The 2012 American Hospital Association Environmental Scan provides insight and information about market forces that have a high probability of affecting the health care field. It is designed to help hospital and health system leaders better understand the health care landscape and the critical issues and emerging trends their organizations likely will face in the foreseeable future. The 2012 AHA Environmental Scan rollout is compiled from nationally recognized sources with recommendations from select AHA governance committees. The scan is produced by Gene J. O’Dell, the AHA’s vice president for strategic and business planning, led by Donna J. Aspy, project manager, strategic and business planning, Lee Ann Jarousse, H&HN’s senior editor of custom publications, compiled the information.

Associations

- The strategic imperative for innovation in all forms is becoming ever more insistent. There is an especially urgent need to devote greater attention and energy to the complicated work of business model innovation so associations are able to thrive over the next decade and beyond.  

- The last decade has witnessed the creation of a robust, public, social layer of interaction, conversation and sharing in the form of blogs, wikis and, most recently, near real-time information flows like Twitter and global social networking sites, such as Facebook. The explosive growth of smart mobile devices over the last four years has amplified the impact of the social layer on the experience of associating. Associations must identify new ways to fully capitalize on digital social platforms to infuse greater meaning into a full spectrum of relationships between and among stakeholders, without necessarily imposing a requirement for any of those stakeholders to join the organization.  

- An individual’s perceived value of membership is directly proportional to his/her level of engagement. It’s important to engage in dialogue with your members about the association’s activities and initiatives, to involve them in advancing the mission of the organization and stir their affinity for the association’s vision.  

- Associations must produce products and services that deliver the highest possible value to members. This requires associations to discover their members’ unarticulated needs, innovate, and develop valuable benefits that surprise and delight the membership. It also means dropping programs that deliver low value or distract staff from working on high-value programs.  

Consumers & Demographics

- Overall, the U.S. population has become more ethnically diverse. More than half of the growth in the total population between 2000 and 2010 was due to the increase in the Hispanic population (currently at 50.5 million or 16 percent of the total population). The Asian population experienced the fastest rate of growth with a 43 percent increase (reaching 14.7 million or 5 percent of the total population in 2010). The black-alone population had the third-highest increase in population, yet grew slower than most other major racial groups (now totaling 40.9 million or 13 percent of the population). The only major racial group to experience a decrease in its proportion was the white-alone population (shrinkage from 75 to 72 percent of the total population). Minorities are expected to be the majority by 2042.  

- The single biggest force threatening U.S. workforce productivity, as well as health care affordability and quality of life, is the rise in chronic conditions. American workers experience high rates of chronic disease. Almost 80 percent of workers have at least one chronic condition. Fifty-five percent of workers have more than one chronic condition.  

- As consumers take on more of the risk associated with health care, the traditional relationship among consumers, providers and payers is changing. With persistent medical inflation, employers will continue to promote greater employee cost sharing to reduce their health care spending.  

- Agency for Healthcare Research and Quality-funded studies show that conversations with doctors about advanced care planning led to increased satisfaction among patients 65 years and older. Patients who talked with their families or physicians about their preferences for end-of-life care had less fear and anxiety; felt they had more ability to influence and direct their medical care; believed that their physicians had a better understanding of their wishes; and indicated a greater understanding and comfort level than they had before the discussion.  

- Many Americans continue to report that they are confused and lack information about how the year-old health reform law will affect them. Fully 52 percent of the public say they do not have enough information about the health reform law to understand how it will impact them personally.  

Economy & Finance

- Looking forward to 2012, states already estimate budget gaps of 10 percent or more. Forty-six states and the District of Columbia are making cuts in all major program areas including health care, K-12 and higher education.  

- Negative factors supporting Moody’s outlook for the non-profit health care sector include: high rates of unemployment, lower rates of health care utilization, and increased exposure to governmental payers and self-pay pressure on all hospital revenue streams including Medicare, Medicaid, commercial payers and philanthropy. Increased difficulty containing costs following two years of expense reduction, and ongoing balance sheet pressures due to exposure to bank liquidity facility renewal risk, pension obligations and increased exposure to noncancelable operating leases.  

- The transformation of the health care industry is underway. Previously, it incentivized the provision of a high volume of services; the fee-for-service care delivery and payment system will change gradually during the next decade to a system that incentivizes the provision of high-value services.  

- The purchase of scalable nonprofit health care systems by for-profit entities signals a significant shift underway in the hospital sector toward increased competition and consolidation in various markets in the United States. This trend will place additional pressure on the remaining nonprofits in affected markets to operate more efficiently, but also offers a potential new source of capital for nonprofits considering merger or sale. It also could provide unexpected exit strategies for investors holding the debt of low-rated nonprofit hospitals.  

- Despite the Medicaid program’s success in holding down per capita cost growth relative to other segments of the health care system, states are grappling with immediate budgetary crises that may result in significant cuts to the program.
Telemedicine (or connected health) is transforming the traditional view of medicine. Medical liability and other legal concerns, as well as security and privacy issues, also have come into play as potential obstacles to the growth of telemedicine. Plus, there are issues surrounding requirements in some states that physicians must secure a license to practice telemedicine with a state resident physician.

Get ready for e-visits. Texting and emailing have been shown to be effective and efficient tools to connect patients and physicians. Additionally, the use of email communications and telephone visits cut office visits by 26 percent, improving the efficiency of ambulatory care.

Health care consumers seeking advice will reach out increasingly to trusted online social networks as part of that process. As awareness about participatory medicine and the patient movement grows, consumers will come to hospitals better prepared to ask questions and expect clear, direct answers.

The quality of care in the hospital setting can be facilitated through wire- less technologies. This includes the ability to track every medication that is ingested, using pills tagged with digestible sensors that are activated in the stomach by the change in pH. Wireless sensors can monitor even routine procedures, such as physician and nurse hand washing.

Physicians now can access the vital signs of hospitalized intensive care patients via their smart phones, and obstetricians can similarly monitor the uterine contractions and fetal heart rate of expectant mothers via their cell phones. Wherever there is connectivity to the web, patients can be monitored in real time.

Rather than having the intensive care unit be the sole place where frequent vital sign measurements are recorded, every hospitalized patient’s heart rate and rhythm, blood pressure, and other vital signs will be monitored continuously by noninvasive wireless sensors in the form of Band-Aid-like adhesive strips on the skin or wrist transmitters.

Finding a primary care physician and getting timely care are increasingly difficult, even among Medicare beneficiaries and privately insured adults. About 65 million people live in areas designated by the federal government as having a shortage of primary care providers. As the population grows and ages and a declining share of physicians choose primary care careers, current gaps in access to primary care are expected to widen.

By 2020, the United States will face an estimated shortage of 91,000 physicians.

There is a growing interest in workplace disease prevention and wellness programs to improve health and lower costs. Medical costs fall by about $3.27 for every dollar spent on wellness programs and absenteeism costs fall by about $2.73 for every dollar spent.

A substantial body of research examining the quality of nurse practitioners’ and physician assistants’ primary care shows that these clinicians perform as well as physicians in important clinical outcome measures, such as mortality, improvement in physiological condition, reduction of symptoms, health status, and functional status.

In 2012, the percentage of unionized workers across the country fell to its lowest level in more than 25 years, according to the U.S. Department of Labor’s Bureau of Labor Statistics. While the number of unionized workers declined by 812,000 workers in 2010, the contraction was not as dramatic as in 2009 when membership dropped by 770,000.

States with low primary care physician supply also tend to have a high uninsured rate and fewer adults above the federal poverty line who are eligible for Medicaid, so these states likely will have the greatest enrollment increases—and demand for medical care—when the Medicaid eligibility expansions occur in 2014.

18. Survey of Health Care Consumers: Key Findings, Strategic Implications, Deloitte, 2009
33. “Fostering the Movement: Factors Associated with the Cost of Steading High-Cost and Medicaid Beneficiaries,” by J.D. Rosenblatt et al., Health Services Research, Health Research & Educational Trust, February 8, 2011.
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