

Healthcare Trends Report

The AMS Top Ten Trends in Healthcare Management



Applied Management Systems, Inc.

Dedicated to Excellence in Healthcare Management

AMS

About the AMS “Top Ten Lists”

Applied Management Systems, Inc. has published its Top Ten Trends reports since 1990. As healthcare operational, receivable and information consultants we work extensively with the daily challenges of running healthcare facilities. At the immediate right are our **Top Ten Trends Today** — our ten predictions originally published in 2000 for the decade ahead *with up-to-date commentary on where we stand on each trend*. The next page contains our predictions of the **Top Ten Trends for 2010**. These newly published predictions identify the major pressure points and how healthcare management dollars will be most wisely spent for the future success of your organization. We hope you find them useful. Let us know what you think.

About AMS and why we do this

AMS healthcare consultants work at all levels of healthcare organizations nationwide. Because our work gives us comparative knowledge and a great perspective on the industry, we like to share our big picture view. By our nature, we are forward thinking, and since 1967 we have helped our clients create management systems, data and information to take them successfully into the future.

As healthcare changes — AMS changes with it!



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Top Ten Trends

in Healthcare Management

Top Ten Trends Today

Our predictions for the decade from 2000 with our 2005 progress report described under each trend.



1. Managed care and more

AMS predicted that as a result of changes within managed care, consumers would exert their decision-making power at every level of the care delivery process, making important choices in their medical care. Consumers did: they told HMOs they did not want to be told where or to whom to go for their care.



2. Compliance, compliance, compliance

Compliance took center stage with the industry facing both Y2K compliance issues and compliance with government regulations such as HIPAA.



3. Cash is still king!

Providers continue to be challenged with this issue. Operating losses are scrutinized... no margin, no mission.



4. Data transformed into measurement

Data remains essential to help evaluate care and create benchmarks for providers. This has not changed. All AMS management efforts are guided in part by the quantitative and qualitative data that allow us to cater our services to best fit the needs of the institution.



5. Consolidation

Mergers — once a regular part of the healthcare landscape as institutions consolidated to gain market share, increase leverage with insurers, and maximize efficiencies — have given way to a focus on consolidation of insurers.



6. Process improvement

Continuous performance and process improvement continues to be essential to the vitality of an organization.



7. Make tracks for the information superhighway

Widespread use of Internet and intranet technologies is revolutionizing the healthcare industry fulfilling dual roles as both a means for communication and a source of information. Telemedicine and electronic health records are byproducts of this revolution.



8. The secret is streamlining

Downsizing alone will no longer suffice. Top line growth coupled with streamlining costs within every part of the operations are now the requisites for success. Organizations have grown accustomed to the overarching principle: do more with less.



9. Healthcare goes vertical

Integrated health networks have formed in an effort to provide appropriate, high quality care at every level. This approach continues to be an effective way for networks to ensure comprehensive patient care.



10. Cost accounting lives!

While essential to success in most industries, cost accounting is still not prevalent in healthcare organizations. Taking an activity-based cost accounting approach would allow a quantitative component to be added to reviews of new and existing programs and services.

Top Ten Trends for the Future

Our predictions for the year 2010...

- 1. Focus on patient safety**
Hospitals will dedicate themselves to preventing medical errors and improving patient safety at all levels of the organization. Wireless will be an enabler — helping to merge and deliver information to avoid errors.
- 2. Electronic medical records arrive**
Electronic medical records will become a reality. Transportable “e-records” will help to support higher quality care, while protecting patient privacy and cutting costs. Cell phones will become the “key” and only communication device we will need.
- 3. Cost containment**
As healthcare costs continue to increase, driven by medical inflation and volume growth, policymakers will consider limits on reimbursement rates for doctors and hospitals as well as technologies to reduce costs in the long term. Administrators will again be asked to do “more with less.”
- 4. Pay for performance**
Incentives to reward physicians and hospitals for quality care and improved outcomes will take hold. Modeled after the Centers for Medicare and Medicaid Services’ voluntary quality-indicator reporting system, similar “pay for performance” incentives will help improve the quality of patient care.
- 5. Information technology gets respect**
As information technology is recognized as a vital part of hospital operations, consuming a higher percentage of the organization’s budget, IT management will become an integral part of the clinical management process and member of the management team.
- 6. Consolidation of insurers**
Insurers will continue to consolidate creating additional leverage in contract negotiations. Similar to company pension plans, our health insurance will become defined contribution not defined benefit. 401K-style health plans arrive.
- 7. Nurse staffing**
Following California’s legislation that sets mandatory staffing levels in reaction to nursing shortages, more states will consider similar legislation, prompting a deep fissure within the industry over whether such laws are necessary or harmful to staff and patients. The laws themselves will cause more shortages.
- 8. Healthcare professional shortage**
As demand outpaces supply, the industry will increase compensation and develop pro-active recruitment programs to help promote healthcare careers at higher education institutions.
- 9. Here come the baby boomers!**
The aging “baby boom” generation presents a major public policy concern for long-term care due to its size and anticipated use of resources, as well as boomers’ “high maintenance” reputation compared to their predecessors.
- 10. The uninsured**
The large uninsured and underinsured population will continue to present the system with a grave dilemma. Due to economic pressures the many working poor and young workers in their 20s will choose to be uninsured.

Applied Management Systems, Inc.

At AMS, we're constantly surprising people over what we do. We're healthcare management consultants, and have been for more than 35 years. Over that time the industry has gone through many dramatic changes; and in the process, we've evolved.

Many times when a long-time client learns about an engagement we are working on in another department or healthcare organization, they often seem to respond the same way, with an "I didn't know AMS did that!"

We are at work in all areas of the healthcare organization, helping management achieve its ultimate goal — quality patient care.

**I didn't
know
AMS
did
that!**

Accounts Receivable Management

- Medicare and 3rd-party Billing / Follow-up
- Patient Registration / Cash Application Assistance
- Department Interim Management / Training
- Operations Improvement / Revenue Cycle
- Credit Balance Resolution

Health Information Management

- JCAHO / Coding / HIPAA
- Interim Management / Department Management
- Benchmarking / Operations Improvement
- Revenue Cycle Enhancement
- Charge Master Review

Systems Engineering Consulting

- Departmental Consulting
- Benchmarking
- Productivity Software Solutions
- Nursing / Patient Care
- Supply Chain
- Revenue Cycle Enhancement

What can we do for you?

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aboutams.com[®]

Applied Management Systems, Inc.

3 New England Executive Park
Burlington, MA 01803
781.272.8001

9175 Guildford Road, Suite 308
Columbia, MD 21046
301.317.6002