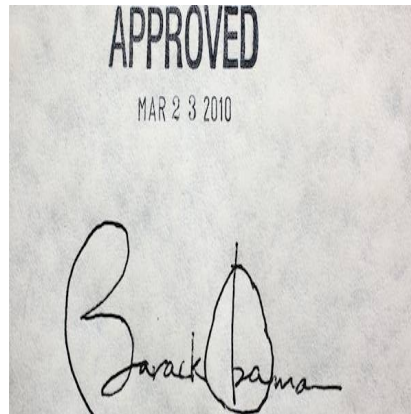




## ACA: Five Years On, New Health Economy Fueled By Value Over Volume



The Affordable Care Act (ACA) marks the fifth anniversary of its tumultuous existence this week, and a new report from PricewaterhouseCoopers (PwC) addresses five of the ways it has permanently altered the healthcare industry landscape in the United States.

### **New Entrants**

Since 2010, more than 90 new companies have entered the marketplace, many in the areas of telehealth, consumer education and process improvement. Companies that match patients and physicians with treatment and support networks are also being established, as are those that develop new care delivery and payment models.

Healthcare investing is another result of the ACA, with venture capital freely flowing toward digital health; funding topped \$4 billion in 2014. Big data and telemedicine startups and established technology companies like Apple and Samsung have improved the efficient collection of health data and encouraged patient engagement.

### **Emphasis On Primary Care**

Change is palpable when it comes to primary care provision. As new entities enter the system, there is an ever-expanding need for professionals who can take on some of the traditional roles of the physician. As a result, so-called “physician extenders”, such as nurse practitioners and physician assistants, are stepping up to bridge the gap between consumer demand and provider shortage.

“If the ACA is a balance between expanding insurance coverage and encouraging non-traditional ways to pay for and deliver medical services, then primary care is its fulcrum,” the report states.

### **Shift In Risk**

The ACA emphasises prevention and fewer hospital admissions, which has affected every part of the healthcare industry, from physicians and hospitals to insurers to pharmaceutical companies and even consumers. Risk has shifted among enterprise, financial, market-share and operational entities.

“While the business strategy varies between sectors, the overarching goal remains the same: learning to compete under an evolving set of rules, limited resources, increased transparency and a focus on value rather than volume,” according to the report’s authors.

### **Wholesale to Retail Insurance**

The ACA has hugely impacted the health insurance market with the establishment of competitive health exchanges offered by states and the federal government itself. Whereas the unemployed or people with pre-existing conditions were once routinely denied coverage, "guarantee issue" now requires insurers to become more friendly to individual consumers.

"Employer-based coverage remains the core of the US insurance market, but the business model is changing rapidly as employers explore alternatives — including private exchanges — to more cost-effectively deliver benefits that improve consumerism and enhance choice for workers," the report states.

### **State Adoption**

The PwC report comes about as the Supreme Court is being asked again to ponder the future of the law. Individual states have challenged the legislation, and as a result adoption varies across state lines. The Supreme Court's ruling could increase the divergence in compliance, which is already largely affected by political opinions.

"Although the ACA will continue to face crosswinds, it has already had a profound impact on the healthcare business," Kelly Barnes, PwC's US health industries leader, said in a statement. "The ACA has catalysed major changes in an industry historically slow to change."

Source: [PwC](#)

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