Digital Transformation Strategies: Risk & Compliance Considerations

KPMG

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With You today

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How to design a healthcare digital experience strategy

The Digital Experience

It's a new dawn - a new quality metric for today's demanding members

Major societal changes and consumer expectations are dramatically impacting which services are needed and how they are delivered. Key considerations to keep in mind in this member-centric healthcare decision-making times:

- Shift to start serving different patients in different ways, rather than taking a one-size-fits-all approach
- Undertake fundamental value-enhancement programs to evaluate where spending leads to real value and where it does not
- Keep an eye toward creating one layered delivery network through which members can move seamlessly as they age and their needs evolve
- Consider how to deliver this experience and while protecting member privacy without compromising network security or the data collection

The Digital Experience in Healthcare

Member's needs and expectations have changed dramatically

The new playing field for Health Systems – growing revenue by meeting emerging consumer needs and more efficient member access:

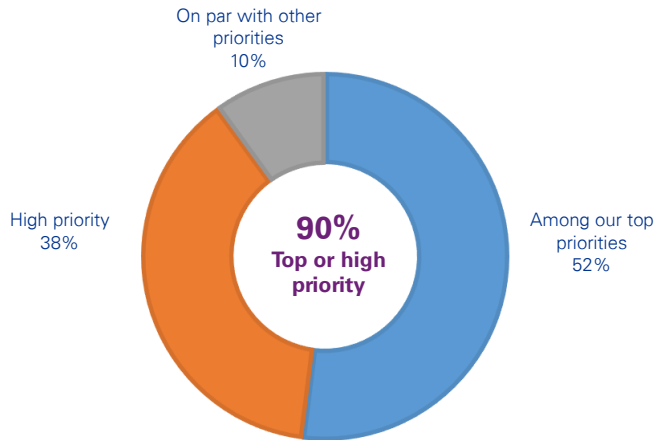**"I want my care to be … "**

Accessible	"I wonder if my primary care doctor's office is open on Saturday?" "Where can I go to get my shoulder checked out while I'm away at school?"
Connected	"Will my primary care doctor see the notes from my specialist visit?" "Can I access my lab results on my phone?"
Hassle-free	"I need a referral for an orthopedic surgeon, can it be texted to me?" "Will my prescription be automatically sent to a pharmacy near me?"
Covered	"How much is my deductible going to be?" "Can I set up a payment plan for my surgery?"

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The Digital Experience in Healthcare

The importance providers are placing on adopting a member-centric strategy:

On par with other priorities
10%

High priority
38%

90%
Top or high priority

Among our top priorities
52%

Base: 400 professionals involved with customer-centric strategy decisions at healthcare provider organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, October 2019
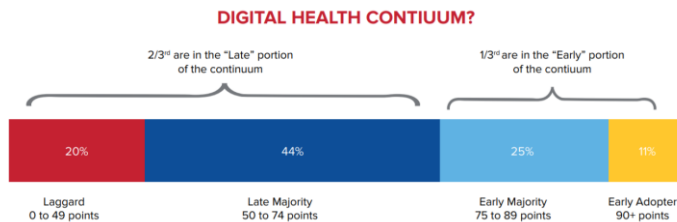
How does healthcare compare to other industries in digital experience?

Not surprisingly, it lags significantly behind compared to other industries

DIGITAL HEALTH CONTIUUM?

2/3rd are in the "Late" portion of the continuum

1/3rd are in the "Early" portion of the contiuum

20%	44%	25%	11%
Laggard 0 to 49 points	Late Majority 50 to 74 points	Early Majority 75 to 89 points	Early Adopter 90+ points

Source: HIMSS Media – Digital January Health Model 2019
Based on responses from 220 Health IT decision-makers/influencers

Healthcare is behind in embracing the digital experience, adopting solutions and strategies to create engaging, innovative, digitally-driven and customer-centric experiences
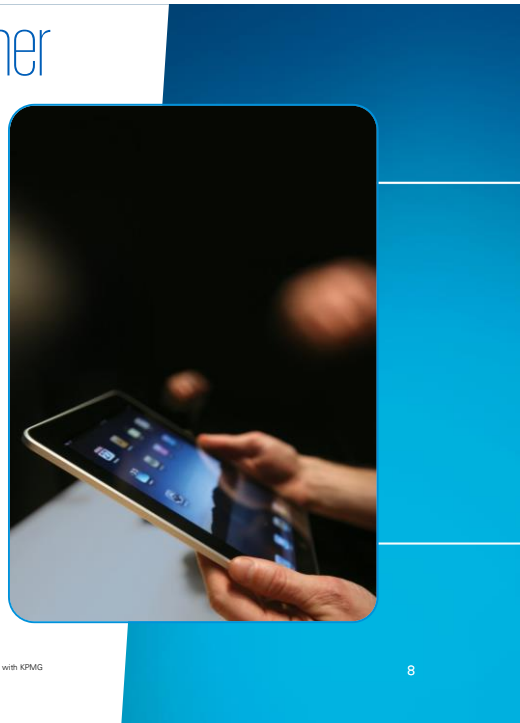
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Why is healthcare behind in adopting the digital experience?

Identified barriers to the adoption of digital transformation in Healthcare:

- Culture
- Technical Concerns
- Operational Impact
- Technical Support
- Cost
- Regulatory Considerations

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The Digital Experience in Healthcare

How a value delivery framework for strategic business alignment laid the ground for a member-centric digital experience:

Client: - National Payer/PBM	Types of services: - Medicare, Medicaid, Commercial, and Prescription Drug plans	Regulatory/Compliance Considerations
Client Challenges	Inconsistent data intelligence infrastructure available across the organization Fragmented member experiences due to the large volume of clinical touch points and patient outreach Lack of a standardized strategy that leverages analytics and evidence-based guidelines to properly segment patients	• Consider the use of health care data and how to protect patients privacy • Assess the data security protections to avoid any potential misuse and/or breach of the information • Perform risk analysis to determine applicable data safeguards
KPMG Solution	Supported recommendations to enable a seamless patient journey Accelerated the development of a coordinated patient centric strategy through optimized business models Recommended tools and technologies to enable multi-channel interactions with patients and improve their experience	• Assess technical infrastructure and skills to adequately protect the data flow and system from external PHI threats

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The Digital Experience in Healthcare

How a Telehealth data-driven framework set the foundation to transform operations, decrease costs and enhanced the patient experience

Client: - Provider	Types of services: - Medicare, Medicaid, Commercial, and Prescription Drug plans	Regulatory/Compliance Considerations
Client Challenges	Limited awareness of telemedicine as an enterprise-wide and cross-departmental Inconsistent or absence of key operational and patient population data Silo-ed decision-making, decentralized processes and used multiple technology platforms	• Determine data privacy protections to support a telemedicine program • Ensure data security protections to avoid any misuse and/or breach of the information • Perform risk analysis to determine applicable data safeguards • Assess technical infrastructure and skills to adequately protect the data flow and system from external PHI threats
KPMG Solution	Identified the strategic reasons for establishment of a telemedicine program Empowered the client with the tools for a strategic vendor-selection process Designed target-state operating model, workflows and technical requirements to support a telemedicine program	

The Digital Experience in Healthcare

How streamlined business processes and leading RFP Management tool promoted efficiencies and improved client and user experiences:
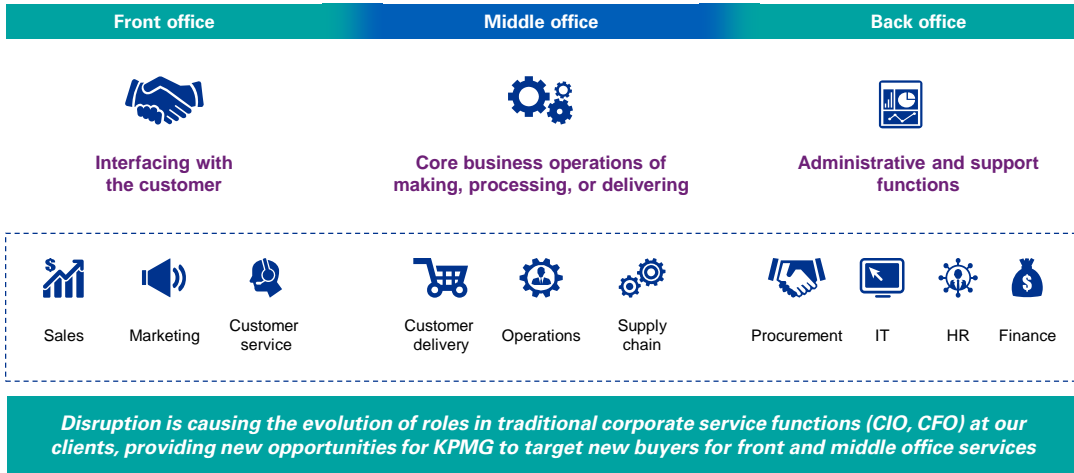
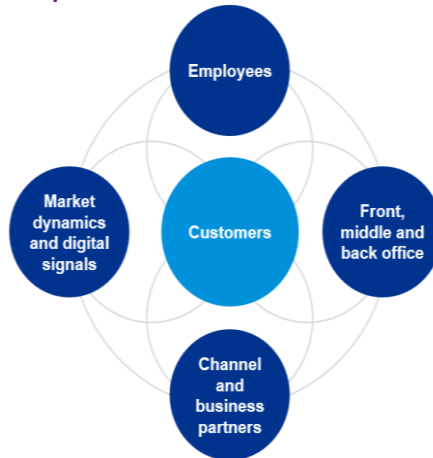| Client: - Leading National PBM	Types of services: - Client Services and Experience Transformation	Regulatory/Compliance Considerations
Client Challenges	Inconsistent data capture and management preventing organization from understanding client challenges and meet client's needs Lack of single product catalog and limited visibility to enrollment challenging sales and upsell processes Silo-ed legacy applications and lack of process documentation leading to operational inefficiencies and poor client/user experiences	• Assess the PBM's compliance with state and federal regulatory guidelines (i.e. contracting, administration of services, etc.) • Consider the use of health care data by PBMs and how to protect patient privacy • Evaluate data security protections to prevent potential misuse and/or data breach • Ensure infrastructure to adequately protect the data flow and systems from external threats
KPMG Solution	Conducted workshops across multiple functional areas to develop the future state vision and align to enterprise strategy Designed future state processes and application architectures and delivered incremental functionality using agile delivery approach Consistently re-evaluated roadmap priorities based on the evolving healthcare landscape and value to the organization	

What are the key things to get right?

Breaking down silos to become a customer-centric, digitally enabled business truly engineered for profitable growth:

Front office	Middle office	Back office

Interfacing with the customer

Core business operations of making, processing, or delivering

Administrative and support functions

Sales	Marketing	Customer service	Customer delivery	Operations	Supply chain	Procurement	IT	HR	Finance

Disruption is causing the evolution of roles in traditional corporate service functions (CIO, CFO) at our clients, providing new opportunities for KPMG to target new buyers for front and middle office services

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What are the key things to get right?

The 5 lenses of the Connected Enterprise:

- Employees
- Market dynamics and digital signals
- Customers
- Front, middle and back office
- Channel and business partners

What are the key things to get right?

KPMG's Connected Enterprise. Enabling clients to be Connected. and Trusted.

Insight-driven strategies and actions	Innovative products and services	Experience-centricity by design
Seamless interactions and commerce	**2x** Impact	Responsive operations and supply chain
Aligned and empowered workforce	Digitally-enabled technology architecture	Integrated partner and alliance ecosystem

Where to start on a digital experience transformation

How to Get Started Today

Understand the members

Set the vision

Secure Stakeholder buy-in

Select the right partners

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Understand the members

Understand the member who is charge of decision-making

Embrace the shift to member consumerism

Listen to what members have to say

Deliver the member-centric experience

Evolve and adapt the experience accordingly
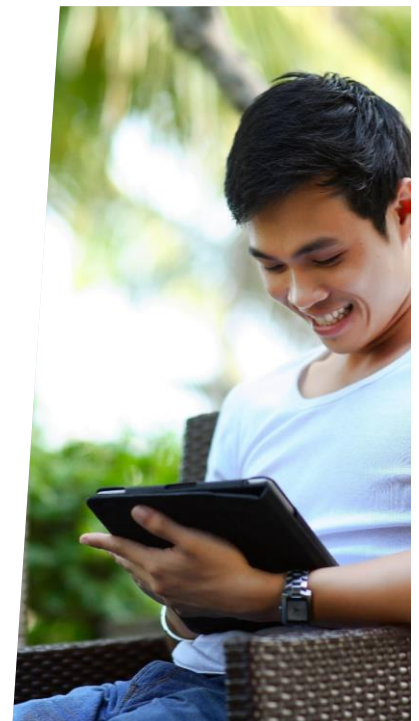
Set the vision

Identify the strategic priorities and how they align with the transformation

- Identify critical member journey intersections

- Devise a member-centric and connected strategy

- Undertake programs to assess value points

- Create a delivery network to retain members

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Secure stakeholder buy-in

Ensure leadership's support in promoting the transformation

- Assess organizational culture

- Evaluate factors limiting a frictionless experience

- Secure support to offer consistent brand promise

- Get stakeholder alignment on next steps

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Select the right partners

Enlist the help of partnerships who can empower the digital transformation
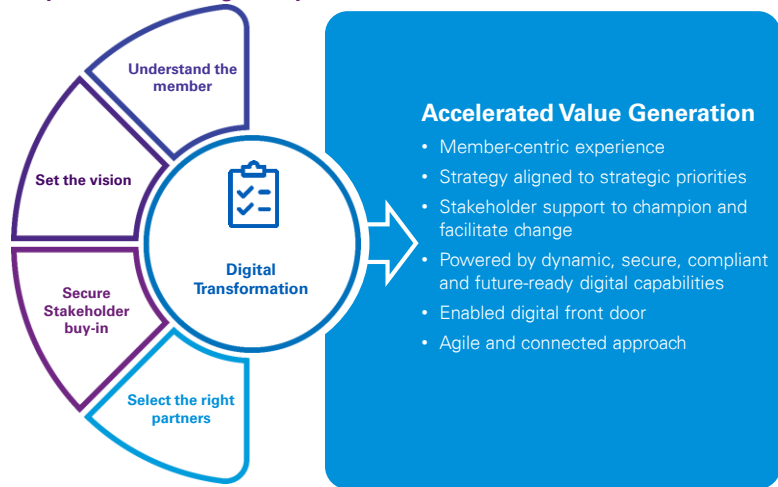
Seek partners supporting the vision and strategic priorities

Build a dynamic and future-ready capability

Enable the digital front door maximizing member entry points

Adopt an agile and connected approach
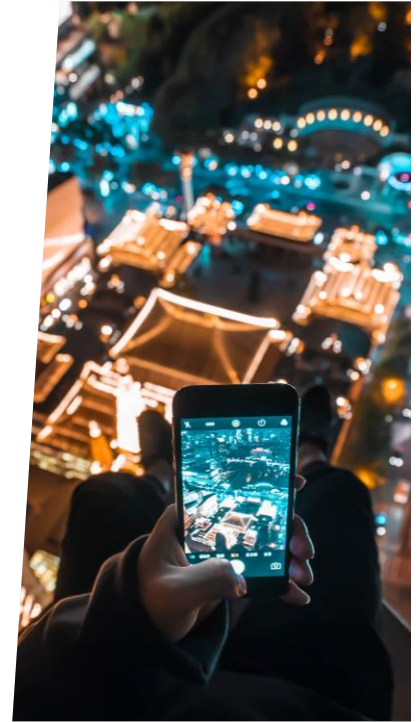
How do I start?

Understanding the pillars of the journey to enable the digital experience:

- Understand the member
- Set the vision
- Secure Stakeholder buy-in
- Select the right partners

Digital Transformation

Accelerated Value Generation

- Member-centric experience
- Strategy aligned to strategic priorities
- Stakeholder support to champion and facilitate change
- Powered by dynamic, secure, compliant and future-ready digital capabilities
- Enabled digital front door
- Agile and connected approach

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Summary

Key points to lay the foundation for a Digital Transformation and meet today's member's expectations:

- Offer **accessible, connected, hassle-free and covered** member-centric experiences to stay relevant and competitive

- Regulation **is not a barrier** to digital transformation

- Adopt a **connected framework to integrate** employees, Front Middle Back office, Market Dynamics and Signals, Channel and Business Partners and members

- Enable the **digital front door** to maximize member entry points

How to get started:

Understand member expectations

Design experiences to **transform critical** member and employee interactions

Align strategic priorities to the digital transformation

Secure **leadership support** to support transformation

Engage partners offering **impactful, connected, scalable and secure solutions**

Thank You

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