

A young woman with her hair in a ponytail, wearing a grey and black athletic jacket and white earbuds, is looking down at her blue smartwatch. The background is a blurred outdoor setting with buildings.

Disrupt or be disrupted

The future of health is digital

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. Above the 'Y' is a yellow chevron shape pointing to the right.

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Digital is transforming the world of health so dramatically that even organizations not rooted in technology know they must respond – and embrace – technology’s wide-reaching disruptions. Today’s health care consumers are more networked, engaged and empowered than ever before. They’re accustomed to technology making their lives easier, speedier and more connected. They’re demanding harmonized health experiences with simple, coordinated interactions as they receive service across the health care spectrum.



Brave new (health care) world

Inspired by consumer interactions in other industries, it is easy to imagine a brave new health care world where:

- ▶ A diabetic patient shares her personal glucose levels directly with her insurance company via a remote-care app. Her insurer uses the data to adjust her premiums favorably to reinforce her positive behavior.
- ▶ Your primary care physician gets an email alert when you fail to pick up your prescription from the pharmacy, and a care manager calls you to find out why you aren’t taking the prescribed medication.
- ▶ Artificial intelligence analyzes the medical history of an entire patient population and, making decisions based on historical results from millions of patients, recommends customized disease prevention coaching for each patient, based on their medical history.

Technology is forcing health care organizations to shift how they approach their business, who they collaborate with and how they interact with their patients. And many traditional players are scrambling to keep up. A badly designed patient portal or long wait times for an appointment won’t stand with a population accustomed to rides-on-demand and real-time blood pressure data available on their wrists. The successful health care organizations of the future will be those that best adapt to the new digital reality.

The changing landscape

The digital health era is here

The digitalization of health care has been a multifaceted discussion over the last decade, but it has now arrived. One key stumbling block is the isolated and fragmented way in which many health organizations approach customer engagement. To win in digital health, organizations need to rethink their business models to align cost, quality, patient engagement and customer experience. This requires partnerships with IT companies, payers, start-ups and even other industries. These new partnerships and the products they create are paving the way to a digital health future.

Furthermore, health care's high barrier of entry is falling as entrants from other industries bring their competencies to bear:

- ▶ Technology companies are using social and consumer engagement platforms, coupled with data analytics and mobile health solutions, to develop personalized, actionable insights on a population health-level.
- ▶ Retailers are driving insights into patients' lifestyles and behaviors and becoming the future of health care service.
- ▶ Consumer product companies are introducing user-friendly technologies from other industries and making big bets on nutraceuticals and superfoods.
- ▶ Start-ups are accelerating the industry's speed to market, spurring fresh thinking and forcing traditional players to move fast.

Consider this: since 2000, digital disruption has demolished 52% of the Fortune 500*

To prepare for disruption, take note of other industries where digital convergence is a way of life. In many cases, established players failed by ignoring similar customer demands and reacting too slowly. Remember Blockbuster? It was overrun by Netflix, and today, major television networks look to Netflix with envy as the streaming service continues to transform how people view and pay for television and movies. Other examples include:

- ▶ In four years, Airbnb has completely disrupted the hotel industry and today has more than 100 million users with close to a million listings around the world.
- ▶ Robotics process automation helped an international insurer cut down reporting times from 90 to 12 minutes, with 100% accuracy.

- ▶ Electric carmaker Tesla, which produces a fraction of vehicles compared with major US automakers, has achieved a higher market capitalization than any – based on its prospects, not profits. It uses personalized digital marketing, as opposed to a dealer network, to drive sales.

So the pressure is on the health sector to catch up and keep up. As other industries have learned, disruption is full of threats – and opportunities.

What can I do differently to avoid being disrupted?

As Apple's early marketing so famously posited, "Think different." The digitization of health care requires a new business model, a new organizational structure, new talent and new questions. Leaders are asking:

- ▶ How can digital simultaneously improve patient safety and quality of care, while bringing down costs?
- ▶ How can digital transform care management across multiple care settings, such as hospital, ambulatory, retail and home?
- ▶ How do I use digital to improve patient outcomes by better managing handoffs within my facility and across care settings?
- ▶ How do I leverage data and analytics to direct patients to lower-cost care settings or providers?
- ▶ How can blockchain help me manage provider data?
- ▶ How will digital solutions impact my operating model? What processes, technologies and organizational changes are required?

That last question is key. If your destiny is to disrupt rather than be disrupted, you must shift how your organization operates. Digital will impact every facet of your organization, so the silos must give way to interoperability. In the new digital environment, disconnected departments, such as supply chain, risk, technology, finance, recruiting, accounting, scheduling and care management, will all be linked and collaborating.

* Source: <https://www.constellationnr.com/disrupting-digital-business>

The patient-centric health ecosystem





Realign the model

Is your business strategy and operating model aligned to reap the benefits of the digital age? Silos are a barrier to progress. Think of digital as an enterprise investment, not a simple solution to one problem. A holistic view is best. Workflow and architecture need to be aligned to capitalize on the full capabilities of the technology. Future digital investments need to expand the return of prior initiatives.

Convergence of industries will unlock value

The convergence of industries is moving health care forward in ways never imagined. Twitter is tracking disease outbreaks, telehealth is now a standard model of care delivery, insurers and employers are now investing in preventative care, 3D pills allowing “downloadable medicine,” home-based genetic testing kits, fitness trackers and wearable devices. These innovations are all part of an industry that will reap great rewards in improving safety, decreasing costs and meeting customer expectations.

Know your customer

Do you know when consumer demands change? How are you monitoring shifts in consumer sentiment? Today’s super consumers want super experiences. Embrace the world of the constituent, from consumers to providers to brokers and employers in the health care value chain – then design and recommend new experiences for them. Obsess over helping your customers solve their biggest problems.

Say goodbye to the digital divide

Is your operating model designed to support and enhance your digital decisions while advancing the member and patient experiences? Digital is most powerful when your entire organization embraces its possibilities and understands its internal and external impacts. Sharing technology through common platforms will enable artificial intelligence, advanced decision-making and more consumer-friendly capabilities. Align your operations to deliver on the promise of digital.

Manage your risks

Are you scanning the horizon and protecting your business from risks inherent in the digital future? Patient chat rooms, electronic medical records and social media all require the most advanced cybersecurity measures. But – a word of caution – don’t let cybersecurity paralyze your digital transformation.



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Be a winner in the consumer-driven, health marketplace of the future

Health care's future winners will be those that can best recognize the impact of the digital future and adapt accordingly. They will focus on core competencies and outsource tasks others can do better. They will team up quicker, collaborate in a more meaningful way and invest in dynamic capabilities. But most of all, they will overcome the inertia to change, as well as the perceived risks of adapting and diversifying their business model.

EY is equipped to help as you apply digital solutions and innovation to your business, reinforce your cybersecurity programs, make sense of massive daily data collection or look to tax savings to fund an acquisition. No matter where you are on this journey, we have proven experience that can help you apply a holistic view of your organization to take care your business, systems, talent and communities reap the full value of today's digital enterprise.

We can provide end-to-end services, as well as the confidence to help you navigate the complex world of digital ecosystems. Ask us about new ways to map the latest breakthrough, manage risk, lower costs and find new markets.

At EY, we have the knowledge, experience and talent to provide options as the universe of digital health evolves. From back-office operations to the most innovative strategies, we are leaders in helping businesses like yours reimagine, comply, measure and monitor in a changing landscape.

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Across the world, health care systems and entities are under unprecedented pressure. Spiraling costs, exacerbated by aging populations and emerging market growth, are bringing newfound focus on value and outcomes. Mobile health and data analytics promise to revamp care delivery but are also bringing in competitors from other sectors. For governments, payers and providers, these trends create a host of challenges: extracting insights from "big data," partnering in new ways, boosting operating efficiencies and more.

EY's Global Health Sector brings together a worldwide network of more than 4,000 sector-focused assurance, tax, transaction and advisory professionals with a range of health care and business backgrounds. Our wide-reaching network allows us to rapidly share leading practices and solutions around the globe and deploy diverse delivery teams to meet your needs. ey.com/health

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