

BEYOND RECOVERY: HOW HEALTHCARE CAN TRANSFORM AFTER CRISIS

In the months ahead, every healthcare organization will find itself operating in a healthcare ecosystem different than the one it knew before the pandemic. Shifting payor mixes, evolving consumer behaviors and preferences, regulatory changes, employee burnout and unprecedented financial pressures on all stakeholders have major implications for the industry.

As organizations emerge from COVID-19 response and recovery, it is critical to focus on near-term financial recovery while also considering how shifts in their market create the opportunity for long-term growth.

Short-term adjustments will be necessary for organizations to continue delivering care safely while stabilizing financially. Beyond that, organizations have a choice to make about how they engage with a changing market.

Some may adopt a wait-and-see approach to decision making. For those willing to embrace shifting market conditions and consumer preferences, this is a unique opportunity to accelerate transformational initiatives. Now is the time for leadership teams to think beyond optimization of existing systems and consider the big changes that will have lasting, exponential effects on cost, care and people.

Guiding Principles

Lessons learned from historical patterns of disruption provide a basis for organizations to emerge stronger following major setbacks. Several guiding principles can inform leaders' thinking, planning and actions.

Embrace the “silver lining.” Breakthrough innovations are often born out of crisis. Adopting a growth mindset in which leaders uncover the potential for not just surviving but thriving as a result of current challenges positions organizations to emerge better than before. Despite the turmoil, it is possible that with the right vision and leadership a crisis can better position a healthcare organization for the future.

It's not enough to just recover. Crises reshape people's behavior, altering demand and changing how industries operate and compete. All businesses, especially healthcare organizations that will remain on the front lines of both the human and economic challenges of the COVID-19 pandemic, will need to consider how to reposition or reinvent existing ways of operating based on knowledge gained during their crisis response. Changes could range from moderate cost-saving measures such as safely reusing personal protective equipment (PPE) to more significant changes such as adapting virtual care delivery to expand home-based care and the ability to age in place.

Not all behaviors are equal. New desired behaviors need to be reinforced and stabilized before old habits reemerge as the crisis subsides.

Observe what new behaviors and processes have emerged due to the crisis. Understand how these new behaviors benefit the organization by identifying preferences, desires and solutions for consumers and employees. Find ways to explicitly support the changes that organizations want to maintain. For example, telehealth and virtual care have quickly become preferred care delivery options for consumers and providers. In the wake of the COVID-19 crisis, organizations will need to stabilize and optimize virtual care in lieu of traditional office visits or inpatient care.

Be cautious about passing concerns.

Capitalize on the momentum for innovation generated by the crisis before the urgency for change subsides. Crises tend to loosen entrenched beliefs and behaviors, allowing for openness to experimentation that quickly forms new habitats and priorities. Organizations must take advantage of this narrow window to reposition operations. Leaders may need to rethink organizational priorities and goals and their corresponding budgets.

Charting a Course for Recovery While Repositioning for the Future

Every healthcare organization will evolve differently depending on how severely the coronavirus has affected their operations, community, workforce and consumer base. Leaders are also trying to plan for a resurgence of the virus in the future.

The COVID-19 crisis will be defined by overlapping and likely repeating phases of response, recovery and repositioning as organizations plan for the future. For long-term sustainability, organizations need an integrated approach that secures near-term financial recovery while repositioning the organization to compete in a transformed healthcare industry.

Timing is critical. While uncertainty persists, organizations should identify a timeline for moving forward. Recovery alone is not sufficient to capture the opportunity for growth that lies ahead. Organizations will have to focus to avoid getting stuck in response or recovery mode and failing to dedicate adequate resources to repositioning for growth.

How and Where to Start Thinking Differently

In many ways, the coronavirus pandemic has highlighted long-standing issues that healthcare leaders have been wrestling with for more than a decade. Leaders can focus now on several core areas to combine lessons learned from the crisis with evolving access, delivery and market strategies in order to accelerate growth.

Designing for consumers. The more organizations understand about how demand has changed, and what is driving their consumers' health decisions, the better positioned they will be to make smart decisions in all areas of operations and care delivery. Major shifts in consumer preferences for where and how care is delivered are underway. Following the rush to telehealth and alternate care sites during COVID-19, organizations need to quickly understand what their capabilities are for standing up sustainable telehealth systems, including expansion of inpatient care in the home for higher-acuity patients. Care teams will have to support high-value, personalized care across the system, including a new array of physical and virtual locations.

Cost and revenue. As healthcare organizations reopen operations halted or scaled back due to COVID-19 concerns, there is significant opportunity to redesign core operational components and workflows. Increased financial pressures and changes in how and where volume and revenue are generated will require leaders to reconsider cost structures, reimbursement and financial strategies. As [labor typically comprises 50% to 60%](#) of a healthcare organization's total expenses, it is critically important to [understand demand changes](#) and control the growth strategies that will impact capacity, operations and staffing plans.

Care delivery. Improving care delivery can no longer be grounded in tweaking existing service lines or working in silos. Forward-thinking organizations will be considering care along a continuum from wellness to episodic care to chronic care management via a seamless delivery system. Clinical care should be delivered by clinicians working at the top of their license, enabled with optimized electronic health records (EHR), process automation and well-designed workflows. Patient care, safety and satisfaction are maximized by leveraging predictive analytics and decision-support tools that are seamlessly embedded into daily workflows. Organizations should be considering how to [deliver enhanced home-based services](#) and telespecialty care with continuous monitoring, proactive communication, and education strategies to engage patients and families in recovery and wellness.

People and workforce. Rethinking the people component of a healthcare organization will be a multifaceted job for healthcare leaders. Organizations must evolve their short-term and long-term [workforce strategies](#) to align to new care delivery settings and economic models while combating challenges created from staff burnout and staffing shortages. Continuing to ensure staff and clinicians are safe and healthy will enable them to deliver high-quality care to patients.

Changes in volume, payor mix and consumer demand, including shifts to telehealth and virtual health services, will significantly affect organizations' staffing and physical space needs. Having a clear vision of the current- and future-state operating environment will help organizations better align their people strategies to meet consumer demand and service delivery needs. The ability to effectively work at home has proven effective for many and should be leveraged to increase productivity and reduce facilities spending.

Organizational culture — including communication and change management strategies — will be important for how organizations proceed. People are the No. 1 factor that can make or break new initiatives. Leaders must ensure their physicians and employees understand the impact and purpose of change. Consistent, transparent and purposeful messaging will be critical to ensure

success and should include the “why” of change, followed by “what” will change and finally “how” it will change.

Digital capabilities and technology.

An organization's digital and technology capabilities enable every aspect of operations and care delivery. Efforts to improve data structures, advance data analytics programs, and [unite disparate EHRs](#) and analytic systems will need to be a primary focus as organizations expand access to data as decision-making and performance management tools.

Despite the uncertainty surrounding COVID-19, now is the time for healthcare leaders to harness valuable momentum and appetite for change. This crisis has revealed that substantive positive changes in healthcare can happen quickly. Failing to act in the face of uncertainty will cause healthcare organizations to miss key transformational and growth opportunities that will be necessary to thrive in the future.

For more information, [contact us](#) or visit our [COVID-19 resources page](#), including the [Huron Stimulus Relief Gateway](#).



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