



HEALTHCARE SECTOR

Subjected to financial,
operational and mental
health challenges



Groundwork Intel
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KEY MARKET TRENDS



HEALTHCARE FIRMS GRAPPLING WITH FINANCIAL STRESS



SUPPLY CHAIN UNDER PRESSURE



MEDICAL WORKERS FACING A MENTAL HEALTH CRISIS



HEALTHCARE GOES DIGITAL



Key Market Trends

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HEALTHCARE FIRMS GRAPPLING WITH FINANCIAL STRESS

- Hospitals in the US have seen a significant decline in its revenues along with a flat to rising expense, resulting in a fall in the margins.
- More hospitals are canceling profitable elective surgeries to make way for costly COVID-19 patients as they manage higher staffing and supply costs.
- Several patients cancelled appointments for fear of contracting or spreading the virus.
- There has also been an increase in expenses:
 - Increase in staff cost: The rising price of temporary staff is another headwind. Average weekly pay for registered nurses has **nearly doubled** from \$1,700 in January to more than \$3,000 in March, according to a new report from NurseFly. Crisis pay rates have jumped to more than \$4,400 per week.
 - Increase in frontline staff expenses to tend to the increase COVID cases
 - Maintenance and expansion of inventories of supplies, PPE and drugs.

An analysis from the National Association of ACOs (NAACOS) estimates the ongoing COVID-19 pandemic could cost Medicare between \$38.5 billion and \$115.4 billion over the next year. The final number will depend on factors such as severity of disease and hospitalization rates.



SUPPLY CHAIN UNDER PRESSURE

- Acute shortages of materials like masks, ventilators, intensive care unit (ICU) capacity and drugs have further destabilized the healthcare systems.
- Another challenge facing the healthcare companies is medical protectionism.
- The right supply-chain strategies and management practices are urgently needed to optimize scarce resources, alleviate shortages, and expand capacity quickly.

The whole supply chain has been disrupted and that's becoming a difficult, difficult thing. We have an inventory that goes down every day unless you continue to replenish.

President
and **CEO Michael
Dowling**



MEDICAL WORKERS FACING A MENTAL HEALTH CRISIS

There is a potential mental health crisis facing health care workers on the frontlines of this pandemic.

- They are frustrated, anxious and vulnerable.
- To lower the risk of spreading, many health care workers have decided to socially isolate themselves. Some have chosen to have their at-risk family members spend time with relatives away from them and others have isolated themselves, even within their own homes.
- There is also isolation at the workplace, leading to a lack of peer support.
- Health care workers are also concerned they might die from Covid-19.
- Some health care workers are using words like betrayal and coercion and moral injury to describe this experience. They feel betrayed by their employers, the health care system, and the government.

Experts believe, failing to support healthcare workers in a crisis, including by not providing enough protective gear, can erode their “wellbeing and resilience,” ultimately leading to chronic burnout.

Some healthcare workers could leave the profession, be absent more often from work, or develop PTSD, and any preexisting mental health conditions could be exacerbated.

A recent study in the Journal of the American Medical Association quantifies this problem. The study surveyed more than 1,250 health care workers in China who worked in hospitals with Covid-19 patients. A significant proportion reported symptoms of depression (50.4%), anxiety (44.6%), insomnia (34.0%) and distress (71.5%). Nurses, frontline workers, women, and those working in Wuhan -- the epicenter of the outbreak in China -- reported more severe symptoms.



HEALTHCARE GOES DIGITAL

The sector's response to the COVID crisis has accelerated its adoption of digital.

Governments are relaxing regulations and social distancing mandated by COVID-19 is initiating a natural experiment in remote care.

Telemedicine, Virtual Care and Home Therapies are gaining importance.

The CDC has gone as far as recommending the use of **telemedicine** and **patient portals** as primary channels for HCPs and patients to interact.

Brigham & Women's Hospital and Massachusetts General Hospital physician researchers are exploring the potential use of intelligent robots developed at Boston Dynamics and MIT to deploy in Covid surge clinics and inpatient wards to perform tasks (obtaining vital signs or delivering medication) that would otherwise require human contact in an effort to mitigate disease transmission.

Molina is providing virtual urgent care for Marketplace members through its partnership with Teladoc. Members are encouraged to take advantage of this convenient way to receive medical care without leaving their home. Molina is also offering its Coronavirus Chatbot tool for members seeking information about COVID-19 risk factors.



Thank You!



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Groundwork Intel
info@groundworkintel.com