



Health Care Strategy Insights

This edition is sponsored by Josh Lee, who is a principal at Deloitte Consulting LLP and leads the Health Care Strategy practice. Every month, Josh meets with a group of CSOs from across the country to discuss opportunities and challenges facing their organization, and what keeps them up at night. In this editorial series, Josh shares the key insights from his latest discussions and general market trends he is observing.

This month, our country has been upended not only by COVID-19, but by systemic racial injustice. This is illuminated by how COVID-19 is disproportionately impacting our African American communities. In light of this, health care system CSOs are focused on responding to the challenges and uncertainties posed by COVID-19 and the evolving environment. Their efforts include developing plans to resume normal activities, and streamlining the decision making process.

Having worked tirelessly to respond to the disruption of healthcare services as a result of the COVID-19 pandemic, hospital systems around the United States have started **to resume operations to various degrees**. Some markets are re-starting elective procedures while many states are still in the “peak” of the outbreak. This is creating unique challenges in balancing the varying needs of each organization.

As CSOs plan for the short- and medium-term recovery of their organizations, they are gathering as much economic forecasting data as possible to inform revenue forecasts. However, many find themselves hindered by the highly unpredictable impact of the pandemic, especially as a few states begin to experience second waves of the pandemic. These **scenario planning exercises are challenged by the lack of certainty in key variables, including future shifts in consumer behaviours and the reimbursement outlook for telehealth**.

Exacerbating these uncertainties, CSO must make pressing decisions about capital expenditure in regard to their workforce. In many cases, **hindered cashflow due to reduced elective procedures** is forcing organizations to decide between furloughing or laying off part of their staff. However, others are **exploring options to maintain their staffing levels and tapping into reserves to push for growth by acquiring new or expanding their existing telehealth capabilities**. This investment is likely to enable health systems to remain competitive in the long run.

As an unexpected positive outcome, many organizations are experiencing **a streamlined decision-making process as a result of their response to COVID-19**. CSOs attribute their success to three main factors:

- **Novel Collaboration:** Many health systems set up incident command centers that collapses function silos. Departmental divisions are diminished which has empowered teams to harness a diversity of thought and focus on the problem at hand.
- **High Contact Decision Making:** The teams have frequent, often daily, touchpoints with each other and the executive leadership to make agile decisions, which are then quickly implemented. Corporate hierarchy is flattened, and titles become less relevant in problem-solving.
- **Focus on What Is Essential:** COVID-19 presented an unexpected chance to look inward and re-focus on the guiding principles that steer decision making in the organizations. Some organizations took this opportunity to “clear the agenda,” putting many corporate projects on hold with no intention of restarting.

Recovery from COVID-19 will be a marathon with a long ramp up ahead. Nevertheless, we see many health systems taking steps to better care for their staff, patients, and community during this period of uncertainty. Many of these decisions will have lasting impact to strengthen the organizations in the long-term. Taking the right steps in recovery

can help set organizations on the right path to thrive.

Preview: Given the direction in which our environment is evolving, the next edition will focus on equity and fairness as it pertains to healthcare. We look forward to your feedback!



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