The COVID-19 crisis is forever reshaping traditional care delivery models. Many changes—such as the integration of virtual care and shifts away from hospital-based sites—have been in the works for many years. Others may be very new, in response to dramatic changes in economic conditions, consumer demands, and market dynamics.

Care delivery redesign strategies for the post-COVID era should be developed with multiple goals in mind, including developing a leaner business model that maximizes resources, is responsive to new consumer expectations, and that facilitates the highest levels of care. Such strategies will help organizations right-size their care delivery chassis, facilitate efficiencies, and reduce costs in preparation for an all-new healthcare environment.

The Lasting Impacts of Current Changes

Use of telehealth has exploded in recent months as patients and providers concerned about the risks of contracting or unwittingly spreading the virus have embraced digital alternatives. For example, CVS Health reports that its Minute Clinic virtual visits are up 600% compared to the same period last year, while New Orleans-based Ochsner Health reports a nearly 950% increase in virtual visits from February to March. Industry analysts predict virtual visits will soar to more than 1 billion in 2020, up from original estimates of about 36 million.

Previous long-standing barriers to the widespread adoption of virtual care—such as lack of payment, physician reluctance, and patient uncertainty—have essentially been wiped out in short order. As discussed in Kaufman Hall’s article, “A New Approach to Telehealth Strategy,” these advances are unlikely to be dialed back. Healthcare leaders will need to ramp up their digital strategies as virtual health becomes a much more prominent and permanent part of the nation’s healthcare system moving forward.

Similar COVID-related pressures also are driving systems to develop designated non-COVID sites of care, and accelerate alternative and home-based care models. Some hospitals in New York, for example, are establishing separate emergency departments for non-coronavirus patients, following significant declines in emergency department visits as fears around the virus cause many to delay care. In California, Adventist Health recently announced plans to launch a 150-bed virtual hospital where patients will receive care in their homes via a combination of virtual visits, remote monitoring, and in-home visits from nurses and other clinicians.

Such changes are a response to current conditions, but will take a more permanent foothold as payers, consumers, and other stakeholders demand broader use of more efficient, lower-cost care models. Shifting consumer attitudes and expectations also will be a significant factor, as patients remain wary of visiting a hospital in the midst of a pandemic, and grow increasingly accustomed to the conveniences of alternative care models. People never liked sitting in waiting rooms next to sick people; now the coronavirus has made doing so a public health risk. The industry also is seeing changes in payer mix brought on by a poor economy and historic highs in unemployment, which will require renewed focus on cost containment and continuous performance improvement. Leaders at hospitals and health
systems across the country should be looking to develop leaner business models as more virtual and fewer in-person visits lower overall payment rates, and decrease the need for large facility footprints.

### Breaking Away from Hospital-Centric Care

Moving forward, healthcare leaders will need to take a comprehensive, strategic approach to healthcare delivery redesign, with focus on four key priorities:

**Segmentation of sites of care.** As a first step, hospital and health system leaders should consider which types of care to offer via different types of care sites and modalities. In the near term, this involves maximizing virtual care options to minimize physical contact, and segmenting care in designated COVID versus non-COVID sites as organizations seek to reassure safety-conscious patients, and tackle backlogs of non-urgent procedures and other delayed care.

Longer-term, segmentation efforts will need to focus on determining which procedures can and should be moved out of hospital operating rooms to more accessible ambulatory surgery sites, and how best to move diagnostics out of the hospital. Planning should include assessing how care can best be provided to patients with differing disease burdens, health risks, utilization behaviors, and preferences.

Virtual, ambulatory, and retail care will be prioritized more than ever. When inpatient care is required, hospitals will need to find ways to get patients back home as quickly as possible. For example, wearable defibrillators already are enabling some hospitals to send certain patients home faster for specific heart procedures that historically required multiple inpatient days for monitoring post-surgery.

**Rationalization for quality and efficiency.** Healthcare leaders will need to conduct a thorough and comprehensive assessment of the organization’s entire portfolio of care, with an eye toward balancing convenience and access with a model that ensures high-quality care. This should be done based on sound data and analysis weighing multiple factors, such as local market dynamics, competition, population needs, and consumers’ behaviors and preferences in a post-COVID environment.

Many services have been halted as hospitals made treating COVID-19 patients a main area of focus. Now may be a time for healthcare leaders to consider not reopening specific business lines that previously underperformed, that duplicated care provided at nearby sites, or that no longer make sense in the changing healthcare environment.

In general, organizations need to stop providing so many services at so many different care sites. Consolidating specific services at a select number of sites will allow organizations to reduce duplication and provide higher quality care as providers are able to specialize and improve outcomes at fewer locations.

**Developing new care models.** COVID-19 has redefined what safety means for patients. In addition to the surgeon’s experience level, or a specific health system’s brand and reputation, they also will consider the safety of a specific care site. Virtual health will need to be a core element of any care delivery redesign. Healthcare leaders should evaluate how virtual health is being used now to address COVID-19 disruption to traditional care models, and how those efforts can be improved upon and integrated more permanently into the broader system of care.

Health systems should look at developing centralized call and navigation systems to help consumers plan their care journey, and ensure they get the right care at the right site at the right time. Executive leaders also should work closely
with clinical leaders and provider partners to seek out opportunities for continuous improvement and emerging innovations in care delivery.

**Rethinking the ambulatory footprint.** Healthcare leaders will need to take a top-down look at the ambulatory footprint and physician offices. They should closely evaluate the numbers and locations of free-standing emergency departments, ambulatory surgery centers, and urgent care centers. In the years prior to the pandemic, for example, a proliferation of urgent care centers have saturated urban areas. Many of those centers now risk becoming obsolete due to social distancing and the surge in virtual health.

Well-designed delivery systems will require less square footage, fewer care sites, and fewer staff members in the future. A primary care practice with 25,000 square feet, for example, may be able to cut that space by a third or more by shifting a significant proportion of care to a virtual model, and adapting other efficiencies, such as online scheduling and check-in kiosks.

### Defining a Strategy

Recent changes in care delivery have been reactive, made quickly to stem the spread of a highly contagious virus and ensure capacity to treat infected individuals. Many of these changes are unlikely to retract, now that providers and payers have solidified processes, and patients and other stakeholders are recognizing the benefits.

As hospitals and health systems continue to address the needs of the current environment, healthcare leaders also should take a step back, and consider how these changes fit into the organization’s longer-term vision for care delivery. Three initial steps to redesigning care delivery are:

- Conduct a thorough assessment of the system’s entire portfolio of services in light of the pandemic’s short- and anticipated long-term impacts
- Define what the new care delivery system should look like
- Develop a long-term plan for building out recent capabilities as appropriate, developing and implementing new care models, and phasing out old models

Maintaining a high level of trust with COVID-wary consumers will be essential as organizations redesign their care delivery models. To that end, health providers should expand the use of digital tools to gain real-time feedback about patient needs and concerns, as well as to monitor the underlying health of their consumer relationships, which are key to building loyalty.

Regardless of the persistence of COVID-19—including when future surges occur, or the timing of a vaccine or effective treatments—the pandemic already is changing how people approach and evaluate healthcare, and their expectations for that care.

Healthcare leaders should focus not on getting back to normal, but on moving forward toward a new state, based on sound data and analysis. The more organizations try to revert to the old way of doing things, the harder it will be to make needed changes, and the further behind they will fall.

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