How Providers Benefit from a Modern Digital Back Office

By connecting finance, supply chain and human resources systems via a single platform, healthcare organizations can be more agile and weather challenges better so they can always stay focused on patient care

The underlying mission of the healthcare industry is to provide the highest quality patient care. But, there can be no mission without margin. Even in the best of times, healthcare organizations are prone to carrying unnecessary expenditures. As noted in a recent Annals of Internal Medicine study, U.S. payer and provider organizations spent $812 billion on administrative costs in 2017 – a whopping 34.2% of national health spend.[1]

In order to thrive during normal operations or times of business disruption, provider organizations are benefitting from the insights and agility provided by a modern digital back office. Having the right back-office information technology (IT) infrastructure can help organizations identify and eliminate administrative waste and redundancies while constantly reevaluating business processes to promote true value across the enterprise.

Amy Andersen, Industry Executive Director of Healthcare, Oracle, underscored this, saying: "The healthcare industry, traditionally, has lagged when it comes to investment into nonclinical systems. But now, more than ever, we need to pay attention to having the right digital infrastructure in place," she explained. "When you have one platform that can connect human resources, supply chain and finances, you can look at cross-organizational data in real time without the need for manual data aggregation. It puts you in a position to dynamically respond to any situation your organization may

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> **Amy Andersen** | Industry Executive Director of Healthcare | Oracle

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> **Ben Rooks** | Managing Principal | ST Advisors

be facing – and also allows you to eliminate shadow systems. The COVID-19 pandemic has magnified the importance of a modern digital back office and the importance of sharing information to make essential, data-driven decisions in real time.

"Consider a scenario where a provider organization must plan how to best respond to a pandemic surge that may be expected in the local area," Andersen continued. "With connected business applications, that provider's pandemic response team can model various revenue and resourcing scenarios to develop a surge response. This might involve looking at the existing talent pool to plan for additional resources that may be needed, predicting which clinical services could be temporarily suspended or switched to telehealth platforms, bed management or planning for a surge in demand of critical supplies. Moreover, by using state-of-the-art embedded machine learning capabilities trained on a long history of data, operational teams can set plans in motion and continually update them with new information as they go."

Leading healthcare organizations (HCOs) like Blue Shield of California, Adventist Health and Emblem Health are turning to business applications built on a modern cloud infrastructure that offers extensibility and uniform data sharing. Modern digital back-office platforms provide the kind of information that can help organizations plan ahead, respond to evolving conditions, and make sure patient care is never compromised. Ben Rooks, Managing Principal of ST Advisors, a leading health IT strategy firm, observed, "By more effectively managing the business aspects of care delivery [e.g., contracting, inventory, finance], health systems can avoid waste and deliver care that's both higher quality and more effective – a win for every stakeholder in the system – clinicians, administrators and patients alike. As technology improves, the value proposition for improving business IT systems becomes ever more compelling.

"To stay competitive in the healthcare landscape, connected systems that can share real-time data and insights across enterprise operations provide a holistic and coordinated foundation for data-driven decision-making, including clinical service costs and revenues, supply chain and PAR [Periodic Automatic Replacement] inventories, workforce planning, recruitment and talent management," Rooks continued. "Connected systems support operational efficiency, risk reduction and flexibility to respond to the changing conditions and emergent needs. And, ultimately, an effective digital back office enables healthcare organizations to focus on their mission – providing the highest quality patient care."

To learn more about the advantages of a modern digital back office to promote true data-driven operational decision-making in real time, check out [Oracle Modern Best Practice for Healthcare](#) or visit [explore.oracle.com/healthcare](#).

Reference

1. Himmelstein, D.U., Campbell, T., and Woolhandler, S. 2020. Health care administrative costs in the United States and Canada, 2017. *Annals of Internal Medicine* 172(2), 134-142. https://www.acpjournals.org/doi/10.7326/M19-2818.

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