Year in Review

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Did You Know?.....

According to a Gallup poll:

- Healthcare was the #1 issue that voters considered most important in last Fall's midterm elections
  - 80% said healthcare was "extremely" or "very" important to their vote
  - Next most important issues were the economy and immigration

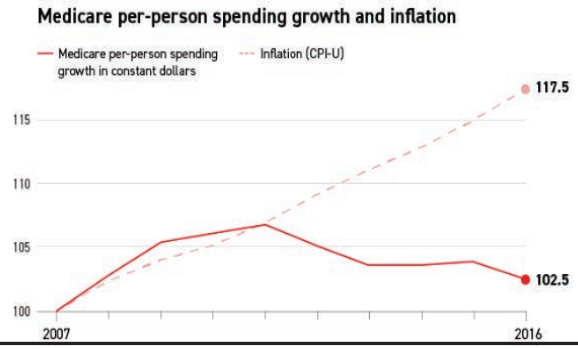
Source: Gallup News (11/2/18)



- Believe it or not, Medicare spending per patient is ***falling***
- While overall spending soared due to increased enrollment,
  per capita spending rose only 1%/year, less than inflation
    - Compared to a 7.1% increase between 2000-2010

The Big Question: How did Medicare achieve lower per capita spending for its older and disabled patients, even as private insurers spent more and more on their younger and healthier customers?

Source: Politico (09/12/2018)
www.politico.com/agenda/story/2018/09/12/medicare-spending-cost-budget-000692?cid=apn



Our Bankrupt Future

Hospitals Shut at 30-a-Year Pace in U.S., with No End in Sight
Bloomberg Law (8/21/18)

Hospitals have been closing at a rate of about 30 a year

- Next 18 months should see an increase in shutdowns

A study by Morgan Stanley concluded:

- 8% percent of hospitals are at risk of closing
- Another 10% are considered "weak"



GAO Notes Uptick in Rural Hospital Closures **AHLA Weekly (10/5/18)**

More than twice the number of rural hospitals closed between 2013 and 2017 than in the previous five years

- 64 closures represent approximately 3% of all rural hospitals
- Rural hospitals in the South accounted for 77% of the closures

Source: *Rural Hospital Closures: Number and Characteristics of Affected Hospitals and Contributing Factors* (GAO-18-634)

The New Wave of Competitors

Amazon, Berkshire Hathaway, JPMorgan Unveil New Venture to Lower Employees' Health Care Costs **AHLA Weekly (2/2/18)**

- "Haven" will have an initial focus on technology solutions to provide their employees with simplified, high-quality and transparent healthcare at reasonable cost

CVS Health Completes Acquisition of Aetna, Marking the Start of Transforming the Consumer Health Experience **CVS Press Release (11/28/18)**

> *"Today marks the start of a new day in health care and a transformative moment for our company and our industry."* Larry J. Merlo, CVS Health CEO

Walgreens and Microsoft establish strategic partnership to transform health care delivery **Walgreens Press Release (1/15/19)**

- Develop in-store "digital health corners" to sell select health care-related hardware and devices

Health Care Reform



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