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Health care digital transformation survey

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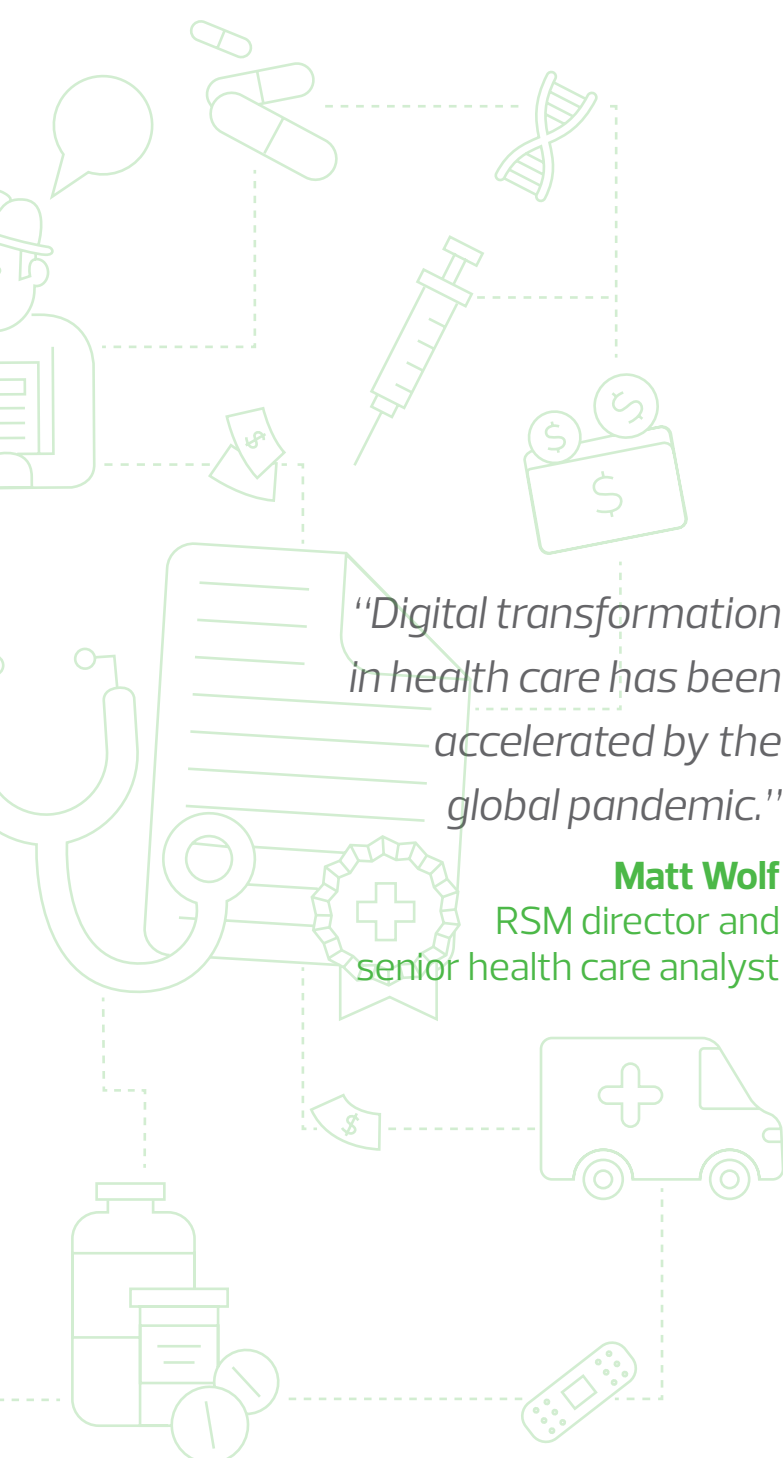


HEALTH CARE

**DIGITAL
TRANSFORMATION
SURVEY**

INSIGHTS INTO DIGITAL TRENDS AND CHANGES
IN THE **HEALTH CARE** INDUSTRY

EXECUTIVE SUMMARY



"Digital transformation in health care has been accelerated by the global pandemic."

Matt Wolf
RSM director and senior health care analyst

Digital's impact: From barriers to benefits

The right digital strategies can provide health care and hospital systems with a variety of benefits ranging from improved patient care to enhanced billing processes. These solutions can streamline the patient experience, meticulously track hospital supply chains or automate the full revenue cycle, to name just a few critical processes, all while providing in-depth analysis and valuable forecasting capabilities for smarter measurement and improved business decision-making.

Health care and hospital system leaders face distinct challenges as they work toward harnessing the power of digital transformation. What concerns and risks are health care executives encountering? Who should be leading and guiding decisions related to technology efforts within the health care system? Are organizations seeing a return on their digital investments and how should they measure these outcomes?

To gauge the transformative impact of a variety of digital methods and strategies within the health care industry, RSM surveyed executives late last year as part of a broader study that looked at digital transformation across multiple industries. While findings were compiled before the coronavirus pandemic, much of the analysis and insights can be applied in this post-COVID-19 "new normal" world.

"Digital transformation in health care has been accelerated by the global pandemic," Matt Wolf, RSM director and senior health care analyst, said. "As if treating the human tragedy wasn't challenging enough. At the same time, providers needed to rapidly ramp up telehealth and deploy a remote workforce. It will be important to optimize these strategies for 2021 and beyond because patients, employees, vendors and other stakeholders won't return to a completely physical experience post-pandemic, and providers need to be ready."

The goal of this report is to provide organizations ideas and opportunities for improvement, evaluate ongoing strategies and provide comparison analysis of peer health care providers.

RSM's primary research focused on six research categories. A summary of findings follows.



Marketplace solution: Which tools are key?

Which technologies are health care providers seeking out? 5G, artificial intelligence, business intelligence and cybersecurity measures were ranked as most important by 42% or more of the survey respondents. Mobile was in the top five. Leaders see connectivity, data analytics and data management as pathways to better efficiency; 5G, artificial intelligence and business intelligence are the tools that can help them get there. In particular, 5G, when applied in health care, expands telehealth solutions, improves augmented and virtual reality applications, and enhances remote monitoring of patients, all of which can lead to improved care and reduced readmission rates.

Investment priorities: What determines spending?

Health care executives aren't willing to invest in digital transformation if it doesn't improve clinical outcomes. Respondents indicated that aligning legacy and new systems, planning, value assessments, maximizing value and meeting future needs were the top considerations. Meeting compliance needs was also a top priority. Leaders recognize that solutions are often complex, and they must prioritize based on legacy planning, compliance needs, new system value and scalability considerations.

Opportunities and barriers: What challenges can digital address?

Defining appropriate success metrics and meeting evolving patient demands were the top two challenges, at 58% and 53%, respectively, for health care organizations. While these areas present barriers, the challenges also provide opportunities to address patient needs and optimize engagement throughout the cycle.

Decision influencers: Who leads efforts?

Technology leaders were most responsible for leading implementation of digital projects within the health care organization. The chief technology officer, chief data officer, chief digital officer and chief intelligence officer were the top four with 57% or greater selected by survey respondents. However, a combination of executives (IT and non-IT) often co-led implementation projects indicating the importance of collaboration among leaders. The highest non-IT titles often involved in projects included chief financial officer, chief operations officer, CEO and president. As technology becomes more critical to business functions, it is imperative that executives and other stakeholders from across the organization collaborate on its effective implementation.

Workforce enablement: How to optimally train?

Recruiting skilled talent and adding easy-to-use technology were top of mind for health care organizations. Hiring skilled talent is a clear focus for workforce enablement in health care. As for digital training throughout the organization, executives preferred easy, flexible and smaller modular training for improved comprehension, combined with rewards and incentives that increase positive actions. Attracting, retaining and upskilling talent will become more critical to success as the relationship between human and digital workers evolves.

Technology rationale: What are the benefits?

Health care leaders shared their views on the business challenges solved by digital technology. These leaders indicated that digital efforts enabled their organizations to scale, improve processes, and connect teams and functions internally. Scalability, efficiency and transparency were the top benefits chosen by 30% or more of the leaders. Likewise, data security ranked fourth as a benefit. Leaders are concerned with investing in digital optimally and efficiently while providing better transparency across the organization. In addition, digital transformation was viewed as a path to better data security. This area, in particular, is amplified in the wake of COVID-19 as health care organizations are facing increased cyberthreats due to stressed systems and vulnerabilities.

KEY TAKEAWAYS

- Digital technology enables health care organizations to scale, improve process and connect the organization.

- Aligning legacy systems to maximize value and meet future needs are the top challenging prioritization considerations.



- 5G, AI, analytics and data technologies are important focus areas for organizations.

- Technology leaders are most responsible for leading implementation of digital projects, but collaboration is key, too.

- Recruitment and easy-to-use technologies are key workforce enablement strategies.

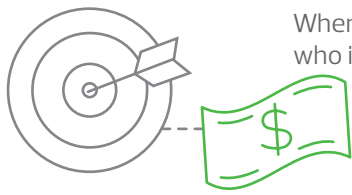
- Clear success metrics and offering the desired patient experience are the most difficult challenges for organizations.

- While the survey was conducted before the coronavirus pandemic, findings support new normal needs of scalability, process improvement, system alignment, collaboration and patient experience.

What's **top of mind** for health care leaders regarding digital efforts?

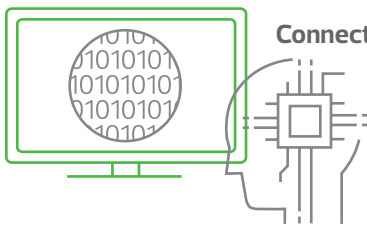
Here's what they had to say in RSM's Digital Transformation Survey.

LACK OF STRATEGY BEGETS LAGGING BEHIND



When it comes to implementing digital technologies, executives who indicated their organizations lagged or were at parity compared to competitors said it was **due to a lack of digital strategy alignment and investment**.

MOST IMPORTANT



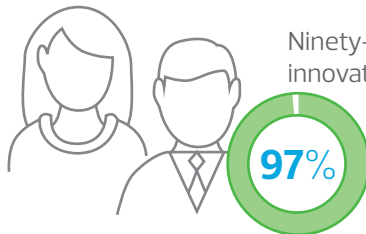
Connectivity, data analytics, automation and security technologies are most important for organizations. 5G was most important (66%), with AI (47%), and BI and cybersecurity both at 42%.

ANALYTICS AND DIGITAL SAVVINESS BRING SUCCESS



Of those health care organizations indicating successful digital transformation implementation, half of the health care executives surveyed said **having an active analytics program and team were the leading differentiating factors**, followed by working with digitally-savvy partners and employees.

ROLES ARE EXPANDING



Ninety-seven percent of both health care **CEOs and CIOs** (chief innovation and chief information officers) **see their roles expanding** given the direction of their organizations' digital objectives.

Driving digital strategy is complex and requires organizational change management and expertise to create a vision and process customized to the needs of the enterprise. An outside perspective may be needed to help evaluate opportunities and considerations. Engage consultants who have deep industry experience in health care to ensure you're getting the best digital strategy guidance.



WHAT THEY SAID

Survey respondents provided interesting insights about their digital strategy experiences.

Experience

"We want to create a front door by which people can access us. Once we get them inside digital housing, we can provide them different features or solutions." – CIO

Analytics

"We are looking for a more robust, comprehensive system; we can do data analytics on population health and integrate it into budgeting, forecasting and capital needs." – CFO

Learning

"We found that most of our people are truly learning better by short video snippets or tip sheets for the very workflow-specific scenarios. It's not only helpful to them, but it also breaks up the monotonous need to spend two to three hours in a classroom learning some new system capabilities." – CIO

Impact

"We measure impact by answering 1) Are we getting the expected outcomes that we have set forth when we implemented the technology; 2) Is it giving the right data to the right users at the right time; and 3) Can we continue to evolve the tool to our evolving needs?" – CFO

Innovation

"We run a once-a-year idea competition internally to support ideas that people have around how they can improve the care environment within the hospital. We do events; we do workshops; we do networking sessions." – CIO

Budget

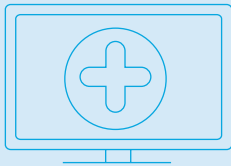
"As a small and rural health system, we also need to consider how we manage our ROI and fundamentally the cost so that we don't get overextended or over budget." – CIO

TELEHEALTH RECOMMENDATIONS AMID COVID-19 RECOVERY

(Reprinted in part from RSMUS.com's, "Post-COVID-19 IT and cyber considerations in telehealth deals.")

Telehealth technology has received a major boost in demand and supply due to COVID-19. There are five key considerations that should be assessed:

- 1. User experience for patients and providers:** Health care workflows and care coordination are fundamentally meticulous operations, and moving these lifesaving workflows into the virtual space is uncomfortable for many operators. Telehealth is a new concept for most patients and providers; they would need a very simple and secure user experience that could give the same level of compassion and care as an office visit. A mature telehealth platform would exceed user experience by providing:



- Low system requirements and support for a wide range of operating systems
- No latency in a low-bandwidth environment
- Easy-to-use forms to collect pre-visit background information and consents
- Virtual waiting rooms with educational or revenue-generating advertising content
- Post-session follow-up and recommendations
- Session recording for post-session follow-up review
- Patient responsibility and price transparency tools
- Payment portals with Apple Pay and other electronic payments accepted

"Our advice to clients is to view the point in the horizon to aim for as an Amazon-like experience for your patients, fully built on artificial intelligence using their data to provide a truly personalized experience, on-demand," says Rick Kes, RSM partner and health care senior analyst.

- 2. Platform scalability for growth:** A scalable platform that could have geographically distributed users and support zero latency in low-tech environments needs the right architecture, design, code development practices and infrastructure. Most telehealth platforms today are developed by integrating disjointed components to capture the sudden increase in demand. The architectural shortcuts could result in sustainability issues if the product is built on tight coupling and close architecture that would require complete rearchitecting and redeveloping the underlying product to scale.



- 3. Integration with electronic medical record systems:** Connecting a provider and patient involves complex workflows of scheduling, collecting patient data, prescribing, and billing and coding that enterprise EMR systems handle every day for health care providers. Integration of telehealth platforms with a wide range of EMR systems will provide omnichannel experiences with telehealth and in-office visits and reduce complexities in rolling out the telehealth capabilities for health care organizations.

- 4. Integration with wearable medical devices:** Patients' vital signs are critical for accurate diagnosis; they are also necessary for prescribing the right medication. While there is no issue with obtaining these during an in-office visit, providers are handicapped without their ability to measure patients' vitals when providing remote care. The next-generation telehealth platform will solve this problem by [integrating with wearable devices](#) (e.g., Apple Watch, Fitbit, etc.). Capturing data from wearable devices and using it in a meaningful way for tracking patients' health will be a game-changer.



- 5. Data security and privacy compliance:** While the Food and Drug Administration excludes telehealth platforms from the scope of data security regulations for digital technologies (i.e., medical devices), the entities are still subject to the Health Information Privacy and Accountability Act. HIPAA requires telehealth platforms to implement security controls for protecting patient data, administrative controls for collecting patient consent and third-party risk management processes before sharing patient data. A 2019 Ponemon report puts the average cost of a health care data breach at approximately \$6.45 million, which is expected to rise with more adoption of technology in health care.

NEXT STEPS

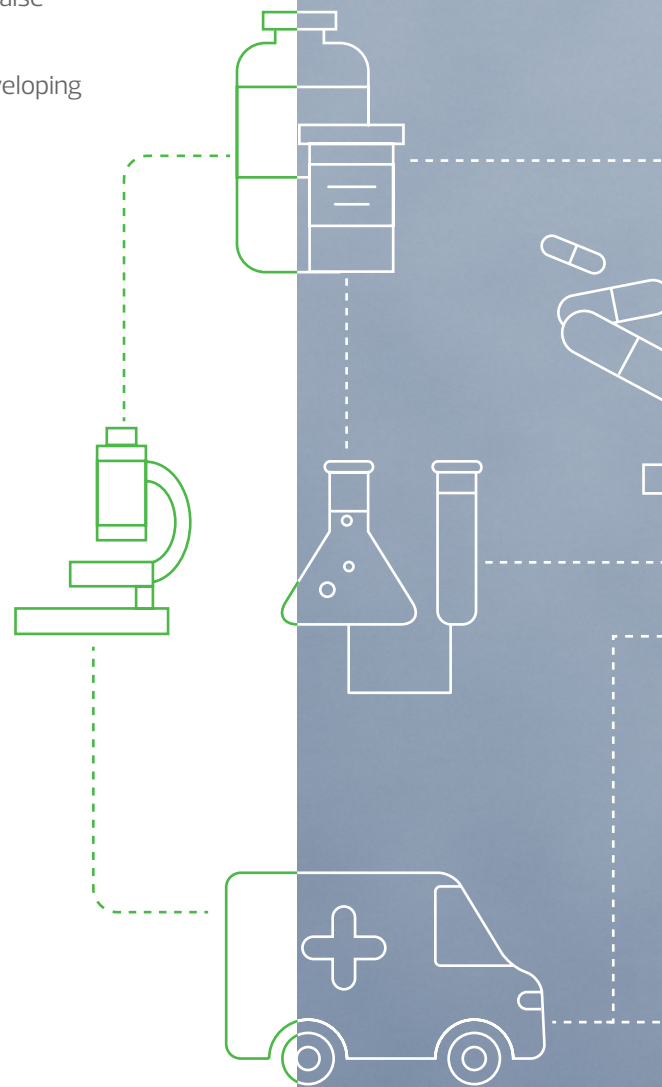
Digital transformation will continue to be a pressing need for health care systems, especially as organizations emerge and recover from the impact of COVID-19. Innovations in telehealth, automation and more will be key to that recovery. Creating a digital road map aligned with organizational strategic goals and vision is essential. Likewise, collaboration among digital decision-makers is a must to ensure optimal planning, prioritization and implementation. Planning must include a variety of assessments from patient needs to current systems analysis. Likewise, risks and security must be weighed, along with cost and workforce evaluation.

Optimal digital transformation is an important element for growth. Our hope is that the data and insights in this report provide helpful comparisons, raise awareness and spark areas to build on and improve.

Please contact us if you have additional questions or require help in developing your organization's digital road map strategy.

About the Digital Transformation Survey

The RSM Digital Transformation Survey represents perspectives from chief executive officers, chief financial officers and chief innovation officers from health care organizations (those with annual revenues between \$50 million and \$4 billion). The survey assesses organizations' approaches to digital transformation to support companies in benchmarking digital transformation initiatives and opportunities to embrace innovation effectively.





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