



## For Immediate Release

### **Sg2's Disease-Based Forecast Predicts a Dramatic Shift to Outpatient Health Care Services Over the Next Decade**

Ten-year forecasting system provides hospitals with the industry's first local market view of future patient demand across the care continuum

**Skokie, IL – January 5, 2010.** Between now and 2019, the health care industry will see demand for outpatient services increase by nearly 22% while demand for inpatient services remains flat, according to Sg2, a future-focused health care information systems company. This will require hospitals to shift focus beyond the acute care center and look to services that span the care continuum.

Sg2's prediction is grounded in its expert-developed Impact of Change® forecast, which projects 10-year demand for health care services. The Impact of Change examines the cumulative effects and interdependencies of key factors that are driving changes in utilization, going beyond population alone and incorporating the impact of epidemiology, economics and payment, and innovation and technology for both inpatient and outpatient care settings. Additionally, this analytical solution allows health care leaders to forecast future demand using both disease- and payment-based (MS-DRG) models.

Sg2 Medical Director John Peabody, MD, PhD, FACP, says, "The strength of the forecasting model lies in the impact factors that weigh Sg2 expert opinion on a disease-by-disease basis. What is particularly powerful is that the forecast can be customized to local market or hospital system characteristics, thereby enabling more accurate strategic planning for investments in staffing, physical build-out, technology and market prioritization. Because the forecast is site neutral and clinically based, it helps hospitals coordinate with primary care physicians and specialists, covering patient care from pre-acute through post-acute facilities. Sg2's Impact of Change is an essential tool for planning, forecasting and keeping our clients ahead of the curve in response to current and future reform and payment changes."

The Impact of Change is the health care industry's only forecasting solution that uses diseases and medical conditions, the common language of medicine, to quantify future patient demand. By starting with powerful trends in the prevalence and incidence of underlying health conditions, the Impact of Change offers the ability to predict the need for patient services across all care settings—a capability that most hospitals and health care systems do not have today. This enables hospitals to allocate resources appropriately, identify where to invest, develop effective community outreach plans, and identify new program elements and capacity needs.

In addition, the Impact of Change's payment-based model predicts future demand by Medicare severity-adjusted diagnosis-related groups (MS-DRGs), allowing hospitals to build budgets based on quantified demand as well as anticipate changes brought about by ongoing payment reform.

Sg2's Impact of Change is available in a Web-based version that allows users to generate a report combining disease-based inpatient and outpatient forecasts into a comprehensive picture of how patients will access services across all care settings. To learn more, please visit [www.sg2.com](http://www.sg2.com).

#### **About Sg2**

Sg2 provides expert-led, future-focused systems for growth and clinical performance. Our advanced analytics, business intelligence, education and publications deliver measurable value across the full continuum of health care services. Sg2 works with more than 1,000 hospitals and health care organizations in the US and around the globe. For more information, please visit [www.sg2.com](http://www.sg2.com).

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