



FEATURE

Going beyond compliance to achieve radical interoperability

Pulse survey on CMS and ONC proposed rules

Anne Phelps, Jason Wainstein, and Claire Boozer Cruse

Are health plans and health systems making interoperability a strategic objective—or just ticking off the boxes before moving on to other priorities? Recent survey findings suggest many organizations are using the rules as a first step toward broader strategies on interoperability.



Background

PROPOSED RULES FROM the US Centers for Medicare & Medicaid Services (CMS) and Office of the National Coordinator for Health Information Technology (ONC), published earlier this year, are likely to drive the [US health care system toward greater interoperability](#). We expect the administration to finalize the rules in fall 2019, and many of the provisions would go into effect on January 1, 2020 (see the [February 11, 2019 Reg Pulse Blog](#)). Through other levers such as new payment models, the Trusted Exchange Framework and Common Agreement (TEFCA), and a recent executive order on transparency, the administration is laying out a plan to drive the industry toward widespread interoperability. Taken together, these initiatives showcase the administration’s continued push to make health care information more accessible by encouraging plans and providers to share data with each other to improve the quality and efficiency of health care and with patients to help them make informed decisions.

As described in *Forces of change: The future of health*, today, the US health care system is a collection of disconnected components (health plans, hospital systems, pharmaceutical companies, medical device manufacturers, etc.). By 2040, we expect the system to be dramatically different than it is today. Health will likely be driven by digital transformation enabled by radically interoperable data and open, secure platforms. Moreover, consumers will own their health data and play a central role in making decisions about their health and well-being. Health care organizations that fail to see beyond compliance deadlines and realize the greater strategic value of interoperability and data could risk falling behind.

From early May to mid-June 2019, the Deloitte Center for Health Solutions polled technology leaders at large health plans (n=35) and health systems (n=35) to gauge their attitudes and priorities around the CMS and ONC proposed rules (see sidebar, “Methodology”).

METHODOLOGY

The Deloitte Center for Health Solutions fielded a quantitative survey from early May through mid-June 2019.

Most respondents were chief technology officers, chief information officers, or EVPs/SVPs/VPs of technology for large (greater than US\$750 million in revenue) health plans (n=35) and health systems (n=35).

Questions focused on leaders' priorities, awareness, and preparedness in reaction to the proposed rules.

Findings

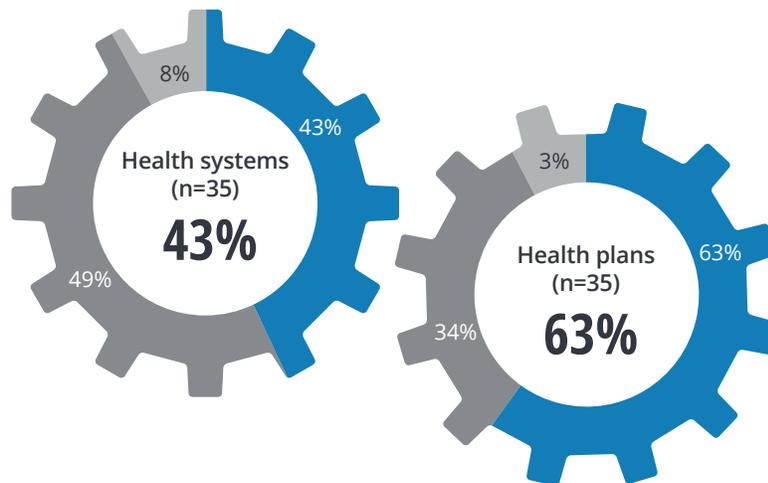
Overall, many respondents said they are using the proposed rules as a foundation for their broader strategic interoperability initiatives. Moreover, many believe they will have to go beyond what their vendors provide to achieve that strategic aspiration.

Most (63 percent) health plan and nearly half (43 percent) of health system leaders say they plan to use the compliance requirements as part of their broader strategy around interoperability (see figure 1).

FIGURE 1

Forty-three percent of health system and sixty-three percent of health plan leaders say they plan to use compliance requirements as part of their broader interoperability strategy

- Compliance requirements will be the foundation for broader strategic interoperability initiatives
- No plans to go beyond compliance requirements
- Uncertain (either have not read or are still determining implications of the proposals)



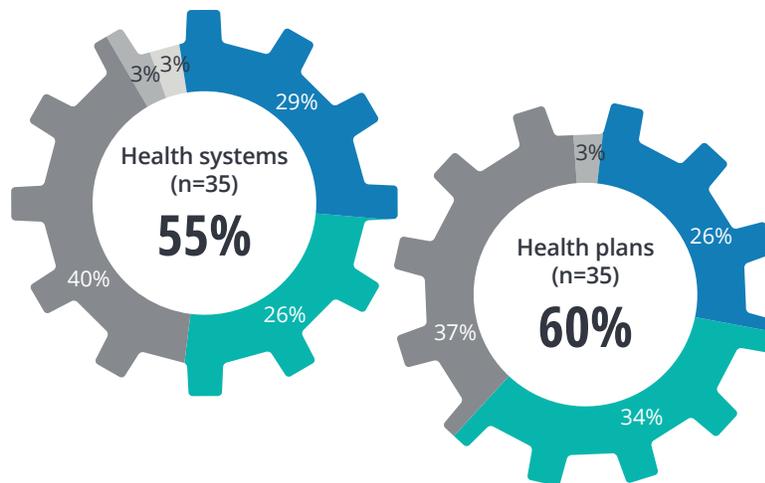
Note: Respondents were asked to select which statement most accurately describes their organization's approach to compliance with CMS- and ONC-proposed rules on interoperability. Total responses = 70 (health systems, 35 and health plans, 35). Percentages may not total 100% due to rounding.

Source: Deloitte Center for Health Solutions 2019 Interoperability Survey.

FIGURE 2

More than half of health system and health plan leaders say they are planning to go beyond what vendors provide for API solutions

- We plan to use a hybrid approach (mixture of building it ourselves and working with a vendor)
- We are building the capabilities within our own organization and have developed our own APIs
- We are using vendors and have access to APIs provided by vendor applications or packages
- We currently do not use APIs
- We currently do not have a plan



Note: Respondents were asked to select which statement most accurately describes how their organization currently manages and implements technical changes to become more interoperable, or how they intend to do so. Total responses = 70 (health systems, 35 and health plans, 35). Percentages may not total 100% due to rounding.

Source: Deloitte Center for Health Solutions 2019 Interoperability Survey.

Moreover, many organizations reported that they plan to go beyond compliance. More than half of health system (55 percent) and health plan (60 percent) respondents say they are either building their own application programming interface (API) solutions or are doing so even while they work with a vendor to build solutions (see figure 2).

Seizing the opportunity to go beyond compliance

The administration is using multiple regulatory levers to advance interoperability. The draft rules call for organizations to meet many of the

Many organizations are planning to go beyond compliance, building their own APIs even while they work with a vendor to build solutions.

requirements starting on January 1, 2020. Organizations that develop and implement a strategic approach to interoperability are likely to have a competitive advantage with insights, affordability, and consumer engagement in the future of health. Some of the next steps to consider in establishing a strategic approach to interoperability are discussed below.

DEFINE THE ORGANIZATION'S BROADER STRATEGY

Organizations should leverage the regulatory requirements on interoperability as a jumping off point for their broader strategy for sharing data with industry stakeholders and with patients.

- Define the interoperability vision for the organization
- Establish an initial interoperability governance structure
- Perform a market scan
- Develop a business case and key business/technology benefits
- Develop high-value use cases such as enhanced care management and/or improved consumer and patient engagement

DEFINE DESIRED FUTURE STATE AND MATURITY AND COMPARE AGAINST CURRENT CAPABILITIES

- Assess current interoperability capabilities and define desired future state
- Conduct a gap analysis between current and future state

- Develop an external engagement plan (for example, partnerships and collaboration with external entities to better enable interoperability vision)
- Evaluate your overall consent and risk management strategies for use of data

DEVELOP AN EXECUTION ROAD MAP

- Prioritize a set of initiatives and road map to achieve compliance by the proposed January 1, 2020 deadline
- Identify longer-term goals beyond the January 1, 2020 compliance date around data exchange, digital tool adoption, and enhanced consumer engagement
- Assign “high priority” to the must-do/critical capabilities

Implementing a strategic interoperability plan can position health plans and health systems to gain insights and opportunities to provide more effective care, reduce inefficiencies, meet consumers' demands, and better enable the organization to compete effectively in the future.

Acknowledgments

Wendy Gerhardt, Christine Chang, and Maulesh Shukla helped drive this research, from assistance with developing the quantitative survey to conducting background research on the key topics included herein. **Daniel Esquibel** and **Ethan Joselow** served as key subject matter experts throughout the research process.

The authors would also like to thank **John Vitale, Gerry Yantis, Chris Harris, Sarah Danielson, Mike Delone, Wade Horn, Tuan Tran, Lauren Wallace**, and the many others who helped throughout the project.

About the authors

Anne Phelps | annephelps@deloitte.com

Anne Phelps, Deloitte & Touche LLP, is a principal in the firm's Life Sciences & Health Care practice and the US health care regulatory practice leader. Phelps has more than 24 years of health care policy experience and has worked in federal agencies, the US Senate, the White House, and in consulting firms. She serves as a strategic business advisor to numerous health care stakeholders, including providers, health plans, employers, and life sciences companies—helping them navigate the complex health care regulatory environment and how it will impact their organizations.

Jason Wainstein | jwainstein@deloitte.com

Jason Wainstein, Deloitte Consulting LLP, is a principal and national leader for health plan technology strategy, consumer experience, and information management/analytics. He specializes in health care business optimization, enterprise transformation, and technology strategy. Wainstein leads engagements focused on advanced retail and consumer capabilities, analytics, platform modernization, M&A, and IT delivery. He joined Deloitte in 1996 and won the *Philadelphia Business Journal* "40 Under 40" award in 2009.

Claire Boozer Cruse | cboozer@deloitte.com

Claire Boozer Cruse, Deloitte Services LP, is a health policy manager with the Deloitte Center for Health Solutions. Her primary research interests are Medicare, Medicare Advantage, payment reform, post-acute care, and the individual health insurance market. Cruse earned BS and BA degrees and a certificate of gerontology from The University of Georgia and holds a master's degree in public health in health policy from The George Washington University. She is based in Denver.

Contact us

Our insights can help you take advantage of change. If you're looking for fresh ideas to address your challenges, we should talk.

Practice contacts

Anne Phelps

Principal | US health care regulatory leader | Deloitte & Touche LLP
+1 202 220 2702 | annephelps@deloitte.com

Anne Phelps is a principal with Deloitte & Touche LLP in the Life Sciences & Health Care practice and serves as the US Health Care Regulatory leader.

David Biel

Principal | National Consulting Health Care Sector leader | Deloitte Consulting LLP
+1 312 486 2397 | dbiel@deloitte.com

David Biel is a principal with Deloitte Consulting LLP in the Life Sciences & Health Care practice and currently serves as the national Consulting Health Care Sector leader.

Jason Wainstein

Principal | Deloitte Consulting LLP
+1 610 772 1869 | jwainstein@deloitte.com

Jason Wainstein, Deloitte Consulting LLP, is a principal and national leader for health plan technology strategy, consumer experience, and information management/analytics.

The Deloitte Center for Health Solutions

Sarah Thomas, MS

Managing director | Deloitte Center for Health Solutions | Deloitte Services LP
+1 202 220 2749 | sarthomas@deloitte.com

Sarah Thomas is the managing director of the Deloitte Center for Health Solutions. Her role involves driving the center research agenda to inform stakeholders across the health care landscape about key trends and issues facing the industry.

About the Deloitte Center for Health Solutions

The source for fresh perspectives in health care: The Deloitte Center for Health Solutions (DCHS), part of Deloitte LLP's Life Sciences & Health Care practice, looks deeper at the biggest industry issues and provides new thinking around complex challenges. Cutting-edge research and thought-provoking analysis give our clients the insights they need to see things differently and address the changing landscape.

Connect

To learn more about the DCHS and our research, please visit www.deloitte.com/centerforhealthsolutions.

Subscribe

To receive email communications, please visit www.deloitte.com/us/LSHC-subscribe

To subscribe to our blog, please visit <https://blogs.deloitte.com/centerforhealthsolutions/>

Engage

Follow us on Twitter at: [@DeloitteHealth](https://twitter.com/DeloitteHealth)

Engage with us on LinkedIn via [ConvergeHEALTH by Deloitte](#)

The health industry is on the cusp of a major transformation that will affect all stakeholders. Incumbent players can either lead this transformation as innovative and well-connected market leaders or they can try to resist this inevitable change. A wide range of companies—from inside and outside of the health care sector—are already making strategic investments that could form the foundation for a future of health that is defined by radically interoperable data, open and secure platforms, and consumer-driven care. For more on Deloitte's perspective on the future of health, visit www.deloitte.com/future.

Deloitte.

Insights

Sign up for Deloitte Insights updates at www.deloitte.com/insights.

 Follow @DeloitteInsight

Deloitte Insights contributors

Editorial: Ramani Moses, Blythe Hurley, Rupesh Bhat, and Anya George Tharakan

Creative: Kevin Weier and Rajesh Venkataraju

Promotion: Alexandra Kawecki

Cover artwork: Kevin Weier

About Deloitte Insights

Deloitte Insights publishes original articles, reports and periodicals that provide insights for businesses, the public sector and NGOs. Our goal is to draw upon research and experience from throughout our professional services organization, and that of coauthors in academia and business, to advance the conversation on a broad spectrum of topics of interest to executives and government leaders.

Deloitte Insights is an imprint of Deloitte Development LLC.

About this publication

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.