

Healthcare Imperatives & Tech Mahindra Solutions



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Executive Summary

Healthcare organizations are grappling with unprecedented challenges.

- Regulations – Move towards outcome and value-based care. CMS and payers are exerting pressure on providers to keep patients healthier and healthcare is moving from 'fee for service' to 'value-based care'.
- Affordability challenge due to rising costs – Costs are rising faster than GDP, putting pressure on affordability of patients.
- Consumerism in healthcare – Patients are more informed than before and they can choose a provider of their choice. Patient experience and innovation in healthcare delivery are rated as priority areas in patient care.

Therefore the healthcare industry is faced with challenges such as:

- Improve patient health outcomes
- Reduce costs of internal operations
- Bring innovation in patient engagement and care

Critical Challenges faced by Healthcare Providers

Rising costs

Worldwide healthcare costs are rising faster than the GDP, making healthcare unaffordable. Healthcare organizations are also saddled with high fixed cost base and disjointed systems and processes, leading to revenue leakage exerting further pressure on the thin margins of providers.

Consumerism in Healthcare

Today patients are well informed. Care provider should therefore, prioritize enhanced patient engagement and provide best-in-class experience. This means providers must embrace digital technologies and transform organizational processes, as it is imperative to change the way they run the operations.

Shift from FFS to Value based payments

Value based care is emerging as a solution to address rising healthcare costs and clinical inefficiency. Value-based care is therefore designed to be patient centric. While value-based care helps address the challenge of rising costs and making care more affordable, it comes with its own set of challenges for providers as they are paid for better patient outcomes based on evidence rather than for the services rendered. Providers are also required to track a wide variety of parameters to make care more evidence based. All this is putting pressure on operating processes. However, payment models are still evolving.

TECH MAHINDRA OFFERINGS

Tech Mahindra's unique blend of Transformational Consulting and BPS Services broadly cover

- Care Management Transformation
- Operations Transformation
- Shared Services Transformation

Our BPS offerings

- Patient engagement
- Care Management Support
- Service Desk for IT and Application Support
- Revenue Cycle Management



Transformation – an answer to business challenges

To address these challenges healthcare organizations need to carry out a holistic transformation in patient-facing processes and business operations and also rationalize the costs across various functions within the organization. An ideal transformation model to help the healthcare organizations to enhance patient and stakeholder satisfaction, increase profitability and rationalize cost of operations would look like:



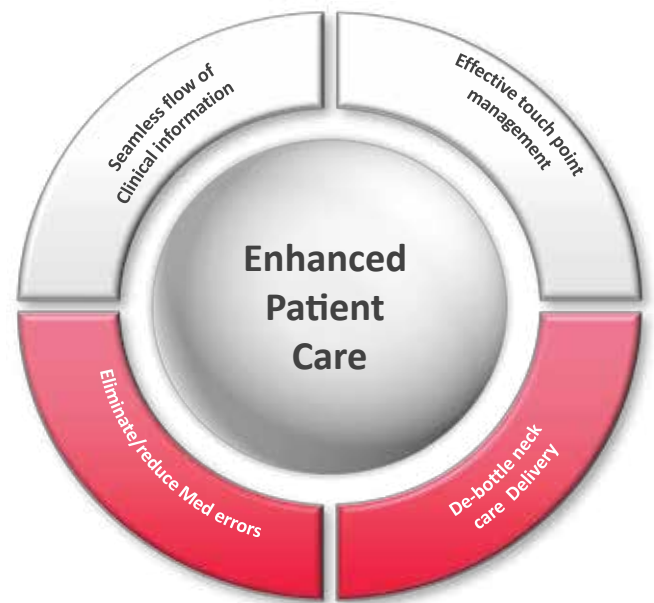
AAC based Transformation framework

Care Management Transformation

Healthcare is ironically seen as a non-consumer friendly. However, due to increase in deductibles and disruptions in digital and care delivery spaces it is imperative for healthcare providers to pay attention to patient focused care in 2017 and beyond. According to research by Prophet and GE Healthcare 81% of patients are unsatisfied with their healthcare experience.

Therefore there is a need for holistic care transformation, through which healthcare organizations can achieve:

- Enhanced patient engagement beyond websites and mobile apps
- Build transparency in pricing and other patient facing processes
- Make it easy for patients across care processes
- Create digital experience throughout the organization, especially in patient-facing processes



Tech Mahindra BPS Care Management Transformation Model

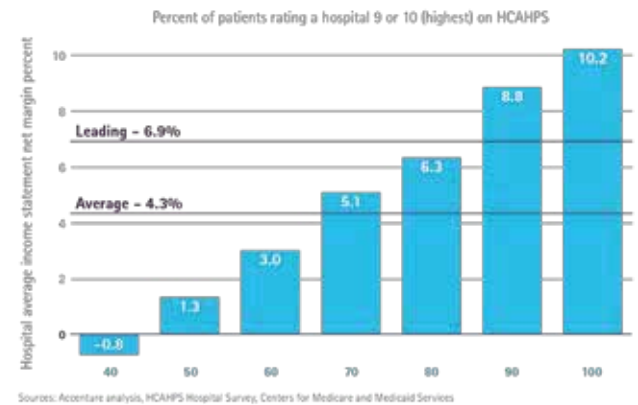
Therefore, care transformation involves four main dimensions or aspects that have the greatest influence on patient care and patient experience.

Effective touch point management

A patient is a consumer of healthcare services. Like any other consumer, experience across all the touch point is an important aspect of patient service for any healthcare organization. Hospitals offering a superior patient experience tend to have 50% higher margins than their peers. This means healthcare providers who deliver a superior patient experience can ensure a healthy financial future as well. Research by Accenture, and HCAHPS Hospital survey, and CMS prove this point and the results can be seen in the following graph:

Figure 1. Hospitals that offer patients a better customer experience tend to perform better financially.

Hospitals rated a 9 or 10 on HCAHPS are more likely to have higher margins.



De-bottleneck Care Delivery

Worldwide healthcare organizations should move toward a patient-centric system organized around what patients need. This involves treat care delivery as a priority. A survey on Singapore, Australia, and Japan shows that patients want these three areas to improve:

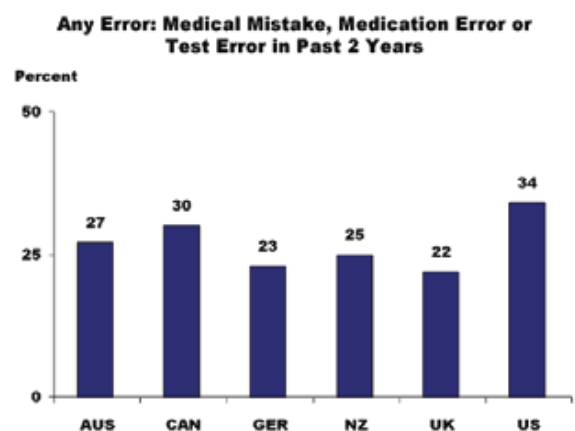
- Average time in waiting rooms
- Reduce out of pocket costs
- Convenience of opening hours

This might require large scale transformation involving multiple entities to multiple processes, providing patient care. The primary agenda is to enhance patient experience and to maximize value of care. This aspect of care transformation involves defining strategy for value transformation, and organizing all patient serving processes or units into integrated practice units.

Elimination of Medical errors and 'Seamless flow of information

Although not documented, medical errors are the third leading cause of deaths. Below statistics of a survey depict the percentage of the respondents who said that they were victims of any of the four types of medical errors. Statistics show that there is opportunity for improvement in the healthcare system. It is estimated that medical errors cost billions of dollars to the healthcare system.

Reducing medical errors requires an integrated strategy of process transformation and seamless integration for information flow. Some solutions that have the potential to reduce medical errors include – technology based physician ordering system, coordinated care, seamless flow of information by using interoperability technologies, data analytics, and patient engagement programs that will help improve adherence to the treatment regimen by the patients.



Source: 2005 Commonwealth Fund International Health Policy Survey of Sicker Adults.



Operations Transformation

Operations transformation for a healthcare system means making the organization more efficient, flexible, and innovative. This can be achieved by eliminating waste, make processes more efficient, and implement digital initiatives across the value chain of the hospital. The key operation transformation levers are:

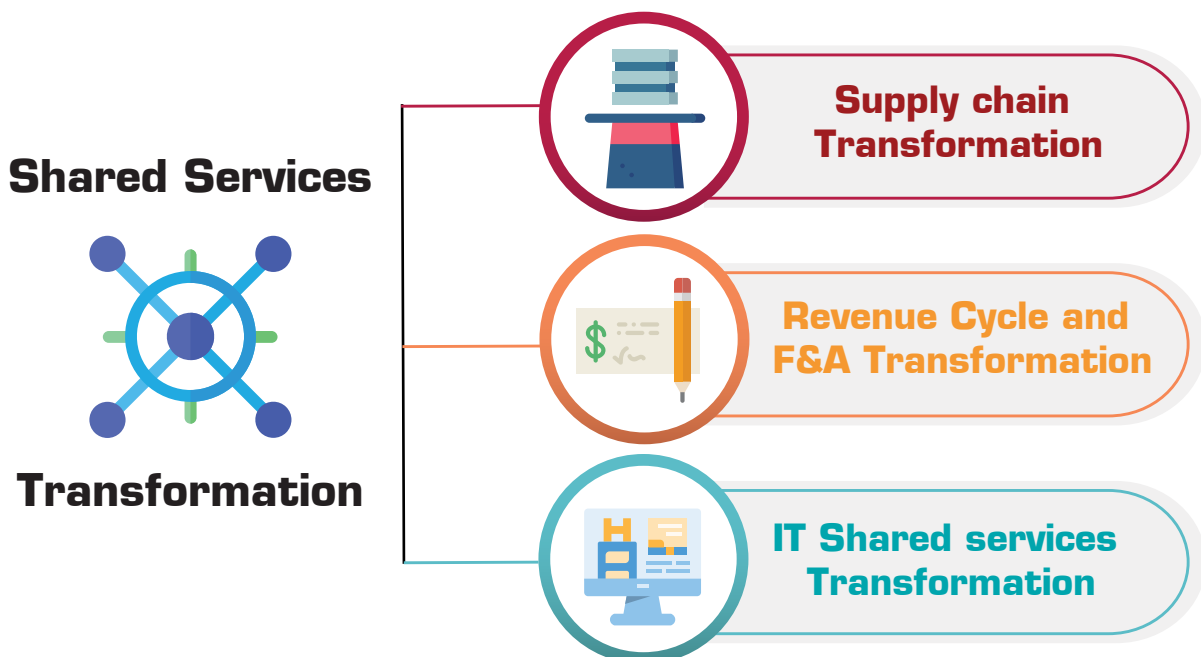
Operations Transformation	Lean Operation	Process assessment and Transformation	Drive out costs via process optimization	KPI Reporting
	Supply Chain Transformation	Enable Digital Supply chain	Supply Chain analytics	Supply Chain Transformation
	Care Delivery	Medical Error Reduction	Patient Support Program/ Helpdesk	IOT applications for Asset Tracking
		Process Redesign	Regulatory Compliance	Population Health Mgmt

Operation transformation and what it involves

Shared Services Transformation

Shared services transformation is a subset of operation transformation, however, it has a lot of potential to reduce costs, make internal processes more efficient by rationalizing shared functions, such as HR, IT, supply chain, etc. and by automating transactions.

Shared services transformation aims to transform revenue cycle, transform supply chain operations, and make organizations data driven and customer centric by implementing data visualization, management reporting, and rationalizing IT assets.



Shared service transformation includes:

Shared Services Transformation	Operation Cost	System location and Role Consolidation	Process Automation for Workflows	BPO-Shared Services outsourcing	IT & Application Service Desk
	Revenue Cycle Management	Identify and Plug Rev. Leakages	Automate manual handshakes	RCM Service & Transformation	
	Data Visualization & Mgmt reporting	Data Visualization for KPI Mgmt	Patient Support Program/ Helpdeck	IOT applications for Asset Tracking	
	IT & Application Service Desk	Process Redesign	Regulatory Compliance	Population Health Mgmt	


Fig: Shared Services Transformation and what it involves


Shared services model has proven results in driving out costs Healthcare and Life Sciences companies show a vast potential.


Industry	Average % of FTE Reduced	Average % of Labor Costs Saved	Average Annual Savings /Employees Saved
Communications / Entertainment	26%	12%	\$59
Energy	22%	25%	\$244
Healthcare	32%	46%	\$496
Life Sciences/Pharmaceuticals	40%	26%	\$120
Manufacturing	26%	24%	\$799
Other	22%	47%	\$203
Public (government, non-profit, education)	29%	11%	\$1,577
Security / Aerospace / Defense	22%	21%	\$98

Fig: Potential savings brought by Shared Services model


PATIENT CARE TRANSFORMATION



 Digital Customer Engagement


 AI Based Conversational Care



 Cognitive Healthcare Solutions


SHARED SERVICES TRANSFORMATION (SUPPLY CHAIN TRANSFORMATION)



 Source-to-Pay Software & Services


 Order Management/ Digital Supply Chain

F&A TRANSFORMATION


 E-invoicing and Payables Automation


 Financial Close and Reconciliation Management


 Working Capital/ Cash Optimization

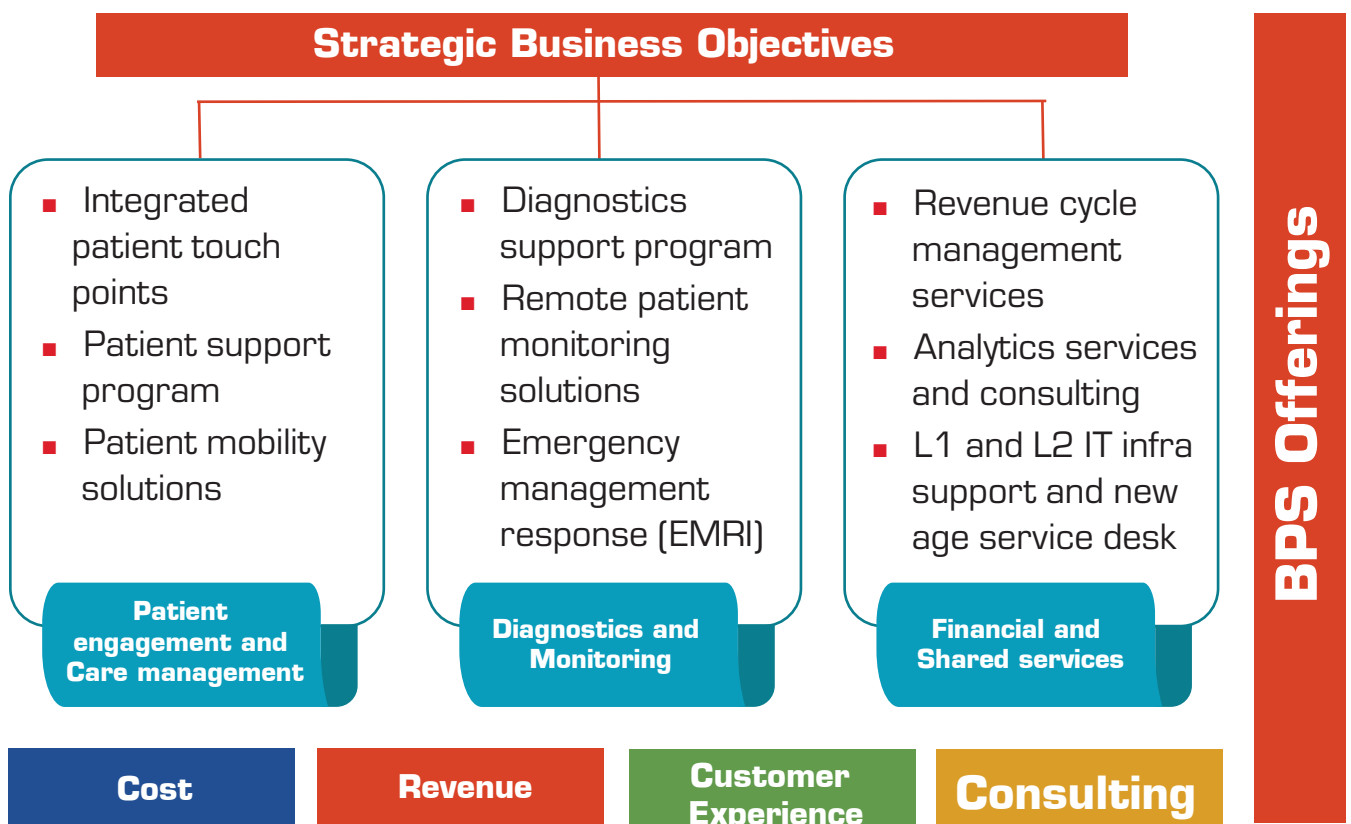
**TECH MAHINDRA'S INHOUSE AND PARTNER SOLUTIONS
ENABLING TRANSFORMATIONS ACROSS THE VALUE CHAIN**

Comprehensive Consulting and Delivery for Transformative Outcomes

As Healthcare providers grapple with industry challenges, Tech Mahindra BPS Healthcare practice is uniquely positioned to provide transformative solutions using Analytics, Automation, and Consulting (AAC). Our capabilities include business consulting, digital, and delivery of services either offshore or onshore.

Tech Mahindra BPS consulting team with strong situational analysis skills can help in strategy formulation, planning, and business process transformation, enabling organizations to create new business models and enhance stakeholder engagement.

Tech Mahindra's consulting and business process services are well positioned to enhance patient and stakeholder engagement, and aid operations and shared services transformations. Our services include but are not limited to:



Tech Mahindra Consulting and BPS capabilities



Consulting

- Comprehensive situational analysis skills
- Strategy planning, implementation, and program management
- Operational effectiveness through process re-engineering standardization
- Optimal integration of process, people, and technology



Technology

- Advanced IT and Tech services
- Technology enables workflows, leading to efficiencies
- System integration
- Next-gen technology capabilities - social, analytics, robotic process automation
- Digital transformation
- Application and infrastructure



Solution Delivery

- Integrated contact centre solutions
- Patient support programs - extending care beyond the hospital
- BPO solutions for transaction processing - insurance F&A, supply chain
- Service desk support for IT infra and application support

About the Author...



Ravi Kuchimanchi is Principal Consultant in the Business Transformation Services of Tech Mahindra BPS. He leads the Healthcare and Life Sciences Practice. He has over 20 years of experience in Healthcare and BPOs. He has led large operations, service delivery, process excellence, Lean Six Sigma and technology transformation initiatives across the organizations.

Ravi, has expertise in leading strategic planning, process reengineering and process redesign, execution of organization-wide transformation programs to effectively address pain areas, and build organizational capabilities to maximize operational effectiveness and customer delight.

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About Tech Mahindra BPS

Tech Mahindra Business Process Services (TechM BPS) is the BPO or BPM arm of Tech Mahindra – a USD \$4.5 Billion company with 115,850+ professionals across 90 countries, helping over 864 global customers including fortune 500 companies. Tech Mahindra is amongst the Fab 50 companies in Asia (Forbes 2016 list) & in India's Top 50 Super Companies of 2016.

Entering a new era of transformations, TechM BPS has re-focussed energies towards 'Creating memorable digital experiences everyday' for customers. We are part of the USD 19 Billion Mahindra Group that employs more than 200,000 people across 100 countries. The Mahindra Group operates in key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership.

Connect with us to know more:

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