

How do we improve labor productivity in the nonclinical workforce?

US healthcare is fragmented

The top 5 private payers, Medicare FFS, and Medicaid FFS account for

58%

of covered lives; the remainder are covered by

350+

payers

The top 10 provider systems account for only

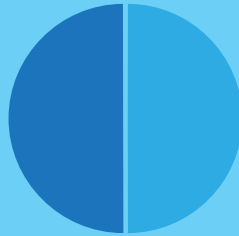
18%

of all inpatient days; an additional

2,000+

provider systems account for the remainder

Compared with other US services industries, healthcare delivery has **2x as much** support staff



On average, per clinician, the US healthcare delivery industry has nearly

2 nonclinical support staff

The nonclinical support staff

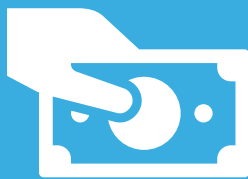
make up over

40%

of the workforce

Two potential opportunities are...

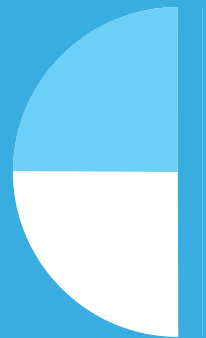
1 Reduce billing and insurance-related spending (BIR) and simplify processes



51% of BIR spending is considered **“excess”**

2 Streamline performance tracking

1,700+ metrics are being used by CMS alone



We have ways to improve productivity today



Over a **third of this excess BIR spending** could be captured by implementing technologies and business models already in use; **another one-fifth** could be captured by creating clearinghouses similar to financial services

Technology advances – automation and interoperability – could significantly reduce this burden



To learn more, visit mckinsey.com to read *The Productivity Imperative for Healthcare Delivery in the United States*