

THE NUMEROF 2018 US HEALTHCARE DELIVERY OUTLOOK

Key Action Steps

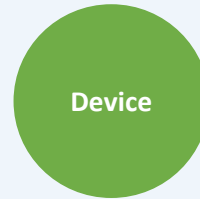
- Manage variation in cost and quality across the continuum.
- Develop/commercialize bundled and capitated products and services.
- Demonstrate differentiated outcomes and value for growth.
- Redesign the business to ensure patient centricity.
- Unlock the value in alliances/collaborations.
- Accelerate performance in new delivery/payment models.
- Realign structure, roles and competencies with market needs.
- Build service line capability to drive clinical and financial performance.

Greater scrutiny of drug pricing will create openings for **new pricing approaches**, e.g. risk-based and indication-specific, and **outcomes research collaboration**.



Pharma

Pricing pressures will continue to drive **risk based contracting**, diversification into services, renewed focus on value, and M&As.



Device

Greater reliance on **preferred partner networks** and **service level agreements** to manage cost and quality. Increase in consolidation.

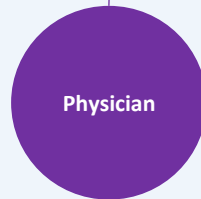


Post-Acute

Continued growth in retail options and telehealth services. New, innovative community partnerships.



Alternate Delivery Channels



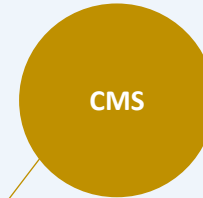
Physician

Potential for **spot physician shortages, imbalances**. Wider use of care paths, communication, financial incentives to **align physician interests**. More physicians opt for employment with hospitals. Consolidation of physician practice groups.



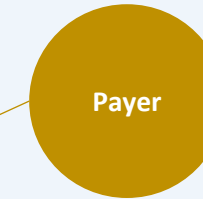
Employer

More **direct contracting** for out-of-market bundled services, pressure for **greater transparency** for employees. Growth in employee wellness programs.



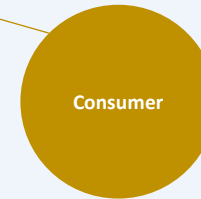
CMS

Tougher **reimbursement cuts, penalties**, MACRA and bundled payment programs will **accelerate public and commercial adoption** of at-risk payment models.



Payer

More **risk based reimbursement**, e.g. bundled, capitated. More **collaborations** on narrow networks and joint offerings.



Consumer

More consumers with higher deductibles will seek **greater transparency, competitive prices, and convenient access** for services.