



Hospital Leadership Must Change to Meet Patient Demand!



Consumerism is becoming more pervasive in healthcare and altering the way hospitals operate in order to better serve the patient, as the consumer, who wants better access to high-quality care at reasonable costs.

The changing healthcare economy is putting stress on health systems and hospitals, as they now also have to compete with retail players – eg, retail clinics and urgent care centres. In this consumer-driven environment, the traditional business model, which puts hospitals at the centre of healthcare, becomes less effective in attracting customers.

You may also like: [Consumerism in Healthcare](#)

To remain [competitive in this changing landscape](#), hospitals are seen adopting one of the four hospital business models, according to a report from [PwC's Health Research Institute](#) (HRI). These new business models are as follows:

The Product Leader

Under this model, providers' primary aim is to deliver the most advanced care and best outcomes. To achieve its care quality and outcome goals, the Product Leader will prioritise clinical models and culture over cost reduction and consumer experience. Addressing the patient's whole health needs is also critical to the Product Leader, hence the organisation must robustly use referrals or engage in healthcare mergers and acquisitions (M&A) to provide best-in-class care to individuals across the country and the world. However, Product Leaders that grow through M&A could dilute the hospital's brand, which results in less consumer-driven care.

[Cleveland Clinic in Ohio](#) and [Mayo Clinic in Minnesota](#) are aligning their operations with this business model – both systems are internationally known for their highly specialised care.

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The Experience Leader

[Health systems](#) using this model attract patients by providing the premier customer experience as compared to their competitors. These providers emphasise experience over cost while still delivering quality care, and can operate locally or on a wider scale. To meet consumer needs, Experience Leaders will rely on the use of health IT systems including online platforms and apps for convenient booking, bill pay, health data access, and care coordination. Delivering a seamless experience requires "the right mix of digital and physical touch points," the HRI report says.

[Texas Health Resources](#), a large non-profit health system, aligns itself with this business model, employing a Chief Patient Experience Officer who uses data to deliver a "seamless, holistic consumer experience" across the entire organisation.

The Integrator

Lower costs are a top priority for the Integrator business model. The Integrator is a health system with a multiregional or national reach. With its broad network of providers, the Integrator is in a position to show patients different care options along the cost spectrum. Also, Integrators will have a competitive edge in health IT, focusing on systems' interoperability and data sharing across geographies and entities, the report notes.

A health system following this business model is [Intermountain Healthcare in Utah](#), which has partnered with six other systems to form a non-profit generic drug company to reduce prescription drug costs and prevent drug shortages.

The Health Manager

This model focuses on enhancing the health of an entire population over time, thus addressing social determinants of health is key for the Health Manager hospital. "This model likely will contract directly with the public sector and employers; however, an understanding of the underlying consumer markets, especially its target segments, will still be integral to a Health Manager's strategy," HRI points out. Health Managers will play heavily in the value-based care world, investing in the right infrastructure to efficiently gather the data necessary for reimbursement, HRI adds.

Health systems currently using this business model include: [Geisinger Health System in Pennsylvania](#), which formed an initiative to improve the community's health through preventative care, behavioural health, and household economics; and [Kaiser Permanente in California](#), which recently partnered with [Hunger Free Colorado](#) to screen patients for food insecurity.

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