

BLOG

The Other Side: The Pandemic Rattled the Health Care Industry and Moved It Forward

By Bob Dubraski, Chief Growth Officer, National Health Care Practice Leader

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The COVID-19 pandemic pushed the health care industry to its limits as providers, hospitals, and those who insure them worked to adapt and serve patients. To gain a full understanding of the pandemic's transformative impact on the industry, including key liability concerns, I spoke with Phil Foster, Chief Risk Officer at CommonSpirit Health. CommonSpirit is a Risk Strategies client and one of the nation's largest health care systems, including over 140 hospitals, many of which were "stressed to the max" from an operations standpoint at the pandemic's height.



Foster has overseen CommonSpirit Health's enterprise risk management program throughout COVID-19 and has a keen view of the changes the system underwent, and the challenges that are still to come.

At a Glance

During the pandemic, health care systems saw a lower patient volume, even in the emergency department. This was positive news for health insurers, but providers took a huge financial hit trying to quickly react to unprecedented challenges and reduced revenues. Providers with weak balance sheets struggled to absorb the losses.

The Rise of Telehealth

The pandemic pulled the health care industry into the future, encouraging providers to adopt virtual treatment options much faster than they would have otherwise. Providers who were previously hesitant to use telehealth and telemedicine technologies found themselves with no other option. They soon recognized the power and benefits of the technology and the opportunities it offered for expanded patient care.

Patients quickly took to the digitized option as well. "The number of virtual visits within our systems jumped exponentially from pre-pandemic levels," Foster told me. "We've invested in technology to support this. Our operations will be transformed long term and this change is for the better for patients, providers and payors."

The widespread use of telehealth technology frees up much needed time and employee resources and offers a safe, convenient alternative to in-person care. On the insurance side, decisions are still being made about how to best charge for and reimburse telehealth visits.

Employer Challenges and Considerations

- *Staffing Issues:* There is a nursing shortage as burnt-out workers leave the industry in droves. “We’ve seen [CommonSpirit] employees take extensive leave of absences and a huge number of early retirements this year,” Foster said. “This puts even more pressure on our systems and has impacted recruiting and retention.” As health care workers age, organizations must find ways to attract new workers into the industry.
- *Mental Health Crisis:* 25% of people who contract COVID-19 develop behavioral or mental health problems. Health care organizations and other employers will need to figure out how to support their employees’ mental health or risk losing them. It is currently unclear how this crisis will impact benefits packages or the health care market long term.
- *Long Hauler Disability:* There is discussion about classifying severe cases of long-haul COVID-19 as a disability. If this moves forward, we will see changes for benefits packages and requirements across industries.

Exposures

- *Cyber Liability:* As many non-essential health care workers continue to work remotely and telehealth services are used regularly, health care organizations are at risk of being the target of cyberattacks. This vulnerability is compounded as more medical equipment is “computer enabled” and connected to the internet. Premiums for cyber coverage have skyrocketed. Organizations must carefully balance what they can afford to pay for coverage, what’s appropriate to insurer and how best to fund/manage the risk they retain.
- *Professional/General Liability:* Insurance rates for health care systems, physicians and other providers have increased, a few carriers have exited the business and coverage limits are more challenging to obtain. Health care organizations that can articulate their understanding and management of risk to underwriters via a qualified intermediary will be best positioned to navigate post COVID-19 market conditions.
- *Workers’ Compensation:* “Fewer workers’ compensation claims came through in the past year because there were fewer productive worked hours this year,” says Foster. “However, we did see a large number of COVID-related claims come through across the organization.” Though most companies are currently accepting workers’ compensation claims related to COVID, that likely won’t last as it becomes difficult to prove whether they contracted COVID at the hospital, at the grocery store, or at a friend’s house.
- *Elective Procedure Concerns:* Elective surgeries and procedures were paused during the pandemic’s height. As operations pick up again, and the flood of backlogged elective procedures flows through health care systems, there is concern about providers rushing, leading to malpractice lawsuits. Health care organizations are encouraged to take their time working their way through them to

ensure safety.

Vaccine Mandates: The Next Hurdle

Health care providers are under enormous pressure to keep staff safe and healthy. The question of whether or not to mandate vaccines for workers in the health care industry is the next major challenge organizations will face. Mandating vaccines but denying *or* allowing select religious exemptions may expose providers to tort opportunities.

Despite enormous hurdles, long-term changes, and ongoing challenges, the health care industry has grown, evolved and improved in the last 20 months. “We learned how to better care for patients,” Phil Foster shared. “We improved processes and operations, which benefited employees and our level of care.”

Follow ‘The Other Side’ blog series as we continue to explore the post-COVID landscape across industries.

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Connect with the Risk Strategies Health Care team at healthcare@risk-strategies.com.

Email me directly at bdubraski@risk-strategies.com.

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