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for Health Care Value Assessment

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

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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 that 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 Subsidies



- 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**



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Q&A



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