FACTFILE

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healthleaders

Pandemic recovery timing and health care projections for the next decade

During the 2020 global pandemic, hospitals experienced **a** sharp decline in inpatient volumes and site-of-care shifts. While these trends are not new, these declines were accelerated during the pandemic.

Projections for recovery and growth over the next few years are critical as leaders rework their strategies. The Sg2 Impact of Change is a 10-year national demand forecast that makes health care projections.

Pandemic recovery timing

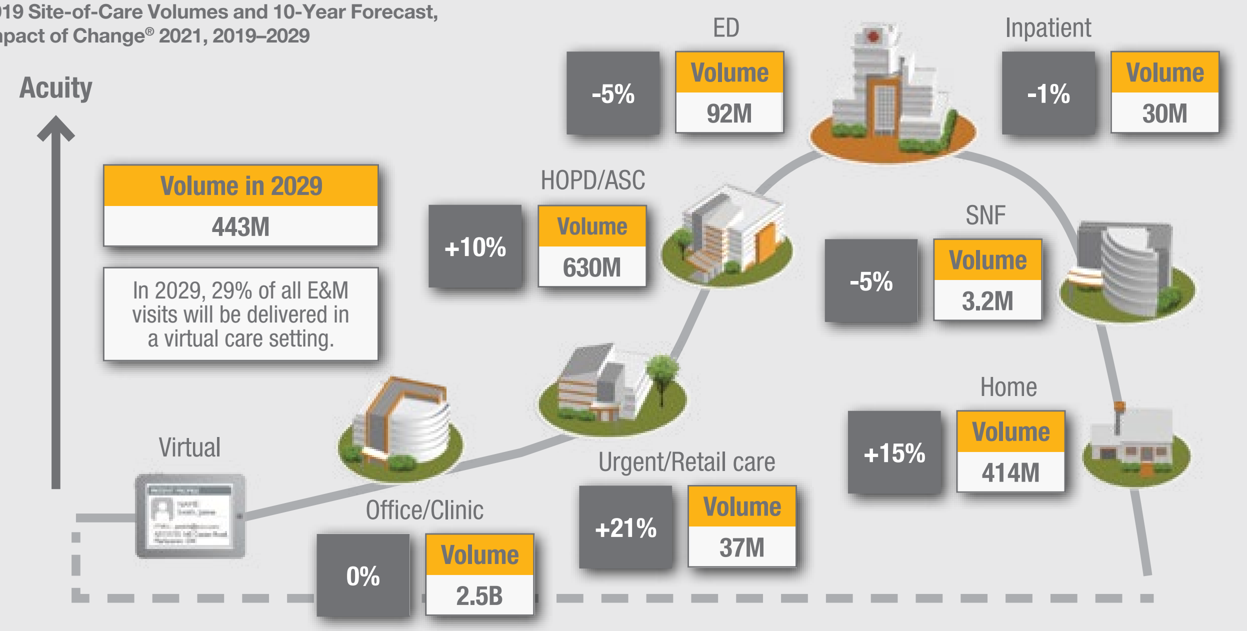
ADULT	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Outpatient	0%	-20%	-5%	3%	7%	9%	10%	11%	12%	13%	14%
Inpatient	0%	-12%	-5%	-1%	-1%	-1%	0%	0%	0%	-1%	-1%

Sources: Impact of Change®, 2021; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2018. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All Payer Claims Data Set, 2018; the following 2018 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2021; Sg2 Analysis, 2021.

Site-of-care shifts

Hospitals have seen a trend arise over the past several years: procedures are shifting from the inpatient setting to lower-cost outpatient and other ambulatory sites. The pandemic introduced new care models and site-of-care shifts due to clinical necessity. The outpatient surgical shift, ED shifts to alternative care sites, and adoption of virtual visits have proven to be effective and are not projected to return to pre-pandemic levels.

2019 Site-of-Care Volumes and 10-Year Forecast, Impact of Change® 2021, 2019–2029



Note: Analysis excludes 0–17 age group. **Sources:** Impact of Change®, 2021; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2018. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2018; the following 2018 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2021; Sg2 Analysis, 2021.

Surgical shifts

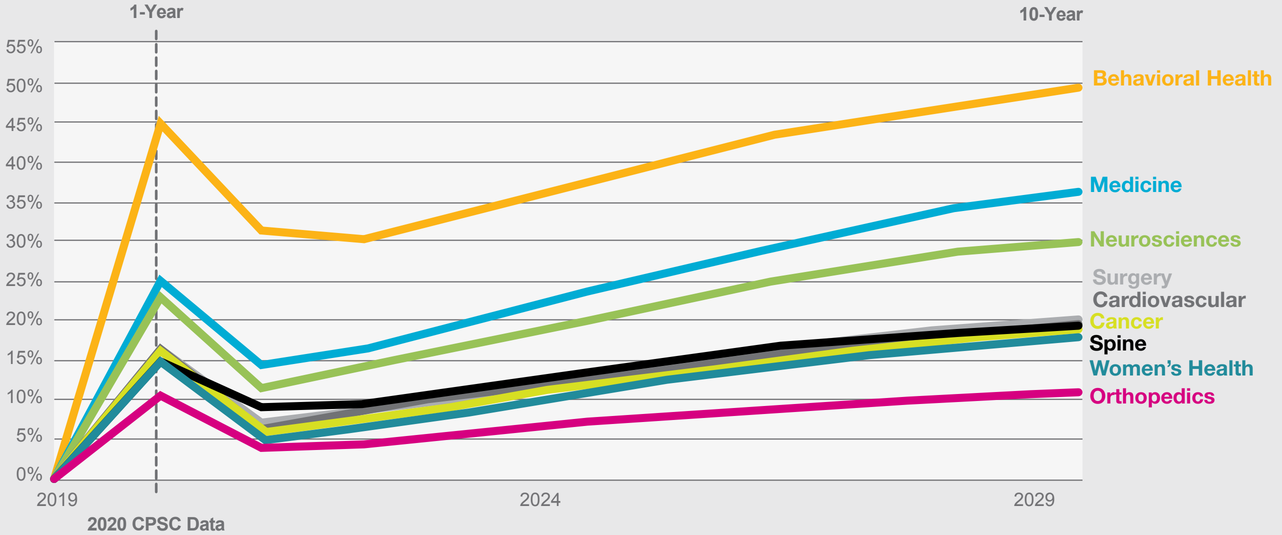
The elimination of the CMS Inpatient Only List and adoption of minimally invasive procedures has accelerated the site-of-care shift for surgeries; however, the rate of these surgical shifts to hospital outpatient departments, ambulatory surgery centers, and physician offices will vary by specialty and procedure.

Impact on emergency department volumes

Emergency departments (ED) have started to see a decline in volume over the past several years, starting in 2017 where volumes remained flat and continuing into 2018 where they fell 1%. The trend increased in 2020, with about a 20% decline in volume compared to 2019. While low-acuity ED visits will continue shifting out of the ED, a gradual return is anticipated in 2022 and 2023, once social distancing measures are relaxed.

Virtual volumes have continued to rise

Virtual Visit by Service Line Group, Impact of Change® 2021



Note: Analysis excludes volumes for ICD-10 diagnosis code U07.1, COVID-19 infection. AAMC = Association of American Medical Colleges; CPSC = Clinical Practice Solutions Center.
Sources: Impact of Change®, 2021; Proprietary Sg2 All-Payer Claims Data Set, 2018; the following 2018 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2021; Sg2 Analysis, 2021; AAMC-Vizient Clinical Practice Solutions Center©, 2021.

Changes that are here to stay

The pandemic changed health care; several of those changes are anticipated to be permanent, and many are expected to keep gaining momentum. Some permanent, post-pandemic trends to monitor:

- The sustained shift to virtual settings
- Lower ED volumes that will remain below 2019 levels
- Rising acuity and chronic disease burdens
- Health systems making major investments in their ability to provide care to patients from the comfort of their own home
- Policy changes, digital innovations, and the shift to lower-cost settings will all contribute to a restructuring of the current system of care

Health care providers will need to continue to evolve and pivot to compete with new market disruptors, such as telemedicine providers, hospital-at-home models, and AI-enabled services. Vizient and Sg2, a Vizient company, offer insights and expertise to help navigate these shifts.

About Vizient, Inc.