Deloitte.

# 2022 Global Health Care Outlook

## Are we finally seeing the long-promised transformation?

MAKING AN IMPACT THAT MATTERS since 1845

# Contents

# Overview and outlook

Is the long-awaited seismic shift in health care finally here? A collision of forces—a global pandemic of historic proportions; exponential advances in medical science; an explosion of digital technologies, data access, and analytics; informed and empowered consumers; and a movement from disease care to prevention and well-being—proving to be the catalyst for the clinical, financial, and operational transformation that health care has long promised to the world.

2022 marks the second full year of the COVID-19 pandemic, and it continues to dominate health systems' attention and resources:

- Global COVID-19 cases have climbed above 270.9 million as of December 14, 2021, and the death toll has exceeded 5.31 million.[1] Studies have shown that certain racial and ethnic minority groups and underserved and marginalized populations have been disproportionately impacted by COVID-19, shining a spotlight on the recalcitrant issues around health equity and health outcomes.[2]
- Low vaccination rates have hampered many countries' ability to contain the pandemic.[3] More than half the world's population has yet to receive a single dose of a COVID-19 vaccine, a figure that drops to less than 5% in low-income countries.[4] Even in developed economies, access issues such as hesitancy, scheduling, transportation and convenient hours are preventing many from receiving the COVID-19 vaccine.[5]
- Recognizing the interconnectedness of our global populations, The World Health Organization (WHO) and other aid groups have appealed to leaders of the world's 20 biggest economies to fund a $23.4 billion plan to bring COVID-19 vaccines, tests, and drugs to poorer countries in the next 12 months.[6]
- Health care workers are experiencing incredible emotional, physical, and professional stress from responding to COVID-19. In the United States, for example, 55% of frontline health care workers report burnout, with the highest rate (69%) among the youngest staff. Health care organizations are fighting to support their employees and retain talent, especially in clinical populations, leading to renewed need to focus on the workforce experience.
- The pandemic has also decreased access to and consumer demand for non-COVID-19-related medical care. Patients are postponing or forgoing a wide variety of services, including emergency treatment of acute conditions, routine check-ups, and recommended cancer screenings. The long-term health effects from the failure to intervene early, lack of chronic disease management, and undiagnosed conditions will be significant.[7]

Despite COVID-19's many devastating impacts, it does present the health care sector with a powerful opportunity to accelerate innovation and reinvent itself. As we have been envisioning the Future of Health™ and what the ecosystem may look like in 2040, we had anticipated many changes that are occurring today. What we hadn't predicted, was that the global pandemic would be the catalyst to kick start and accelerate those changes so quickly.[8]

COVID-19 has accelerated numerous existing and/or emerging health care trends; among them, shifting consumer preferences and behavior, the integration of life sciences and health care, rapidly evolving digital health technologies, new talent and care delivery models, and clinical innovation.[9] As sector stakeholders and the consumers they serve face an unfamiliar world of

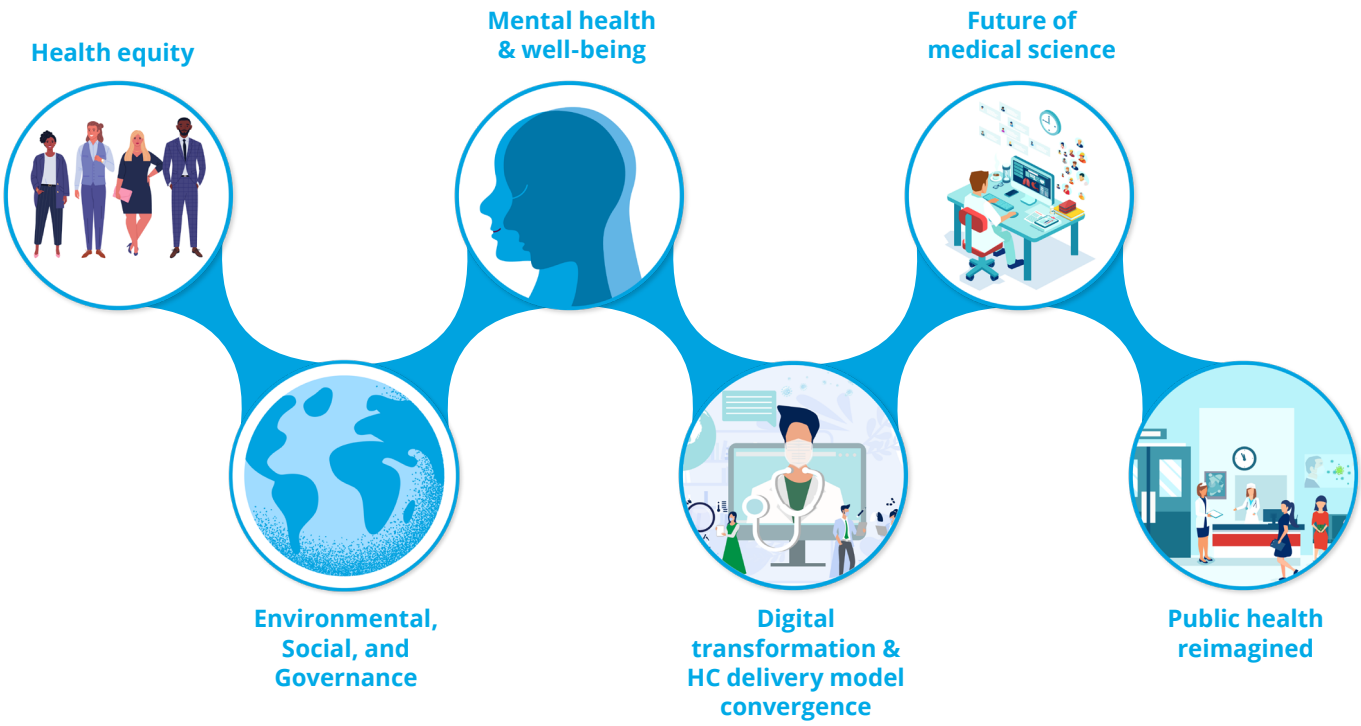
remote working, virtual doctor visits, and a supply chain marked by shortages of medical supplies, personnel, and services, the sector is transforming to meet the new challenges. This sector is also elevating the human experience of the workforce and reshaping what, how, and where work is performed; swiftly scaling virtual health services for COVID-19 and non-COVID-19 patients alike; and forming new partnerships to produce and procure desperately needed vaccines, treatments, and supplies.[10]

Despite continuing challenges on multiple fronts, there is a growing optimism that many nations are now better equipped to manage the impact of COVID-19.[11] While there is little chance that the coronavirus will disappear altogether, if no new, significant variant emerges, experts see COVID-19 transitioning from pandemic to endemic; meaning that it will be with us indefinitely but at more predictable, manageable levels.[12]

Health care stakeholders in 2022 should remain alert, nimble, and flexible to deal with ongoing spikes and valleys in endemic COVID-19 cases and deaths and other communicable diseases.

We hope that the real legacy of the pandemic is a timely catalyst to initiate and accelerate many of the longstanding challenges and opportunities arising from the six pressing sector issues facing the global health care sector (figure 1). This 2022 outlook reviews the current state of the sector, explores the six issues, and poses questions and suggested actions to transform to the new normal.

Figure 1. Six global health care sector issues



# Health equity

Health care organizations are on the front lines of addressing health equity, playing key roles in not only access and care delivery, but also as employers, community members, and advocates for change.[1] What is health equity and why does it matter?

Health equity is more than equitable access to care. It is the ability to fulfill our human potential in all aspects of health and well-being.[2] It's an opportunity to achieve an overall state of well-being encompassing clinical, mental, social, emotional, physical, and spiritual health, and it is influenced by not just health care, but also social, economic, and environmental factors.[3] Health equity has been in the spotlight as study after study has shown that COVID-19 disproportionately impacts historically marginalized and low income groups and that these groups experience barriers that lead to poorer health overall than other parts of the population.[4] But this type of finding isn't new—it simply highlights structural flaws in the health system, systemic and unintentional bias, and inequities in the drivers of health (DOH; also known as the social determinants of health) have contributed to health inequities in communities across the globe and over centuries in complex and systemic ways. And while the specific way these issues become real in a country or region vary, many are shared. They include:

## Structural flaws in the health system

Poverty and lack of effective financing systems for basic services such as primary health care, drug coverage, mental health support, and health screenings are significant barriers to health equity in much of the world, despite efforts to close gaps.

Extreme poverty rose globally in 2020 for the first time in over 20 years,[5] as the COVID-19 pandemic exacerbated the problems of climate change and geopolitical conflict, which are already impeding poverty reduction efforts. About 100 million additional people are living in poverty as a result of the pandemic, while climate change—a particularly acute threat for countries in Sub-Saharan Africa and South Asia where most of the global poor reside—is expected to drive 68 million to 132 million into poverty by 2030.[6] More than 40 percent of the global poor live in economies affected by fragility, conflict and violence.[7]

India is among governments including Mexico, Malaysia, China, and others that continue to roll out universal health coverage—even amid the pandemic—in their attempts to improve health equity.[8] India's out-of-pocket expenditure as a percentage of current health spending is 63%, among the highest in the world. Additionally, a very small population of ~9% is covered under voluntary private insurance, leaving a majority of the population exposed to great financial risks. This situation is gradually changing with the launch of a huge government scheme (The Ayushman Bharat [AB-PMJAY] scheme) in 2018 and State Government extension schemes, which provide comprehensive hospitalization coverage to the bottom 50% of the population (~500 million). However, the COVID-19 pandemic, implementation challenges, and lack of infrastructure has affected the rollout of the program.[9]

Other disparities remain: Brazil's public health system (SUS), for example, offers coverage for the whole population, over 50% of care spend is concentrated in private health care, to which only 23% of the population has access.[10] Other countries simply cannot afford to expand public health services. South Africa's 2021 medium-term budget policy statement proposes further cuts to an already challenging public health system.[11]

While increasing insurance coverage can help address health care affordability, insufficient and outdated health system infrastructure (facilities, technology, clinicians) remains, for many, a major hurdle to achieving health equity. Fewer than 50% of Africans have access to modern health facilities.[12] Further, around 61% of births were attended by skilled health staff in 2018, far fewer than the 80% global average.[13] And although more people in India's smaller towns and rural areas now have money for health care through the new PMSBY insurance scheme, they have limited options to use it because clinician and product supply is limited, and government health facilities are few and far between. As of 2019, 9.6% of the 24,855 primary health centers (PHCs) in India had no doctor, 38.4% had no laboratory technician, and 23.9% had no pharmacist.[14] There are also severe gaps in skilled professionals: For rural community health centers in 2019, only 15% of the surgical posts, 13% of the physician posts, 25% of the obstetrics and gynecology posts, and 20% of the pediatrician posts were filled.[15]

While there are emerging, scalable, telemedicine solutions in the country, such as apps for self-help, AI-enabled chatbots for diagnosis, and virtual 24x7 counseling, their uptake is hindered by concerns about data privacy and confidentiality. The pandemic-driven economic recession and resulting fiscal deficits are likely to make near-term health care sector capital investment difficult. Many governments will be forced to prioritize spending on filling gaps in clinical workforces even as hospital buildings and equipment deteriorate.[16]

Finally, many countries today lack the necessary regulations and policies to counteract and/or eliminate longstanding health inequities. The World Health Organization (WHO) constitution designates "...the highest attainable standard of health as a fundamental right of every human being." This creates a clear set of legal obligations on its 192 member states to enable "access to timely, acceptable, and affordable health care of appropriate quality;"[17] implement policy and programs that "prioritize the needs of those furthest behind first towards greater equity;" and ensure "the right to health must be enjoyed without discrimination on the grounds of race, age, ethnicity or any other status."[18] COVID-19 has made health a priority and many governments are laying the groundwork for post-pandemic health equity improvements.