CHARTIS

From belief to transformation:

Digital market leaders focus on value

2024 HEALTH SYSTEM SURVEY

Methodology

In September–November of 2023, Chartis surveyed 434 health system executives about the state of digital transformation and their progress to date.

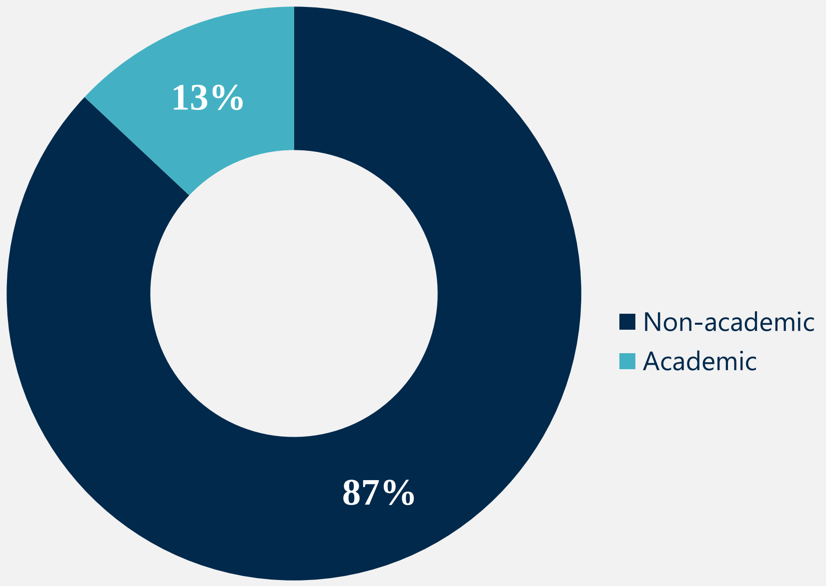
Respondents represented a range of organization types, sizes (based on revenue), locations, and executive roles.

Chartis engaged market research firm Dynata to field the survey and aggregate responses. Qualified survey respondents who completed the survey were compensated on par with the market rate.

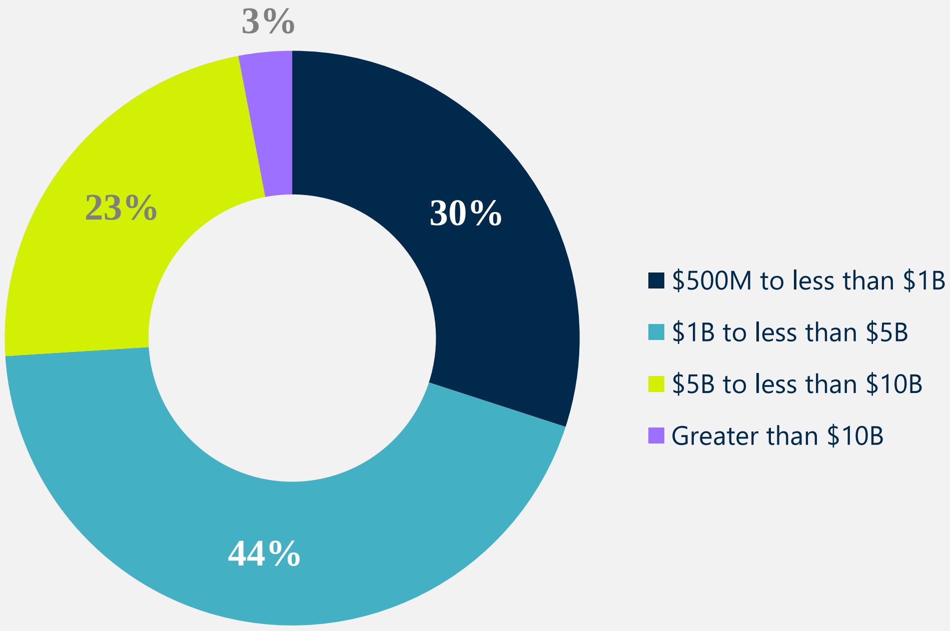
Who we surveyed

Among respondent demographics, the most significant factor in responses was whether the respondent's health system was an academic or non-academic institution.

HEALTH SYSTEM TYPE



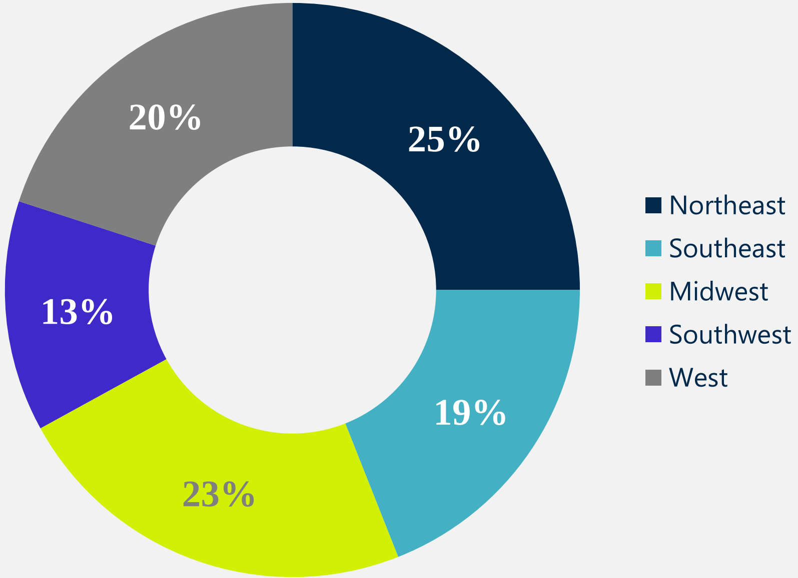
HEALTH SYSTEM REVENUE



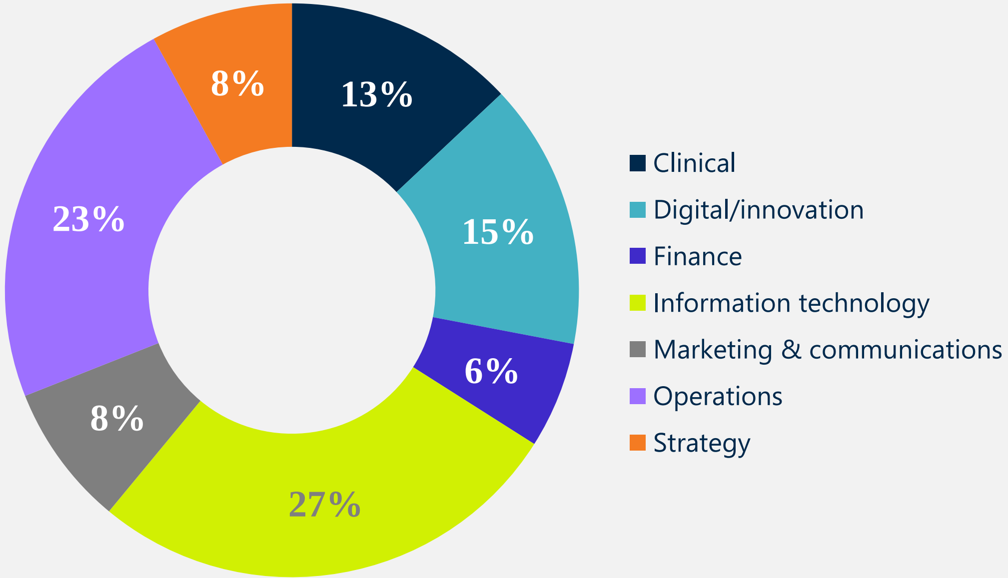
N = 434 health system executives | Totals may not equal 100% due to rounding.

Who we surveyed

HEALTH SYSTEM REGION



RESPONDENT FUNCTIONAL AREA



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Section 1

Digital transformation journey

For purposes of this survey, we define **digital health** as using technology to accurately diagnose and treat disease and to enhance the delivery of care for the individual in a convenient, engaging, and cost-effective way. **Digital transformation** is the journey to achieve an organization’s digital health vision.

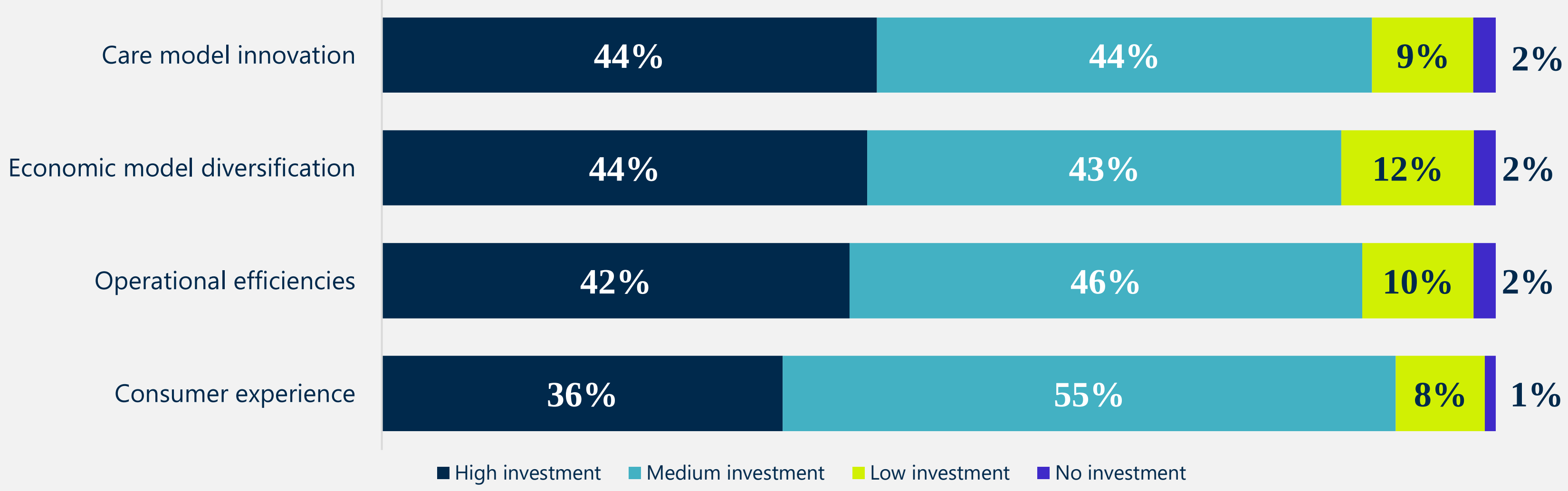
Digital is an organizational priority for vast majority

Which of the following best describes your **level of investment** in each of the following digital health solutions to date as compared to other strategic priorities?

Nearly Half

of health systems have made high levels of investment in digital.

A larger proportion of academic medical centers (AMCs) are making *high investments* in operational efficiencies (66%) and consumer experience (50%).



- **Care model innovation examples:** virtual consults, remote patient monitoring, hospital at home
- **Economic model diversification examples:** online cost estimates, digitally based subscription models, value-based performance reporting and incentive distribution
- **Operational efficiencies examples:** AI-driven workforce and capacity optimization, robotic process automation, real-time location systems, automated supply chain management
- **Consumer experience examples:** personalized communications and health content, doctor finder, online scheduling

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AMC N = 58 (13% of total)

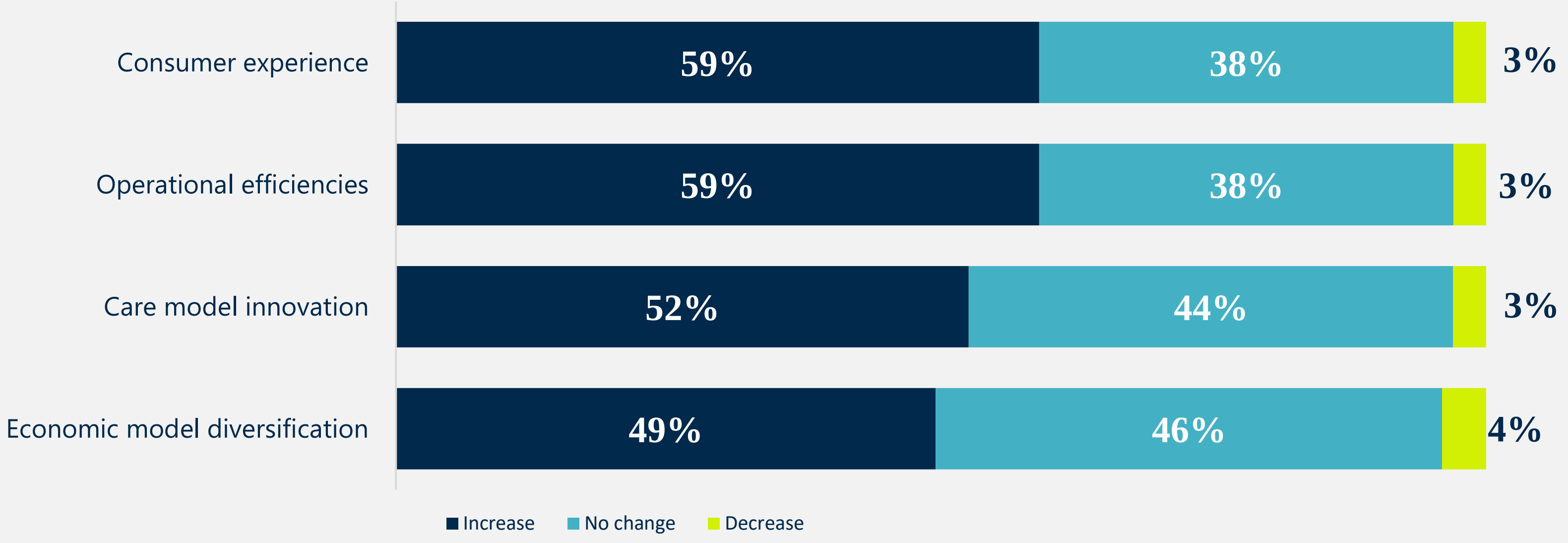
Investments in digital will only increase

Relative to how you responded in the previous question, how will your level of investment **change in the future** for each of the categories below?

Half

of health systems plan to *increase* their investments in digital in 2024.

A larger proportion of AMCs are increasing their level of investment in operational efficiencies (84%) and consumer experience (71%).



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Most still playing catch-up to front-runners

Which of the following best describes **where your organization is today** on the digital transformation journey?

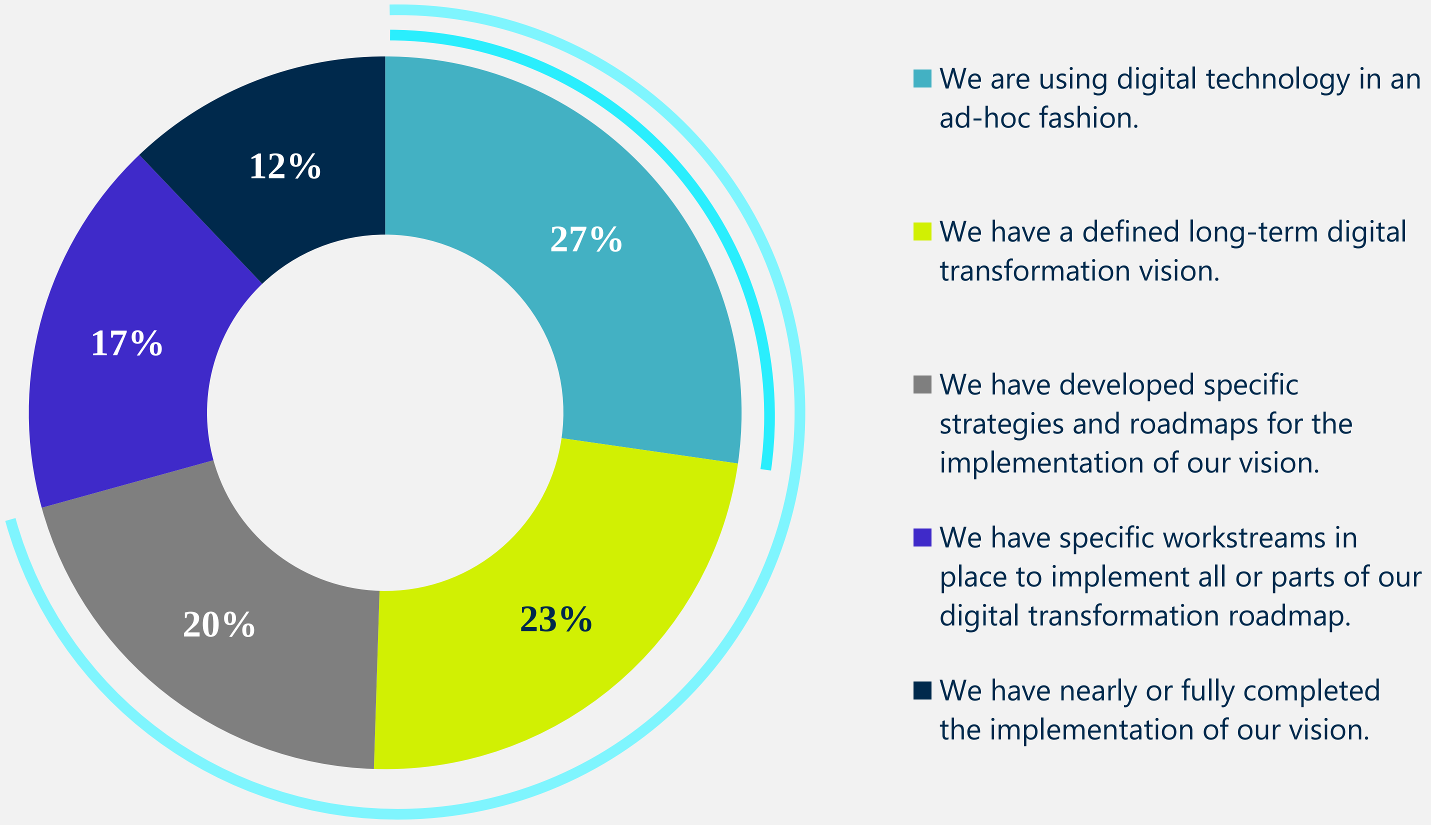
1/4

of health systems are using digital in a nonsystematic way.

70%

of health systems remain in experimentation and planning stages.

AMCs are more likely to have workstreams in place (28%) to advance on their roadmap.



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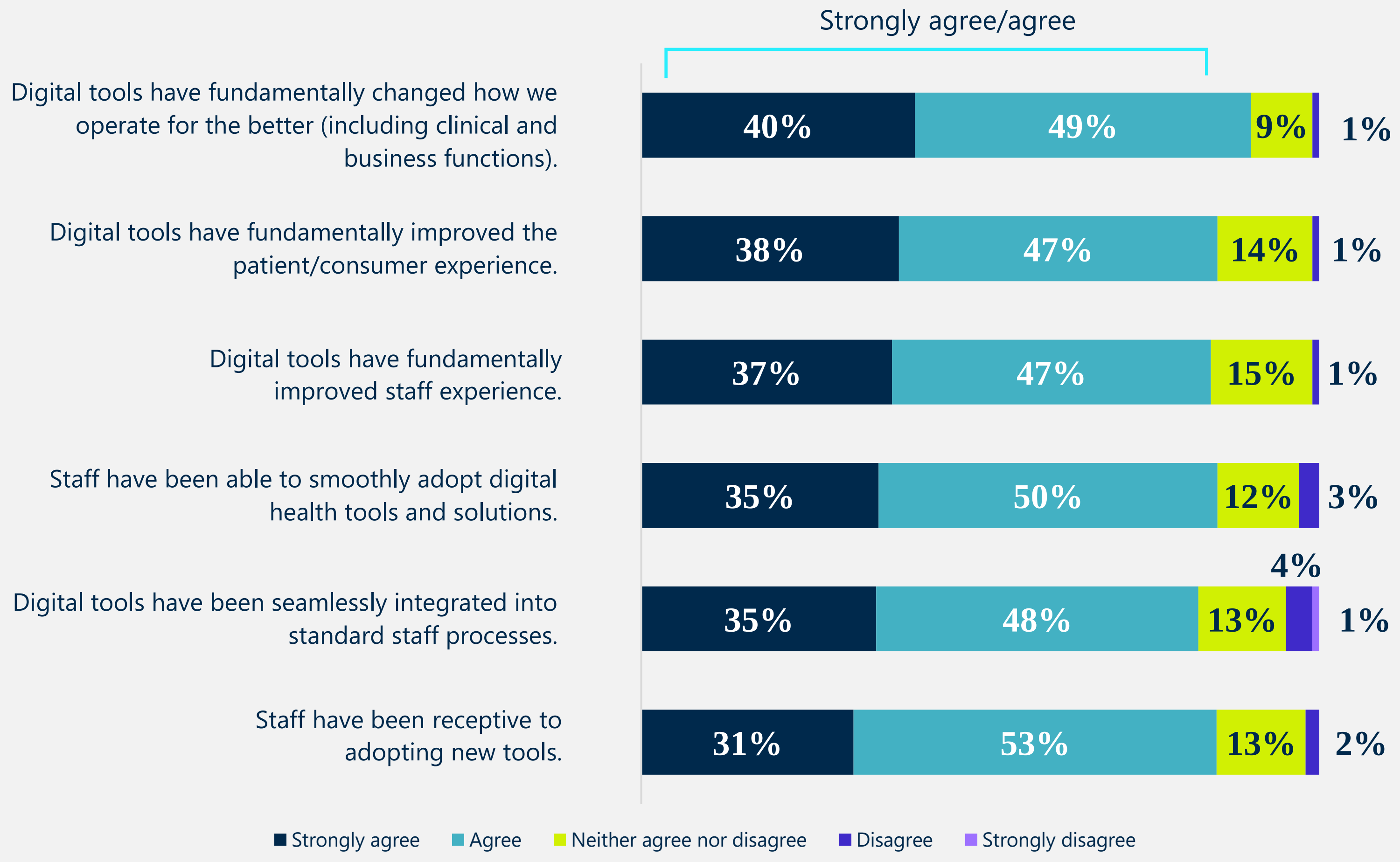
Benefits are clear

On a scale from 1-5, please rate your level of agreement with each of the following statements about your organization's **experience with digital health overall.**

9 in 10

say digital tools have generated material value—with notable improvements to operations, care delivery, and experience for patients and staff.

AMCs are more likely to "strongly agree" with all statements.



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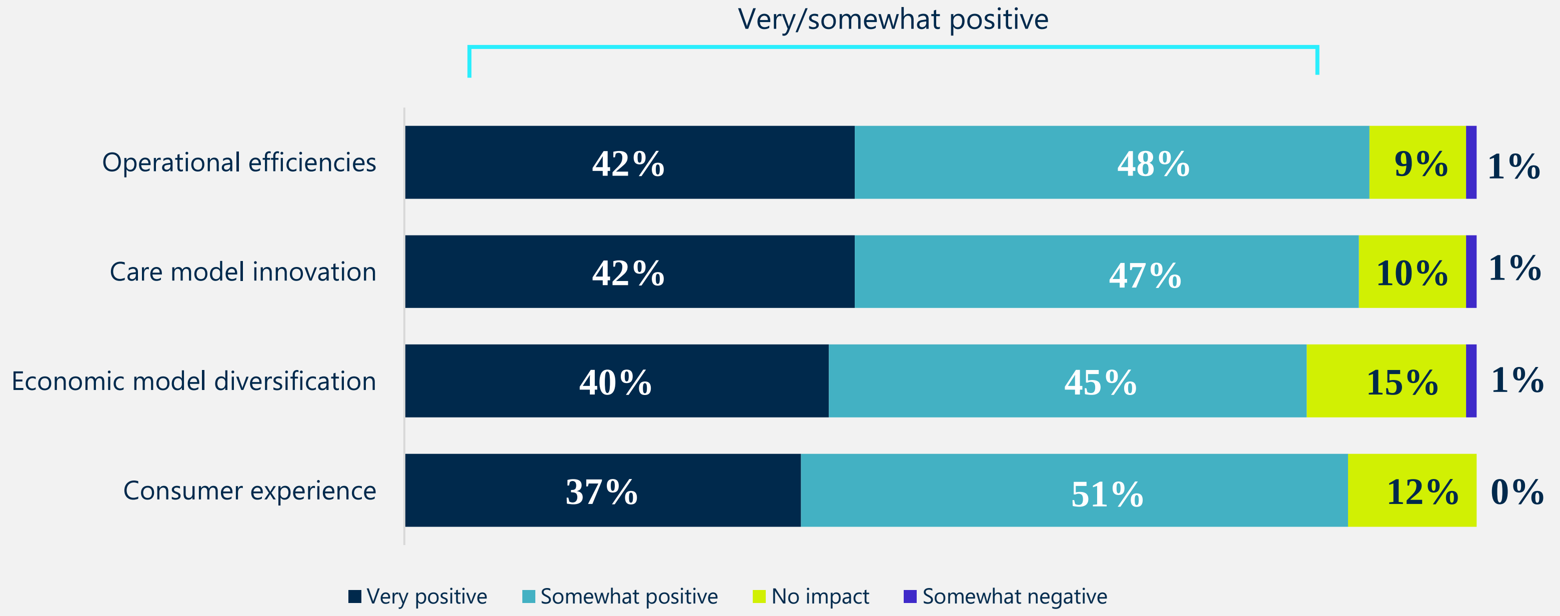
Early investments are making positive impact

How would you rate the **impact of your digital health investments** in each of the following areas?

9 in 10

say the impact of digital investments is positive. But there's room for greater impact as health systems advance toward transformation.

AMCs are more likely to say they are experiencing "very positive" benefits across all categories.



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Consumer experience: N=431 (AMC N=57) | Operational efficiencies: N=427 (AMC N=58)
Care model innovation: N=425 (AMC N=58) | Economic model diversification: N=424 (AMC N=58)
Totals may not equal 100% due to rounding.

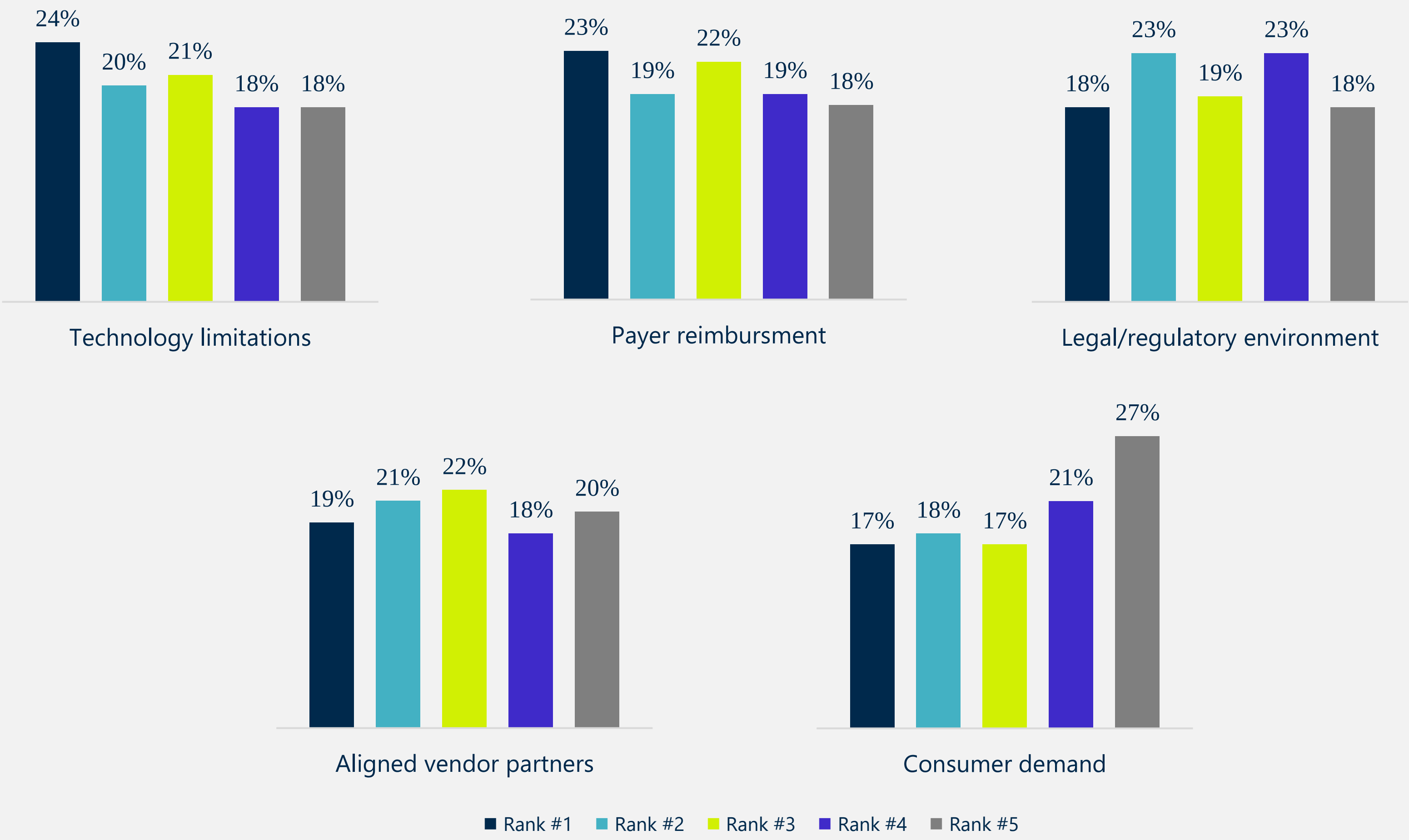
External barriers remain, but no industry-wide roadblock

How would you rank the following **external barriers** to realizing your long-term digital transformation vision?

Consumer demand

remains *lowest* on the list, as reported last year.

AMCs rank payer reimbursement highest at 28%.



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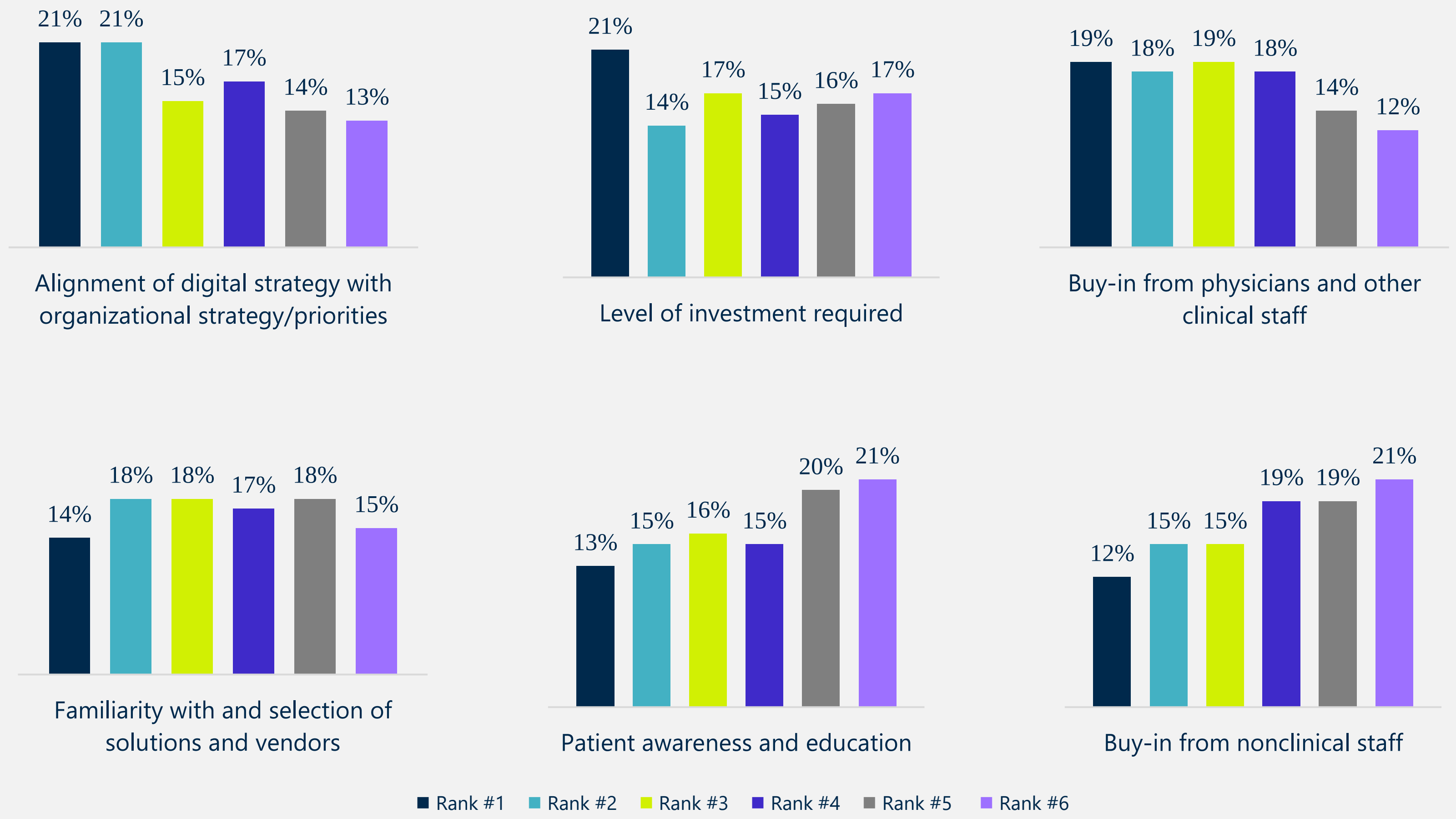
Biggest internal barriers specific to each organization

How would you rank the following **internal barriers** to realizing your long-term digital transformation vision?



Nearly half

of respondents rank misalignment with organizational strategy and priorities as the first or second most significant internal barrier.

Nearly a quarter of AMCs rank clinician buy-in as a close second to alignment and level of investment.

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Section 2

Care at home

For purposes of this survey, we define **care at home** as encompassing a variety of healthcare services provided in the patient's home, typically with the assistance of digital technologies. Examples include remote patient monitoring, digitally enabled remote physical therapy, and hospital at home (a program in which inpatients are treated for acute conditions in their home).

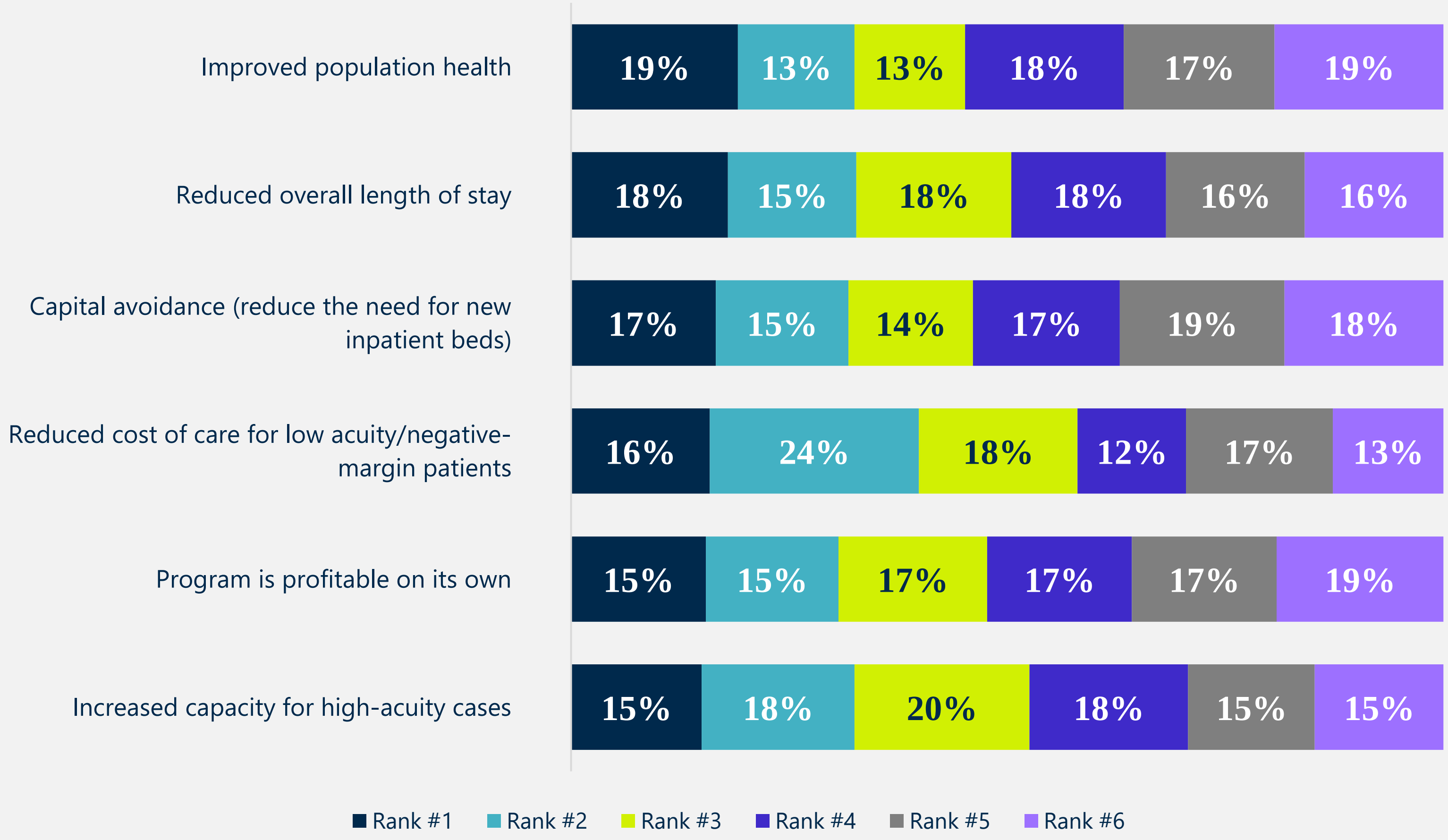
Health systems see wide-ranging value in care at home

Which of the following would you consider the **biggest potential value** when it comes to implementing care at home?

Central to the benefits

of care at home programs are improved population health and value-based care.

AMCs have a clear winner, with 29% ranking increased capacity for high-acuity cases #1.



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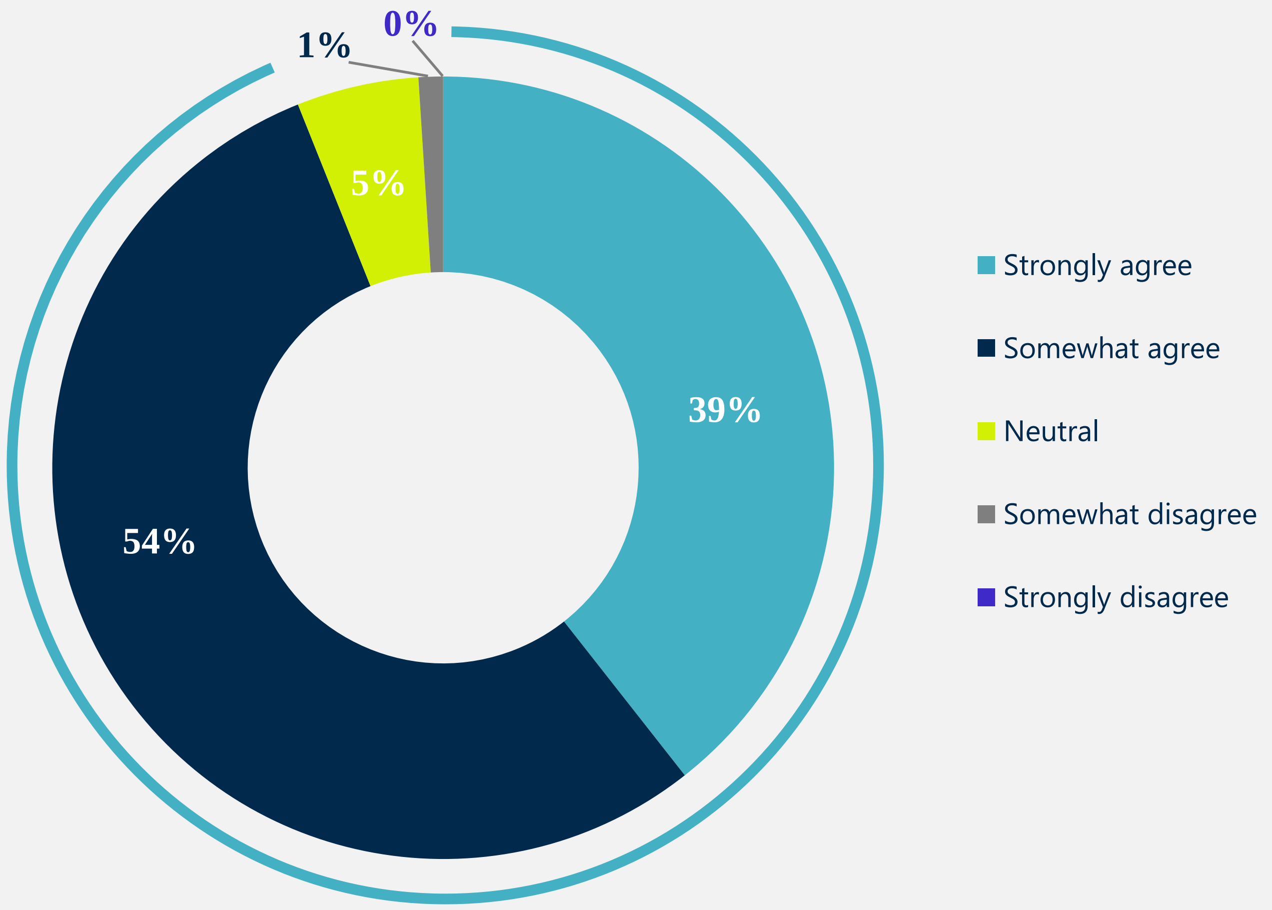
Care at home strategy urgently needed

Which option best describes your level of agreement with the following statement? "Market forces are increasing the need for home as a site of care and the urgency for health systems to **develop a comprehensive approach** to remote care at home."

9 in 10

agree that a comprehensive approach to remote care is urgently needed. **In 2022,** 39% said they weren't even in planning stages for hospital at home.

AMCs are more likely to "strongly agree" with the statement (52%).



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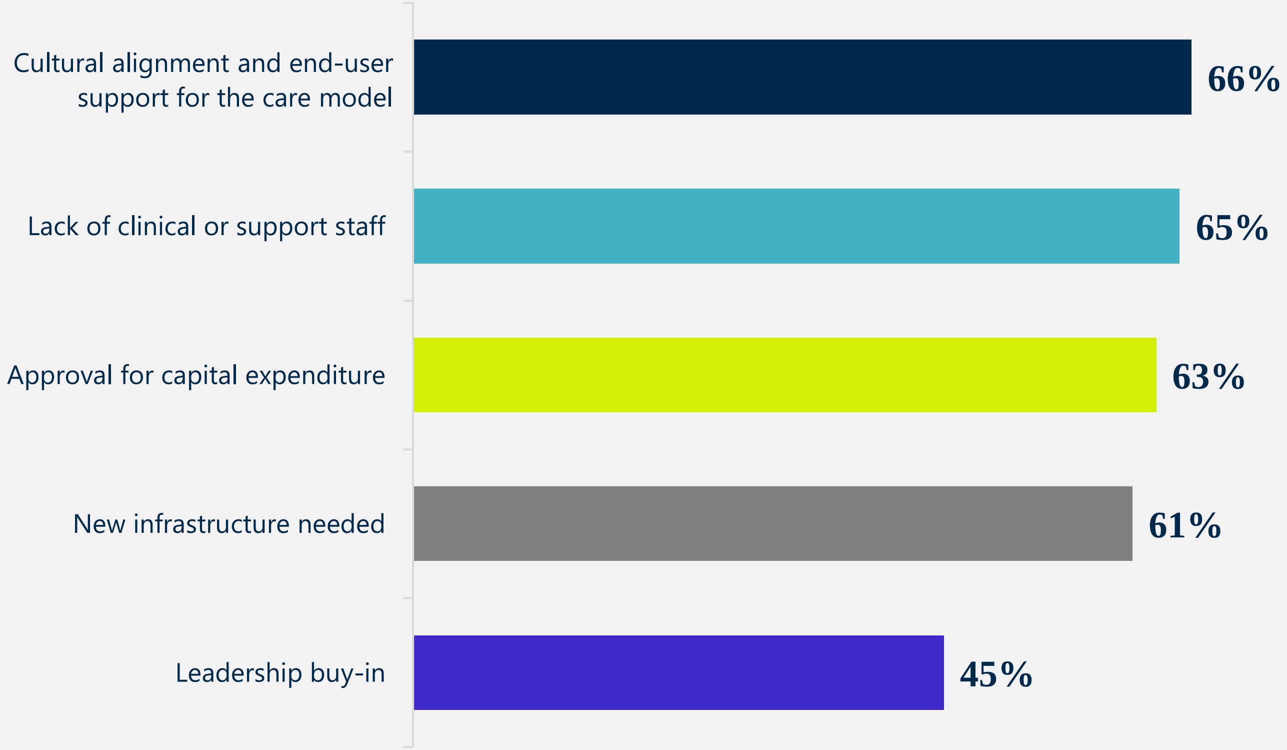
But care at home programs face internal challenges

What do you see as the **biggest challenges** when it comes to implementing a care at home program?

2/3

indicate across-the-board challenges when it comes to program building blocks. Leader buy-in signals general support.

AMCs are more concerned about capital approval (69%) and less concerned about clinical or support staff (59%).



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Section 3

Artificial intelligence (AI)

For purposes of this survey, we refer to **artificial intelligence (AI)** as technology that can perform tasks that traditionally have required human intelligence. This includes applications across administrative tasks, consumer communication, triage, and clinical decision support. This could include clinical note extraction or visit summarization, intelligent customer service or medical triage chatbots, test/image analysis, and clinical next-best-action support.

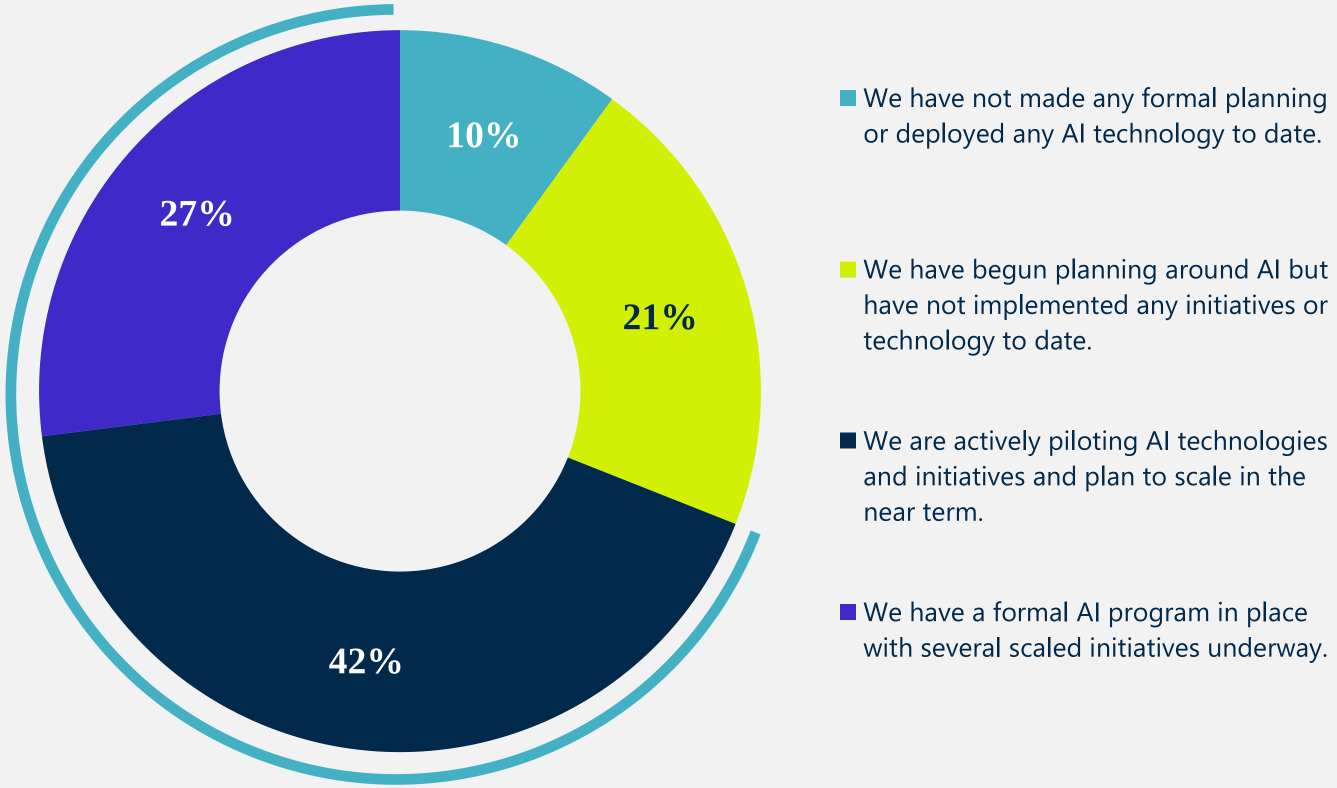
AI starting to become fundamental part of operations and services

Which of the following best describes your organization's **activities around AI** (e.g., clinical note extraction or visit summarization, intelligent customer service or medical triage chatbots, test/image analysis, and clinical next-best-action support)?

1/4

have a formal AI program with scaled initiatives, with just 1/10 not having started formal planning or deployment. **In 2021,** more than 1/4 hadn't started AI planning.

Only 3% of AMCs don't have formal plans or AI technology to date. 48% are actively piloting, with plans to scale in the near term.



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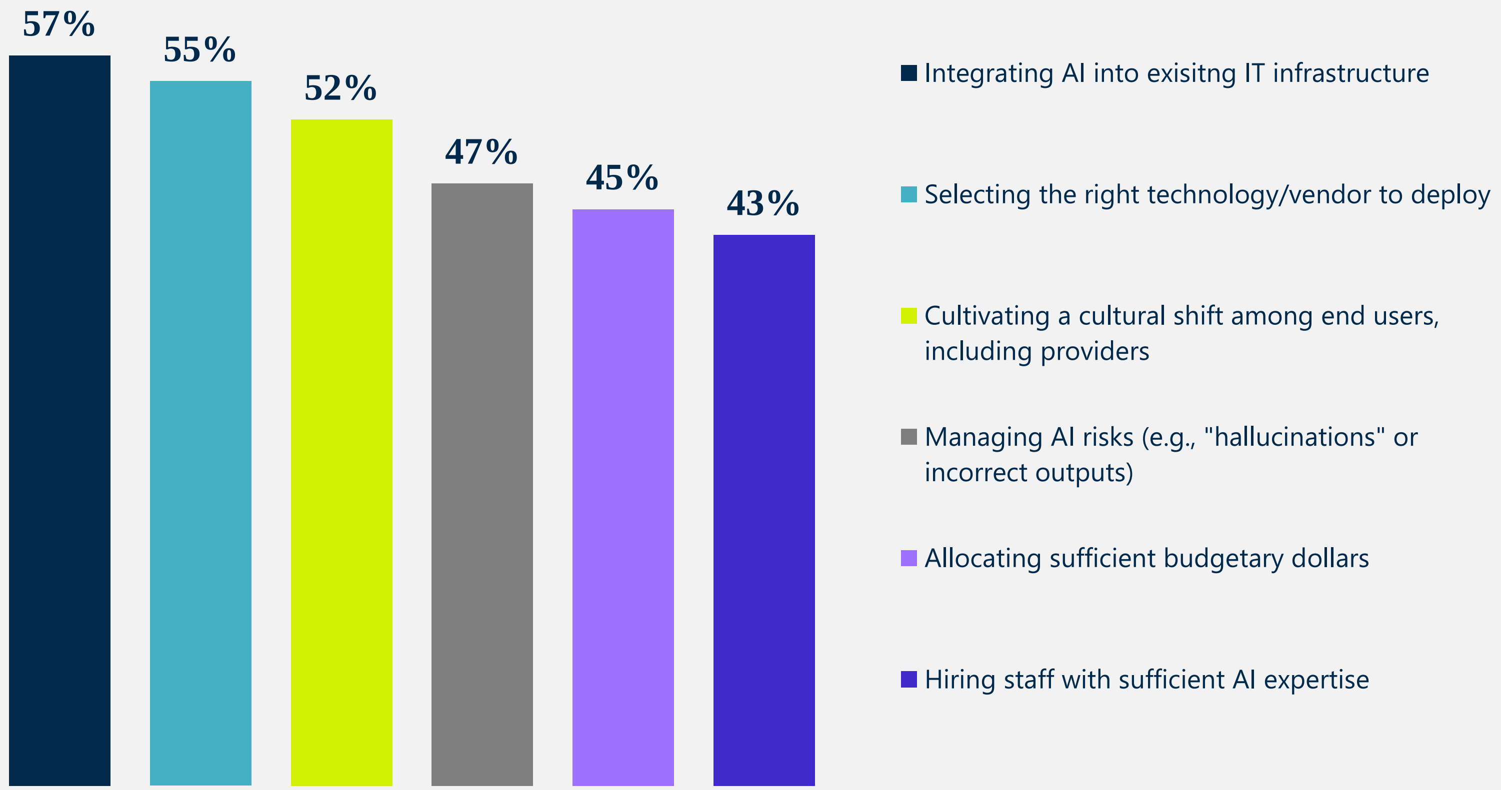
But health systems must overcome challenges to gain value

Within the next 1-2 years, what will be the 3 biggest challenges to overcome before greater value can be realized in AI?

The top 3

challenges indicate a foundational focus on getting the right technology in place and aligned with current platforms, helping to cultivate broader organizational exposure and adoption.

2 in 3 AMCs identified selecting the right technology/vendor as their biggest challenge.



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For more insights into what this data means for health systems, see our *2024 digital transformation report.*

READ THE REPORT

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About Chartis

The challenges facing US healthcare are longstanding and all too familiar. We are Chartis, and we believe in better. We work with over 900 clients annually to develop and activate transformative strategies, operating models, and organizational enterprises that make US healthcare more affordable, accessible, safe, and human. With over 1,000 professionals, we help providers, payers, technology innovators, retail companies, and investors create and embrace solutions that tangibly and materially reshape healthcare for the better. Our family of brands—Chartis, Jarrard, Greeley, and HealthScape Advisors—is 100% focused on healthcare and each has a longstanding commitment to helping transform healthcare in big and small ways.