Past Trends and Future Forecasts in a Volatile Healthcare Market

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The healthcare market is in the middle of a large shift in focus. Driven by a commercialized population, patients are receiving care in a more convenient, efficient manner as outpatients. This is enabled by new technology which allows the same surgeries that once demanded inpatient stays to be completed in a shorter time frame. The need for these life-saving surgeries is also shifting, as an emphasis is being put on population health. Healthcare is no longer just there to heal you when you are sick, it’s there to guide you in a healthier life style from day one. This allows many diseases to be caught and treated before they reach a life-threatening level, so preventable hospital admissions are declining. All of these changes are good for the community and decrease inpatient admissions.

### Solutions:

1. **Population Health:** Shift hospital viewpoints from healing the sick to promoting wellness of the entire community throughout their lifetime.
2. **Outpatient Expansion:** Work to grow through practices along the entire care continuum so the same network is involved in a patients’ healthcare every step of the way.
3. **Increase Value:** Focus on increasing the value of visits (best outcome at least cost) instead of the volume of visits.

### Past Trends and Future Forecasts in a Volatile Healthcare Market

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- PA has seen an 11% decline in inpatient discharges between 2006 and 2013. This decline is predicted to continue.
- The utilization rate (quantity of inpatient discharges divided by the PA population) decreased 13% between 2006 and 2013.
- This decline is seen in all four age groups, and all product lines except Orthopedics and Rehabilitation.
- Almost half of all PA inpatient discharges are ages 65 and older.
- The decline is greatly driven by those ages 65+, as their utilization rate has dropped more than 20% since 2006. For a 65+ population of 2.1 million, that’s a decrease of 168,000 inpatient discharges in eight years or 21,000 fewer each year.

### Future Forecasts:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2013 Actual</th>
<th>2014 Forecast</th>
<th>2015 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Inpatient</td>
<td>1,683,097</td>
<td>1,642,581</td>
<td>1,564,351</td>
</tr>
<tr>
<td>Ages 18-44</td>
<td>229,662</td>
<td>221,529</td>
<td>210,934</td>
</tr>
<tr>
<td>Ages 45-64</td>
<td>435,486</td>
<td>427,053</td>
<td>407,670</td>
</tr>
<tr>
<td>Ages 65+</td>
<td>674,764</td>
<td>656,570</td>
<td>612,899</td>
</tr>
</tbody>
</table>

Note: No prediction is given for those ages 0-17. No clear trend from data point to data point is evident, though a general decrease is present.

*Does not include normal newborns or deliveries

### Lehigh Valley Health Network

- LVHN inpatient bed utilization based on discharges grew almost 30% between 2006 and 2013.
- In 2014, inpatient discharges declined for the first time since 2001. This being said, the decline was by only 82 patients or 0.11% of the total volume.
- Using Pennsylvania’s inpatient decline as an indicator, it is likely that LVHN’s growth is slowing. The decline seen in 2014 could be the beginning of a more significant downturn in inpatient discharges which will continue in the future.
- Not all product lines experienced this type of growth. Dramatic changes often occur one year to the next which could be caused by as little as one doctor moving practices.
- This growth was seen across all age groups.

### Seeing Results

In the last three fiscal years, a 28% increase in outpatient surgery correlates to a significant decrease in inpatient admissions.