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The Innovator Hospital: Poised to Deliver Future Care

THE HEALTHCARE INDUSTRY – both in the U.S. and globally – is changing how care is being delivered. Government reform, new risk-based models such as value-based care, M&A activities, growing patient populations with complex needs, and increased competition amid shrinking resources are driving the transformation.

To provide quality care and improved clinical outcomes in a cost-effective manner, while assuming greater risk, hospitals and health systems must build an integrated infrastructure, leverage information technologies such as mobile and virtual health, protect the deluge of data being generated by internal and connected health information systems, and secure medical devices from malicious acts. Leading the way with a vision and mission, the Innovator Hospital will serve as the model to provide the kind of care demanded by consumers and required by government mandates.

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The Innovative Hospital
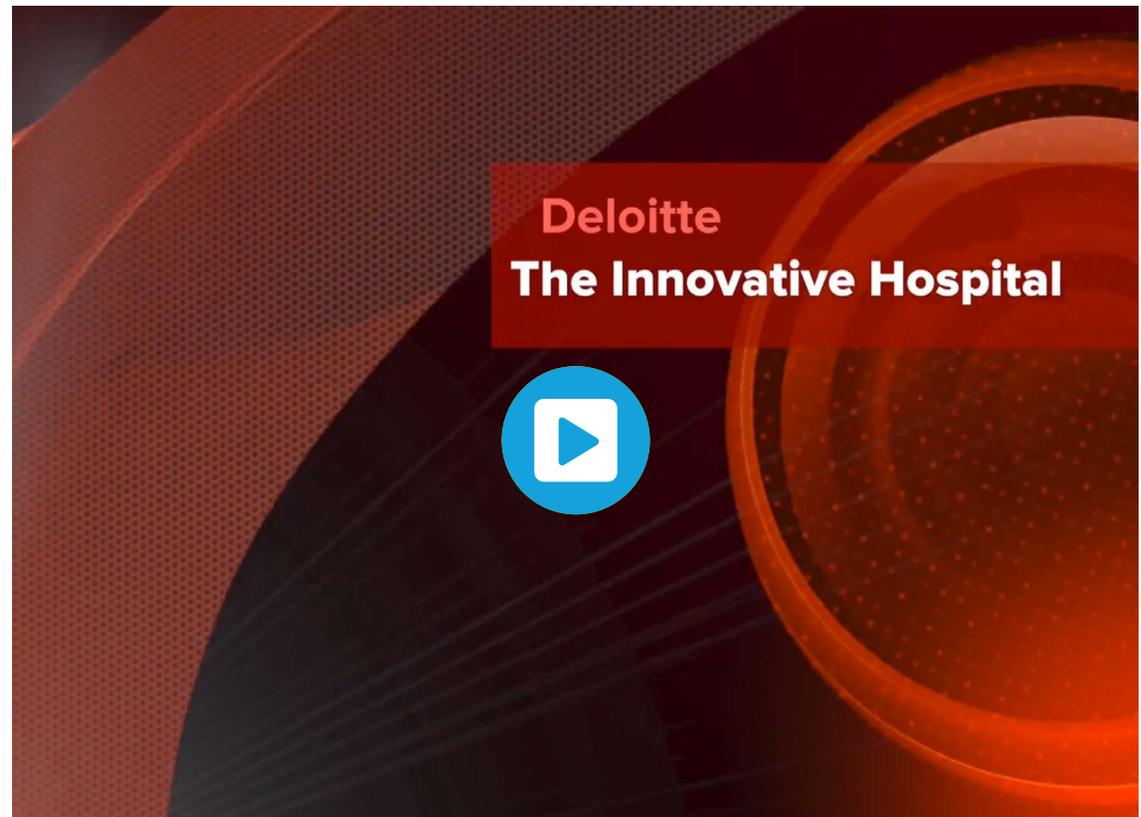
IT integration and management: the key to driving value out of M&A

HEALTHCARE ORGANIZATIONS are undergoing a major shift toward consolidation. Hospitals and health systems are acquiring physician groups, specialties and other facilities in order to provide integrated, comprehensive care, while smaller healthcare providers are looking to larger systems as a way to cost-effectively access resources and enable seamless collaboration. Consolidation is also a necessary component for participation in value-based models of care such as accountable care organizations (ACOs), whether under the U.S.'s Affordable Care Act (ACA) or as part of community or healthcare market efforts.

In its research of M&A activity over the last decade, Deloitte's Mergers & Acquisitions team discovered that the full value of most M&A transactions has not been achieved. Furthermore, IT integration or lack of integration plays a critical role in determining whether organizations successfully execute the transaction and achieve synergies or fail.

With that understanding, the Innovator Hospital

> **50 percent to 70 percent of M&A transactions fail to ultimately create incremental shareholder value. Failed post-merger integration stands out as the most common root cause.''**
>
> From the article, "The Role of IT in M&A," Deloitte

involves IT in the nascent stages of the deal-making process and builds a blueprint for IT synergy between the healthcare organizations to eliminate IT redundancy and waste. Early assessment determines whether the Innovator Hospital conducts transactions on its own or partners with experienced global IT consultants.

The goal of developing a comprehensive IT strategy, which includes IT due diligence, post-M&A integration and reorganization, and plans for achieving value from the new IT organization, among other activities, is to drive efficiency, effectiveness, return on assets and shareholder value.

At a time when consolidation in the healthcare industry is a clinical and business imperative, the Innovator Hospital that employs effective IT management for M&A transactions will be in a position of strength to deliver high-quality, patient-centered care across the continuum in a cost-efficient, IT-enabled manner.

Improve your M&A performance

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Removing the barriers for mHealth to thrive

WITH 90 PERCENT of Americans owning cell phones – more than half being smartphones[1] – the potential for consumers to embrace mobile health (mHealth) is great. Yet, while consumers are interested in using mHealth, widespread adoption has been blunted by perceptions of unclear value proposition, concerns about the security and privacy of mobile data, and lack of accuracy of apps and robustness in capabilities that consumers want, according to Deloitte's 2013 Survey of U.S. Health Care Consumers.

Adoption by healthcare providers and payers has also been challenged by regulatory scrutiny, lack of clarity on regulations, the need for return on investment, and the need to ensure the privacy and security of protected health information on mobile apps, devices and platforms.

Despite the challenges and concerns, mHealth is poised to be an enabler for the shift to patient-centric, value-based care. mHealth can help healthcare providers meet increased demand on their services. Off-site monitoring of discharged patients, for example, can help decrease hospital readmissions and focus efforts on timely decision support and early intervention. Allowing patients to access information

Four dimensions of effective mHealth

PEOPLE: Demographics

PAYMENT: Reimbursement and policy framework

mHealth

PLACES: Local infrastructure

PURPOSE: Disease dynamics

and conduct transactions remotely will help drive consumer engagement and self-management of chronic conditions. The convenience factor of an on-demand healthcare environment will also increase patient experience and satisfaction.

The Innovator Hospital has the opportunity to transform healthcare by encouraging and supporting adoption of mobile technologies by clinicians through an integrated mobile strategy and infrastructure, and policies and procedures that protect and manage patient information. The ability to provide care anywhere and expand and improve communications remotely will increase clinician productivity and satisfaction. Offering mobile health apps and services that ensure the privacy

and security of patient information will boost consumer loyalty.

As Innovator Hospitals establish their integrated, enterprise-wide mobile strategy, their focus on four areas will strengthen their mHealth offerings:

- **People:** Align offerings to the demographics and technology preferences of consumers and clinicians
- **Places:** All local networks and infrastructure must be robust to ensure availability, accessibility and reliability
- **Payment:** Align reimbursement with quality outcomes to boost mobile adoption
- **Purpose:** Apply mHealth to disease and case management to create value

1. Pew Internet and American Life Project. Health Online 2013. January 15, 2013.

The future of mHealth a video dialogue with Harry Greenspun

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Analytics: supporting the data-driven healthcare transformation

AS THE HEALTHCARE industry embraces HIT and works through healthcare reform initiatives, healthcare providers must aggregate, manage and analyze the data being generated by myriad sources, such as internal and external information systems, for numerous purposes, such as public health reporting and support for accountable care and other new care and payment reform models. As a data-driven organization, the Innovator Hospital looks to analytics to deliver an enterprise-wide view and provide greater insight to drive clinical, operational, financial and market excellence.

A 360-degree view of the data creates a "single source of truth," from which both payer and provider can utilize – which is critical for accountable care. By gaining insight into its data, such as identifying variances and gaps in care, and turning it into actionable data, the Innovator Hospital can make better-informed clinical and business decisions to, among other things, improve the quality of care and patient safety, reduce financial risk, generate revenue streams from new service lines and protect patient information.

The Innovator Hospital can accomplish these goals by seeking a partner that has made significant investments in healthcare analytics and therefore has the core competency to derive value out of the health system's data assets. To meet this growing need, Deloitte Healthcare Consulting, which includes Recombinant Data Corp. and Deloitte Health Informatics, developed a solutions portfolio that focuses on five priority areas: clinical excellence, revenue excellence, sustainable margin, value-based care and research excellence.

Unlocking the power of data. Learn how Recombinant by Deloitte applies clinical intelligence to data to transform healthcare

Click to learn more about data-driven healthcare

Physician adoption of HIT: a business and clinical imperative

DESPITE STRIDES made in the meaningful use of electronic health records (EHRs) – the Centers for Medicare and Medicaid Services (CMS) paid nearly $17 billion to more than 430,000 eligible hospitals and professionals since the EHR Incentive Programs began – physician adoption of health information technology (HIT) overall is still low. Indeed, according to the Deloitte Center for Health Solutions 2013 Survey of U.S. Physicians, most U.S. physicians are slow to adopt online tools and digital health technologies to support patient care and don't use mobile health technologies for clinical purposes.

However, an emerging business imperative exists for physicians to integrate HIT into their practices. The meaningful use of EHRs and electronic data sharing will enable healthcare providers to improve the quality of care, patient safety and clinical outcomes through care collaboration and evidence-based practice, while reducing administrative paperwork and streamlining workflow. Technologies such as mobile devices and patient portals can be leveraged to get patients involved in managing their conditions. This capability will also allow physician practices to participate in ACOs and other value-based care models that require care coordination and improved communications among providers, administrative efficiencies and patient engagement.

Market forces, driven by payers, employers and consumers, will impact HIT adoption within a healthcare market, but the Innovator Hospital holds the key to accelerating and supporting physician adoption. Implementation cost is an often-cited adoption barrier. The Innovator Hospital can extend its HIT infrastructure and resources, especially its mobile and virtual health technologies and EHR system that meets Stage 1 meaningful use criteria, and lead integration efforts to achieve economies of scale and to streamline patient information sharing. The Innovator Hospital can also provide operational support, leadership and vision to help establish an HIT strategy and identify physician champions.

Hospitals and health systems will look upon physician practices that have fully embraced HIT as attractive partners or potential candidates for acquisition. ACO participants will be incentivized to get their physician practice partners HIT enabled in order to be successful – gaining reputations for quality care and effective population management and being financially rewarded for their efforts.

Drive physician adoption of HIT

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Virtual health: converting disruption into opportunities

VIRTUAL HEALTH – the integration of telehealth or telemedicine initiatives in mainstream care delivery to provide complementary or substitute care – got a big boost from innovations in communication technology that has created more convenient, fast and affordable virtual interaction. Healthcare reform – participation in ACOs and rapid expansion of insured patient population under ACA – however, is making virtual health an important asset for Innovator Hospitals to have as they define their strategy to transition to risk-based payment models.

Virtual health offers the potential to lower costs, reduce utilization, generate revenue and increase operational efficiency on the business side, while supporting care coordination and delivering better outcomes on the clinical side. Providing virtual visits and consults, and deploying remote home and mobile monitoring, tele-home health and other virtual health offerings can benefit both patients and providers.

Services that offer convenience and cost and time savings will drive patient engagement and satisfaction,

> *More than 60 percent of consumers gave a higher rating and preference to health systems offering the newest and most innovative technology."*
>
> **From 2012 Deloitte Survey of Healthcare Consumers**

which will strengthen provider-patient relationships and establish loyalty. Innovator Hospitals that set up a secure infrastructure for clinicians to deliver care remotely will enable clinicians to be more efficient and make more informed clinical decisions in a timely manner, which increases quality of care and patient safety. Providing an environment that supports virtual health can also increase clinician satisfaction and loyalty, which is critical given continued nurse and physician shortages and growing patient populations.

With an experienced IT consulting partner, the Innovator Hospital can assess its organizational readiness for virtual health by defining success and establishing goals, building stakeholder support, understanding the demographics of its healthcare

market, ensuring the privacy and security of patient information, and developing capabilities to address regulatory and legal issues. By incorporating virtual health as part of its services and capabilities, the Innovator Hospital can fulfill the needs of patients and clinicians to receive and give quality care wherever and whenever it is needed – all the while reducing costs and improving topline growth.

Leverage virtual health to transform your healthcare organization

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ACOs: lessons on delivering accountable care

ACOs HOLD THE key to delivering high-quality collaborative care in an efficient manner, while at the same time engaging patients to get involved in their care and personalizing and therefore improving services.

The Innovator Hospital establishes accountable by creating open communications, collaboration and coordination among care providers and between care provider and patient to be successful. It also enables the cultural shift from being traditionally hospital centric to focusing on the continuum of care. This requires investing in physician leadership to carry out the paradigm-shifting vision and rally the rest of the organization around improving care as the mission and reason for the change.

AtlantiCare, a New Jersey-based integrated delivery network, recently incorporated AtlantiCare Health Solutions, its first ACO, which it began developing in 2010. The AtlantiCare Access Center is a single point of entry for the community to gain access to and information about the care delivery options and what AtlantiCare offers. The AtlantiCare

Health Engagement was designed to engage the patient population around health and wellness.

To build an ACO, the Innovator Hospital relies on four foundational elements:

- Share information, especially at the point of care
- Coordinate care across multiple, different facilities, providers and settings
- Engage consumers in innovative ways, provide tools and align incentives in order to ensure they are making the most appropriate healthcare choices
- Deploy robust analytics to monitor provider and system performances

Based on their work with ACOs, John Keith, Principal and Practice Lead for Care Delivery Innovation within Deloitte Consulting LLP, and Harry Greenspun, MD, Senior Advisor for Health Care Transformation and Technology, Deloitte Center for Health Solutions, offer best practices for the Innovator Hospital:

- To manage populations, start small with a controlled population, which is easier to effect change
- Nurture innovative leaders within the organization (clinical care, financial, IT and legal)

> " We need a health care system that's sustainable, and that means having a health care system that's aligned to keep people healthy and rewarding people for doing so. This is the future of care."
>
> **Harry Greenspun, MD, Senior Advisor for Health Care Transformation and Technology, Deloitte Center for Health Solutions**

- Encourage nontraditional thinking
- Learn from what's going on and what has gone on in the marketplace
- Be prepared to fail fast, regroup and start again in the uncharted territory of ACOs

Deloitte Insights: Innovation in action for accountable care

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Protecting medical devices, patients and their information from cyber security risks

IN A POST-9/11 WORLD, healthcare organizations should consider cyber threats to their medical devices connected to their networks and information systems. Malicious acts committed by hostile nations, organized crime or other agents can cause service disruption, financial losses and/or harm to patients.

The Innovator Hospital can reduce security risks to their medical devices by implementing measures such as those developed by Deloitte & Touche LLP's Security & Privacy practice:

- Inventory and manage networked medical devices on a continual basis, which will provide visibility for audits and security risk assessments
- Raise awareness across the organization of medical device security risks
- Incorporate privacy and security evaluations and requirements in the procurement process of medical devices
- Map data flow between medical devices and information systems to know what data is at risk for cyber threats and where those vulnerabilities exist

- Establish physical security, disaster recovery and redundancy plans
- Collaborate with device manufacturers to implement cyber security controls for new products that are purchased or report cyber security events in real time to speed resolution and reduce risks

The Innovator Hospital will thrive in the new era of delivering care in a high-quality, safe and secure, patient-centered and cost-efficient manner. By implementing robust information technology, leveraging mobile and virtual health, partnering with veteran consultants where appropriate, incorporating strong privacy and security measures, and engaging in sound financial practices, the Innovator Hospital should be well prepared to meet today's *and* tomorrow's healthcare challenges.

6 Ways Health Care Providers Can Reduce Medical Device Security Risks

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