



2024 Healthcare Outlook Report

FORGING OPPORTUNITIES FROM CHALLENGES



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Introduction

Healthcare has shown incredible ability to turn challenges into opportunities over the past several years.

In the wake of COVID-19, organisations find themselves facing a much-changed reality with evolving priorities.

Virtual care delivery methods and new partnership models are increasingly vital to address ongoing staffing and financial challenges.

Healthcare providers must strike the right balance between in-person and digital solutions to maximise care access and results. At the same time, they must seek to address regulatory and technical questions like data protection and how to deploy the likes of AI.

In this report, we take a closer look at the challenges for healthcare organisations over the next year, and their connection to the new opportunities' healthcare organisations may look to explore.



Patient Access & Experience

CHALLENGES

► Care is changing.

Increased focus on at-home consultations and treatment challenge existing infrastructure and processes. Healthcare organisations need to adapt their strategies and setups to optimise the positive impact of new care approaches and technologies.

► Provider transitions impact care.

Ongoing upgrades hold great promise but can lead to care disruptions. If patients fail to advocate for themselves and/or do not understand the developing healthcare system, they may experience worse care and health outcomes.

► Telehealth's future role.

Healthcare providers continue to grapple with optimal ways of offering a combination of virtual and in-person care. Data protection and cybersecurity issues remain top-of-mind, as legal frameworks like the EU's GDPR create data compliance demands

OPPORTUNITIES



Revisit your patient portal.

Ensure that your patient portal offers patients the tools they need to take control of their own care. Your patient portal should make it easy for patients to schedule appointments, ask questions, communicate with providers, view test results, and get credible information on their health conditions.



Optimise your scheduling templates and referral management.

Start by reviewing your current systems to determine how you best can use or upgrade their capabilities to improve your referral process and ensure continuity of care.



Invest in the patient experience.

With patients showing greater disconnect from their care and lower rates of engagement with primary care physicians, now is the time to refocus your investments on projects that promote good patient interactions.



Provide financial and care transparency.

Patients look for providers who provide clear financial insights. The same applies to the chosen avenues of care and interaction with healthcare providers.



Increase focus on preventative care.

Consider how to integrate or expand preventative care services and options, which support the patient experience and positive health outcomes.



Financial Health

CHALLENGES

- ▶ **Costs continue to rise.**
Inflation and high interest rates have increased supply costs for healthcare providers. Labour costs remain inflated, making it difficult to close staffing gaps, reduce workloads, and sustain margins.
- ▶ **Competition is increasing from non-traditional entrants.**
Particularly retail and tech companies may be able to offer more accessible or affordable care options, attracting patients away from traditional healthcare providers.
- ▶ **Developing financial models.**
Organisational complexity keeps growing. Removing disconnects between healthcare design, delivery and results is an ongoing priority. This includes in relation to financial health, where [outcome-based approaches](#) to healthcare is a priority for finance and leadership teams.



OPPORTUNITIES



Rationalise service lines.

Options to optimise service lines and assess where you should continue investing and where it might make sense to divest have appeared. Providers need to keep a close eye on patient needs to avoid divesting from areas that provide crucial services.



Explore alternative financing opportunities.

Private healthcare service and solution providers may look to PE firms for funding or transformational opportunities. Similarly, health insurance companies may present healthcare organisations and providers with ways to improve revenue performance and lower operating costs.



Address building costs.

Building construction and maintenance remain among the biggest expenses for healthcare organisations. Changing care and delivery platforms may create opportunities for rethinking and restructuring infrastructure composition and costs.



Develop a sustainable revenue strategy.

Many healthcare organisations have focused on cost cutting in the past several years. With those levers already pulled, healthcare leaders now need to reexamine the structure of earnings and expenses with a focus on strategic investments to secure long-term financial stability.

Operations & Supply Chain

CHALLENGES

- ▶ **Operating margins are declining.**
Margins may continue to decline unless organisations shift strategies, especially as inflation, interest rates, and supply costs continue to rise.
- ▶ **Supply chain challenges persist.**
Supply chain issues will remain a key area of concern for healthcare organisations amid international conflicts and economic challenges (e.g., China's recent economic performance).
- ▶ **Drug supply shortages continue.**
Various drugs — especially rare drugs — are in short supply, causing issues for vulnerable patient populations. The problem may be exacerbated by inefficient drug distribution — for example, drugs being prescribed to patients without a clinical need for them.

OPPORTUNITIES



Put your data to use.

Analyse the data you have available to help identify and address operational inefficiencies.



Bring front-line staff into supply decisions.

Dedicate operations personnel to work directly with front-line staff to understand supply trends and usage and predict upcoming shortages.



Consider outsourcing options.

For some financially strapped organisations, such as rural or standalone hospitals, it may be worthwhile to outsource the purchasing function rather than try to hire full-time staff to keep it in-house.



Explore strategic alliances.

Exploring collaborations with industry peers can identify ways to enhance efficiency and mitigate supply chain risks, foster innovation, and optimise resource utilisation.



Technology & Innovation

CHALLENGES

- ▶ **Demonstrating tech ROI.**
Quantifying the ROI and business case of tech investments can be challenging. Without these investments, however, healthcare organisations will fall behind the technology curve, which can impact their ability to retain patients and clinicians.
- ▶ **Lack of EHR optimisation causes clinician dissatisfaction.**
Less than one in five CFOs report being [very satisfied with their current EHR \(electronic health record\) system](#). Unoptimised EHR unnecessarily complicate clinicians' jobs, adding administrative burdens that can increase clinician burnout and turnover.
- ▶ **Data literacy skills are lagging.**
Healthcare professionals have varying degrees of data literacy, with many lacking substantial experience in analysing and interpreting data. As a result, even healthcare organisations with high-quality data often fail to use it to its greatest potential.
- ▶ **Integrating on-premise and remote care.**
While remote care options can offer greater accessibility for patients and cost savings for providers, finding the optimal combination with on-site services can be a challenge.
- ▶ **Healthcare is a popular target for cyber attackers.**
Cyber attackers are taking advantage of healthcare organisations' cyber vulnerabilities, stealing patient data and disrupting care, to secure hefty ransom payments. These attacks can violate patient trust and data integrity, while also having serious ramifications on healthcare organisations' financial stability.
- ▶ **Data sharing issues.**
Healthcare organisations often face challenges in data sharing due to interoperability issues, privacy concerns, regulatory constraints, and varying standards, hindering seamless communication and collaboration.

OPPORTUNITIES



Rationalise your applications and processes.

Standardise internal processes within the organisation. Integrating existing technology and retiring redundant tools allows healthcare organisations to create true interoperability and increase cost savings, which can then be reinvested in the organisation.



Introduce automation and self-service applications.

Automating communications and offering patients self-service capabilities makes care more accessible and reduces the need for a call centre, which reduces the organisation's overall costs.



Invest in artificial intelligence (AI) and analytics.

AI and analytics are useful to virtually every level of an organisation, from powering predictive staffing to supporting clinical decisions. Start by building the right foundation for AI so you can get the most value from your AI with the least amount of risk.



Integrate virtual and in-person care.

If you choose to offer your patients both in-person and virtual care, ensure that the experiences are integrated so patients experience continuity of care. You should also explore ways to ensure patients feel connected with their clinicians even across virtual channels.



Leverage new data sources.

Personal devices such as smart watches and body sensors provide new health data sources that can complement medical files and EHR systems while enriching medical files with real-world data.

Workforce & Talent

CHALLENGES

- ▶ **Burnout remains high.**
BDO's 2023 Clinician Experience Survey found that 61% of healthcare leaders cite burnout as their top clinician morale challenge. Heavy workloads and poorly integrated technology make clinicians' jobs increasingly difficult.
- ▶ **Staff shortages remain major issue.**
Staff shortages pose a significant challenge for healthcare providers, impacting patient care and operational efficiency due to overburdened existing staff and resource constraints.
- ▶ **There's a skills gap in virtual care.**
As virtual care use increases, clinicians need to develop new skills to use the technology, assess patients over video, monitor remote devices, and more. Healthcare organisations need to upskill their current staff as well as look for these capabilities in new hires.

OPPORTUNITIES



Reinvest in your staff.

Digital solutions like automation can lower staffing costs by reducing hours spent on administrative tasks. Consider ways to reinvest the money you saved into upskilling and reskilling programs, which can help increase job satisfaction and retention rates.



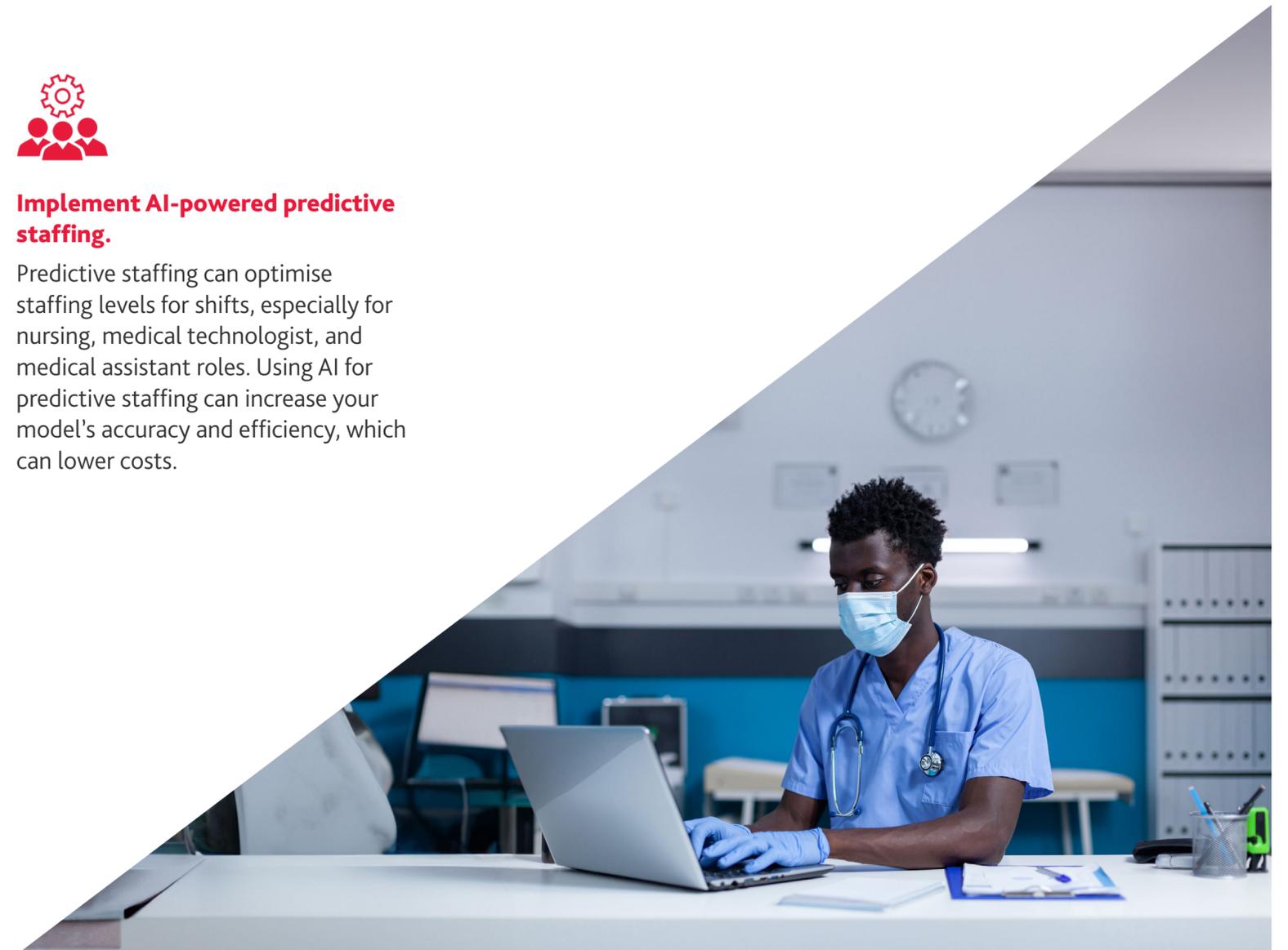
Consider flexible staffing.

Flexible work schedules can be a powerful draw for workers, especially those with responsibilities like childcare or caregiving, which can impact their work hours. Consider the use of flexible workforce elements and solutions, perhaps in collaboration with other organisations on a regional level.



Implement AI-powered predictive staffing.

Predictive staffing can optimise staffing levels for shifts, especially for nursing, medical technologist, and medical assistant roles. Using AI for predictive staffing can increase your model's accuracy and efficiency, which can lower costs.



Regulation & Reporting

CHALLENGES

▶ **Regulatory change questions.**

Ongoing regulatory and reporting developments can leave healthcare organisations questioning what their near-future compliance and reporting requirements look like.

▶ **Government funding is slowing.**

Some countries are experiencing a slow-down in government funding available to healthcare, complicating service delivery and financial stability.

▶ **Pricing transparency reporting is under intense scrutiny.**

Organisations that fail to comply with pricing transparency regulations could be subject to expensive fines — an added financial burden that many organisations can't afford at this time.



OPPORTUNITIES



Pay attention to global reporting trends.

Staying current on reporting and compliance trends across countries and regions can inform organisations' expectations for their own future reporting requirements. One recent example is the EU's Corporate Sustainability Reporting Directive's reporting requirements for social and environmental impacts.



Plan proactively when budgeting.

To account for economic and regulatory uncertainty, healthcare organisations should budget for different scenarios, which provides built-in protection regardless of the outcome of potential regulatory changes.

Healthcare's many opportunities

Navigating ongoing and emerging challenges requires agility, resilience, and courage.

However, the challenges also come with new opportunities for innovation and future-proofing setups and operations. While the road ahead may look daunting, healthcare leaders can help guide their organisation by taking advantage of key opportunities and leveraging new approaches.

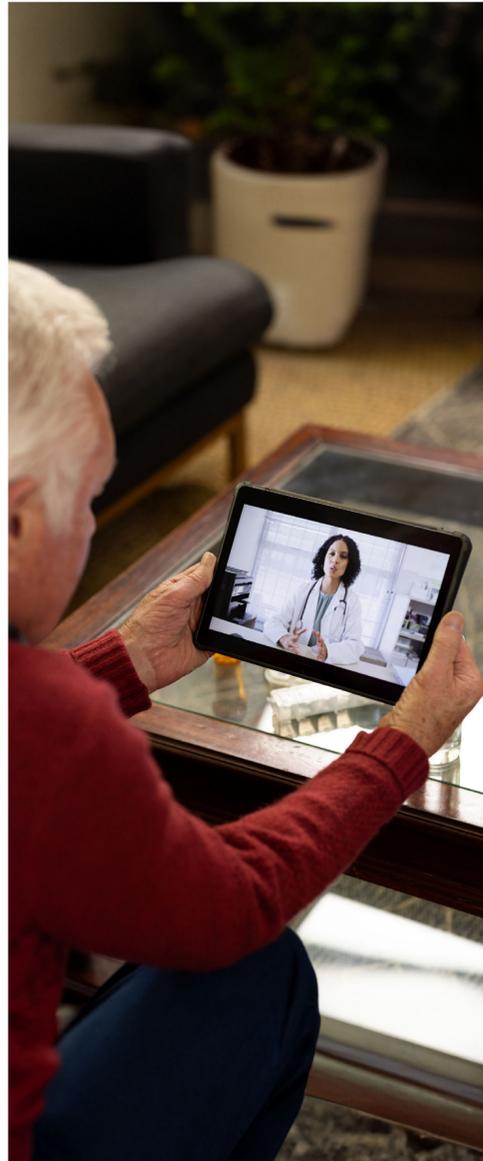


Looking to secure your organisation's future?

Read up on how you can create a more resilient healthcare organisation.



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