



# Health system transformation in the pandemic years

A conversation about health systems' responses, lessons learned and strategies for the future

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## Introduction

Before the pandemic, hospitals and health systems faced numerous operational, clinical and financial challenges. An **aging population** and rising rates of chronic illness meant providers had to increasingly navigate clinical care and coordination for more complex patients. At the same time, reimbursements were declining, which added to the significant margin pressure hospitals were already experiencing. In late 2018, Porter Research **asked** nearly 100 health system executives and finance leaders to cite their top challenges — "declining reimbursements" was cited more than any other challenge, positioning it as the top issue on the minds of the healthcare executives.

The challenges facing hospitals and health systems were already significant, coupled with a lack of collective international pandemic preparedness. Enter COVID-19 — a virus that seemed to stress-test healthcare's vulnerabilities. Older populations, those with chronic illnesses and those in communities with historically limited access to care would experience higher rates of death and hospitalization. The pandemic stretched the healthcare supply chain and put immense strain on frontline staff.

## The conversation

Providers would rise to the challenge, rolling out virtual care innovations, expanding capacity and implementing new operational models at unprecedented speed. While COVID-19 tested our healthcare system's vulnerabilities, the pandemic response showed its strengths and potential. Both the toll of the pandemic and the power of the industry's response will shape healthcare's future.

To discuss health systems' response to COVID-19, lessons learned, and the industry's future, *Becker's Hospital Review* and Cardinal Health convened a group of healthcare leaders for a virtual advisory call in spring of 2021 to facilitate best practice and idea sharing.

This white paper is based on their conversation and subsequent interviews with leaders from Cardinal Health— Preeti Sidhu, senior vice president of strategy and business development for the Medical Segment at Cardinal Health, and Ben Thompson, senior vice president of Acute Sales for Cardinal Health — to add further perspective.

### Advisory call participants

- Jean Ahn, Chief Strategy Officer for Lagrangeville, N.Y.-based Nuvance Health
- David Entwistle, President and CEO for Stanford (Calif.) Health Care
- Brent Jackson, MD, CMO of Sacramento, Calif.-based Mercy General Hospital
- Ronda Lehman, PharmD, President of Mercy Health – Lima (Ohio)
- Steppe Mette, MD, CEO of Little Rock, Ark.-based UAMS Medical Center
- Rod Neill, COO of Bon Secours Mercy Health Medical Group
- Denise Prince, Senior Vice President and COO, Population Health, with New York City-based Mount Sinai Health System
- Tipu Puri, MD, PhD, Associate CMO-Clinical Operations, UChicago Medicine
- Saria Saccocio, MD, Ambulatory CMO for Greenville, S.C.-based Prisma Health
- Michele Volpe, CEO of Penn Presbyterian Medical Center in Philadelphia
- Erik Wexler, President, Operations & Strategy, Providence South



## The response and lessons learned

In the early weeks of the pandemic, hospitals halted elective procedures, paused capital expenditures and increased surge capacity. To resume elective procedures and regain lost patient volumes, providers had to alter modes of delivery and institute new safety protocols. "At the beginning of the pandemic, we saw health systems quickly pivot," said Preeti Sidhu, senior vice president of strategy and business development for the Medical Segment at Cardinal Health, during an interview with *Becker's*. "With guidance to limit elective procedures<sup>1</sup>, health systems adjusted for the substantial reduction in inpatient and outpatient volumes while building capacity for the significant increases in intensive care unit volumes."

When hospitals and health systems began resuming elective procedures in the late spring and summer, many struggled to regain lost volumes. "We had to develop new operational principles in order to try to reopen safely," Dr. Jackson said, adding that getting patient visits back to pre-pandemic levels has been a challenge. "I'm not sure we're going to get those volumes back," the California-based Mercy General Hospital CMO said.

Early in the pandemic, healthcare organizations also rapidly expanded the adoption of virtual care solutions to safely engage with patients from a distance. Telehealth visits surged by 154 percent in the last week of March 2020 compared to the same time period in 2019, according to the CDC. This rapid expansion was a promising development in an otherwise demoralizing year for the healthcare industry. "This has been vindication for those strategists who have been fighting an uphill battle for telemedicine over the last 10 years," said Ms. Ahn of Nuvance Health.

Similar to telehealth, the shift toward more ambulatory care was already in the works pre-pandemic. COVID-19 has accelerated this transition. "The outpatient setting is more important than ever," said Mr. Wexler of Providence. "Our Express Care clinics are spread around California and have been demonstrably important in keeping patients from needing to come into our emergency departments, which were overburdened with COVID patients."

For Prisma Health's ambulatory CMO, the shifts to more telehealth and ambulatory care are both indicative of a broader imperative challenging the healthcare industry. "We need to meet patients where they are, and not necessarily where we are," Dr. Saccocio said. "We are no doubt transitioning from an acute care model to a more ambulatory-focused space."

In 2021, as hospitals and health systems continue to wrestle with COVID-19, hospital leaders are taking the lessons of the pandemic and applying them to strategic planning. For UAMS Medical Center, this means expanding their care network through digital tools and potential mergers or acquisitions. "One thing we will not be doing is building a lot of hospitals," said Dr. Mette. "But we do see the value in building our networks and possibly merging with other systems without using bricks and mortar."



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1. Factsheet: State action related to delay and resumption of "elective" procedures during COVID-19 pandemic. American Medical Association website. <https://www.ama-assn.org/system/files/2020-06/state-elective-procedure-chart.pdf>





At Penn Presbyterian Medical Center, leaders put a number of capital projects on hold at the beginning of the pandemic, including the construction of a new bed tower. As leadership plans for the organization's future, these projects are being reevaluated. "We've had to reprioritize some of our capital projects," said Ms. Volpe, the hospital's CEO. "We've really had to look at those and determine which ones will be the most significant for future growth."

Hospital and health system leaders also plan to stay focused on addressing health disparities and improving preventive services and engagement for patients with chronic illnesses. For UChicago Medicine's Dr. Puri, this is especially important as he has seen higher acuity among these patients in the last year. "Despite being able to check in through phone or video, we've seen chronic illness patients get worse over the course of the pandemic," the associate CMO said. "We have a lot more work to do there."

At Mount Sinai Health System, the pandemic has altered the way leaders think about treating patients with chronic conditions. To better engage and reach these patients, the organization has expanded the use of remote monitoring technology in addition to increasing virtual access to care. Ms. Prince pointed out that simply expanding access to technology, however, won't be enough to adequately engage patients — each organization has to be aware of the specific needs of the populations they serve. "It's not just about increasing access to technology," the COO said. "In New York City, we also need to address barriers such as limited digital skills, low health literacy, language, broadband capacity and technical hardware." She continued, "In particular, there are over 600 languages spoken in the New York metro area. We need to make sure that when we're texting with patients and sending them written materials that we are sensitive to their cultural and linguistic needs and preferences and reaching them in a way that meets them where they are."

According to Stanford Health Care CEO Mr. Entwistle, the new focus on telehealth and closing health disparities will transform the future of care delivery. Stanford has already seen success in expanding care access through virtual technology. If the industry is truly going to move the needle on population health, expanded care access will be essential. "We have been able to increase access to care across specialties [through technology]," Mr. Entwistle said. "And that has allowed us to keep volumes up in those specific areas."

Stanford Health has been able to **increase access to care** across specialties through technology, allowing them to maintain patient volumes in those areas.

## Looking forward

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As health systems navigate vaccination campaigns and continue to treat COVID-19 patients, leaders are preparing for what comes next.

For now, one thing that is clear is that building a brighter future for healthcare will require a willingness across stakeholders to deepen partnerships through continued collaboration and goal alignment.

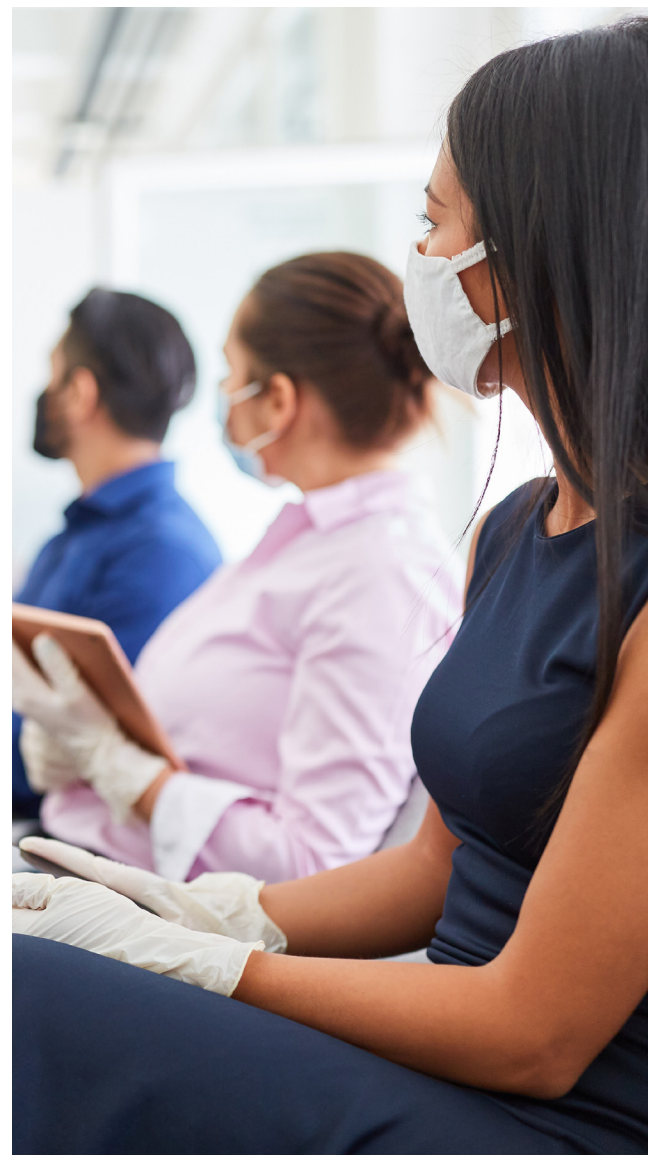
This conversation showed that the pandemic has also changed the way many hospital and health system leaders are approaching partnerships. According to Dr. Lehman, this new level of collaboration has been transformative for Mercy Health – Lima. "This has really opened our eyes as to how we collaborate with community health and our local officials," she said. "I anticipate that I'll be spending a lot more time talking to our health department than I ever did."

The theme of collaboration and cooperation emerged several times throughout the conversation. Mr. Neill with Mercy Health Physicians said he engaged in much higher levels of conversation with community partners during the pandemic. He added that his organization has helped local universities and trade schools navigate the difficulties of the pandemic, and this cooperation could help shape the future of the healthcare workforce. "Those partnerships have led to broader conversations about how we work to train future healthcare providers," Mr. Neill said.

Organizations like Cardinal Health also have an eye on the future, applying lessons from the pandemic to their plans to more closely align with providers. As a global manufacturer and distributor of laboratory supplies, medical devices and pharmaceutical products, Cardinal Health is an essential link in the healthcare supply chain — a supply chain that was tested in the early months of the pandemic. Cardinal Health is poised to emerge from the crisis with greater operational resilience and stronger provider partnerships.

"This past year has been one of the most challenging on record for all of us in healthcare," said Ben Thompson, senior vice president of Acute Sales for Cardinal Health. "We've looked at this as a learning opportunity, and we've listened to customers' feedback. We're deploying resources more strategically, and we're committed to an improved, simplified and transparent customer experience. Today, we're better prepared and more flexible when faced with a need to adapt, and we're advancing toward a more proactive and predictive supply chain for our customers."

To learn more about the strategic investments and plans Cardinal Health is making for the future, visit [cardinalhealth.com/movingforward](https://cardinalhealth.com/movingforward).



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