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Why Patient Consumerism Will Further Define U.S. Not-Fo--Profit Healthcare.

The metamorphosis of U.S. not-for-profit healthcare into a more consumer-driven and population-health focused model will continue. No one knows for sure what change or challenges lie ahead, but as Heraclitus said around 500 BC, '*Change is the Only Constant*'.

Non-Traditional Entrants

Non-traditional competitive entrants aiming to design healthcare around the consumer began in earnest two decades with the arrival of WebMD, though it has reached a crescendo of late with Amazon, Apple and Haven now leaving their mark. "Consumerism" is no longer a new buzzword for not-for-profit healthcare but rather a concept that will radically overhaul healthcare delivery over the longer term.

The inexorable rise of consumerism will result in a more competitive operating environment across the acuity spectrum, particularly on the front-end where non-traditional competitors will get between more traditional providers and their patient at the earliest possible stage. A successful response to this will either require significant rethinking of the entire patient experience and care re-design around the consumer versus "the system", or at the very least, some level of partnership that might reduce capital and technological spending, but which has the impact of resulting in a "half a loaf is better than none" strategy.

Legislative Changes

The legislative environment has also changed immeasurably for not-for-profit healthcare. The political debate that led to the passage of the Affordable Care Act (ACA) a few years ago has come full circle, with many prominent Democratic presidential hopefuls now espousing a "Medicare-fo--All" approach. While "Medicare-for-All" has a very low likelihood of happening, it would be a significant net negative for rated not-for-profit hospitals. Realistically, 'a "repair and replace" of the ACA is more likely with public option really dictating how it is ultimately designed.

If constructed as an independent quasi-governmental authority where hospitals could negotiate rates and terms, this could expand coverage considerably to many patients who would then have insurance that pays at something close to commercial rates. Conversely, if public option prefers an add-on to Medicare, this could have the possibility of being a "back door" to Medicare-for-all.

Conclusion

Change and challenge lie ahead for not-for-profit hospitals and health systems. Despite recent heavy headwinds, the non-profit healthcare sector has historically been successful over an extended period of time—through ups, downs, and through constant change. Here's to the next twenty years!

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