



# **Provider Predictions 2009**

## **Information Technology in the Health Care System of the Future**

Lynne A. Dunbrack, Program Director

February 10, 2009

Courtesy of Health Industry Insights. Used with permission.

# U.S. Healthcare Industry By the Numbers



- 90 million Americans have at least one chronic condition and 125 million Americans have multiple chronic conditions.
- Nationwide, chronic diseases kill more than 1.7 million Americans each year, accounting for 7 out of 10 deaths.
- More than 4,600 Americans die daily from a preventable chronic disease.



- In 2004, life expectancy at birth reached another all-time high of 77.9 years -- 75.2 for men and 80.4 for women.
- By 2030, the number of Americans over age 65 is projected to more than double to over 70 million — or 20% of the U.S. population.



- Approximately \$300 billion, or one-third of U.S. healthcare expenditure, is spent on older Americans who often have preventable or controllable chronic diseases and conditions.
- The medical care costs of people with chronic diseases account for more than 75% of the nation's \$2.3 trillion healthcare costs.

# Provider Themes & Drivers for 2009 –

- Global recession and administration change in US drive provider market to turn to technology to:
  - Operating cost containment
  - Improve safety and quality of care
  - Improve margins amidst changes in demand for healthcare services
  - Provide analytics for assessment of benefit/outcomes
- As needs evolve ... so does provider technology
  - Best practices begin to emerge
  - Technology to support those best practices is increasingly available
  - Options for software as a service (SaaS)
  - Examples include:
    - SaaS and other outsourcing options evolve to meet demands of provider organizations
    - EMRs and EHRs continue to mature as they drive investment in the ambulatory and inpatient setting
    - Remote patient monitoring and automation remain in their infancy
    - Analytics struggle to meet provider needs

# The Economy and Politics will have a Profound Impact on the Healthcare Industry

- Healthcare IT Will Weather the Economic Downturn
  - Providers preserve budgets for IT solutions that drive efficiency and improvements to the quality of care
- The Obama Administration Will Compel Cost Control and Quality
  - The new administration and Democratic congress will create fundamental changes in US healthcare delivery, reimbursement and infrastructure



*Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some, but also our collective failure to make hard choices and prepare the nation for a new age. Homes have been lost; jobs shed; businesses shuttered. Our health care is too costly;...*

*“We will restore science to its rightful place, and wield technology's wonders to raise health care's quality and lower its cost.”*

President Barack Obama

Inauguration Day, January 20, 2009

# Consumers Will Seek Care Outside the Traditional Healthcare Setting



- Recession will resuscitate retail clinics
  - Highlight will be the growing success of hospital- and academic medical center-affiliated clinics, employer-funded corporate clinics, primary and urgi-care settings



- Consumers will heal each other with Health 2.0 technology
  - Benefits of collaboration in Health 2.0 setting accrue on top of the convenience of availability of information over the internet



- New products give remote patient monitoring new life
  - Pilots of new devices and programs have potential to demonstrate effectiveness and ROI, and will accelerate adoption



- Offshore care flourishes in 2009
  - Medical tourism by US patients continues to grow

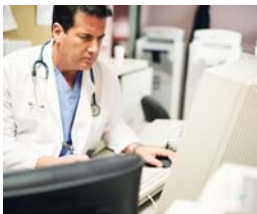
# Healthcare IT will Evolve to Meet Market Demands



- Electronic Prescribing Growth Will Accelerate need to check/update content
  - EHR-based e-prescribing begins to take lead on standalone e-prescribing



- The Credit Crisis Will Give SaaS a Boost
  - SaaS minimizes investment costs while lowering support requirements



- Ambulatory EMR/EHRs Have to Have a Hook
  - Quality, efficiency and cost Containment Goals Continue to Drive EHR spending in the US, but EMRs and EHRs are increasingly commoditized



- Healthcare IT Goes Green
  - With so many obstacles to going green in other areas of its business, healthcare IT becomes a focus



# Prediction Wildcards

- ICD-10
- Can Obama find the money?
- The Patient-Centered Medical Home



# Questions

**Lynne A. Dunbrack**  
Program Director





MIT OpenCourseWare  
<http://ocw.mit.edu>

HST.921 / HST.922 Information Technology in the Health Care System of the Future  
Spring 2009

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.