

## Healthcare's Four Storms

Four sets of storms are out at sea right now with respect to healthcare in Canada and as they close on the shore they will combine to create a Tsunami larger and more powerful than anything our industry has ever seen. Governments, healthcare organizations, providers and consumers are all going to look to see who can help them and how the power of these storms can be turned to the benefit of those who must weather them.

The enterprises who best understand the healthcare system, how it actually operates, how things are funded and how things get done will be able to take their particular products and services and create real new value for the healthcare organizations in doing business with them. But it is not enough just to understand how the present system works, because healthcare system change is one of the storms. A successful growth strategy for the private sector looking to do more business within hospitals and healthcare needs to consider how, when and where these changes will take place and what will be the new imperatives and strategic drivers.

The four storms are;

### **Chronic disease management**

The scientific literature is crammed with the agreed prevailing wisdom that we can no longer just treat disease on an episodic basis. Organized healthcare and healthcare consumers need to treat chronic disease on an ongoing, preventative and multi-disciplinary basis. This is and will require enormous shifts in resources from the ER to the Outpatient clinic, from the ICU to the classroom etc. Suppliers who can assist systems in understanding how to move into chronic disease management and to do so with less resources and better outcomes are going to be the businesses healthcare wants to do business with. The ongoing Diabetes initiative in Ontario is an earlier example of government sponsoring and motivating healthcare organizations to move into chronic disease management.

### **Medical consumerism**

In Canada this storm will blow in on two fronts.

First, patients and the broader technology universe will demand more and better access. Patients' expectations are shifting from the ability to review their records to wanting the ability to interact with those records via a personal health record. Yet, the lion's share of those PHRs are still in the pilot stage. Vendors like Google and Microsoft, who focus on integrating the EHR into the PHR, will drive much more rapid cycle change. While this will largely be in the USA, its effects will be felt up here as well. This will cause software vendors and provider organizations alike to shift their focus from the provider to the patient and customer, with the expectation that information will be provided better, faster and cheaper. In other words, the consumer-hospital dynamic—driven by outside pressures—is going to change, and hospitals must be ready.

Second, consumers of healthcare in Canada are, like Howard Beal, "damned mad and are not going to take it anymore." The Canadian healthcare system is not consumer friendly. The quality and accessibility of the Canadian health-care system varies from province to province and, even at the best of times, it is not comparable to standards in European countries, according to a report released last year by an independent national think-tank. The report, released by the Winnipeg-based Frontier Centre for Public Policy, found that Canadian patients still face serious shortcomings, even in provinces identified as having the best health systems.

"Access to health care varies widely from province to province, whether in terms of availability of family doctors and midwives, the affordability and timely approval of new drugs, or the waiting time to see a specialist," said the report, titled Canada Health Consumer Index 2008.

"However, even the best-performing provinces do not provide the standard of care that is commonplace in Western Europe."

"Above all, Canada lacks a culture of accountability and transparency in health care, and it still puts providers and bureaucrats ahead of consumers," the report said. "It is from this fundamental philosophy of health care that all the other problems ultimately stem."

Businesses which can provide possibilities for healthcare organizations to not only address the demands of the public, but to embrace them and engage individuals in their own healthcare and by so doing; improve outcomes, reduce barriers, and use less resources – these will be the firms which grow and prosper.

### **Health system structure change**

The landscape of hospital and health authority corporate structures and back office activities is swiftly changing throughout Canada. The possibility and promise of integrated, high functioning shared service organizations providing multiple service product lines to their direct care provider partners has created the imperative for legislative and collaborative change in several environments throughout Canada.

Whether through amalgamation like Alberta or shared services approaches like New Brunswick, Ontario and British Columbia, convergence and transformation are going to occur. It is clear that through governmental mandate, ministerial persuasion or directed funding, the creation and expansion of shared services within health care is quickly moving from concept to reality. Businesses will need to become more able to work across the system rather than for individual entities, understanding the need to plan globally but engage and implement locally will be an essential component for success.

### **Inevitability of insufficient human resources**

Twenty five percent of the healthcare workforce will be able to retire in the next fifteen years. All of the excellent work some organizations are doing will be needed just to create enough new workers to replace these retiring ones. That will not be enough! The way in which healthcare will now be provided will be by multi disciplinary teams, with a patient centered focus. This shift will drive a compelling need for new workers and more workers. And they will not be available. Healthcare organizations are going to be looking to their suppliers and business partners to take work out of the organization, either by product or process and always with technology. Reducing the demand for labour – because there will not be a supply of labour.