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2022 Healthcare IT Directions Report

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4 Trends That Will Drive Healthcare Decisions in 2022

2022 Healthcare IT Directions Report

As the COVID-19 pandemic continues to impact healthcare and our country, health IT leaders should prepare for changing workforce dynamics, expanding modalities of virtual care, the transformative effect of investment of public health infrastructure and omni-channel competition.

Pivot Point Consulting's experts identify 4 trends that will drive healthcare decisions in 2022 and beyond. The 2022 Healthcare IT Directions Report also provides insights and recommendations to help leaders frame strategies, drive innovation and operate efficiently in an unpredictable, rapidly evolving environment.

1 The Great Resignation

Nearly 20%, or 1 in 5 healthcare workers, have quit their jobs since February 2020. Among those who have kept their jobs, 31% have considered leaving and nearly 80% of healthcare workers' places of work have been affected by the national staffing shortage. Additionally, U.S. health systems are paying $24 billion more per year for clinical labor than prior to the pandemic and overtime hours worked are up by 52%.

In addition to clinical labor challenges, health IT workers are now in more demand than ever and more than a year's worth of critical IT projects have been backlogged. As a result, many organizations are now comfortable with a remote workforce, which allows them to tap into a broader geographic range of talent – in some cases, this can be advantageous. For example, for health systems in high-salary areas, being able to tap into staff in other lower-salary regions provides the opportunity to offer extremely competitive salaries, reduce their costs and improve staff quality. It can also provide challenges. For those health systems in lower-salary regions staff retention and salary parity can be impacted.

ANALYSIS: WHAT IT MEANS FOR HEALTH IT LEADERS

The impact of the Great Resignation on healthcare is widespread and still being understood. Health IT leaders will need to accommodate changing needs and the labor market. We project a shift to outcomes-based staffing for health IT, larger geographical talent pools for recruiting, as well as a widespread labor arbitrage.

Many smaller organizations will also compete with larger entities. The ability to maintain, support and innovate through technology will be strained. Health IT analysts have more opportunity than ever, whether through roles with other organizations, consulting positions or serving as technical analysts or advisors for one of the many technology companies with products or services in the health ecosystem.

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TAKEAWAY: WHAT HEALTH IT LEADERS NEED TO DO NOW

Given the strong demand for health IT resources, it is critical for IT leaders to ensure salaries, quality of life and work assignments are motivating for staff and in service of their long-term career goals.

As high-demand workers seek remote opportunities, retire and change jobs and industries, healthcare CIOs should mitigate the risks of knowledge retention and resource volatility. Our recommendations include:

❱ **Offer competitive salaries and benefits** – be particularly attuned to staff desires for work-from-home or hybrid arrangements. Often a staff member "on the fence" about an enticing offer will weigh this factor heavily in decision-making

❱ **Invest in and fully leverage the full capabilities of HR systems to enable staff self-service,** flexibility and cost effectiveness. This helps staff be self-managing in their role and their benefits

❱ **Use outside contractors appropriately to reduce "pressure points"** on key staff/teams and to ensure projects are delivered on time and on-budget across the enterprise and backlogs are managed

❱ **Evaluate and use Managed Services to establish fixed operating costs and reduce staffing risks**

2 Virtual & Remote Care

The pandemic accelerated the adoption of telehealth and virtual care services to a level beyond anticipation just a few years ago, with research indicating the telehealth market size will reach nearly $556 billion by 2027. Telehealth use continued to increase overall in 2021, but it has stabilized from the sharper growth curve seen in 2020, according to results from the CHIME Digital Health Most Wired survey.

Beyond telehealth, virtual care adoption will continue with the expansion of Hospital at Home programs and broader adoption and use of remote patient monitoring (RPM) technologies.

ANALYSIS: WHAT IT MEANS FOR HEALTH IT LEADERS

While the use of telehealth and virtual services is a foregone conclusion, many healthcare delivery organizations are still in the early stages of building a delivery ecosystem that provides the right balance of virtual care and in-person services, and one that dynamically rebalance as consumer preferences shift. For example, A JAMA Open Network survey found nearly 67% of participants wanted at least some video visits in the future, but when they had a choice between an in-person and a video visit when out-of-pocket costs were not a factor, 53% preferred an in-person visit.

Beyond telehealth, Hospital at Home programs will continue to expand in 2022. Backed by robust effectiveness studies, CMS is going "all-in" on establishing programs and financial incentives for providing care in the patient's home. In November of 2021, CMS significantly expanded waivers for Acute Hospital Care at Home. In these CMS programs specific requirements must be met, including remote patient monitoring, regular visits by clinical staff and a daily provider televisit. Additionally, there will be significant consumer education, workflow and system modifications and a retooling of the workforce to move from "hands on" to "hands on keyboard" when caring for patients. For the home visit requirements, hospitals may face the challenge of finding clinical staff for in-house visits given existing labor shortages. Hospitals may opt to contract with 3rd party service providers. This

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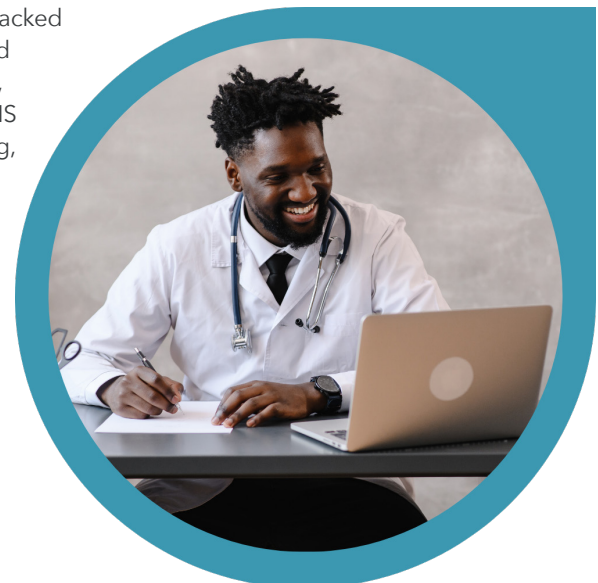
places more burden on the hospitals for systems and data to manage costs and quality with partners.

Closely tied to the expansion of Hospitals at Home and the expansion of telehealth – but with an even larger industry impact – is Remote Patient Monitoring (RPM). While approximately 200 health systems have adopted the CMS Hospital at Home model for acute care to date, a recent study revealed approximately 20% of hospitals and health clinics are currently using RPM and 43% say they believe that RPM adoption will be on par with inpatient monitoring in five years.

TAKEAWAY: WHAT HEALTH IT LEADERS NEED TO DO NOW

When determining 2022 virtual care investments, health IT leaders must understand the broad scope of potential services and technologies, patient demand for various types of services, differences in patient populations and access enablers (as well as limiters) – today and for the next few years.

To establish strongholds in the virtual care space, healthcare organizations should:

❯ **Expand their reach** – Market services to a broader geographic footprint. Innovators will move beyond the historical mindset of "healthcare is local" to "healthcare is digital." Increasingly, patients in rural areas have better bandwidth and access to virtual care and services.

❯ **Invest strategically** – While stand-alone telehealth services and limited at home care programs have sufficed historically and during the pandemic, the groundswell of interest, CMS support and ROI for remote monitoring and services will require investment in solutions to further unify virtual care and embed it into delivery models

❯ **Integrate and visualize data** – Telehealth visits and RPM data should integrate directly into the EHR along with acute and ambulatory care data, and this whole patient view should be enabled through data visualization tools, resources and staff self-services.

❯ **Build a dedicated RPM program** – RPM is much more than giving a patient a device and sending them home, health IT leaders need to build a technical and personnel infrastructure to support the clinical care process and patient experience. Doing so will maximize reimbursement, streamline caregiver workloads and improve patient satisfaction.

❯ **Reduce the barriers to care by enabling patients to access care via many platforms on their own terms** – This starts with building a robust digital front door that allows patients to connect with their care with minimal friction. By enabling bi-directional patient communication, direct open scheduling and virtual care visits, a patient is empowered to direct their care to receive the greatest benefit from services.

3 Transforming Public Health Infrastructure

COVID-19 has shifted how we perceive and receive care, increased staff burnout, made remote work a possibility for millions and fostered rapid, broad innovation in solutions and services. The pandemic also shed light on the nation's fragile public health infrastructure and is helping secure much needed funding and transformation. A recent AMA article, *"Pandemic exposes dire need to rebuild public health infrastructure"* describes this infrastructure as enabling "every level of government to prevent disease, promote health, and prepare for and respond to both emergency situations and ongoing challenges." This web of complex systems and data partners is often unseen until there is a public health emergency; COVID-19 brought the importance of our public health systems and services – and the failings of our current infrastructure, particularly technology, into sharp relief.

ANALYSIS: WHAT IT MEANS FOR HEALTH IT LEADERS

The non-partisan Trust for America's Healthcare issued a report in Spring 2021 that identified funding priorities for public health infrastructure and workforce in 4 key areas, including:

❱ Modernizing the system's data and surveillance capacities

❱ Investing in disease, substance misuse and suicide prevention

❱ Improving emergency preparedness, including preparation for infectious disease outbreaks

❱ Addressing the social determinants of health and advancing health equity

The evolving Build Back Better Act allocates significant funds for public health. The version passed by the House of Representatives (H.R. 5376), directed early $2 trillion to expand the country's social safety, with significant funds directed towards public health, including:

❱ $7B for core public health infrastructure

❱ $2B in capital grants for the expansion of health care centers

❱ $165M for improving public mental health care infrastructure

While the final version of Build Back Better Bill will undoubtedly have modifications, it is likely public health infrastructure funds will stay intact and provide for immediate investment in systems, data and surveillance capacities, as well as epidemiology and informaticist workforce development.

TAKEAWAY: WHAT HEALTH IT LEADERS NEED TO DO NOW

The impact of investment and transformation of our Public Health System will be pervasive – from increasing and easing data access and reporting to shifts in career opportunities across the private and public sectors. Traditional healthcare organizations need to be ready for:

❱ **Improved reporting systems fostering data transparency and liquidity** – As antiquated public health data collection systems and processes are modernized, health IT leaders will need to plan for and implement changes, ranging from new reporting processes and data schemas, interfaces, training and communication.

❱ **Public-private partnerships** – In previous Pivot Point reports, we have noted that the transformation of the public health infrastructure will create opportunities for collaboration ranging from clinical research to combined programs addressing Social Determinants of Health to improved pandemic response and reporting.

❱ **Workforce impact** – Just as changes in reporting systems and capabilities will change IT systems and workflows, they will also impact how IT, Quality and other in-house staff interact with public health agencies, data and reports. IT leaders should prepare to up-skill their staff to be data stewards and informaticists to fully capitalize on the transformation.

4 The Retail Health Revolution

In 2022, the healthcare industry will see brick-and-mortar retailers (e.g., CVS, Walgreens and Walmart), as well as known technology disruptors (e.g., Amazon), solidify their foothold in care delivery and fundamentally and permanently change the experience of healthcare for patients, providers and payors.

It started in 2016-17 with Walgreens and CVS deploying Epic to thousands of care sites. Amazon took center stage in 2020-21 with bold moves in telemedicine and patient wearables, along with plans for rapid expansion of physical clinics across major metro areas. In September 2021, Walmart announced it would deploy Epic to 4,000 sites by 2029. All of these players, and more, continue to expand their physical and virtual healthcare services at a rapid clip.

ANALYSIS: WHAT IT MEANS FOR HEALTH IT LEADERS

This prolific expansion, coupled with our collective experience with seeking safe, accessible healthcare during COVID-19 has fundamentally shifted the delivery landscape. Today, there are over 2,500 CVS stores with Minute Clinic/medical services. Additionally, 90% of Americans live within 10 miles of a Walmart and 78% live within 5 miles of a Walgreens, and Walgreens reports employing 85,000 healthcare professionals. Consumers are increasingly relinquishing personal relationships with primary care providers for the convenience and cost-effectiveness of retail care.

Ultimately, for many patients, the requirements for healthcare services are minimal: competent care and access to their healthcare information. The deployment of EHRs in retail sites and increasing accessibility to and interoperability of data will continue to fuel the retail revolution at a pace that will compromise traditional healthcare providers as strongholds in many communities.

TAKEAWAY: WHAT HEALTH IT LEADERS NEED TO DO NOW

While traditional care providers know the change to consumer-based, consumer-driven healthcare is underfoot, the pace of the retail revolution will accelerate rapidly. To prepare, health IT leaders should:

❯ **Make virtual care a primary service strategy** – Competition from omni-channel retailers will heighten the need for delivery organizations to execute on digital strategy and offer a frictionless end-to-end patient experience that will be a differentiator and competitive advantage over the convenience of retail healthcare.

❯ **Build marketing partnerships** – While omni-channel providers are often geographically convenient, they do not always offer the robust complement of technology-enabled convenience that a health system can offer. However, if IT and marketing aren't aligned and working in partnership on patient outreach and retention messages, the marketing team may miss opportunities to message the health system's advanced technology and other systems and services to attract and retain patients and providers.

❯ **Engage primary care physicians and staff** – These caregivers will be most impacted by the shift to retail care. In some cases, this may help with demand workloads and patient wait times. In other cases, it could result in staffing reductions if patient volume does not match historical norms. Ensuring primary care physicians and their staff have the technology tools and training to be responsive and "high touch" – particularly virtually – with their patients will help with retention and satisfaction – for both providers and patients. This, in turn, will help with the organization's overall position in an increasingly competitive market.

The ongoing pandemic presents lingering obstacles for providers, payers and patients, and there is no silver bullet. However, with critical decision-making, proactive conversations and innovative solutions, healthcare leaders can navigate the labor challenges, address care delivery expectations and plan for the technological investments needed for success in 2022 and beyond.

Meet the Experts

Laura Kreofsky, VP, Strategy

Laura brings a wealth of expertise to her role leading Pivot Point Consulting's Advisory practice. Over the past 27 years, she has led health IT planning, implementation and operations in the private and public sectors; working with and for academic medical centers, community hospitals, insurers, public health agencies and international clients. Her areas of focus include IT-enabled business strategy, IT operations and governance and industry regulations and reform. Additionally, she directs Pivot Point's thought leadership, providing insight and guidance on health IT policy, emerging technologies and industry trends.

Laura serves on the Oregon Chapter of HIMSS Board of Directors and, in 2020, was recognized by Consulting magazine as a Woman Leader in Technology Consulting. She is a PMP and a certified professional in health information systems (CPHIMS). Laura received her BA from Ripon College and her MBA and MHA degrees from the University of Minnesota.

Zack Tisch, VP, Client Solutions

Zack is a dynamic healthcare IT executive leader with 15 years' experience in leading complex, integrated healthcare information technology projects at some of the nation's leading healthcare institutions. He is passionate about maximizing value out of the EHR systems to provide efficient, effective patient care.

In his role leading Strategic Growth for clients, Zack focuses on architecting high value solutions to enable client growth and process and resource optimization. Zack is a former Epic employee and is certified in 15 Epic applications. He is also a PMP. Zack received his BA from Duke University and has completed Executive MBA Coursework at UCLA and the University of Texas.

Joe Clemons, Managing Director, Engagement Management, Data Analytics & ERP

Joe contributes practical experience and guidance to his clients through his advisory and ERP practice leadership role at Pivot Point Consulting.

Joe brings over 17 years' experience in healthcare IT strategy, EHR and ERP planning and implementation, merger and acquisition execution, process improvement, change management and organizational development. His expertise intersects the clinical components of the EHR with the business components of ERP to drive organizational strategy and value. He routinely contributes to industry articles, podcasts and video interviews and the development of methodology and best practices. Joe serves on the Oregon Chapter of HIMSS Board of Directors as the Sponsorship Chair.

He holds a BS in Healthcare Administration.

Nick Loftin, Director, Virtual Care

Nick brings his wide-reaching healthcare IT experience to his role leading Pivot Point's Telehealth practice. With his certification as analyst and trainer for Grand Central and Prelude he brings direct EHR implementation and improvement knowledge. He has successfully led the implementation of telehealth and patient communication platforms at over 500 locations around the country, including rapid implementation and development to respond to the pandemic.

He has also focused on supporting FQHC's around the country in a project management role for both health IT and practice development aspects. He received his bachelor's degree at George Fox University and his MBA from Concordia University in Portland, Oregon.

Chase McLauchlin, Director, Client Solutions

Chase McLauchlin is an energetic leader with a passion for addressing complex problems in healthcare. Chase draws on his deep experience in EMR systems to craft tailored solutions for his clients. Chase has implemented and optimized EMRs for 29 hospitals and 9 healthcare organizations. He managed IT operations and revenue cycle EMR applications for one of the country's largest healthcare systems.

Chase is a former Epic employee and has the unique experience of working with both Clinical and Revenue Cycle applications. Chase views Healthcare IT through a lens of the integration between clinical and business services. For Chase, interoperability, business performance, and technology adoption are key to providing patient care.

Chase graduated from Brigham Young University with a double major in Applied Physics and Philosophy.