



WHITE PAPER | PART 3 IN AN 8 PART SERIES

Government and Public Health Are Taking an Active Role in Healthcare

As our team at Commonwealth Health Advisors continues to analyze the lasting change that COVID-19 is imposing on healthcare in the U.S., **Part 3** of this series explores how the role of the government and public health is expanding in our healthcare ecosystem.

The COVID-19 pandemic has triggered our federal and state governments to manage various aspects of the healthcare system and change regulations to enable care delivery without hesitation. Further, new government-driven healthcare initiatives are also being launched, like drive-through testing and contact tracing.

Adding to the complexity of the rapid change is the dynamic that each of the 50 state governments are (perhaps rightfully) adopting their own unique approaches. And with varying degrees of state-decreed stay-at-home orders, ranging from stringent to virtually non-existent, state governments are inserting themselves along a varied spectrum as well. What should senior executives ask themselves to best position their organizations to win in this dynamic?

The United States' privatized healthcare is seeing **unprecedented involvement** from governmental actors in the name of public health.

Utah, for example, has already released a comprehensive plan to achieve health and economic recovery ... an approach that few states have taken to date.

We will explore our thoughts on how these initial clues play out in the market and what will drive success versus spell failure. These are some of the foundational questions to consider vis á vis the governmental and public health involvement in U.S. healthcare.

Contact tracing will evolve into a national effort

The public health initiative for contact tracing and large-scale testing will emerge as a massive, technology-enabled effort nationally.

How will contact tracing roll out across the country? Will drive-through testing and new delivery sites affect consumer behavior long-term? What role will private healthcare companies take in this large public health effort?

Health insurance coverage will dramatically shift into Medicaid and ACA plans

The unprecedented level of unemployment will cause a shift of millions of people out of employer-based plans and into individual ACA and managed Medicaid plans.

How will demand for ACA plans change the priorities within health plans' strategies? How will federal or state budget limitations affect Medicaid contracting? What specific actions will health plans and their partners take to manage a large influx of new populations without claims or relationship history?

Data interoperability issues will challenge governments

State governments that insert themselves to actively manage hospital systems' bed capacity and discharge processes will spotlight data interoperability issues for themselves.

Will state government involvement force further data sharing and integration of systems? To what extent will state governments keep control post-COVID? Will control be limited to states with high COVID-19 impact (e.g., New York)?

The financial resources that have shifted to hospitals will be short-lived

By necessity, during the crisis there has been a huge shift of resources into large health systems and hospitals. As we shift to prevention that will change.

Will the current financial attention on hospitals shift the "power dynamic" back to health systems and away from independent provider organizations? Will investor-backed new models of primary care have similar access to capital and emergency funds?

Many of the regulatory changes and government interventions in response to the crisis will remain in place

Direct government intervention and regulations from the FDA, CMS and others will continue to change rapidly and there will be tremendous pressure to leave them in place.

Will governments' direct control over hospital capacity and supply chains be given up following the crisis? How will providers and payers adapt to an accelerated FDA approval of new treatments? What changes to strategies and tools will come from ongoing payment for virtual care? How will businesses and consumers adapt as regulation changes become permanent? Will new regulations further limit offshore staffing or offshore supply chains?

As healthcare executives consider the many questions that will surface during and after this pandemic, Commonwealth Health Advisors is working with companies to figure out the answers. We look forward to the opportunity to apply critical thinking, strategic direction and actionable plans to organizations needing help re-imagining how this pandemic will affect their future, growth and profitability.

“Looking ahead, the magnitude of the coverage changes as well as fiscal impact is expected to be even greater than the Great Recession.”

– COVID-19: Expected Implications for Medicaid and State Budgets, Robin Rudowitz

About Commonwealth Health Advisors

Commonwealth Health Advisors is a management consulting firm exclusively supporting healthcare organizations. We assist healthcare technology and services businesses in growth acceleration and operating success. Our team consists of executives that have had professional success in businesses like those we serve.

Please visit us at www.cwhadvisors.com