

Deloitte.



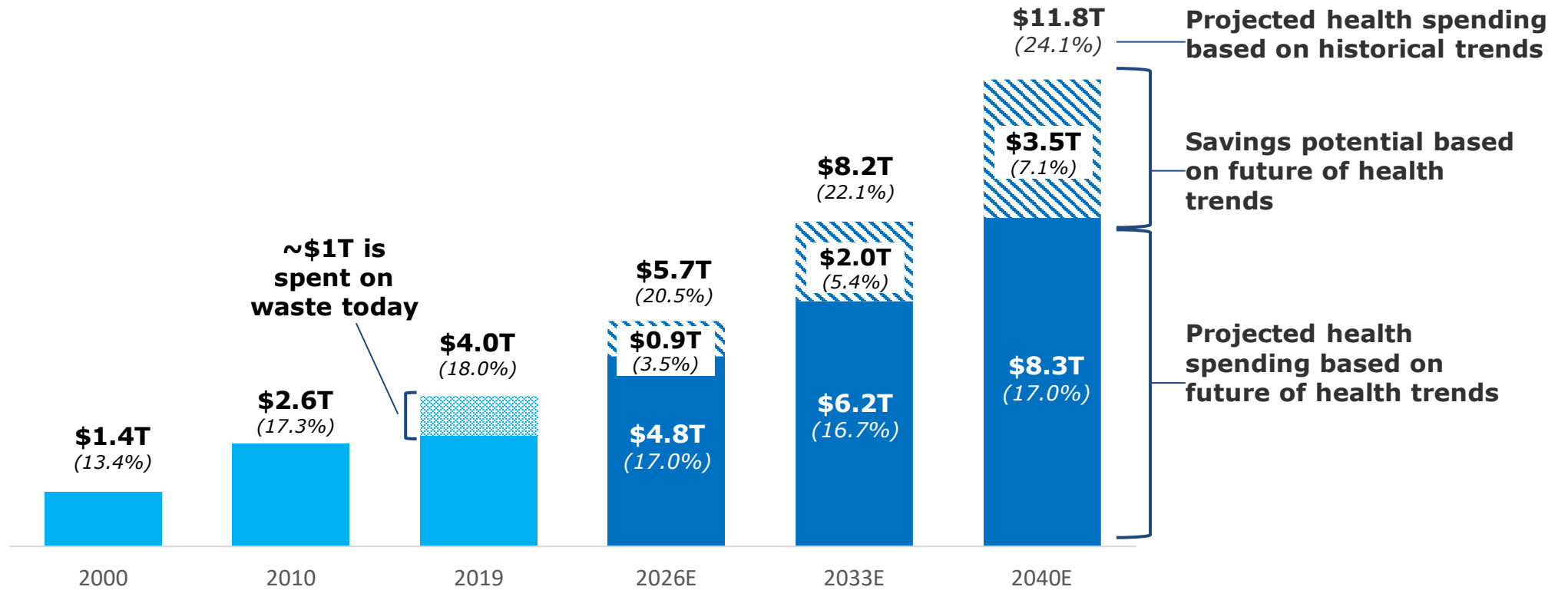
Driving the Future of Health

Iowa Hospital Association

June 9th 2022

Today's Healthcare Spending is not Sustainable

Deloitte Future of Health POV projects potential savings in the future

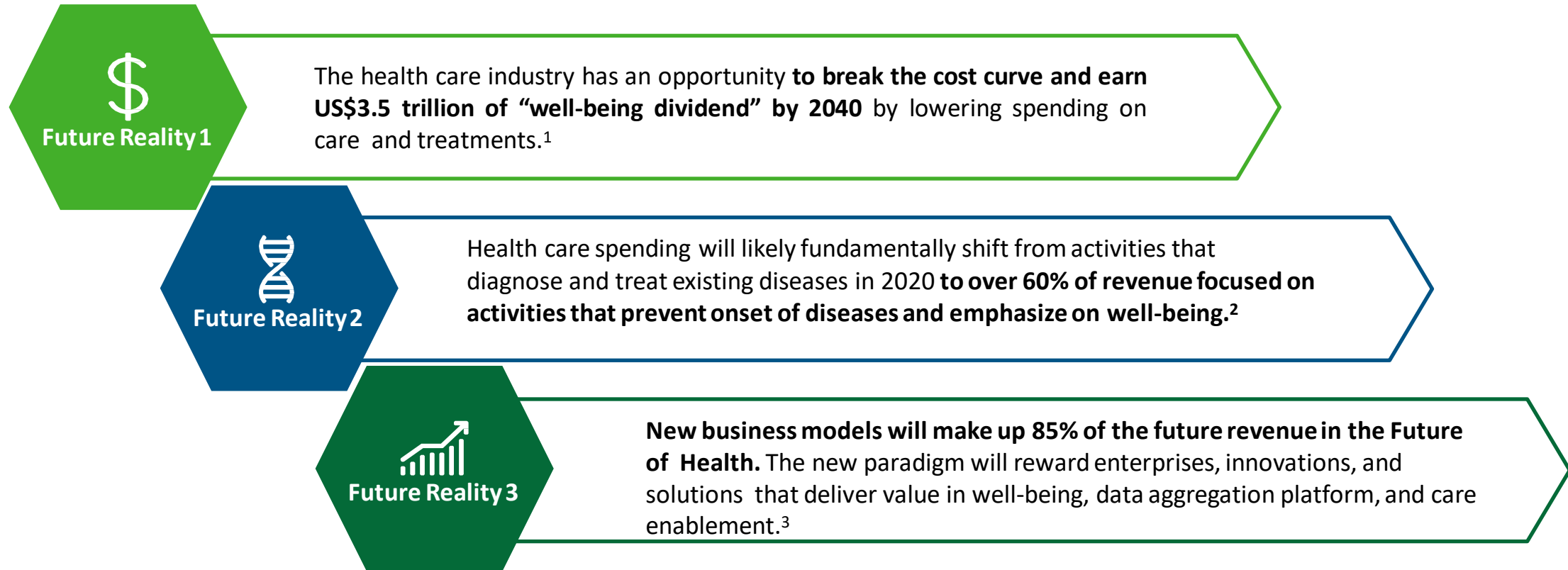


Note: Numbers in parenthesis are health spending as a % of GDP

The evolving model of care

The Future of Health is a paradigm shift from clinical care to health care to well-being. From treating a condition to managing wellness. From symptomatic diagnosis to asymptomatic sensing. And this shift is already happening.

To understand the potential financial impact of this vision, Deloitte actuaries built a financial model. The results of the analysis were as follows:

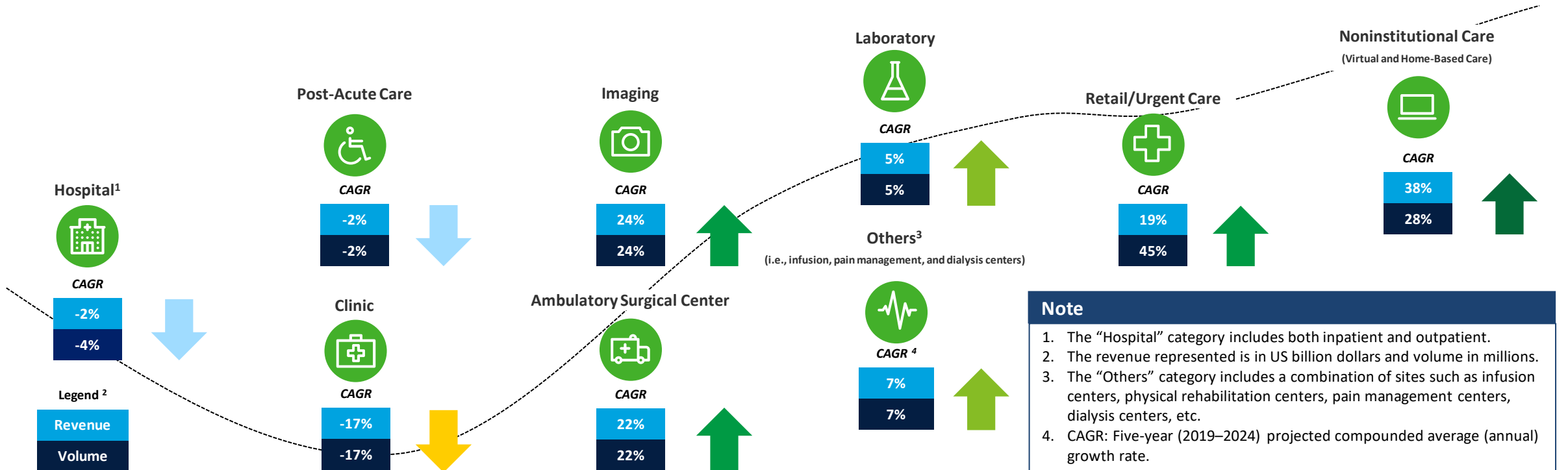


Source: ^{1,2,3} [“Breaking the cost curve”](#) by Kulleni Gebreyes, Andy Davis, Steve David, Maulesh Shukla (Feb 9, 2021)

Future Realities

Changes seen today will continue to gain traction in the near term.

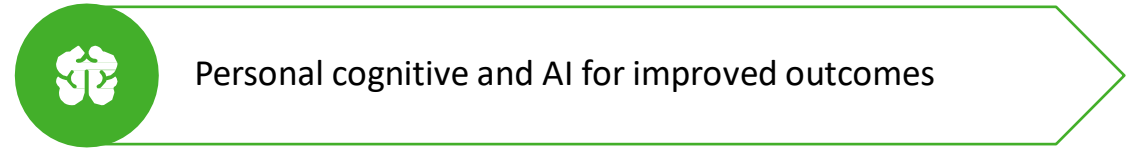
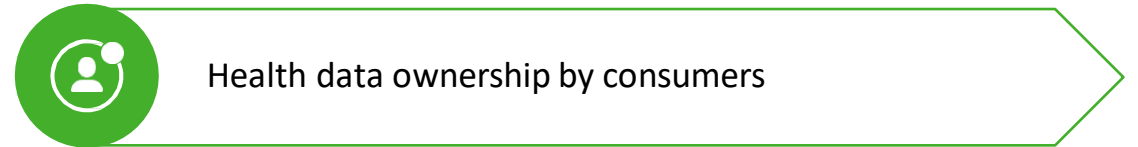
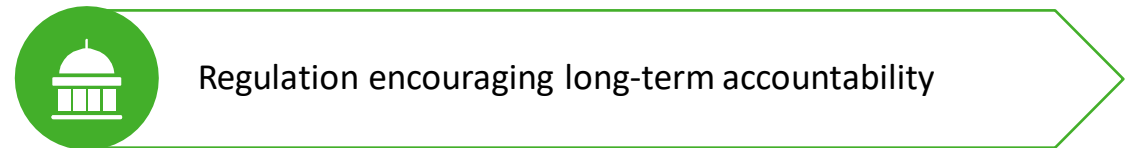
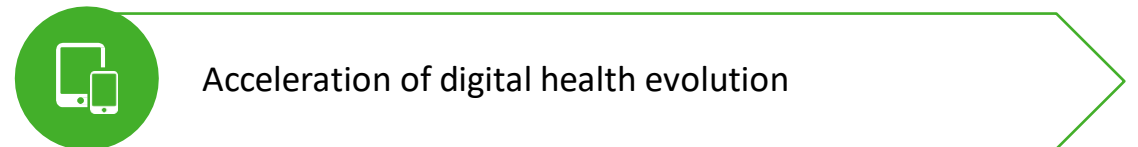
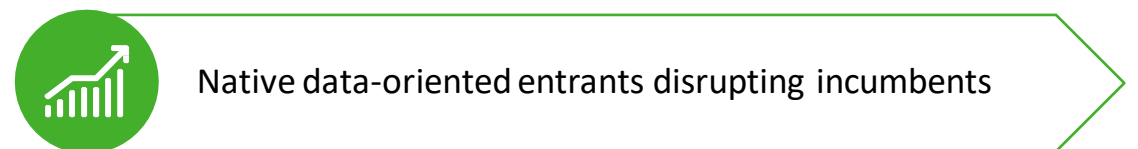
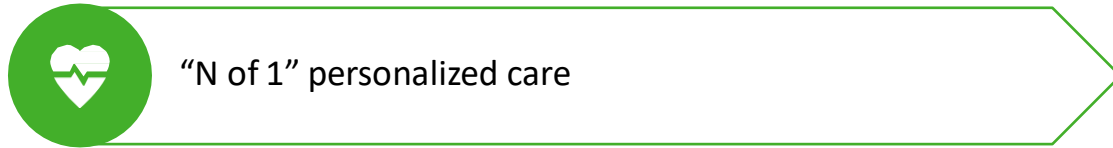
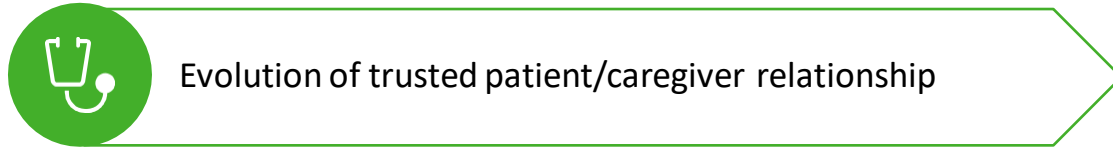
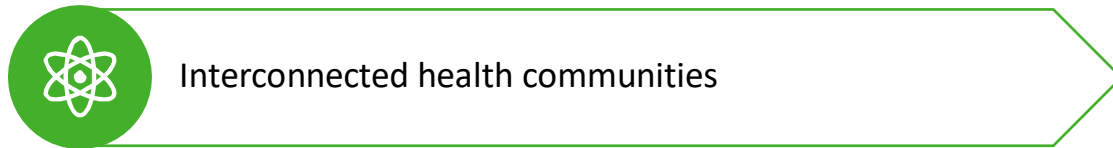
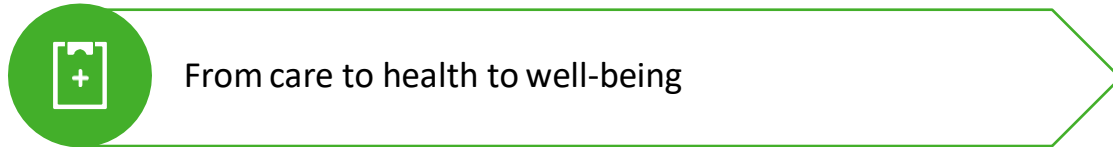
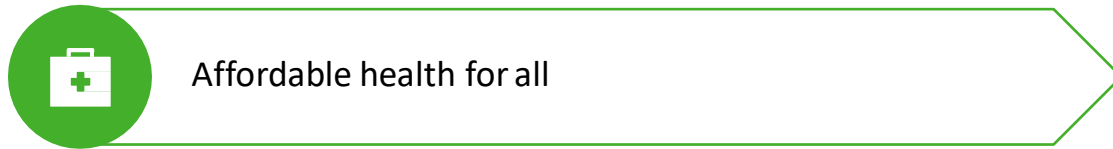
Bringing Care Closer to the Patient



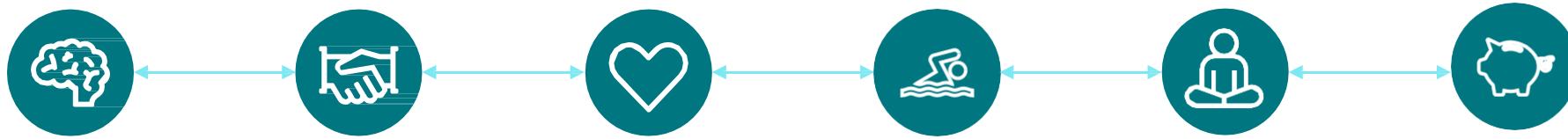
Trends driving a new future of health in 2040

The changes that are taking place are driving toward a large-scale industry disruption.

The empowered consumer is becoming increasingly focused on their well-being and demanding more customized products and insurance offerings.



What is “health”?



Health is being reconsidered as an **overall state of well-being** encompassing physical, mental, social, emotional, spiritual, and financial health.

Drivers of the Future of Health



The Future of Health will be driven by digital transformation, enabled by radically interoperable data and open, secure platforms.



The Future of Health will be:

The Future of Health will be:



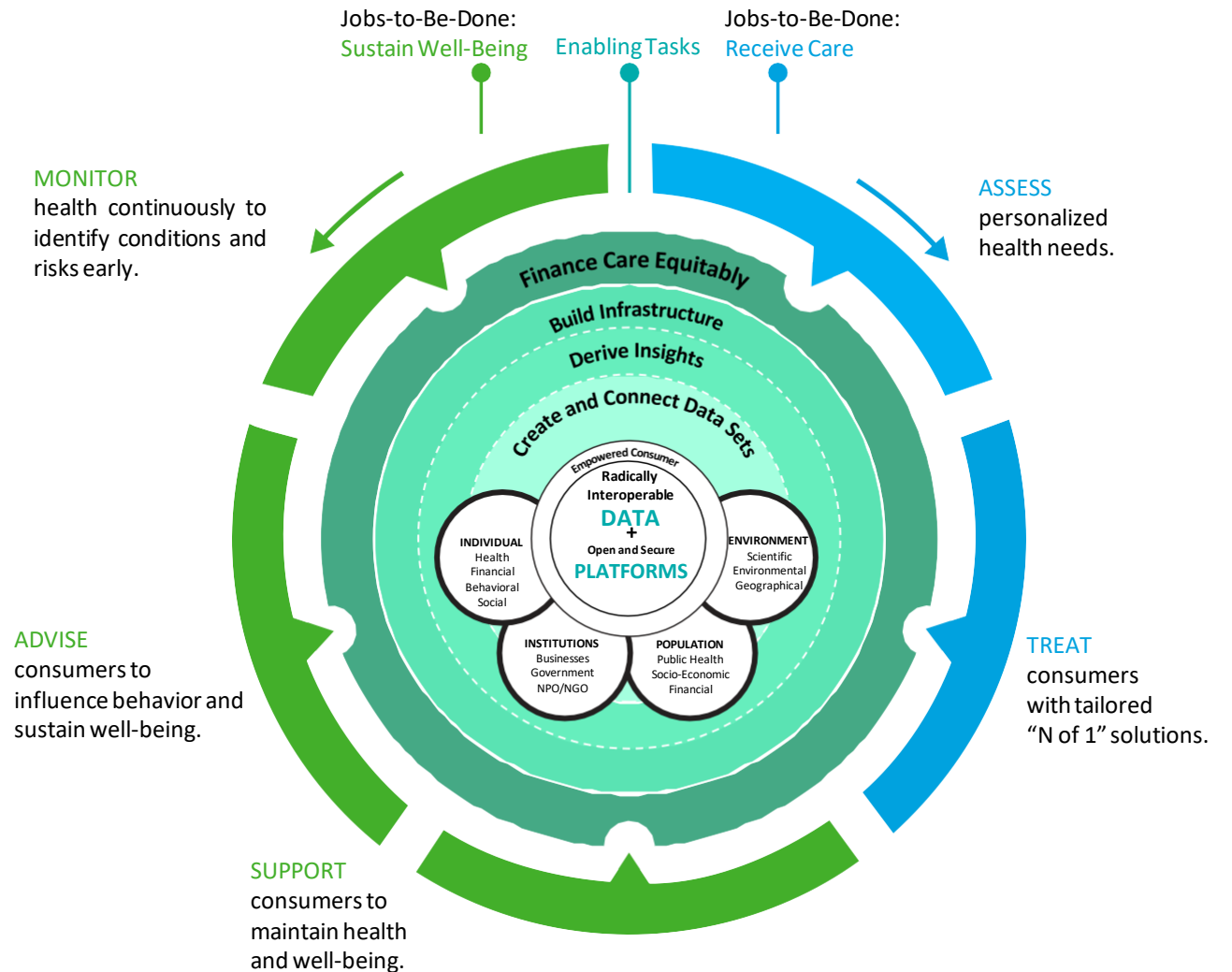
Aimed primarily to **sustain well-being** and **provide care** only in the rare instances when well-being fails;



Driven by digital transformation, enabled by radically interoperable **data** along with open and secure **platforms**; and



Powered by new ways to complete enabling tasks and address jobs-to-be-done in the future.



What do you have to believe to achieve the Future of Health?



Strong participation in data sharing



Data architecture and analysis is radically transformed



Socioeconomics do not dictate access



Consumers demand convenience and transparency



Consumers influenced via digital tools



Breakthroughs will happen at an exponential pace

Data sharing

Consumers are **willing to share data**, which is captured and owned by a large number of players in the market. Transparency in data use and collection is standard practice, increasing **consumer trust and willingness to share additional information**. Financial incentives are used to ensure institutions and individuals participate in data sharing.

Interoperable data

Large aggregated data sets provide a **real-time and holistic view of the consumer** and their environment. These data sets **enable advanced analytics** to generate novel insights in real-time. Incoming data from various sources will be standardized, aggregated, stored and continuously updated.

Access

Traditional barriers to health care access, like geography and lack of resources, are significantly reduced thanks to a **radically transformed health system**. The **cost of wellness and care has plummeted** thanks to interoperable data and data sharing. More patients have more access so they have the tools to achieve wellness and health.

Empowered consumer

Consumers are driving the pace of change as they are no longer passive participants. They **demand transparency, convenience and access**. These demands require the market to respond with a fundamentally patient-centric approach that benefits all consumers, ensuring access across socio-economic groups.

Behavior change

Diseases of today can often be modified by behavior, but many patients do not feel empowered or do not have the ability to be responsible for their health. The introduction of **AI, VR, AR, remote care and sensors** that are tailored to consumer interests and health status can empower patients to **take control of their holistic well-being**.

Scientific breakthrough

Scientific breakthroughs, like stem cells, nanobots, biome sensors, and others, will **occur at an exponential pace**, building on the insights derived from **radically interoperable data**, orthogonal players that disrupt the market, transformed clinical trial structure/timing, and increased participation from the crowd.

Health care disruption

Today's health care sectors will be disrupted by radically interoperable data and the empowered consumer.

The existing health ecosystem will change dramatically in a world that has real-time access to data and advanced capabilities to capture, interpret, and act.



Providers

The shift to prevention and wellness will cause **complex procedure volume** and **routine care costs to crater**.

Increased connectivity will transform care delivery models and engage consumers via virtual and localized care hubs, leading to a **shift in care delivery location and type**.



Plan

The availability of real-time data along with advanced and predictive analytics will remove uncertainty and risk from the market and **eliminate the need for traditional coverage**.

Increased interoperability, consumer-centricity, and technological advances will **drive changes in health coverage offerings**.



Life Sciences

Advanced early intervention, prevention, and precision medicine will contribute to a shift toward **curative and preventative therapies** and drop in volume of units.

Cognitive technology applied to massive data sets will **automate R&D and lower cost**.

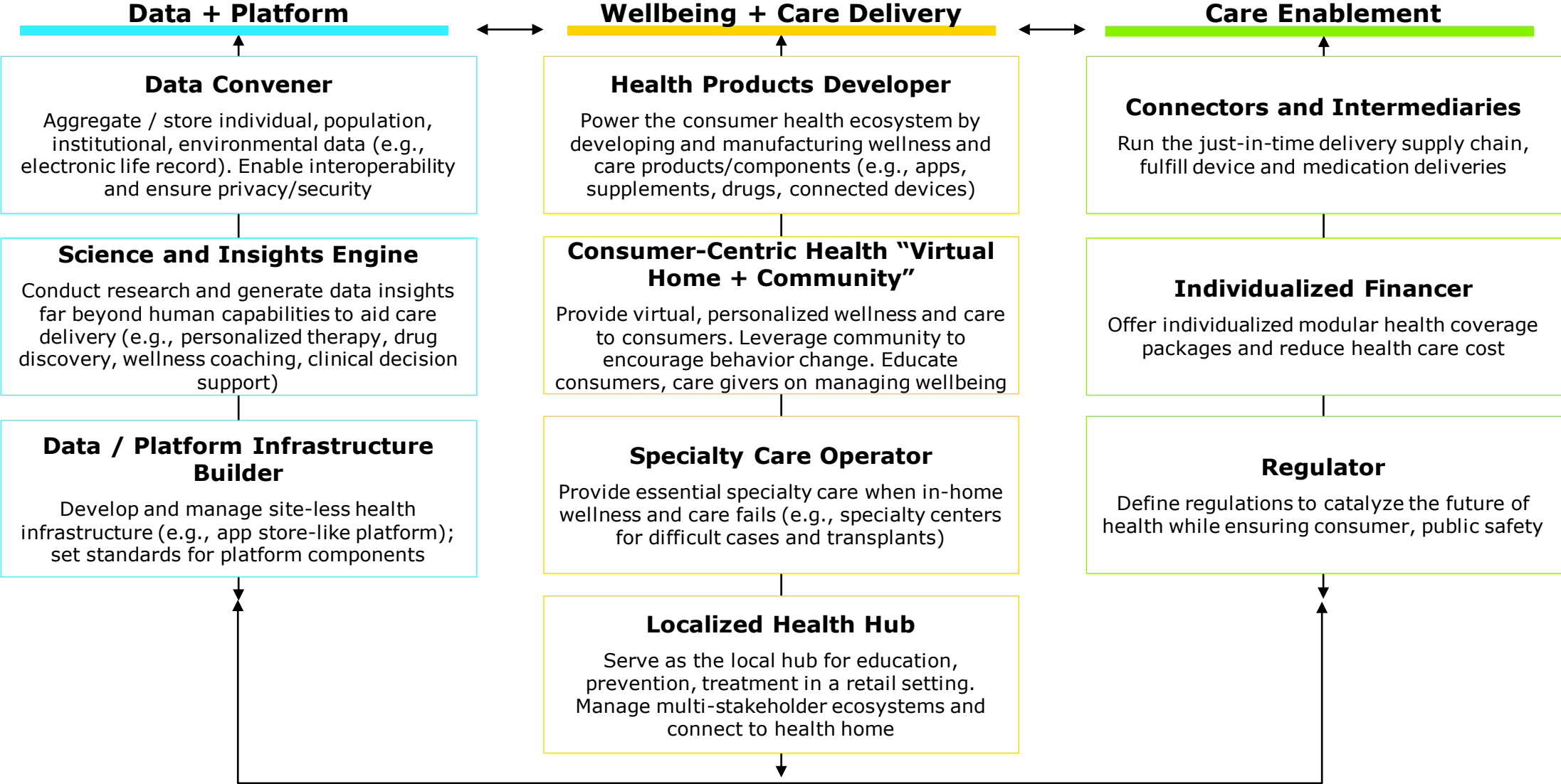
Medical technology will advance exponentially and its uses will extend across the entire health ecosystem.



Government and Public Sector

The role of government shifts to **catalyst of change** and **enabler of equitable health care for all**.

10 Winning Business Archetypes in the Future of Health

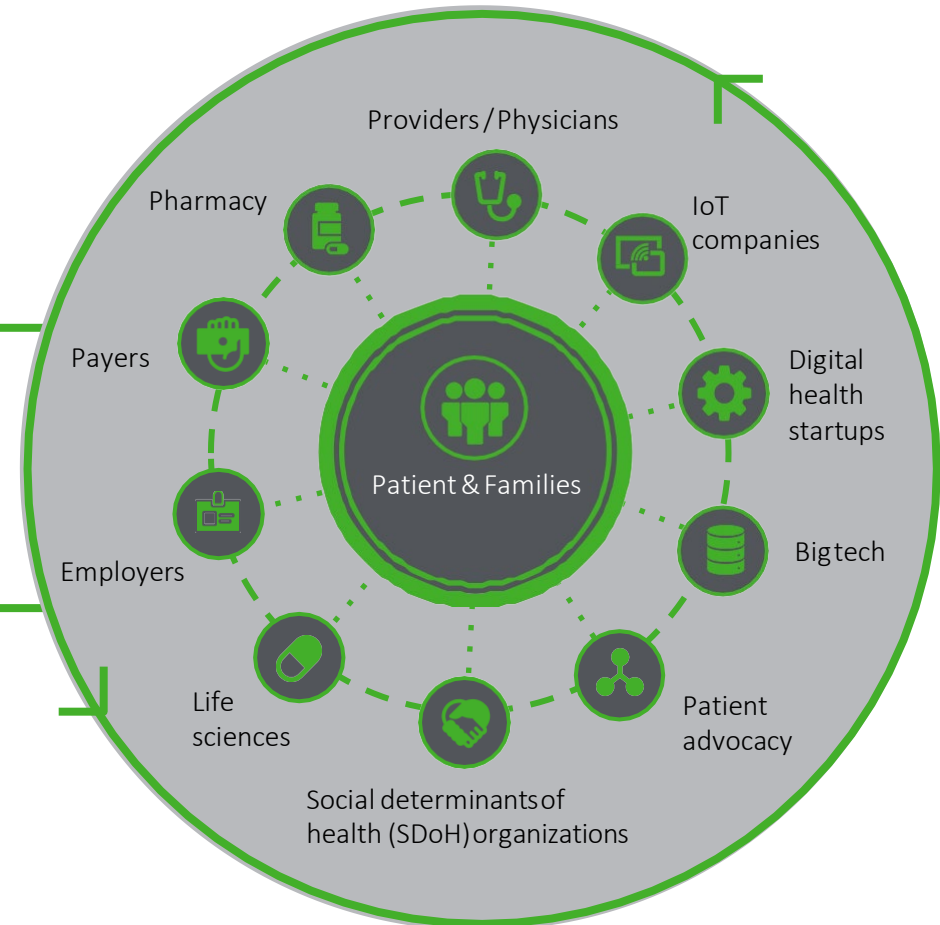


Powered by radically interoperable data for a personalized and seamless consumer experience

Purpose-driven health care ecosystems

As lines blur between technology, consumer, retail, and health care industries, participants are developing purpose-driven, digitally-enabled ecosystems that enable the provision of services beyond their core business

Ecosystems incorporate a web of mutually beneficial relationships brokered by a digital platform that enhances the value for all participants using the platform



Source: "Platform Revolution" by G. Parker, M. Van Alstyne, S. Choudary (2016), ²Summit Health Market Report (2020)

How can market players respond?

Incumbents have a choice...

Traditional players can either act as **innovative market leaders driving the transformation** or resist change and disruption



- **Built-in advantages** – health care expertise, operational excellence at large scale, targeted consumer base, and existing partnerships with other incumbents



- **Insiders must be self-disrupters** – traditional players are understandably hesitant to drive change in a marketplace that they currently dominate, but they are well-positioned to lead from the front if they act quickly, given their strong foothold in the existing ecosystem

...while orthogonals rush ahead

Data and consumer-oriented adjacents are **sprinting forward to penetrate the health ecosystem**



- **Built-in advantages** – digital and technical expertise, deep pockets, access to consumers and data, and proven analytical capabilities



- **Outside looking in** – tech giants, start ups, and other disruptors have little stake in the current health care landscape – they are incentivized to drive change

*Incumbents' decisions will determine whether the orthogonal players will be **willing to partner with them** in the transformation or **compete and disrupt** their existing business models*



Thank you



This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decisions or actions that may affect your business or to provide assurance that any decision or action will be supported by your auditors and regulators. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this presentation.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.