The Journey Into Comprehensive IT Service Management and Project Management

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As requests for services and support from end-user groups begin to accelerate dramatically, healthcare CIOs are turning to solutions that offer comprehensive solutions to their IT service management and project management challenges.

The healthcare industry is both different from and similar to other industries, along a variety of dimensions. When it comes to information technology development, senior healthcare information technology executives face some unique constraints and challenges, including those around cybersecurity and the sensitivity of patient data, and the tremendous fragmentation of data across the healthcare operating environment. At the same time, senior healthcare IT executives face challenges around budgeting and process that are not dissimilar from those faced by their peers in other fields, including education, transportation, retailing, government, and manufacturing.

Historically, healthcare IT spending had—until just five or so years ago—been relatively low in the healthcare industry, for decades hovering between 1 and 3 percent of revenues in hospital-based organizations. That changed once the HITECH (Health Information Technology for Economic and Clinical Health) Act, passed by Congress in 2019 as part of the ARRA (American Recovery and Reinvestment Act), had been put in place, requiring hospital-based organizations participating in Medicare, as well as eligible physicians and other clinicians, to implement electronic health records (EHRs). That federal law rearranged the landscape around healthcare IT, compelling CIOs and other healthcare IT leaders to move quickly to implement EHRs; since then, in the post-EHR optimization phase that most patient care organizations have been moving through, the very presence of EHRs has turbocharged both actual end-user group needs, as well as dramatically increasing end-users' awareness of those needs. And all of that has been accelerated by the shift taking place in healthcare from volume-based to value-based reimbursement.

Nevertheless, many healthcare IT leaders remain challenged by the historically low levels of investment in information technology, which prior to the passage of the HITECH Act were typically running at between 1 and 2 percent of annual organizational revenues. That said, the healthcare industry is catching up to other industries in the area of spending, and in some ways, even surpassing other industries' investments in information technology, as the need for strong IT infrastructure becomes more and more apparent and acute. For example, in their "IT Spending & Staffing Benchmarks 2018/2019" report, the researchers from the Computer Economics research firm found earlier this year that IT operational budgets had increased across healthcare by an average of 4.5 percent, below the increases in professional and technical services and construction and trade services (both industries' averages at 5.0 percent), but above financial services and retail and wholesale trade (both

3.0 percent), manufacturing (2.5 percent), and government/nonprofit (1.5 percent). Indeed, the Computer Economics researchers found that IT spending as a percentage of revenues, is now between 3 and 5.9 percent in healthcare, when the 25th and 75th percentiles of spending by organizations are examined, compared to ranges of 2.6-4.7 percent in high tech, 1.4-3.2 percent in manufacturing, and 1.2-3.0 percent in retail; though it still lags far behind the ongoing investment in the financial services industry, which is currently running between 4.4 and 11.4 percent as a percentage of revenues.

The Computer Economics researchers further found that a considerable percentage of IT infrastructure spending right now is cloud computing-related. "Our top-line 13 findings show that, for the most part, IT organizations are accelerating their rush to the cloud and are increasing spending in an effort to reap the benefits. Our composite sample," they write, "shows broad, modest growth in operational budgets and even stronger increases in spending as a percentage of revenue, while IT capital budgets and hiring remain flat." That said, they write later in their report that " We expect that in the long run, IT spending as a percentage of revenue will flatten or even decline slightly to its historical level of 2.0 percent to 2.5 percent, as organizations realize further economic benefits from cloud systems."

Meanwhile, according to a May 2018 Ranosys Technologies report, Forrester Research found that, in 2018, healthcare organizations were planning to increase their spending on IT by 10 percent over what they had spent in 2017.

And a research report released in January 2019 by the Chicago-based Damo Consulting finds an even greater propensity to spend more on IT in healthcare. Paddy Padmanabhan, in his "2019 Healthcare IT Demand Survey," wrote that "IT budgets are expected to grow by 20 percent or more. Healthcare executives are more upbeat about IT spend growth than vendors." What's more, he wrote, "The top spending priorities for healthcare executives are digital, advanced analytics and AI. EHR systems will dominate technology spending budgets" in the next few years, he predicted.

And, even as the resource demands on the IT departments in hospital-based organizations are surging, CIOs, CTOs, and their colleagues in IT are finding themselves more and more caught between the need to modernize their core infrastructures and their IT solutions, and the need to manage within the budgets they need to work with, even as expectations are increasing, as the shift into value-based healthcare delivery and payment is requiring increased facilitation by healthcare information technology.

How healthcare compares to other industries

Recent research from ProjectManagement.com, supported by the Columbus, Ohio-based TeamDynamix, a solutions provider focused on project management and IT service management, has looked at how the healthcare industry compares with the fields of

education and government, around healthcare IT resource needs and other issues. Just as education has seen demands for providing additional IT services to end-users (71 percent), so has healthcare (also 71 percent); while government has seen a slightly lower demand level (54 percent). Meanwhile, all three industries are seeing IT departments having to support a broader customer base (healthcare, 57 percent, versus education, 51 percent, and government, 64 percent). In those and other areas, IT leaders in healthcare are similarly pressed upon to fulfill growing needs, often without commensurate growth in budgets.

The ProjectManagement.com researchers have also found that the healthcare industry is in a similar position to that of education and government, when it comes to knowledge management, which has become increasingly important across all industries. Emerging technologies such as artificial intelligence, machine learning, robotic process automation (RPA), virtual agents, and chatbots, are among the technologies emerging into various industries. Overall, knowledge management is seen as a "must-have" set of technologies by 49 percent of IT leaders across all industries. In healthcare, that figure is 66 percent, while in education, it is 68 percent, and in government, it is 70 percent. What's more, the researchers have found, healthcare and government both have especially high compliance requirements, making consistency and accuracy of answers and resolutions imperative.

The concept of knowledge-centered service

This is where the concept of knowledge-centered service (KCS) comes in. Knowledge-centered service is a knowledge management methodology that integrates the production and maintenance of knowledge into the problem-solving interactions that occur while providing service. The adoption of KCS is relatively low across all industries, the ProjectManagement.com researchers have found (at 31 percent). It is higher in education (at 49 percent), and slightly higher than that in government and education (both at 52 percent). And yet, experts say, that is the direction in which things are going, as the volume and complexity of end-user needs only increase and accelerate.

And what is the lived experience of CIOs and other healthcare IT executives like, right now, and how does that lived experience intersect with the types of services available?

Frank Fear is CIO of Covenant HealthCare, a healthcare system centered around a 540-bed community hospital in Saginaw, Michigan. Covenant encompasses 4,500 employees, and serves patients across a one-and-a-half-hour radius extending out from the main hospital campus. The health system supports the IT needs of a large number of physician offices and facilities in the region, including approximately 340 providers in the area.

"As the CIO, I have IT resources, and I need to assess their capacity," Fear explains. "What capacity do they have to work on projects, to work on change requests, to work on support

requests? At the 40,000-foot level, having a comprehensive project management solution allows me visibility for insight into those areas, and allows me to plan for project-based work based on the capacity to handle support requests and change requests. We use the ITIL [formerly an acronym for Information Technology Infrastructure Library] framework, a well-recognized framework that helps IT executives to manage work and provide customer service and support. That framework buckets elements into support incidences versus change requests; it can help determine whether a request will require the establishment of a new project or not. And the 40,000-foot view is for me as an executive is that, as I'm planning to manage the requests from my customers, the ITIL framework allows me to manage those requests and capability."

Most importantly, Fear says, "Like other businesses, we're becoming a digital business that provides healthcare, just as Tesla is becoming a digital business that provides cars. And our customers realize they need our support. So the demand is escalating and it's only going to increase, as our consumers demand more digitalization of healthcare."

Fundamentally, Fear says, a huge element in the acceleration and intensification of demands on his IT department and on the IT departments in hospital-based organizations nationwide, has to do with the post-EHR implementation operational environment in which he and other HIT leaders are now working. As value-based contracting and demands move forward from all payers—public and private—CIOs like Fear are faced with snowballing demands on their departments' resources—human, process, and technological.

Importantly, Fear says, technology adoption becomes completely enmeshed in process changes around performance improvement work. And in healthcare, that speaks to clinical transformation and operational transformation. As Fear puts it, "Just a small number of years ago, a relatively small percentage of patient care organizations in the United States had digital health records, so naturally, the first step was to implement EHRs. And the government came in with HITECH to help us become electronic. We first had to go digital, before anything else. But now, the next step—and I see this inevitably happening in many industries—we basically make our core processes electronic. But then we realize the need to change our core business processes to really achieve the potential efficiency gains that will be needed. With regard to that, we're now over 90-percent fully electronic in our processes. So now, we need to learn how to work different, and we need to leverage information technology to help create those process and performance changes."

Importantly, Fear underscores, "The desire for new technology solutions to support change and other processes, is insatiable; it far outweighs the capacity. So I need to be able to clearly articulate what my IT organization's capability is. And, it's very important for me to be able to sit down with those in governance, to evaluate our full capacity, and manage the governance around what is possible."

All this relates to key concepts in the area of IT service management and project management, two core concepts in this area. Key points about this are:

▶ IT service management and project management must be conceptualized at the highest levels of an organization, and must be governed actively and consciously, in close relation to the organization's core business objectives and needs.

▶ In this area, technology is inseparable from technology management and from governance. All are interrelated, and must be managed and developed as such.

▶ In healthcare in particular, the needs will only accelerate dramatically in the coming months and years, as the shift from a volume-based payment system to a value-based one, accelerates and intensifies.

▶ CIOs and other healthcare IT leaders can no longer rely on anecdotally based, subjective evaluations of needs and resources in their organizations. A more evidence-based, quantifiable and quantifying, set of processes, is needed.

▶ An organized, comprehensive, strategic process of service management and project management needs to be delivered in an integrated way, via a flexible, supportive platform, in order to help healthcare CIOs move forward effectively in the emerging operating environment in healthcare, in which cost-effectiveness, efficiency, and improved clinical outcomes, are all becoming essential to survival.

Fortunately, there are approaches to this that are evolving forward now. Andrew Graf, Chief Product Strategist at TeamDynamix, notes that "It's important to fully understand the implications around the fact that IT departments in hospitals and other patient care organizations don't have infinite resources." As a result, he says, "We have to exceed service expectation levels, without doubling the size of our service organization, as we roll out implementations. So this has to do with scale and effectiveness. Historically," he says, "an end-user or end-user group would call or send an email with a request for service or implementation; often, they didn't have all the information they needed in order to give the IT department a sense of the scope or needs involved. The emerging model is one that's shifting the management of service requests towards self-service, and allows us as service professionals to address the most pressing needs in a timely way. There's no longer any need to 'rinse and repeat' on the routine requests, which take up a huge amount of our time.

The other thing is that new technologies are rolling out over time and changing things. How do we implement effectively and fast? Project management naturally takes center stage, in that context. In that operational context, we're able to make sure there's a cost benefit, an efficiency benefit, a marketing benefit. So making sure they have what they

need, as promised." Importantly, he says, as in other industries, resource constraints remain a number-one issue in IT service management. And, in relation to that, he notes that "The Help Desk Institute has done pretty extensive studies; the cost of a request is $22 per request, that's whether that request comes in via email, phone, or walk-in. Meanwhile, a self-service request costs $2. That's a pretty substantial discount, when you're talking about a thousand requests."

Above all, Graf underscores, the successful implementation of good IT service management and project management means that the IT leaders at patient care organizations can remove themselves from a perpetual "firefighting mode," and can evaluate requests within a broader framework, easing both their own departments' "traffic jams" around servicing end-user groups' needs, and creating an evaluational structure that will save an organization time, money, and human resources. "At an hourly quoted rate of $60-70 an hour, help desk labor costs add up pretty quickly. Now, implementing strong, IT-facilitated processes won't necessarily lead to $20,000 a day in savings. But by doing these implementations, CIOs and other leaders will see that, by not having to deal with all the mundane items, it's likely that technicians can get to higher-level items faster. Rather than having to wait three days to address an issue, they might be able to do so in three hours. That gets the organization back to work faster and reduces the strain on IT. So there are many benefits involved."

Importantly, Graf says, in the context of all snowballing needs for technology to support and facilitate performance improvement in an operating environment focused on the need to service value-based contracting with payers and meet regulatory and other requirements, "We in IT simply don't have enough people to spend the time necessary to meet the demands of any organization. And CIOs may lay out one-, three-, or even five-year plans for their organizations; but if one project is delayed, things start cascading; and if you have multiple projects delayed, you just never are able to catch up. So making sure that a project is delivered on time provides enormous benefits to the organization."

A key element in "getting out of the firefighting," Graf emphasizes, is being able to successfully implement IT service management and project management, as day-to-day realities. "CIOs are asked for 15 things at a time," he says, "and they know that at most, they'll get to seven of them. And typically, if I'm a CIO, a full spectrum of executives in my patient care organization oversee my budget, and often, the CEO and CFO are best friends, for example." Only through the effective implementation of IT service management and project management as a foundation for work going forward, can CIOs and their colleagues in the IT departments of healthcare organizations break through to the next level of effectiveness in their work.

Fortunately, TeamDynamix's platform offers a comprehensive solution to the built-in challenge facing today's CIOs of needing to address the snowballing needs and demands

of groups of end-users, in the emerging operational environment of healthcare, in a comprehensive, strategic, effective way. Covenant HealthCare's Frank Fear says that even having all the information about service and project requests in the same system has revolutionized his IT department's work. "In working within our old systems, we were spending a lot of time documenting the same information into multiple systems; so we've had big efficiency gains there," Fear reports. Simply limiting email notifications, so that our technicians' inboxes show only truly important notifications they need to act on, has been significant. When we had disparate systems across project management and customer support, we couldn't control that flow."

Typically now, Fear says, "I meet once a month with our revenue cycle director, and I pull up a desktop, and it shows in one view what we've completed in the past 90 days, and I can show him what we've done to optimize the system, the changes we've made. We can show them the number of support requests we've addressed. And the open high and critical requests, we can show, and we can dialogue. And we can show them the projects that will go live in the next 90 days, and this is how those will impact your business. And as a CIO," he concludes, "I feel like I can manage all the inputs, all the requests, coming in, much more effectively; I can communicate much more effectively with our customers; our customers have visibility into all of their requests.

It just makes our work far more efficient, and we haven't even been live for a year yet. And we're excited about the journey going forward."