HOW THE COVID-19 PANDEMIC HAS AFFECTED PROVISION OF ELECTIVE HEALTH CARE SERVICES: THE CHALLENGES AHEAD

Bruce Stuart, PhD - Emeritus Professor, University of Maryland School of Pharmacy
How Multiple Phases of the Pandemic have Affected Provision of Elective Healthcare Services

- The first hit: CMS guidance on March 18, 2020
- The peak has passed: new CMS guidance on April 19
- Feeling frisky: May to mid-June
- The pandemic rebounds: June – July
- And then recedes again: July – mid-September
- The third wave hits: late September →
How the Pandemic has Affected Patient Behavior Toward Care Seeking: The 4 Big Questions

- Does the drop in elective services represent care the will be made up once the crisis has passed? ....*Not all of it by any means*
- Will there be significant adverse health consequences associated with reduced patient visits? ...*It depends on who you ask*
- Will demand continue to be constrained by loss of employment and health insurance after the crisis has passed? ...*Undoubtedly*
- Will patient care seeking behavior be permanently changed by the experience of living through the pandemic? ...*The jury is out*
How Can Providers Increase Revenues from Elective Services After the Pandemic Subsides

- The outlook for small, independent physician practices: these were in decline before the pandemic and will see further contraction
- The outlook for independent hospitals and small health systems: ditto
- The outlook for large integrated systems: These are the sharks in the water. They have the resources to get even bigger and food will be plentiful. Unless checked, prices will rise as a result
Public Policy Response to Growing Market Power by Large Health Systems

- Does the answer lie with increased antitrust enforcement? Antitrust has been singularly unsuccessful in constraining market power among health care institutions.
- How about structural reform? Well of course, but what kind and who gets to write the rules?
- Countervailing power on the buyers’ side? Reform needs to incentivize both providers and patients to seek higher quality cost-effective care such as through a combination of value-based insurance design and population-based payment models.