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Predictions and strategies for advancing digital transformation into 2025

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Healthcare organizations are increasingly looking to digital technologies to help solve their intractable problems, including financial headwinds, staffing shortages, and navigating transitions to value-based care. While technology is part of the solution, many organizations are not yet prepared to realize its full potential.

Organizations that are struggling to drive transformation today often face the following challenges:

- Containing costs within tighter budgetary environments
- Advancing beyond using digital tools in an ad-hoc fashion
- Navigating a dizzying array of new technology offerings from vendors
- Extending virtual infrastructure and operating models to new sites of care
- Demonstrating value from existing digital investments

But market leaders are focusing on systematically leveraging their digital investments to achieve strategic goals—and they're seeing results.

Predictions for the year ahead

The gap is growing between leading programs that are realizing value from their digital investments and organizations that are bogged down in today's many challenges. The following predictions will define the digital transformation trajectory into 2025:

- **Artificial intelligence (AI) will transition from pilot to scaled solutions—mostly in operational and administrative domains.** While generative AI has sparked immense interest, concerns about transparency and accuracy put greater focus on advancing administrative and operational use cases that demonstrate clear upside potential and limited downside risk. Areas most likely to scale this year include streamlining (and in some cases, automating) clinical documentation, communications with patients, and back-office administrative processes.

- **Data cleanliness and integrity will become bigger imperatives to enable use of advanced tools and platforms.** Organizations will capitalize on efficiencies from innovative AI models and new capabilities embedded in electronic health record, enterprise resource planning (ERP), customer relationship management, and other systems already in place. They will double down on improving the integrity and accuracy of the data to feed those platforms and on the interoperability between applications and platforms. End users will only trust their analytic outputs if they also trust their data inputs.
- **The transition to the cloud will continue and unlock new capabilities.** With a transition toward nimble, asset-light infrastructure models, organizations will enable important improvements. These will include easier network connection points to distributed sites of care, greater computing power to drive advanced analytic and AI tools, and optimized ERP capabilities to manage operating resources.
- **Virtual infrastructure will enable greater growth in new settings like care at home.** Organizations will focus on growing digital modalities that enable care delivery in new settings. This will foster transformative shifts to sites of care that are lower cost, closer to home, and more scalable to all patient populations.
- **Cybersecurity risks will grow in scale and complexity as healthcare extends to new settings.** As many new and exciting digital capabilities will emerge as mainstays (e.g., AI, care at home, and remote patient monitoring), cybersecurity threats will likely evolve to target new vulnerabilities. Bolstering protections against these new threats will become an increasingly complex and critical imperative.

High-impact digital strategies for 2024 and beyond

Given tight budgetary belts, digital leaders need to see high return on their investments. Meanwhile, new digital domains like AI and hospital at home require strategic deployment so they can scale. And digital programs across the board are more complex than ever. Digital leaders need to undertake high-impact digital strategies in three key areas:

1. **Quantify digital return on investment (ROI) with new metrics.** Traditional metrics of cost savings and revenue generation remain important. But staffing shortages have increased the importance of measuring return in staff time saved, burnout reduced, and retention increased over time. The value levers of digital are expanding, and the measures for ROI should follow.

For instance, a large clinically integrated network in the Northeast had a robust book of value-based business. The organization focused on using its digital investments to drive up patient attribution through more proactive engagement and communications. Leaders knew that retention of their attributed patient base was critical to the overall value the organization could generate with its new digital tools. They are measuring performance accordingly.

2. **Push the digital frontier.** Organizations should pilot AI in low-risk use cases, such as certain administrative or operational tasks. They can deploy, optimize, and scale AI tools for quick wins with a low downside. In doing so, they can also gain valuable insights and experience for future use cases. Additionally, organizations should define their virtual care future. They should deploy their IT department to partner with clinical staff in designing new care settings (like hospital at home) that require operational change and agile deployment of digital tools.

For example, a leading integrated health system in the Southeast began its AI journey by piloting quick-win clinical documentation use cases from within its electronic health record. Doing so helped the organization gain clinician end users' acceptance of the technology before tackling more advanced applications in the acute care management setting.

3. **Evolve digital governance.** As novel digital technologies like generative AI integrate into IT systems, digital leaders should engage new types of stakeholders to ensure alignment on priority digital investments and goals. Leaders who should be at the table include those who oversee legal, ethical, and community or health equity domains. In addition to aligning on priority focus areas, they can help identify risk management approaches.

For instance, successfully leveraging AI tools to increase staff productivity and decrease burnout requires the perspective of staff who will use the tool. For tasks like resolving contraindications or scheduling follow-up care, nurses or physician assistants can identify points at which tools would be distracting and when they would be easy to adopt within their workflows.

Similarly, health systems that are trying to improve health equity should set up governance that includes representatives from the community or specific patient segments for whom they are trying to make care more equitable. Chief health equity or experience officers can also identify inherent biases to mitigate so the technology addresses these issues, rather than amplifying them.

Advance your organization's digital journey

As the pace of technological advancement continues to accelerate, organizations must build a strategy to embrace new tools and drive innovation. Prioritizing digital efforts that align with their organization's strategic goals and delivering meaningful value toward achieving those goals will help drive organizational transformation.

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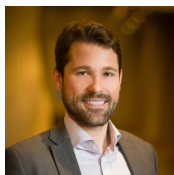
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