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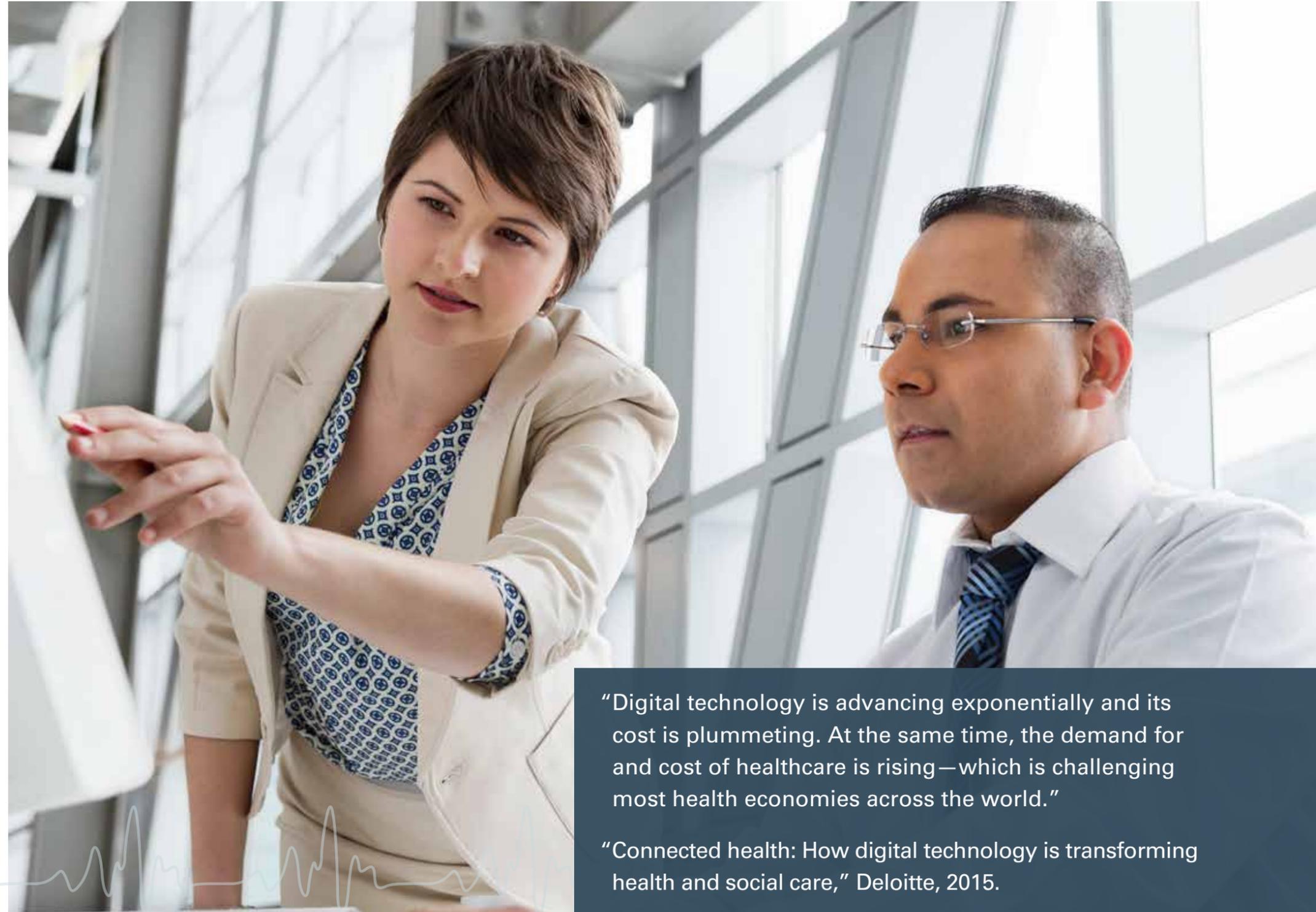
**ORACLE**<sup>®</sup>  
HEALTHCARE

# Digital Healthcare: Building the Future for Your Organization

Transforming your payer organization with modern finance and HR.

**It's a dynamic and challenging time for the healthcare industry. Disruptive forces—such as the Affordable Care Act (ACA) and the consumerization of healthcare—have created a new type of marketplace. Healthcare payer organizations are in a race to respond.**

Healthcare leaders of today realize that the single-purpose software applications that worked in the past simply can't deliver a winning strategy for this rapidly changing industry. They also know that IT innovation is a key to success. The move from fee-for-service to value-based care brought new ways to evaluate, measure, and pay for healthcare. And—with pressure from all sides to reduce costs—healthcare payer organizations are taking a hard look at the technology they're using for back-office operations, such as finance and HR. With an eye toward faster innovation, these forward-thinking organizations are transforming the traditional back-office into digital healthcare operations that are full-featured, modern, and integrated.



“Digital technology is advancing exponentially and its cost is plummeting. At the same time, the demand for and cost of healthcare is rising—which is challenging most health economies across the world.”

“Connected health: How digital technology is transforming health and social care,” Deloitte, 2015.

## The case for change: challenges in the healthcare industry.

Over the last several years, best-of-breed software has given way to modular, single-purpose application suites that have provided the foundation for enterprise resource planning (ERP), enterprise performance management (EPM), and human capital management (HCM).



Since 2014, however, industry disruptions and technology innovations have prompted healthcare payer organizations to rethink their operations and transform them through flexible, more-connected digital solutions. These organizations are working hard to keep up and effectively respond; however, to meet today's challenges, they need a new model—a different approach.

Moving to the cloud and transforming your back-office operations is an important first step in your digital journey. So, what stands between you and modern digital healthcare? Take a look at some of the key industry challenges and see which ones relate to your organization.



### Meet the new healthcare consumer.

Regulatory changes have created a new type of healthcare consumer—one who is more sensitive to insurance costs and wants to compare plans side by side. These consumers demand (and are beginning to receive) more information and more choices when it comes to selecting healthcare services. And, like the savvy consumers they are, they aren't afraid to shop around for the best value or for a more convenient location.



## Increased costs and shrinking margins.

Consumers look to healthcare payer organizations to make healthcare more affordable. However—as with all successful businesses—healthcare payer organizations must also maintain acceptable margins. With growing pressure to meet customer demands, organizations are scrambling to find solutions as costs continue to rise because of:

- Increased competition, including mergers and acquisitions with other businesses
- Ongoing regulatory changes with huge financial implications
- Mandatory compliance with new regulations
- Changed payment models to accommodate the move from volume-based care to value-based care

**Many factors are beyond the control of healthcare payer organizations, but one area where reducing costs is possible—and brings other advantages as well—is information technology (IT).**

### Margin pressures—how did this organization handle it?

One rapidly growing healthcare payer organization reduced overhead and operations cost with integrated ERP and EPM solutions.



## The rapid rate of regulatory changes.

Regulations have always been a part of the healthcare industry, so what makes the current environment so different?

- The ACA and related legislation, including the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and its implications for medical loss ratios (MLR), have made an unprecedented number of changes—changes that affect huge population groups, not just small subsets.
- Audits that ensure corporate compliance with the new regulations and standards of care have become more common, and the penalties for noncompliance have increased in frequency and amount.
- Demonstrating compliance requires powerful data analysis and advanced reporting capabilities to generate the required metrics—a process that must be done more often and in more detail than in the past.
- Finding people with the right skillsets—either from within an organization or with new hires—is always challenging, but a shortage of qualified candidates is creating an extremely competitive talent market.

**The magnitude of these changes and the associated increase in audits and required metrics has healthcare payer organizations looking for more-cost-efficient ways to administer the new requirements and provide customers with more low-cost options.**

### Changing regulations—how did this organization handle it?

A US\$10 billion healthcare payer organization replaced its legacy ERP system with modern financials in the cloud to support new financial reporting requirements.



## Fierce competition for hard-to-find talent.

To accommodate industry changes, healthcare payer organizations are updating their organization charts and rethinking what kind of talent they need to support and grow their organization. In the healthcare industry's highly competitive talent market, HR groups that don't have real-time access to a single source of integrated data from across the organization are working at a distinct disadvantage.

- Advanced analytics include leading indicators that can help HR fill positions, but not if the data they need is in legacy applications and data silos throughout the organization.
- Data-driven analysis lets recruiters identify potential candidates, but they need real-time access to complete data to compete in this extremely tight talent market.
- Getting the right employee in the right role requires access to data that goes beyond HR and includes the entire organization.
- Onboarding employees from mergers and acquisitions goes faster when HR works with a single set of data for one version of the truth—as does identifying and removing redundant positions.
- Without integrated data from across the organization, managers and executives have to make staffing decisions using one set of data from HR, another set of data from finance, and so on.

**Finding qualified people to fill the roles in an evolving workforce is critical to growing healthcare payer organizations, but it requires significant investment in HR strategies and initiatives. HR must be ready to take on this leadership role so they can recruit, acquire, engage, train, and retain the talent needed by the organization.**

### Hard-to-find talent—how did this organization handle it?

A diversified healthcare organization turned to an integrated talent-acquisition application and built a talent pool for high-volume positions, decreasing the number of “quick quits.”



## Industry consolidation and potential opportunities.

Healthcare payer organizations are identifying new services, locations, and lines of business (LOB) to help them be more competitive in a quickly changing industry. Mergers and acquisitions are happening at a record pace as organizations move quickly to take advantage of new opportunities.

A best practice for successful mergers and acquisitions—as well as for restructuring internal reorganizations—is to get the people affected by the change onboarded and productive as soon as possible. It sounds straightforward until you look at what's keeping you from getting everyone settled in the new organization.

- Applications supporting back-office operations are located in isolated, disparate systems on decentralized platforms.
- Data is siloed throughout the organization, making it slow, difficult, and expensive to integrate a new organization—or even a new LOB—into your current organization.
- Consolidating financial statements and bringing business units together is a tedious and painful process that hinders both sides in a merger or acquisition.
- Because there is no single source of truth to work from, analytics and reporting are inconsistent, difficult to substantiate, and sometimes incorrect—leaving managers and executives to make important decisions with incomplete data.

**With so much more healthcare data being digitized today, it's easy to understand how organizations can spend more time locating, gathering, and scrubbing data than they do analyzing it. Unfortunately, the process is also expensive and time-consuming, and can result in missed opportunities for your organization.**

### Mergers and acquisitions—how did this organization handle it?

Following a merger, a large managed healthcare organization quickly implemented talent management solutions and lowered its total cost of ownership (TCO) by decommissioning its legacy systems.

## What modern technology can do.

Healthcare payer organizations are looking for innovative technology that's easy to use, secure, complete, integrated, and fast to deliver value—all at a lower cost to buy and maintain, and with a more predictable cost structure.

They also need a solution that's:

- Agile enough to respond to the industry's unprecedented change
- Scalable—to keep up as they take advantage of new growth opportunities



"A huge concern for us was the level of compliance that we must adhere to, for both regulatory bodies like the FDA and government agencies like Health Canada. We wanted tools that could keep processes simple and still get us to the level of compliance we needed. We've always had a goal of getting to the cloud, but the tools fell short in terms of requirements, robustness, and compliance. Oracle came forward with a very robust, cost-effective, and scalable solution."

Steven Plymale, President and COO, Profound Medical Corp.

# So, how *do* innovation and modern technology help you take on these key challenges?

## Unified ERP, HCM, and EPM in a modern cloud, from a trusted vendor

THE CHALLENGE	THE INNOVATION	
<b>Increased costs and shrinking margins</b>	<ul style="list-style-type: none"> <li>• Slash IT costs with scalable cloud solutions that grow with your organization</li> <li>• Free up valuable resources to take on value-added tasks</li> <li>• Budget more accurately with predictable monthly subscription costs</li> </ul>	<ul style="list-style-type: none"> <li>• Delegate responsibility to your cloud vendor to:               <ul style="list-style-type: none"> <li>– Keep your applications up to date with the latest features and capabilities</li> <li>– Handle planned (and unplanned) maintenance costs</li> <li>– Schedule platform upgrades and anticipate hardware limits</li> </ul> </li> </ul>
<b>The rapid rate of regulatory changes</b>	<ul style="list-style-type: none"> <li>• Eliminate data silos for a complete view of the organization, with embedded analytics to:               <ul style="list-style-type: none"> <li>– Streamline back-office operations</li> <li>– Accurately calculate key metrics and data points</li> <li>– Better evaluate viable opportunities for growth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– Gain actionable workforce insights across the organization</li> <li>– Enable deeper analysis across HR and finance for pull-through transparency</li> <li>– Generate consistent, organizationwide reports that meet regulatory and audit requirements</li> </ul>
<b>Industry consolidation and potential opportunities</b>	<ul style="list-style-type: none"> <li>• Leverage increased agility and scalability to integrate new LOBs</li> <li>• Create an organizationwide view of data that empowers executives, managers, and analysts to:               <ul style="list-style-type: none"> <li>– Uncover potential opportunities and better predict financial outcomes</li> <li>– Incorporate operations from mergers and acquisitions</li> <li>– Adjust and adapt to mergers and acquisitions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Enable advanced analytics for better decision-making, including:               <ul style="list-style-type: none"> <li>– Key data points, such as employee return on investment (ROI)</li> <li>– Workforce models created under various restructuring scenarios</li> <li>– The probability of success of employees under different managers</li> </ul> </li> <li>• Better manage back-office operations, including insights into finances, cost governance, and margins throughout consolidation</li> </ul>
<b>Fierce competition for hard-to-find talent</b>	<ul style="list-style-type: none"> <li>• Use HR, talent, and organizationwide analytics for deeper workforce insights to:               <ul style="list-style-type: none"> <li>– Better manage the workforce through changes such as mergers and acquisitions</li> <li>– Align employee skillsets with evolving healthcare roles</li> <li>– Uncover talent gaps and develop strategies for recruiting and retaining top talent</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– Engage employees with social and mobile applications to increase collaboration and productivity</li> <li>– Identify top performers and grow future leaders</li> <li>– Build a strong healthcare talent pipeline</li> </ul>



## Oracle's unified back-office cloud solution.

Innovation alone is not enough—but innovation in the hands of a trusted vendor who can provide all the benefits of modern cloud technology can give your payer healthcare organization a real advantage.

Oracle's ERP, HCM, and EPM cloud applications for healthcare payer organizations transform finance and HR operations into a broadly integrated solution that's available throughout the organization. This unified approach streamlines operations and provides one real-time version of the truth to use as the base for all analysis, planning, and reporting. Analysts, managers, and executives work from this same set of data to gain insight, to make decisions, and to plan.

- HR leaders get workforce insights and actionable information to help in the highly competitive search for workers with new skillsets.
- Operational efficiencies resulting from more-accurate insight reduce costs and protect margins.
- Advanced reporting capabilities provide a complete view of operations—even drilling down to see data contributed from anywhere in the organization.
- A standards-based infrastructure means that data for your one version of the truth can also come from outside sources—providing insight into the evaluation of potential growth opportunities.

## Start with a strong foundation.

With so many cloud applications available, trying to find the right one can be frustrating. However, the key to transforming your back-office operations into a modern digital healthcare solution is finding a vendor you can trust to provide a unified, integrated modern cloud environment.

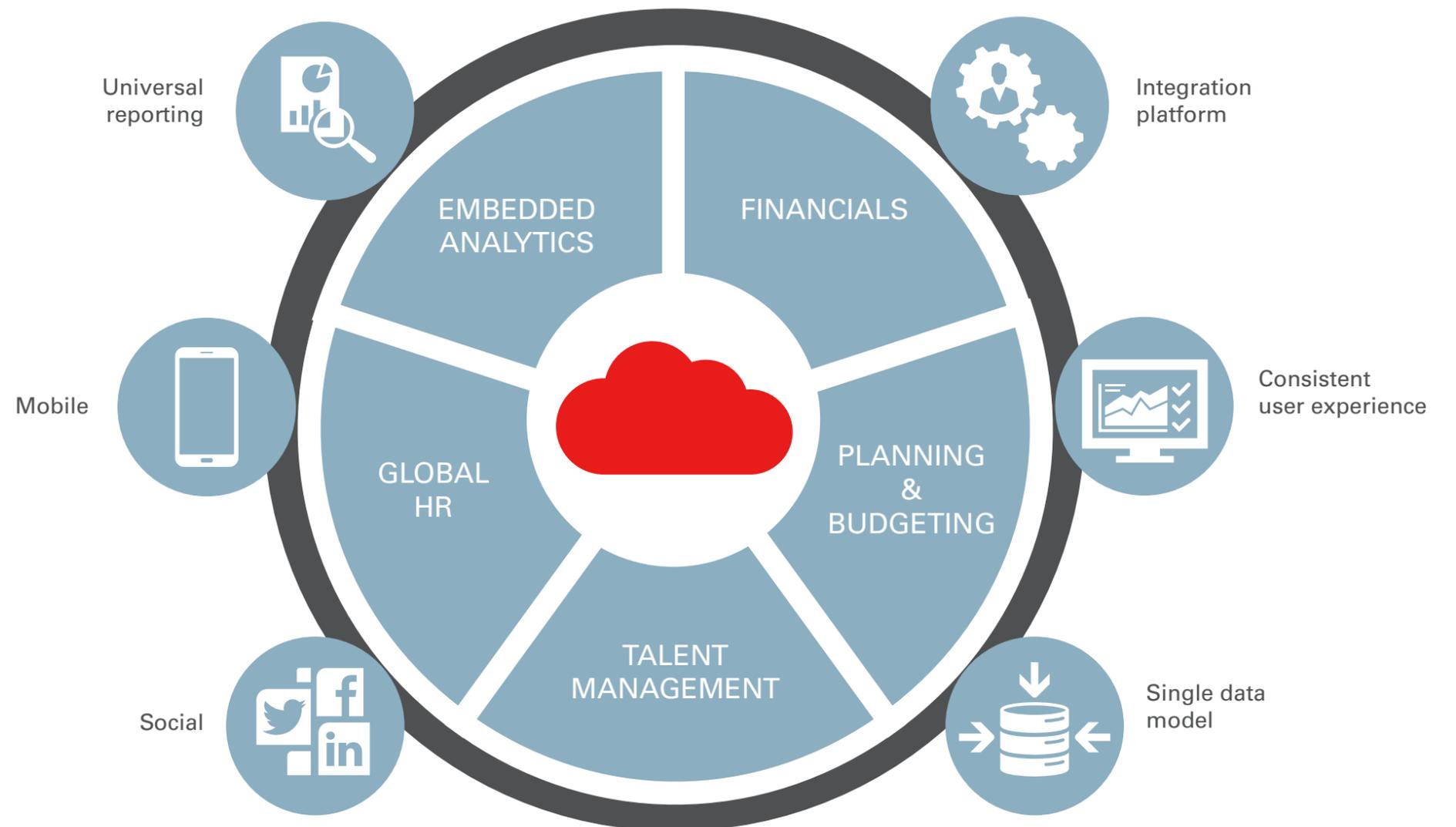
**FACT:** Organizations with integrated ERP and HCM are:

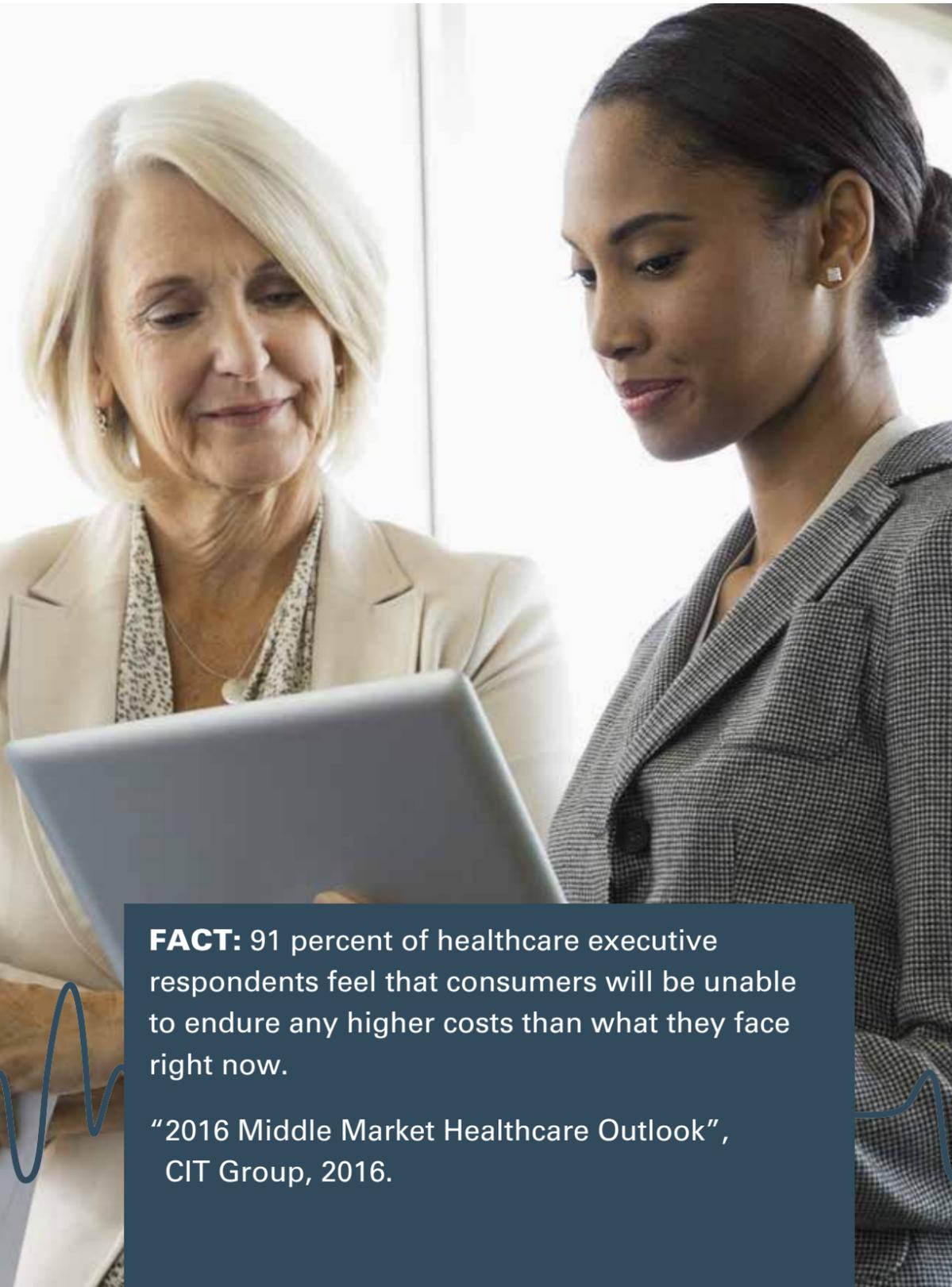
- 47% more likely to have real-time visibility into all processes and data
- 64% more likely to have a unified view of labor costs and workforce data
- 44% more likely to share data with the extended enterprise—including patients, partners, and regulatory agencies
- 42% more likely to be able to monitor regulatory compliance

“Aberdeen Healthcare Leaders Integrate HCM and ERP Solutions in the Cloud to Improve Decision-Making”, Aberdeen Group, 2016.

### A unified finance and HR solution.

Oracle’s unified cloud solution integrates ERP, HCM, and EPM functionality so analysts, managers, and executives can collaborate across traditional functional divisions to perform tasks such as financial reporting, budgeting, forecasting, and workforce planning. Oracle’s integrated applications use streamlined processes and a single, consolidated source of truth to provide an accurate big picture for the entire organization.





**FACT:** 91 percent of healthcare executive respondents feel that consumers will be unable to endure any higher costs than what they face right now.

“2016 Middle Market Healthcare Outlook”,  
CIT Group, 2016.

## Mobile, social, flexible, and secure.

The benefits of the cloud are especially apparent when you're accommodating the volatility of today's healthcare industry. Whether it's scaling to adjust to the demands of a merger or acquisition, or upgrading applications to incorporate a new reporting requirement, Oracle cloud solutions give you the agility to stay in the game. And with Oracle's standards-based cloud platform, you can also extend data from your other applications to the cloud, so you aren't limited to using only Oracle applications.

Oracle's cloud security ensures the privacy critical for healthcare organizations to comply with regulations—offering shared resources when it makes sense and isolating resources when it doesn't. You can also securely share information and connect easily to other systems, both on-premises and in other clouds.

### What employees expect.

Today's employees expect to have social and mobile capabilities, and the same flexible user experience that they have on their own devices. With a simple, connected user experience, Oracle's enterprise applications reflect how your employees already engage in the workplace, and make it easy for them to collaborate and be more productive.



## Lower your total cost of ownership.

Oracle Cloud Solutions help you cut IT spending and reduce your total cost of ownership (TCO) by using fewer resources to maintain and support your applications. You can turn over your responsibilities to Oracle experts who maintain, upgrade, and troubleshoot the hardware, software, and systems while your experts work on value-added tasks for your organization. Your employees are more productive when they always have access to the applications they need and have the latest features and capabilities installed and ready to use. Even deploying installations for new hires is fast—helping everyone be more productive, sooner.

In the cloud, Oracle's software as a service (SaaS) applications offer subscription-based licensing that provides a predictable, monthly subscription cost to include in your budget. And with no hardware to purchase or maintain (or worry about the depreciation of), you help minimize your organization's capital investments. In addition, Oracle's cloud applications are modular, so you can activate the solutions you need on a timeline that works for your organization, spreading out the expense of the move as well as the amount of time you spend in transition.

**FACT:** A recent report by AON found companies that increased employee engagement by just 5 percent gained 3 percent in overall company revenue. A highly engaged workforce reduces the risk of staff turnover—an extremely costly issue, especially within healthcare organizations that rely on deep expertise and specialized talent.

"Trends in Global Employee Engagement: Making Engagement Happen", AON, 2015.

## Modern back-office solutions in the cloud.

Transform your back-office operations with Oracle's integrated, collaborative ERP, HCM, and EPM cloud applications that offer advanced analytics and the latest in social and mobile technologies.

<b>Oracle ERP Cloud</b>	Transform financial and procure-to-pay processes
<b>Oracle HCM Cloud</b>	Recruit, retain, and grow tomorrow's healthcare leaders
<b>Oracle EPM Cloud</b>	Promote faster, more effective financial and planning management

## Streamline financials and operations with Oracle ERP Cloud Service.

Automating and streamlining your financial business processes brings new operating procedures that offer consistently superior performance. Oracle Enterprise Resource Planning Cloud (Oracle ERP Cloud) delivers a comprehensive solution that streamlines and automates transaction processes. With basic tasks handled, your finance group can focus on more strategic projects.

**FACT:** 76 percent of business leaders say their current ERP system is unacceptable.

“ERP Consolidation: The rationale is growing stronger”, APOC, 2013.

### Choose the functionality you need from Oracle ERP Cloud modules:

- General Ledger
- Assets
- Employee Expenses
- Planning and Budgeting
- Multicurrency/ MultiGAAP
- Payables
- Cash Management
- Invoice Imaging
- Consolidation
- Healthcare Costing
- Supply Chain Management
- Receivables
- Collections
- Intercompany Processing
- Reconciliation

With Oracle ERP Cloud, healthcare payer organizations can transform, streamline, and simplify financial and procure-to-pay processes and reporting capabilities into a center for back-office operations that lets them easily accelerate decision-making, control costs, and evaluate and adjust their current business practices in response to a changing industry.

Oracle’s standards-based cloud platform lets you personalize your applications and extend their capabilities to connect with non-cloud legacy or hybrid applications in a secure SaaS environment. Oracle is continually deepening functionality and adding new capabilities to make Oracle Cloud ERP the best-in-class ERP solution for the healthcare industry.

## Promote strategic leadership with Oracle HCM Cloud.

A changing healthcare industry brings new roles and responsibilities to payer organizations. With productive, role-defined processes (as well as a range of social, learning, and collaboration tools), Oracle Human Capital Management Cloud helps you efficiently attract, retain, and grow the talent you need—talent that can help you quickly implement the practices and procedures to transform your organization. Unfortunately, a shortage of talent available for these types of positions is making it more and more difficult to find and recruit or train key people.

“Oracle spent time gathering our requirements. They built our requirements inside HCM, and then they proved to us they could process the special payroll that we use.”

Jessica March, HRIS Manager,  
Colorado Permanente Medical Group

Choose the functionality you need from Oracle HCM Cloud modules:

### Global HR

- Workforce Directory
- Workforce Predictions
- Workforce Modeling

### Global Payroll

- Compensation Management
- Incentive Compensation
- Benefits

### Sourcing, Recruiting, Onboarding

- Goals and Performance
- Talent Review and Succession
- Career Development
- Learning

### Time and Labor

- Absence Management
- Project Management
- Expense Management

### My Wellness

- My Competitions
- My Reputation
- My Volunteering
- HR Help Desk

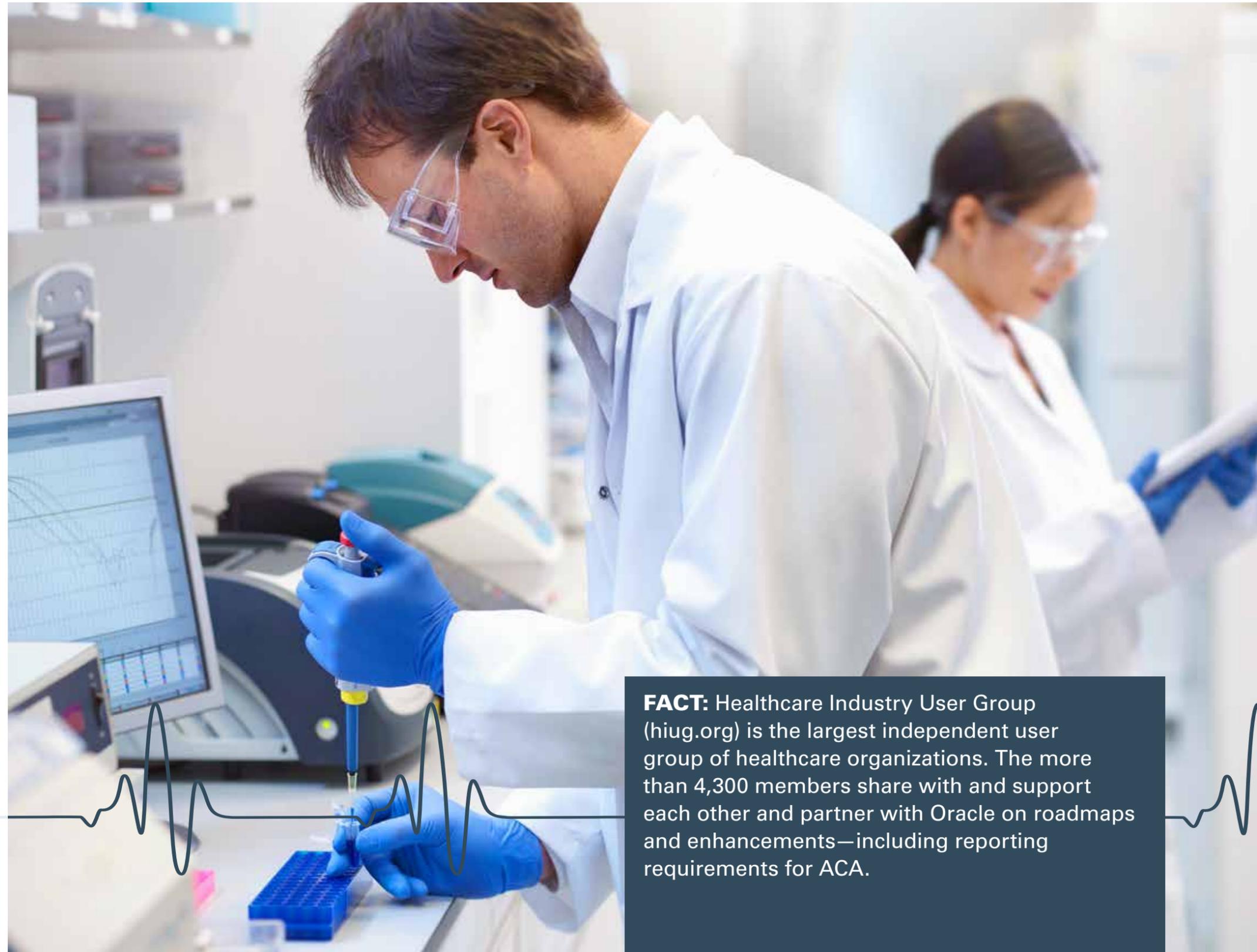
“We have more than 190,000 employees, and we are going to get a positive ROI. We expect that to come from the user experience, employee and manager self-service, and analytics that managers get when they need them. We believe that if our managers have timely information about their workforce, then they can actually influence hard-dollar items such as overtime.”

Kerri-Lynn Primmer Morris, Executive Director,  
Kaiser Permanente

The modern HR solutions in Oracle HCM Cloud help you attract and onboard the best talent and create a culture of high performance that quickly becomes a competitive advantage for your organization. Oracle HCM Cloud goes beyond traditional HR tasks to reflect the needs of modern healthcare organizations, and offers the modern tools to help you fill hard-to-source positions with high-quality, socially sourced referrals. Oracle also streamlines recruiting and onboarding with automated processes and mobile-friendly applications.

Oracle HCM Cloud provides insight for HR executives—insight that comes from using the same single source of truth used throughout the organization—and provides actionable information that’s more complete, more in-depth, and more accurate.

The capabilities to simplify critical HR processes are available “out of the box”, so your team can get to work immediately. In addition, with Oracle HCM Cloud, you get the flexibility to personalize, brand, and extend your cloud experience.



**FACT:** Healthcare Industry User Group ([hiug.org](http://hiug.org)) is the largest independent user group of healthcare organizations. The more than 4,300 members share with and support each other and partner with Oracle on roadmaps and enhancements—including reporting requirements for ACA.

## Strategize, plan, and optimize with Oracle EPM Cloud.

Companies of all sizes can benefit from the market-leading applications in Oracle Enterprise Performance Management Cloud (Oracle EPM Cloud) as it extends your investment and provides additional management solutions for the organization.

### Choose the functionality you need from Oracle EPM Cloud modules:

- Strategy Management
- Planning, Budgeting, and Forecasting
- Financial Close and Reporting

- Enterprise Performance Management
- Profitability and Cost Management
- Enterprise Resource Planning
- EPM Platform
- EPM for Midsize

Oracle EPM Cloud helps managers drive predictable performance and report results with confidence, and it makes performance-management processes available to more people in your organization. Oracle EPM Cloud works with Oracle ERP Cloud to provide complete insight into cost structures so you can mitigate risk and improve decision-making—especially important when evaluating potential mergers and acquisitions.

Along with embedded analytics and seamless drill-down capabilities for in-depth analysis and deep insight, Oracle EPM Cloud brings the innovation and simplicity of the cloud to predict and manage performance. Oracle EPM Cloud is integrated with Oracle ERP Cloud and Oracle HCM Cloud, so all applications use the same set of data to get a single source of truth in their reporting and analytics—which lets C-level executives report results with confidence.



### Making the commitment.

Oracle has significant partnerships with a network of key stakeholders in the healthcare ecosystem, including providers, payers, pharma, medical device companies, and government. And that's just the beginning:

- Oracle is recognized as the #1 healthcare vendor (as designated by IDC).
- Over 100 leading healthcare payers run Oracle Applications.
- Oracle has more than 3,000 employees focused on healthcare.
- Oracle has a general business unit dedicated to healthcare solutions.
- Oracle has named Healthcare and Life Science as one of its top growth industries over the next 20 years.

## Oracle's commitment to the healthcare industry.

For more than 30 years, Oracle has worked with all aspects of the healthcare industry to provide solutions in finance, ERP, HCM, and EPM.

Oracle adds value to the healthcare delivery process by supporting core business operations—still a priority as Oracle continues to invest in new and enhanced healthcare functionality.

Oracle's strong position in both US healthcare markets and those around the world provides healthcare payer organizations with confidence

that a partnership with Oracle will bring long-term success and the best modern business capabilities that the market has to offer.

In addition to providing technology solutions for healthcare, Oracle participates and provides leadership on the boards of industry-standard organizations, and has been recognized throughout the healthcare industry for its continuing contributions.

### How do I start?

Contact us to learn more about what's possible with Oracle's unified ERP, HCM, and EPM solutions for healthcare payer organizations.

Call **+1.800.633.0738** to speak to an Oracle representative or visit [oracle.com/industries/healthcare](http://oracle.com/industries/healthcare).

Integrated Cloud Applications & Platform Services

Connect with us.

