

NEWS RELEASE

The Chartis Group Research Confirms Health Systems Are Chasing Digital Disruptors in New Era of Personalized Care

New study released during HIMSS22 finds that market leaders struggle to move their digital transformation plans from planning to implementation, despite understanding how crucial personalized care has become to healthcare consumers.

| **MAR 16, 2022**

<https://www.chartis.com/about/news/chartis-group-research-confirms-health-systems-are-chasing-digital-disruptors-new-era>

The Chartis Group found that while many hospitals and health systems have accelerated their digital transformation plans in recent years, only 13% consider themselves ahead of the pace of change that patients expect and new market rivals are setting, according to the Chartis [HIMSS22 State of Healthcare research report](#), out today.

Other key findings include:

- The digital health competitive landscape is shifting as disruptors become rivals. Thirty-nine percent of health systems see virtual health companies as their largest competitive threat (tied with other hospitals and health systems), while 35% see large tech companies as their highest competitive threat.
- Although 99% of health systems agree that digital transformation to provide more personalized care is crucial, most (73%) are stuck in planning stages for personalized care.
- Even so, the top priorities for digital transformation have been identified: remote patient monitoring (78%), digitally enabled service center (74%), digital specialty care (71%), digital-first primary care (70%), digital front door (69%), and hospital at home (60%). In particular, planning for hospital at home has significantly increased from our survey nine months ago.
- Health systems report that their primary impediments to digital transformation are financial—required financial investment, ROI, and payer reimbursements were the most common cited concerns.

Growing Competition from Digital Disruptor

Virtual health and large technology companies have quickly emerged onto the competitive radars of hospitals and health systems. Many of these new market entrants now represent as much of a competitive threat to hospitals and health systems when it comes to digital transformation as their traditional competitive peer provider organizations. Virtual health companies in particular have become a top competitive threat, likely the result of virtual health's dramatic growth during the pandemic.

Health systems rank these disruptors as their highest competition:

- 39%: Virtual health companies (tied with other hospitals and health systems)
- 35%: Large tech companies
- 23%: Retail care providers
- 22%: Payers
- 20%: Physician/medical groups
- 17%: Employer-managed health services
- 15%: Start-up tech companies

Not only are disruptors representing new competitive threats to hospitals and health systems, but they are also setting the bar in many markets as the digital transformation leaders. Consequently, hospitals and health systems should be looking at these disruptors, not their peers, to determine key elements needed for a competitive digital transformation.

Priorities for Digital Transformation Efforts

Only 11% of health systems report being in the implementation phase of their personalized care and digital transformation journeys, but many have identified specific priorities for digital transformation efforts. Health systems reported either planning or implementing the following initiatives:

- 78%: Remote patient monitoring
- 74%: Digitally enabled contact/service center
- 71%: Digital specialty care
- 70%: Digital-first primary care
- 69%: Digital front door
- 60%: Hospital at Home

Of note, planning for hospital at home has increased considerably since last year. One in three respondents to our 2021 survey said they had no plans for hospital at home in the next five years. Just nine months later, only one in five still have no plans.

While health systems understand the importance of catching and bypassing industry disruptors in the new era of personalized care, many report that their primary impediment to digital transformation is financial—required financial investment, ROI, and payer reimbursements were the most commonly cited concerns.

The Time for Transformation Is Now

Digital transformation is no longer an opt-in priority for hospitals and health systems. It is a necessary journey for them to not only plan but implement—and time is of the essence. New market entrants are disrupting the digital health space and quickly raising the competitive bar for what patient consumers expect from their care experiences. Without immediate action, provider organizations risk losing their ability to attract new patients, retain their existing ones, build robust provider networks, and enter new markets.

To learn more about our research and how health systems can advance their digital transformation journey to implementation, [read the full report here](#).

The Chartis Group released proprietary research into the state of health systems' digital transformation during HIMSS22 as part of the HIMSS Trust partnership. Healthcare Information and Management Systems Society, Inc. (HIMSS) is a global advisor and thought leader supporting the transformation of the health ecosystem through information and technology. Survey respondents represented a mix of geographies; most were from urban and suburban areas, stand-alone community hospitals, or regional health systems, with \$500 million to \$5 billion in revenue.