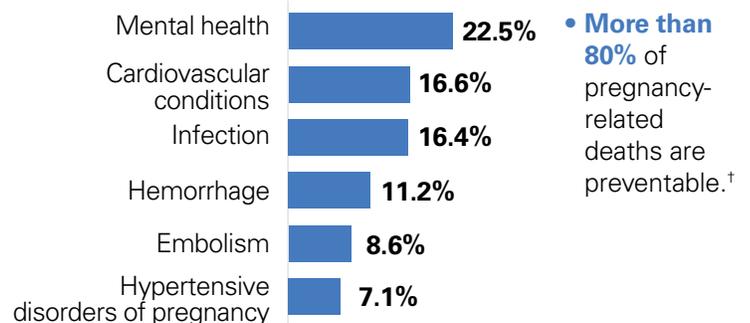
## MATERNAL CARE IN THE U.S.

### ACCESS TO MATERNITY CARE IN PERIL

- **35%** of counties are considered maternity care deserts, defined as counties without a hospital or birth center offering obstetric care and without any obstetric providers.
- **More than 2.3 million** reproductive-aged women live in maternity care deserts.
- **Over 3 million** additional women live in counties with limited maternity care access.
- Living in a maternity care desert is associated with a **13% increased risk** of preterm birth.

"Nowhere to Go: Maternity Care Deserts Across the US: 2024 Report," March of Dimes, Sept. 10, 2024

### TOP CAUSES OF MATERNAL MORTALITY\*



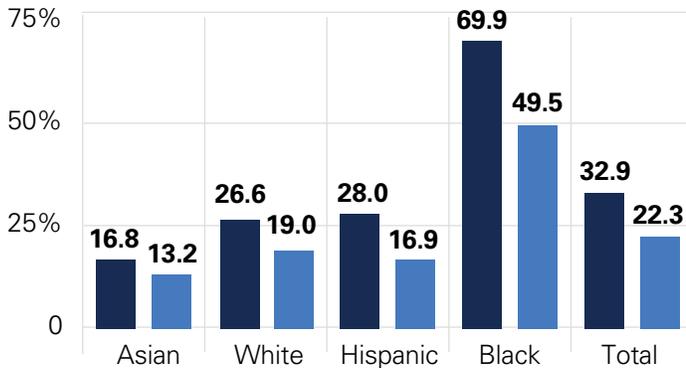
\*"Pregnancy-Related Deaths: Data From Maternal Mortality Review Committees in 38 U.S. States, 2020," CDC, accessed Aug. 2, 2024

†"Preventing Pregnancy-Related Deaths," CDC, accessed Aug. 2, 2024

## BETTER CARE & GREATER VALUE

### MATERNAL DEATHS PER 100,000 LIVE BIRTHS

■ 2021 ■ 2022



Hoyert, Donna. "Maternal Mortality Rates in the United States, 2022," CDC National Center for Health Statistics, May 2024

### MATERNAL MORTALITY RATE DECREASES

**32%** decrease in maternal mortality in 2022 compared with that of 2021.

Hoyert, Donna. "Maternal Mortality Rates in the United States, 2022," CDC National Center for Health Statistics, May 2024

**AHA Better Health for Mothers and Babies Initiative:** Explore practical strategies and resources for improving pregnancy and infant outcomes throughout the perinatal period.

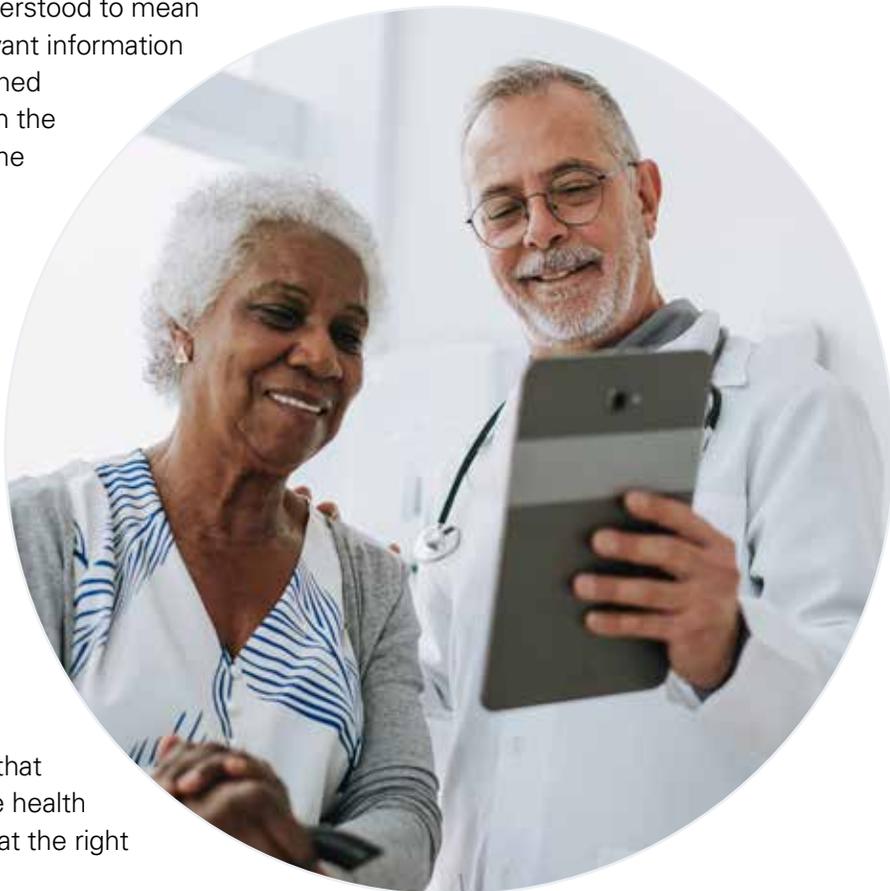
## AHA RESOURCES

- **AHA Funded Partnerships:** Supports the nation's hospitals and health systems and the patients and communities they serve through grant-funded work. AHA Funded Partnerships, including the 501(c)(3) Health Research & Educational Trust and its performance improvement initiatives, continually seeks new ways to advance the field and produce data-driven, comprehensive, scalable programs that transform health care.
- **Patient Safety Initiative:** A collaborative, data-driven effort that gives hospitals and health systems a strong voice in the national conversation around health care safety and tells the hospital and health system patient safety story.
- **Project Firstline:** Offers tools and resources needed to engage all stakeholders — from bedside nurses and administrators to environmental staff — to identify areas for improvement, commit to an action plan, monitor practices and adjust as needed.
- **Living Learning Network:** A partnership between the AHA and the Centers for Disease Control and Prevention, this peer-to-peer community of health care professionals was formed to discuss, ideate and reform health, prepare for future public health emergencies and increase patient safety and quality.
- **Association for the Health Care Environment (AHE):** For professionals in health care environmental services, the AHE is the go-to resource for tools, products, education and training that support health care environments free of surface contamination and pathogen-free, healing environments.
- **Maternal and Child Health:** The AHA spotlights strategies that hospitals and health systems can adopt to improve the physical, mental and social health of patients throughout pregnancy, infancy and beyond.
- **The Health Equity Roadmap:** A framework to help hospitals and health systems become more equitable organizations and dismantle structural barriers to health.
- **Societal Factors That Influence Health Framework:** Designed to guide hospitals' strategies to address the social needs of their patients, social determinants of health in their communities and the systemic causes that lead to health inequities.
- **Community Health Assessment Toolkit:** Updated toolkit provides a nine-step guide for hospitals and health systems to collaborate with their communities and strategic partners to conduct a community health assessment and meet community health needs assessment requirements.

# CONSUMERISM

Health care consumerism generally is understood to mean people proactively using trustworthy, relevant information and appropriate technology to make informed decisions about their health care options in the broadest sense, both within and outside the clinical setting.\* Empowering patients can take different forms — by equipping them with information to participate in decision-making or by providing them with the tools and technology to manage and monitor their own health.†

An important factor influencing health care consumers is the issue of affordability. Almost a third of consumers say affordability is most important to their health care experience.‡ Affordability, as well as convenience, can lead consumers to seek care at alternative sites like urgent care and retail health clinics. The AHA and its members are committed to strategies that increase patient engagement, improve the health care experience and deliver the right care at the right place and at the right time.



\* Carman, Kristin et al. "The 'New' Health Care Consumerism," Health Affairs, [DOI: 10.1377/hblog20190304.69786](https://doi.org/10.1377/hblog20190304.69786), March 5, 2019

† van Poucke, Anna and Baran-Chong, Randall. "2021 Healthcare CEO Future Pulse: 10 actionable perspectives for healthcare leaders," KPMG, June 23, 2021

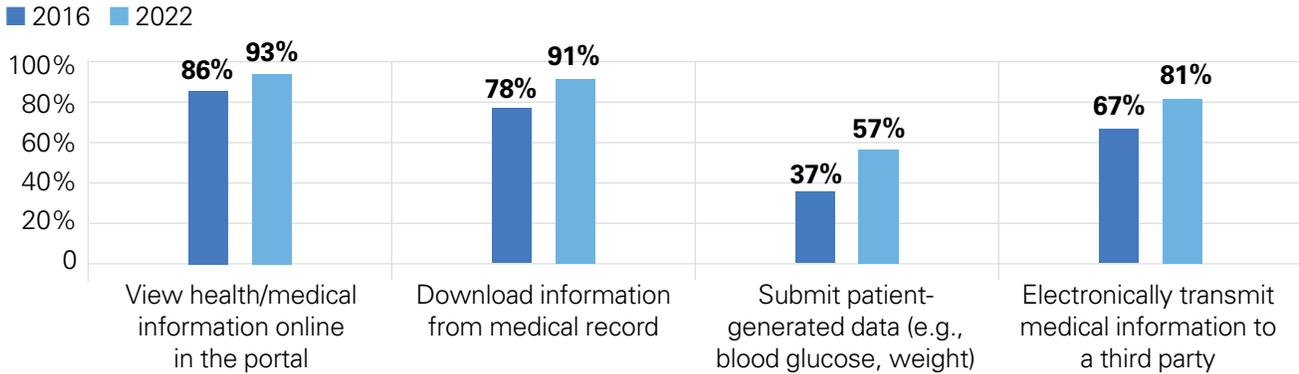
‡ "Consumer insights that drive patient loyalty," Huron Consulting Group, 2024

# CONSUMERISM

## RECENT HISTORY

### TRENDS IN ELECTRONIC HEALTH RECORD PATIENT ENGAGEMENT

% of hospitals that provide their patients with the following technologies



- In 2023, **81% of hospitals** provided patients with access to their health/medical information using apps.

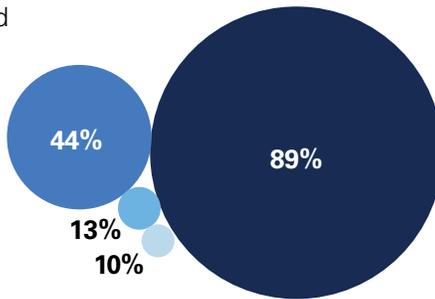
AHA Healthcare IT Database, AHA in collaboration with the Department of Health and Human Services Office of the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology, 2015-2023

## CURRENT PULSE

### FACTORS THAT DRIVE PATIENTS TO SWITCH PROVIDERS

Reasons why patients switched or stopped seeing previous health care provider

- Ease of navigation
- Clinical experience/expertise
- Access/network
- Value



### CONTRIBUTING REASONS TO NAVIGATION CHALLENGES

- It was difficult to do business with the provider.
- Patients had a bad experience with the front desk or administrative staff.
- The digital/online service and support solutions did not meet patients' needs.

### ACCESS IS A TOP FACTOR DRIVING PATIENTS' SELECTION OF A NEW PROVIDER

Factor	%
<b>Access:</b> Convenience, digital interaction, telehealth, customer service	<b>70%</b>
<b>Trusted source:</b> Trusted physician or friend referral, good communication	<b>53%</b>
<b>Coverage/cost:</b> Included in insurance directory, out-of-pocket costs, price transparency	<b>33%</b>
<b>Reputation/brand:</b> Trusted image, focus on sustainability, social responsibility, diversity	<b>26%</b>

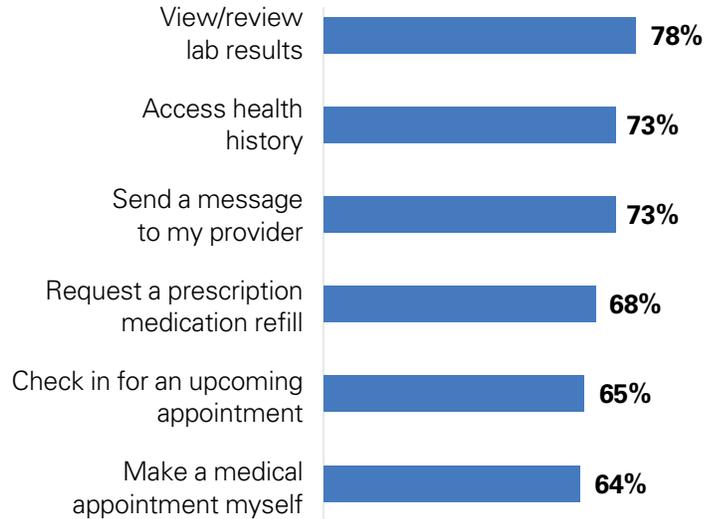
"How can providers drive patient engagement and loyalty?" Accenture, April 30, 2024

## CONSUMERISM

### THE DIGITAL HEALTH CARE EXPERIENCE PATIENTS WANT

- **80% of patients** interacted with their health care providers via mobile devices in 2023.
- **60% of Gen Zers** and **70% of millennials** prefer to use mobile devices to manage health care, compared with 57% of Gen Xers and 30% of baby boomers.
- There is a strong desire (**86%**) for a single health care platform to manage consumers' health care needs, with **5 out of 10** preferring a single mobile app.
- Patients were **more concerned** about data privacy and security, accuracy of health information and user-friendliness than they were about a lack of human interaction.

### TOP FEATURES IN AN APP THAT PATIENTS WANT FROM PROVIDERS



"Charting a Path to Optimizing Digital Patient Engagement: 2024 Report on Patient Preferences and Trends," Gozio Health, March 2024

### RETAILERS RETHINKING STRATEGY

The economic realities of providing primary care are challenging for retailers in the health care space.\*

- **Walgreens** plans to close 160 VillageMD clinics. VillageMD remains unprofitable and suffered a \$6 billion loss in Q2 of 2024.†
- **Walmart Health** closed its 51 health care clinics and shuttered its telehealth operations. Walmart leaders said they could not operate a profitable business due to a challenging reimbursement environment and rising operating costs. The shortage of health care workers in the U.S. also increased Walmart's labor costs.†
- **CVS Health** slashed its 2024 profit outlook and announced a new plan to cut \$2 billion in costs over several years as higher medical costs continue to put pressure on the company and the broader health insurance industry. CVS' health services segment continues to drive substantial revenue for the company. It generated \$42.17 billion in Q2 of 2024, down nearly 9% from the same quarter last year but near analyst expectations.‡
- **Dollar General** shuttered a pilot with DocGo to bring mobile clinics to rural areas.\*

Future strategies for retailers include pursuing health care services that people are used to paying for out of pocket, partnerships and providing services to health care providers.\*

Retailers venturing into health care must address rising labor costs, evolving reimbursement models and the intricacies of managing health care delivery alongside retail operations. As the sector evolves, technology, partnerships and flexible care models will play pivotal roles in determining which companies can succeed in meeting consumer needs while maintaining profitability.‡

\*Reed, Tina. "What retailers might do next on health care," Axios, June 11, 2024

†"What to make of the seismic shifts in retail health care," AHA Market Scan, Aug. 20, 2024

‡"Walgreens, CVS and Walmart scale back on health care amid financial strain," AHA Market Scan, Nov. 5, 2024

# CONSUMERISM

## CONSUMERS' RISING INTEREST: GLUCAGON-LIKE PEPTIDE-1 (GLP-1) AGONIST WEIGHT-LOSS DRUGS

A class of drugs called GLP-1 agonists has been used to treat type 2 diabetes for more than a decade. Due to their potential to trigger weight loss, the focus on these drugs has shifted in application to obesity. Given the high cost of GLP-1 agonists and rising popular interest in these drugs, these medications likely will have an increasing and substantial impact on health care costs for patients and payers.\*

- Obesity affects **42% of U.S. adults**.†

\*Lo, Justin and Cox, Cynthia. "Insurer strategies to control costs associated with weight loss drugs," Peterson-KFF Health System Tracker, June 12, 2024

†DeSilver, Drew. "As obesity rates rise in the U.S. and worldwide, new weight-loss drugs surge in popularity," Pew Research Center, March 21, 2024

### WEIGHT-LOSS DRUG SALES REACH 5-YEAR HIGH (2023)\*



- Annual global GLP-1 sales by 2031: **>\$120 billion**.†

\*DeSilver, Drew. "As obesity rates rise in the U.S. and worldwide, new weight-loss drugs surge in popularity," Pew Research Center, March 21, 2024

†Laise, Eleanor. "Obesity drugs' next wave: These companies could snag 20% of GLP-1 market, analysts say," MarketWatch, Aug. 26, 2024

### THE PUBLIC'S USE OF GLP-1 WEIGHT-LOSS DRUGS

- About **1 in 8 adults (12%)** say they have taken a GLP-1 drug, including 6% of adults who are currently taking one of these medications.
- The percentage of adults who report ever taking these drugs is highest among people with **diabetes (43%)**, followed by those with **heart disease (26%)** and those who are **obese or overweight (22%)**.
- **Most respondents (62%)** who have ever taken a GLP-1 drug say they took the drugs to treat a chronic condition such as diabetes or heart disease. **Nearly 4 in 10 (38%)** say they took the drugs solely to lose weight.

Montero, Alex et al. "KFF Health Tracking Poll May 2024: The Public's Use and Views of GLP-1 Drugs," Kaiser Family Foundation, May 10, 2024

### THREE WAYS GLP-1 DRUGS COULD IMPACT THE FUTURE



Use of these drugs could go beyond weight-loss applications to treating cardiovascular disease.



Health systems may seek to partner for data insights on GLP-1s using large volumes of data and AI technology.



Broader indications for GLP-1s for other medical conditions could be coming in the future.

"3 Ways GLP-1 Drugs Could Impact Your Hospital's Future," AHA Market Scan, May 21, 2024

### THE COST OF GLP-1 AGONIST WEIGHT-LOSS DRUGS

- More than half of those who have used GLP-1s say they found it difficult to afford the drugs even with insurance, rebates and discount coupons.
- Among adults with health insurance who report ever taking these drugs, more than half (57%) say their health insurance covered part of the cost of these drugs and they paid the rest.
- One in 5 insured adults who have taken GLP-1s say they paid for the full cost themselves.
- With Medicare currently prohibited by law from covering prescription drugs used solely for weight loss, 6 in 10 adults say they think Medicare should cover the cost of these drugs when prescribed for weight loss.

Note: The Medicare Prescription Drug Improvement and Modernization Act of 2003, which created Part D, excluded drugs used for anorexia, weight loss, or weight gain. (as of Nov. 1, 2024).

Montero, Alex et al. "KFF Health Tracking Poll May 2024: The Public's Use and Views of GLP-1 Drugs," Kaiser Family Foundation, May 10, 2024

# CONSUMERISM

## CONSUMERS AND AFFORDABILITY

### HEALTH COSTS RISE FOR INDIVIDUALS: PER CAPITA OUT-OF-POCKET EXPENDITURES

2015	\$1,313*
2022	\$1,425

\*Inflation adjusted to 2022

Cox, Cynthia et al. "Health Care Costs and Affordability," Kaiser Family Foundation, May 28, 2024

### PREMIUMS CONTINUE TO RISE FOR PEOPLE WITH EMPLOYER-SPONSORED INSURANCE\*

	2018	2024	% change
Single coverage	\$6,896	\$8,951	+30%
Family coverage	\$19,616	\$25,572	+30%

• Employer-sponsored insurance covers almost 164 million people.†

\*"2024 Employer Health Benefits Survey," Kaiser Family Foundation, Oct. 9, 2024

†Claxton, Gary et al. "Employer-Sponsored Health Insurance 101," Kaiser Family Foundation, May 28, 2024

### TOP 5% OF HEALTH CARE UTILIZERS INCUR HIGH COSTS

In 2021, the 5% of people with the highest health spending accounted for slightly more than half of the total health spending in the U.S. and had an average of approximately \$71,000 annually in health expenditures. People with health spending in the top 1% experienced an average spending of more than \$160,000 a year.

Cox, Cynthia et al. "Health Care Costs and Affordability," Kaiser Family Foundation, May 28, 2024

### AVERAGE HOSPITAL EXPENDITURE GROWTH RATE REMAINS LOW (2020-2022)

Service type	Average annual expenditure growth rate
Hospitals	3.4%
Physicians and clinics	4.0%
Retail prescription drugs	7.6%

Cox, Cynthia et al. "Health Care Costs and Affordability," Kaiser Family Foundation, May 28, 2024

### AFFORDABILITY CONCERNS WORRY U.S. CONSUMERS

**47%** of adults report that it is difficult to afford health care costs.

**1 in 4** adults say that in the past 12 months they have skipped or postponed getting the health care they needed because of cost.

**1 in 5** adults say they have not filled a prescription because of cost while a similar percentage say they instead opted for over-the-counter alternatives.

**48%** of insured adults worry about affording their monthly health insurance premiums.

**41%** of adults report having debt due to medical or dental bills.

Lopes, Lunna et al. "Americans' Challenges with Health Care Costs," Kaiser Family Foundation, March 1, 2024

# CONSUMERISM

## TECHNOLOGY, INNOVATION AND FUTURE OUTLOOK

### THREE HOSPITAL TECH CAPABILITIES TO CREATE IDEAL DIGITAL STATE FOR CONSUMERS

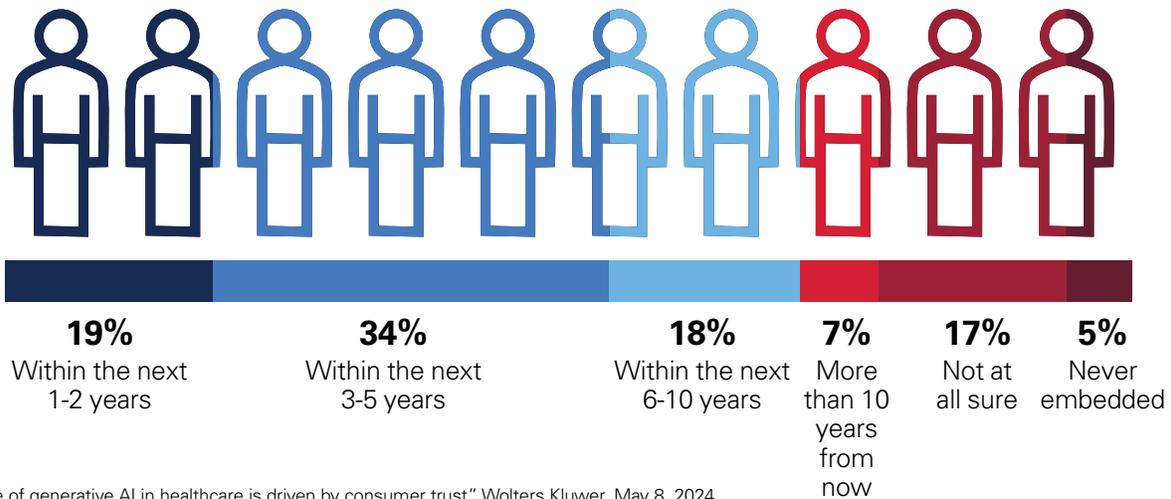
- 1. Ubiquitous broadband and high-quality, affordable access** not just for health care, but digital access in general, which will positively impact the social drivers of health.
- 2. A cyber-secure platform for data interoperability** so devices and wearables can travel on a highly secure, standardized platform that is fully integrated with EHRs.
- 3. A better developed, autonomous layer/toolkit powered by AI** that would do a lot of preprocessing and deliver standardization and uniformity. It has to be equitable and accessible — digital redlining is real.

*Note: Perspective is from Lee Schwamm, M.D., senior vice president & chief digital health officer, Yale New Haven Health System.*

Appleby, Chuck et al. "Integrating digital health tools to help improve the whole consumer experience," Deloitte Insights, Deloitte and Scottsdale Institute analysis of expert interviews, ©2023 Deloitte Development LLC, April 11, 2023

### PUBLIC PERCEPTION OF GenAI

More than half of Americans believe GenAI will be fully embedded in health care provider/patient interactions by 2028

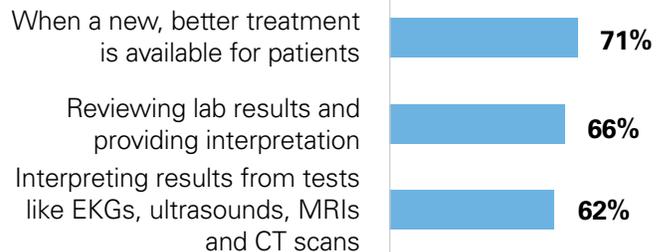


"The future of generative AI in healthcare is driven by consumer trust," Wolters Kluwer, May 8, 2024

### CONSUMERS SAY GenAI COULD IMPROVE ACCESS AND AFFORDABILITY

	All consumers	Consumers who have used GenAI for health
Access	53%	69%
Affordability	46%	63%

### TOP WAYS CONSUMERS ARE COMFORTABLE WITH PROVIDERS USING GenAI



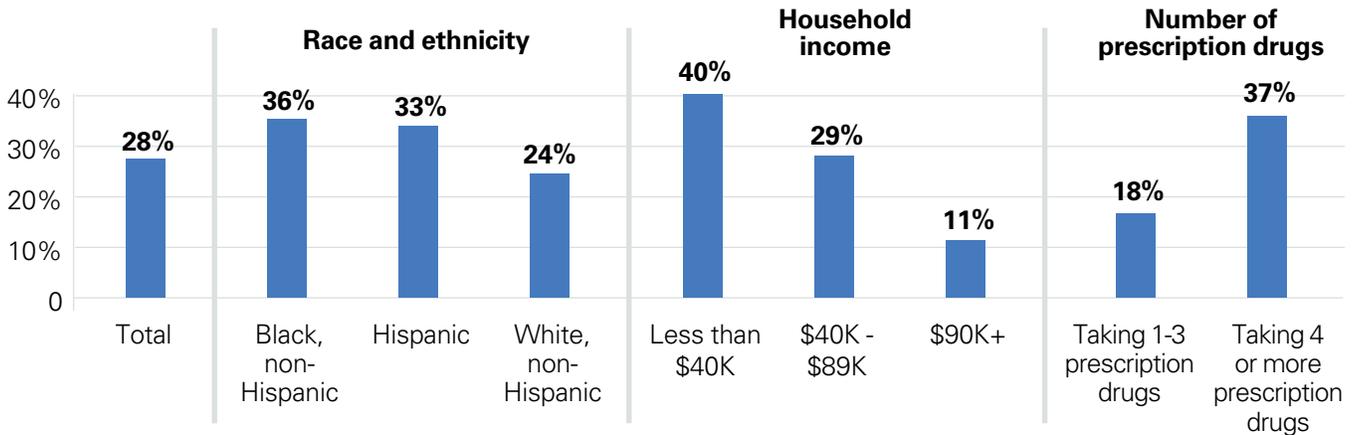
"Can generative AI help make health care affordable? Consumers think so," Deloitte Center for Health Solutions, [www.youtube.com/watch?v=5xCsvFQhApQ](https://www.youtube.com/watch?v=5xCsvFQhApQ), Nov. 7, 2023

# CONSUMERISM

## HEALTH EQUITY

### AFFORDABILITY AND PRESCRIPTION DRUGS

Percentage of respondents who say it is somewhat or very difficult to afford prescription drugs



Lopes, Lunna et al. "Americans' Challenges with Health Care Costs," Kaiser Family Foundation, March 1, 2024

### AUDIO-ONLY TELEHEALTH VISITS SUPPORT ACCESS TO INDIVIDUALS WITH LIMITED DIGITAL CONNECTIVITY

- Audio-only visits represented a quarter of all telehealth visits among traditional Medicare beneficiaries in 2022.\*
- Compared with beneficiaries who received only in-person care or audiovisual visits in addition to in-person care, those who received audio-only care were more likely to be African American or Black, have medically complex conditions and were eligible for both Medicare and Medicaid.\*
- Some older adults may prefer audio-only visits<sup>†</sup>, and 41% of Medicare beneficiaries lack access to computers with high-speed internet at home.<sup>‡</sup>
- Restrictions on audio-only visits may disproportionately affect these beneficiaries.

\* Yu, Jiani et al. "Audio-Only Telehealth Use Among Traditional Medicare Beneficiaries," JAMA Health Forum, 2024;5(5):e240442, [doi:10.1001/jamahealthforum.2024.0442](https://doi.org/10.1001/jamahealthforum.2024.0442)

† Ganguli, Ishani et al. "Patient Characteristics Associated With Being Offered or Choosing Telephone vs Video Virtual Visits Among Medicare Beneficiaries," JAMA Network Open. 2023;6(3):e235242, [doi:10.1001/jamanetworkopen.2023.5242](https://doi.org/10.1001/jamanetworkopen.2023.5242)

‡ Roberts, Eric T. and Mehrotra, Ateev. "Assessment of Disparities in Digital Access Among Medicare Beneficiaries and Implications for Telemedicine," JAMA Internal Medicine, 2020;180(10):1386-1389, [doi:10.1001/jamainternmed.2020.2666](https://doi.org/10.1001/jamainternmed.2020.2666)

## CONSUMERISM

### AHA RESOURCES

- **Market Scan:** A weekly e-newsletter with insights and analysis on the field's latest developments in health care disruption, transformation and innovation.
- **Market Scan Trailblazers Report:** A report about elevating patient access and the consumer experience.
- **Market Scan Special Report:** A report depicting how health care disruptors will transform the field in 2024.
- **Market Insights Reports:** A series of reports identifying, assessing and analyzing health care trends to illuminate where health care is heading in the future.
- **Society for Health Care Strategy & Market Development (SHSMD):** For health care professionals in strategic planning, business development, marketing, digital strategy and communications, SHSMD equips teams with new skills and strategies to help navigate an ever-changing competitive environment.
- **Futurescan 2025:** An annual publication highlighting thought leadership and key trends.
- **Consumer experience reports compendium:** A collection of reports with strategies to improve patient access, reduce friction and improve the human experience.
- **Convening Leaders for Emergency and Response:** The AHA hub for emergency response and disaster preparedness provides resources to strengthen and reimagine the emergency management system for the nation's response and recovery efforts for natural disasters and other emergencies.

# TREND SNAPSHOTS

These trends may relate directly to hospitals and health systems, while other shifts in the environment affect all areas of society. Hospitals and health systems can assess the impact these trends will have on their communities and then devise strategies to meet these challenges.



## TREND SNAPSHOTS

### PUBLIC TRUST AND CONFIDENCE

#### PATIENTS IDENTIFY THREE WAYS FOR HOSPITALS TO BUILD TRUST

- **Competence:** Effectively treating health issues, providing a safe and clean hospital environment, and having clinicians who are knowledgeable and thorough.
- **Caring:** Hospital culture that prioritizes patients' comfort, a welcoming physical environment and clinicians who are compassionate.
- **Communication:** Hospital culture of listening to patients and explaining clearly, particularly with treatment and discharge plans.

While the cost of care affected some participants' overall level of trust, others separated the trust they had in the medical care received.

Greene, Jessica and Samuel-Jakubos, Haley. "Building Patient Trust in Hospitals: A Combination of Hospital-Related Factors and Health Care Clinician Behaviors," The Joint Commission Journal on Quality and Patient Safety, volume 47, issue 12, pages 768-774, <https://doi.org/10.1016/j.jcjq.2021.09.003>, December 2021

### EXAMPLES OF TRUST-BUILDING INITIATIVES

**Coalition for Trust in Health & Science:** This coalition includes 50 national organizations, including the American Hospital Association and the American Organization for Nursing Leadership, and seeks to combat misinformation and help Americans make science-based health decisions for themselves, their families and communities.

**Building Trust:** This initiative of the American Board of Internal Medicine Foundation urges clinicians to use the five C's in their interactions with patients and other key stakeholders in the health care community — communication, caring, competency, comfort and cost — to build and reinforce trusting relationships.

### AGING IN THE U.S.

Americans 65 and older will make up more than 20% of the population by 2030, up from 17% in 2022. By 2050, they're projected to make up 23%.

	Life expectancy	Healthy life expectancy*
Born in 2023	79	66
Born in 2050	80	67

\*Healthy life expectancy is defined as a person's disability-free lifespan.  
Owens, Caitlin. "Axios Future of Health Care: 1 big thing: Hurtling toward a gray trap," Axios, May 17, 2024

**Age-Friendly Health Systems:** This initiative is designed to meet the needs of older adults, looking beyond acute events, engaging the whole community and achieving better health for older adults with an increased focus on four key areas — the 4Ms (What Matters, Medication, Mentation and Mobility). Age-Friendly Health Systems is an initiative of The John A. Hartford Foundation and the Institute for Healthcare Improvement in partnership with the AHA and the Catholic Health Association of the United States.

# TREND SNAPSHOTS

## COVERAGE

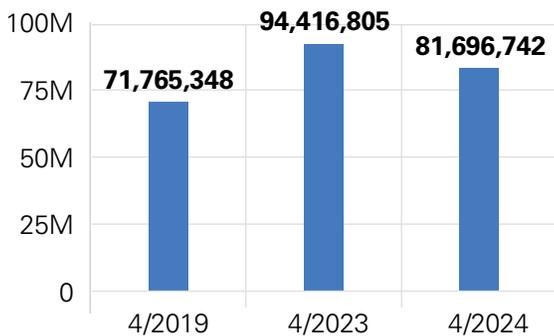
### HEALTH INSURANCE PROJECTIONS

- The Congressional Budget Office (CBO) projects that most people will continue to be covered under employer-sponsored insurance plans over the next decade, with enrollment **between 164 million and 170 million**.
- As the population ages, Medicare enrollment will grow significantly, from **60 million to 74 million in 2034**.
- Medicaid enrollment is projected to plateau at **79 million in 2027** and remain at that level through 2034.
- Marketplace enrollment will peak at **23 million in 2025**.
- The uninsured rate is projected to rise from **7.2% in 2023 to 8.9% in 2034**.
- The largest increase in the uninsured population is projected to be among **adults ages 19-44**.

Hale, Jessica et al. "Health Insurance Coverage Projections For The US Population And Sources Of Coverage, By Age, 2024-34," Health Affairs, volume 43, number 7, June 18, 2024

### MEDICAID/CHIP ENROLLMENT

Medicaid/CHIP enrollment peaked in 2023 and is declining as states complete the redetermination process.



"Medicaid and CHIP Monthly Enrollment," Kaiser Family Foundation, State Health Facts, accessed Aug. 2, 2024

- Medicaid disenrollment (as of September, 2024): Overall, **31% of people** with a completed renewal were disenrolled in reporting states while 69% had their coverage renewed.\*
- New policies require states to provide **12 months of continuous eligibility** in Medicaid and CHIP for children younger than age 19.†
- CMS **updated eligibility and enrollment policies in 2024**, which allow states to use data from other official sources to confirm Medicaid eligibility (among other changes).‡

\* "Medicaid Enrollment and Unwinding Tracker," KFF, <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview>, accessed Oct. 2, 2024

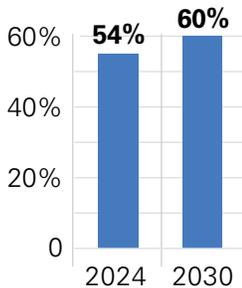
† "Continuous Eligibility," CMS, Medicaid.gov, accessed Sept. 4, 2024, <https://www.medicaid.gov/chip/eligibility/continuous-eligibility/index.html>

‡ "Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes Final Rule Fact Sheet," CMS, CMS.gov, March 26, 2024

## TREND SNAPSHOTS

### MEDICARE ADVANTAGE

#### % OF ELIGIBLE MEDICARE BENEFICIARIES ENROLLED IN MEDICARE ADVANTAGE



- As Medicare Advantage enrollment continues to climb, traditional Medicare is on track to diminish as a source of Medicare coverage, leaving in its place a program that looks more like a marketplace of private health insurance plans, funded by the federal government.

Neuman, Tricia et al. "10 Reasons Why Medicare Advantage Enrollment is Growing and Why It Matters," Kaiser Family Foundation, Jan. 30, 2024

#### MEDICARE ADVANTAGE ENROLLEES ACCOUNT FOR RISING SHARE OF INPATIENT HOSPITAL DAYS

	Share of inpatient days	
	2018	2022
Traditional Medicare	32%	25%
Medicare Advantage	15%	23%

- Virtually all Medicare Advantage enrollees are in a plan that requires prior authorization for inpatient hospital stays (98%) and post-acute skilled nursing facility stays (99%).
- Medicare Advantage poses challenges for hospitals, including delays in payment, more restrictive coverage determinations and lower payment rates.

Godwin, Jamie et al. "Medicare Advantage Enrollees Account for a Rising Share of Inpatient Hospital Days," Kaiser Family Foundation, July 23, 2024

### HIGH-DEDUCTIBLE HEALTH PLANS

High-deductible health plans are specifically designed to increase patients' financial exposure through high cost-sharing — the amount the subscriber must pay out of pocket. This can increase the risk of medical debt.\*

#### AVAILABILITY OF HIGH-DEDUCTIBLE HEALTH PLANS FOR PRIVATE INDUSTRY WORKERS†



\* "High-deductible and skinny health insurance plans drive medical debt," AHASat, an American Hospital Association blog, March 20, 2023

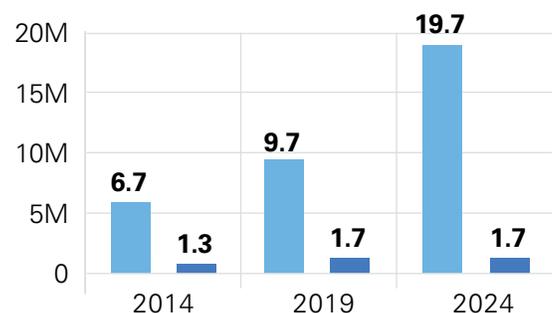
† "High deductible health plans and health savings accounts," U.S. Bureau of Labor Statistics, <https://www.bls.gov/ebs/factsheets/high-deductible-health-plans-and-health-savings-accounts.htm>, accessed Aug. 2, 2024

### THE AFFORDABLE CARE ACT (ACA) MARKETPLACE

Marketplace coverage has grown considerably in recent years. Experts attribute growth in part to the availability of enhanced advanced premium tax credits (APTC), which lower the cost of marketplace premiums for eligible individuals. Congress passed enhanced APTCs during the pandemic and extended these through the end of 2025 in the Inflation Reduction Act.

#### NUMBER OF ACA ENROLLEES RECEIVING APTCS NEARLY TRIPLES (2014-2024)

- No. of consumers receiving APTC
- No. of consumers without APTC



Ortaliza, Jared et al. "Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?" Kaiser Family Foundation, July 26, 2024

- The recent growth in ACA Marketplace plan enrollment has been driven primarily by low-income people, with sign-ups by people with incomes up to 2.5 times the federal poverty level growing 115% since 2020.
- Enhanced subsidies have cut premium payments by an estimated 44% (\$705 annually) for enrollees receiving premium tax credits.\*
- The CBO projects that Marketplace enrollment could decline by 7 million to 8 million people if Congress does not extend the subsidies.†

\* Ortaliza, Jared et al. "Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?" Kaiser Family Foundation, July 26, 2024

† Hale, Jessica et al. "Health Insurance Coverage Projections For The US Population And Sources Of Coverage, By Age, 2024-34," Health Affairs, volume 43, number 7, June 18, 2024

# TREND SNAPSHOTS

## BEHAVIORAL HEALTH

### HOSPITALS REPORTING INTEGRATION OF ROUTINE BEHAVIORAL HEALTH SERVICES

Integration area	2019	2023*
Emergency services	56.9%	61.5%
Acute inpatient services	51.8%	58.8%
Primary care services	43.6%	48.2%
Extended care	17.5%	18.4%

\*Preliminary data.

AHA Annual Survey Database, 2019 and 2023

### MENTAL HEALTH IN THE U.S.

- **1 in 5 adults** live with a mental illness.\*
- More than **1 in 5 youth ages 13-18** either currently or at some point during their lives, have had a seriously debilitating mental illness.\*
- **20.7% of adults** reported symptoms of an anxiety or depressive disorder (May and June 2024).†
- **33.2% of adults ages 18-29** reported symptoms of an anxiety or depressive disorder, the age cohort with the highest percentage (May and June 2024).†

\*"About Mental Health," CDC Mental Health, accessed Aug. 1, 2024

†"Anxiety and Depression: Household Pulse Survey," CDC National Center for Health Statistics, accessed Aug. 1, 2024

### AI'S POTENTIAL TO IMPROVE MENTAL HEALTH CARE

AI can access relevant information about a patient from various sources and quickly analyze the different datasets it has gathered. By identifying relevant patterns in the data, it can help diagnose mental illness. AI has been used to help with mental health care in three main ways:

- **"Personal sensing" or "digital phenotyping"** — using digital data to measure and monitor someone's mental health and detecting relevant behavioral changes.
- **Natural language processing** — tracking the use of language in conversations (chats, emails, social media posts) and detecting patterns that might correlate with mental issues.
- **Chatbots** — asking questions the same way a mental practitioner would, the chatbot can analyze the patients' answers and suggest different kinds of therapies or propose seeking medical advice.

Minerva, Francesca and Giubilini, Alberto. "Is AI the Future of Mental Healthcare?" Topoi (Dordr). 2023 May 31;42(3):809-817. doi: 10.1007/s11245-023-09932-3. E-pub ahead of print. PMID: 37361723; PMCID: PMC10230127

### WHITE ADULTS MORE LIKELY TO RECEIVE MENTAL HEALTH CARE

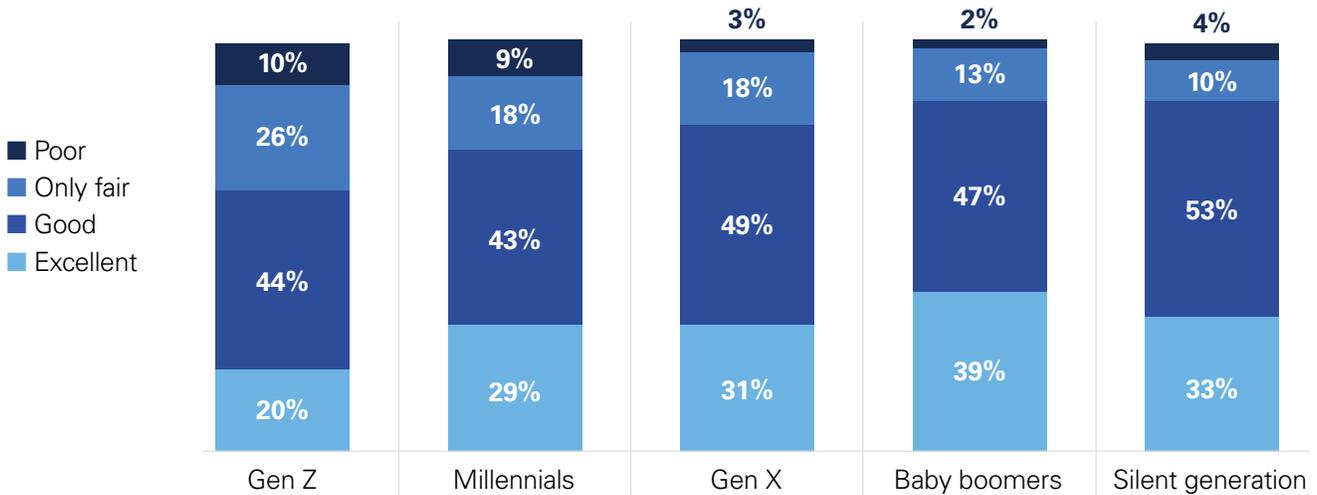
Percentage of adults reporting fair or poor mental health status who received mental health services from a doctor, counselor or other mental health professional in the past 3 years.

Population	% of adults receiving services
Total	45%
<b>Race and ethnicity</b>	
White	50%
Hispanic	36%
Black	39%
<b>Immigration status</b>	
U.S.-born	48%
Foreign born	26%

Panchal, Nirmita. "Racial and Ethnic Disparities in Mental Health Care: Findings from the KFF Survey of Racism, Discrimination and Health," Kaiser Family Foundation, May 23, 2024

## TREND SNAPSHOTS

### GEN Z REPORTS POORER MENTAL HEALTH



- Compared with older generations, a greater share of members of Gen Z describe their mental health and emotional well-being as “poor” or “only fair.”
- 40% of Gen Z students worry “a lot” or “some” about gun violence at their schools.

“Voices of Gen Z Perspectives on U.S. Education, Well-being and the Future,” Gallup and the Walton Family Foundation, Sept. 14, 2023

### NEW CARE MODEL: BEHAVIORAL HEALTH URGENT CARE CENTERS

Behavioral health urgent care centers (BHUCCs) are walk-in clinics specializing in psychiatric and substance-use disorders and often sited within ambulatory medical facilities outside of freestanding emergency departments. The number of behavioral health urgent care centers has risen in the past few years as a way to increase rapid access to assessment and short-term mental health treatment. This is particularly important in communities where emergency departments may not be prepared to treat patients with urgent behavioral health needs.

Behavioral health needs requiring immediate attention vary widely in acuity. Patients may walk in simply needing medications refilled, while others may be experiencing a panic attack or psychosis. BHUCCs are staffed by multidisciplinary teams, including psychiatric nurses, therapists, social workers, behavioral technicians and case managers. Telehealth services also may be offered.

Du, Katherine et al. “Characteristics of Behavioral Urgent Care Centers: A National Study During the COVID-19 Pandemic,” *Psychiatric Services* volume 72, number 2, Feb. 1, 2021, <https://doi.org/10.1176/appi.ps.20200874>

Larson, Chris. Urgent Behavioral Health Care Offers ‘Convenience and Access,’ But Providers Still Struggle to Get Regulatory Support, *Behavioral Health Business*, June 14, 2023

### AHA Behavioral Health Resources

The AHA provides information and tools to help understand the changing behavioral health care system, including information on topics such as integration, community partnerships, stigma reduction and suicide prevention.

## TREND SNAPSHOTS

### RURAL HEALTH

Nearly 46 million Americans live in rural areas and rely on their hospital not only for care, but also as a critical component of their area's economic and social fabric. The challenging economics of providing care in rural communities contributes to gaps in access. Rural communities generally have fewer people and therefore do not generate the health care utilization to finance the full range of health care services. In addition, caring for rural patients can be more costly on a per patient basis because those in rural communities tend to have more complex health needs, are much more likely to be uninsured and are more likely to rely on public programs when they do have coverage.

#### RURAL HOSPITAL CLOSURES IN THE U.S. (AS OF OCTOBER 2024)

- **151 closures and conversions** since 2010
  - **66 conversions** to other services
  - **85 complete closures**
- **30** additional hospitals converted to Rural Emergency Hospitals

"Rural Hospital Closures," The Cecil G. Sheps Center for Health Services Research, <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures>, accessed Oct. 2, 2024

**AHA Rural Health Services:** Tracks issues, develops policies and identifies solutions to the most pressing problems facing rural hospitals through advocacy and representation, communication and education, executive leadership and other helpful resources.

#### MEDICARE ADVANTAGE IMPACTS RURAL HOSPITALS

- Between 2019 and 2023, enrollment in Medicare Advantage in rural communities **increased 48%**.
- Medicare Advantage plans now account for **38% of all Medicare-eligible patients** in rural communities.
- Common reimbursement models that are employed by Medicare Advantage and other private health plans differ from traditional Medicare as they often follow fee-for-service reimbursement at a percentage of Medicare rates and not a retrospective cost-based reimbursement.
- While Medicare Advantage plans are required to provide all medically necessary services that traditional Medicare covers, there are targeted examples where the reimbursement policies may not recognize certain services the same way, including swing beds, which provide skilled nursing care for patients and are often a strong source of revenue stability for rural hospitals.
- Private health plans, including Medicare Advantage, commonly have administrative requirements such as prior authorizations. Rural providers may not be equipped to efficiently navigate these administrative requirements, which can lead to increased denials.
- Traditional Medicare has standard data reporting which is made available to rural hospitals. While Medicare Advantage plans are required to submit data to CMS, these data are not made available to rural hospitals, which may impede a facility's ability to fully understand their population's health care experience and needs.

"Unrelenting pressure pushes rural safety net crisis into uncharted territory," The Chartis Group LLC, 2024

"Rural Health Care: Supporting Lives and Improving Communities," U.S. Senate Committee on Finance, May 16, 2024

# TREND SNAPSHOTS

## CLIMATE AND HEALTH

The White House and the Department of Health & Human Services launched the Health Sector Climate Pledge, a voluntary commitment by private sector health care organizations to climate resilience and emissions reduction that includes cutting greenhouse gas emissions by 50% by 2030 and achieving net-zero emissions by 2050. As of July 2024, more than 1,180 federal and private-sector hospitals have made such commitments, together representing more than 15% of U.S. hospitals.\*

The Inflation Reduction Act (IRA) included \$369 billion in a combination of financial incentives for investments that may help to reduce pollution, expand clean energy production and address health inequities. While previous incentives were inaccessible or harder to access by tax-exempt entities, the IRA offers nonprofits “direct-pay” provisions that provide federal funds as a payment for eligible entities that don’t pay taxes. Tax credits for three key areas relevant to health systems are available: transportation efficiency, energy efficiency and renewable energy.

\*“Health Sector Commitments to Emissions Reduction and Resilience,” HHS, July 10, 2024

†Gustafsson, Lovisa et al. “How Funding Opportunities in the Inflation Reduction Act Can Help Move Health Systems Toward Sustainability,” The Commonwealth Fund, March 5, 2024

### EFFICIENCY MEASURES OFTEN CAN GENERATE ENERGY SAVINGS

Efficiency measure	Estimated energy savings
LED lighting	Up to 65%
HVAC upgrades	Up to 50%
Central plant upgrades	Up to 30%
Occupancy sensors	Up to 30%
Water conservation	Up to 30%
Smart controls and thermostats	Up to 15%
Retro-commissioning	Up to 15%

“Dollars & Intents: 6 Cost-Conscious Strategies for Healthcare Decarbonization,” Ameresco, May 2024

### CLINICIANS ARE PART OF THE SOLUTION

**4 in 5** clinicians surveyed believe that it’s important for their hospital to address climate change and that doing so is aligned with their organization’s mission.

**3 in 4** surveyed clinicians feel it’s important that they themselves work to reduce their environmental impact, both at work and at home.

**6 in 10** clinicians indicated that a prospective employer’s policies and actions on climate change would impact their decision to apply for a job.

Respondents working in leadership positions reported that most hospitals increasingly are undertaking climate mitigation initiatives, such as **reducing energy consumption (69%) and waste (76%)** or **setting emissions targets (35%)**.

Shah, Arnav and Gustafson, Lovisa. “U.S. Health Care Workers Want Their Employers to Address Climate Change,” The Commonwealth Fund, Jan. 24, 2024

### PUBLIC PERCEPTION OF CLIMATE CHANGE IN THE U.S.

- **60%** of adults say that the impacts of climate change are being experienced now.
- **16%** say the impacts will be felt in the future.
- **13%** say they do not expect any impacts of climate change.

“Climate Resilience Survey Analysis,” Morning Consult & Walton Family Foundation, April 30, 2024

### MOST AMERICANS ALREADY HAVE EXPERIENCED SOME FORM OF CLIMATE CHANGE. THE MOST COMMON ARE:



## TREND SNAPSHOTS

### EARTH AT ITS HOTTEST

- 2023 was the world's warmest year on record.
- Antarctic sea ice coverage dropped to a record low.
- Global ocean heat content set a record high.

"2023 was the world's warmest year on record, by far," National Oceanic and Atmospheric Administration, Jan. 12, 2024

### IMPLICATIONS OF HEAT

- Heat illness.
- Accelerated death from respiratory, cardiovascular or other chronic disease.
- Hospitalization.
- Increased risk of accidents.
- Decreased health service delivery capacity.
- Increased transmission of disease.
- Potential disruption of infrastructure, including power, water and transportation.

"Heat and Health," World Health Organization, June 1, 2018

### HEAT AND HEALTH INITIATIVE

The CDC, in partnership with the National Oceanic and Atmospheric Administration's National Weather Service, launched a Heat and Health Initiative to protect Americans from heat exposure.

- [HeatRisk Forecast Tool](#) provides a seven-day heat forecast nationwide that shows when temperatures may reach levels that could harm people's health.
- [HeatRisk Dashboard](#) integrates the HeatRisk Forecast Tool data with other information to inform the public on how to protect themselves when outdoor temperatures could impact their health.
- [CDC clinical guidance](#) helps clinicians keep at-risk individuals safe when temperatures rise.

"CDC Announces Important Advances in Protecting Americans from Heat," CDC Newsroom, April 22, 2024

## AHA SUSTAINABILITY RESOURCES

The AHA and its [professional membership groups](#) provide strategic thought leadership, resources and programs to support health care organizations pursuing sustainability.

- [Sustainability Roadmap](#): A hub of resources that guide hospitals on their sustainability journey and reduce hospitals' carbon footprint and operational costs.
- [HealQuest™](#): A program to promote cultural changes by guiding interdepartmental teams through two days of hands-on activities to help make health care facilities more sustainable.
- [The Health Care Leader's Guide to Sustainability and Decarbonization](#): A toolkit of tangible action items for CEOs, boards and trustees, sustainability teams, COOs and CFOs.
- [Energy to Care](#): An energy-reduction program that helps facilities track, manage and communicate energy savings through benchmarking, education, recognition and energy-saving exercises.
- [Weathering the Storm](#): Health care facilities on the front lines of climate change response and recovery.
- [Energy Conservation Measures](#): A support handbook for facilities management teams.

## TREND SNAPSHOTS

### HOSPITAL-BASED VIOLENCE INTERVENTION PROGRAMS (HVIPs)

HVIPs are multidisciplinary programs that identify patients at risk of repeat violent injury and link them with hospital and community-based resources aimed at addressing underlying risk factors for violence.

#### >85 cities have a HVIP program

- Violence prevention professionals begin outreach at violence survivors' hospital bedsides, then continue engagement **over the next 6 to 12 months**, offering crisis intervention, counseling and referrals to services such as job training, housing assistance, substance-use disorder counseling and more.
- Compared with nonparticipants, HVIP participants in Baltimore were **6 times less likely to be hospitalized** for another violent injury 2 years post-program completion.
- HVIP participants also demonstrated **improved mental health**, greater attendance at medical appointments and use of local services.

Jackson, Kenya. "Hospital-Based Violence Intervention Programs: A Guide to Implementation and Costing," Everytown for Gun Safety and The Health Alliance for Violence Prevention, April 22, 2024

### VACCINES WORK

- Among children born between 1994 and 2023, routine childhood vaccinations will have **prevented about 508 million cases of illness, 32 million hospitalizations and 1,129,000 deaths** over the course of their lifetimes, at direct savings of \$540 billion and societal savings of \$2.7 trillion.\*
- The 2023-2024 COVID-19 vaccine may **reduce the risk of emergency/urgent care or hospitalization by half** in adults.†
- The 2023-2024 seasonal flu vaccine may **reduce pediatric hospitalizations by at least 52%** and adult hospitalizations by at least 41%.‡
- 7% of U.S. adults, (17.8 million) have had long COVID as of early 2023. **Adults who received a COVID-19 booster had lower rates of long COVID** than both unvaccinated adults and adults who received only the primary vaccination series.§

\*Zhou, Fangjun et al. "Health and Economic Benefits of Routine Childhood Immunizations in the Era of the Vaccines for Children Program — United States, 1994-2023," CDC Morbidity and Mortality Weekly Report (MMWR), Aug. 8, 2024;73:682-685, DOI: <http://dx.doi.org/10.15585/mmwr.mm7331a2>

†DeCuir, Jennifer et al. "Interim Effectiveness of Updated 2023-2024 (Monovalent XBB.1.5) COVID-19 Vaccines Against COVID 19-Associated Emergency Department and Urgent Care Encounters and Hospitalization Among Immunocompetent Adults Aged ≥18 Years — VISION and IVY Networks, September 2023-January 2024," CDC MMWR, Feb. 29, 2024

‡Frutos, Aaron M. et al. "Interim Estimates of 2023-24 Seasonal Influenza Vaccine Effectiveness — United States," CDC MMWR, Feb. 29, 2024

§Van Beusekom, Mary. "AHRQ survey: 7% of US adults reported having long COVID by early 2023," Center for Infectious Disease Research & Policy, June 10, 2024

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