

# The Next Decade for Hospitals



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In mature and emerging markets, hospitals will continue to play a key role in strengthening and shaping health systems of the future. Hopefully, with stronger thinking on how systems work, we will move away from all-too-common silo-orientated thinking that negatively impacts how health services are planned and delivered across all levels of care. There is a need to adopt a mindset of integrated care that places the patient at the core and plans services accordingly across multiple levels of care in which the hospital will still be a linchpin. A decade is not long in terms of health service planning and realignment. With continued growth of non-communicable diseases in many countries, especially in emerging markets where IFC's health care investments and advisory services are focused, requirements for hospital-based care will remain and most likely will increase. But hospitals will need to adapt. Increasingly they will need to become a pivot point of coordinated care management.

The following are the key challenges and how to address them:

**Challenge 1 – More efficient use of public or private health insurance.** There will be a strengthening and increased utilization of health insurance over the next decade. Public and private hospitals must adapt how they work with insurers, for example, by coding the care delivered correctly, billing for care accurately, and working more closely with insurance entities in analyzing data. Fee-for-service models are not efficient. There will be an increased push for purchasing health services using packages of care and, in more sophisticated markets, most likely bundled payments with risk-sharing. Hospitals lacking the right systems and operational structures may struggle to compete or engage with payers correctly, leading to slower payments or greater questioning of the care.

**Challenge 2 – Embracing digital technology.** Innovation is widespread across the health sector. Hospitals and their health professionals must embrace the adoption of technologies that improve care coordination and management of patients, while responding to the increased expectations of consumers. Embracing digital technology will, if implemented correctly, lead to better access to, and utilization of, data. Aligning with the growth in health insurance, it is likely that hospitals will become a pivot point in a system where digital technology drives better coordination of care and there is more systematic use of data to plan, shape, and pay for services.

**Challenge 3 – Skills shortage.** There is no magical fix to the shortage of health professionals. It will impact many countries for decades. Hospitals will be hit hard and must plan accordingly. But this presents opportunities too such as embracing telemedicine when appropriate, encouraging skills transfer between health professionals, increasing training for staff and developing career pathways, more multi-disciplinary working, and sharper focus on quality processes and measurement to maintain standards at a high level. Some of this may require enacting or updating legislation to support these ideas.

Implementing the above will require active change management. Health service delivery and health system evolution can be held back by resistance to change, which is why managers and health professionals must:

- Understand that business-as-usual cannot be the norm.
- Appreciate that there is no endless pot of increased funding so getting better value for money is required (cost, quality, and outcomes).
- Embrace technology and innovation as many industrial sectors have.
- Recognize that the consumer and patient have higher expectations when it comes to value, services, and quality.
- Move away from outdated thinking on the roles and responsibilities of hospital staff and organize things in a smarter, more efficient way.

The overarching challenge is to embrace change positively. Hospitals comprise micro ecosystems of people, processes, and technology that should be seamlessly integrated and should be capable of evolving and managing necessary changes.