Staying Ahead of the Curve

Five environmental trends to watch

In the hustle and bustle of daily life, it is often difficult to find time to step back and look at the bigger picture. To remain competitive and viable in the long run, psychologists need to monitor key developments that will influence the way services are provided in the future. This article introduces five trends that will have a significant effect on health service delivery in the years to come and some resulting opportunities and challenges for psychology.

1 Information Technology

With major implications for both administrative practices and the delivery of services, developments in information technology are changing the world on a scale not seen since the Industrial Revolution. The rules resulting from the Health Insurance Portability and Accountability Act (HIPAA) are driving more practitioners into the information age.

Some psychologists are already reaping the benefits of using tools such as practice management software. Others continue to rely on non-automated processes. While such an approach may be effective in the short run, it does not address the scope of change to come.

Experts anticipate a complete shift to electronic client records within the next 10 years, with increasing use of “smart” technology and expert systems that provide enhanced decision support and clinical management. Additionally, as technology becomes more user-friendly and embedded in our everyday activities, the tools will become less intrusive. This development will allow for new ways to monitor health behaviors, track essential data elements and document treatment and progress.

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Opportunities

- More automatic and less burdensome record keeping
- Eventual cost savings and increased efficiency
- More knowledgeable, better-informed clients
- Access to more complete, accurate client records
- Clinical data and latest research at your fingertips
- Opportunities to design and implement new models for delivering services
- Ability to deliver services to remote and underserved areas
- Market shift that favors integrative, full-service providers
- Faced with high-tech health care solutions, client demand for corresponding “high-touch” (warm, caring, supportive) professional relationships

Challenges

- A need for practitioners to be competent with new technologies.
- Safeguards to keep electronic health information confidential and secure
- Potential for information overload
- Questions related to the effectiveness of treatment delivered through emerging modalities
- Ensuring the continued integrity of psychological services as technologies are applied to these services
- Pressure for higher productivity
- Automation of many health care services
- Potential high costs and delayed return on investment for new technologies
- Increasing transparency, with clients and payers scrutinizing practitioners’ performance data
- The potential for new models of technology-driven service delivery to remove geographic barriers
- Broader competition, allowing for a greater variety of services
- Quick access to more information from any location
- The realization that helping others and earning a comfortable living are not mutually exclusive—leading to more effective and efficient business operations that help to advance practice

The Global Marketplace

Fueled by advances in information technology and the desire to reach untapped markets, global competition is changing business models and requiring new competencies. Although most psychologists will not interact at the global level, the competitive nature of the evolving marketplace has significant implications for practice. Whether the United States ultimately moves more toward a free-market or government-sponsored health care system, one thing is certain—all parties involved are increasingly adopting business-oriented approaches.

Opportunities

- Ability to reach a broader target audience
- The potential for new models of technology-driven service delivery to remove geographic barriers
- Broader competition, allowing for a greater variety of services
- Quick access to more information from any location
- The realization that helping others and earning a comfortable living are not mutually exclusive—leading to more effective and efficient business operations that help to advance practice

Challenges

- The removal of geographic barriers, creating licensing and mobility issues that need to be addressed
- Increased demand for demonstrable quality and high productivity
- More competition from non-psychologists
- Increasing difficulty for non-tech-savvy psychologists to compete
- A greater need for practitioners to work as part of a system and collaborate with multiple parties (for example, other treatment providers, payers, technology solutions vendors)
- A more competitive environment that requires psychologists develop to additional business skills

This topical edition of Good Practice magazine from the APA Practice Organization focuses on practice building in a changing market. The content includes information to aid practice development along with profiles of new and established practitioners. Examples abound of psychologists who have successfully expanded their professional roles and diversified their practices.

If you are interested in sharing your experience, please contact us by sending an email to praccomm@apa.org or by calling 202-336-5877.
Demographics
The combined trends of growing ethnic and cultural diversity and the aging of the U.S. population affect both the profession and clients whom psychologists serve. Practitioners are increasingly called upon to competently treat diverse populations. In the other major demographic shift, the first baby boomers will reach retirement age in 2011. And for the following 18 years, the largest segment of the population will begin to transition out of the workforce. Although many psychologists will continue to work well beyond age 65, many will transition out of full-time practice over the next two decades. Similar to the trend in the larger workforce, this will leave a much smaller group remaining to treat a population whose largest segment will increasingly require health care services.

Opportunities
• Increasing demand for ethnically and culturally diverse practitioners
• Demand for culturally appropriate assessment, treatment and consultation
• Dramatically increased demand for services specifically targeted to the needs of older individuals (for example, grief and loss, coping with chronic illnesses, dementia, functional issues, depression)
• Baby boomers more open to accessing psychological services than previous generations
• More collaboration with physicians and other health care providers

Challenges
• Need for practitioners to develop cultural competencies
• Language barriers in treating non-English-speaking clients

Genetics
The mapping of the human genome and the emerging field of applied genetics have widespread implications. Although many of these applications will not become a practical reality for a number of years (or even decades), advances in genetics will create a sea change in the realm of health and science.

Opportunities
• Genetic profiles may help practitioners to diagnose disorders earlier and more accurately.
• Customized treatment packages will improve treatment effectiveness.
• Genetic data that allow practitioners to identify individuals with predispositions to particular illnesses can enhance prevention efforts.
• An enhanced understanding of genetics will help practitioners better understand the biological bases of behavior.
• Advances in genetics will not make psychology obsolete. Psychologists’ expertise in human behavior will continue to add value, since genes interact with their environment.

Challenges
• Ethical issues related to appropriate use of applied genetics, genetic profiles and screening
• The need for psychologists to acquire new knowledge related to genetic bases of behavior
• Health care increasingly driven by genetics and technology
• The need for practitioners to work collaboratively with new professionals, such as genetic counselors
• The complexity of interactions between genes, biochemistry and the environment, posing challenges with regard to diagnosis and treatment

A Focus on the Consumer
As health care costs continue to skyrocket and employers begin to place more responsibility on the consumer in terms of both decision making and cost sharing, the health-care market has taken a decidedly consumer-driven turn. The result is twofold. First, the consumer is now taking the lead in terms of choosing what services to purchase and from whom to purchase them. Second, in an effort to reduce health care costs, an emphasis is being placed on maintaining good health and preventing illness in the first place.

Opportunities
• The marketplace is ripe for new products and services geared toward health, wellness, disease management, lifestyle and behavior change.
• As experts in human behavior, psychologists are well positioned to tap into new markets.
• Advances in information technology can be used to communicate with clients and get them more involved in their own care.

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- New business models that offer a one-stop shop for services can garner a competitive advantage.
- Trained in assessment, treatment, program design and evaluation, psychologists are uniquely equipped to provide full-service, integrated treatment.
- Psychologists have the knowledge and skills to apply their research and demonstrate outcomes and treatment effectiveness.

Challenges
- Practitioners must learn to evaluate the environment and create a business plan that anticipates and responds to changing needs.
- As consumers make their own decisions about what services to purchase, practitioners must increasingly demonstrate the value of their services and the competitive advantage they offer.
- Payers will shift their focus from utilization management to clinical outcomes and provider accountability.
- Provider evaluations and performance data will increasingly be made available to consumers to help inform their decisions.
- As in other industries, practitioners will need to focus on client satisfaction and customer service.
- Lower-income consumers who must spend their own money may opt not to access services, thereby increasing discrepancies in health status, quality of care and access to services.
- The large number of uninsured and underinsured individuals may find it increasingly difficult to access appropriate treatment.

Staying on top of emerging trends will help you creatively meet the changing needs of society and position your practice for a long and prosperous future. Visit APApractice.org for more information about environmental trends and practice opportunities.

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that you would be freed up to produce revenue for your practice once you no longer need to handle such tasks yourself.
- Be open to new opportunities. Increasingly, psychologists are finding innovative ways to apply their expertise in human behavior outside of the traditional mental health realm. For some psychologists, such diversification helps to create multiple streams of revenue and improve their practice finances.

* The APA’s Business of Practice Network works strategically to position psychology in a leadership role within the marketplace by developing strong collaborative relationships with the business and employer communities and educating them about the roles and value of psychology in the workplace.

WHERE TO LOOK FOR A BUSINESS COURSE

Many colleges and universities will let you register for or audit a single business course and may even offer weekend and evening seminars or online courses. Similarly, local community colleges may offer basic business courses through their adult education programs. And small business associations and other community business groups often offer seminars and workshops at low or no cost.