The Healthcare Industry's Prescription? *Digital Disruption*

By Dave Spencer, SAP

The world's population is projected to grow to nearly 10 billion people by 2050, according to United Nations[1] estimates. With many people enjoying longer lives, the healthcare industry will be required to adapt and grow. It's unclear exactly how the industry will evolve, but unprecedented access to big data and a narrowed focus on the individual patient is beginning to transform healthcare services to become more cost-effective and higher-quality across the board. SAP recently hosted healthcare industry experts and leaders to discuss and explore key trends, including the shift from volume to value-based care, the rise of patient proactivity, the widespread adoption of precision medicine– and, ultimately, what's in store for the future of healthcare.

From Volume to Value-Based Care

Healthcare companies are coping with a rapidly changing landscape – from increased price competition to an influx of data from the Internet of Things. As a result, healthcare providers are required to evolve and embrace new approaches, starting with providing more value-added services for patients. The shift from volume- to value-based care has many benefits, providing higher quality of care for the patient while driving down costs for healthcare providers, but it presents many barriers to adoption as well.

Today, there is an urgent need for healthcare providers to embrace technologies that enable increased care coordination, the ability to aggregate and analyze data, and the provision of a holistic

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[1] (United Nations Department of Economic and Social Affairs, 2015)

view of the patient across the healthcare network. At the same time, this shift to a new care model requires the reorganization of established models to enable value-based payments.

The Rise of the Proactive Patient

While the healthcare industry grapples with the challenges and opportunities that come with shifting to value-based care, patients are becoming more active participants in their own healthcare. With the expansion of IoT, people have access to more data related to their health than ever before. We can track our heart rate, how much water we consume, the food we are eating, and more. Just as access to more information on consumer goods – for example, cars, electronics, homes - gave rise to the more proactive consumer, having access to more information about our health has produced more a proactive and engaged patient population. With this comes a greater expectation for a high-tech, high-touch experience - with precise, real-time data and insights that patients can access and that enable doctors to make smarter healthcare decisions to improve outcomes.

Precision Medicine: From Pipe Dream to Mainstream

Now that physicians are able to use data in different ways, they are one step closer to the widespread adoption of precision and personalized medicine. Precision medicine will enable doctors to completely customize treatments based on a person's genome sequence, lifestyle and health history. Personalized healthcare will also open the door to new business models for enterprises across the industry, but this all requires access to patient data that can yield the insights required for customized treatments and predictive outcomes.

At SAP's event, Dr. Bertalan Mesko, PhD, medical futurist, geneticist and author of *The Guide to the Future of Medicine,* shared his perspective that "in a system that doesn't measure data, it's impossible to have precision." He continued, "The ground basis for healthcare must be data and technology solutions." But precision medicine requires not just technological innovation- it requires technology leaders, healthcare providers and payers, life sciences companies and government entities to work together to, for example, make key regulatory changes, enable the widespread adoption of electronic medical records, and facilitate increased speed-to-market and agility for life sciences companies.

One common thread throughout these conversations at SAP's event was clear: *Digital disruption is the key prescription to enable a more effective, cost efficient future for the healthcare industry and its patients*. Technological innovations will enable the shift from volume to value-based care and payment model. With big data analytics, physicians can bring information tucked away in patient records to the point of care to streamline prevention and treatment. Patients will have better control over their healthcare, and biotech companies will be able to anticipate real-time demand and supply for services. Digital disruption is paving the way for a truly connected, insights-driven healthcare system - the future of the industry is looking healthier than ever.