

2024

# Healthcare and coverage trend report



Mass General Brigham  
Health Plan



Change is constant  
in health care.





## Ongoing studies lead to new learnings and technologies that constantly reshape the patient experience.


Consequently, this impacts healthcare coverage as new health plan models emerge to meet members' evolving needs.

To that end, Mass General Brigham Health Plan is pleased to present the **2024 Trend Report**. This comprehensive document examines the most current trends impacting today's healthcare and coverage landscape and what that means moving forward.

It is designed to educate you on the trends the health plan is tracking to remain adaptive and innovative in a rapidly evolving market, with an eye towards our ongoing mission to help members live happier, healthier lives.

Many impactful trends and transformations swept across the healthcare landscape in 2024. Below are several of the more significant topics highlighted and examined in this report.

- Digital innovation, including Artificial Intelligence (AI)
- Financial challenges impacting the healthcare industry
- Telemedicine expansion
- Behavioral health resources
- Health equity
- Weight-loss drugs
- Pharmacy benefits
- New models of patient care, including Home Hospital

A woman with long red hair and freckles is shown in profile, looking intently at a computer monitor. The background is a blurred clinical or office environment with other monitors and equipment. The lighting is soft, highlighting her features.

“As healthcare systems like Mass General Brigham lean into AI to accelerate their work, we see **great potential** for new foundation models that utilize advanced technologies.”

— **Dr. Keith Dreyer, DO, PhD, FACR, FSIIM**

**Chief Data Officer  
Chief Imaging Information Officer**  
Mass General Hospital & Brigham and Women's Hospital Center for  
Clinical Data Science, Mass General Hospital



# Digital innovation, including Artificial Intelligence (AI)

AI is top-of-mind across several industries—but how does that impact the healthcare experience moving forward? It turns out AI has the potential to harness patient data to improve aspects of care. This can lower the cost of medical services and enhance efficiencies. Predictive modeling capabilities within algorithms can give patients—and providers—a better grasp of chronic diseases like diabetes, heart disease, hepatitis, and kidney disease. The current uses of AI vary widely and include:

- Recordkeeping and coding through natural language processing that improves the accuracy and productivity of patient office visits
- Image analysis that can accurately and inexpensively identify and quantify clinical risk
- Virtual assistants that help patients adhere to dietary restrictions
- Programs that predict how long patients will stay in the hospital and their likelihood of returning
- Remote digital monitoring applications that enable the transmission of a person's biometric data and communication between patients and their providers
- AI-enabled applications that provide cognitive behavior therapy (CBT), mood tracking, and mental health assessments

Improved diagnosis, treatment, and predictive modeling through AI require a clean, comprehensive, and complete set of private and unique data for every patient.

This next phase of AI development in healthcare depends on advancements in computing power, the composition and size of data sets, and the comfort level of patients, physicians, and regulators in managing and unleashing this potential.

[Dr. Keith Dreyer](#), Chief Data Science Officer at Mass General Brigham and leader of the Mass General Brigham AI business, is optimistic about the ways in which generative AI will be able to transform healthcare for the better. “As healthcare systems like Mass General Brigham lean into AI to accelerate their work, we see great potential for new foundation models that utilize advanced technologies,” he said.

AI innovations in health plans are working to improve the speed and process of claims, coverage, and prior authorization decisions.

AI and machine learning (ML) tools are increasingly used by health plans to speed up the process of claims, coverage, and prior authorization decisions. AI can help with a variety of tasks, including:



## **Fraud detection**

AI-powered fraud detection solutions can reduce losses, expedite claims processing, and create a smoother, more secure customer experience.



## **Medical coding**

AI can help reduce claim denials, speed up reimbursement, and minimize revenue loss due to coding errors.



## **Claims processing**

AI can automate processes like damage assessments and document processing, which can help reduce the time it takes to settle claims.



## **Personalized customer experiences**

AI can analyze customer data to help insurance companies understand their needs and preferences and recommend appropriate policies.

# Financial challenges impacting the healthcare industry

As hospitals and health systems continue to recover from the financial impact of COVID-19, the following challenges continue to impact their recovery.<sup>1</sup>

## Financial challenges now and on the horizon



Labor costs increased by \$42.5B from 2021-2023



6x increase in private equity buyouts of physician practices



18% of healthcare workers have quit their jobs since 2022



8% projected year-over-year medical cost trend increase in 2025

### Labor costs

Labor costs, which make up about 60% of a hospital's budget, increased by more than \$42.5 billion between 2021 and 2023. Though contract labor costs have moderated since pandemic highs, the spending remains elevated and has added to the financial challenges hospitals and health systems face.

### Reimbursement

Medicare reimbursement for hospital inpatient care grew by 5.2% between 2021 and 2023, which is less than half the 12.4% growth in the economy-wide inflation rate during that period.

### Margins

Hospital sector operating margins turned positive in March 2023 and reached 2.3% year-to-date by December. However, the median hospital margin index of 1.2% through October 2023 is still low compared to the traditional average of 3–5%.

### Cash

Moody's projects that hospitals' median operating cash flow margins will increase 100 basis points to 7% in 2024.

<sup>1</sup> [The American Hospital Association's 2024 Costs of Caring report](#)



### Staffing shortages and provider burnout

Since 2022, 18% of healthcare workers have quit their jobs. Staffing shortages lead to a vicious cycle: Increased burnout leads to a diminished labor force, which leads to increased burnout. The National Center for Health Workforce estimates that [83 million Americans](#) already live in an area without a primary care provider. Solutions will come from a better understanding of the clinician experience that improves their well-being. Using smart technologies to lessen administrative burdens can also improve the care experience and outcomes.

The physician and health insurance sectors are also facing challenges that include:

### Rise of private equity

The number of private equity buyouts of physician practices increased sixfold from 2012 to 2021. Private equity firms' increased participation in the healthcare sector may be due to various factors, including limited regulation, a fragmented delivery system, an aging population, and multiple avenues of profitability and cost reduction (Cerullo et al., 2022B). The first quarter of 2024 has seen this trend diminish, possibly due to increased antitrust scrutiny. That's down a third from the fourth quarter of 2023.

### Healthcare cost growth

PwC's Health Research Institute (HRI) is projecting an 8% year-over-year medical cost trend increase in 2025 for the health insurance group market and 7.5% for the individual market. The near-record trend is driven by inflationary pressure, prescription drug spending, and behavioral health utilization. Medical cost trends for 2023 and 2024 were higher than previously reported due to higher-than-expected utilization of glucagon-like peptide-1 (GLP1 drugs) and higher levels of care for inpatient and outpatient care, driven by demand deferred since the pandemic.

Put together, these challenges for the hospital, physician, and insurance sectors will necessitate new approaches to financing, human resources, occupational burnout, and resource prioritization across the healthcare industry.





According to the American Hospital Association, **over 75%** of the nation's hospitals utilize telemedicine and other forms of technology to provide care to patients.



# Telemedicine expansion

Telemedicine has experienced significant expansion and evolution in recent years, driven by technological advancements, regulatory changes, and shifts in patient and provider preferences. According to the American Hospital Association, over 75% of the nation's hospitals utilize telemedicine and other forms of technology to provide care to patients. Let's look at the growth of telemedicine and its impact on accessibility and care across the U.S.

## **Key drivers of growth**

The COVID-19 pandemic greatly sped up the use of telemedicine as a safer option than traditional in-person visits. As a result of this initial surge, many of these changes have now become a lasting part of healthcare practices, with patients and providers acknowledging the advantages of telehealth.

Breakthroughs in digital health technologies, including mobile apps, wearable devices, and enhanced video conferencing platforms, have enhanced the accessibility and user-friendliness of telemedicine. These advancements enable real-time communication and remote patient monitoring.

Many healthcare providers have enthusiastically adopted telemedicine to enhance productivity, expand patient reach, and streamline their schedules. Telemedicine's versatility can also enable providers to work from various locations.

## **Access to care and patient inequities**

Telemedicine has significantly expanded access to healthcare services, particularly in rural and underserved areas. Patients can now easily connect with healthcare providers remotely, eliminating the need for travel and overcoming geographic obstacles. Alternatively, lack of access to laptops and mobile devices, as well as reliable internet, remains a barrier to care for patients attempting to use telemedicine.

## **Integration with healthcare systems**


Hospitals, clinics, and private practices now offer telemedicine services in conjunction with in-person visits, offering a versatile model of care. Government entities and healthcare regulators have adjusted regulations to support telemedicine, including licensing, reimbursement policies, and privacy regulations. These adaptations have helped to increase the uptake and approval of telemedicine practices.

Telemedicine has revolutionized mental healthcare by providing a convenient and confidential way for individuals to access counseling and therapy services, effectively addressing barriers like stigma and accessibility. In addition, more people are turning to telemedicine for managing chronic conditions, prescription adherence, women's health, and specialty care. With the help of remote monitoring devices and regular virtual check-ins, providers can easily track patients' health metrics and make necessary adjustments to their treatment plans.

## **Challenges and future direction**

Even as telemedicine continues to expand, it encounters challenges like varying access to technology, quality assurance, rising costs, and intricate regulatory environments. Looking ahead, topics to keep an eye on include telehealth's integration with AI machine learning for diagnostics, improved cybersecurity protocols, and further expansion into specialized medical fields.

Overall, telemedicine's expansion reflects broader trends towards digital transformation in healthcare, driven by technological innovation and the need for more efficient healthcare delivery systems. In response, health insurance companies are working to demonstrate their support for new initiatives and cost-savings measures.

A young man with short brown hair, wearing a dark green button-down shirt over a white t-shirt, sits on a dark couch. He is looking towards a therapist whose back is to the camera. The therapist has dark hair, a beard, and wears glasses and a dark jacket. They are in a room with white paneled walls and a large white relief sculpture. The lighting is soft and natural.

Demand for anxiety and depression treatment has remained high for the **third consecutive year**.



# Behavioral health resources

Since the onset of the COVID-19 pandemic, there has been a documented increase in demand for behavioral health resources. As patients' needs continue to increase, capacity remains strained at best. Demand for anxiety and depression treatment has remained high for the third consecutive year. Plus, treatment for trauma-related disorders and substance use disorders has grown.<sup>1</sup>

Though the nation's limited number of behavioral health providers certainly doesn't meet today's demand<sup>2</sup>, the two greatest barriers to accessing care were cost and shame or stigma. While cost is a difficult factor to mitigate without help from insurance companies, shame and stigma can be overcome through:

- Public education
- Being mindful of language
- Showing compassion and support to those with mental health conditions
- Speaking out against harmful depictions of mental illness in the media

A recent survey showed that adults, LGBTQ+ identifying individuals, and employees making under \$40,000 per year were among those who couldn't access mental health services when they needed them.<sup>3</sup>

Demographics that showed an increased demand for treatment included younger people, transgender individuals, those living with chronic illness and chronic pain, the unemployed, populations of color, and children aged 13–17.

Regarding children, "the rate of death by suicide in children aged 10 to 19 increased by 86% from 2007 to 2017."<sup>4</sup> In addition, recent data suggests an increased prevalence of pediatric mental health diagnoses, such as depression, ADHD, bipolar disorder, and autism. Just as it is with adults, access to care is a clear concern.



In an effort to meet the rising demand for access to behavioral health resources, the healthcare sector is leaning into technological solutions and partnerships with mental health providers that include<sup>5</sup>:

- Increasing access by offering virtual appointments
- Sharing reliable clinical assessment tools via open access, a practice in which research outputs are distributed online without barriers
- Offering help through employee assistance programs at work
- Integrating primary care and behavioral health

1 [2022 COVID-19 Practitioner Impact Survey](#)


2 [2022 survey conducted by the Kaiser Family Foundation and CNN](#)

3 [2022 COVID-19 Practitioner Impact Survey](#)

4 [American Academy of Pediatrics](#)

5 [American Psychological Association](#)



A close-up photograph showing a healthcare provider on the left, wearing a white surgical cap and a white face mask, looking down at a newborn baby. The baby is wrapped in a white cloth and is crying with its mouth open. A woman with curly brown hair, tied back with a white bow, is holding the baby from the right. The background is blurred, suggesting a clinical setting.

Providers are improving clinical outcomes, but there **continues to be a need** for them to understand the social determinants of maternal and mental health.



# Health equity

With more science and less silence, women's health is entering a new age. Women's health is a multi-faceted field, extending beyond reproductive issues to encompass a wide range of conditions that affect women differently or disproportionately more than men.

A rise in overall demand for women's health offerings has drawn the attention of providers, researchers, technology innovators, and investors while the investment in women's health services has tripled in recent years.<sup>1</sup>

Innovations are happening in infertility treatment, reproductive health, menopausal medicine, coordinated pregnancy care, and postpartum recovery. Mobile apps, digital patient education, home monitoring, and virtual services are not only becoming more mainstream, but they have also added to the traditional patient care experience.

Some trends we're seeing in women's health include:

## Menopause-related health issues and treatments

With an average life expectancy of 81, women are spending greater than one-third of their lives in menopause. No longer considered taboo, women are seeking support in care teams and communities made possible by digital innovations.

## Maternal health

Big gaps in maternal healthcare have existed for those seeking care and support for high-risk pregnancies, postpartum care, and loss. New technologies like Poppy Seed Health have emerged to address this gap and provide specialty care and support for these conditions.

## Reproductive health

Access and regulations have changed state-by-state, potentially shifting the provision of services and resulting risk. Obstetrics and gynecology (OB/GYN) deserts have been created throughout the country, causing many to look for care across state lines.

## Strategies to reduce maternal and infant mortality rates

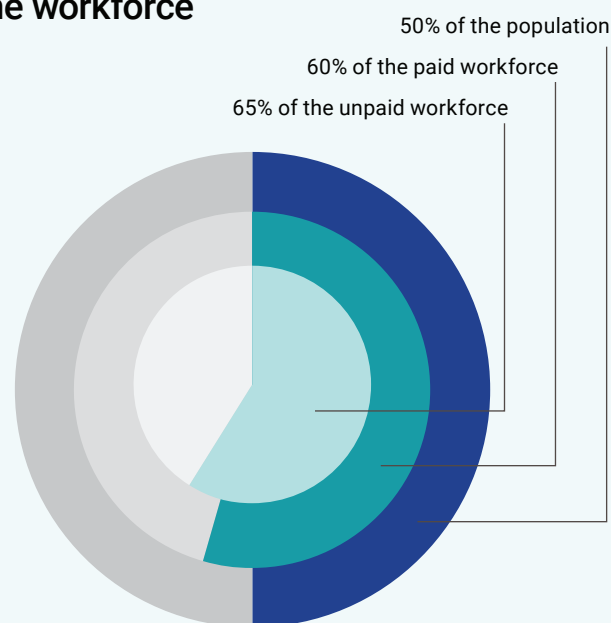
Providers are improving clinical outcomes, but there continues to be a need for providers to understand the social determinants of maternal and mental health to better understand patient concerns and barriers to care.

## Interest in doula services

New community-based programs, investments by large national companies, and new legislation indicate a broader recognition that doulas can play a greater role in making pregnancy less dangerous, particularly for women of color. The doula workforce is relatively small, so innovative programs are being proposed nationwide to encourage training through grants to schools and training programs.


Women make up 50% of the population, 60% of the paid workforce, and 65% of the unpaid workforce.<sup>2</sup> As women reach higher positions in business, tech, and medicine, women's healthcare needs are starting to receive the attention and respect they require.

## Impact of women in the workforce



1 [ECG Management Consultants: Women's Health: 5 Trends to Watch for in 2024.](#)

2 [UNWomen.org. Statistics on women – ILOSTAT.](#)



In 2021, an estimated 8.2 million semaglutide prescriptions were written in the United States, more than quadrupling the number from just two years prior.

# Weight-loss drugs

In recent years, the demand for weight-loss drugs has skyrocketed within the United States. Since it was first approved as a diabetes drug in 2017, GLP-1 semaglutide (the generic name for Ozempic and the related drugs Rybelsus and Wegovy) has quickly become one of the most popular prescriptions in the country. In 2021, an estimated 8.2 million semaglutide prescriptions were written in the United States, more than quadrupling the number from just two years prior.<sup>1</sup>

## The pros and cons of weight-loss drugs

While a recent review of GLP-1 medication studies published between 2020 and 2024 found that bariatric surgery provides the most significant and sustained weight loss<sup>2</sup>, weight-loss drugs have also been proven to be effective. Taking weight-loss drugs for a year can lead to a 3% to 12% loss of total body weight, which is more than what's typically lost through lifestyle changes alone.<sup>3</sup> While that may not seem like a lot, losing 5% to 10% of your body weight can lead to lower blood pressure, blood sugar levels, and triglycerides.

Among the other health benefits of weight-loss drugs are improved liver function and lower rates of stroke, kidney disease, and heart disease. In fact, according to [Mass General Brigham](#), a recent study known as the [SELECT Trial](#) showed that patients considered overweight or obese with a history of heart disease, but no diabetes, found a "clear benefit" from taking semaglutide. A recent report shows many patients taking weight-loss drugs, such as Ozempic, also report changes to their drinking, smoking, and even nail-biting habits while taking the drugs, although more research is needed to determine to what extent weight-loss drugs can treat addictive behaviors.<sup>4</sup>

However, weight-loss drugs are not the be-all and end-all solution to weight loss. An early study showed that patients regained 2/3 of the weight lost after discontinuing weight-loss drugs.<sup>5</sup> Additionally, the drugs are sometimes accompanied by side effects, such as nausea, constipation, and diarrhea. Serious side effects may also occur, though those are rarer.

## The future of weight-loss drugs

Presently, access to weight-loss drugs varies considerably. The drugs are most often accessible when prescribed to treat a medical condition, such as diabetes. Most insurance plans will not cover them if they're prescribed solely for weight loss, as weight loss is viewed as a cosmetic need rather than a medical one. This could change as more employers consider coverage for weight-loss drugs, says a spokesperson for America's Health Insurance Plans (AHIP). Right now, out-of-pocket costs for weight-loss drugs total approximately \$1,000 per month.

This has led to some patients seeking compounded semaglutide from non-commercial pharmacies, which aren't always in compliance with state and federal standards. So far, Novo Nordisk, the manufacturer of Ozempic, Rybelsus, and Wegovy, has taken legal action against several businesses for selling semaglutide that doesn't meet its standards.<sup>6</sup> As always, the safest way to get FDA-approved, brand-name drugs is through your regular doctor or pharmacy.



**Taken over the course of a year, weight-loss drugs can lead to a 3% to 12% loss of total body weight, but recent studies still show bariatric surgery provides the most significant and sustained weight loss.**

1 [Pew Research Center, As obesity rates rise in the U.S. and worldwide, new weight-loss drugs surge in popularity](#)

2 [Medical News Today, Bariatric surgery better for weight loss than GLP-1 drugs such as Ozempic](#)

3 [Mayo Clinic, Prescription weight-loss drugs: Study the pros and cons of medicines to treat obesity](#)

4 [NPR, Ozempic seems to curb cravings for alcohol. Here's what scientists think is going on](#)

5 [NPR, The new obesity drugs work, but it's a dilemma when people have to stop taking them](#)

6 [NPR, Compounding pharmacies are making their own versions of blockbuster weight loss drugs](#)





Many pharmacy benefit programs offer mail-order pharmacy services, which provide **convenience** and **cost savings**.

# Pharmacy benefits

Pharmacy benefits are rapidly evolving, influenced by various factors, including healthcare costs, personalized care options, and technological advancements. Let's explore the current landscape of pharmacy benefits.

## **Outcome-based contracts and pricing transparency**

A growing trend of outcome-based pharmacy contracts between pharmaceutical companies, pharmacy benefit managers (PBMs), and payers is tying reimbursement to patient outcomes, encouraging the use of cost-effective medications and promoting transparency in drug pricing.

## **Personalized medicine and specialty pharmacy**

Advances in pharmacogenomics, an area of medicine focusing on the relationship between genes and medications, has led to personalized medicine approaches where drugs are tailored to an individual's genetic profile. Pharmacy benefit programs are increasingly integrating pharmacogenetic testing to optimize medication selection and dosing to improve efficacy and reduce adverse effects.

Specialty pharmacy services, which cater to complex and chronic conditions such as cancer, HIV/AIDS, and autoimmune disorders, are being utilized to connect patients with the care. These services often require specialized medications, patient education, and support programs to manage treatment effectively.

## **Digital health tools drive convenience, engagement**



Medication refill reminders



Virtual consultations



Price comparison tools



Health information access

## **Access and social determinants of health**

To address social determinants of health (SDOH), pharmacies are adapting to the needs of their patient populations. SDOH are non-medical factors that impact health outcomes. In New York, two pharmacies enlisted community health workers to provide social needs screenings and program referrals right in their waiting rooms. The Fresh Food Pharmacy in Pennsylvania provides access to nutritious foods while connecting a patient with a dedicated care team consisting of a dietician, pharmacist, and doctor.

Many pharmacy benefit programs offer mail-order pharmacy services, which provide convenience and cost savings for maintenance medications. Specialty pharmacy networks have also expanded to ensure access to high-cost medications and support services for patients with complex conditions.

## **Innovation and development**

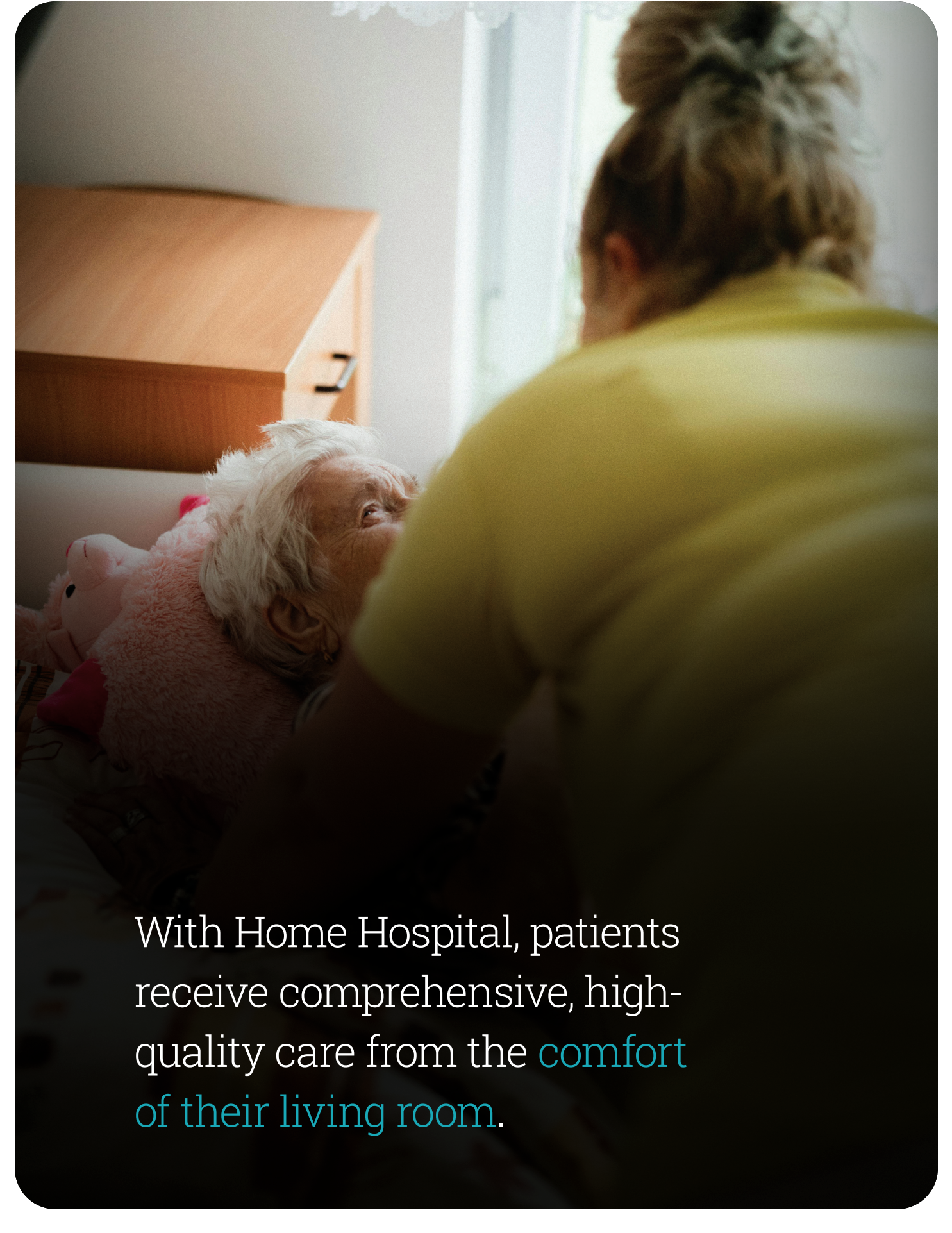
Digital health tools and mobile apps enhance convenience and engagement for consumers.

These tools may include medication refill reminders, virtual consultations with pharmacists (also known as "telepharmacy"), price comparison tools, and access to health information.

On the development front, AI and ML are aiding in the discovery of new medications and accelerating the creation process.

Overall, pharmacy benefits are tapping into personalized, accessible, and technology-driven solutions. They aim to optimize outcomes while controlling costs and addressing barriers to care.





With Home Hospital, patients receive comprehensive, high-quality care from the **comfort of their living room.**



# Home Hospital

An innovative model of acute inpatient care is gaining traction as a care model. Called “Home Hospital,” this fresh approach to healthcare is bringing hospital-level medical care right to patients’ doorsteps. With Home Hospital, patients receive comprehensive, high-quality care from the comfort of their living room. This model of care is made possible through several daily clinician visits and state-of-the-art technology that allows a dedicated care team to monitor patient vitals remotely.

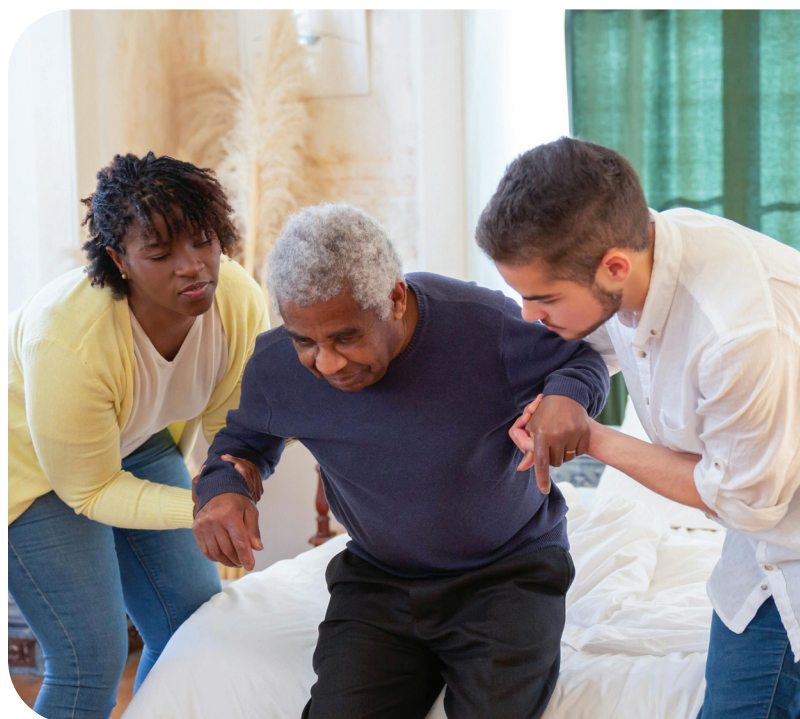
Every patient’s care plan is different, based on their needs, but services in the state-of-the-art Mass General Brigham Home Hospital may include:

- In-person visits twice daily from a nurse, paramedic, or advanced practice provider
- Daily in-person or virtual visits with a doctor
- 24/7 remote vital signs monitoring
- IV, oral, and inhaled medications provided at least twice per day
- Diagnostic testing, including labs and imaging (x-rays and ultrasound)
- Respiratory care, including oxygen
- Transportation for testing and procedures when necessary

Specialty consultations, home health aides, physical therapists, social workers, case managers, and food deliveries are also often provided for patients who require extra services.

“ From decades of research, we now know that home hospital care is quite safe and of high quality— you live longer, get readmitted less often, and have fewer adverse events. If people are presented with the opportunity to have their mom, their dad, their brother, their sister admitted to Home Hospital ... they should.”

**David Michael Levine, MD, MPH, MA, Clinical Director for Research and Development for Mass General Brigham’s Healthcare at Home**



On average, based on a Brigham and Women’s Hospital study<sup>1</sup>, Home Hospital patients:

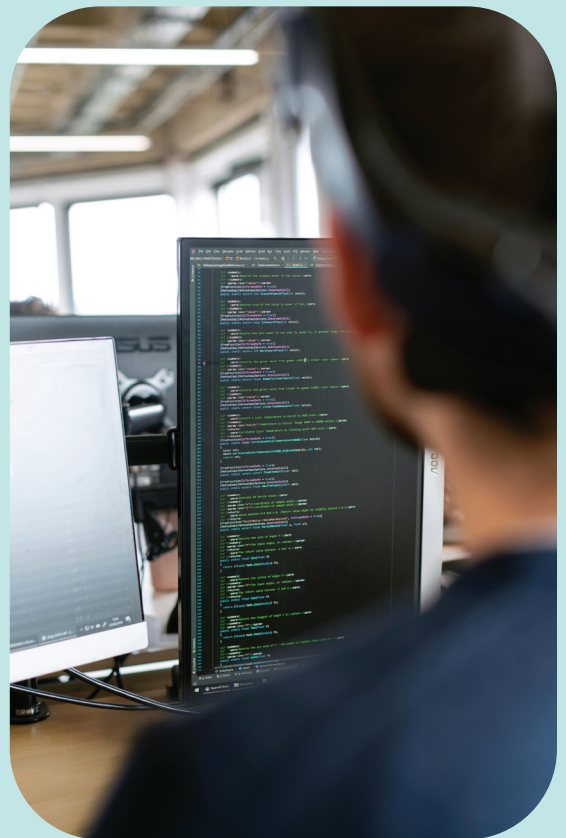
- Have a shorter length of stay
- Stay more active
- Need less physical therapy
- Report greater satisfaction
- Have an easier transition to life after discharge
- Experience greater clinical outcomes

Generally, admission happens through the emergency department or from a medical inpatient unit at the hospital, or in a planned pathway following some surgeries. These admissions occur in consultation with the patient and the patient’s providers.

For more information about one of the largest and most established programs in the country, visit [Mass General Brigham Home Hospital](#).

1 [Journal of General Internal Medicine, Brigham and Women’s Pilot Home Hospital Study](#)





# The road ahead



## From AI to weight-loss drugs and behavioral health to at-home care, dozens of trends are impacting the healthcare and health insurance landscape.

As these issues continue to grow and evolve, Mass General Brigham Health Plan is proud to lead the way in offering informative, educational resources for providers and members alike while fostering effective, timely solutions that help improve lives.

For the second year in a row, J.D. Power rated us No. 1 in Member Satisfaction among commercial health plans in Massachusetts, as well as Most Trusted.<sup>1</sup> We intend to honor this distinguished recognition by remaining at the forefront of offering best-in-class plans while staying ahead of important trends that continue to influence the healthcare community.

To learn more about how our plans combine industry-leading experience in care and coverage to help support our members' best health and well-being, visit [mgbhp.org/everyday](https://mgbhp.org/everyday).



# Mass General Brigham

Health Plan