

# THE FUTURE OF THE HEALTHCARE CIO

Download the report to learn more about the 5 factors driving the role of Healthcare CIO



CIO

# THE HEALTHCARE INDUSTRY IS IN THE MIDST OF TRANSFORMATION.

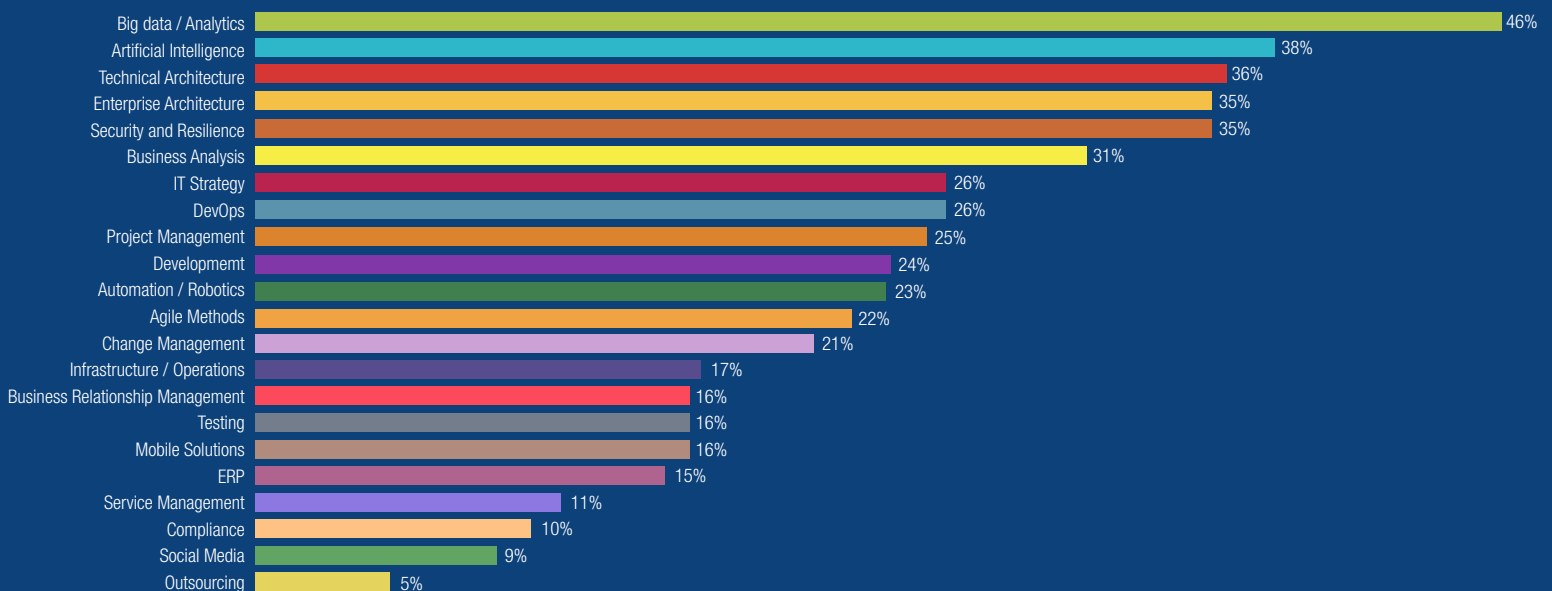
Consolidation across the sector has led to mergers between hospitals and health systems. Retailers are acquiring health insurers and technology giants such as Apple and Google have been moving into healthcare, bringing with them ambitions of transforming the industry. With the rise of cybersecurity threats, adoption of clinical informatics and integration of digital health tools, many hospitals are increasing their IT budgets. But what do these and other developments mean for the future of the CIO role in healthcare? This report will highlight some factors that will shape their role in the future.

## 1. RISE OF CONSUMERIZATION

The healthcare industry has seen an influx of tech professionals that are new to the sector, according to Vince Vickers, KPMG Management Consulting Industry Leader for Healthcare. Backing that up is data from a report on CIO tenure trends published in [HIStalk](#). A survey of 1,500 participants found that 37 percent of respondents were not healthcare CIOs in their previous jobs. This has meant professionals with backgrounds in areas such as retail where service is consumer-centric. They also tend to have an interest in improving the consumer experience. With the rise of consumerization in healthcare, such as the push to increase price transparency, improve patient engagement and the overall patient experience, the idea is that healthcare will benefit from the diverse backgrounds and skills from these CIOs.

### WHICH FUNCTIONS DO YOU FEEL SUFFER FROM A SKILLS SHORTAGE?

Select all that apply



## 2. DIVERSITY OF TALENT POOL

One challenge of the CIO role is that the tenure for this position isn't long. Vickers observed that the average tenure is five years or less. And yet many CIOs in healthcare simply move to other hospitals. He likened it to what happens with NFL football coaches. It's rare that there is a new infusion of talent. But with more CIOs coming into healthcare from a broader range of industries, that will help expand the experience and abilities of CIOs in healthcare.

## 3. SKILLS SHORTAGE

The ability to develop tools to analyze and interpret large amounts of data in support of professionals, as well as machine learning and other types of artificial intelligence expertise are skill sets that many industries seek, including healthcare. That means the healthcare industry is having to compete with the financial services and technology sectors for these staff. Vickers noted that a skills shortage is "absolutely" among CIOs top concerns. For institutions with the capacity to recruit staff with sought after skills and invest in training, they will be better equipped to position themselves for digitization across healthcare.

"We just had in the past decade changes with EHRs and the need for skill sets in these areas. Health systems are trying to bring in disruptive technologies, not the specificity of EHRs but the talent everybody needs," Vickers said.

## 4. MORE EXECUTIVE AUTHORITY

CIOs are increasingly reporting to CEOs. A decade ago this was not the case. The majority of CIOs would report to a CFO or COO. About 67 percent of healthcare CIOs in the U.S. said they were a member of the operational board / executive management team of their organization, according to a [Harvey Nash/KPMG 2018 CIO survey](#).

The CIO role is regarded as a strategic part of the business. An upcoming Black Book CIO Report noted that among the health system CIO hires in 2018, hospital CEOs and board members have sought more consultative-type executives who can orchestrate integrations, strategies, business goals, digitalization opportunities, evaluate innovations, and consult to line of business managers. Doug Brown, Managing Partner of Black Book Research, said this trend marks a significant shift from past practice.

"Traditionally, CIOs called the shots in IT purchasing after aligning with the department on its need, but digitalization is making a permanent change to the health systems IT purchase process," said Brown. "As healthcare organizations transform work processes through digitalization the department leaders involved must logically uphold authority of those processes."

The Black Book Report also revealed that about 45% of all respondents expect that more than one third of dollars will be spent on IT will occur outside of the IT department in 2019. With the widespread digitization in healthcare, IT authority is gradually becoming decentralized, Brown observed.

## 5. LESS AUTONOMY TO MAKE PURCHASING DECISIONS

According to data from Brown, more than half of the IT projects underway in Q4 2018 are collaborative ventures handled at all stages across the healthcare organization. That is a dramatic shift from the CIO or IT department having control of purchases.

“Collaborative purchasing means to bring together line of business leaders with the CIO as the go-to person for help integrating health system technologies, meeting corporate policies, and spending within budgets,” the 2019 Black Book CIO Report noted.

Healthcare providers face numerous challenges as they seek to position themselves for the shift to value-based care and the technology infrastructure they will need to put in place for this to succeed. CIOs will be crucial to making this happen. Although some have speculated that we could see a time when the role of CIO is usurped by a more diversified IT workforce, it seems more likely that their ability to collaborate with both the clinical heads of departments and other healthcare management will be an essential skill set in the future of healthcare.

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