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Insights

2020 global health care outlook

Laying a foundation for the future

Global health care spending is expected to slow down ↓ to **3.2%** in 2019, from **5.2%** in 2018.

Causes of this slow down:

- Currency shifts
- Geopolitical tensions including trade tensions and Brexit

Long term outlook - Health care spending is expected to rise at a CAGR of **5%** over 2019–23, up from **2.7%** in 2014–18.

Global health care spending as a share of GDP will likely remain at around **10.2%** through 2023, equal to 2018's ratio.

Spending will continue to be unevenly spread, ranging from **US$12,262** in the United States to just **US$45** in Pakistan in 2023.

Factors expected to impact higher health care spending:

- Population growth
- Increased economic power
- Expansion of public health care systems

It's trending – Around 450 million people currently suffer from mental disorders placing it among the leading causes of ill health and disability.

How will stakeholders respond? Disruptive technologies that can help combat these often-debilitating conditions and streamline the delivery of mental health interventions. Deloitte is collaborating with World Economic Forum (WEF) to build an actionable policy framework that will guide the use of technology in mental health.

It's trending – More focus is being placed on Smart Health Communities (SHCs) - groups of public, nonprofit, and commercial enterprises, as well as non-traditional players—who are focused on addressing disease prevention and well-being and work together on a sustained basis, all while operating largely outside of the traditional health care system.

How will stakeholders respond? Platforms developed for SHCs can use data-fueled technologies such as the Internet of Things (IoT) and augmented/virtual reality to make timely and informed decisions, thus increasing the scale of these projects.

Top issues

Financial operations and performance improvement

Key drivers impacting financial sustainability in health care:

- Expanding and aging populations
- Increasing numbers of people with chronic, long-term conditions
- Costly infrastructure and increased investment in MedTech
- Rising labor costs and staff shortages
- Growing demand for broader ecosystem services

How are stakeholders dealing with this?

- Adopting value-based care
- Establishing and/or expanding universal health care systems
- Pricing controls on pharmaceuticals and medical technology device
- Investing in population health management (PHM)

It's trending
Population health management (PHM)—brings together an understanding of public health through big data, patient engagement, and care delivery. It focuses on strengthening primary care and delivering care closer to home, which can address growing demand pressures.

Factors boosting PHM

- Market consolidation
- Entry of non-traditional players from industries such as tech, consumer, academia, etc.
- Public-private partnerships

Care model innovation

What are the factors driving innovation in health care delivery?

- Cost pressures on traditional models
- Shift to prevention and well-being
- Consumers' heightened demand for transparency, convenience, access, and personalized products and services
- Consumers' increased access to and control over personal health data

The next steps:

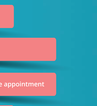
- Collaborate with other industry players for maximum impact
- Solve the challenge of unequal access, capacity, capability, and affordability (ACCA)
- Continue to provide health care, esp., inpatient services, beyond hospital walls
- Enable virtual health by leveraging digital technologies

An enterprise-wide virtual health strategy will help ensure that investments address short-term goals and allow for future scalability, while having the greatest impact on patient engagement, affordability, digital transformation, and patient care.

Delivering virtual health care

- AI-powered chatbot
- Video visit
- Teleconference appointment
- Physician access to health data via connected devices

Digital transformation and interoperability



Digital is the new "now" and is shaping the health care systems of the future.

What's driving digital health?

- Need for predictive and preventive care
- Cheaper, precise, and less invasive treatments and therapies
- Consumer/patient demand

Digital health ecosystem

- Cloud computing solutions
- Robotics
- Sensors
- Enterprise applications
- Artificial intelligence (AI)
- 5G
- Fifth generation (5G) technology
- Internet of Medical Things (IoMT)
- Radical interoperability and open platforms
- Blockchain systems
- Learning platforms
- Big data analytics
- Natural language processing (NLP)
- Data as a Platform (DaaP)

63% of U.S. health plan leaders said they plan to use compliance requirements for the proposed rules as a foundation for their broader strategic interoperability initiatives

Strategic approach to radical interoperability can help health care organizations:

- Gain a competitive edge with insights
- Increase affordability
- Engage consumers

It's trending – Data management in health care is witnessing a new phase, moving beyond storing data to a focus on extracting insights that can be monetized—and support key priorities such as population health management and value-based care.

With unprecedented digital advancements, cybersecurity remains a massive challenge for public and private health care entities. The five key areas that organizations need to address include:

- Medical devices and wearables security
- Identity management and external device authentication
- Telemedicine security monitoring and behavioral analysis
- Development, security, operations (DevSecOps)
- Telemedicine security training and awareness.

Future of work

78% of physicians sometimes, often, or always experience feelings of burnout.

46% of physicians plan to change career paths and,

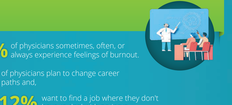
12% want to find a job where they don't have to deal with patients.

Staffing challenges in health care:

- Inability to close the demand-supply gap
- Excessive time being spent on documentation
- Inability to stay "current"
- Lack of well-being

Advanced technologies transforming work in health care

- AI
- Blockchain
- Analytics



The digital workforce is already underway as organizations are:

- Adopting advanced technologies that accelerate decision-making and eliminate routine administrative tasks.
- Upskilling health system employees to adopt and use technologies.
- Reviewing employees' readiness for a digital future.

It's trending – Future of work is top-of-mind for health system leaders, many of whom are using improved working conditions, alternative employment models, and innovative technologies to anchor cost-effective, next-generation talent models.

Learn more at www.deloitte.com/healthcareoutlook

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