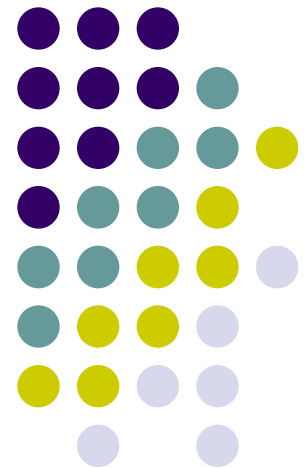


Trends in the Healthcare Economy

Exploring What the Future Holds

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Varela Consulting Group
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Session Agenda



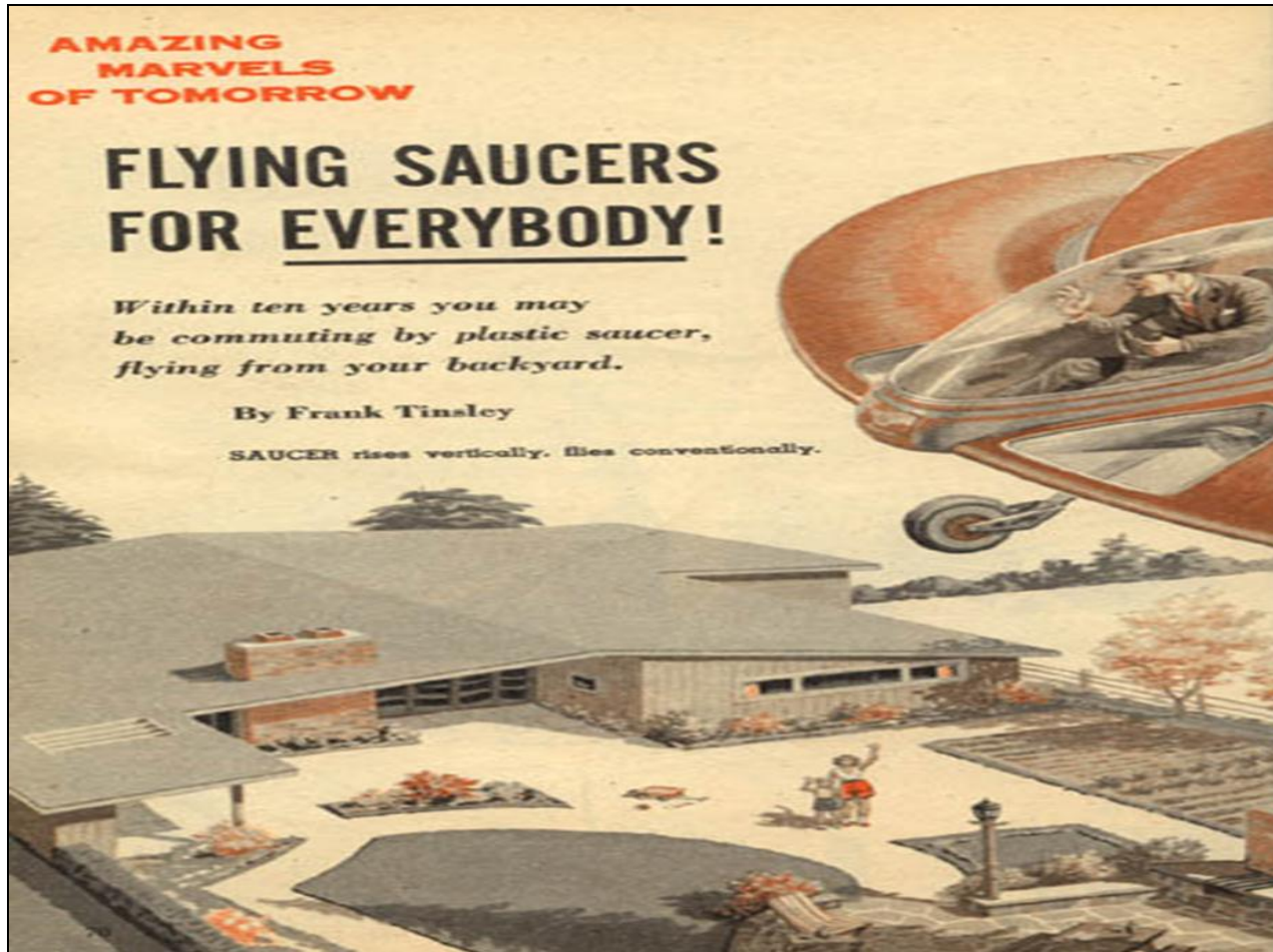
- **The Nature of Forecasting**
- **The Big Trends in Health Care – Why Health Care Reform?**
- **Detailed Forecasts**
- **Patient Protection and Affordable Care Act (PPACA) and Federal Reform Attempts**
- **Concluding Thoughts**

The Big Trends – Why Health Care Reform?



- **Rising Costs**: Health care costs are increasing.
- **Poor Financial Access**: The number of uninsured/underinsured are increasing.
- **Unaffordable Coverage**: The cost of health care coverage is increasing.
- **Poor Outcomes**: Health care is not adequately achieving treatment outcomes or improving health.
- **Shortages of Workforce**: Health workforce supply and distribution is inadequate.

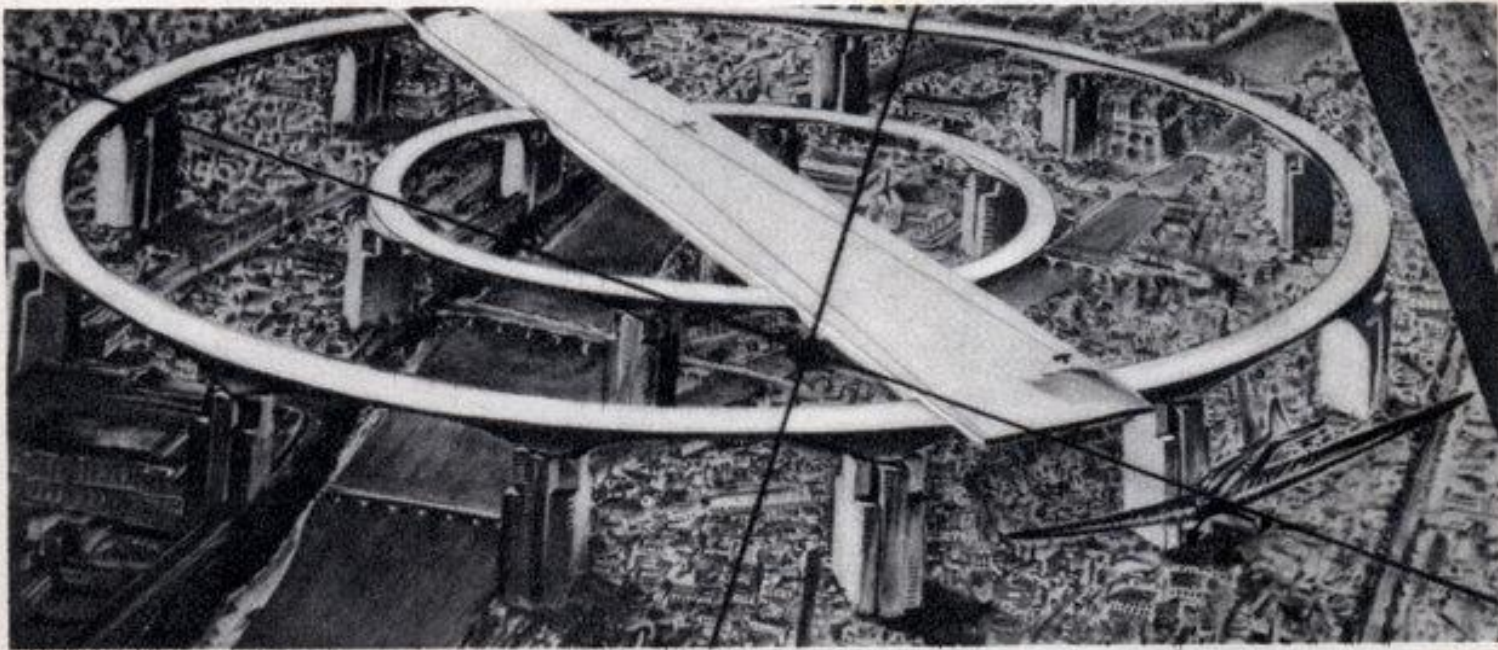
Everyone Will Have Flying Saucers!



Lunar Agriculture Will Eliminate Hunger!



Cities Will Have Rooftop Airports!



Proposes Orientable Roof-Top Airports For Cities

PROPOSED as a solution to the problem of locating an airport in the heart of any big city, a design for a long orientable run-

way, which would be mounted on circular tracks atop tall buildings, as sketched above, has been conceived by a French engineer.

You Will Make Meals from Food Pills!



Harvey's Fearless Forecast: Health Care Coverage



- **Decrease in Uninsured**: Number and percentage of insured patients will increase. [*]
- **Increase in Medicaid**: Number of Medicaid enrollees will increase. [*]
- **Increase in Subsidized Coverage**: Number of covered individuals with subsidized premiums will increase. [*]
- **Uninsured Foreign Nationals**: Foreign nationals covered by health insurance will not increase and may decrease. [*]

Harvey's Fearless Forecast: Health Plans and Payers



- **Proliferation of Plans**: Number of Insurance Plans will increase. [*]
- **Increase in Nationwide Offerings**: Number of non-local plans will increase. [*]
- **Increase in Intermediaries**: Number of intermediary structures will increase. [* - see below]

Harvey's Fearless Forecast: Reimbursement of Health Services



Payment levels from all payers will change:

- Never/never events. [*]
- EMR meaningful use. [*]
- Outcome-based payment. [*]
- Preventive care incentives. [*]
- Rural differentials. [*]
- Primary care payment restructuring. [*]
- Increased cost sharing – exclusions, co-pays, deductibles.

Harvey's Fearless Forecast: Health Workforce



- **Shortages**: There will be a shortage of trained health professionals (medical, dental, behavioral health, nursing, support professions).
- **Education Cost**: The cost of health professional education will increase.
- **Education Debt**: The educational indebtedness of graduating health professionals will increase.
- **Incentives**: The number of health professionals looking for placement incentives will increase. [*]
- **Training**: The number of community-based health workforce training programs will increase. [*]

Patient Protection and Affordable Care Act [PPACA] Provisions



- **Health Care Coverage Provisions**
 - Increases in the subsidized coverage of uninsured.
 - Establishment of state-based competitive markets for comparable coverage plans.
 - Mandates/Incentives for coverage.
- **Payment Provisions**
- **Health System Innovation Provisions [not restructuring]**
 - Demonstration efforts to reduce costs.
 - Demonstration efforts to improve health outcomes.

PPACA Provisions [con't]



- **Public Health Provisions**
 - Increased funding for key prevention initiatives.
 - Community transformation grants.
- **Health Workforce Provisions**
 - Authorization of integrated State/Local/Federal health workforce planning and development.
 - Authorization of multiple workforce training initiatives.
 - Funding for expansion of National Health Service Corps.
- **Health Safety Net Provisions**
 - Authorization of new safety net agencies/initiatives.
 - Funding for expansion of Community Health Centers.

Quotes on Forecasting from Lawrence Peter Berra



- **On forecasting techniques:**

- *It's like deja-vu, all over again.*
- *The future ain't what it used to be.*

- **On strategic planning for the future:**

- *You've got to be very careful if you don't know where you are going, because you might not get there.*
- *In theory there is no difference between theory and practice. In practice there is.*
- *When you arrive at a fork in the road, take it.*

- **On working for others as a forecaster:**

- *There are some people who, if they don't already know, you can't tell 'em.*
- *I wish I had an answer to that because I'm tired of answering that question.*

- **On the forecaster's most important credo:**

- *I never said most of the things I said.*