



## **HEALTHCARE'S TOP OPERATIONAL CHALLENGES IN THE NEXT TWO YEARS**

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**healthleaders**

# Healthcare's Top Operational Challenges in the Next Two Years

New survey finds hospital and health system leaders are setting their sights on more robust security, data, and interoperability



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**While the last two years have brought massive change, financial loss, and unimaginable challenges, they have also led to tremendous disruption and innovation for U.S. hospitals and health systems.**

As healthcare leaders plan key operational moves in the next two years, a recent HealthLeaders Buzz Survey supported by Infor on the topic of healthcare operational systems reveals the top struggles and priorities for 100 executives at provider organizations. Their responses offer an important snapshot of how hospitals are adapting to change, applying innovation, and making cultural shifts to improve their workforces, strengthen security, and prioritize operational technologies. The survey also provides insight into the importance of improving interoperability as care continues to shift to the home and other environments.

## Top challenges

Respondents shared their three greatest challenges over the next two years—and it's no surprise that workforce management was their top concern (84%), followed by financial viability (51%), delivering consumer-centric care (43%), and interoperability (37%).

The Great Resignation is hitting healthcare harder than any other industry—heavy work schedules and exhaustion due to COVID-19 are among the chief culprits. Staff feel burnout, and in many cases they can't get time off even when they request it months in advance, which is causing significant challenges for provider organizations.

Before the pandemic, some nurses were already unhappy and leaving their jobs because of an inability to schedule or pick up shifts. "The last two and a half years have only accelerated concerns for healthcare workers," says Chuck Whinney, vice president, industry & healthcare strategy at Infor. "The recent exodus of healthcare workers is a clear indicator provider organizations need to develop stronger capabilities to

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—Steve Fanning, senior vice president, healthcare innovation at Infor

improve work-life balance, including offering dynamic staffing and scheduling systems that give frontline workers more flexibility to add, give away, and change shifts.”

Financial viability is another critical focus area for hospital CFOs as provider organizations prepare for more uncertainty around elective surgery volume and face big questions on the future of value-based reimbursement. Will value-based care become the new financial model, or is there another alternative that will put further pressure on existing infrastructure and current capabilities?

The plus side to these challenges, many of which are related to the pandemic, is that hospitals are becoming more innovative and going through digital transformations aimed to improve consumer-centric care. For example, many hospitals are now creating a digital front door to allow more consumers to schedule online appointments and participate in telehealth visits. Next-level strategies may include hospital-at-home programs that collect consumer-generated data from tracking and biometric devices.

**Interoperability becomes a more strategic endeavor**

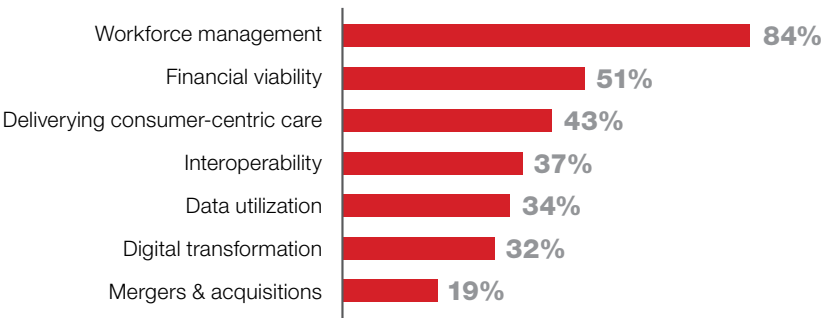
Interoperability reoccurs throughout the survey as a chief area for concern and action. In addition to interoperability being a top challenge, 87% of respondents indicated that interoperability would be extremely or very important to improving operational efficiency if their organization were to upgrade from a traditional ERP solution to a single platform. Respondents also said accounting/finance (83%) and customer relationship management (67%) would be

extremely or very important to improving operational efficiency.

Nearly two-thirds (62%) of participants said interoperability is a strategic issue, compared to 36% who said it is somewhere between strategic and not strategic. Interoperability has become more strategic as provider organizations continue to shift to value-based care and pursue greater connectivity. In addition to the pandemic, longer-term trends like value-based care have a hand in the top challenges cited earlier by responders. With value-based care and risk-based contracting increasing year-over-year, healthcare organizations now require greater interoperability to exchange more data along the entire care continuum.

Data sharing has changed vastly from a decade ago when doctors, hospitals, and payers lived in more rigid data silos, submitting claims 30, 60, or 90 days post-discharge. Now, payers are managing care more actively and want to see real-time data to understand why a patient is in the hospital. Beginning in 2022, requirements within the 21st Century Cures Act will push healthcare organizations to even greater levels of interoperability. Payers and providers will need to automate several workflows through an interactive data

TOP THREE GREATEST CHALLENGES  
**What do you see as the top three greatest challenges for your hospital/healthcare system in the next two years?**

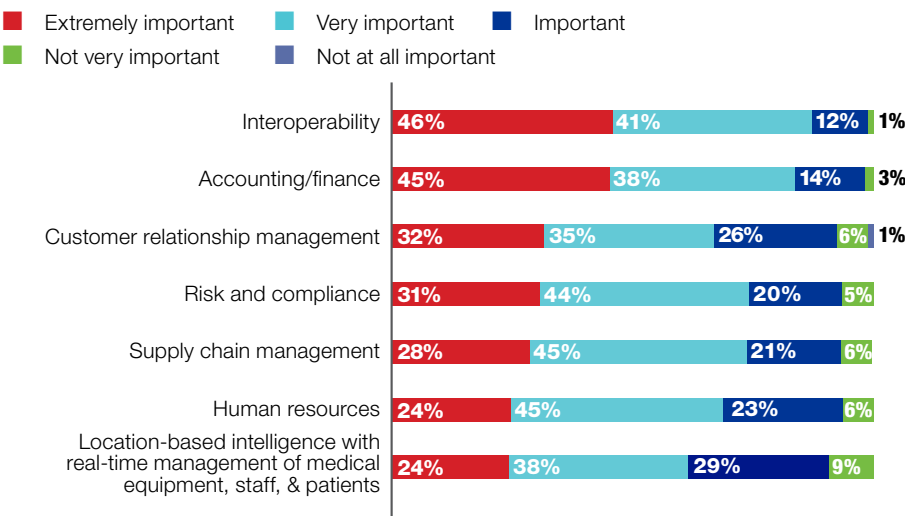


BASE: 100 (Select three)

exchange in key areas such as pre-authorizations, which up until a few years ago took weeks of back and forth via fax, email, and phone to resolve.

COMPONENTS MOST IMPORTANT TO OPERATIONAL EFFICIENCY

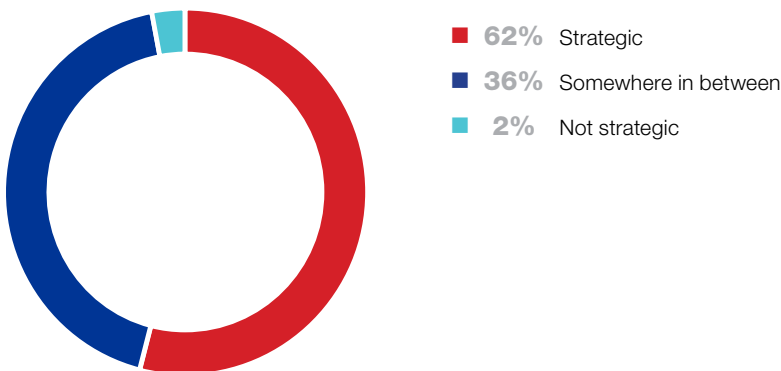
If your organization was to upgrade its systems beyond traditional ERP solutions to a single platform, which components would be most important to improving operational efficiency?



BASE: 100 Ranked by extremely important

INTEROPERABILITY AS A STRATEGIC ISSUE

Do you see interoperability as something strategic to your organization, or is it just a technical issue without strategic implications?



BASE: 100

Security remains a top technology priority

With the recent spate of highly publicized ransomware attacks and the greater flow of data outside of hospital walls, it comes as no surprise that survey respondents said security (73%) is among their top operational technology priorities; other top responses were data and analytics (71%), systems integration (60%), and interoperability (49%). Healthcare data is 25 times more valuable than financial data on the dark web, making healthcare organizations ripe for attacks from every single front. As this situation intensifies, healthcare organizations need to have the most robust security posture possible.

Data and analytics, systems integration, and interoperability are closely tied to one another. Provider organizations will need better systems for incorporating multiple data points as the industry advances towards technologies such as AI and machine learning. For example, with precision medicine, which is attracting more attention, organizations must be able to incorporate lab, payer, and social determinants of health data (among other types) into a specific context and hierarchy to drive different insights and decisions.



"Everyone's drowning in data, but they are not turning it into usable analytics or usable insights because of that lack of context and hierarchy as well as limited sources of data," says Steve Fanning, senior vice president, healthcare innovation at Infor. "In the near future, there will be even more diverse data as well as new data standards that will accelerate the ability to analyze information in a much more meaningful way, as opposed to the current era we are in of collecting data."

As healthcare organizations advance security, data and analytics, and systems integration strategies, they are also encountering cultural challenges. For example, most organizations still focus patient care efforts on arrival through discharge, which is only a small part of today's care continuum. The culture will need to shift as more care moves out of the hospital and into other environments, such as the patient's home via hospital-at-home models.

Hospitals will need more powerful security, systems integration processes, and analytics strategies to safely and effectively handle the onslaught of data from tablets and biometric devices. "The castle-and-moat model of security doesn't work anymore with more data traveling through the castle walls," adds Joerg Schwarz, director, strategy and solutions, healthcare interoperability at Infor.

### Retention strategies for a changing workforce

A deeper look at the healthcare workforce reveals that providers also have work ahead to improve both retention and recruitment, which tied for first place as the most significant workforce challenges (89% of respondents each named them as extremely or very important), followed by burnout/well-being (87%) and

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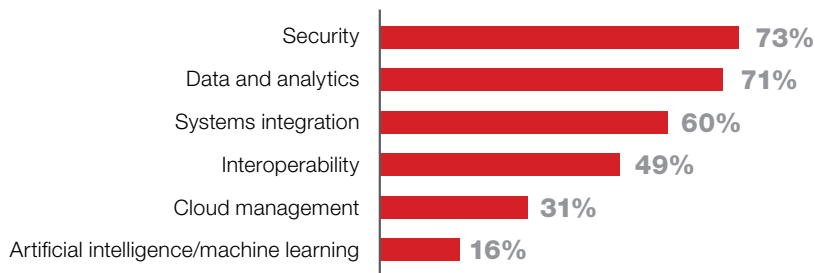
—Chuck Whinney, vice president, industry & healthcare strategy at Infor

leadership development (74%). In the last two years, especially, healthcare organizations have experienced high turnover. In addition to scheduling challenges, other significant issues include a lack of learning development and career path opportunities for staff.

However, organizations are beginning to think differently about employee development and are doubling down on new strategies and programs that support employees throughout their entire careers. For example, hospitals are increasingly recruiting from

### TOP THREE OPERATIONAL TECHNOLOGY PRIORITIES

**Which operational (nonclinical) technologies fall into your top three organizational priorities?**



BASE: 100 (Select three)

their existing employee pool while providing better career tools, job recommendations, and defined succession paths. These are critical strategies in a fierce job market where talent is scarce and the cost of agency nurses is rising. In addition, client data shows organizations experience lower turnover when they have these initiatives in place.

Forward-focused hospitals and health systems are also rolling out technology solutions that address burnout. For example, ambient technology can eliminate dual data entry and ensure physicians and nurses have the correct information at the point of care. Ambient technology works silently in the background, reading and responding to clinical supply data in clinical systems. When a nurse enters data about supplies, the system can calculate supply levels and identify when inventory needs replenishing. These capabilities are becoming more important as hospitals look to decrease provider burdens.

### The long view: Creating meaningful connections

With more disruption ahead, C-suite leaders must look for new ways to create meaningful connections between their people, technology, and overall vision, and across the industry, agree Fanning, Whinney, and Schwarz. “The conclusion I’ve come to is no one entity can do this on their own,” says Fanning. “If you’re

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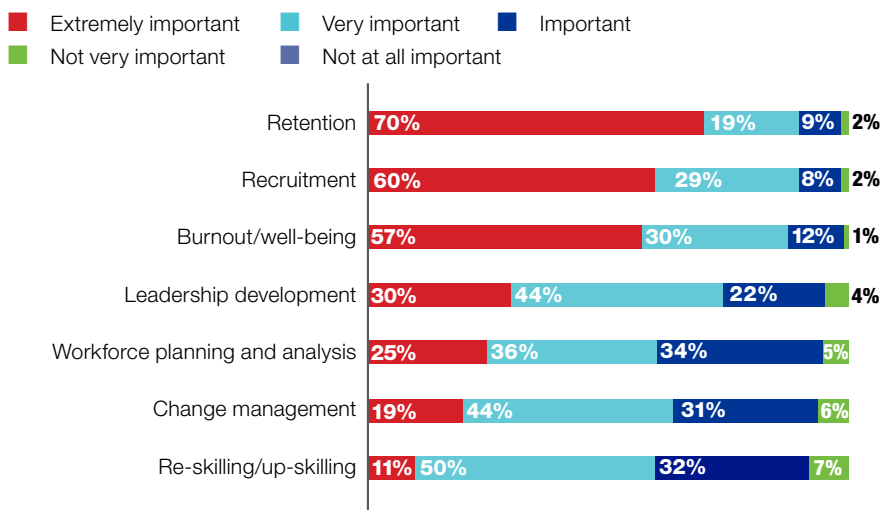
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going to innovate and disrupt to improve operations, you can’t do that in a vacuum. A culture that embraces partnerships puts themselves in a better position to build stronger systems and thwart security attacks, which are increasing in speed and sophistication,” he adds.

“Organizations that culturally build bridges and partnership ecosystems are also better able to do innovative work and achieve higher-order capabilities,” says Fanning. “For example, we are working closely with a large U.S. health system to use AI and machine learning to better detect and predict sepsis cases, as well as partnering with a healthcare organization in Latin America that is using Alexa for clinical dictation. Our goal is to support more nuanced communications through less invasive technologies.”

### MOST SIGNIFICANT WORKFORCE CHALLENGES

**What are your most significant workforce-related challenges at the moment?**



BASE: 100 Ranked by extremely important

### ABOUT INFOR:

Infor Healthcare connects clinical and operational systems to give people access to information they need to streamline care delivery, enhance the experience of patients and providers, and lower the cost of care. Our cloud-based platform includes capabilities around clinical interoperability, supply chain optimization, and nurse scheduling.

