## Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Customizing Care, Unlocking the Future</td>
</tr>
<tr>
<td>04</td>
<td>Healthcare’s Digital Transformation</td>
</tr>
<tr>
<td>06</td>
<td>Matchmaking Patient and Provider Experiences</td>
</tr>
<tr>
<td>08</td>
<td>Telehealth’s Time to Shine</td>
</tr>
<tr>
<td>10</td>
<td>Missed Opportunities in Data Analytics</td>
</tr>
<tr>
<td>12</td>
<td>Conclusion</td>
</tr>
<tr>
<td></td>
<td>About the 2021 Healthcare Digital Transformation Survey</td>
</tr>
<tr>
<td></td>
<td>About the BDO Center for Healthcare Excellence &amp; Innovation</td>
</tr>
</tbody>
</table>
Customizing Care, Unlocking the Future

When the COVID-19 pandemic emerged in early 2020, healthcare stepped up. Amidst nationwide shutdowns, social distancing measures, PPE shortages and more, healthcare providers searched for solutions to delayed patient care, all while treating massive influxes of COVID-19 cases. From telehealth to remote patient monitoring, online patient portals to drive-through clinics, healthcare underwent a decade’s worth of transformation in an instant.

The pandemic made innovation in healthcare essential. Now, healthcare organizations are moving with haste to convert opportunity into reality.

93% of healthcare organizations already have a digital transformation strategy or are in the process of creating one according to BDO’s 2021 Healthcare Digital Transformation Survey.

Digital transformation is the art of using technology to transform an organization. For healthcare organizations, that means using technologies like telehealth, predictive analytics and artificial intelligence (AI) to transform their approach to patient care, business strategy and organizational processes.

For healthcare organizations, it’s critical they not only adopt technology, but also understand how to leverage it to move the needle on their overarching goals, bringing to life services and capabilities that were once only possible in science fiction. A truly omnichannel patient journey, borderless patient care and automated revenue cycles are just some of the possibilities on healthcare’s horizon. These aren’t just the dreams of large health systems, either—innovative technology is now accessible and essential for all healthcare organizations.

It’s time to seize digital opportunity to enhance care and maximize growth potential.
Healthcare’s Digital Transformation

Digital transformation in healthcare was at cruising speed until the pandemic arrived and hit the accelerator. Lockdowns and safety concerns pushed patients away from in-person visits and providers toward technologies that enabled remote patient care and monitoring. That momentum is continuing to transform healthcare in 2021, with 70% of healthcare organizations planning to increase spending in digital investments. No one can tell what 2021 will bring, but one thing is certain: the future of healthcare is digital.

AS A RESULT OF THE EVENTS OF 2020

60% of healthcare organizations are adding new digital projects

42% are accelerating some or all their existing digital transformation plans

TECHNOLOGY DEPLOYMENT—CURRENT AND PLANNED

<table>
<thead>
<tr>
<th>Technology</th>
<th>Currently deploying</th>
<th>Planning to deploy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud computing</td>
<td>78%</td>
<td>20%</td>
</tr>
<tr>
<td>Data analytics</td>
<td>66%</td>
<td>30%</td>
</tr>
<tr>
<td>Enterprise resource planning software</td>
<td>60%</td>
<td>31%</td>
</tr>
<tr>
<td>Internet of things</td>
<td>59%</td>
<td>35%</td>
</tr>
<tr>
<td>Blockchain/Digital ledger technology</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>Artificial intelligence/Machine learning</td>
<td>38%</td>
<td>61%</td>
</tr>
<tr>
<td>3D printing</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>Virtual/Augmented reality</td>
<td>23%</td>
<td>51%</td>
</tr>
<tr>
<td>Robotic process automation</td>
<td>21%</td>
<td>64%</td>
</tr>
<tr>
<td>5G</td>
<td>20%</td>
<td>57%</td>
</tr>
</tbody>
</table>

RAMPING UP RPA ADOPTION

While only about one in five survey respondents has deployed robotic process automation (RPA) to date, a full 64% are planning to adopt it in the coming year. RPA can automate repetitive, predictable human processes, like updating medical records, while taking the potential for human error out of the equation and reducing overall operational spend. The fact that all RPA processes are tracked and logged makes regulatory compliance easier.

Perhaps the greatest benefit of the technology is this: RPA can collect and analyze data across all its processes, allowing for better predictive modeling, which can be used to address health equity challenges, especially as the U.S. moves toward a model of better population health management. Additionally, legacy technologies don’t need to be upgraded to support RPA, making its implementation relatively simple and cost-effective. For healthcare organizations looking to expand their data analytics capabilities, RPA is a crucial implement they need in their toolbox.
Technology can be a powerful resource for both cataloging and addressing health inequity. For example, electronic health records (EHR) provide data crucial to identifying inequity of care, and predictive analytics can identify potential vulnerable populations who may be struggling with effective chronic disease management. As the U.S. healthcare system strives for a more ethical, more equitable future, technology must be part of the conversation.

JIM WATSON
Principal
The BDO Center for Healthcare Excellence & Innovation

Accelerated technology adoption is just the beginning. The future of healthcare is data-backed, digitally enabled and supported by automation. In the future, it’s likely that every step of the patient journey will be supported by digital tools and remote care will be the norm. Artificial intelligence (AI) and machine learning (ML) will enable compassionate care, while automation will save providers time and money in revenue and billing cycles. Robust data analysis will support business strategy to ensure the organization remains healthy and on track to achieve key goals.
Matchmaking Patient and Provider Experiences

Improving the patient experience remains a key focus for healthcare, with 26% of respondents citing it as their top digital priority. To that end, healthcare organizations have stepped up their investments in designing a seamless digital experience for patients, enabling providers not only to care for patients remotely, but also provide the opportunity for patients to take a more active role in their healthcare. However, for some providers, the switch to digital health may be challenging.

Providers must become comfortable using digital platforms to manage workflows, communicate effectively with patients and update medical records. Not only that, but providers must also confront difficulties in linking together disparate online portals and digital tools, all while maintaining the same quality of care as an in-person visit. Improving the provider experience and fostering comfort with new technologies are crucial aspects of restoring consumer confidence and remaining engaged with patients along their wellness journey.

The top three areas where healthcare organizations are currently investing to improve the patient care experience are:

- **Telemedicine**, up from 42% in 2019: 75%
- **EHR Interoperability**, up from 43% in 2019: 64%
- **Patient portals or another digital messaging system**, up from 50% in 2019: 56%

THE DIGITAL FRONT DOOR STRATEGY

Here's how organizations are digitally engaging patients on their healthcare journeys:

- **63%**
  - Patients can make appointments through the organization's portal
- **61%**
  - Patients can view bills and pay online
- **57%**
  - The organization has a patient portal
- **34%**
  - Patients can use the portal to access their medical records
- **33%**
  - The organization can securely communicate with patients through their portal
When it comes to digital capabilities, there are generational preferences, not only for patients but for providers as well. As healthcare organizations invest in digital health, they need to proactively identify ways to customize the patient experience. Personalization of care—meeting patients where they are—is key to improving the patient experience. At the same time, organizations must manage change in their workforce, so providers are comfortable and effective when leveraging digital platforms to deliver care. Ultimately, the patient population will drive the shift to digital—providers need to prepare now to meet the patient expectations of the future.

When the pandemic hit, behavioral health services capitalized on digital health to better serve patients virtually. While technology has certainly been an asset in behavioral health, there are still challenges that must be overcome. Patients with cognitive disabilities or older patients, for example, may struggle with adapting to new technology related to digital health, and a virtual health experience can, at times, feel more impersonal. Digital experiences can’t replace in-person visits, but they can complement them—that should be the focus for providers moving forward.

MICHAEL LEE
Principal & BDO Digital Healthcare Leader
Telehealth’s Time to Shine

One of the most widely discussed and visible impacts of the pandemic to the healthcare system is the increase in telehealth adoption. Planned investment in telehealth jumped from 42% in 2020 to 75% in 2021 as healthcare providers seek a safe and efficient way to treat their patients. Telehealth adoption is about more than just deploying a new technology, however. Implementation of telehealth involves careful consideration of workflow, processes, operations and finances to succeed.

Furthermore, implementation must be built upon a strong strategic foundation—organizations must be aligned on their expectations and needs related to telehealth use. Ultimately, telehealth should be considered a complement—not a replacement—to in-person care. Understanding not only the capabilities of telehealth, but also its limitations, is crucial to building a telehealth platform that serves both patients and providers.

TELEHEALTH CAPABILITIES

Telehealth adoption is more than just booting up the technology—it’s about what you can do with it. Here’s what healthcare organizations are able to do with their telehealth platforms:

- 69% Technology infrastructure aligned with telehealth needs
- 53% Optimized telehealth workflows
- 40% Full capabilities along the patient journey
- 38% Secure, private and compliant communication channels
- 36% Compliant coding and reimbursement

BDO INSIGHT

The telehealth systems created nearly overnight during the pandemic may not be the platforms providers want to use long-term. Healthcare organizations need to look critically at the telehealth infrastructures they’ve built, identify the weak points in their telehealth foundation, and create a robust, comprehensive strategy for improvement in the years ahead. Telehealth isn’t just a technology—it’s a collection of processes and workflows that need to integrate seamlessly in order to be useful. For providers, understanding these components and how they fit together is crucial to building an effective digital health program that complements in-person care.
SPOTLIGHT ON PHYSICIAN PRACTICES

Currently, only half of physician practices reported confidence in their ability to optimize telehealth workflows. However, physician practices potentially have an easier path to workflow optimization than other healthcare organizations. Physician practices have the opportunity to purchase prepackaged telehealth platforms as opposed to building their own. As a result, physician practices may find it easier to quickly adjust practice workflows, achieving higher levels of efficiency more rapidly than organizations that require customized platforms. For physician practices, increasing their comfort level with telehealth will be key to remaining competitive as virtual care continues to play a major role in the U.S. healthcare system.

“Physician groups are well-positioned to optimize telehealth workflows to maximize the impact of their telehealth services. What’s important to keep in mind is that telehealth services are not going away—there will be significant efforts to improve the clinical effectiveness of telehealth services in 2021 and beyond.”

CHAD BESTE
Principal, The BDO Center for Healthcare Excellence & Innovation
Missed Opportunities in Data Analytics

Data analytics is the new digital frontier in healthcare. Many healthcare organizations have taken step one on their data analytics journey: they’ve begun collecting massive amounts of data. Now, they need to be sure that they can turn the data into actionable insights to make their organizations stronger. Currently, 39% of respondents are using data analytics primarily for real-time reporting, and only 24% are using advanced analytics (including forecasting and predictive models). Furthermore, 28% say that insights collected from their data exist in a dashboard that only a few can access. Organizations need to focus not on collecting more data, but on developing their data analytics maturity.

<table>
<thead>
<tr>
<th></th>
<th>Significant insight</th>
<th>Some insight</th>
<th>Track, no insight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinician performance</td>
<td>57%</td>
<td>36%</td>
<td>6%</td>
</tr>
<tr>
<td>Patient experience improvement</td>
<td>54%</td>
<td>36%</td>
<td>10%</td>
</tr>
<tr>
<td>Clinical outcomes</td>
<td>49%</td>
<td>43%</td>
<td>6%</td>
</tr>
<tr>
<td>Patient volumes</td>
<td>48%</td>
<td>41%</td>
<td>11%</td>
</tr>
<tr>
<td>Patient progress and outcomes</td>
<td>45%</td>
<td>48%</td>
<td>6%</td>
</tr>
<tr>
<td>Financial health</td>
<td>40%</td>
<td>42%</td>
<td>17%</td>
</tr>
<tr>
<td>Operational health</td>
<td>38%</td>
<td>51%</td>
<td>10%</td>
</tr>
<tr>
<td>Emerging service needs</td>
<td>37%</td>
<td>46%</td>
<td>15%</td>
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BDO INSIGHT

Currently, organizations are gaining significant insight around clinician performance and patient improvement from the data they’re collecting. What they aren’t seeing are insights related to financial and operational health in their organizations. According to the 2021 BDO Healthcare CFO Outlook Survey, only 27% of healthcare CFOs reported having more than 60 days of cash on hand. As healthcare organizations seek greater financial resilience and stability in 2021, they need to enhance their data analytics to gain greater insight into the financial and operational aspects of their businesses.

"The move to consumer-driven health has introduced new complexities to the business of healthcare. Price transparency, consumer finances and valuation of receivables are just some of the considerations healthcare providers must keep top of mind. The ability to measure the financial health of an organization in real-time is vital for its continued survival."

STEVEN SHILL
Partner and National Leader
The BDO Center for Healthcare Excellence & Innovation
ACCESSING R&D TAX CREDITS

According to the 2021 BDO Tax Outlook Survey, in 2020, 47% of senior tax executives cited R&D tax credit studies as their top strategy for resilience, with one third planning to pursue that strategy in 2021. In healthcare, that number should be even higher, considering that healthcare is an innovation-first industry. R&D tax credits may apply to technology investments related to digital transformation initiatives—for example, building a patient portal—because at their core, the purpose of these initiatives is to improve products, services and processes—all of which fall under the R&D umbrella. As providers consider what digital initiatives they will pursue in 2021, they need to build R&D tax credit considerations into their roadmap.

“When seeking new opportunities for cost saving, healthcare organizations often overlook the value to be realized through R&D tax credits. It’s critical to capitalize on available credits to support healthcare’s main driver of growth—innovation.”

JIM WHITE
National Healthcare Tax Leader
BDO Tax
Conclusion

Healthcare made great strides in adopting our new digital reality, but there’s still more work to be done. Truly understanding key technologies, harvesting greater insight from data, turning telehealth into an effective complement to patient care and designing a digital patient experience that connects with the in-person patient journey will be challenging, but the reward—bringing your healthcare organization to the next level—will be well worth the investment. Tomorrow’s care depends on today’s investments to build a more connected, collaborative and patient-centric future.

To benchmark your digital maturity and transformation readiness against your peers, explore our 2021 Healthcare Digital Transformation Survey Benchmarking Report ➤

ABOUT THE BDO CENTER FOR HEALTHCARE EXCELLENCE & INNOVATION

The BDO Center for Healthcare Excellence & Innovation is devoted to helping healthcare organizations thrive, clinically, financially, and digitally. We help clients redefine their strategies, operations and processes based on both patient-centric demands and rigorous best business practices—responding to the industry’s new market disrupters, cost pressures and outcomes-based reimbursement models.

For a personalized evaluation of your organization’s maturity level and opportunities, sign up to receive our Digital Performance Indicator.

SIGN UP NOW ➤
About the 2021 Healthcare Digital Transformation Survey

The 2021 Healthcare Digital Transformation Survey was conducted by Rabin Research Company, an independent marketing research firm, in January 2021. The survey included 100 C-level executives at hospitals, academic medical centers, post-acute care facilities, home health and hospice providers, ambulatory service providers, behavioral health facilities and physician/provider groups, with annual revenues between $100 million and $3 billion.

WHO WE SURVEYED

ANNUAL REVENUES

- 24% $1 billion to just under $2 billion
- 14% $100 million to $250 million
- 20% $751 million to just under $1 billion
- 16% $501 million to $750 million
- 24% $251 million to $500 million

EXECUTIVE TITLES

- 19% CFO
- 17% COO
- 15% Chief Marketing Officer
- 12% Chief Medical Officer
- 6% Line of Business Executive
- 14% Chief Technology Officer or Chief Innovation Officer
- 10% Chief Information Officer or Chief Information Security Officer
- 7% CEO
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