

Background:

The abrupt spread of the COVID-19 outbreak has revealed the limitations of the American Healthcare model and its over-reliance on outdated analogue systems. In an effort to adapt, health care systems across the country have made the challenging decision to cancel elective procedures and to quickly transition as much care to virtual formats as possible. The American Hospital Association estimates a total four-month financial impact of \$202.6 billion in losses for America's hospitals and health systems, or an average of \$50.7 billion per month during March 1, 2020 to June 30, 2020¹. Key contributors to the catastrophic financial impacts of COVID-19 include total hospitalizations, the effect of cancelled and forgone services, and the additional cost of personal protective equipment (PPE) and clinical & administrative labor.

Historically, there have been significant difficulties in market penetration and widespread adoption of telemedicine due to heavy regulation and inconsistent payment structures. However, recent policy changes necessitated by the pandemic such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, have reduced barriers to telehealth access and reimbursement. Healthcare organizations have begun deploying digital strategies, anticipating a resurgence of COVID-19 cases in fall and winter.

Recent Trends in Healthcare Utilization:

The coronavirus pandemic has ushered in a new era of unprecedented cooperation, innovation and flexibility in the adoption of digital health solutions and expanded access to care for vulnerable populations.² Key areas of focus and opportunities for the deployment of digital health technology include telehealth, remote patient monitoring, data interoperability, and data driven supply chain^{3,4}. Leveraging these trends and the downstream impact of changes to federal legislation and value-based reimbursement could be the key economic recovery.

CommonSpirit Health: *(This case is fictitious and financial data is not an accurate representation of CommonSpirit's current performance.)*

CommonSpirit Health is the largest Catholic health system, and the second-largest nonprofit hospital chain, in the United States. Operating in more than more than 700 care sites and 142 hospitals in 21 states, CommonSpirit Health is accessible to nearly one in four U.S. residents. Founded, in 2019, by the merger of Catholic Health Initiatives and Dignity Health; CommonSpirit Health formed as one of the largest non-profit hospital systems by revenue in the United States. The embrace of virtual care has allowed CHI St. Luke's Health to conduct more than 270,000 virtual visits in 2019 throughout the greater Houston area. FY 2019, CHI had a total operating revenue of \$2.3B. During the Covid-19 pandemic, virtual visits dramatically increased to 25% of total visits (from 15% in 2019.) Cancellations of elective surgeries and other routine checkups eliminated large amounts of revenue.

Case Assignment:

CommonSpirit Health is seeking to implement a strategic plan that addresses a reintegration of services that were temporarily paused or shifted to virtual platforms while developing a long-term digital telehealth strategy. As consultants engaged by CommonSpirit Health, the case teams have been charged with designing a digital strategy that is focused on the subsidiary of CommonSpirit, Catholic Health Initiatives (CHI) and their Houston market. Specifically, proposals should seek to:

- Implement a strategic plan to address reintegration of services paused or shifted to virtual platforms (scope should be limited to congestive heart failure, hypertension, diabetes, chronic neurological conditions, COPD/Asthma.) The strategic plan must be sutable to other CommonSpirit Health markets
- Leverage recent trends in consumerism and bringing effective data analytics, local and state policy/government, and social services/health system partnerships together to connect patients to the care that they need
- Ensure initiatives speak specifically to operationalization of data acquired through the utilization of tele-solutions
- Ensure CommonSpirit is financially viable within the next 3 years, with an emphasis to recover lost revenue
- Improve key performance indicators (KPI's) including cost, quality, access and patient satisfaction

1. American Hospital Association, Hospitals and Health systems Face Unprecedented Financial Pressures Due to COVID-19,

<https://www.aha.org/system/files/media/file/2020/05/aha-covid19-financial-impact-0520-FINAL.pdf>

2. McKinsey and Company, McKinsey on Healthcare Systems and Services, Telehealth: A Quarter-Trillion-Dollar Post-COVID-19 Reality?,

<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

3. SAS, Will Health Care be Fundamentally Changed Post-COVID-19?, https://www.sas.com/en_us/insights/articles/analytics/will-health-care-be-fundamentally-changed-post-covid-19.html

4. The New England Journal of Medicine, Toward an Effective Innovation Agenda, <https://www.masterclassnieuwezorg.nl/wp-content/uploads/Hans-Ossebaard-Toward-an-effective-innovation-agenda.pdf>