DAMO CONSULTING

POINT OF VIEW

Organization Models and Best Practices for Healthcare Digital Transformation in a Post-COVID-19 Era

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Introduction

In a post-COVID-19 era, the virtualization of care is accelerating, putting enormous pressure on health systems who find themselves behind the telehealth adoption curve. Many health systems that were moving along at a leisurely pace prior to the pandemic, found themselves making overnight choices for launching video consult capabilities, along with related online access tools such as self-triaging, scheduling, and online payments. Health systems that had chosen to default to their EHR systems, as the primary digital health platform, have had to rethink their platform choices in the light of a long-term shift to virtual care models for designing the seamless online patient experiences of the future.

Digital maturity models in health systems

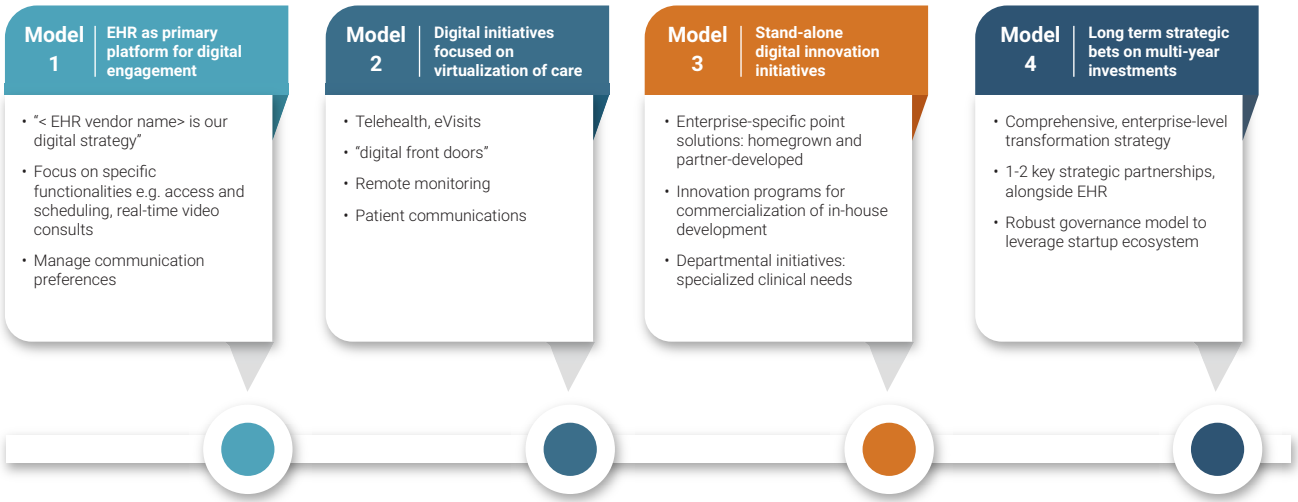


Figure 1: Digital Maturity Models™

Digital maturity in healthcare today falls mostly in one of the models described in Figure 1 above. Most health systems are in models 1 and 2, and a small number are maturing towards an enterprise approach and roadmap for healthcare digital transformation in model 4. Model 3 typically sits alongside one of the other models in large enterprises with dedicated innovation groups that focus on commercializing internal innovation and making strategic investments in startups.

The changing landscape has also forced healthcare enterprises to review their options when it comes to the organizational models required to drive healthcare digital transformation in the post-COVID-19 era. What may have been primarily an IT-enabled capability is now a strategic priority that requires a deep appreciation of consumer experience journeys, cross-functional collaboration to enable seamless experiences, and technology expertise to implement digital engagement priorities.

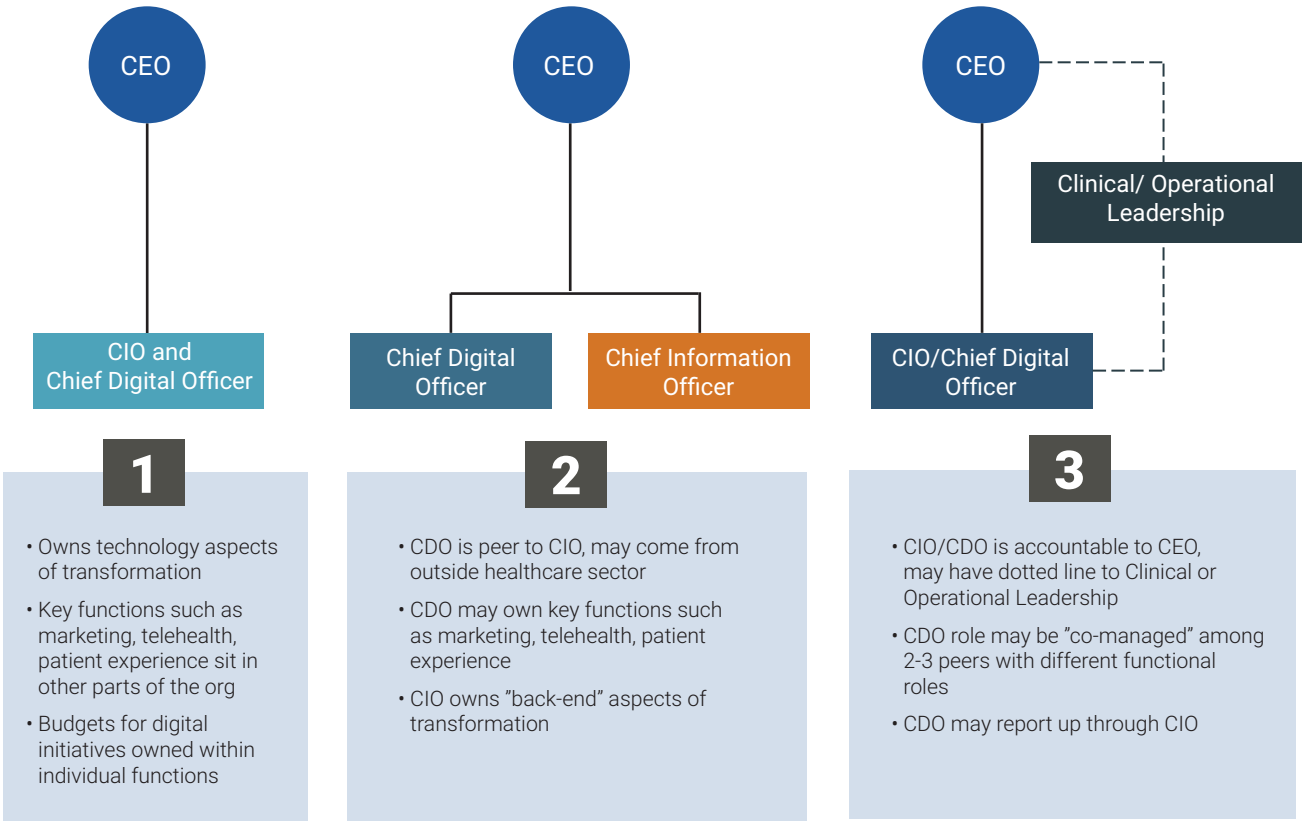


Figure 2: The Chief Digital Officer in Healthcare Org Structure

Figure 2 above indicates the various organizational models in practice today at healthcare enterprises. The leading organizations in the healthcare sector that have been investing significant amounts in a large-scale transformation of the enterprise have dedicated Chief Digital Officer roles. Others have mostly assigned the role to CIOs.

Healthcare CIOs across the board are deeply involved in enterprise digital transformation today. However, while healthcare digital transformation is primarily IT-enabled, it is not the same as IT-led. An IT-enabled organization takes into consideration the core functional requirements of the business and the primary stakeholders. Healthcare content standards, integration frameworks, and data privacy standards are incorporated during all implementations of newer technologies and such organizations are better equipped to withstand the changes in the healthcare practice landscape.

A wide range of organization models exist, especially among smaller health systems or hospitals. In our work, we have come across structures where the digital function is "co-managed" by two or three leaders with different functional responsibilities. In some cases, digital initiatives are led by an operational leader who reports into the CIO or a clinical leader. For the most part, the industry is still evolving when it comes to organization models.

The Digital Transformation Office

An interesting trend is a small number of health systems that are setting up healthcare digital transformation offices (DTO) to drive enterprise-wide digital transformation initiatives. Figure 3 below provides a typical charter for a DTO.

A DTO is distinct from a Chief Digital Officer role; in that it is a stand-alone function tasked with actively enabling healthcare digital transformation initiatives across the enterprise.

The DTO is typically led by a senior leader in the organization with:

- Significant influence across functions,
- The authority and empowerment to make critical decisions related to investments priorities,
- Technology platform decisions, and
- A board-approved budget to drive transformation.

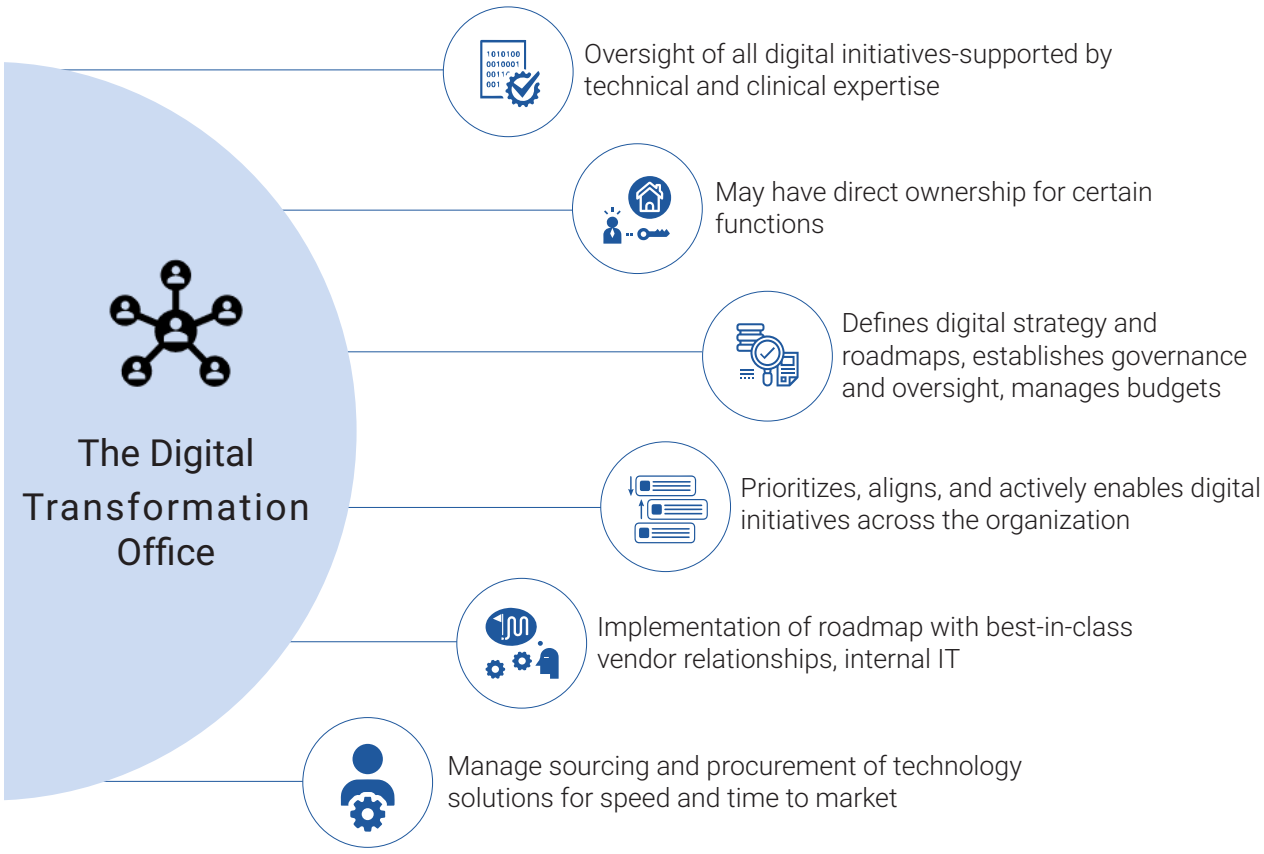


Figure 3: Healthcare Digital Transformation Office: Operating Model and Functional Responsibilities

The leader of the DTO may or may not have a direct ownership of individual functions undergoing transformation. A steering committee oversees the DTO, with strategic guidance on organizational priorities that in turn influence the DTO's priorities and approves budgets for individual initiatives within the overall transformation program.

Other important functions of a DTO include:

- Bringing about a robust governance structure to assign priorities for sequencing individual digital initiatives,
- Establish technology architecture guidelines,
- Standardize vendor selection and system selection process, and
- Provide project management support to functional leaders driving digital initiatives.

DTO leaders often turn to external consulting firms for support in executing on their mandate, partly due to limited internal resources, but also to tap into industry expertise, technology skills, and best practices. Complementing a lean internal team accelerates transformation through faster decision-making, structured approach to technology vendor selection, and an objective and fact-based approach to digital priorities.

One health system we worked with significantly accelerated their transformation with external assistance for initial set-up and program governance, established communication and review/reporting processes, defined a structured approach to technology architecture choices and partner selection, and more. The robust approach to DTO governance:

- Enabled well-informed technology choices,
- Delivered millions of dollars in scale economies and negotiated discounts, and
- Increased savings through cost avoidance.

By providing active support to functional leaders with busy schedules and day-to-day responsibilities, the DTO was able to rapidly advance several transformation initiatives.

Source: Designed by macrovector_official / Freepik

What successful healthcare digital transformation programs do right

Damo Consulting's work with healthcare enterprises has revealed several best practices in accelerating healthcare digital transformation using one of the organizational models described above.

1. Start with the end in mind:

Successful digital programs define the future state before developing a roadmap and identifying technology solutions. For instance, at a major internationally reputed health system, enterprise goals for digital 2019-23 included shifting 50% outpatient visits to virtual care and 25% of in-patient visits to days-at-home (this was pre-COVID-19, and the goals have likely changed since then).

> *We need to ensure smooth delivery of services. All the way from the clinician to the patient experience, the entire continuity of care virtually should be flawless.*

Aaron Miri, Chief Information Officer at The University of Texas at Austin, Dell Medical School, and UT Health Austin

From The Big Unlock podcast

2. Prioritize high-impact digital engagement opportunities in patient journey:

At one health system we worked with, we identified high-priority initiatives through a three-pronged approach:

- Extensive market research on competitor initiatives,
- An internal survey covering a large number of cross-functional stakeholders, and
- 1:1 interviews with the senior-most leaders in the health system for their views on enterprise priorities.

The resulting roadmap identified over 35 high priority initiatives to be implemented over two phases. The roadmap gained wide acceptance across the enterprise to move forward.

3. Design for best-in-class experiences, implement in a phased manner:

Digital engagement opportunities exist at multiple points in a patient journey. An organization's ability to implement multiple initiatives at one time is limited, as is the ability to set aside the time and resources to carefully design and implement best-in-class experiences in a holistic approach. Hence, it becomes critical to identify which ones are most important to your organization in the near-term vs. longer-term. At an organization that operates predominantly in a fee-for-service model, the highest priority initiatives focused on providing real-time virtual consult capabilities for increased utilization of specialties and sub-specialties.

4. **Look for savings opportunities through scope refinement and scale economies:** It can be tempting to pursue digital initiatives that are comprehensive in scope with an expectation of economies of scale and substantial benefits in return. The risks and resource requirements of this approach may sometime outweigh the benefits, especially if the benefits are seen to accrue beyond a 12-month timeframe. At one health system that we advised, the marketing function undertook a comprehensive patient portal consolidation redesign project involving multiple regions and microsites that would have taken 18 months or more to deliver the first phase of the redesign. Through a series of planning sessions, we worked closely with the client to review the scope of the design work and develop a revised roadmap that involved shorter-time milestones, and a combination of in-house teams and externally sourced services partners to work in parallel to accomplish the objectives.

5. **Look for synergies, be aware of the dependencies:** At another integrated health system, we discovered that their newly created telehealth capabilities were available to one part of the enterprise but not the entire organization. In addition to creating inconsistent experiences for patients, this was also a missed opportunity for the organization. However, rolling out the telehealth program across the organization required recognizing the infrastructure and training needs for clinicians and caregivers, stress-testing the technology platform for increased volumes, and ensuring integration with the back-end EHR systems for accurate billing for services delivered. The phased rollout of an EHR implementation also created dependencies on the sequencing and timing of telehealth rollouts. Enterprise-wide rollouts require breaking down silos across the organization to serve the combined needs of all stakeholder groups, which implies a process of consensus-building across multiple stakeholder groups. However, the benefits to the enterprise lie in scale economies and a consistent, standardized experience for patients and caregivers alike.

6. **Address near term enterprise needs without losing sight of longer-term strategy:** Patient communication processes for inbound and outbound activities at a leading health system were outdated and resulted in significant patient dissatisfaction, and in some cases exposed the enterprise to increased readmission risks and CMS penalties for non-compliance. There was a need for a multi-channel patient communication strategy that would automate many aspects of contact center operations with new tools such as SMS and chat, and the potential benefits of leveraging an underlying CRM platform to enable improved patient communication and outreach. However, these programs required a redesign of the processes and would take several months to implement the relevant technology solutions. Working with the client, we found near-term solutions that could be implemented with existing technology investments at minimal costs, while launching an effort to design patient communication processes for the desired future state.

7. **Leverage existing technology partnerships where possible, however look for best-in-class solutions where necessary:** One of the big technology challenges for health systems is deciding on when to stay with native capabilities of their EHR systems vs looking to stand-alone best-in-class tools to drive digital engagement. For many of our clients looking to build out their "digital front doors", the choice is between Epic's MyChart platform and other digital health tools, many of which have been launched by innovative VC-funded startups. Native capabilities within EHR platforms work seamlessly with the rest of the platform architecture due to seamless integration between functionalities. However, with improved interoperability and open standards such as FHIR, it is increasingly easy to "bolt on" new tools that often have superior architecture and experience design. Be careful, though, to evaluate all the costs involved in deploying new digital health tools and compare the benefits against the costs of staying with native EHR capabilities.

8. **Recognize changes in market needs and reprioritize as necessary:** The COVID-19 pandemic has exposed organizational weaknesses and shortcomings in competitive standing with regards to telehealth preparedness for many health systems. One health system we worked with had to deploy a real-time video consult platform virtually overnight in response to the lockdown. They allowed clinicians to use commonly used video platforms such as Zoom and Skype (in the interim) to provide video consults to their patients, even though these communication platforms were not HIPAA compliant. Even as hospital visits declined, it became necessary for hospitals to protect those that had to make an in-person visit by reducing or eliminating the chances of COVID-19 infections. The health system reprioritized its digital roadmap to enable the deployment of a single enterprise standard HIPAA-compliant video visit platform, while enabling online registrations. In a bid to design "low-contact" or "contactless" experiences, hospitals have invested in geolocation-enabled applications with secure communication features to manage and regulate the patient flow within the hospital premises, thereby reducing infection risks for patients as well as their caregivers.

> *We combine the best of digital health with the electronic health record to make it a wholesome, patient-centered experience for healthcare.*

Dr. Ashish Atreja, Chief Innovation Officer, Medicine at Mount Sinai Health System

From The Big Unlock podcast

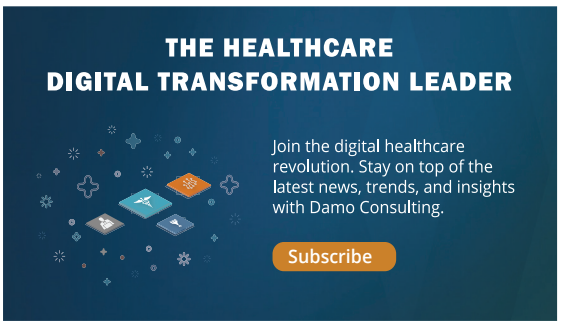
9. **Track the regulatory landscape:** Keeping track of the regulatory measures and mapping them to the healthcare digital transformation journey can help organizations get the required scores and incentives on certain quality measures. The MIPS MACRA performance categories have a weightage of 15% for Improvement activities which can be closely tied to the digital initiatives of the healthcare organization. As an example, the 'care transition documentation practice improvements' measure gives credit for documentation of processes following a patient discharge. This could include phone calls conducted, staff involved in care transition or PCP and specialist follow-up communications in support of transition. Automating these processes by having robust Interactive Voice Response system along with automated surveys and feedback mechanisms in the digital roadmap can ease the documentation processes for some such measures.

Five principles for successful healthcare digital transformation in a post-COVID-19 era

1	2	3	4	5
Define digital engagement opportunities at every major touchpoint across the patient journey	Involve cross-functional stakeholders to identify additional high-priority opportunities and requirements and prioritize digital initiatives accordingly	Identify existing digital capabilities in your EHR as the baseline. However, look to other best-in-class digital health tools to build a superior patient experience	Select digital health and telehealth technology partners whose products can scale and easily integrate with the existing EMR system using industry standard data exchange interfaces	Work closely with IT to secure infrastructure support and ensure compliance with IT architecture and data security/privacy requirements

For questions or comments, or to speak with one of our senior consultants, write to us at info@damoconsulting.net

More Insights



For additional research and downloads, click here

About Damo Consulting

Damo Consulting provides digital transformation advisory services to enable healthcare organizations navigate the technology-enabled transition to telehealth and virtual care. We bring deep industry knowledge, market insights and technology skills to help develop and implement enterprise digital roadmaps. We work with healthcare IT and digital health firms to develop and execute market growth strategies.

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