

February 2018

Transforming healthcare in the cloud

PwC Healthcare Model System for the Oracle Cloud



Healthcare transformation enabled by Cloud

Today, two broad trends – patient-centric healthcare and value-based healthcare – are challenging providers and payers to re-imagine and re-engineer their operational systems to be more integrated, flexible, and mobile. The good news is that cloud technologies can now provide the power to make these transformations happen – and PwC is at the forefront of this latest evolution in the healthcare industry. Built from industry-leading Oracle Cloud technologies, the PwC Healthcare Model System gives organizations an end-to-end framework for embracing the cloud quickly and cost-effectively.

More than ever before, healthcare providers are overloaded with administrative tasks – everything from processing invoices and ordering supplies to filling out insurance forms. Today it's estimated the average physician spends nearly 800 hours a year on non-care related tasks; and clinical staff spend an estimated 34% of their workday on supply-related tasks, such as locating products.¹ Every minute spent away from caring for patients can reduce service levels, increase wait-times and frustrate both patients and clinicians.

When you trace the problem to its source, you'll find legacy business systems and applications that are stubbornly inefficient and inflexible. Built with decades-old technology, these systems burden clinicians and administrators with redundant data-entry and workflow tedium. Lacking capabilities like application integration, automation, and mobility, these systems frustrate providers and payers alike, pulling them away from their primary mission.

It's no surprise that more patients are gravitating to providers that practice a new approach, often referred to as patient-centric care. In these integrated environments, every system is designed to streamline financial, HR, and supply chain tasks, thus allowing greater focus on patient care.

Increasingly healthcare professionals are drawn to the rewards of patient-centric care – but they need modern systems to support that calling. Healthcare organizations, for their part, need to do more to attract and retain this new generation of caregivers. Creating inspiring workplaces with easy access to career-building resources is one way to achieve that.

Healthcare organizations need to connect with the right business partners, tools, and technologies to continuously evolve with the dynamic healthcare environment.

800 hours

The average physician spends nearly 800 hours a year on non-care-related tasks.

34%

Clinical staff spend an estimated 34% of their workday on supply-related tasks.¹

¹ Source: "Top health industry issues of 2017," PwC Health Research Institute, Dec. 2016.

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PwC has helped some of the world's leading healthcare organizations leverage Oracle technologies to transform their core business operations. We have operationalized those lessons into an end-to-end implementation framework we call the PwC Healthcare Model System.

The rise of value-based care

The trend toward patient-centric care is being reinforced by new industry-shaping forces, specifically regulatory frameworks that tie reimbursements to the provider's ability to demonstrate positive patient outcomes. Today billions of dollars of revenue depend on providers' ability to track patients throughout their healthcare journey, which can encompass numerous caregivers and facilities spanning years of treatment.

Large healthcare organizations comprised of multiple hospitals and clinics with customized IT systems can struggle to keep up with the new landscape. Fragmented, outmoded systems and the resulting administrative overhead can delay or even derail an organization's growth ambitions. Mergers, acquisitions and partnerships – powerful growth engines for many organizations – can be put at risk if their core systems can't be successfully integrated.

These factors have put enormous pressure on providers and payers to modernize their business systems and eliminate complexity and rigidity in their processes. If they are to be more patient-centric and value-based – and to successfully compete and grow in the new healthcare economy – organizations need to connect and transform key business function.

Among other things, providers and payers must:

- Adopt agile ERP and financial systems to unify disparate organizations, speed accounting workflows, and improve strategic planning.
- Optimize supply chains to accelerate procurement and delivery of goods and services, reduce labor costs, and leverage economies of scale.
- Modernize HR systems to attract and retain the best talent, boost productivity, and give employees fast, easy access to benefits and career-building resources.

To drive these vital transformations, growing numbers of healthcare organizations are moving to the cloud.² Along the way, they are shedding antiquated, inflexible systems that drag down operational productivity and effectiveness, enabling them to acquire the organizational agility, speed, and mobility that is essential to grow and prosper in the new healthcare landscape.

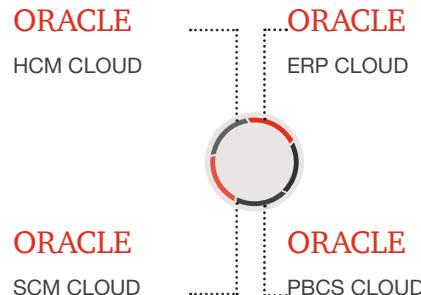
² It's estimated that by 2021, more than 35% of all healthcare provider workloads will run in the cloud.

Source: "Market Guide for Cloud Service Providers to Healthcare Delivery Organizations," Gartner, Dec. 2016.

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PwC Healthcare Model System: A proven framework for transforming healthcare in the cloud

For years, PwC has helped some of the world's leading healthcare organizations leverage Oracle technologies to transform their core business operations and lay the foundation for cost savings, growth and innovation. Our work with a first wave of cloud adopters taught PwC important lessons about how to build and deploy cloud-based healthcare systems that equip providers and payers to succeed in the emerging patient-centric, value-based healthcare economy. We have operationalized those lessons into an end-to-end implementation framework we call the PwC Healthcare Model System. Utilizing a portfolio of industry-leading Oracle Cloud solutions, our model system guides each engagement, helping our clients reach their goals faster and more cost effectively, and achieve predictable business outcomes.



The PwC Healthcare Model System includes:

- Preconfigured frameworks, prebuilt solutions, and accelerators
- Comprehensive repository of healthcare industry leading practices
- Several hundred unique healthcare points-of-views
- Healthcare requirements library enabling exception-based requirements gathering for clients
- Automation tools to enable data migration, data reconciliation/validation, and real-time integration
- Decades of Oracle technology experience within healthcare in functional and technical capabilities.

As shown in Figure 1, the model system integrates Oracle Cloud solutions and services for four critical business functions:

Enterprise Resource Planning (including financials), Supply Chain Management (SCM), Human Capital Management (HCM), and Planning and Budgeting Cloud Service (PBCS).

“Healthcare providers’ growing infrastructure, system and support requirements – compounded by tight budgets and IT staffing issues – will continue to drive them toward a hybrid IT environment in which the cloud will play an increasing role.³

– Gartner

³ Source: “Market Guide for Cloud Service Providers to Healthcare Delivery Organizations,” Gartner, Nov. 16, 2016.

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Driving business value

By leveraging the PwC Healthcare Model System, organizations can deploy cloud solutions more rapidly, capture value sooner, and create a flexible infrastructure that scales to match evolving business needs. Working closely with our experienced healthcare industry team, clients can modernize their operations to accelerate, standardize and grow their business.



Accelerate Deployments

- Use the model system's exceptions-based methodology to rapidly gather business and technical requirements covering more than 200 "points of view."
- Deploy automated tools to quickly cleanse and migrate data from legacy systems to the Oracle Cloud format.
- Leverage project accelerators to reduce implementation time by 70% or more.⁴
- Kick-start deployments with prebuilt application interfaces and reporting tools.



Streamline Processes

- Establish standardized, end-to-end business processes that enhance back-office productivity.
- Integrate industry best practices throughout the cloud platform, driving efficiencies and lowering risk.
- Automate supply replenishment and connect to online marketplaces, saving time and money.
- Boost clinician and administrator productivity, enabling organizations to do more with the same or fewer resources.



Enable Growth

- Harness Oracle Cloud's elastic compute and storage power to rapidly scale operations to support new business initiatives.
- Reduce administrative workloads, allowing workforce to focus on clinical care and business innovation.
- Unify disparate organizations and business entities under a single integrated ERP, SCM and HR platform, simplifying financial consolidation and compliance programs.

Moreover, PwC deployments are guided by a set of principles aimed at ensuring operational excellence and successful business outcomes (see Figure 2).

PwC Healthcare Model System: Guiding Principles for Operational Excellence

Adoption

Maximize self-service and minimize effort needed to complete transactions



Ways of working

Provide employees the information required to make smart decisions and act promptly on them



Shared services

Promote shared services to increase efficiency



Costs and investments

Configure system to delivered standards or as needed to meet regulatory and legal requirements



Approvals

The vast majority of processes should require one approval or less



Anytime access

Provide anytime, anywhere, any device and role-appropriate access



Accountability

Empower and hold managers accountable for all value-added activities



Levels of standardization

Standardize vast majority of policies and procedures



⁴ One PwC client, a U.S.-based healthcare organization, cut solution deployment time 70% using the model system's acceleration methodologies.

Case study: Shifting financial operations to the cloud pays off for Northeast U.S. Hospital

Due to a complex and rigid legacy financial system, this hospital group struggled with slow month-end closes and higher-than average administrative overhead. The group wanted to move to a cloud-based system but needed solid guidance to get there. It turned to PwC for assistance, leveraging the PwC Healthcare Model System to accelerate requirements gathering and cut deployment time by 14 months. Today the hospital closes its books 30% faster each month, and uses 10% fewer staff in the process.

Are you ready?

The next chapter in the evolution of the healthcare landscape has begun, as leading providers and payers embrace the challenges and opportunities posed by the emerging patient-centric, value-based healthcare marketplace.

Organizations that adopt Oracle's new generation of cloud-based enterprise solutions are taking an early lead in this latest industry transformation, helping remove barriers to becoming more lean, agile, and innovative. Guided by the PwC Healthcare Model System and our global team of experts, organizations can modernize their critical business systems and set the stage for continued growth, profitability, and healthcare excellence.

30% faster

Guided by PwC Healthcare Model System, one hospital closes its books 30% faster each month, and uses 10% fewer staff in the process.

Contact PwC to learn about how our Healthcare Model System can help you create a cloud strategy specifically tailored to your organization.



Patrick Forster
Partner, PwC
patrick.j.forster@pwc.com
412-498-9552



Rattan Singh
Director, PwC
rattan.i.singh@pwc.com
732-539-2789

¹ Source: "Top health industry issues of 2017," PwC Health Research Institute, Dec. 2016.

About us

PwC's people come together with one purpose: to build trust in society and solve important problems.

PwC serves multinational financial institutions across banking and capital markets, insurance, asset management, hedge funds, private equity, payments, and financial technology. As a result, PwC has the extensive experience needed to advise on the portfolio of business issues that affect the industry, and we apply that knowledge to our

clients' individual circumstances. We help address business issues from client impact to product design, and from go-to-market strategy to human capital, across all dimensions of the organization.

PwC US helps organizations and individuals create the value they're looking for. We're a member of the PwC network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in

assurance, tax, and advisory services. Find out more and tell us what matters to you by visiting us at www.pwc.com/US.

Gain customized access to our insights by downloading our thought leadership app: PwC's 365™ Advancing business thinking every day.