



WHITE PAPER

# Hospital IT Transformation

How Rural and Community Hospitals Can Identify and Implement New Information Technology Solutions That Align with Clinical and Business Objectives



## INTRODUCTION

Hospital information technology (IT) transformation begins with a new mindset. The leaders of tomorrow's successful rural and community hospitals must evaluate and implement technology solutions that support the organization's clinical excellence, business objectives and security requirements. A key advancement is the rise of mobile health technologies that allow rural patients to access care from far-flung medical staff quickly and conveniently. The rapid emergence of AI and other cutting-edge technologies will further empower rural providers to deliver quality and cost-efficient care to patients. Therefore, it's time to change the approach to IT investing. CEOs must partner with IT to find the best solutions for the organization from a cost, care and risk perspective.

## THE BUSINESS CASE FOR INFORMATION TECHNOLOGY TRANSFORMATION

Even rural and community hospitals have a compelling business case for retiring and replacing legacy systems and other outmoded IT solutions.

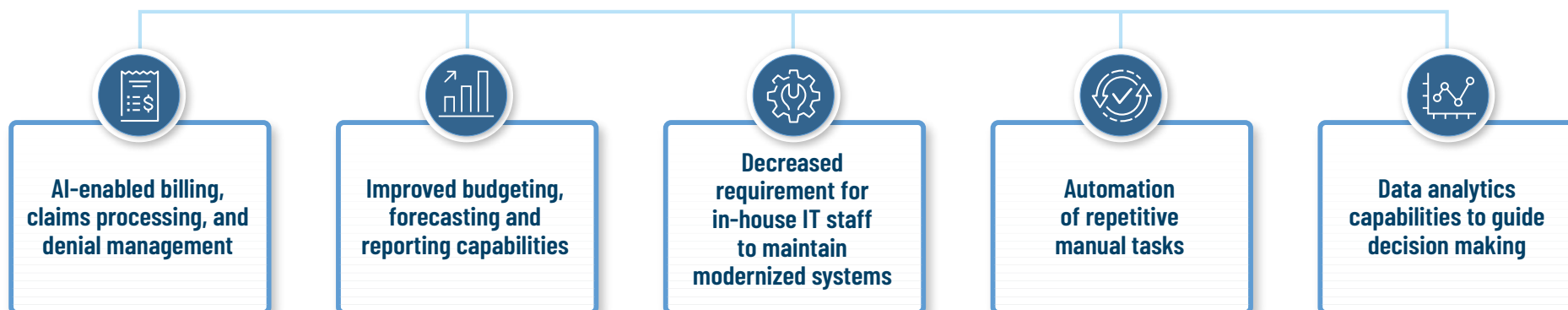
### Cost savings and revenue enhancement

There are many reasons why legacy systems create financial challenges. First, they are inefficient and expensive to operate, as many legacy systems don't have modern user-friendly interfaces (front-end) or automated workflows.

Often experienced specialists are required to run and maintain them. Additionally, traditional data centers and on-premise hosting requires ongoing capital investments as more and more servers are needed to accommodate growing processing and storage requirements.

A shift to a cloud-based IT infrastructure can expedite IT transformation, reduce costs and help ensure continued strategic alignment. The move reduces financial burden by shifting IT costs from a capital investment to an operational expense. It can also provide flexibility and capacity for one-off projects, with servers being spun up and down, as needed.

## New IT Solutions Can Improve Finances in Many Ways



## The New Role of IT Leaders

Forward-thinking community hospital CEOs are giving information technology leaders a voice in strategic planning sessions. The purpose is to evaluate how technology solutions can help advance organizational goals. Indeed, the business case for retiring and replacing legacy systems and other outmoded IT solutions is straightforward and compelling.



## Return on Investment

The costs associated with running outdated IT keep rising. Moving away from legacy systems and shifting to a cloud-based model produce several areas of savings and revenue enhancement. Additionally, strategic IT investments support patient care and experience.

### Benefits of IT Transformation include:

- Reduced expense of servers, maintenance, software licenses, backups, and hardware upgrades.
- Ability to shift IT financing from an ever-escalating capital investment to an operational expense.
- Revenue enhancement opportunities include streamlining billing and claims processing; improving budgeting, forecasting and reporting capabilities; automating repetitive manual tasks; and bringing data analytics to bear on organizational decisions.
- Modern IT solutions offer analytics that drive decisions around patient care and population health.
- IT solutions help hospitals stay competitive by improving patient engagement and experience. For example, patient demand is growing for telehealth services and other digital technologies, including electronic health record access, remote patient monitoring, wearables and patient portals for appointment scheduling and bill paying.
- Increasingly, patient engagement requires consolidation of data from disparate sources, from various providers' charts to health-monitoring wearables.
- Employees benefit from new systems that are more intuitive, easy to use and accessible from any location.

**Hospital IT transformation begins with a new mindset.**

# IT TRANSFORMATION ROADMAP

The first step is clarifying your IT needs, through the lens of business goals and strategy.

By identifying the organization's requirements upfront, technology selections will better serve the organization. For example, rural and community hospitals need to leverage standard technologies to meet current needs and growth projections rather than deploying scarce resources to be on the cutting edge of IT.

## PLANNING

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### 1 Assemble your transformation team.

- A successful IT transformation starts with leadership support and engagement
- Create a team and a timeline to plan and carry out IT transformation initiatives – successful implementation can take anywhere from six to 36 months
- Assess your staffing needs to implement IT transformation
- Identify external resources needed for planning and implementation

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### 2 Understand your current IT environment.

- Diagram your current network and systems
- Document your current patching and backup status
- Identify extraneous or obsolete technologies
- Conduct cloud-readiness scans
- Consider a third-party IT assessment to assist
- Avoid and eliminate “sacred cows” of technology that are no longer serving the organization’s needs

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### 3 Define IT transformation requirements.

- Identify specific organizational needs and goals
- Define the minimum IT requirement needed to meet those goals
- Determine metrics for measuring success following implementation
- After specific plans are established, review and adjust budget and timeline to meet the goals.

A strategic approach considers the full cost of any IT upgrade. Some transformations require additions or changes to existing IT infrastructure, processes, personnel and even organizational structure to support the new technology, while other transformations are possible with minimal changes and disruptions.

## IMPLEMENTATION

### 5 Provide training to end users.

- Core training at the onset reinforced with side-by-side training during rollout
- The right vendor will include hands-on training in their pricing
- Experienced consultants not affiliated with the vendor can provide more robust training, if necessary

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### 6 Hold teams accountable.

- Report results regularly
- Formally commend goal attainment
- Celebrate milestone wins along the way

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### 4 Transform your people and processes, not just your technology.

- Identify organizational culture and underlying processes that need to change
- Design and communicate new processes to gain insights ahead of implementation
- Consider whether a consultant is needed to facilitate change management

## EVALUATION

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### 7 Evaluate measurable success indicators.

- Use success metrics to determine how IT transformation meets original business objectives
- Document and address any unexpected outcomes



## SECURITY CONCERNS AND CLOUD SOLUTIONS

A rise in data breaches coincides with increased transmissions of protected health information (PHI) and other sensitive data through mobile devices and email, as well as to third-party service providers.

Security breaches and data losses become a threat when vendors stop supporting legacy systems, which are not able to receive security patches and operating system upgrades. Implementing new IT solutions that enable automation can reduce security and privacy concerns and free up IT personnel to work on other security architecture improvements.

Healthcare consistently exceeds other industries when it comes to data breach expenses. Cyberattacks on healthcare organizations have a significant financial impact.

Cloud computing is gaining acceptance as a cost-effective and scalable way to mitigate risk.

The shift was supported with the 2013 HIPAA Omnibus final rule, which provided regulatory protections to hospitals that increased their confidence in cloud solutions. Confidence in cloud solutions continues as a proliferation of service providers specializing in healthcare offer HIPAA-compliant platforms and HIPAA business associate agreements (BAAs).

**“It is important to rank cybersecurity as an enterprise risk issue and understand what the organizational exposure to cyber risk is.”**

*John Riggi, National Advisor for Cybersecurity and Risk, American Hospital Association*

## CASE STUDY: Cloud Solution Yields Sky-High Savings

**L**ike many small rural hospitals, Freestone Medical Center in Fairfield, Texas, relied on an on-premise IT infrastructure to handle its data-processing, Internet and telecommunications systems. Spiraling maintenance costs — including hardware replacement and software license renewals — had amounted to hundreds of thousands of dollars per year when the hospital resolved to address the infrastructure's inefficiency. Compounding its costliness, managing and monitoring the system took up the better part of the IT director's workday.

The hospital considered its options and went with a cloud-computing environment to replace its legacy system. CHC Consulting, which provides management services to the hospital, has extensive experience in deploying cloud-based systems and worked with the IT director to identify and implement the right cloud solution. The project gained approval and financing once stakeholders were educated on the benefits of cloud-based systems: virtually eliminate capital expenditures for IT server infrastructure; considerably reduce IT operating costs; improve data security and business continuity; enhance patient care; optimize clinical and business functions; and provide new opportunities for growth.

Leveraging its partnerships with cloud services providers, CHC Consulting helped the hospital develop a roadmap for moving a wide range of the hospital's functions to the cloud, which led to significant financial and operational improvements and also freed up the IT director to focus on more strategic IT issues.



## RESULTS

**Eliminate capital expenditures for IT server infrastructure**

**Reduce IT operating costs**

**Improve data security and business continuity**

**Enhance patient care**

**Optimize clinical and business functions**

**Provide new opportunities for growth**



## CONCLUSION

Running clinical and administrative processes on outdated infrastructure, platforms and applications has become increasingly costly and cumbersome for hospitals. Although rural and community hospitals face financial hardship, long-term sustainability isn't achievable using outdated IT. On the cusp of healthcare's digital transformation, even resource-constrained rural and community hospitals face the imperative of adopting new digital strategies and tools that support their clinical and financial success. These hospitals must be prudent to ensure IT solutions are strategic, cost effective, efficient and affordable.

IT transformation doesn't happen overnight, but hospitals in need of expert guidance will find that an experienced partner can help them create a roadmap to success and accompany them every step of the way. 

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**Contact CHC today to envision or embark upon your IT transformation.**

CHC Consulting offers a comprehensive suite of IT solutions, which we'll customize to support your hospital's specific business objectives.



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