

PART 1

2022 Business Intelligence Report

Coexisting with COVID-19: The Road Ahead for Health Innovation



Executive Summary

With another year of pandemic experience behind them, hospitals and health systems are innovating as never before. The demonstrated ability of care providers to consider new ideas, try new methods and remain nimble bodes well for the near and long term as business models continue to undergo rapid change. At the same time, the field continues to suffer financially — from rising costs, workforce fatigue and turnover.

As providers chart the best course for 2022 and beyond, they are focused on easing administrative and other burdens for clinicians, enhancing the patient experience, delivering more care in alternate settings and leveraging artificial intelligence, virtual care platforms and other digital tools to bring care further into the community and, in many cases, directly into patients' homes. In addition, expanding access to behavioral health services and improving health equity have become critical focus areas for 2022 and beyond. Use the information in this report as you prepare for engaging hospitals and health systems.

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2 Workforce:
The Next Great
Challenge

3 Consumers Become
More Active in
Their Care



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Economic Outlook

Financial Recovery Delayed as
Variant Forms of COVID-19 Emerge

INSIGHT

Economic Recovery Stalls

Significant financial instability will continue as hospitals see more high-acuity patients, rising expenses and fewer outpatient visits. This will put downward pressure on expenses and spur tighter integration with suppliers who demonstrate high value.

Financial Pressures Mount as Virus Mutates

- Hospitals nationwide **are expected to lose an estimated \$54 billion in net income during 2021**, even after accounting for federal Coronavirus Aid, Relief and Economic Security Act funding.
- More than 1/3 of U.S. hospitals were expected to have a **negative operating margin** through the end of 2021.
- Total expense per adjusted discharge was **up 12.9% year over year** through September 2021.

Source: "Financial Effects of COVID-19: Hospital Outlook for the Remainder of 2021," Kaufman, Hall & Associates LLC, September 2021



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PART 2

2022 Business Intelligence Report

Digital Acceleration Drives Care Delivery Shifts



This report highlights:

- Innovation and Transformation
- The Next Recovery Phase for Hospitals
- Evolving Provider Priorities
- Increasing Mental Health Services Access
- The Path Forward