



A N A L Y S T C O N N E C T I O N



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Healthcare Executives Look Towards Communications Technology for Service Improvements

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Physicians in private practices and business managers of healthcare clinics understand that patients want the convenience and benefits of local neighborhood care without sacrificing the level of service that larger healthcare facilities can offer. However, these smaller providers need to manage costs more carefully. So, how can small and medium-sized healthcare providers enable their clinicians and staff to be more productive, stay better connected with patients, keep costs down, and still provide the best quality care?. Given the growing focus on patient-centric care and enhancing the frequency and quality patient "touch-points," healthcare organizations will turn to IT and communications technologies.

The following questions were posed by Avaya on behalf of its customers to Judy Hanover research manager, Health Industry Insights, an IDC company.

Q. What specific drivers or challenges will organizations in the healthcare industry face in the next 12 months?

A. We see two major forces that are changing the way smaller healthcare providers are delivering care around the world:

- **Rising cost of care.** The rising cost of healthcare impacts professionals around the world. And, compared with larger hospitals, small to medium-sized healthcare providers are more sensitive to these higher costs as profit margins for specialists, clinics, and physician practices can be quickly impacted by insurance premiums, specialty equipment purchases, and lab-related expenses. Business managers in smaller practices should be extra diligent in managing costs without impacting the overall quality of care.
- **Electronic medical record (EMR) adoption.** The rate of EMR adoption has been slow, despite some examples of success around the world. However, the trend toward universal electronic medical records is undeniable. Even small physician offices and clinics are now considering the electronic capture, storage, and retrieval of patient medical records, rather than managing the shelves of traditional paper-based patient folders. Although this trend is not impacting all healthcare providers immediately, it will gain critical mass in the next few years and all practitioners will soon be adopting such digitized systems.

Q. Considering these drivers or challenges, what process changes should healthcare providers implement?

A. The delivery of healthcare services in an individual practice or a multiclinic setting involves highly interactive, information-intensive processes. To be delivered efficiently, these processes



require effective, time-sensitive communications, and coordination among many different resources. IDC believes small and medium-sized healthcare providers will move forward with process changes that:

- **Improve "anywhere access."** Healthcare workers and patients are highly mobile and dependent on effective, timely communication. Physicians require access to patient's medical information when needed and where they need it. For example, doctors should be able to review patients' lab reports online from a remote office in a multiclinic setting, rather than waiting to review a paper copy from their main clinics. Alternatively, patients who travel frequently or live in remote locations may send regular medical updates to their physicians without making office appointments. Creating processes where doctors and patients can access and exchange information quickly irrespective of location will be key.
- **Improve patient-centric service delivery.** The biggest impact the healthcare practitioner can make on process improvements is on patient-centric delivery of care. Smaller providers offer additional levels of personalized care to their patients that larger hospitals cannot match. Even simple back office process improvements around appointment scheduling and billing can improve the patient's experience at the clinic, as well as minimizing errors in the delivery of care.

Trained attentive staff, monitoring patient satisfaction and feedback on their experience are important elements to improving patient-centric service delivery. Similar to other industries that focus on process change to improve customer loyalty, healthcare organizations can leverage patient touch points to improve service levels.

- **Maximize resources.** Two areas that healthcare providers should focus on to increase efficiency are patient throughput and asset management. By optimizing patient-to-practitioner workloads and resource scheduling, physicians can attend to more patients using the same level of staff. To improve asset management, smaller clinics and hospitals, which may have only one or two specialized monitors or devices for example, must ensure equipment is fully utilized and inventory levels of supplies are optimal.

Q. How can communications technologies support these changing priorities?

A. The typical doctors office or healthcare clinic has been a laggard when it comes to adopting new technologies. IDC research indicates that around 7% of small and medium-sized healthcare operators have full-time IT staff available, which makes ease of implementation and use especially important for any new technology being considered. Communications technologies can aid the healthcare practitioner in three ways:

- **Multiple forms of communications.** Communication systems that integrate and manage many different types of communication platforms, such as advanced IP telephony calling and management, Web and audio/videoconferencing, instant messaging, address book integration, and real-time call-connect capabilities are typically called unified communications. Centralized management of workflows and patient communications can have real benefits to the efficiency of the clinic or physicians office.

For example, many times, a physician of a small clinic is called away for an emergency, leaving a waiting room full of patients. The doctor's throughput significantly drops and the patient's experience suffers. Using a unified communications solution, to automate rescheduling of waiting patients, and alerting incoming patients (via phone, SMS, or email) of potential delays, helps place throughput back on track, while improving overall patient experience. Such Communications-enabled business processes provides essential patient follow up without additional staff.

- **IP phone solutions.** Many individual clinics or physician practices are forming a series of branches under a centralized management. This gives the healthcare provider benefits of scale that is not realized by managing the businesses individually. In this "multiclinic" setting, healthcare providers can use communications technology to gain additional

efficiencies by centrally managing certain back-office functions, IT infrastructure, and telecommunications.

A multiclinic model, IP phone systems combine traditional phone systems with IP phones on one platform for all clinics. With this convergence, many new services, both internal and patient-facing, become available. For example, patient calls can be self-routed to the appropriate department without operator assistance by auto-attendant functionality, records related to the patient's visit can be stored and retrieved, while seamlessly connecting to existing medical billing software or patient administration applications. The management tools on a converged IP phone system solution can help a multiclinic operation reduce costs, increase productivity, and improve overall patient care.

- **Mobility solutions.** In the IT-enabled clinical environment of the future, doctors and nurses will have real-time, online access to critical patient information anywhere. In many locations today, even in smaller healthcare facilities, patient information is being delivered on WiFi and DECT devices, avoiding the need for a "tethered clinician." Situations where care is delivered outside the clinic (e.g. during after hour house calls), mobility solutions allow patients to connect with the physician using one phone number, keeping the doctor's personal phone numbers confidential. These types of one-number or "follow-me" services will certainly improve the patients healthcare experience.

Q. What advice do you have for healthcare operators looking to leverage communications technologies to gain competitive advantage?

A. Although the focus of much of today's healthcare IT investment is on provider care, the real value of digital health information is in the distribution of information to improve decision making. Unified communications serves as a fundamental component of this enabling solution. IDC advise healthcare providers to consider the following as they move forward:

- **Review all available options when adopting additional communications capabilities.** Some of the key features, such as the ability to integrate with existing applications, can improve information delivery across the entire continuum of care. In many cases, existing communications infrastructure can serve as the foundation for any additional investment.
- **Vendor selection is critical.** Not only should the provider have leading edge, cost-competitive solutions, but also understand the specific business processes and workflows of a clinic or doctors office. Ask the vendor to demonstrate examples of previous health-related implementations. This ensures a swift, efficient, and trouble-free implementation. A vendor's local sales partner can play a key role in identifying the right solutions, coordinating installation, providing training and support.

Look at different models for engaging a solution provider ranging from an outsourced model involving a single service provider to a managed service model involving multiple service providers. While small or medium-sized healthcare providers may be cautious about embracing a new solution, an opportunity to boldly access technology in innovative ways, is less of a challenge compared to larger organizations.

Q. How do you see North America's healthcare industry evolving and adopting communications technologies in the future?

A. Despite the current economic conditions, IT spending among North America's healthcare providers is predicted to grow more than 5% in 2009, in stark contrast to IDC's predicted growth of only 1% across all other industries. Subsequent growth is expected with the commitment by the Obama administration to provide further health IT funding over four years, under the American Recovery and Reinvestment Act (ARRA), which was passed in February 2009. Some of this growth in IT adoption will certainly come from small and medium-sized provider organizations, such as clinics and doctor's offices that have less than 100 employees. Going forward, investments by these organizations will be driven by:

- **The need to optimize reimbursement levels.** Providers will purchase technology that allows them to optimize reimbursement levels by participating in incentive programs. Medicare incentives currently in place provide higher reimbursement levels for those providers that participate in quality reporting programs and use eprescriptions for their Medicare patients. These will help drive IT adoption growth in 2009. Key related technologies include business intelligence applications that support quality reporting, eprescriptions and EMR applications of which use is tied to incentives, and wireless networking equipment, smartphones, and other mobile devices that make EMR and eprescriptions convenient to use.
- **Cost control.** Providers will invest in technologies that drive efficiencies in their practices and help to control cost and avoid revenue leakages. These technologies will include EMR and practice management system replacements and upgrades, as well as operational business intelligence tools that provide insights into areas targeted for improvement. Smaller healthcare providers in particular can benefit from a better understanding into what parts of their operations are generating the largest share of fees compared with their costs.
- **Improvements to the quality of care.** Key technologies for improving the quality of care include EMR and eprescription applications as well as communications technology. The coming convergence of data, text, video, and voice communications is expected to facilitate improvements in the quality of healthcare service delivery by driving collaboration among caregivers.

ABOUT THIS ANALYST

Judy Hanover provides research, market analysis and consulting on healthcare information technology, strategy and best practices for both the inpatient and ambulatory healthcare settings at Health Industry Insights. Her understanding of healthcare information technology is based on her experience working in the healthcare provider and payer vendor community, as well as her experience with healthcare IT end users. Research Manager for Health Industry Insights Healthcare Provider IT Strategies practice and also contributes to the Healthcare IT Spending Guide. Ms. Hanover has a background in healthcare informatics, and experience working with managed care, provider and clinical applications.

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