



2018 HEALTHCARE PREVIEW TOP TRENDS TO WATCH

At Allied World, we take pride in our ability to have a finger on the pulse of the US Healthcare Industry. We know this industry and work diligently to understand the exposures of today while working to anticipate the risks of tomorrow.

To help keep our brokers and clients informed, members of our Healthcare Risk Management and Healthcare Management Liability teams came up with the following trends they believe could have an impact in the year ahead.

Top Healthcare Risk Management Issues:

- **Violence in Healthcare** – an ongoing concern for healthcare providers and clinical staff.
- **Increasing numbers of behavioral health patients across the patient care spectrum** – there are too few inpatient behavioral health beds, continuing declines in reimbursement for inpatient treatment, as well as challenges in managing behavioral health patients through non-behavioral health clinicians and staff (and in non-behavioral health patient care areas in the hospital or office practice).
- **Cybersecurity threats** – introduction of malware, ransomware and privacy breaches could potentially lead to unintended releases of personal health information (PHI), as well as medical identity theft.
- **Electronic Medical Record issues** – hardware and software issues, interoperability issues, workarounds that promote the potential for medical errors, and patient portal mismanagement.
- **The Opioid epidemic** – challenges will continue around overprescribing, attempting to manage intractable pain without introducing opioids, and implementing physician prescription drug monitoring programs. Increased naloxone availability is prompting an increased demand for community training and education.
- **Increased reliance on Telemedicine** – raises concerns around appropriate use, privacy, security, patient confidentiality, provider credentialing, informed consent, technology, state regulations and prescribing privileges.
- **Increased Government Scrutiny** – compliance issues, penalties, Pay-for-Performance, ICD-10 coding compliance, staff and physician training required as well as increased need to monitor compliance. (Please see similar concerns in the Management Liability section below.)
- **The impact on staffing related to today's Healthcare environment** – increased demands on physicians and personnel is leading to increased turnover, poor morale, and increased job dissatisfaction. This toxic combination in turn can lead to a sub-optimal work culture that negatively impacts teamwork and communication, setting up a higher potential for medical errors which ultimately may negatively impact patient satisfaction and trust in Healthcare providers and organizations.

- **Increasing use of Advanced Practice Clinicians (APCs)** to address physician shortages – potentially promotes "practice creep," inadequate supervision of APCs, and expansion of roles and responsibilities beyond an APC's expertise.
- **Communication breakdowns** among patient care providers, clinical staff and consulting practitioners – can result in unintended medical errors, delays in diagnosis or treatment, patient dissatisfaction, reductions in reimbursement and poor staff and clinician morale.

In addition to the above Risk Management concerns, we also see the following challenges from a **Healthcare Management Liability** perspective in 2018.

Top Healthcare Management Liability Issues:

- **Increased Government Scrutiny** – as a result of the opioid crisis, we see scrutiny crossing in to the managed care space with Medicare and Medicaid prescription plans. We are also seeing increased scrutiny of physicians with payment model changes (Pay-for-Performance).
- **M&A activity** – consolidation continues in an effort to generate more or new revenue, obtain physicians, specialties and get closer to coordinated care (including managed care).
- **Employment Practices Liability (EPL)** – heightened awareness of sexual harassment issues as well as retaliation. Staffing challenges related to an aging population and increase in Americans with Disabilities Act (ADA) issues.
- **Whistleblower** – heightened awareness, as well with disgruntled employees, can cross over between Regulatory issues and EPL (retaliation) issues.
- **Financial strains** – organizations are facing pressure on multiple fronts: M&A, competition (loss of contracts), desire to secure qualified, competent physicians, and technology.
- **Technology/Cyber issues** – in addition to the threat or reality of cyber breaches, the increased time and resources spent on technology upkeep can cause strains on the system.

These issues only serve to illustrate the complexity and challenges facing today's Healthcare environment. Please reach out to your Allied World underwriter or risk management expert should you have any questions regarding the above lists or would like to discuss these further.



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