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2019 Neuroscience Market Trends
Highlights and Key Takeaways for Suppliers and Service Providers

Over the next five years, neuroscience is projected to be one of the fastest growing service lines in health care. This growing demand, coupled with provider shortages and a shift toward outpatient care, signals a promising yet complex path forward for neuroscience programs. Advisory Board’s webconference on 2019 Neuroscience Market Trends and the accompanying ready-to-use slides explore this rapidly changing landscape and address the financial and strategic implications for program leaders. This two-pager synthesizes highlights from the webconference and offers key takeaways for suppliers and service providers working in the neuroscience space.

Overview and drivers of demand for neuroscience services

• In the inpatient setting, neurosurgery and specialty neurology will drive moderate volume growth.
• In the outpatient setting, HOPD volumes are contracting, while ambulatory facilities are experiencing growth fueled by neurodiagnostics, spine procedures, and pain management.

Disease Prevalence

• An aging population and a rising prevalence of comorbidities lead to an increased number of individuals with acute and chronic neurological conditions.
• While stroke care is still a key to neuro program growth, caring for memory, movement, and sleep disorders will fuel additional growth in coming years.

Treatment Innovation

• Advances in pharmaceuticals enable providers to manage and treat complex, chronic neurological conditions.
• Advances in diagnostics enable more effective disease detection, leading providers to introduce patients to care pathways earlier in their disease progression.
• Improved surgical capabilities will allow providers to perform new and more efficient procedures, which may contribute to neurosurgery growth.

Care Management

• A shortage of neurologists will force neuroscience programs to more efficiently allocate limited resources, increasing the demand for teleneurology and heightening the focus on triage and top-of-license care.
• Medical advances and a favorable outpatient reimbursement landscape means that patients can often be managed in lower acuity sites of care, fueling demand for outpatient services.

Overview of the neuroscience financial landscape

• Neurosurgery will likely continue to drive revenue in the inpatient setting.
• Though profitability is lower, outpatient procedures have a significant impact on neuroscience program margins, as they may lead to downstream inpatient revenue.
• Neuroscience programs’ finances will also be impacted by regulatory changes, such as:
  • More liberal device intensive procedure designations
  • Changing pain management policies
  • Expanding coverage for telehealth
  • Cuts to 340B

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Source: Advisory Board research and analysis.
Implications for suppliers and service providers

As the prevalence of patients with neurological conditions (and the ability to treat such conditions) continues to rise, the neurologist shortage will only grow more acute. By 2025, it is estimated that demand for neurologists will outpace actual supply by 19%. Providers may respond to this shortage by taking a three-pronged approach comprised of: 1) leveraging teleneurology to alleviate pressure on already time-strapped neurologists, 2) taking full advantage of existing physicians by ensuring they practice top-of-license care, and 3) developing operational efficiencies such as more appropriate triage.

Neuroscience programs may be wary of overloading time-strapped neurologists with tasks that don’t directly relate to providing care. As such, programs will likely value solutions that save clinicians time, and may not be as receptive to products that add extra administrative steps or cannot seamlessly integrate into existing workflows. Suppliers and service providers may also see increased investment in telehealth solutions such as patient monitoring technology and real-time video capabilities, as these will allow providers to more efficiently manage the health of their patients without the need for in-person visits.

This growing population of patients with chronic neurological conditions (e.g., memory, movement, pain, etc.), combined with advances in medical management and neurosurgical care, has also increased the demand for outpatient care. In response, neuroscience programs may consider developing outpatient disease-based centers of care or clinics to improve access and treat patients in the most appropriate setting. Volume growth will also likely come from building stronger referral pathways, as well as from engaging the community to attract patients earlier in their disease progressions and retain them through their more complex care needs.

Suppliers and service providers are well positioned to help their customers better manage patients across the care continuum. By leveraging product data, vendors can support providers in evaluating demand for outpatient disease-based investments. Also, as providers take advantage of increasing demand and favorable reimbursement in the ambulatory space, there may be greater interest in products that facilitate surgical care that can be delivered in lower-acuity settings.

The 2018 updates to the AHA/ASA care guidelines for patients with acute ischemic stroke expanded eligibility for IV-tPA and thrombectomy, increasing volumes of these services in many markets. This has spurred providers to examine their stroke care processes to ensure timely and efficient care. Many programs have re-evaluated their staffing and technology needs, and have also created multidisciplinary leadership teams to improve coordination across neuroscience, imaging, and emergency departments.

As providers strategically assess the impact of stroke guideline changes, suppliers and service firms can support their customers by providing data to help forecast demand and determine the appropriate levels of staffing, technology, and infrastructure investment needed. It is also important to note that a focus on better coordination means representatives from many departments will be involved in decision making. As such, it is an imperative to demonstrate value to a diverse set of stakeholders who may evaluate products and services across a wide range of outcome metrics.

Suggested conversation starters:

1. What new technologies and products will you look to deploy to meet your program’s quality and growth initiatives?
2. How will your program be impacted by a shortage of neurologists in the next 5 years? To what extent are you leveraging teleneurology to alleviate this shortage?
3. How are you working with other departments (e.g., imaging, emergency) to improve the coordination of stroke care?