2024 DIGITAL & IT INVESTMENT TRENDS

Survey Conducted by HFMA
Sponsored by Guidehouse
Sept 2023
Online survey

• 19 questions
• Fielded from 8/31/2023 – 9/11/2023
• Job level
  • CFO 61%
  • Vice President 21%
  • President/CEO 13%
  • Other Chief Officer 4%
  • Executive Director 1%
How has your organization’s digital and technology decision-making structure, processes or capabilities changed in 2023 compared to 2019? Please select all that apply.

- New or expanding relationships with outsourcing partners: 33%
- Digital/IT department restructuring: 32%
- New innovation or digital program: 24%
- Initiating enterprise-wide transformation: 24%
- New digital/IT leadership governance structure or council: 21%
- New joint venture alliances with digital health vendors: 13%
- Merger or acquisition: 9%
- New or expanding venture capital/fund investments: 9%
- Create/hired Chief Digital Officer role: 6%
- Created/hired Chief Innovation Officer role: 4%
- No change: 30%

This response was exclusive.
How does your organization’s 2023 digital and technology budget compare to your 2019 (pre-pandemic) digital and technology budget?

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down 21-30%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Down 16-20%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Down 6-10%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Down 1-5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>No change</td>
<td>21.3%</td>
</tr>
<tr>
<td>Up 1-5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Up 6-10%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Up 11-15%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Up 16-20%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Up 21-30%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Up 31-40%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Up 41-50%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Up 51-100%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

Summary of Survey Results
How do you expect your organization’s digital and technology budget to change in 2024 compared to 2023?

<table>
<thead>
<tr>
<th>Change Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant decrease</td>
<td>0.8%</td>
</tr>
<tr>
<td>Minor decrease</td>
<td>2.3%</td>
</tr>
<tr>
<td>No change</td>
<td>10.9%</td>
</tr>
<tr>
<td>Minor increase</td>
<td>39.1%</td>
</tr>
<tr>
<td>Moderate increase</td>
<td>35.9%</td>
</tr>
<tr>
<td>Significant increase</td>
<td>10.9%</td>
</tr>
<tr>
<td>Decrease</td>
<td>3.1%</td>
</tr>
<tr>
<td>No change</td>
<td>10.9%</td>
</tr>
<tr>
<td>Increase</td>
<td>85.9%</td>
</tr>
</tbody>
</table>
Why is your organization increasing its digital and technology investments? Please select all that apply.

- Patient and/or provider feedback/requests (enhance patient/provider satisfaction/access) 68%
- New organizational interests and/or expansion (partnerships, mergers/acquisitions) 34%
- Access to additional capital for digital and technology capabilities 20%
- Prior success with digital/tech-enabled programs 18%
- Seeking to monetize investments through alliances with digital health vendors 10%
- Something else 17%

Other reasons:

- Additional compliance requirements and potential security risks
- Cohesive front door patient experience
- Efficiency and effectiveness of operations. Expansion of tele-health capabilities to serve all our communities with shortages of providers and staff.
- Increase in established technology costs
- Increasing contract prices
- More security threats. Additional regulatory requirements that force investment in data extraction and reporting
- New EMR
- Regulations
- Software and security are more expensive than ever
- Upgrading systems for more efficiency
- Upgrading existing systems
Why is your organization decreasing or not changing its digital and technology investments? Please select all that apply.

- Lack of resources (financial, labor, etc.): 72%
- Lack of comprehensive strategy, business case, and/or implementation plan: 17%
- Limited success/lack of benefit realization (e.g., no clear ROI, etc.): 11%
- Something else: 22%

Something Else

- Becoming more efficient

Significant investments in technology have been made and the resulting move to cloud-based infrastructure will result in slightly decreased technology operating costs assuming no new infrastructure investments.
Where is your organization prioritizing its digital and technology investments over the next year? Please select your organization’s three highest priorities.

- Cybersecurity infrastructure: 55%
- EHR integration and modernization: 46%
- Digital front door and virtual care: 32%
- Advanced analytics, artificial intelligence (AI) and/or machine learning: 31%
- ERP integration and modernization: 25%
- Intelligent process automation: 24%
- Remote patient monitoring: 19%
- Enterprise-wide cloud transformation: 19%
- Open data ecosystems and interoperability with health IT partners: 6%
- Other: 3%

Other

- Billing system
- Don’t know
Given your investment in cybersecurity infrastructure, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Vulnerability management: 81%
- Data security: 81%
- Threat detection: 76%
- Endpoint protection: 47%
- Incident response: 26%
- Security operating model transformation: 13%
- Cybersecurity platform consolidation: 13%
- Other: 6%

To preserve the CFO’s mental health
Given your investment in EHR integration and modernization, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Process optimization/automation: 80%
- Systemwide integration: 49%
- Advanced analytics and data mining: 49%
- Cloud transformation: 25%
- Other: 2%

No “Other” descriptions provided.
Given your investment in digital front door and virtual care, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Open scheduling: 74%
- Virtual visits: 51%
- Smart analytics: 44%
- Proactive outreach: 40%
- Population health outreach: 40%
- Synchronous and asynchronous communication: 37%
- Personalized patient campaigns: 33%
Given your investment in advanced analytics, AI, and machine learning, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Workforce and workflow integration solutions: 61%
- Clinical decision-making support (symptom checkers, diagnostic/treatment support tools, EHR documentation enhancements, etc.): 61%
- Chatbots for routine patient inquiries (care search, appointment scheduling, registration, intake, etc.): 54%
- Administrative operations optimization: 51%
- Clinical research: 10%
- Other: 2%

No “Other” descriptions provided.
Given your investment in ERP integrations and modernization, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Process optimization/automation: 69%
- Systemwide integration: 63%
- Cloud transformation: 44%
- Advanced analytics and data mining: 41%
Given your investment in intelligent process automation, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Revenue cycle management: 91%
- Workflow queue: 59%
- Referral management: 44%
- Medication management: 19%
- Post-acute care: 13%
- Triage: 9%
- Discharge: 9%
- Other: 6%

No “Other” descriptions provided.
Given your investment in remote patient monitoring, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Remote patient monitoring technology (wearables, apps/software, other interconnected devices, etc.) - 56%
- Hospital at-home programs delivering acute-level care to patients at home - 28%
- Home health services involving clinicians and professional caregivers - 28%
- Digital therapeutic (DTx) program expansion and care integration - 16%
- Building a comprehensive at-home care infrastructure (i.e., command center to support scalable hospital at home, home health services, etc.) - 16%
- Other - 4%

No “Other” descriptions provided.
Given your investment in enterprise-wide cloud transformation, what specifically is your organization’s intended focus area(s)? Please select all that apply.

- Migrating EHR to the cloud: 56%
- Migrating ERP to the cloud: 44%
- Improving revenue cycle management and automation: 44%
- Comprehensive cloud strategy for staff, patient, and company ecosystem: 28%
- Other: 4%

No “Other” descriptions provided.
How does your organization hope to benefit from investments in digital and technology? Please select up the three answers.

- Increased operational efficiencies (e.g., clinical capacity, supply chain, rev cycle) 65%
- Improved consumer experience 57%
- Reduced enterprise costs 33%
- Increased capacity management and demand (access to care) 27%
- Enhanced staff recruitment/retention capabilities 20%
- Improved physician enterprise 15%
- New service offerings/market expansion 13%
- Improved referral patterns 13%
- Improved chronic disease management 13%
- Competitor differentiation 10%
- Improved negotiation with payer 9%
What areas of support do you think are the most needed to make your investment successful? Please select up to three answers.

- Resources (financial, labor, etc.) 56%
- Operational implementation 53%
- Technology support: advisory, implementation 36%
- Staff education 33%
- Governance framework: IT, project, etc. 29%
- Strategy development 28%
- Leadership buy-in 23%
- Date ingestion/integration 22%
- Regulatory guidedance 4%
Are your digital and technology investments supported by a clear, comprehensive business case and implementation plan? Please select one.

- No, a comprehensive business case and implementation plan does not exist: 23.3%
- Yes, a plan was created but is not closely reviewed and monitored by the financial team and leadership for both cost spend and planned/defined benefit achievement: 27.1%
- Yes, a plan exists and is closely reviewed and monitored by the financial team for both cost spend and planned/defined benefit achievement: 49.6%
Why don’t you have a business case or implementation plan? Please select all that apply.

- Lack of understanding of digital/tech among leadership team: 31%
- Lack of key performance indicators to measure outcomes: 31%
- Lack of IT governance: 31%
- Lack of alignment of digital/tech investments to clinical/operational outcomes: 28%
- Lack of leadership in digital/tech: 24%
- Other: 31%

### Something Else

<table>
<thead>
<tr>
<th>Description</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment</td>
<td>Lack of resources</td>
</tr>
<tr>
<td>Early in the process</td>
<td>Lack of time to commit to implementation</td>
</tr>
<tr>
<td>Finances</td>
<td>Small operation that doesn’t utilize business plans</td>
</tr>
<tr>
<td>Financial and staffing limitations</td>
<td>We are in the beginning stages for planning these projects</td>
</tr>
</tbody>
</table>
Does your digital health and technology investments business case and implementation plan include the following components? Please select all that apply.

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A cost-benefit analysis evaluating the financial implications of implementation</td>
<td>61%</td>
</tr>
<tr>
<td>A clearly articulated value proposition and outline of the goals</td>
<td>53%</td>
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<tr>
<td>A key stakeholders engagement plan (i.e., executives, clinicians, payers, and patients)</td>
<td>52%</td>
</tr>
<tr>
<td>A detailed implementation plan and assessment of barriers and mitigation strategies</td>
<td>49%</td>
</tr>
<tr>
<td>An analysis of reimbursement and financial models associated with the program</td>
<td>36%</td>
</tr>
<tr>
<td>A plan for the redesign of clinical operations with provider input</td>
<td>34%</td>
</tr>
<tr>
<td>Quantification of the expected clinical and quality outcomes</td>
<td>33%</td>
</tr>
<tr>
<td>A comprehensive assessment of the market demand and competitive landscape</td>
<td>28%</td>
</tr>
<tr>
<td>Identification of the specific patient population(s) and disease state(s) that would benefit</td>
<td>15%</td>
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