How physicians, health systems should prep for the next decade

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Last year was possibly the worst financial year for health care since COVID-19’s onset. Substantial data shows operating margin declines and challenges. To close this margin gap, health systems are looking for enterprising ways to save money and manage volume.
Narayana S. Murali, MD
Succeeding in these goals involves a team approach across health care silos, a panel of health care leaders suggested during an education session hosted by the AMA Integrated Physician Practice Section. There are aspects to this approach “where partners are necessary, collaborations required, and even working with competitors at times,” said Michael Strilesky. He is the senior principal at the Chicago-based health care consulting firm Sg2.

It also means using health care sites differently to be more cost effective, added Strilesky. Other panelists who discussed how health care delivery will evolve over the next decade were:

- Scott Hayworth, MD, senior vice president and chief physician liaison officer of Optum Health, the UnitedHealth Group subsidiary.
- Grace Terrell, MD, a chief product officer at IKS Health, which develops technology to help health care organizations deliver better, safer and more efficient care at scale.
Narayana S. Murali, MD, the immediate past chair of the AMA-IPPS, moderated the session at the 2023 AMA Annual Meeting in Chicago. Dr. Murali also is chief medical officer of medicine services at Geisinger, which is a member of the AMA Health System Program that provides enterprise solutions to equip leadership, physicians and care teams with resources to help drive the future of medicine.

Rethinking sites of care

Sg2 has found flat growth margins with inpatient activity. This suggests the cost structure is probably too high in correlation to how these patients are being managed, said Strilesky.

Health systems should be thinking about enhancing the use of lower cost sites of care such as ambulatory surgery centers and urgent care centers, he suggested. Dr. Hayworth agreed that health systems should be doing more work on the outpatient side.

“We all have to figure out how to get more done for less,” he said. “And part of that is doing more and more as an outpatient, more and more of that in the home.”

For behavioral health, which has been clogging up resources in emergency departments, “aggressively thinking about alternative sites to manage this low acuity activity is going to be critical,” said Strilesky. Community hospitals, for example, could play a new role in an integrated delivery system, as well as the home as a space for virtual care and remote patient monitoring.

Learn more with a recording of the session, available on AMA Ed Hub™?. The CME module “Health Systems in the Next Decade: What Lies Ahead?” is enduring material and designated by the AMA for a maximum of 1 AMA PRA Category 1 Credit™.

Health care AI can boost efficiency

As money becomes tighter for everyone, augmented intelligence (AI)—often called artificial intelligence—is going to help cut costs, said Dr. Hayworth. In areas such as pathology and radiology, AI could be used to help improve throughput.

Machine learning is going to be a massive disruptor and potential way to save money, agreed Dr. Terrell, an internist.

“We could get rid of a lot of the health care costs if we had a less complicated billing system,” she said. “We could get rid of a lot of burnout if we had ways of actually documenting coding, and being able to communicate our transactions that are not pajama time at night for most of our physicians.”
Read more about the highlights from the 2023 AMA Annual Meeting.