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Business models in the healthcare industry are continually evolving. With these changes comes the need for new information technology solutions. In order to move forward with the right business strategy, healthcare CFOs must take a role in IT in ways they have never done before.

Part of this is due to the ongoing changes in government regulation. Whether healthcare reform continues in its current form, there is no doubt that Federal and State governments are becoming more active in attempting to rein in costs as well as find new incentive systems to improve quality.

One of the most dramatic trends in how we pay and reimburse healthcare is the move toward what are today called accountable care organization (ACO) business models. In the past, payment was based only on the services a doctor provided. Fee-for-services medicine took into account only that the doctor did x, y, or z for the patient. Now, health organizations are being pushed to move away from this model. Instead, in an ACO business model, health organizations are being asked to assume risk for the overall health of the patient and the cost of caring for the patient. The more efficiently healthcare providers manage patient care, the more

rewarding the financial outcome. As a result, today we are seeing more and more care providers moving away from a fee for service model, with quality of care and outcomes becoming much more important in the economics of healthcare.

Another major movement in the healthcare industry right now is patient engagement and responsibility. The goal is to empower individuals to become more involved in making their healthcare decisions and managing their care. In order to do this, patients need to have all the information, including their healthcare data. When people are given electronic access to all of their clinical information, they can use it to help manage their care in partnership with their doctor.

The government has made giving patients this access a priority. Some of the most recent Meaningful Use regulations provide doctors incentive to help provide patients with online access to their medical records. The federal incentive program requires that over 50 percent of the health organization's patients have the opportunity to view, download and transmit their health information online. Healthcare professionals are required to send preventive and follow-up care reminders and give patients educational resources in addition to the electronic health record.

Blue Button is another government initiative that promotes easy patient access to their medical data. The program offers patients the opportunity to download their health records and share them. Thus far, more than 1 million people have utilized the program, including veterans and Medicare recipients. It has since been approved for use by the Federal Employee Health Benefits Program. Organizations in the private sector are quickly following suit.

One of the key technologies needed to provide electronic health records to patients is a cloud-based storage platform that can be used to easily upload, manage, and share medical images and other health information securely. Traditional methods of transmitting this data on CDs simply are not an option anymore. The online solution must be one that can communicate and integrate with all PACS, RIS and EMR systems. Cloud-based storage is vendor neutral archiving with uncapped space, so health organizations never have to worry about running out of storage capacity. These online platforms must be HIPAA compliant and provide security.

As a result of new business models and patient responsibility, we are seeing new types of healthcare organizations that can be accountable for cost and quality for a range of patients. Insurance companies are starting to take on increasing responsibility for patient care and some healthcare systems are becoming vertically integrated healthcare systems, taking on the role of

the insurance company. Payments and profitability are often tied to improvements in quality that simultaneously cut overall costs. In order to properly assess the improvement in quality and the cost savings, advanced performance measurement tools are used.

These business models are designed to incentivize savings by giving the health organization more financial responsibility. It also encourages coordination among all the health care providers involved with the patient. For example, in late 2011, the Centers for Medicare & Medicaid Services in the Department of Health and Human Services predicted that accountable care organizations could save a median of \$470 million from 2012-2015.

Accountable care organizations rely greatly on health information technology solutions and infrastructure. These are required not only to securely store and share electronic health records, but to share administrative and claims data across multiple points of care and give patients information about their status and continuing treatment options. Engaged patients are critical to the success of accountable care organizations. This is especially true for chronically ill patients, who spend about 1 percent of their time at their doctors' offices and 99 percent somewhere else, usually at home. When they have online access to all of their clinical information and treatment plans, they can stay on top of their care from anywhere.

All of these changes to traditional healthcare business models have meant the adoption of new information technology. As most CFOs recognize, a revolution in business processes often leads to a revolution in technology. The healthcare industry is currently at a turning point. It is parallel to what happened in the financial sector as they saw a need to build technology into the new business models that have come about in the last couple of years.

We are increasingly seeing a consolidation of hospitals and physician offices, just like the financial industry saw in the recent past. With this consolidation, healthcare organizations gain improvements in budgets while still providing a high quality level of care. However, CFOs must be cautious to ensure that all patient needs are being provided for, while doing so in the most cost efficient way possible.

The key is healthcare information technology. These new technologies will be the link that makes concepts like accountable care and patient empowerment work. They are more cost efficient, easier to use, and more accessible to everyone - that's why they are the key to a successful business model in the healthcare industry today.

What this means for the CFO of a healthcare organization will increasingly find themselves as part of the strategic IT choices made by healthcare organizations. This exciting new frontier will open up new challenges and opportunities for the healthcare CFO. Effective understanding and deployment of technology will become a core competence of today's healthcare CFO.