

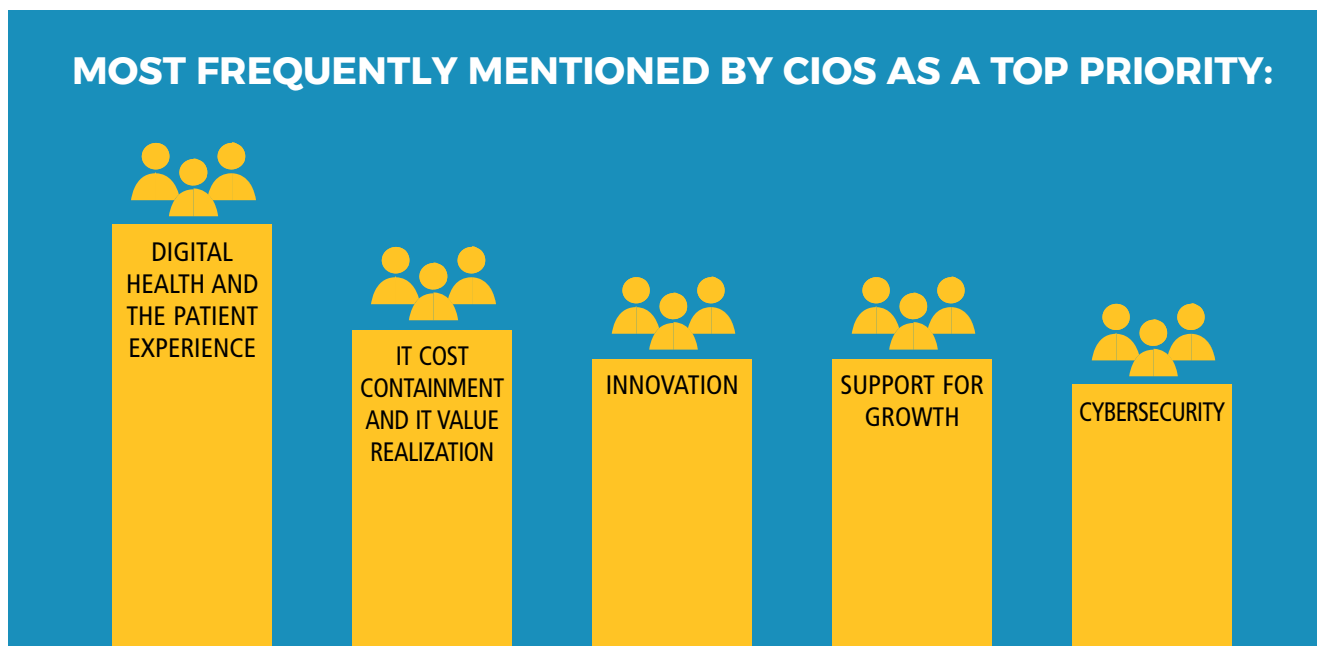
CEO AND CIO PRIORITIES FOR TECH-ENABLED HEALTHCARE

Key Takeaways from a Scottsdale Institute Roundtable Discussion

EXECUTIVE SUMMARY

During the recent 2018 Scottsdale Institute Annual Conference, a group of 22 CIOs from leading health-delivery organizations across the country gathered to discuss their CEOs' top IT-related priorities. Although a wide range of issues were featured, five key themes emerged. At the top of the list was **Digital Health and the Patient Experience**, cited by 17 of the 22 CIOs as a top priority, followed by **IT Cost Containment and IT Value Realization** (cited by 13 CIOs), **Innovation** (12 CIOs), **Support for Growth** (12 CIOs), and **Cybersecurity** (11 CIOs). Although the top priorities discussed by the panel are not necessarily representative of every provider nationwide, the session provided great insight and important perspective into how a group of leading CIOs from advanced organizations are responding to the rapidly evolving health-delivery landscape.

MOST FREQUENTLY MENTIONED BY CIOS AS A TOP PRIORITY:



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INTRODUCTION

The topic for the Scottsdale Institute’s 2018 Annual Conference was **“Pushing Past the Payment Barrier: From Innovation to Transformation of Healthcare.”** During the Conference a CIO Roundtable discussion among 22 CIOs from leading health-delivery organizations across the country focused on the issues keeping them up at night. Specifically, each CIO was asked to share their CEO’s top strategic priorities. Some CIOs focused on the top one or two priorities, while others mentioned as many as five or six.

KEY THEMES

Although a wide range of priorities was discussed by the CIOs, five key themes emerged. In many ways, these five themes reflect not only the rapidly evolving health-delivery landscape, but also key competitive differentiators for provider organizations in the coming years.



Digital Health and the Patient Experience. The most frequently mentioned priority—by far—pertained to patient engagement, cited by more than 80% of CIOs. That there is so much attention on digital health and the patient experience right now is telling on a number of fronts. First, it underscores a growing recognition—especially among industry leaders—about the critical need to be able to compete on convenience, access to care and value (as defined by *patients*). Technology can obviously play a critical role in transforming the consumer experience in healthcare, just as it has in other service industries. “Digital health” tools cited by the CIOs ranged from patient-facing engagement solutions (e.g., wearables, mobile apps, self-service tools) to a number of *provider-facing* solutions that can help streamline transitions of care and overall patient flow. However, as CIOs on the panel repeatedly pointed out, digital-health technologies—regardless of how promising—cannot succeed without the right level of leadership, governance, clinician engagement and overall organizational commitment.

EXAMPLES OF “DIGITAL HEALTH” SOLUTIONS

PATIENT-FACING SOLUTIONS	PROVIDER-FACING SOLUTIONS
Wearables & biosensors (activity trackers, connected heart monitors, digital glucometers, “smart” inhalers, etc.)	Care-coordination apps & tools (population-health applications, care-team communication tools, remote provider-provider video consultations, provider-provider messaging tools, etc.)
Care-management apps & tools (personalized care reminders, medication alerts, condition-specific education, etc.)	
Self-service apps & tools (on-demand appointment booking, real-time access to ED wait times, online bill pay, etc.)	Next-generation decision support technology (predictive analytics applications and tools to manage patient throughput, clinical-trial enrollment alerts, next-generation command centers, etc.)
Patient experience technology (inpatient smart rooms, branded navigation/wayfinding kiosks and signage, etc.)	
Virtual care apps & tools (mobile-based virtual visits, e-triage, patient-provider communication tools, secure messaging, etc.)	

The focus by participating CIOs on digital health, virtual care and the overall patient experience is also notable because health-delivery organizations are no longer just competing with other hospitals, health systems and physician practices. New, non-traditional players have also emerged, such as retail clinics from major pharmacy chains and onsite workplace clinics increasingly being offered by large employers. In fact, in the CEO panel at SI's Annual Conference, Mark Laney, MD, CEO of Mosaic Life Care, told the largely provider executive audience: "Our biggest threat is not in this room. It's the unknown, highly capitalized firm that doesn't have the same commitment to community," referring to the efforts of new players who bring substantial resources, retail experience and in some cases even technology to the table.



IT Cost Containment and IT Value Realization. More than 60% of CIOs cited either containing IT costs or improving IT value as a top priority, reflecting how perspectives about IT spending are evolving among leading healthcare organizations. As recently as even five years ago, many hospitals and health systems nationwide were investing significant amounts of money to implement a new enterprise EHR—or upgrade an existing one—to maximize meaningful use incentive payments. In some cases, implementations were rushed or narrowly focused on the capabilities needed for meaningful use. Fast forward to 2018, and financial challenges are forcing CIOs to stretch the technology dollar more than ever. At the same time though, there is also now significant pressure internally to demonstrate tangible value from *existing* IT investments—particularly the enterprise EHR. Containing IT costs will continue to be important moving forward, but there is also an increasing premium on the ability to actually define value and quantify ROI.



Innovation. Interestingly, almost 60% of CIOs cited innovation as a top priority. "Innovation" can obviously take on many shapes and forms. Some CIOs mentioned targeted pilots focused on machine learning and AI, others cited strategic partnerships with large employers or influential tech firms, while some even discussed plans to establish a dedicated "innovation center" at their organization. Although approaches to innovation range widely, one consistent theme in the discussion was the importance of putting more *structure and governance* behind innovation to ensure efforts are better aligned with the organization's overall strategic goals. Interestingly, there was little mention of emerging technologies such as blockchain or FHIR (i.e., "Fast Healthcare Interoperability Resources," a draft standard from HL7)—both of which have been surrounded by considerable "buzz" of late in healthcare.

EXAMPLES OF EFFORTS TO PUT MORE STRUCTURE BEHIND INNOVATION:

- Establishing a dedicated "Innovation Center"
- Hiring a "Chief Innovation Officer"
- Forming strategic partnerships with healthcare stakeholders (e.g., payors, pharmacy chains, non-affiliated provider organizations, enterprise EHR vendors, niche IT vendors)
- Forming strategic partnerships with stakeholders from *outside of healthcare* (e.g., big employers, large influential tech firms, niche IT vendors from retail/hospitality/finance)
- Hosting internal competitions or contests focused on innovation



Support for Growth. Not surprisingly, almost 60% of CIOs mentioned support for growth as a top priority, underscoring the continued efforts by health-delivery organizations to achieve scale. As competition increases in many regions, hospitals and health systems are trying to grow organically (e.g., expanding existing service lines or building out new ones) as well as through acquisitions and strategic partnerships with a variety of different stakeholders. The CIOs noted the importance of being able to ensure that IT is positioned to be able to support all of that growth.



Cybersecurity. The need to proactively protect against evolving cyber threats was also a key theme, with more than half of CIOs citing cybersecurity as a top priority. Not only are cyber-attacks becoming more sophisticated, there are also now more vulnerabilities to exploit—with connected medical devices representing one of the most pressing concerns. It was clear from the Roundtable discussion that participating CIOs felt strongly about the importance of being proactive; beyond the steep financial consequences of a breach, there can also be irreparable damage to an organization's reputation and brand. It was telling that multiple CIOs pointed out that cybersecurity—just as with many of the other top priorities mentioned above—is as much about policies, processes, governance and culture as it is about technology.

OTHER TAKEAWAYS

It was interesting to hear the CIOs discuss talent management as a growing priority. Many CIOs are working hard to attract, nurture and retain top IT talent. Competition for talent is fierce though. Further complicating matters is the fact that when it comes to critical areas like cybersecurity and artificial intelligence, CIOs are not just competing with other provider organizations for top talent; they are also competing with companies from *other industries* where IT salaries are traditionally much higher.

Another point that came up was the importance of standardization, particularly as organizations grow. A number of CIOs felt that standardizing core clinical and business processes along with core technology systems (especially transaction systems) is essential to enabling care transformation while minimizing care variability.

Also telling are some of the areas which did not receive frequent mention as a top priority. One example is quality. While undoubtedly critically important to *all* of the leading organizations that participated in the discussion, the fact that only a minority of CIOs cited quality as a top priority suggests that many currently view it as “table stakes.” In other words, the realities of payor contracting and rising demands from patients mean that quality is increasingly more of an *expectation* than a competitive differentiator.

THE BOTTOM LINE

Although the priorities highlighted by CIOs in the Roundtable discussion may not be representative of *every* provider organization nationwide, the discussion underscored how the health-delivery landscape is rapidly evolving—and how many leading hospitals and health systems are preparing for the future. In particular, participating CIOs felt strongly that efforts focused on digital health and transforming the patient experience are likely to be among the biggest competitive differentiators for many providers moving forward.

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The **Scottsdale Institute (SI)** is a not-for-profit membership organization of prominent healthcare systems whose goal is to support our members as they strive to achieve clinical integration and transformation through information technology (IT). SI facilitates knowledge sharing by providing intimate and informal forums that embrace SI's "Three Pillars:"

- > Collaboration
- > Education
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