





What Has the Pandemic Revealed About the Health Care Delivery System?

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Over the past two years, the pandemic has exposed significant gaps and weaknesses within the U.S. health care delivery system. Although the speed of the development, approvals and distribution of COVID-19 vaccines in the U.S. strongly make the case that our health care system remains one of the best in the world, we still have much room for improvement and have made significant findings about issues that need to be addressed.

HEALTH CARE SUPPLY AND WORKFORCE SHORTFALLS

One glaring gap exposed when the pandemic hit was our country's dependence on China for its health care supply chain. As health care systems looked to reduce costs, purchasing from offshore manufacturers became the accepted norm and — from a financial perspective — the best choice. During the pandemic, when supply shortages for personal protective equipment (PPE), medical supplies and pharmaceuticals became painfully evident, meeting the demand for this critical equipment became increasingly difficult. Those who procure resources across most of the country turned to Asian suppliers due to lower manufacturing costs as a result of lower labor costs.

Even at the start of the pandemic, the WHO recognized a 40% gap in PPE manufacturing needs to meet demand. Globally, the U.S. represents 23% of PPE sales.¹ This manufacturing sector expects significant market growth of up to 12.5% by 2024.² To better prepare for a future pandemic, the increase of U.S. manufacturing capabilities for health care products is key to preventing the health care industry from being caught

flat-footed again.

A second gap that was exposed was with the federal government's national health care stockpile, which is intended to provide emergency relief supplies (for example, medicine and equipment) during public health emergencies. One evident shortfall within this reserve early in the pandemic was the need for ventilators. Prior to the pandemic, up to approximately 2 million people a year were placed on ventilators in the U.S.³ When COVID hit hard, the number of people needing ventilators tripled, causing mass shortages that the Strategic National Stockpile (SNS) of ventilators was unable to meet.

The federal government's stockpiles of equipment and supplies are supposed to be available to meet increased demand whenever a pandemic or national emergency arises, and the SNS includes more than just ventilators. A broad-spectrum analysis of the U.S. government's response to the pandemic in 2021 found that these reserves were 1) unable to provide adequate testing supplies and equipment, 2) unable to provide sufficient PPE across multiple categories, and even 3) failed to

have a functioning distribution plan.⁴ Apparently, much of the SNS hadn't been replenished since the H1N1 (also known as swine flu) pandemic in 2009-10 and included expired supplies. This caused a failure to meet the widespread demand and led to a growing industry need to rapidly ramp up supply production. Clearly, reform and improved management by the government of the federal stockpiles are critical to ensuring that history doesn't repeat itself so we are better prepared for future national disasters.

A third weakness exposed by the pandemic was our inability to adequately protect our health care workers. We quickly learned that our front-line caregivers did not have sufficient protection for their own health, a concern on its own. Their vulnerability also has resulted in care strains and workforce shortages that have risen in most states for the past two years. A variety of studies have shown that frontline health care workers were at increased risk for contracting COVID-19 when compared with the general community, and that these workers need increased levels of mental health support.⁵ They witnessed many of their patients die and experienced the added mental health toll of worrying about their own health risks and those of their families.⁶ We need to do better to protect one of our nation's most valuable resources: our caregivers.

WHERE WE ARE TODAY

At the end of 2021, as the original and Delta strains of COVID-19 began to ebb throughout the nation, the U.S. was faced with the newest variant: Omicron. Early this year, recovery faced an uncertain path, though by March the latest surge appeared to be waning. Elective procedures continue to be delayed, and health care systems continue their dependency on government assistance — via the CARES Act — to sustain operating cash flows. The majority are dependent on non-operating cash flows from their investment portfolio to subsidize operations. This is not a sustainable model. If there is a stock market correction, health care systems could be devastated without adequate cash flows to meet their operating needs.

However, the horizon may prove a bit brighter with Omicron than when the Delta strain first appeared in early 2021. To be clear, Omicron is exponentially more contagious than Delta was, resulting in a massive spike in positive cases

across the nation at the end of 2021. However, whereas increases in positive COVID cases one year ago were accurately predictive of an increase in daily death rates, this trend appears to have changed markedly with the Omicron surge. In the United Kingdom, per data from the second half of 2021, not only did death rates not rise alongside the wave of new positive Omicron cases, but flat or slightly declining death rates were seen alongside case increases.⁷

Furthermore, data from South Africa is consistent with information from the United Kingdom. The strain is less deadly, with case fatality rates in South Africa dropping dramatically last year in November and December with only 0.2% with Omicron, a significant decrease from 8% with Delta.⁸ The latest COVID wave has been less lethal, so may actually reduce the loss of lives in the future by providing antibodies to those infected, potentially offering greater protection from future possible variants.

However, hospitals and health care systems remain challenged with a myriad of issues, including nursing shortages, continued supply chain bottlenecks and the need for reimbursement reforms,

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especially as the majority of hospitals lose money on Medicare and Medicaid.⁹ As health care system models continue to transform, it will be important that their business models also change to allow for adequate cash flows from operations to fund both operating and capital needs as well as provide cash flow for growth.

WHERE WE ARE HEADED

In order to take full advantage of the current evolving health care landscape, its leaders will have to be more comfortable with intelligent risk-taking. Health care has yet to succeed in this area of business. However, I believe that the past two years have allowed us to advance on several fronts, including:

- Virtual care via telemedicine
- Workforce strategies for working remotely



and increasing job satisfaction

- Higher compensation for workforce retention and attracting more professionals, especially in nursing

- Surgical robots and minimally invasive surgery

- Digital solutions for patients and caregivers

- Innovative new products for diagnostics and care delivery

The nursing shortage was created by multiple factors during the pandemic: nurses leaving the profession due to stress, inadequate staffing and burnout; those refusing to get vaccinated and thus losing their jobs; and the aging workforce.¹⁰ Health care systems are now paying premiums to nurses to retain them and to work extra shifts. Their salaries are also increasing as health care systems compete to hire nurses who are in short supply.

There is no simple solution to this crisis. Health care systems may need to start their own nursing schools and start looking for outside-of-the-box solutions to create an environment that attracts people to the nursing field and enhances their job satisfaction. Technology and innovation can be part of the answer, but the systems that commit early to finding solutions beyond just pay will succeed over the long run.

The supply chain problems that came to light during the pandemic will drive increased manufacturing for health care products in the U.S. Hopefully this will resolve the issue. Another potential solution to avoid a repeat of the past would be for health care systems to consider vertical integration by developing cooperatives or joint ventures with other systems to own the manufacturing companies that provide critical supplies and pharmaceuticals. This way, there would be less reliance or dependence on others, such as foreign companies, to meet critical needs.

The private equity and venture capital markets are investing heavily in digital solutions that allow for care at home, artificial intelligence and direct-to-consumer solutions. Patients are looking for more immediate access to care and self-help, rather than the traditional health care delivery model. They are becoming more tech savvy and reliant on the digital marketplace to resolve many of their health care issues. New apps and tech-

nologies are coming out that patients can own, such as monitors that they can use to do their own EKGs, or watches that sense sleep patterns and physical activity. Some devices can track information that can go directly into the patient's personal

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health record or communicate directly with their caregivers.

The future of health care will continue to evolve with genomics and precision medicine, and there remain many more contributions to come from health care providers and innovators. The vaccines developed by Moderna and Pfizer-BioNTech used mRNA, and building on those advances could lead to new treatments in the future to target or cure specific cancers. The human race has frequently faced what seemed at the time like an insurmountable disease or challenge, yet has progressed so far to-date by being willing to take reasonable and innovative steps to come through the storm stronger. I believe we will do so now. We cannot afford to do otherwise.

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NOTES

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God’s Eye on the Sparrow

For just this moment, bring your attention to your breath.

INHALE deeply and settle yourself into your body.

EXHALE the stress and tension you feel.

On your next inhale pray, [God’s Eye On The Sparrow](#)

And as you exhale, [God’s Eye On Me](#)

God’s Eye On The Sparrow

God’s Eye On Me

KEEP BREATHING this prayer for a few moments.

(Repeat the prayer several times)

CONCLUDE, REMEMBERING:

Even now, God is with you, as near to you as your breath.

Continue giving yourself the gift to pause, breath, and heal knowing you are not alone.

“Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more than food, and the body more than clothes? Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they?” **MATTHEW 6:25-26**

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