

THE FUTURE OF DIGITAL TRANSFORMATION IN HEALTHCARE

2021 US RESEARCH REPORT

US C-suite leaders give their perspectives on digital transformation priorities and challenges



EXECUTIVE OVERVIEW

This research was conducted by Sage Growth Partners on behalf of Lumeon to examine the priorities for digital transformation in hospitals, integrated delivery networks and ambulatory care centers emerging from a global pandemic.

A quantitative survey and qualitative interviews were conducted with clinical and operational C-suite leaders between May and June 2021.



SAGE GROWTH
PARTNERS

KEY FINDINGS



IMPROVING CARE QUALITY NO 1. BUSINESS GOAL

while longer-term goals include revenue growth and differentiating the patient experience.



CARE COORDINATION IS KEY TO BETTER EXPERIENCES

and is an area where digital transformation can bring competitive differentiation and efficiency.



DIGITAL TRANSFORMATION IS HERE TO STAY

93% of providers say it will continue to be important over the next three years.



BUDGET, PATIENT ADOPTION & SILOED TECHNOLOGY

are the main barriers to digital transformation.



PATIENT ACCESS IS A FOCUS AREA for digital transformation as well as improving care transitions and ambulatory services.



PROVIDERS NEED MORE TRANSPARENCY INTO THE PATIENT JOURNEY as well as configurable technology that can be applied across many use cases.

WHAT ARE THE KEY STRATEGIC BUSINESS GOALS?

“ We’ve started to steer away from terms like the quality or cost of care, to the true value of care, which is quality + experience divided by cost. ”

CHIEF CLINICAL OFFICER, IDN

IMPROVING CARE QUALITY IS A KEY BUSINESS PRIORITY AHEAD OF INCREASING SATISFACTION & VOLUME

43% of respondents selected improving care quality as a key priority. As the US emerges from the COVID-19 pandemic, there is a financial imperative to return to volume, but this must be done in a manner that is safe and sustainable.

An overstretched workforce and an unprecedented number of cancellations and delays during the pandemic are likely factors behind the need to prioritize care quality, alongside the rapid roll out of new ways of working. Some interviewees raised concerns around video consultations, for example, and whether they offered the same care quality as in-person appointments.

Other key business goals included improving patient satisfaction (40%) and regaining volume (37%) as providers attempt to get patients back into the care system and prevent existing customers from leaking to competitors.

However, interviewees also questioned the current resiliency of an exhausted workforce and how staff will meet goals of delivering higher quality care to a greater volume of patients.

What are your organization's top 3 strategic business goals over the next 12 months?

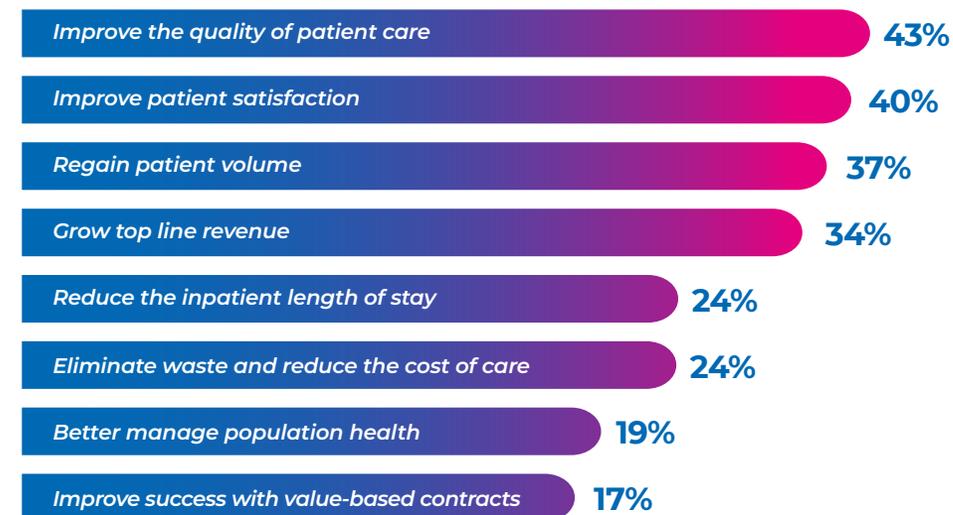
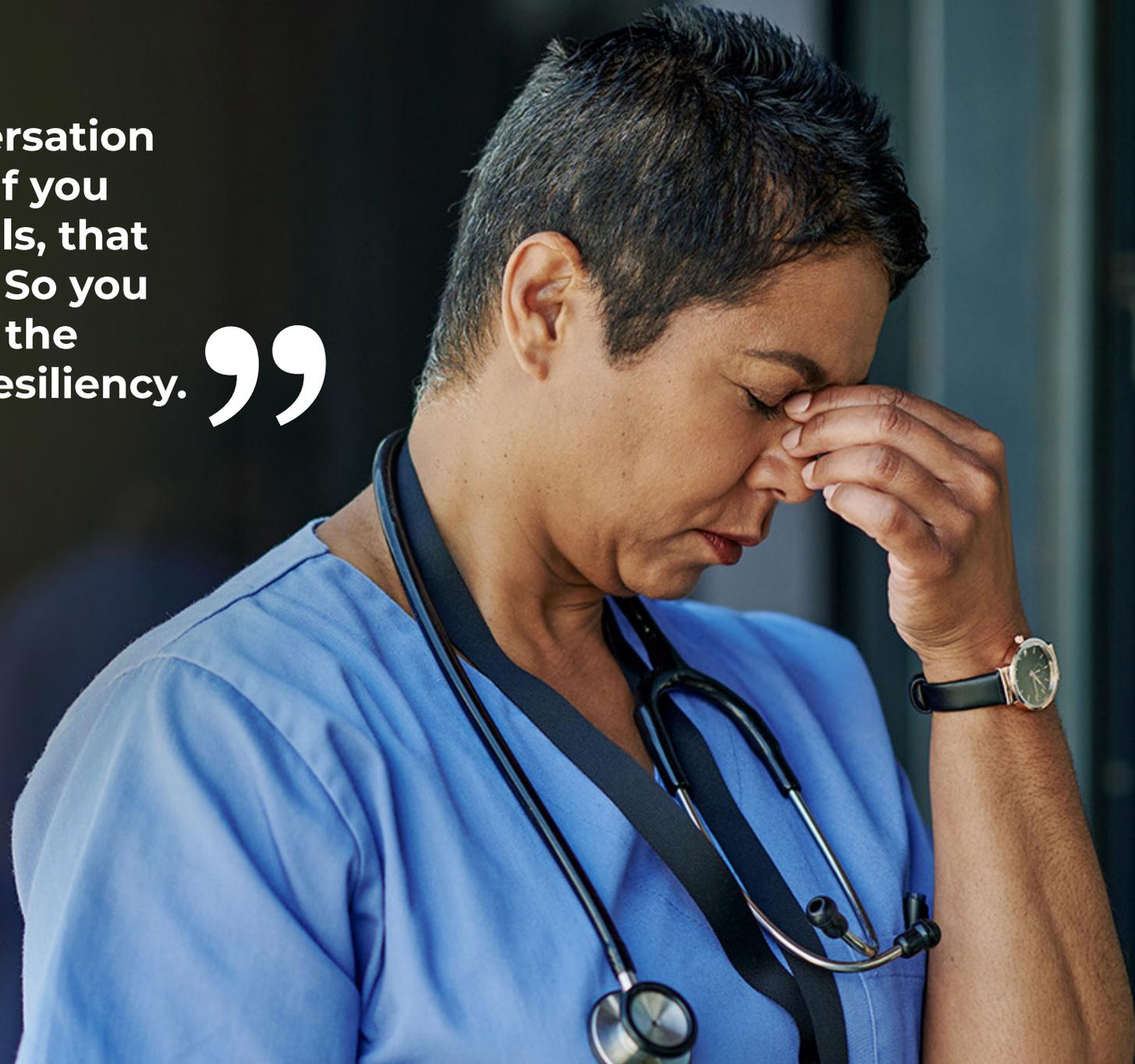


Chart shows consolidated rank of top 3 goals. Top 8 responses shown (n=81)

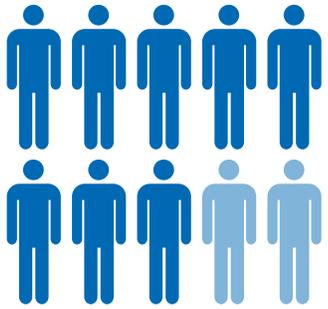
KEY STRATEGIC BUSINESS GOALS

“ In juxtaposition to the conversation around increasing volume - if you overcrowd offices or hospitals, that makes the workload harder. So you have to compare it to where the workforce is in terms of its resiliency. ”

CMO, IDN



PANDEMIC ALSO SHINES A SPOTLIGHT ON UNNECESSARY COSTS & WASTEFUL PROCESSES



8 OUT OF 10

PROVIDERS SAY WASTE REDUCTION HAS BEEN A FOCUS DURING THE PANDEMIC

“ We’re looking at a lot of areas where we have waste, affecting the throughput of patient care. ”

COO, COMMUNITY HOSPITAL





“ We’re going to have to figure out and address productivity because we’ve been throwing people at just about everything for the last two or three years, and that’s not sustainable. ”

CIO, ACO

REVENUE GROWTH, DIFFERENTIATING PATIENT EXPERIENCE & REDUCING COSTS ARE LONGER-TERM GOALS

Growing top-line revenue tops the list of longer-term priorities (37%) followed by differentiating patient experience (35%).

While some service line expansion is anticipated, interviewees indicated growth in new 'bricks and mortar' hospital services will be increasingly selective.

Acquiring more patients through a differentiated patient experience will become critical to success, listed as the second-highest priority.

Providers anticipate that a good digital patient experience will translate into more word-of-mouth recommendations, as well as making finding and booking care easier. Interviewees also commented on how far behind healthcare is in terms of offering the kind of digital consumer experience that patients expect from other industries such as travel and retail.

Eliminating waste and reducing cost will also become a priority as price transparency plays a more significant role in consumer decision-making.

What are your organization's top 3 strategic business goals over the next 3 years?

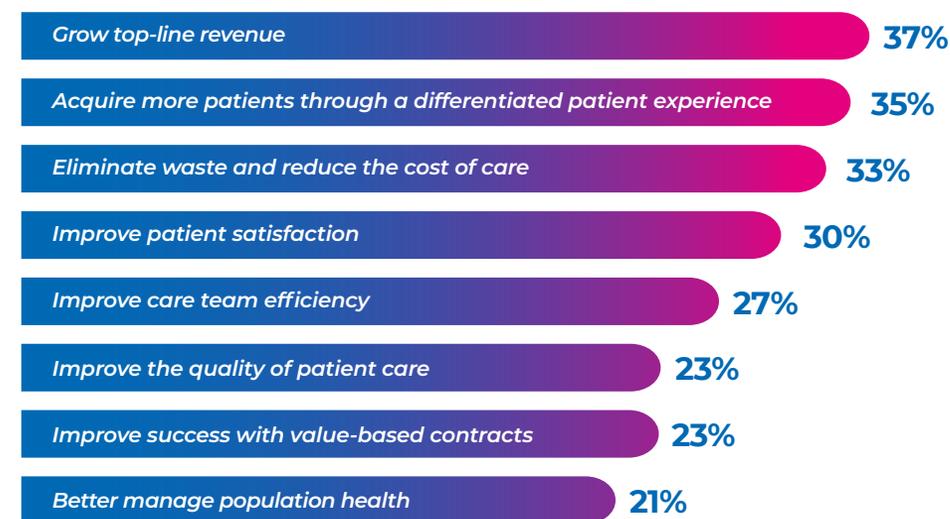


Chart shows consolidated rank of top 3 goals. Top 8 responses shown (n=81)

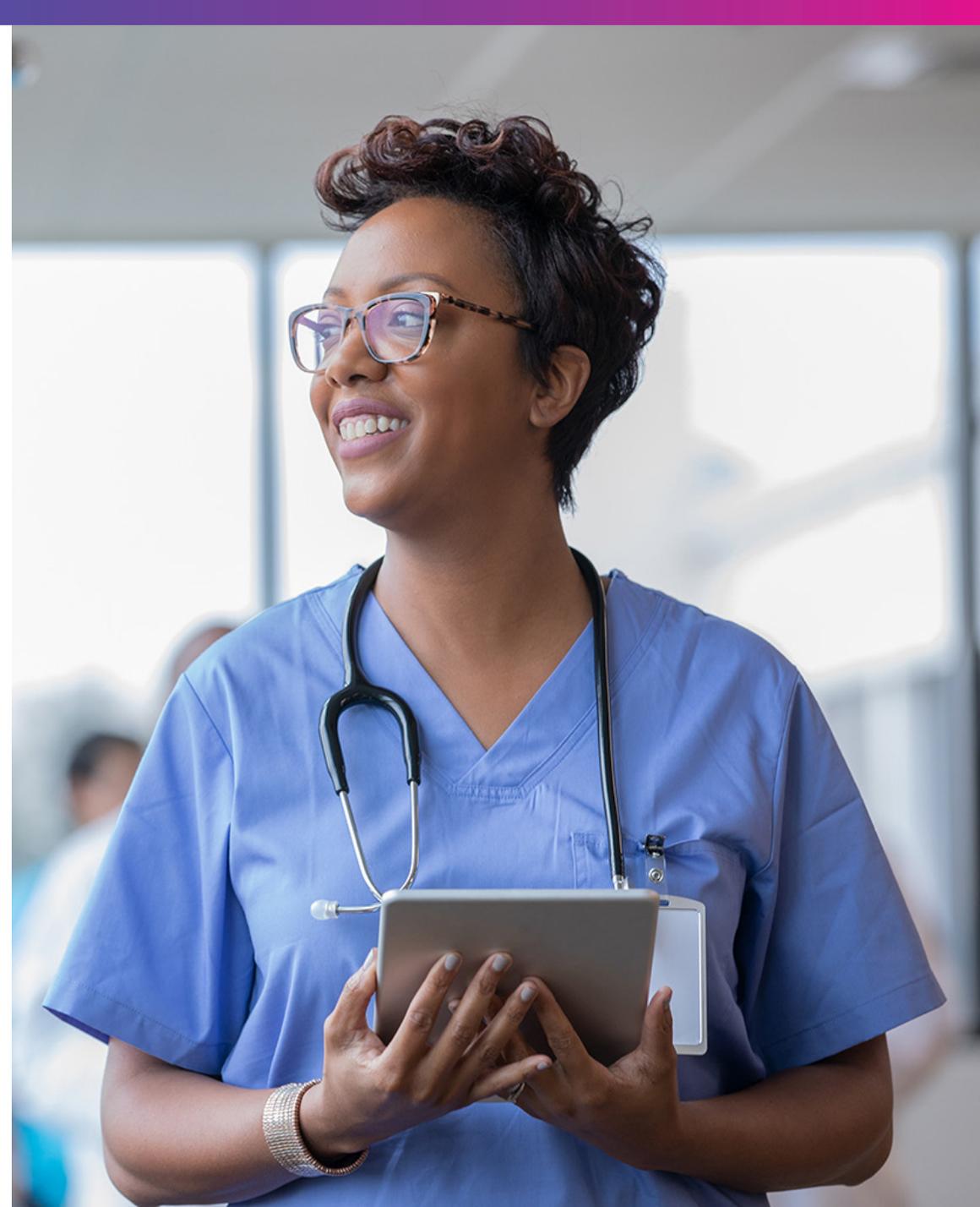
KEY STRATEGIC BUSINESS GOALS

DIGITAL TRANSFORMATION WILL CONTINUE TO RISE IN IMPORTANCE



“Digital transformation is going to be a forever thing. Our health system had been behind, but the pandemic gave us a jump-start.”

CNO, IDN



WHAT ARE THE PRIORITIES FOR DIGITAL TRANSFORMATION?

“ I think one of the most important priorities is to connect the digital experience, because patients are probably going to want more. ”

CMO COMMUNITY HOSPITAL, PART OF LARGE IDN

“ You want to fly anywhere in the world, you can go pick a flight, pick a seat and pick a meal without ever talking to somebody. We are way behind in some of those areas - and customers are going to demand that. ”

COO, COMMUNITY HOSPITAL



IMPROVING PATIENT ACCESS IS THE TOP DIGITAL TRANSFORMATION GOAL OVER THE NEXT 12 MONTHS

More than half (59%) of providers selected improving patient access as their top goal for digital transformation, while improving care transitions was also a priority.

The pandemic has demonstrated that convenient, digitally-enabled services, such as self-scheduling and video calls are highly desirable to patients and, in many cases, also improve provider efficiency and competitive advantage.

As consumer expectations rise, patient access is a logical starting point to achieve longer-term goals of improving patient experience. However, looking beyond access to the broader patient journey is also important. Some providers (34%) recognize this and are focusing, for example, on care transitions to reduce length of stay and improve patient satisfaction scores.

What are your top 3 goals for digital transformation in the next 12 months?

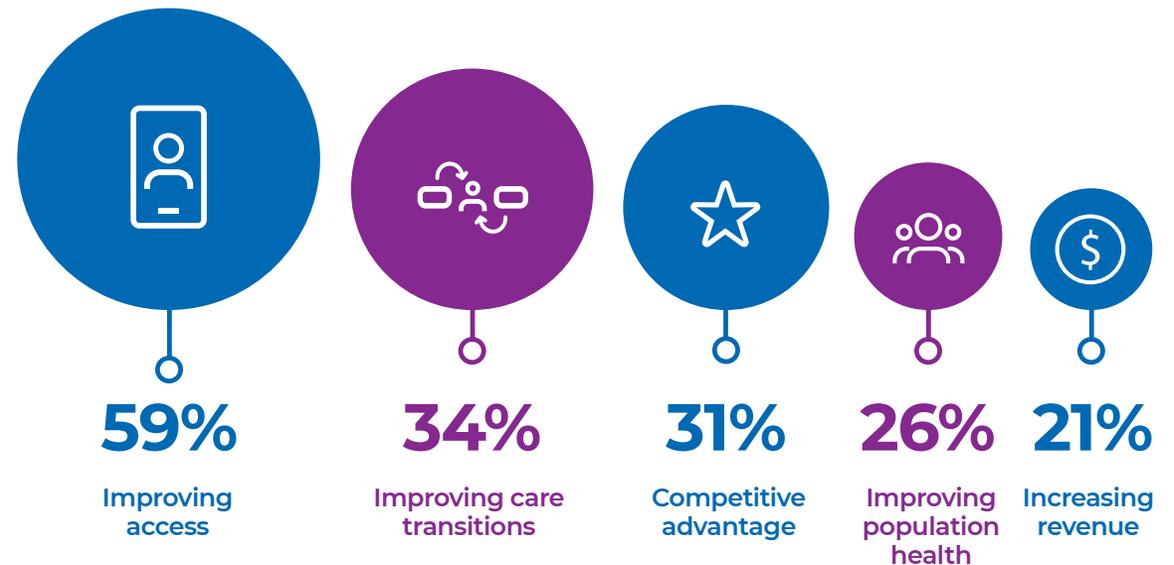


Chart shows consolidated rank of top 3 goals. Top 5 responses shown. (n=81)

PRIORITIES FOR DIGITAL TRANSFORMATION

IMPROVING PATIENT ACCESS REMAINS A TOP GOAL OVER THE NEXT 3 YEARS

What are your top 3 goals for digital transformation in the next 3 years?

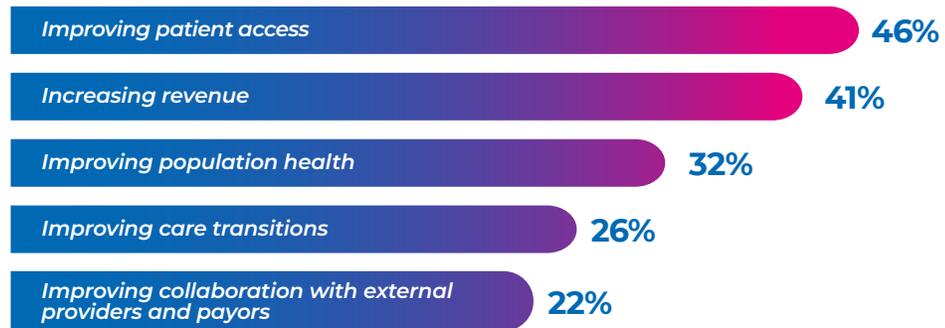


Chart shows consolidated rank of top 3 goals. Top 5 responses shown. (n=81)

Patient access will continue to be a long-term priority for digital transformation as the availability of care services and the way in which patients engage with providers continues to evolve.



BETTER CARE COORDINATION GOES HAND IN HAND WITH IMPROVING PATIENT EXPERIENCE

Both care coordination and patient engagement capabilities came out as top priorities for providers' immediate digital transformation strategy, with 98% and 96% in agreement, respectively.

The ability to bring patients and care teams onto the same page is an essential part of a better patient experience.

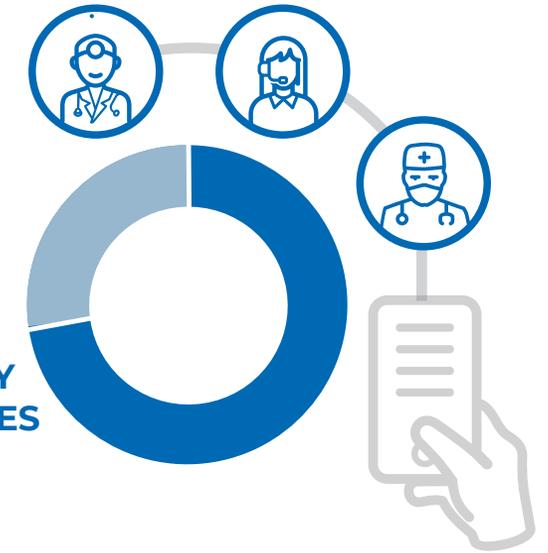
Nearly three-quarters (72%) of respondents agreed that digital patient engagement only works if there is an element of staff coordination included. A further 94% say optimally coordinating the care team around each patient's needs is critical for successful digital transformation.

To unify these priorities, interviewees recognized the need to shift from a digital patient engagement strategy that focuses only on increasing the volume of touchpoints, towards a joined up approach that proactively coordinates both patient and care team across the optimum care journey.

PRIORITIES FOR DIGITAL TRANSFORMATION

72%

AGREE PATIENT ENGAGEMENT CAN ONLY WORK IF IT COORDINATES STAFF AS WELL



Please rate each of the following statements with regards to your immediate digital transformation strategy

98% say care coordination is a top priority



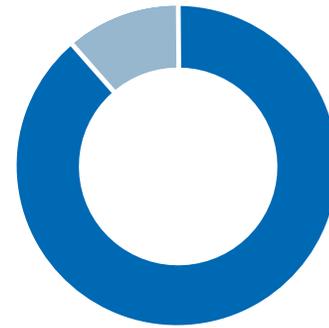
96% say patient engagement is a top priority



(n=81)



THE PATIENT NEEDS TO BE AT THE CENTER OF A COORDINATED APPROACH



94%

SAY OPTIMALLY COORDINATING THE CARE TEAM AROUND EACH PATIENT'S NEEDS IS CRITICAL TO DIGITAL TRANSFORMATION SUCCESS

“The idea is engagement, efficiency and the way care is navigated should be designed around the patient.”

CHIEF CLINICAL OFFICER, REGIONAL HEALTH

TECHNOLOGY SHOULD DRIVE STAFF COLLABORATION & ELIMINATE REDUNDANT ACTIVITY

What are your top 3 priorities for digital transformation from a care team perspective in the next 12 months?

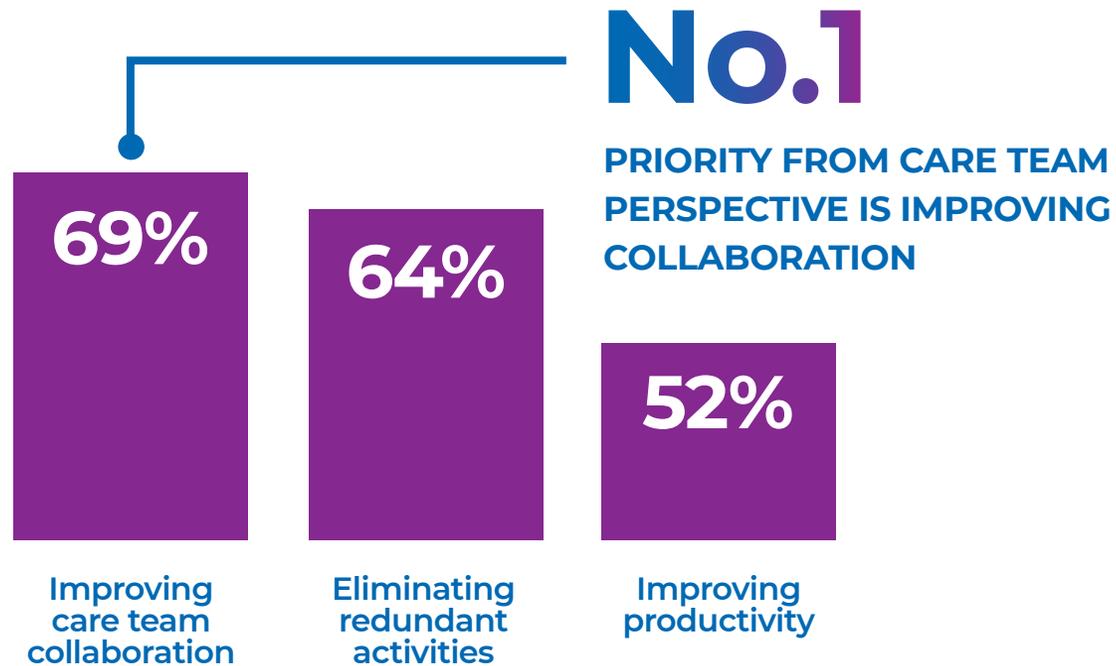


Chart shows consolidated rank of top 3 goals. Top 3 responses only shown (n=81)



TRANSFORMATION EFFORTS ARE FOCUSED ON AMBULATORY CARE AND CHRONIC DISEASE

Exactly half of all respondents listed transforming outpatient clinics as one of their top three priorities, compared to only 20% for inpatient care.

The shift towards ambulatory services has been accelerated by the pandemic. With reduced costs, less risk of infection and more care able to be delivered remotely, it is an area ripe for digital transformation. During COVID-19, providers were forced to roll out innovative programs for virtual diagnosis, remote monitoring and better digital navigation for patients whose procedures had been shifted to ambulatory settings.

The greater focus on outpatient care and behavioral health means moving away from centralized hospital models to more care being delivered in alternative settings.

These changes now need to be baked into standardized ambulatory care journeys with smooth transitions between settings to restore throughput and satisfy patients and payors.

When thinking about digital transformation, which service lines will be your top 3 priorities in the next 12 months?

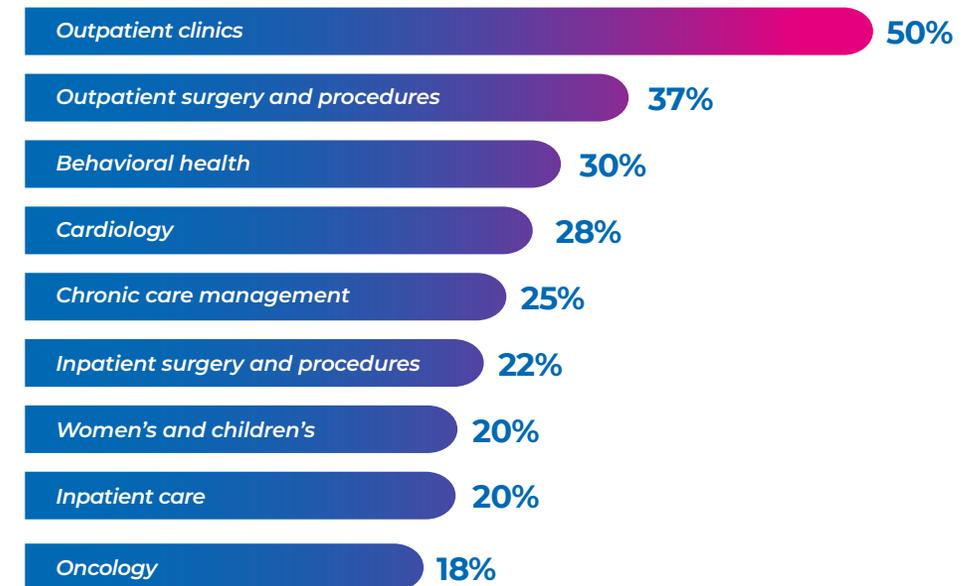


Chart shows consolidated rank of top 3 goals. Top 9 responses shown. (n=81)

WHAT ARE THE MAJOR BARRIERS TO DIGITAL TRANSFORMATION?

“ When I think digital I think silo,
everything is siloed. ”

CHIEF QUALITY OFFICER, LARGE PUBLIC HEALTHCARE PROVIDER

BUDGET, PATIENT ADOPTION & SILOED TECHNOLOGY ARE TOP BARRIERS TO TRANSFORMATION

Almost half (49%) of respondents indicated budget was a challenge, while 40% were concerned with low patient adoption.

Despite over two-thirds of providers (72.8%) stating their IT budget has increased or stayed the same as in 2020, this might still not be sufficient to meet their transformation goals.

The second highest challenge was low patient adoption. Patients often don't want to download another app or login and hunt for information in a portal, and providers are increasingly turning to modalities like interactive texting to keep things straightforward. When asked about the key factors of a good patient experience, over 70% said simplicity would be in their top three criteria.

Interviewees also raised issues around technology siloes, difficulties operationalizing data, demonstrating ROI upfront and limited customizability of their EHR, as challenges they are facing.

What are the top 3 challenges you face in trying to achieve these goals for digital transformation?

49%

BUDGET
CONSTRAINTS

40%

LOW
PATIENT
ADOPTION



36%

ROI PROOF
POINTS



DIGITAL TRANSFORMATION BARRIERS

DIGITAL TRANSFORMATION EFFORTS ARE STIFLED BY CURRENT TECHNOLOGY

Despite the rapid introduction of new solutions, current technology has not gone far enough to support transformation efforts. Few providers are satisfied with remote patient monitoring (RPM) technology, for example, and only a minority can customize their EHR to meet their needs.

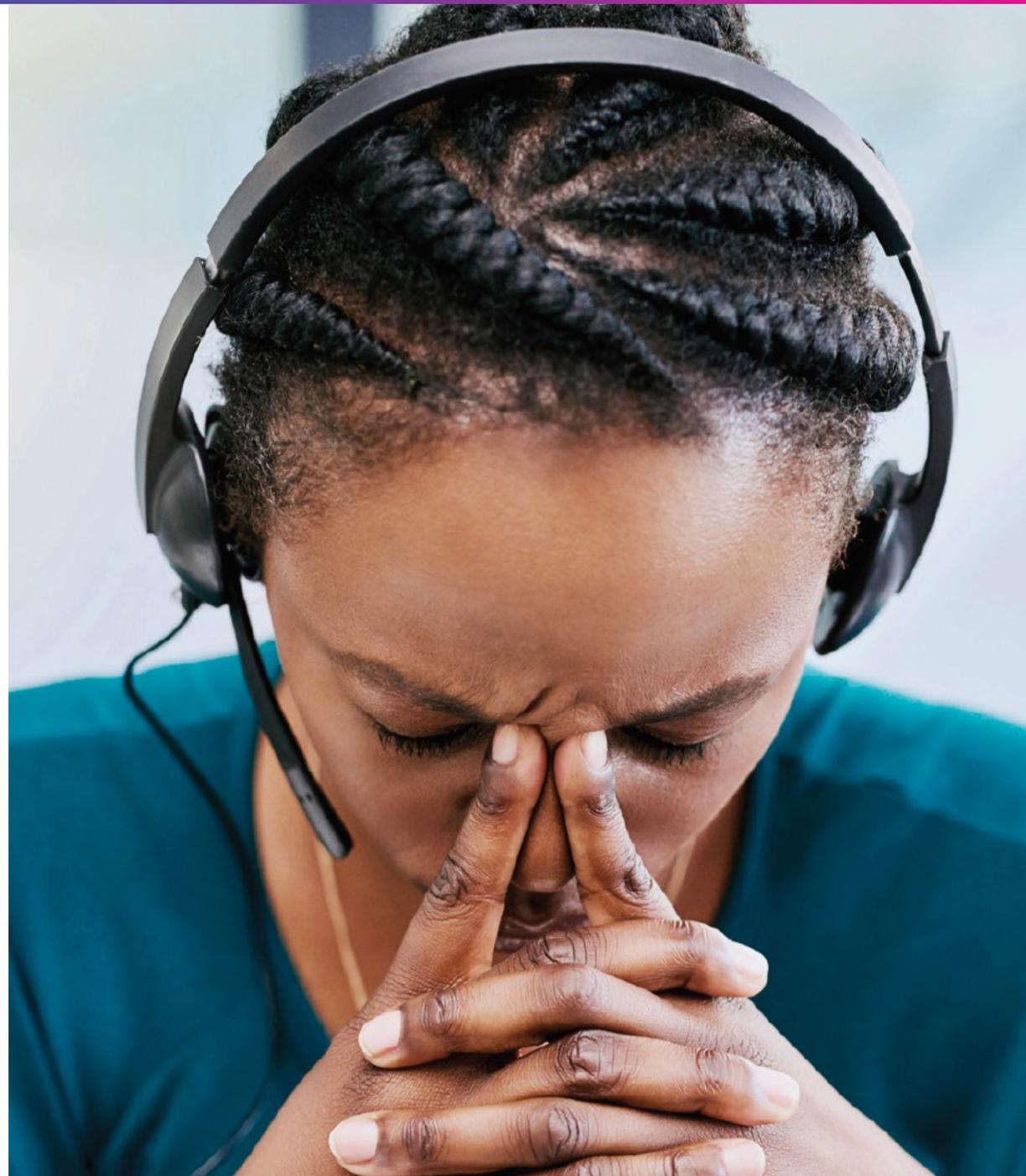
19% are satisfied with existing RPM technology



14% are satisfied with their technology for automating care journeys



16% say they can customize their EHR to meet transformation needs



“ The technology we use is not optimal. So it becomes more of an impediment for workflow as it is a necessary tool to help facilitate care. ”

CMO, COMMUNITY HOSPITAL PART OF IDN





PROVIDERS NEED CUSTOMIZABLE SOLUTIONS & GREATER TRANSPARENCY INTO THE CUSTOMER JOURNEY

Possibly because of the lack of flexibility of their EHR, providers seek customizable digital transformation solutions with the ability to span many use cases. Nearly two-thirds also lack a real-time view of the care journey, making better care coordination a challenge.

68% seek a customizable digital transformation solution



57% say ability to span many use cases is important



65% lack a real-time view of the care journey and next actions to move patients along



4 ACTION POINTS TO IMPROVE THE PATIENT & CARE TEAM DIGITAL EXPERIENCE

“ I think targeted operationalized capabilities of digital information really is important. Case management for example, they collect a whole bunch of data, nobody does anything with it. ”

CHIEF QUALITY OFFICER, LARGE PUBLIC HEALTHCARE PROVIDER

1

INTELLIGENTLY COORDINATE THE EXPERIENCE

Rather than adding more point solutions, providers must think about how care team tasks are digitally sequenced or intelligently automated around the needs of each patient.



94%

SAY OPTIMALLY COORDINATING THE CARE TEAM AROUND EACH PATIENT'S NEEDS IS CRITICAL

2

PROVIDE A REAL-TIME VIEW OF THE CARE JOURNEY

Providers agree that a single real-time view of each patient's location on their care journey is key to digital transformation success, yet only 27% have this capability.



84%

AGREE A REAL-TIME VIEW OF EACH PATIENT'S LOCATION ON THEIR CARE JOURNEY IS CRITICAL TO SUCCESS

3

JOIN-UP CLINICAL & ADMINISTRATIVE TEAMS

Optimizing the care journey around the needs of the patient means joining up siloes between clinical and administrative teams, using technology that can coordinate both aspects of care.



40%*

OF PATIENT ACCESS LEADERS SAY LIMITED CLINICAL STAFF SUPPORT PREVENTS THEM FROM ACHIEVING KPIS

4

MEET PATIENTS WHERE THEY ARE

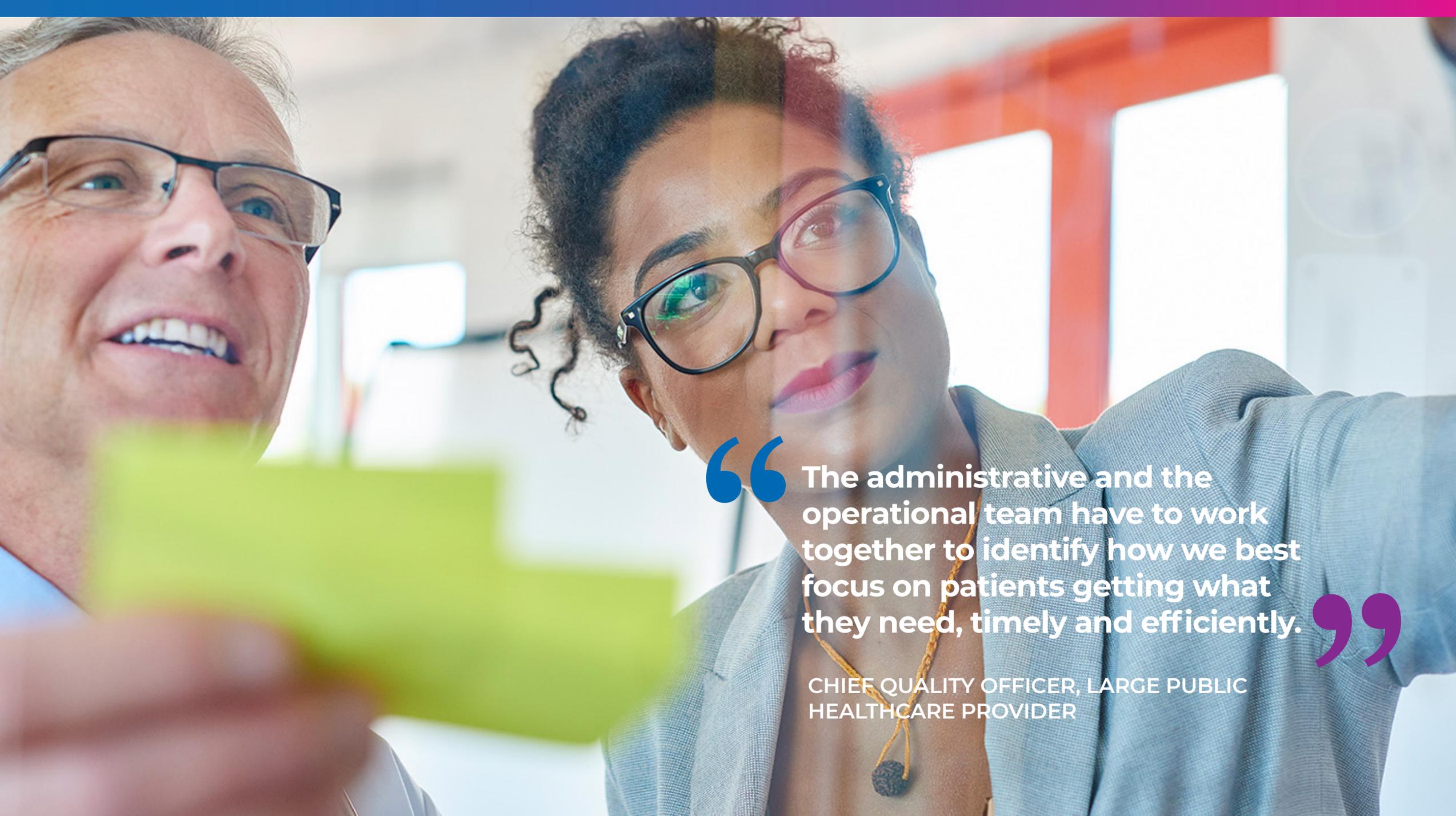
Not all patients have smartphones, some will need phone calls and others prefer interactive text. The key is to keep it simple and well-coordinated. Patient journeys should adapt to meet patients where they are.



SIMPLICITY AND EASE OF USE

NO 1. CHARACTERISTIC OF A GOOD PATIENT EXPERIENCE AS RANKED BY RESPONDENTS

* U.S. Patient Access Leadership Research 2020/21, Lumeon & Sage Growth Partners



“ The administrative and the operational team have to work together to identify how we best focus on patients getting what they need, timely and efficiently. ”

CHIEF QUALITY OFFICER, LARGE PUBLIC HEALTHCARE PROVIDER

SUMMARY

The pandemic may have accelerated the roll out of new digital solutions, but there has been a great deal of 'duct tape and band aids', to quote an interviewee. Most providers interviewed described themselves as being in the early stages of digital transformation.

Regardless of their reimbursement model, providers need to find ways to embed more sustainable transformation – which means tackling underlying issues with fragmented care operations. In order to meet short and long-term goals of improving care quality, increasing top-line revenue and differentiating the patient experience, providers must avoid applying a 'digital veneer' over existing processes.

While it is tempting to focus solely on increasing the volume of digital touchpoints, in order to truly move the needle on patient experience and close gaps in care, providers need digital solutions that offer better coordination and transparency into the consumer care journey.

A workforce taken to the limit of its resilience needs a fresh way of working and reassurance that flexible, adaptable technology will be a help – not a hindrance to meeting these goals.

About Lumeon

The leader in care journey orchestration, Lumeon delivers intelligent automation to transform care operations - improving financial, clinical and human outcomes.

By addressing the system not the symptoms of healthcare's challenges, we drive deep digital transformation across many use cases. The Lumeon platform drives up engagement while unifying clinical and operational teams around higher quality, digitally coordinated processes.

Our philosophy is to help providers start small and think big.

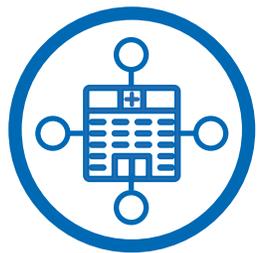
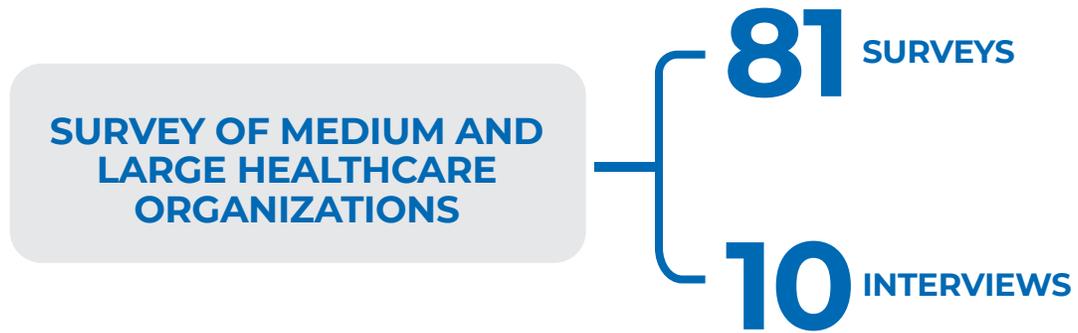
About Sage Growth Partners

Sage Growth Partners accelerates commercial success for B2B, B2B2C, and B2C healthcare organizations through a singular focus on growth.

The company helps its clients thrive amid the complexities of a rapidly changing marketplace with deep domain expertise and an integrated application of research, strategy, and marketing.

BACKGROUND TO OUR RESEARCH

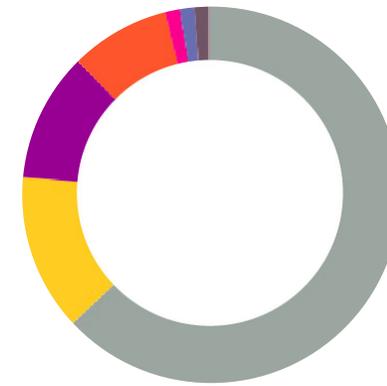
A quantitative survey and qualitative interviews were conducted with clinical and operational C-suite leaders between May and June 2021.



78%

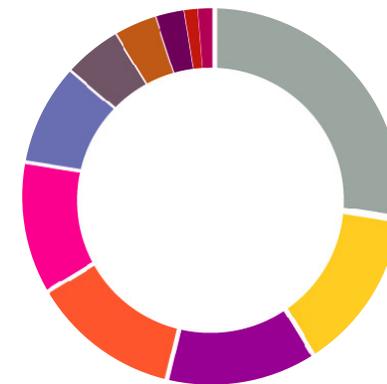
WERE PART OF A LARGE IDN

RESPONDENTS BY ORGANIZATION TYPE



- Health System
- Acute Care Hospital
- Academic Medical Center
- Community Hospital
- Ambulatory Care Center
- Ambulatory Surgical Center
- Clinically Integrated Network

RESPONDENTS BY TITLE



- Chief Medical Officer
- Chief Financial Officer
- Chief Executive Officer / President
- Chief Nursing Officer
- Chief Operating Officer
- Chief Information Officer
- Other, please specify
- Chief/Director Patient Experience
- Chief/Director Transformation Officer
- Chief Medical Information Officer
- VP/Director Process Improvement