Navigating tomorrow's healthcare landscape:

What provider leaders are saying about planning for the road ahead

A Definitive Healthcare report

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Healthcare provider organizations (HCOs) are instrumental in shaping the future of healthcare delivery. To understand how providers are preparing for the road ahead, we surveyed healthcare leaders from a range of care settings, including health systems and hospitals, ambulatory surgery centers, physician groups, imaging centers, and other outpatient facilities. Our survey aims to shed light on the top priorities impacting the future of healthcare delivery and offer insights into the strategic direction of HCOs. In this report, we share the findings from our survey, including how healthcare commercial intelligence is informing HCOs' vision for the next two years.

Key takeaways

In mid-2023, we surveyed 195 leaders from healthcare provider organizations. We wanted to find out what strategic goals and initiatives might have an impact on the care delivery landscape in the years ahead. Here's what respondents had to say:

- **Shifting care settings:** Most organizations (70%) have seen shifts in care to outpatient settings over the past two years. These shifts should inform growth efforts that balance patient preferences with business models that drive financial resiliency.
- **Focus on network utilization:** Improving network utilization is a high priority among HCOs. HCOs that can optimize their networks by increasing in-network referrals and aligning services with patient demand will be well-positioned to achieve this goal.
- **Lack of data:** Less than half of respondents have the data and insights they need to support their goals and initiatives. Most HCOs would benefit from a data partner to make more informed decisions on resource allocation, service line optimization, physician recruitment, and more.

Growth opportunities abound across service lines

Understanding areas of growth is crucial for HCOs to prioritize resources and strategic directions. Over the past two years, healthcare organizations have seen growth in several service lines, with behavioral health leading the charge. More than half of survey respondents (52%) reported growth in behavioral health. Cardiology and orthopedics were also notable areas of growth, with 37% and 35% of respondents, respectively, indicating them as growth areas. Seventy percent of organizations have also seen shifts in care to outpatient settings over the past two years.

More than half of survey respondents

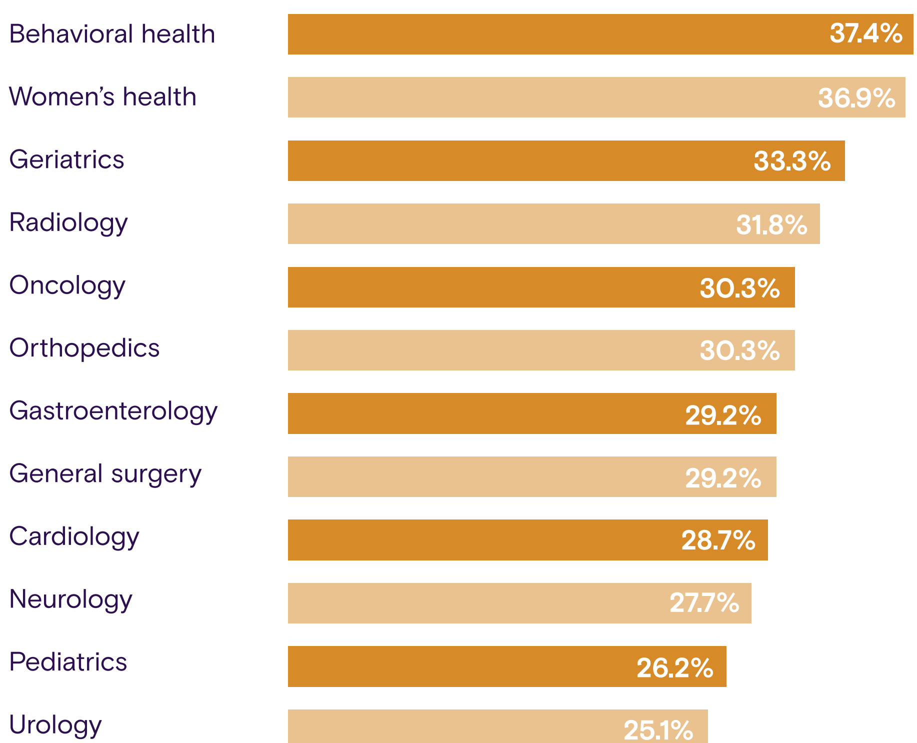
52%

reported growth in behavioral health.

Service line growth differed across organization types. Excluding health systems and hospitals, the leading areas for growth among physician groups and other outpatient clinics in the last two years were behavioral health (47%), women's health (28%), and pediatrics (24%).

RECENT GROWTH

Which service lines has your organization seen grow in the last 2 years?



Knowing where healthcare leaders anticipate growth is also essential to understanding the evolving priorities of HCOs. Looking ahead to the next two years, behavioral health (37%), women's health (37%), and geriatrics (33%) were the top three anticipated growth areas, according to survey respondents.

The expected growth in behavioral health underscores an ongoing mental health and substance abuse crisis in the United States. In 2021, 23% of adults had a mental illness. At the same time, only 19% of adults received any form of mental health treatment. Growing behavioral health service lines could help reduce this treatment gap.

The focus on women's health may indicate increasing awareness of the unique healthcare needs of women and evolving priorities among organizations to address those needs, while the expected growth of geriatric services highlights the escalating healthcare needs of an aging population.

FUTURE GROWTH

Where are you anticipating growth in the next 2 years?

Service line			
Behavioral health	37.4%	Gastroenterology	29.2%
Women's health	36.9%	General surgery	29.2%
Geriatrics	33.3%	Cardiology	28.7%
Radiology	31.8%	Neurology	27.7%
Oncology	30.3%	Pediatrics	26.2%
Orthopedics	30.3%	Urology	25.1%

Strategic goals in the next 24 months

To understand the forward-looking priorities of HCOs, we asked about strategic goals and initiatives in the coming two years. Healthcare leaders shared a range of priorities, from improving in-network referrals and aligning services with patient demand to identifying expansion opportunities and recruiting specialists and executives. Below, we highlight the top three priorities, according to survey respondents.

STRATEGIC GOALS

Which of the following are strategic goals or initiatives for your organization in the next 24 months? Please select all that apply.

Goal	Percentage of respondents
Keeping patients within our organization by improving in-network referrals	60.5%
Aligning facilities and services with patient demand	60.0%
Analyzing local markets for service line expansion/opportunities	51.3%
Recruiting and retaining the top specialists and executives	45.6%
Offering expanded telehealth options to our patients	33.3%
Acquiring or merging with another healthcare organization, facility, or practice	24.1%
Affiliating with more physician groups to manage referrals	23.1%
Affiliating with more individual physicians to manage referrals	22.6%
Increasing imaging technology advancements such as artificial intelligence (AI)	13.3%

Improving in-network referrals to retain patients is a top priority for HCOs

With patient leakage contributing to revenue loss and lesser control over patient outcomes, patient retention is a top priority for healthcare leaders. Among the key findings from the survey, 60% of respondents expressed their intent to focus on patient retention by improving in-network referrals. By improving in-network referrals, organizations can lay a strong foundation for retaining patients, enhancing continuity of care, and upholding revenue streams.

HCOs are focused on aligning facilities and services with patient demand

Focusing on aligning facilities and services with patient demand is also a strategic imperative for 60% of surveyed HCOs. In the context of healthcare, alignment refers to the process of closely matching the capacity, locations, and services offered by HCOs with the actual needs and preferences of the patient population. By aligning facilities and services with patient demand, organizations aim to strike a balance between providing accessible, relevant care that meets patient needs while ensuring optimal use of resources.

HCOs plan to analyze local markets for service line expansion

More than half of respondents (51%) said they plan to analyze local markets for service line expansion and opportunities over the next two years. This proactive, data-driven approach to growth not only encourages sustainable growth but also boosts HCOs' competitive edge in their respective service areas. By strategically expanding service lines based on informed market analysis, HCOs stand to gain several benefits, from increased patient volumes and greater market share to better health outcomes and improved physician loyalty.

Few HCOs plan to embrace new technology in the foreseeable future

High costs of capital and a challenging economic environment could make it difficult for healthcare organizations to embrace new technology. Only a third of respondents said they plan to offer expanded telehealth options to patients in the next 24 months, and even fewer (13%) respondents said increasing imaging technology advancements such as artificial intelligence (AI) is a goal for the next 24 months.

Many leaders are missing out on healthcare commercial intelligence for informed strategic decision-making

Data can play a pivotal role in shaping strategic decision-making for HCOs. It can provide insights into patient needs, market trends, financial performance, and much more. Yet, many organizations lack the data they need to make informed strategic decisions, also known as healthcare commercial intelligence. Fewer than half of respondents said they have the data and insights they need to recruit physicians and executives (39%), understand and reduce patient leakage (40%), understand competitors and payor dynamics (43%), accurately calculate revenue impacts from patient leakage and out-of-network referrals (44%), and see which referring physicians are loyalists, splitters, or dissenters (46%).

DATA & INSIGHTS

On a 5-point scale, where 1 is do not agree at all and 5 is highly agree, rate your level of agreement on the following statements.

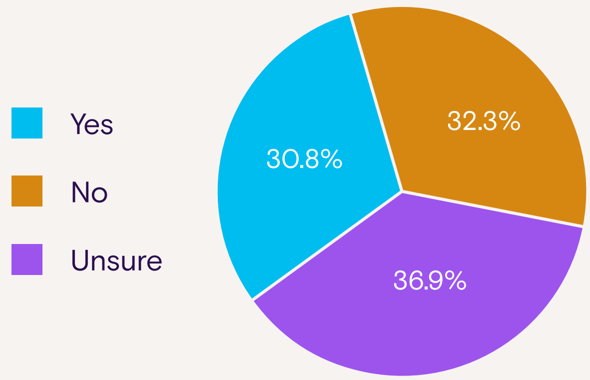
Statement	Disagree (1 or 2)	Neutral (3)	Agree (4 or 5)
Our organization has the data needed to identify and recruit the top physicians and executives	24.1%	37.4%	38.5%
Our organization can accurately calculate revenue impacts from patient leakage and out-of-network referrals	21.5%	39.0%	39.5%
We have the data needed to understand and reduce patient leakage	22.6%	34.9%	42.6%
Our teams have the data and insights we need to understand competitors and payor dynamics	21.0%	35.4%	43.6%
We have visibility into which referring physicians are loyalists, splitters, and dissenters to our organization	18.5%	35.9%	45.6%
Our teams have insight into which service lines and specialties are most impacted by patient leakage	17.4%	27.2%	55.4%
Our organization has the data needed to identify patient need for services in specific geographies	10.3%	32.3%	57.4%

Moreover, less than a third of respondents (31%) said they currently use a data and analytics vendor for market intelligence. Inadequate information can lead to uninformed decision-making, which can ultimately hinder an organization's ability to achieve its goals.

For example, most healthcare leaders (61%) said retaining patients through increased in-network referrals is a near-term priority for their organization. Yet, 23% of survey respondents don't have the data they need to understand and reduce patient leakage, and another 22% said they can't accurately calculate revenue impacts from patient leakage and out-of-network referrals.

All-payor claims and affiliations data are just a few types of data that can help organizations see which physicians refer out-of-network and where patients are going. This information can be used to tailor physician outreach or determine where to invest in services or locations.

Do you currently use a data and analytics vendor for market intelligence?



Most HCOs would benefit from a healthcare commercial intelligence partner that can equip them with the insights they need to make more informed decisions about resource allocation, service line investments, physician outreach, and more. Here are a few questions HCOs should consider when seeking a data partner:

- **How comprehensive is the dataset?**
  Does the dataset include all the data I need to make informed decisions, including medical and prescription claims, affiliations, healthcare reference, and consumer-level data? Is the data updated regularly?
- **Is the data interactive and easy to understand?**
  How easy is it to interpret the data? Can I filter, view, and analyze the data according to my specific needs?
- **Does the vendor provide unified data access?**
  This means that all departments can access the same data, regardless of the system or workflow.

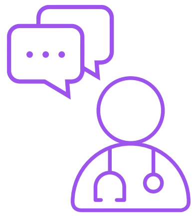
Ultimately, harnessing healthcare commercial intelligence for strategic decision-making lays the foundation for a more agile and resilient HCO that can quickly adapt to the evolving needs of patients and the industry as a whole.

What it all means

The survey results highlight the strategic priorities that will shape the future of healthcare delivery and the critical role that data plays in achieving organizational goals. Chief among these priorities is embracing opportunities to boost network utilization by improving in-network referrals, aligning services with patient demand, and analyzing local markets for service line expansion opportunities. In today's data-driven world, organizations that lack access to the right information are at a competitive disadvantage, while those that can maximize data's strategic impact will be well-positioned for success in the next two years and beyond.

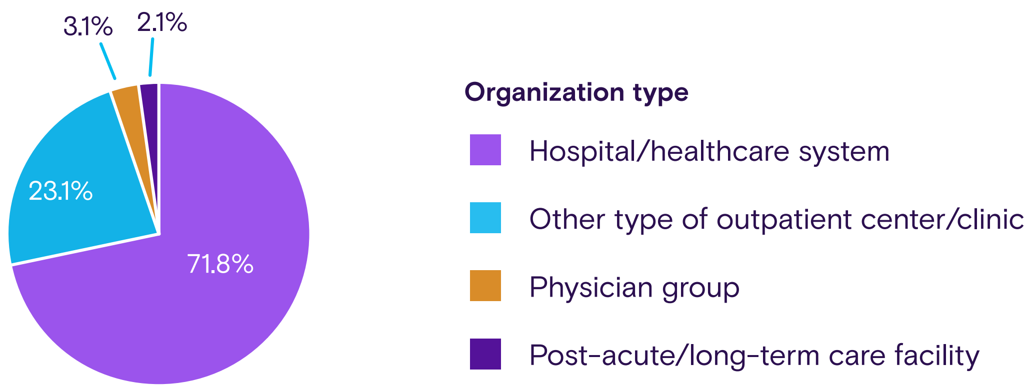
Study methodology

Definitive Healthcare conducted the online survey in June and July 2023. The survey polled 195 leaders among healthcare provider organizations, including health systems and hospitals, physician groups, post-acute and long-term care facilities, and other types of outpatient clinics.



About the respondents

The survey included 195 professionals from 171 healthcare provider organizations.



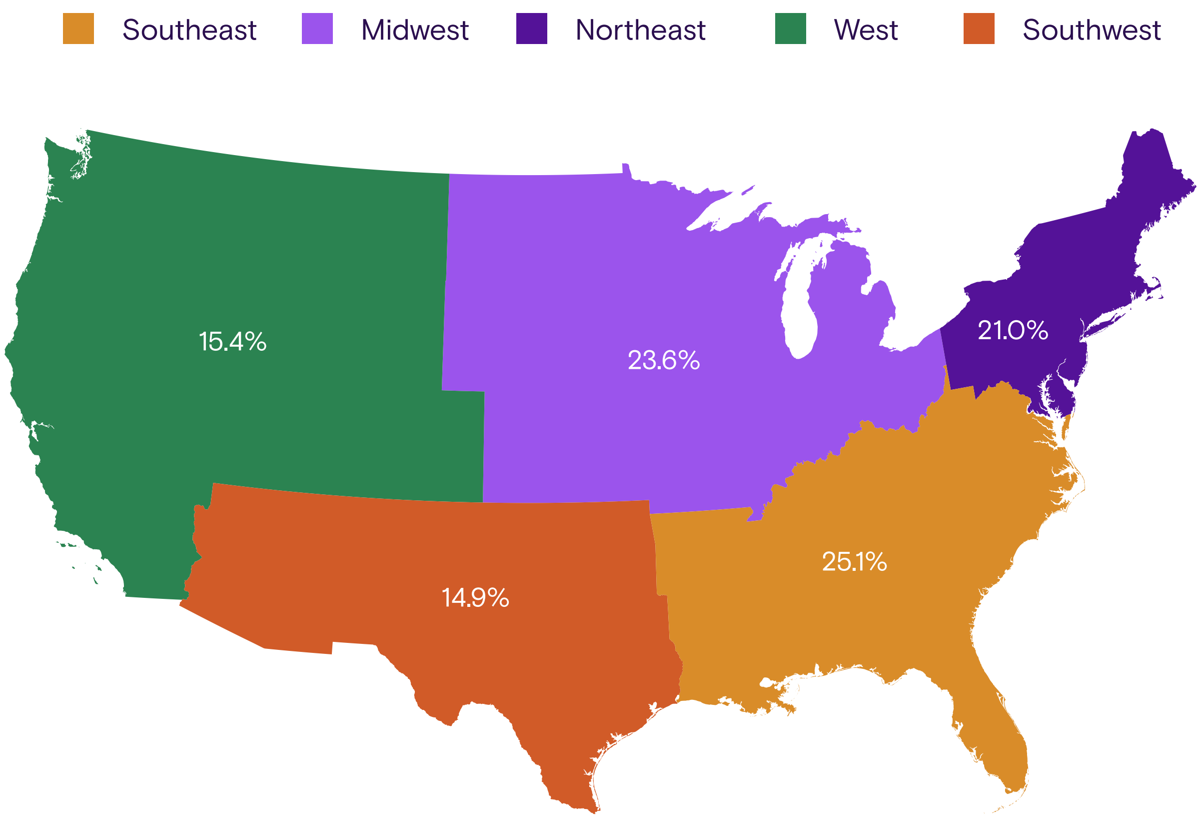
Functional area

Operations	31.3%
Clinical department/team	13.8%
Finance/revenue cycle	12.8%
Administration	7.2%
Strategy/strategic planning	5.1%
Care coordination	4.6%
Marketing	4.6%
Human resources/recruiting	3.1%
Physician relations	3.1%
Quality	2.6%
Research/clinical research	2.1%
Business development	2.1%
Infection control/prevention	1.5%
Corporate development	1.0%
Managed care	0.5%
Data analytics or business intelligence	0.5%
Nursing	0.5%
Outpatient services	0.5%
Medical affairs	0.5%
Patient services	0.5%
Patient access	0.5%
Provider enrollment/ Credentialing	0.5%
Patient experience	0.5%
Clinical engineering	0.5%

Position level

Manager	32.3%	Senior director	5.1%
Director	24.1%	Supervisor	4.6%
C-level	16.4%	President	1.5%
Vice president	7.2%	Senior vice president	1.5%
Senior manager	6.7%	Executive vice president	0.5%

Respondent region



About Definitive Healthcare

At Definitive Healthcare, our mission is to transform data, analytics, and expertise into healthcare commercial intelligence. We help clients uncover the right markets, opportunities, and people, so they can shape tomorrow's healthcare industry. Our SaaS platform creates the path to commercial success in the healthcare market, so companies can identify where to go next.

For more information, visit definitivehc.com.

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