

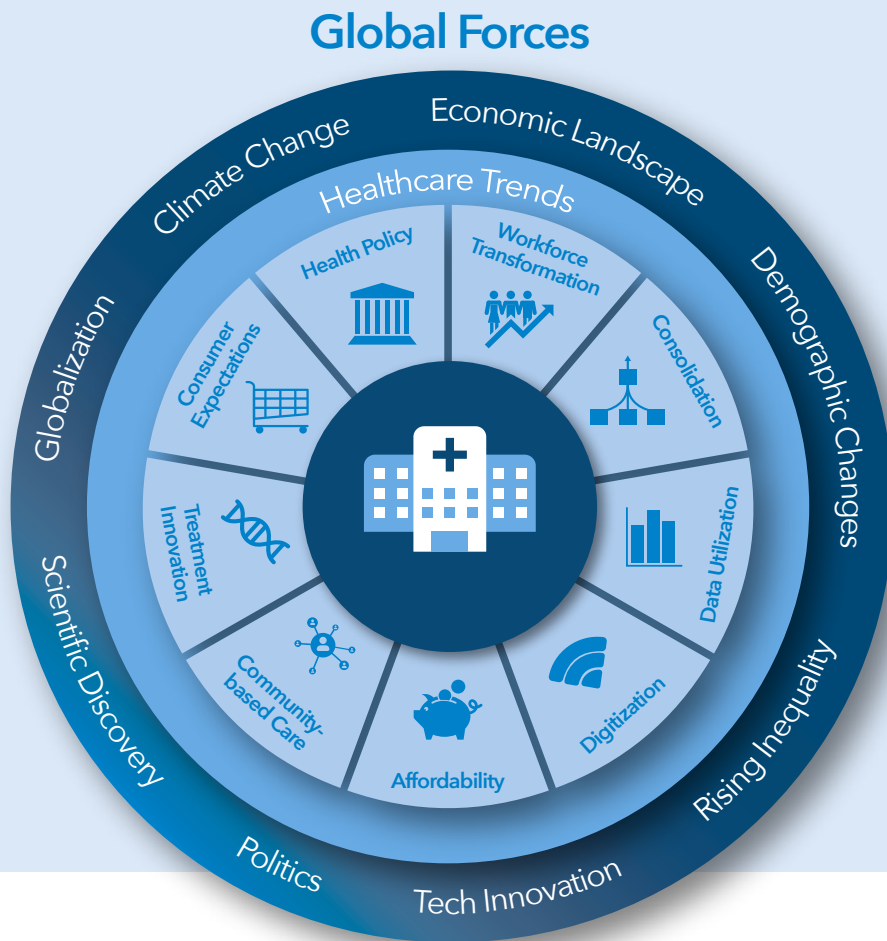
Trends Shaping the Future of Healthcare

Global & Local Forces Defining the World in Which We Live

As provider health systems look toward the next decade, much of the trajectory of healthcare will be defined by broader **global forces** that will shape the way we work and live. These global forces, either independently or collectively, will influence healthcare and the next decade of innovation that will shape the industry.

Driven by global forces, the more localized **healthcare trends** will transform the industry over the next decade and require a reshaping of the Leading Health System (LHS) business model. All of these global and local influences will collectively play a role in defining the sustainability and relevance of LHS in the coming decade.

How LHS respond to these changes will dictate their long-term success by 2030 and beyond.



Fast Facts on the Global Forces

The health costs of air pollution and climate change already **exceed \$800 billion per year**. Costs are expected to increase in years to come

12% of the global population will be over the age of 65 in 2030, up from 8% in 2019. In the US, 1 in every 5 residents will be retirement age. By 2034, **older adults will outnumber children for the first time in US history**

In the US, there is a **12-year difference in life expectancy** between those in the top 5% and bottom 5% of household income

The Bureau of Labor Statistics projects there to be an **additional 3.1 millions jobs in healthcare** and social assistance by 2029.

Due to these global and healthcare trends, LHS executives expect healthcare to look markedly different by 2030 and are redesigning their organizations to align with this vision of the future.

What will healthcare look like by 2030?

“Value-based care will be here in 2030. I think it’ll be an overwhelming portion of our revenue.” – LHS CFO

“We’re on the cusp of a biomedical revolution. In the next decade we will cure some genetic diseases through direct manipulation of the human genome.” – LHS CMO

“10 years from now, people will hardly remember the monolithic structures we call hospitals. Your home bedroom will be your hospital bed.” – LHS CEO

“85% of all healthcare will take place out of the hospital. Convergence of tech and wearables will shift most of the care we do in the hospital now elsewhere.” – LHS CEO

Archetypes of the Future LHS

Least Transformative		Most Transformative		
Public Utility Model	Academic Model	Scale-focused Model	Diversified Global Revenue Model	Vertically Integrated Platform Model
<ul style="list-style-type: none"> Operating as a public service with funding primarily from government sources Majority of payment rates set at a standard level 	<ul style="list-style-type: none"> Hospital-oriented focus with an emphasis on clinical research and specialty care Minimal focus on primary care or population health 	<ul style="list-style-type: none"> Leveraging M&A to minimize competition and expand market share Primarily focused on increasing scale across healthcare delivery components (e.g., hospitals, clinics, physician practices) 	<ul style="list-style-type: none"> Building commercial revenue streams beyond care delivery Commercialized services will support the care delivery business and be used to optimize care delivery 	<ul style="list-style-type: none"> Building and/or buying upstream and downstream capabilities to encompass the full spectrum of care delivery and payment Data-focused portfolio approach leveraging AI, ML, and connected devices redefining care delivery and consumer engagement

LHS will move toward new business models that account for the growing risk and capitalize on the opportunities of the shifting market. The next decade will give rise to new archetypes of LHS, and each organization will have to determine which model(s) work best for their system and communities.

As LHS undertake strategic planning for the next decade, leaders must ask themselves three key questions:

1. How will global and healthcare trends impact my organization? How will we redesign in response?
2. How do we currently define our core business? Is that the right definition for the next decade?
3. For the next decade, what is at the center of our flywheel? How do we organize around that?