

## 2021 global health care outlook

Laying a foundation for the future



Global health care spending is expected to slow down by **2.6%** in 2020.

Causes of this slow down:

- Detrimental effects of COVID-19-related lockdowns
- Social distancing measures on the provision of non-emergent care and care restrictions

Long term outlook - Health care spending is expected to rise at a CAGR of **4%** over 2020-24, up from **2.8%** in 2015-19.

Global health care spending as a share of GDP will likely remain at around **10.3%** through 2023, slightly ahead of 2019's ratio.

Spending will continue to be unevenly spread, ranging from **US\$12,703** in the United States to just **US\$37** in Pakistan in 2024.

### Factors expected to impact higher health care spending:

- Population aging
- Increasing demand for care
- Countries' gradual economic recovery
- Clinical and technology advances
- Labor costs
- The expansion of public and population health care systems

### Top issues

#### Consumers and the human experience

Consumers are helping to accelerate the pace of change in health care in parts of the world:

- Showing greater activity and engagement
- Using virtual visits more than ever before and plan to continue using them
- Using technology for health monitoring
- A trusted clinician relationship remains paramount

Consumers using virtual visits rose from **15%** to **19%** from 2019 to early 2020; this jumped to **28%** in April 2020.

**80%** of consumers say they are likely to have another virtual visit, even post COVID-19.

#### How are consumers using technology?

- Monitor their health
- Measure fitness
- Prescription ordering

Among individuals who track their health, more than **75%** say it changes their behavior at least moderately

Organizations will need strategies to build trust to make consumers feel comfortable sharing their personal health data.

#### Care model innovation

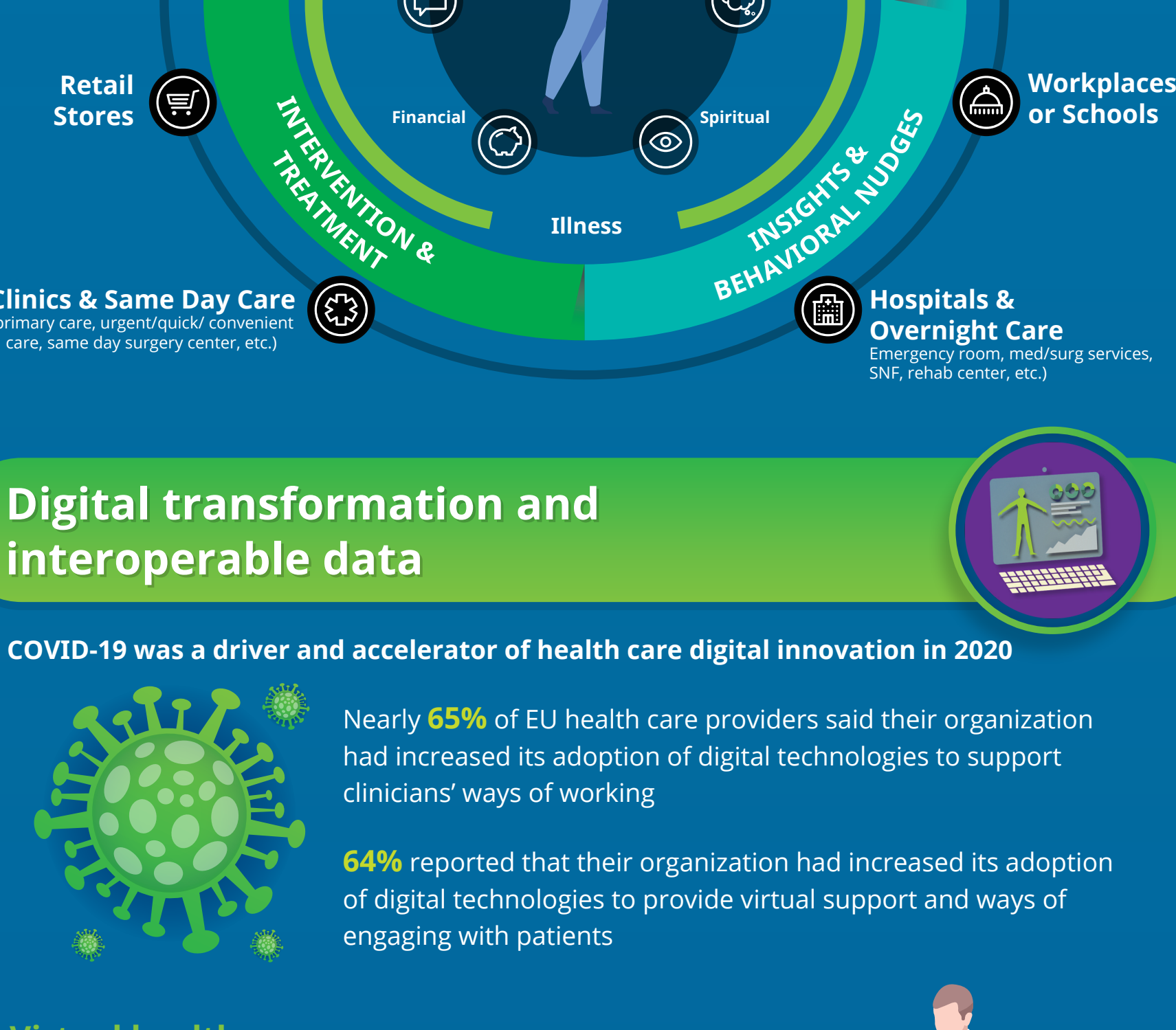
The health care delivery landscape and the behaviors of consumers it serves is pivoting dramatically:

- Site of service and care transforming
- Ubiquitous adoption of virtual care
- Workforce reimagined
- New partnerships and markets
- Emerging disruptors
- Health equity

Consumers and providers support a transition to new care models and supporting technologies:

- 72%** of consumers prioritize their personal health and wellbeing needs and goals; **60%** of physicians are prioritizing a shift to prevention and wellbeing
- 75%** of consumers want to work in partnership with providers on care and health goals

Care models are shifting to focus more on the patient/consumer and an emphasis on health and well-being:



#### Digital transformation and interoperable data

COVID-19 was a driver and accelerator of health care digital innovation in 2020

Nearly **65%** of EU health care providers said their organization had increased its adoption of digital technologies to support clinicians' ways of working

**64%** reported that their organization had increased its adoption of digital technologies to provide virtual support and ways of engaging with patients

#### Virtual health

COVID-19 has helped break down regulatory, financial, and behavioral barriers to allow virtual care to be widely integrated into our health care system and meet patients' needs

Radical data interoperability is a required foundational capability to enable the deliver of patient-facing programs and associated technologies

It can reduce admin costs, increase efficiency of care delivery, reduce the cost of care, increase revenue and growth

**Artificial Intelligence** is gaining traction in health care. Early use centered on automating manual processes; however, the pandemic has opened doors for AI and other digital technologies to solve complex clinical and non-clinical problems

Health care organizations today are transitioning to health IT systems powered by cloud computing and data/analytics tools, driven by cost controls

**Cloud spending** increased by 11% in the second quarter of 2020 over the same period the previous year

Cloud is helping:

- producing a scalable virtual desktop
- enabling remote care and remote work

Biggest concerns?

**Cybersecurity** will continue to be a front-burner issue for cloud providers and their customers.

Find new ways of working to remove development bottlenecks and get new releases out **faster**

#### Health equity

Some studies say that up to **80%** of health outcomes are affected by social, economic, and environmental factors.

Drivers of health (also known as social determinants of health) include physical environment, food, infrastructure, economy, wealth, employment, education, social connections, and safety.

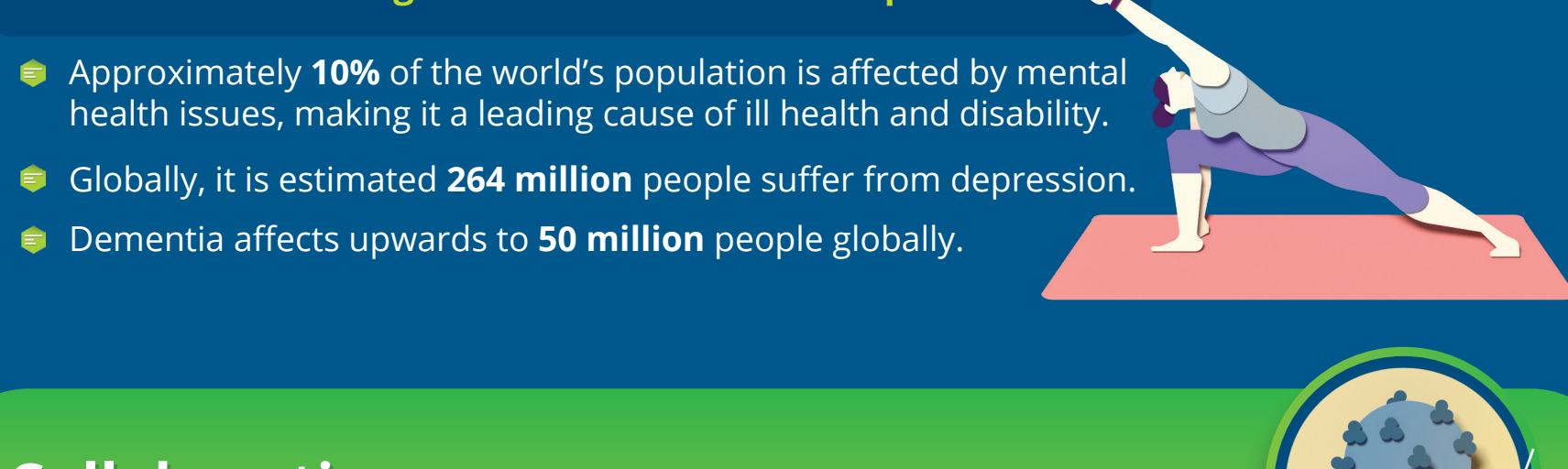
COVID-19 has thrust health equity into the spotlight and is magnifying the profound impact that systemic racism can have on health and wellbeing.

What can health care stakeholders do to make health more equitable?

Industry stakeholders face considerable challenges in addressing the large scope of the behavioral health crisis, among them:

- Gaps in clinical and scientific knowledge
- Stigma and drivers of health
- Inadequate, inaccessible, and unaffordable care systems
- Siloed health care data management

#### Health equity framework



#### The mental wellbeing and behavioral health imperative

Approximately **10%** of the world's population is affected by mental health issues, making it a leading cause of ill health and disability.

Globally, it is estimated **264 million** people suffer from depression.

Dementia affects upwards to **50 million** people globally.

#### Collaboration

Renewed focus on collaboration during the pandemic to:

- Drive clinical innovation
- Trust levels
- Resource sharing

Types of collaborations:

- Data platforms and analytics
- Disruptive entrants
- Public/private partnerships
- Health systems as platforms

Collaboration was never more evident than during the pandemic in addressing supply chain challenges related to COVID-19. Providers are likely to continue to struggle with supply chain issues in 2021 as COVID-19 outbreaks possibly surge, recede, and surge again. Collaboration will be key in order to meet their needs.

#### Future of work and talent

COVID-19 has become the catalyst to a future of work and talent in health care that might otherwise have taken years to attain.

How's it being impacted?

- Sourcing medical staff**
  - Unretiring medical staff
  - Accelerating medical trainees
  - International staff
- Adapting to the virtual workplace**
  - Accommodate patient needs for virtual and telehealth
  - Increased use of technology
- Reskilling and upskilling**
  - Identifying future skills needs and training requirements
  - New technology dynamics/'websites' manner
- Blending human-technology capabilities**
  - Require specialist education and training in genomics, AI/ML, and natural language processing (NLP); enhanced diagnostic, data analysis, and critical judgement skills; and proficiency in interpreting reports and risk scores.
- Diversity and inclusion**
  - Imperative to promote workplace diversity and inclusion
  - Different teaming strategies
  - Diversity of identity gives a team the ability to tap into different viewpoints and experiences

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