



Healthcare Disruption

SUMMARY: New players will inject a dose of capitalism into American healthcare, shifting healthcare to a more retail-like experience. Healthcare delivery will be further unbundled and disintermediated as to nontraditional actors and businesses move into the space, and as technology enables care anywhere.



Forecasts

- Driven by expansion of the retail sector into healthcare and the development of supporting technologies (telemedicine, remote data monitoring, health tracking, video messaging systems), the bulk of healthcare may be conducted outside of hospitals and doctors' offices.
- The COVID-related boost to telemedicine could further the disintermediation of healthcare delivery. Additionally, the rise in personal health monitors via technology (body monitors, room-based sensors, and health data analytics) could allow patients to eschew regular medical visits, shifting more care from treatment to prevention and wellness.
- The disintermediation of healthcare by technology and retail companies could bifurcate the way people receive healthcare, with lower-cost treatment via telemedicine, automated systems, and physician assistants, and higher-level care conducted face-to-face with doctors.
- Growing pressure for some form of single-payer healthcare could both drive and be driven by a move to retail-based healthcare, with new providers seeking to capture dollars no longer earmarked for insurance-backed HMOs or traditional medical providers.

Key Uncertainties

Movement in the United States toward some form of single-payer healthcare

Ability of non-traditional players to drive change in U.S. healthcare systems and practices

Willingness of users and employers to trust systems created by new players

Growth in telemedicine across state and national borders

Younger generations' expectations for healthcare delivery

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Supporting Trends

- **Cross-sector business model disruption.** The movement of large companies—CVS, Apple, Amazon, and others—into healthcare sectors is forcing many companies to reevaluate their own business models.
- **Insurance in the digital economy.** Ubiquitous sensors and continuous data collection and analysis are enabling new insurance products that depart from traditional group risk pools.
- **Direct care models.** Concierge medicine and direct care models for primary care can reduce practice overhead by billing customers a flat monthly or annual fee that covers the costs of primary care visits.
- **Urgent-care growth.** Urgent-care clinics are continuing to grow, offering patients more convenience for addressing a wide variety of nonemergency care needs.
- **Decentralization of care.** Telemedicine is beginning to drive care away from hospitals to homes, ambulatory centers, and other remote locations, such as pharmacies.
- **Holistic healthcare.** Healthcare systems are taking a systematic approach to treating illness and disease, looking at all variables and not focusing solely on one disease.
- **Preventive healthcare growing.** The global market for preventive healthcare is forecast to grow at a healthy rate through 2025.

Related Drivers of Change

- Aging World (archived)
- Automated Work
- Personalized Artificial Intelligence
- Population Health

Notable Data Points

THE HIGH GOVERNMENT'S RESPONSIBILITY

A 2020 poll found
63% of Americans felt it was a government responsibility
 to provide healthcare for all, up from 59% in 2019.

Source: Pew Research Center.

EXPANDING SPENDING ON TELEMEDICINE

According to a 2020 forecast,
\$250 billion in healthcare spending could be shifted
 on a permanent basis to virtual or telehealth services.

Source: McKinsey.

HEALTH RETAIL'S REGIONAL FOCUS

70% of all retail clinics
operate in southern and midwestern states.

Source: ScrapeHero.

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Strategic Insights

- The entrance of new players into healthcare delivery, along with new ideas about healthcare among younger generations, will likely disrupt established alliances and partnerships that have been the backbone of healthcare lobbying. Associations will need to look at their priorities and evaluate their positions and partners to lobby effectively for members.
- There will be divergent interests among types of associations in how healthcare delivery evolves. For associations, it will be important to be aware of these potential fissures and help the various interests find common ground.
- Similarly, a new healthcare marketplace will raise regulatory issues. Technology companies, with their ethos of disruption, may take different approaches from legacy healthcare providers. Associations will face an evolving environment, with new potential allies.
- As healthcare is disintermediated to retail and other nonmedical practices, questions of licensing and accreditation of these new providers will be crucial. Health-related associations will need to be aware of potential markets for certification from these new players—and also be prepared to have certification regimes challenged by these upstarts.
- As uncertainty rises, associations need to monitor for signs of sudden versus gradual shifts in the healthcare environment. For instance, are pressures of various kinds building up or being relieved? Executives should consider multiple scenarios and how they might respond to them.
- Healthcare change has been accelerated by the effects of the coronavirus pandemic. Associations should revisit any previous timelines or plans they made in the face of this acceleration.

Timing

- **Stage:** Emergent, but unsettled, with changing technologies, policies, and economic forces weighing on it.
- **Speed:** Rapid, and subject to additional acceleration.

Potential Alternative Futures

- **Government-driven innovation.** Moves toward government-backed insurance are used to incentivize rapid private-sector innovation and bring change to the healthcare system.
- **Health Prime.** The retailing of healthcare results in end-to-end wellness services—nutrition, pharmaceuticals, supplies, diagnoses—from online concerns such as Amazon, Walmart, or Google.
- **The office doctor.** The end of traditional health insurance and the culture of work perks shifts health/wellness to offices, with expanded classes, treatment and diagnostics, nutrition, and more.

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Take Action

- **Innovate and educate on new healthcare models and settings.** Scan for new business models and approaches to health, wellness, and healthcare delivery that represent potential opportunities for your association members, even those who haven't imagined they too could have a role. Traditional health care professionals may need education and resources to seize emerging entrepreneurial opportunities or work in new settings, such as integrated health hubs, retail businesses, and telehealth services.
- **Help consumers sort out appropriate care.** Consumers may find this growing array of healthcare service options confusing. Healthcare associations can step up their public education efforts by explaining their members' strengths and how they relate to other professionals. If associations offer referral services or directories, they may want to revisit how these are structured to provide consumers with relevant information in a changing marketplace.
- **Overcome animosity with collaboration and inclusion.** System disruptions can either be perceived as a threat to current jobs and businesses or embraced as an opportunity to serve new entrants as collaborators and even prospective members. Some associations are expanding their mission beyond member interests to advocate for patients and consumers. They are reframing their advocacy positions to reflect this emphasis and helping members build relationships across a continuum of care.
- **Explore new approaches to employee health benefits and policies.** Major health insurance providers are diverting beneficiaries into treatment options and settings that may offer better integrated and lower cost care. As these innovations become more prevalent, smaller employer groups like associations may find these wellness interventions and holistic approaches to patient care are accessible and affordable.

Keyword Search

To continue researching this change driver, use these search terms alone or in combination: ***healthcare disintermediation, healthcare consolidation, retail healthcare, new models of health care, health sensors, patient tracking, telemedicine, telehealth, Amazon.***

Who Will Be Affected

Healthcare associations with professionals and businesses as members and partners are already experiencing these new business models and innovations. Associations in the retail sector may find healthcare businesses moving into more direct-to-consumer settings. Everyone has a stake in healthcare access and delivery. As employers, associations must be on top of new developments in this time of increased uncertainty. Associations offering or considering offering member health plans, especially for individuals without access to employment-based insurance, may find marketplace disruptions create more options.

About ASAE ForesightWorks

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- Regularly updated action briefs;
- Tools for applying insights from the research in your association;
- Guidance in performing environmental scans;
- Opportunities to engage with peers around the research.

Ultimately, the program's mission is to empower association leaders to create a culture of foresight in their associations and to lead their organizations confidently into the future.

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