



2021 Healthcare CEO Future Pulse

**10 actionable perspectives for
healthcare leaders**

KPMG International

home.kpmg/healthcareCEOfuturepulse



Table of contents

Introduction	03
Key findings	04
1 The COVID cloud's silver lining	06
2 Patience for patient-centricity	08
3 Power to the people...soon	12
4 Blurring lines between care and the community	16
5 Digital healthcare: Not 'if' or 'why,' but 'when' and 'how soon?'	20
➤ Spotlight: Taking the pulse by geography Sources of pride and room for growth: highlighted health leader sentiments by jurisdiction	24
➤ Spotlight: Self-described transformation personas Comparing how CEOs see themselves across dimensions of change	25
6 The digital journey — from data and delivery to AI and robotics	26
7 Workforce worries won't go away	30
8 Choose your friends wisely	34
9 Enter the multifaceted leader	38
10 The path forward: Be the master of your own destiny	42
Authors, methodology and references	45-47

Introduction

Health leaders are playing multi-dimensional chess — facing the classic problem of doing more with less, withstanding massive shocks like pandemics, all while planning their next moves in anticipation of the future. The pandemic has presented unprecedented challenges, illustrated by the detrimental effects on societies and economies when healthcare systems become overwhelmed — proving its criticality to global stability. Healthcare organizations have earned the gratitude of society with their resilience and persistence in tackling the crisis, crediting their diligent workforces, strategic agility and strong leadership. Now, as we begin to emerge from the crisis, many organizations are once again setting their sights on the future.

Based on our conversations with healthcare leaders worldwide, KPMG professionals sense a wind of change coming for the sector. To better understand how healthcare executives will be charting this change in course towards the future, KPMG surveyed 200 healthcare CEOs from Australia, Canada, China, Germany, the Netherlands, Saudi Arabia, the United Kingdom and the United States. All these leaders oversee medium-to-large hospitals, health systems and care provider networks that span privately and publicly funded systems. They represent a spectrum of self-identified transformation personas, ranging from ‘innovators’ to ‘early adopters’ to ‘early majority’ to ‘laggards’ and provide us with thought-provoking insights into the future of healthcare. Views on which we further elaborate on through interviews with sector leaders.

If there is one common thread in the results, it is that healthcare executives expect and welcome reform — with 80 percent of CEOs believing that healthcare needs disruption and change, with 79 percent expecting that all aspects of care delivery models will be transformed within the next 3 years — which is a high ambition on a short runway for any sector.

A consistent theme throughout this report is that most healthcare CEOs hold well-intentioned ambitions but have yet to initiate or implement many of them. To help convert their dreams to reality, KPMG health sector specialists identified 10 perspectives for leaders to action today to help build for tomorrow. These perspectives describe the primary drivers of these changes, namely the role that technology, communities and patients themselves will play.

No matter whether we are in a crisis situation or in steadier times, the future of healthcare will continue to involve complex challenges that will require holistic, forward-looking and flexible leadership. With this inaugural report and future editions of the Healthcare CEO Future Pulse, KPMG firms aim to support health leaders in this journey together. We welcome the opportunity to work together to turn our collective dreams for the sector into the reality of tomorrow.



Dr. Anna van Poucke
Global Head of Healthcare
KPMG International

Throughout this document, “we”, “KPMG”, “us” and “our” refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity.

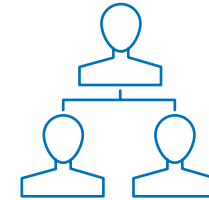
Key findings



Fewer than half of healthcare CEOs surveyed said their organizations were **well-prepared for the arrival of COVID-19**, but nearly all believe that the pandemic will be a significant accelerant for transformation in the sector.



The vast majority of healthcare executives believe that within the next 3 years, all aspects of **care delivery models** will be transformed; yet few have actually begun the change process.



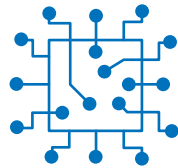
There is consensus amongst health leaders that current **delivery and business models** are ill-equipped for the coming changes, and many are making efforts to prioritize quality over quantity of care.



The rising importance of **community-based, non-hospital care** is welcomed by most executives, but many are still in the early stages of adapting their own delivery models to create meaningful partnerships with communities and other sectors outside of healthcare.



On **workforce challenges**, health leaders are currently focused on supporting and optimizing their current capacity, while recognizing the looming 'capacity gap' between future demand and labor supply.



Technology is understood to play a vitally important role in transforming healthcare — from care delivery to workforce augmentation to customer-centricity, and only a few executives have created digital strategies that look far enough into the future. Many also view the challenges in adaptation to new technologies as a potential barrier to transformation.



On the topic of **healthcare organization leadership**, CEOs should adapt to the changing form of what it means to be a healthcare leader: including the breadth of skills required to step-up to the digital future, as well as the diversity in the people they surround themselves with, and how they define success — through key performance indicators that also include economic, social and governance factors.

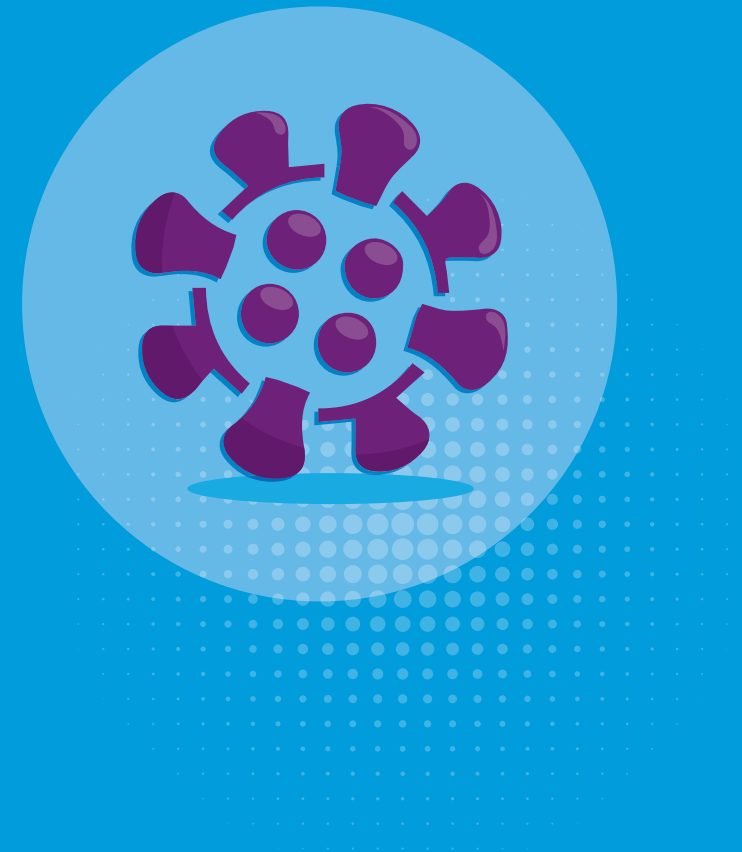


Health leaders should further reflect upon the coming years of **transformation and how well their plans reconcile** with this. This survey should indicate where the momentum of the sector is heading towards, and CEOs should evaluate their readiness and plans accordingly. To own the future, engaging, incentivizing, and empowering their teams and communities will be key.

01

The COVID cloud's silver lining

How the pandemic has accelerated transformation in healthcare



While COVID-19 was not an anticipated crisis, its effects will be long-term. The pandemic will likely transform healthcare more so than any other sector, changing the way organizations deliver care, how their workforces go about providing services, the way supplies are procured, and the role that health leaders play in society.

The results of the *2021 Healthcare CEO Future Pulse* make clear that the industry itself was unready for the pandemic. Fewer than half of executives surveyed (44 percent) agree that their organizations were well-prepared for the arrival of COVID-19. Fewer (41 percent) had a pandemic scenario response as part of their strategic plan.

As dark clouds go, COVID-19 continues to hang over many geographies — in particular lower- and middle-income countries. But looking forward cautiously, there appears to be one silver lining: the pandemic as a positive accelerant for change.

While many executives (62 percent) said their organizations were actively pursuing a transformation agenda prior to COVID-19, nearly all (97 percent) agree that the pandemic “significantly accelerated” their transformation efforts. For an industry where a strong majority of executives (80 percent) believe their industry “needs disruption and change,” any accelerating factor, even COVID-19, should be seen as an opportunity to recognize vulnerabilities and embed resilience. Moving forward, healthcare organizations and the ecosystems that surround them should ensure change scenarios are built into plans.

So, what’s on the change trajectory? According to the CEOs surveyed, changes will appear in their approaches to their workforces (68 percent), digital delivery models (65 percent), care delivery models (62 percent), and operations (62 percent).

Approaches being fundamentally revised due to COVID-19



Source: 2021 Healthcare CEO Future Pulse

Key takeaways

Most organizations recognize the need to improve and transform. The question is which dimension to put first? Most are primarily focusing on supporting their people, then changing their delivery models and operations, followed by evolving their back-office capabilities.



How to take action

Healthcare organizations and the systems around them should anticipate ‘black swan’ events that can drastically disrupt their operations. COVID-19 and its mutations can be an expected norm going forward¹ that needs to be included and anticipated in organizational and system-wide strategies. Apart from that, COVID-19 is exemplary of the stress healthcare systems will be under in the coming years, necessitating fundamental transformation in how care is delivered, and evolving their workforces to support this.

02

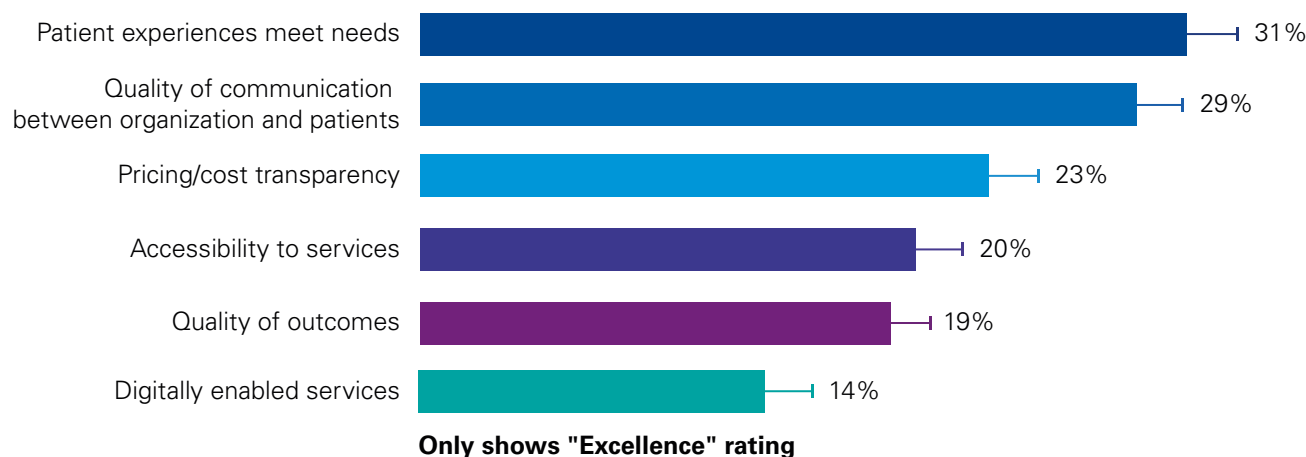
Patience for patient-centricity

Investment and time are needed to give
customers the experiences they deserve



“Patient or customer-centered care” is a phrase often used in the healthcare sector, but it’s less frequently delivered on. Service models have asked patients to navigate through the way systems are built rather than ecosystems that are built around patients themselves. Most healthcare executives agree that to better respond to patient needs and preferences, the sector should adopt a more “patient-centric” approach, with 79 percent of CEOs recognizing that patient/customer experience at their organizations “needed improvement”. When asked how their patients/customers would rate their organization’s ability to meet their needs, only 31 percent of CEOs rated their organizations as “excellent”.

How would your patients rate your organization?



Source: 2021 Healthcare CEO Future Pulse

The question is, if healthcare leaders are to adopt this mentality, how far along the journey are they in making it happen? Unfortunately, the shift to a patient-centered paradigm is “on the agenda” of only a few survey respondents (29 percent) and has been plotted as part of a strategic plan (44 percent), but it has been implemented by fewer than one in five organizations (18 percent). Likewise, for moving incentives away from volume and toward patient outcomes: fewer than one-quarter (24 percent) have made any real progress.

Two-thirds (67 percent) also believe healthcare organizations will, in the future, face the same expectations for customer service, quality and accessibility that are seen in other consumer-focused sectors such as retail, entertainment and banking. Sixty-one percent of CEOs believe that healthcare lags behind these other industries. There is hope — with progress underway with many organizations. For example, 73 percent of organizations already track the quality of their patients’ experiences and 70 percent act on these findings.



Sixty-one percent of CEOs believe that healthcare lags behind other industries. There is hope — with progress underway with many organizations. For example, 73 percent of organizations already track the quality of their patients’ experiences and 70 percent act on these findings.”



Dr. Anton Decker
President
Mayo Clinic International
(United States)

Patient-centricity is a paradigm shift for providers that comes off as intuitive to health leaders. “We’re a people business, but you wouldn’t know it because the conversations are often about systems, regulations and structure,” says Rob Webster, CBE, Chief Executive of South West Yorkshire Partnership Foundation Trust and Lead Chief Executive for the West Yorkshire and Harrogate Integrated Care System in England. “In the UK, we’re pathological about structure and I can see why that’s tempting. But it isn’t always the answer.”

To live up to their ambitions, healthcare organizations will need to embark on a journey that makes patient-centricity a reality. So, what does this journey look like? Many executives say their organizations are focused on patient customer experience (74 percent); digitally enabled services (72 percent); and the quality of communication between their organizations and patients (71 percent).

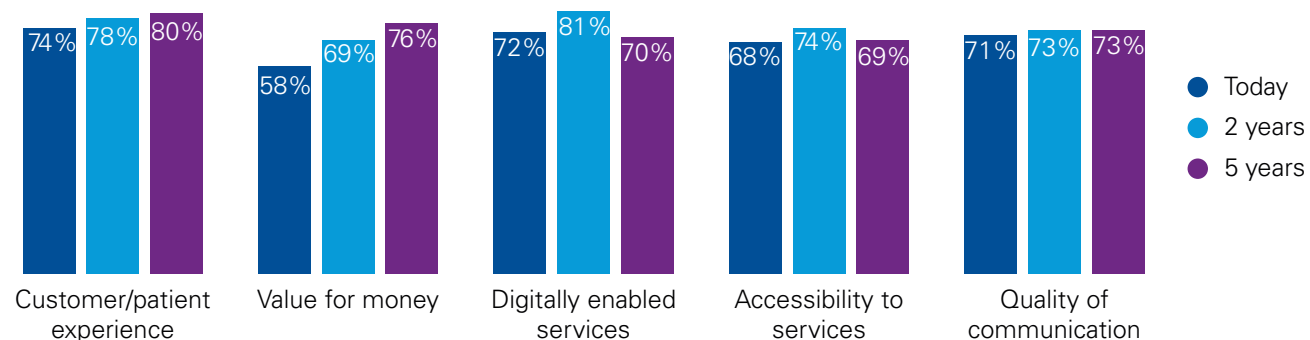
Many executives (61 percent) agree that shifting to a patient-centered paradigm is important to their organizations and fully two-thirds (66 percent) think it’s important to shift the basis of their incentives from volume to patient outcomes and experience. The introduction of Diagnosis Related Group payments is driving this trend in China. “Healthcare reform in China is shifting from ‘buying services’ to ‘buying health.’ In the near future, hospital managers will need to focus on providing value-based healthcare,” says Dr. Dawei Wang, President of the Liaocheng People’s Hospital in Shandong province.

The Mayo Clinic’s Primary Value: “The needs of the patient come first”

Consistently ranking among the top hospitals in the world, the Mayo Clinic has built a reputation around patient centricity. “The entire organization is laser-focused on patients’ wellbeing and their experience, from the cleaners, to the administrators, to the CFO, to the physicians, everyone,” says Dr. Anton Decker, President of Mayo Clinic International.

How does this manifest itself? It starts from the first interaction — the ‘unhurried exam’ that gives space and time for patients to explain their medical and environmental circumstances, while enabling clinicians to get more holistic understandings of patients to identify what they can influence in delivering better outcomes — all without worrying about the clock. This approach helps establish relationships from the onset, and builds continuity of care, more nuanced care plans, and ultimately — happier, healthier patients.

Customer-centric priorities over the next 5 years



Source: 2021 Healthcare CEO Future Pulse

Looking ahead 2 years, these priorities remain largely intact. However, improving value for money takes on greater importance (69 percent versus 58 percent), suggesting that as organizations transform their ways of working, incentivizing this shift will be an important way of stimulating and reinforcing these behaviors.

This proves out in the longer-term. In 5 years, more than three-quarters of CEOs (76 percent) expect delivering value for money to be among their organizations' top priorities, second only to improving patient customer experience (80 percent). To achieve this ambitious goal, patient experience needs to be put at the center of their strategy, operationalized and incentivized.

Key takeaways

- Customer-centricity is a focus of many other sectors, but healthcare has yet to catch-up. This motivation provides an opportunity for the sector to learn from other industries and import customer-centric practices that enable access, convenience and personalization.
- Digital plays an important role in enabling customer-centricity; by leveraging the technology healthcare organizations interface with every day to create real-time touchpoints with patients.
- There are dividends to customer-centricity, such as giving providers the permission to better understand patients, which allows organizations to personalize care, and support happier, healthier patients.



How to take action

Healthcare organizations should re-focus their strategies to orbit around patients — requiring 'all-hands-on-deck' approaches that re-evaluate culture, training of workforces, gathering and utilization of data, and designing digital services that serve patients' needs.

03

Power to the people...soon

The evolving role of patients — from recipients of care to active participants



When it comes to non-episodic care, the reality is that most of the caregiving burden is borne by patients themselves. Around the clock, patients monitor their own health, assess their progress and reach out for intervention when necessary. Yet many providers do not empower or enlist patients to be a co-owner of those health outcomes.² With patients who are more digitally literate than ever, technology offers an opportunity to take patients off the bench and turn them into active healthcare team members.

While the opportunity to get patients involved seems appealing, health leaders are roughly split in their confidence in enlisting patients. Just over half of executives (56 percent) believe patients will develop the ability to self-manage their health.

56% Healthcare CEOs believe patients will develop the ability to self-manage their health

When looking at these questions through the lens of the self-identified organizational transformation personas, innovators indicated that they were almost twice as capable to engage patients as co-designers versus the late majority and laggards. Meanwhile, the early adopter and early majority personas were more highly confident in patient ability to self-manage versus the innovators. This contrast suggests that innovators, who tend to employ technology more, will engage patients in development of the tools they deploy, while early adopters and early majority players will focus on allowing patients to take on more responsibility of their day-to-day self-management.

When it comes to engaging patients as co-designers of their care, 51 percent intend to let patients get their fingerprints on their care. But only 28 percent are currently making use of patient-peer networks to help patients share their stories and support others. When looking at perception of patient ability to self-manage through an organizational view, hospitals are much more confident in their capabilities, 62 percent versus 44 percent among health systems.

Dr. Dawei Wang, President Liaocheng People's Hospital in China shares similar views.

"Better outcomes could be achieved by empowering patients to manage their own health. I believe patients could play a more important role in future healthcare. With the latest technology and relevant applications, both patients and medical staff could obtain timely and accurate data to support better prevention, treatment and rehabilitation."

² Elissen, A. et al. (2013 March 23). Is Europe putting theory into practice? A qualitative study of the level of self-management support in chronic care management approaches. BMC Health Services Research volume 13, Article number: 117 (2013), <https://bmchealthservres.biomedcentral.com/articles/10.1186/1472-6963-13-117>



Dr. Dawei Wang
President
Liaocheng People's Hospital
(China)



Rob Webster, CBE

Chief Executive, South West Yorkshire Partnership Foundation Trust

Lead Chief Executive, West Yorkshire and Harrogate Integrated Care System (United Kingdom)

The hypothesis being that hospitals have confidence in how they equip the patient upon discharge, and that the community and patients themselves are prepared to take on that task.

“We’ve had a paternalistic view of this for too long,” says Rob Webster, Chief Executive, South West Yorkshire Partnership Foundation Trust and Lead Chief Executive, West Yorkshire and Harrogate Integrated Care System. “If we recognize that people have assets, and that they’re going to self-monitor and self-manage, we need the skillsets required to engage with them.”

Meanwhile, Dr. Christian Elsner, Chief Financial Officer of the University Medical Center of Johannes Gutenberg University Mainz in Germany sees a gradient to this shift: “Patients are getting involved first in the administrative end — taking on ownership of completing documentation and scheduling; we’re now exploring how to get them involved in product design, and eventually into technology-supported self-management.”

Partners in prevention

Rob Webster recognizes the role that providers can play in supporting patients in managing their chronic conditions. “You can’t be cured of having a learning disability, asthma, diabetes, COPD, dementia frailty or being a child with special educational needs,” he says. “You just can’t.”

For these patients, he feels that healthcare organizations should create longer-term care relationships that emphasize support over managing morbidity.

“You’re a partner with us. We’ll always be together in some way, shape or form,” he explains. “We might not see each other very often for a time, but at some point, we’ll pop up for a health check. Or you’ll have an exacerbation of your issue, whether it’s physical, mental or a social crisis.”

Such an approach is fundamentally different than the dominant approach, which he describes as “get broken, get sent to hospital, get fixed, go home.”

“We work together,” he says, describing a better way of doing things, “And it’s good because we know you.”

Technology seems to be the bridge that will bring the patient-provider team together. Webster says, “If you’ve got a problem, you can look after it yourself. But you’re supported through connections to people who have the technology and solutions to help if you’ve got a few things wrong. You’re part of a team... That’s what people want.” This is seconded by Dr. Maurice van den Bosch, CEO of OLVG Hospital Amsterdam in the Netherlands, “Until this date, our health journey is transactional,” he says. “We need to design a ‘digital lobby’ or a ‘digital front door.’ We need a digital point of entrance for patients to begin their health journey.”

Key takeaways

- Patient empowerment can create a ‘win-win’ situation by reducing the burden on strained health systems, improving patient experience, and generating better health outcomes by intervening sooner.
- Empowering patients can take different forms, whether it be equipping them with information to participate in decision-making or by providing them with the tools and technology to manage and monitor their own health.
- Digital will play an increasing role in empowering patients as the ‘front door’ to care — allowing for better navigation, avoiding unnecessary consultations, and helping reduce barriers to care access, but also changing the ways workforces need to operate, be trained, and interact with patients.



How to take action

As health leaders build their roadmaps to the future, they should expand upon who they envision are stakeholders and participants in this process. To be truly patient-centric, providers should involve patients from the design, execution and feedback of care quality. To facilitate this, patients should be engaged by ‘being at the table’ during product and process design.

To increase self-management, patients should be better equipped with technology and supported by staff (clinical and administrative) who are educated to empower patients as part of their workflows.

04

Blurring lines between care and the community

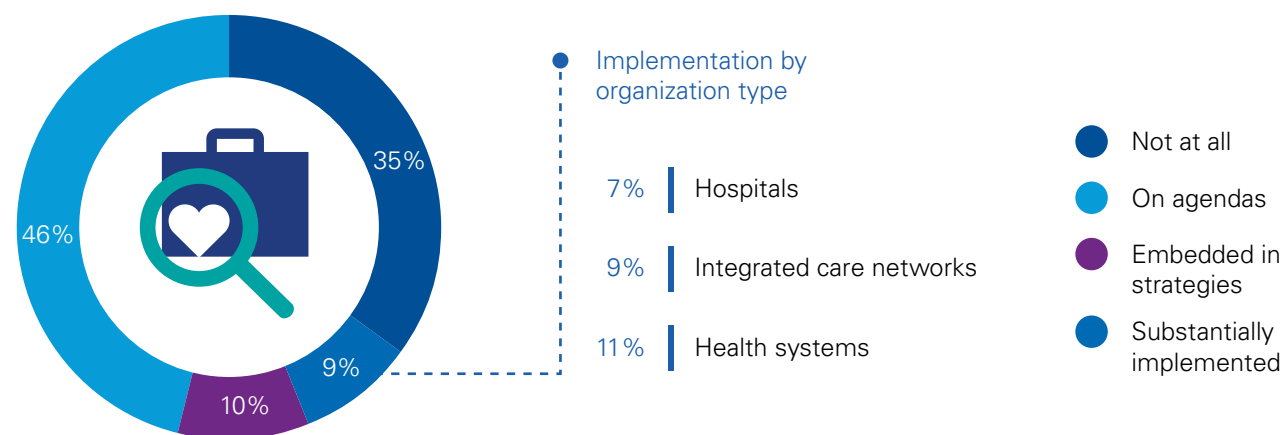
The case for moving care out of
hospitals and closer to patients



Community-based care can be viewed as healthcare systems' way of becoming more patient-centric, by shifting care where possible, closer to the people who need it. Moving the right care to the right setting, at the right time enables providers to intervene sooner when better outcomes are possible. This approach also allows for care to be delivered in a more cost-effective way (without expensive hospital infrastructure and overhead), and in a more readily accessible and convenient manner for patients.

This shift into community-based prevention appears to be catching on — by being integrated into corporate strategies (35 percent), or by being put onto organizational agendas (46 percent); however, substantial implementation of this is still limited (9 percent). Despite respondents representing hospitals, health systems, and integrated provider networks, implementation progress is not vastly different — at 7 percent, 11 percent, and 9 percent, respectively. While this shift may be perceived as an existential threat to hospitals, they are not averse to this thinking, with only 12 percent identifying this as something they are not addressing at all; this is consistent with the suggestion that hospitals are open to focusing their efforts on higher value care.

Shifting from cures to prevention



Source: 2021 Healthcare CEO Future Pulse

The shift to community-based care not only refers to infrastructure, but in enlisting the community to support the burden of an aging and growing population with increasing multi-morbidities. Nearly two-thirds (65 percent) of CEOs expect communities to substantially contribute to collective and individual health. Many (70 percent) expect hospitals themselves to evolve into 'healthcare hubs' where more complex care is delivered, while the 'spokes' of primary care are embedded in the community through multispecialty clinics, primary care physicians, and digitally enabled monitoring.



Many (70 percent) expect hospitals themselves to evolve into 'healthcare hubs' where more complex care is delivered, while the 'spokes' of primary care are embedded in the community through multispecialty clinics, primary care physicians, and digitally enabled monitoring. ”



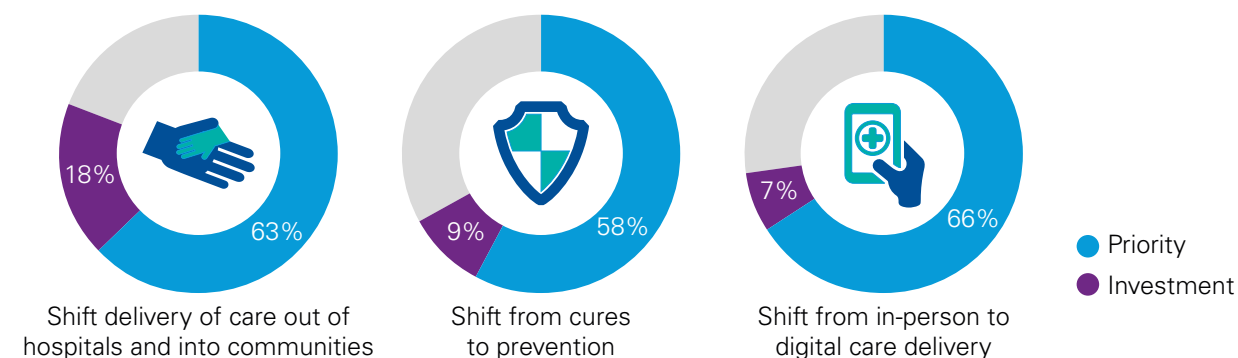
Sarah Downey
President and CEO
Michael Garron Hospital
(Canada)

This aligns with what Sarah Downey, President and CEO of Michael Garron Hospital, a community teaching facility in Toronto, Canada wants for her organization:

“Our vision is to create health and build community. We understand that it’s not simply by treating acute conditions that we’ll improve the health of the people we serve. It’s through a broader view of health and partnerships that we’ll help transform lives and empower the people in our neighborhoods.”

The survey data suggest that Downey is progressive compared to other respondents. While many executives (63 percent) said it’s important to shift delivery of care out of hospitals and care facilities and into the community, fewer than one fifth overall (18 percent) are investing time and resources in this area. Even greater disparities play out when looking at shifting from cures to prevention, and from in-person to digital care. Herein lies the gulf between dreams and reality, healthcare leaders know what they need to change; but transformation will not happen without substantial investment of staff time and resources.

Comparing highly-rated organizational priorities versus substantial investments of time and resources



Source: 2021 Healthcare CEO Future Pulse

There's recognition that systems often take the shape of how they are paid. To get from dreams to reality is not only an issue for provider organizations realigning their investment plans. Reimbursement systems should be aligned to stimulate necessary transformation. Figuring out the financial rewards will be difficult, says Rob Webster, thanks in great part to long-held standard practices in his country. "We have a tariff-based system that incentivizes acute care but we are required to manage multi-morbidity and prevention in the community," he says. "Is it a surprise that we've got more hospital consults and money spent in hospitals?"

Before business models, financial incentives and even data structures can be aligned, healthcare leaders must fundamentally believe in the importance of, and value found in, community care. At the highest levels, an active decision must be made to engage with one's community if one expects to serve it. "You need to decide that working together is better than working apart," Downey says, "And that we'll figure it out together."

Key takeaways

- Community-based care is a model of creating more sustainable systems that can manage costs, enable access, and improve patient outcomes by intervening sooner and closer to patients.
- Health leaders should strive to be agile and flexible in their thinking by forgoing lower-complexity, lower-value care, and focusing their efforts and expertise on more complex care that can yield better reimbursements and allow their practitioners to deliver greater value. In doing so, they're making an investment that aligns in a value-based agenda.
- Health systems should consider how adapting incentive structures that incorporate a broader ecosystem of partners (beyond traditional care providers) can support delivery of outcomes.



How to take action

If care is truly a 'team sport', health leaders should expand who's on their team, and how they 'win' together around patient outcomes through integrated care strategies. This requires a shared vision and goals for the future, technological integration, governance frameworks, shared incentives, and handoffs between care providers, and for communities, and patients to get involved in care delivery. By focusing on improved patient outcomes and experiences as common causes, health leaders can mobilize the right players, create accountability frameworks and recognize the appropriate roles for each player. By laying these foundations, payers and commissioners can align reimbursement to incentivize value.

05

Digital healthcare: Not 'if' or 'why,' but 'when' and 'how soon?'

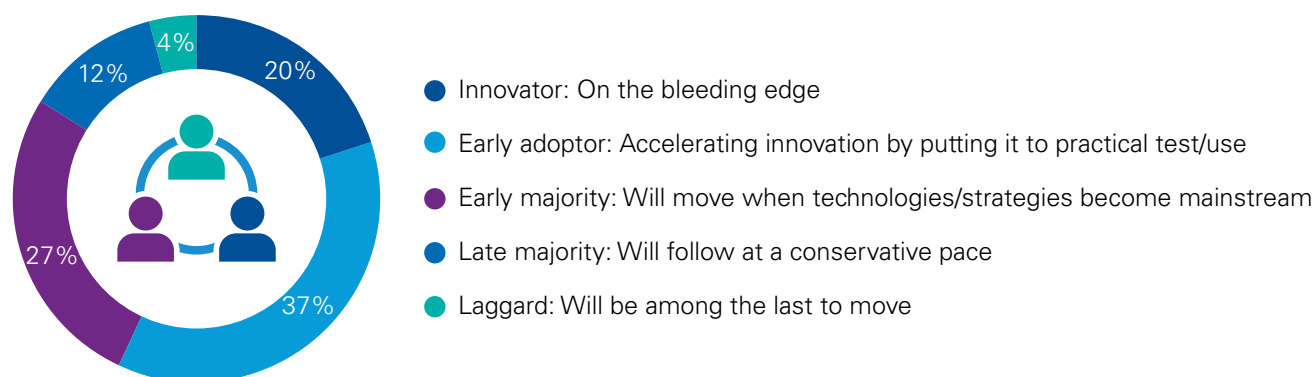
Why digital is the inevitable solution but needs action today



The healthcare sector's need to get up to speed digitally is obvious to patients, healthcare workers and leaders in many jurisdictions. With health records housed in paper folders with general practitioners, transmission of information between providers via fax machine, and appointment bookings conducted via telephone — for an industry reliant on sophisticated technologies for treatment, the case is clear that the front and back offices of healthcare are ripe for digital transformation.

The *2021 Healthcare CEO Future Pulse* helps show that a number of healthcare executives believe their organizations to be on the forefront of transformation. When asked to self-identify personas related to their appetite and action in progress, one in five (20 percent) CEOs say their organizations are on the “bleeding edge” of transformation; another third or so (37 percent) are early movers; and a little more than one-quarter (27 percent) are mainstream adopters. And yet the reality is that only few executives (14 percent) give their organizations high marks for their own digitally enabled services.

Organizational transformation personas



Source: 2021 Healthcare CEO Future Pulse

Fears over not having the capabilities — whether it be the right tools, skills and/or talent may be creating impediments or hesitation for transformation. Nearly two-thirds of CEOs (65 percent) identify the risks of technological change as barriers to innovation, followed by challenges related to complex and rapid developments in the sector (61 percent), navigating regulation and compliance (60 percent) and lack of needed skill sets (56 percent).



Fears over not having the capabilities — whether it be the right tools, skills and/or talent may be creating impediments or hesitation for transformation. ”



Dr. Christian Elsner

Chief Financial Officer, University
Medical Center of Johannes Gutenberg
University Mainz
(Germany)

For Maurice van den Bosch, the risk-averse are looking at things backwards. “Technological change is really an accelerator that drives your future, and you need to embrace it,” he says. For example, speech recognition has replaced the manual note-taking processes for patient record documentation and digital scheduling systems have improved the quality of work at his hospital, and he expects virtual care to enhance patient access and experience.

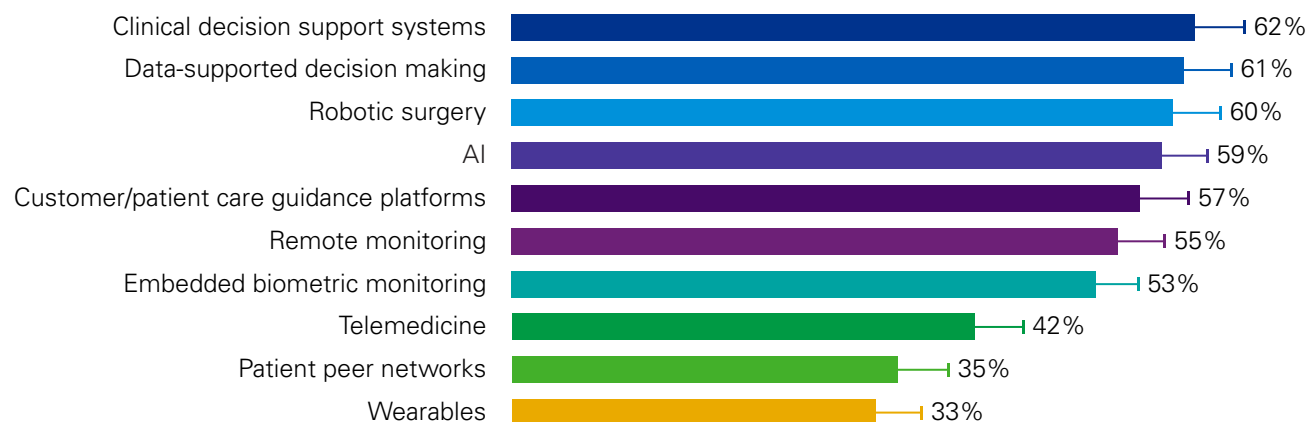
The hackathon model of innovation

Not only is technology constantly improving, but so too are the approaches to technological discovery. Hackathons, commonly used by technology companies to facilitate innovation, have been adopted by Dr. Christian Elsner. The approach has helped support innovation by facilitating a culture that’s willing to test (and fail) in a sector that is often set in traditional ways of working and being too afraid to fail.

The hackathon approach also helps bring people to the table — from patients to colleagues within the hospital who otherwise wouldn’t interact, to representatives from industry. In one iteration, Elsner had patients help define hackathon challenges based upon their lived experiences, which then brought together staff from different disciplines and capabilities to develop solutions. There was also a marketing dividend as representatives from technology, medical device and other organizations wanted to affiliate with and participate in the innovation. “It’s very simple, you have nothing to lose in this. So, my experience is if you moderate it a little bit, then it’s always good to give people the room to think freely. It’s completely okay that a hackathon has a certain 50, 60, 80 percent of the stuff that doesn’t succeed.” For Elsner, the process of thinking innovatively and collaboratively is just as, if not more, important than the products developed during hackathons.

When asked to gauge the impact of technology on care quality and outcomes today, CEOs rated clinical decision support systems, data supported decision-making and robotic surgery as having the highest expected impact today.

Digital technologies rated highest in terms of impact on quality and outcomes of care today



Source: 2021 Healthcare CEO Future Pulse

The digital transformation in support of care delivery is most immediately obvious to health leaders. Many (66 percent) expect telemedicine and other digital delivery methods to take on more importance moving forward. Closely, but less enthusiastically, more than half (59 percent) are confident that “a significant amount of diagnostics, consultations and treatment will be done digitally instead of in-person.”

Still, the inaction is notable: Slightly more than one in ten executives (11 percent) reports *zero* organizational investment in digital care delivery, and only a very small cohort (7 percent) can boast of “substantial” implementations to date. The vast middle cohort is either pondering or mobilizing — digital care delivery is either on their agenda (40 percent) or in their current strategies (43 percent), waiting to be executed. It’s not just patients who need to be sold on new technology either. Staff adoption plays a crucial role. To that end, Rob Webster advises:

“You’ve got to make it easier. People love the fact that, when you introduce new technologies, it can make their clinical life easier. For instance, systems that deliver pathology results on your machine straight away and shared records where you can see what’s happened overnight with the GP... People love that sort of stuff.”

For those who worry about learning curves disrupting already-busy schedules, Webster says, “It takes less time than people think. When you give the tools to the teams with the right support, you tend to be surprised and pleased by how much improvement you can make.”

But even the most digitally advanced executives are advised to put things into perspective on the digital journey. As Webster notes, in his country, “The majority of non-face-to-face consultations have been on the telephone. We’re using 19th-century technology and calling it an improvement.”

Key takeaways

- Healthcare needs to catch up to other sectors in leveraging and integrating digital as a means to create more sustainable, accessible and effective means of delivery.
- Digital can provide benefits from the front office by supporting clinical interventions or the patient-provider interface to the back-office in optimizing operations.
- The execution of a digital strategy is not solely a technical infrastructure play — it requires leadership, organizational change and training for staff in new ways of working.



How to take action

Health leaders should have a digital strategy no matter what their digital ambitions are. Given that technology is an investment, these digital strategies should have an understanding of what the business requirements are based upon (e.g. stakeholder needs), what the current state is, and what the future state looks like, and a roadmap to get there. Once digital strategies are created, execution plans should be developed to support all stakeholders in the journey — from developing new workflows and training, to operational transformation, to new patient pathways. To embark upon digital transformation, fundamental changes will also need to be made to investment agendas.

Spotlight: Taking the pulse by geography

Sources of pride and room for growth: highlighted health leader sentiments by jurisdiction



Source of pride:

Where health leaders assess themselves better than peers



Room for growth:

Where organizations lag behind global peers in their response sentiment

Australia

One-third of Australian respondents have completed the shift of care delivery out of hospitals and into communities. This is higher than any other jurisdiction.

Value-based healthcare reform was a lower priority in Australia. Sixty-seven percent of Australian respondents were not taking action on value-based incentive reform — either not addressing it directly or only beginning to consider it.

Netherlands

Dutch respondents are prioritizing the shift from in-person to digital care delivery, with 80 percent indicating it's important or extremely important to their organizations, with the belief of 83 percent of respondents in the high impact of telemedicine.

Compared to the other jurisdictions, no respondents from the Netherlands viewed themselves as Innovators from a transformation persona perspective. While none viewed themselves as laggards either, most (fifty percent) viewed themselves as part of the "Early Majority", meaning this group is more likely to be a recipient of the change that 'goes mainstream'.

Canada

Canadian respondents are the 'friendliest' among those surveyed, reporting among the highest percent of partnerships with pharma and life sciences (67 percent), retail (50 percent), and telecommunications companies (75 percent). Yet, when it comes to human and social services, Canadian health leaders rank these providers highest as partners (58 percent), but also the most 'not on their radar' (33 percent).

Canadian respondents indicate a 'technical lag' in terms of implementation today. Among respondents, they replied significantly lower than the global average for adoption of telemedicine (38 percent) and clinical decision support systems (29 percent). Relative to other jurisdictions they rate these technologies as currently providing lower impact, rating telemedicine and clinical decision support as high impact 22 percent, and 29 percent respectively.

Saudi Arabia

Change is in the air. One hundred percent of Saudi respondents are pursuing profound transformation; that may take shape as care out of hospitals and into communities, with 90 percent describing this as important or extremely important.

Defining success is different in the Kingdom — as zero Saudi respondents have ESGs as part of their KPIs, with 80 percent of them ranking this as their least important KPI.

China

Chinese leaders believe in 'power to the people', with 71 percent of respondents being confident or highly confident in patients' abilities to self-manage.

More work needs to be done to shift delivery of care out of the hospital and into the community. Though over 80 percent of respondents are investing time and resources to address this issue, only 17 percent have substantially implemented the strategy.

United Kingdom

The pandemic demonstrated that the NHS workforce has never been more stretched, with huge shortages and stress levels,³ yet surprisingly UK respondents come off strong when it comes to their workforce capabilities — reporting themselves as good or excellent in their abilities to recruit (50 percent), retain talent (79 percent), and train their workforces (75 percent); more so than any other jurisdiction surveyed.

UK respondents show relatively weaker emphasis on diversity, with a quarter reporting poor or very poor diversity in the workplace; this may be a function of how they're assessed — as the percentage of respondents indicating KPIs on diversity and inclusiveness (25 percent), and in addressing health inequities in underserved communities (25 percent) are the lowest among respondent jurisdictions.

Germany

German respondents excel when it comes to their level of confidence in communities taking on a greater role in care (71 percent); this may be reflective of programs where the government provides funding to informal caregivers, including family members.

German respondents have a different view of patients — with only 42 percent confident or highly confident in patients' abilities to self-manage, and only 46 percent believing it is important or extremely important to shift to a patient-centered paradigm.

United States

Three-quarters of US respondents believe their customers would rate them 'good' or 'excellent' on customer experience. This may be no coincidence as 95 percent of US health leaders say that they are highly or extensively focusing on customer experience (more than any other jurisdiction).

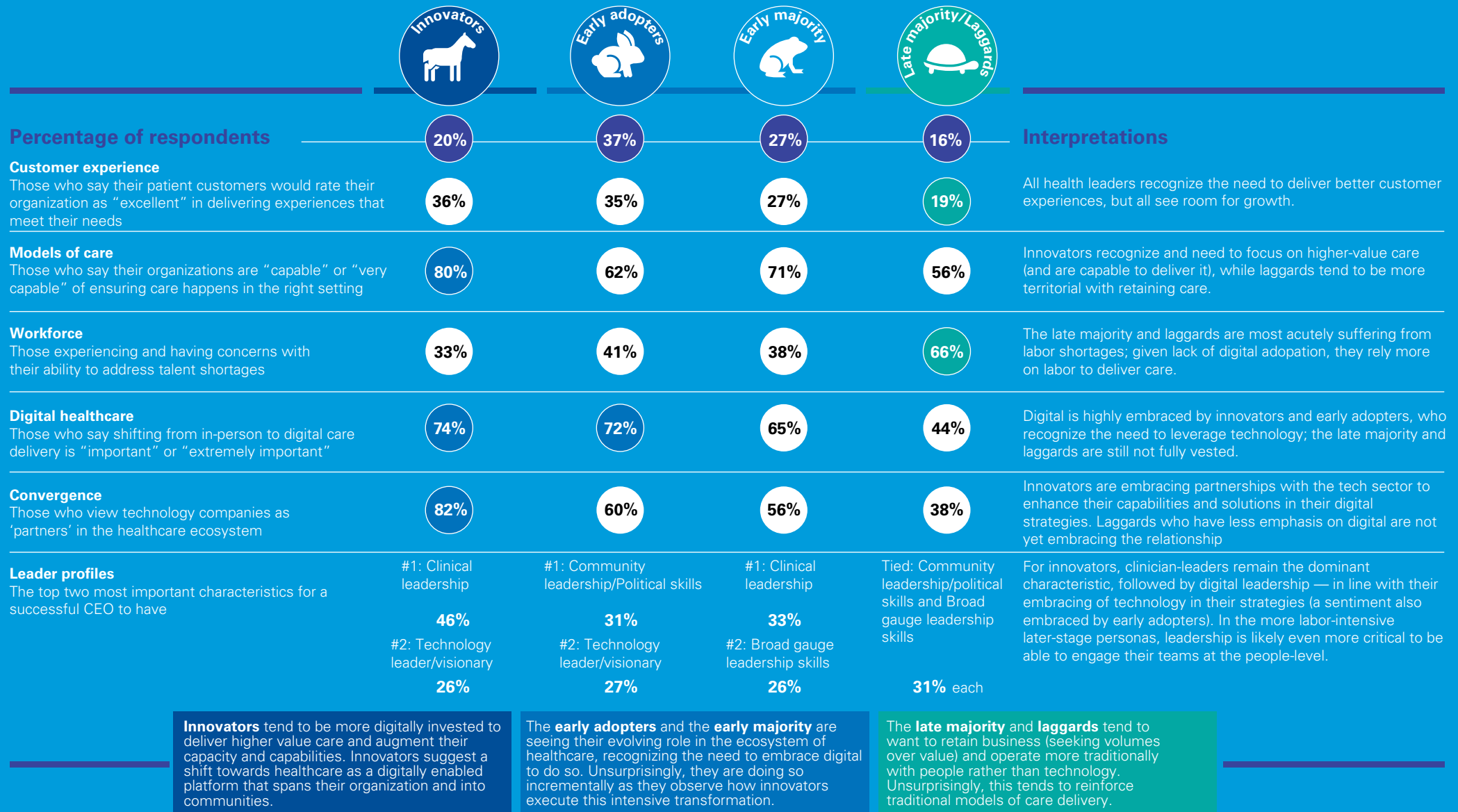
Putting more care into carers: seventy-five percent of US respondents report being concerned or extremely concerned about their ability to support workforce wellness.

Source: KPMG 2021 Global Healthcare CEO Outlook

³ House of Commons of the United Kingdom, Health and Social Care Committee (2021 June 8). Workforce burnout and resilience in the NHS and social care, House of Commons of the United Kingdom, Health and Social Care Committee (2021 June 8). Workforce burnout and resilience in the NHS and social care, Second Report of Session 2021–22. <https://committees.parliament.uk/publications/6158/documents/68766/default/>

Spotlight: Self-described transformation personas

Comparing how CEOs see themselves across dimensions of change



Source: KPMG 2021 Global Healthcare CEO Outlook

06

The digital journey — from data and delivery to AI and robotics

Why health leaders need to walk before they
can run in the digital journey



If digital is the inevitable future of healthcare, the question is ‘where to start on that path?’ As technologies emerge in all dimensions of healthcare — from the methods of treating patients to the platforms that can enable patient-provider interaction, health leaders should take decisive action by deciding on the investments to make today. Sensibly, many organizations have started with less sophisticated, more proven technologies. More than half of executives (59 percent) report that their organizations are using telemedicine, for example, making it the most-cited tech innovation in current use; its utility and benefits made only more obvious thanks to COVID-19.

Putting data and science first

A data-focused approach requires not only infrastructure, but also a mindset shift for many health leaders — who think of their data as pseudo-proprietary and put up administrative and technological barriers to access. But for Dr. Christian Elsner who works for an academic medical center, sharing data even with other academic centers is worthwhile: “By sharing and creating an open-source model for data in a way that puts the science first, it’s worthwhile justification to break down barriers. By federating data and opening it to the ecosystem, the best organizations won’t have to worry about their position in the market because they’ll be the ones who know what to do with the data and benefit their patients most.”

— Dr. Christian Elsner, Chief Financial Officer,
University Medical Center of Johannes, Gutenberg University Mainz

While telemedicine and data-leveraging technology seems like a feasible option today with new mindsets and delivery models, more sophisticated technologies like robotic surgery seem like more distant realities despite their anticipated impact. Our survey results suggest that health leaders are focusing first on data-generating, analyzing and supporting technology — the tools and platforms that help document and transmit patient data, support in clinical decision-making, and enable patient navigation. In line with patient-centric, community-based care, these technologies help set up the digital front door to care.



Technology should be accompanied by people and processes in order to achieve the best outcomes. ”



Interestingly, the outlook on particular technologies varies between self-identified transformation personas — where greater faith is put by innovators into technologies that ‘touch’ patients.

The evolution from data-oriented technologies to more patient-interfacing technologies is evident. Today, more than half (55 percent) use clinical decision support systems and nearly half (48 percent) employ patient care guidance platforms. Almost two fifths of CEOs (38 percent) are using artificial intelligence to engage with and/or treat patients; some also report using remote monitoring (47 percent), wearables (40 percent) and embedded biometric monitoring (35 percent).

As part of the *Healthcare CEO Future Pulse*, health leaders were asked to self-identify their organizations’ transformation style personas. Those who indicated they were innovators are more likely to have invested in the technologies that help in the gathering and synthesis of data today — including AI, remote monitoring, biometric embedded monitoring, and wearables, while those identifying as laggards have made their investment in clinical decision support — an intuitive explanation being it can help support stretched workforces in sifting through information and arriving at decisions more efficiently. Interestingly, the outlook on particular technologies varies between self-identified transformation personas — where greater faith is put by innovators into technologies that ‘touch’ patients. For instance, innovators see embedded biometric monitoring and robotic surgery as having high impact, rating them 61 and 100 percent respectively, sentiments that are in stark contrast to those of the laggards and late majority. These divergent points of view suggest where organizations could make their investments and where their specialties may lie in the future.

When asked about his organization’s approach to investing in technology, Dr. Anton Decker says the best interests of patients are always factored in and are at the center of investment decisions:

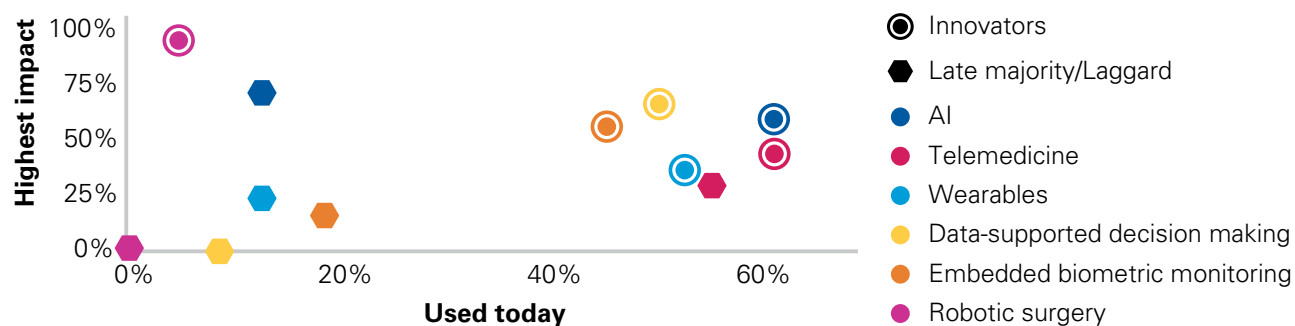
“What Mayo Clinic does well is invest in the human beings and infrastructure to maintain technology and keep staff contemporary. Technology should be accompanied by people and processes in order to achieve the best outcomes, and we should celebrate these health technologies the same as we do scientific breakthroughs like vaccines.”

Key takeaways

- Technology demands significant investment over a long period of time, requiring thoughtful planning of what to invest in, when, and in which order to develop the ‘critical path’ based on the capabilities that accumulate and the platforms that can be built upon.
- Digital transformation is a journey that starts with getting data technologies in place, using data, and then evolves into more sophisticated technologies that support care delivery.
- Digital solutions should be fit for purpose. A significant investment of time, money and resources should be justified with a clear case to generate better patient and/or business outcomes.

Organizational transformation persona analysis

Technologies used today to engage or treat patients versus technologies rated highest for impact on quality and outcomes of care today



Source: 2021 Healthcare CEO Future Pulse



How to take action

Technological transformation is a perpetual journey — meaning that health leaders should evaluate their long-term digital health objectives and work backwards from their current capacities and capabilities to develop a ‘critical path’ to get there. This process involves developing an understanding of which technologies to prioritize, which in turn helps to set up infrastructure for future technologies, sequences investment timing, and informs workforce preparation, such as creating new roles or upskilling existing staff.

07

Workforce worries won't go away

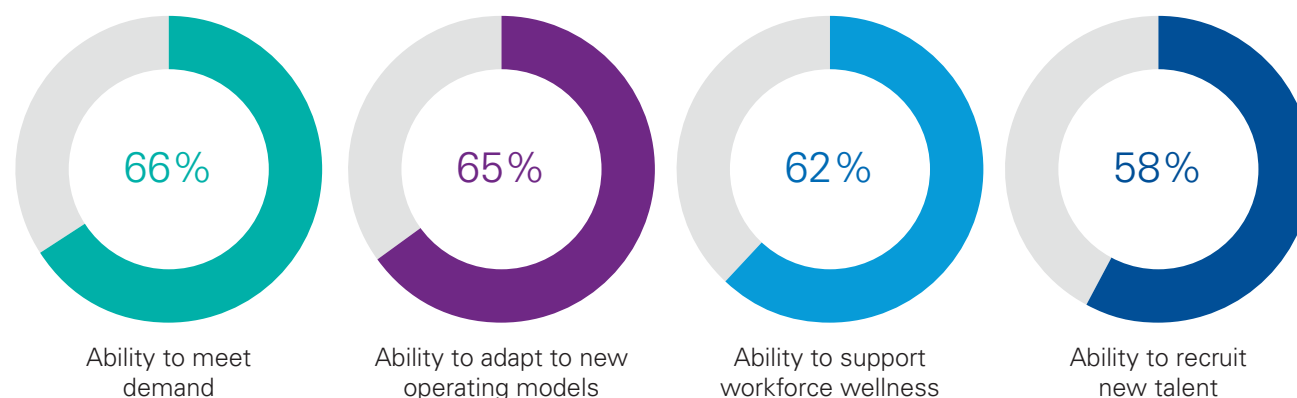
The transition from optimizing ways of working to ensuring healthcare organizations have enough people to meet demand



Despite the growing use of technology, healthcare is still primarily a people-driven business. From the doctors and nurses who provide care to the administrators and operators who help these complex organizations function — the growing demand for care outpaces the supply of labor and this is putting pressure on healthcare systems globally. COVID-19 exacerbated this challenge by putting strained workforces under the threat of direct exposure to the virus, extending work hours, deferring vacations and demanding rapid change in ways of working.

Health leaders are addressing workforce challenges with approaches in the immediate term focused on optimizing their teams, while keeping their eyes on the horizon of talent supply shortages. Roughly two-thirds (67 percent) acknowledge that their organizations need to focus more of their attention on talent and resources. Fewer than half (43 percent) of executives believe they're facing a talent shortage. Instead, the most concerning workforce issues keeping healthcare CEOs up at night are the ability to meet demand, the impact of new operating models upon staff, supporting workforce wellness, and recruiting new talent.

Workforce concerns



Source: 2021 Healthcare CEO Future Pulse

Considered together, these data suggest an instinct to “do more” with available talent — through training, supporting them with technology or providing greater support/incentives, rather than recruiting new resources. For Sarah Downey, this is not a solution. “We have an exhausted workforce, many of whom were already at the brink of retirement before COVID,” she says. For the past year, her team has worked to fill 100 nursing vacancies, and this issue has become a perennial problem for her hospital.



We have an exhausted workforce, many of whom were already at the brink of retirement before COVID. ”



Everyone in the organization works towards helping patients get better. It's unbelievably personal — if you reached out to me for help, I will find an answer for you. ”

— Dr. Decker

The potential impact is profound. There is no healthcare without healthcare workers: loss of staff due to attrition, burnout or retirement can have serious implications — in terms of costs to recruit new talent and capacity to deliver on demand. Following COVID, the threat is very real as people re-examine their career choices. However, the data suggest that health leaders, while concerned about workforce wellness, are looking beyond the pandemic.

In terms of mitigating burnout, more than two-thirds of CEOs (69 percent) have programs in place to listen to their staffers' needs and learn where they need support — but clearly more can be done. More than two-thirds (67 percent) said they're embracing partnerships in which external providers can take on more duties, alleviating overwork and allowing providers to focus on their core duties, where they can add the most value according to their expertise. This may be a necessary measure to add capacity to the workforce, but also may require re-thinking and expanding what the workforce looks like.

“It's a system that is very hard to transform and change. You don't have many levers and we cannot produce personnel quickly. We've got a huge amount of work going into inclusion and diversity, which mirrors what's going on in the system. But what really worries me over the next couple of years is how to rebuild our workforce to be able to maintain access to healthcare for those who will need it.”

— Sarah Downey, President and CEO, Michael Garron Hospital

The point, of course, isn't to deprioritize patient satisfaction. It's important to recognize that the two are inextricably linked — organizations can't deliver on patient outcomes without the people who get that done — perhaps the best way to reconcile the two is by creating a culture like the one at Mayo Clinic. "Everyone in the organization works towards helping patients get better. It's unbelievably personal — if you reached out to me for help, I will find an answer for you," says Dr. Decker. He explains the depth of that personal relationship further, noting: "We ask our staff to imagine the patient is your family. Imagine you're the patient. Then deliver to that standard of care."

Key takeaways

- Health leaders are currently focused on getting 'more blood from the stone' from their existing workforces, but the reality is that leaders will need to focus on treating existing staff better while building a 'pipeline' of future labor.
- Workforce concerns are a long-term play given that supply is limited, and their recruitment, training and deployment spans many years.
- To deliver customer-centric experiences, workforces are the interface and embodiment of that ethos; sacrificing workforce in the name of efficiency can do more harm than good.



How to take action

Workforce should be a core pillar of health leaders' strategies and requires both a current and long-term perspective — from a culture, capacity and technology perspective. Patient-centricity is driven by workforce culture, which needs to be led from the top. Meanwhile, capacity can be addressed using a 'workforce shaping' approach — assessing current capacity, future demand and potential labor-mix needs. Further, workforce and digital strategies should be intertwined — factoring in how one impacts the other, and how workforces will need to be augmented with new roles and existing staff trained in new ways of working with technology.

08

Choose your friends wisely

The dynamic ecosystem of players in healthcare delivery



With evidence growing that health outcomes are impacted by a wide spectrum of social determinants⁴ — not the least being housing, education, poverty and nutrition — the need for healthcare organizations to partner with groups that contribute to people's lives and not solely to patients' clinical outcomes is more apparent. Healthcare providers must look to adjacent sectors not only for their contributions to people's health and wellness, but also as capabilities to be leveraged as they focus on their core competencies.

"You have to be able to build trust and alliances across a great number of partners," says Sarah Downey.

"To do that, you need to be strong listeners, communicators and be humble. You have to speak to an interest greater than your own and your organization's."

In fact, partnerships aren't seen as a signal of deferring responsibility, but as a way to bolster a brand. Mayo Clinic sees partnerships as key to international expansion.

"We are taking Mayo Clinic to the world with humility. There is no hubris in healthcare. So, we don't for a second think that we can take the Mayo model of care, or the way we take care of patients to the rest of the world, without partners. The last thing we want to do is alienate the local companies, physicians and healthcare organizations. We need their expertise, there are nuances in culture in the business of healthcare and often genetic differences in different countries that we don't have. So, when we go to another country, the learnings go both ways. There's absolutely no way that we can or want to do it ourselves."

—Dr. Anton Decker, President, Mayo Clinic International

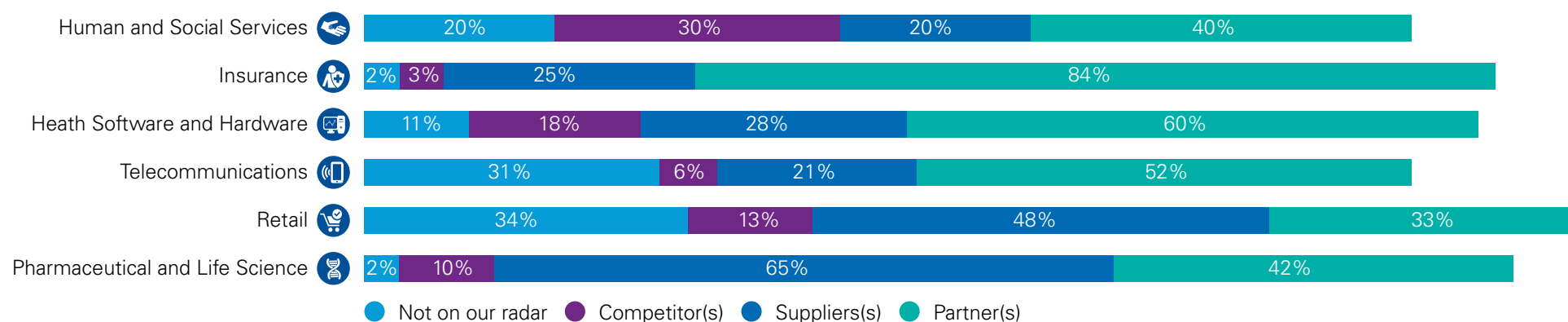
Data from the *2021 Healthcare CEO Future Pulse* reveals that many CEOs (62 percent) are aware of the value of partnerships, and that — now or within the next two years — they are planning to forge robust buy/build partnerships to minimize capability gaps, mitigate risks and reduce costs. For an industry that has often operated with a lot of pride and self-sufficiency, it is refreshing to see that health leaders are open to asking for help.

“

Healthcare providers must look to adjacent sectors not only for their contributions to people's health and wellness, but also as capabilities to be leveraged as they focus on their core competencies. ”

So, who exactly are these partners? Who is the competition? Who doesn't matter (yet)? CEOs are trending towards engaging telecommunications companies (52 percent), health technology (software and hardware) providers (60 percent) and insurance companies (84 percent) to be partners in care delivery. The latter is a little surprising: Insurance companies are part-and-parcel of healthcare in most jurisdictions, but mostly as payers, and not necessarily as partners. Increased cooperation with telecom and tech may suggest that CEOs are seeking to mitigate technological risks, with tech companies as producers of digital solutions and hardware and telecoms providing the infrastructure to enable the flow of data between sites, devices and nodes. Healthcare leaders may be looking to their particular expertise given that 65 percent believe that their ability to manage technological change threatens their organizational ability to evolve.

Organizational relationships with other sectors

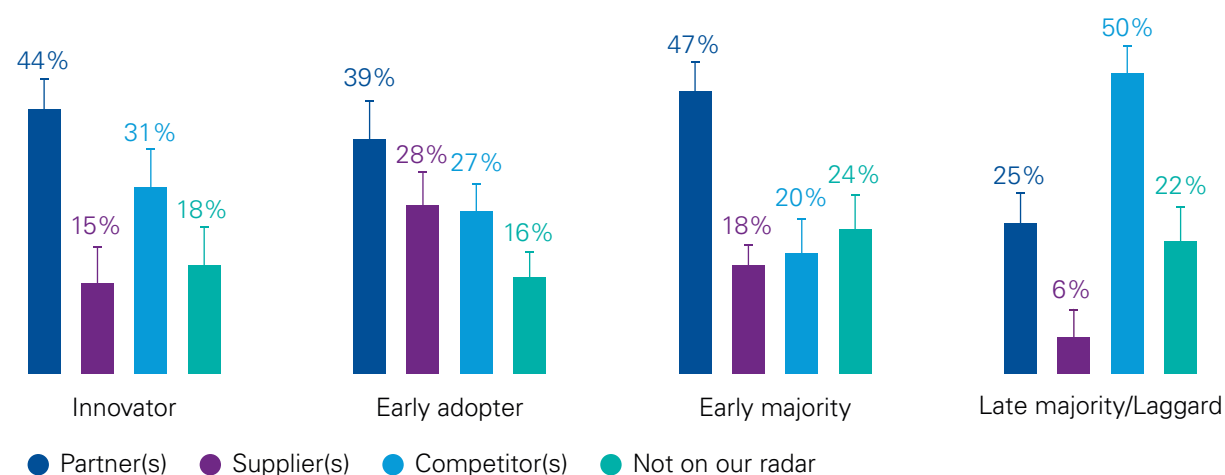


Source: 2021 Healthcare CEO Future Pulse

Despite “big retail” increasingly making moves into the healthcare sector^{5,6}, retailers are considered partners by just one-third of executives (33 percent) while another third (34 percent) haven't even put this sector on their radar screens. But the influence of retail — in particular retail pharmacy in many jurisdictions was made more evident when these organizations took on responsibility for COVID-19 testing and vaccine administration. These organizations have strong community-based infrastructure and capacity that can take on responsibilities that allow health providers to focus on higher-value activities. These partnerships may also foster greater customer-centric systems, given their sector's leadership in living that ethos.

Perhaps most surprising is the attitude towards human and social services organizations: those that work to provide housing, employment support and other services that influence people's lives and environmental situations. Nearly one-third (30 percent) of healthcare CEOs described human and social services providers as their competitors. Not surprisingly, this opinion was held most strongly by those who describe their organization's transformation persona as late majority or laggard. While they have a common outcome (the wellbeing of people) — separate budgets and responsibilities suggests a misalignment of accountabilities and cooperation.

Relationships with Human and Social Services providers by transformation personas



Source: 2021 Healthcare CEO Future Pulse

Key takeaways

- Health leaders should acknowledge the competencies of adjacent sectors that can contribute to the common causes of better patient experiences and outcomes and allow them to focus on their own core competencies.
- Contributing sectors will play different roles — evolving into partners, acting as traditional suppliers, or potentially threatening healthcare organizations' ways of working, as competitors. Competition may not be a bad thing however; it may force further acceleration of transformation as observed in other sectors (e.g., FinTech and its challenge to the banking sector).



How to take action

As health leaders adopt customer-centric approaches to care pathways, they should assess who are the other contributors and touchpoints in these pathways and how they can partner with those organizations. This can be assessed by spelling out patient journeys and personas of different groups to identify the touchpoints in their care, the inputs to their outcome, and other organizations that supply those inputs to create an 'ecosystem map'. This map can form a basis of incentive alignment, digital integration, workforce handoffs, and to identify where business cases can be made to build, buy or partner.

09

Enter the multifaceted leader

How the modern health leader will
be best-equipped and measured

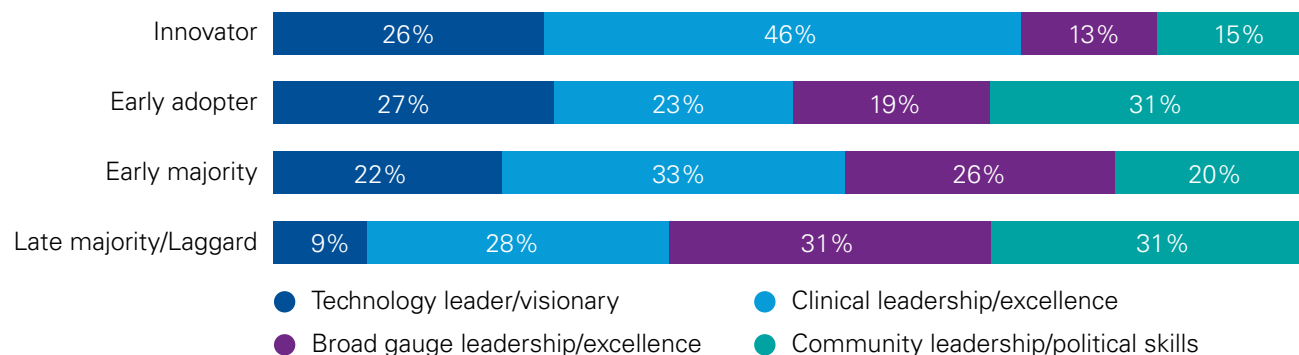


Traditionally, many healthcare organizations have been led by clinician leaders — doctors who rose through the ranks of their departments up to executive offices or by professionally-trained administrators in more public systems. But as the nature of care has evolved from a provider-centric model towards a digitally enabled, customer-centric approach, so too has the profile of the CEO fit for the future of care. Data from the survey suggest the skillsets they possess, the priorities they focus on, and the ways they're being measured for success are evolving.

So, what are the skillsets healthcare CEOs need in their leadership toolbox? When asked to identify the most important trait for successful leadership in their organizations, CEOs were most likely to cite clinical excellence. But not by much. In fact, responses were more or less evenly distributed across four executive qualities — including technology visionaries, community leaders and well-rounded individuals.

When looking at this question through the lens of the self-identified organizational transformation personas, you would expect the innovators to be the ones prizing the tech visionary skillset, yet they by far hold the more traditional view that clinical experience is key to leading healthcare organizations. The multifaceted leader theme plays out further in these results, showing that self-identified innovative organizations believe that they will be clinically led; even though innovators recognize they need broader growth in leading workforces, technology implementation — suggesting they need to surround themselves with that support. Both innovators and early adopters rate technology as their second most important skillset but this is not the case for the early majority and late majority/laggards who put broad leadership in second place. This may denote that they prefer generalist rather than specialty skills in their leaders.

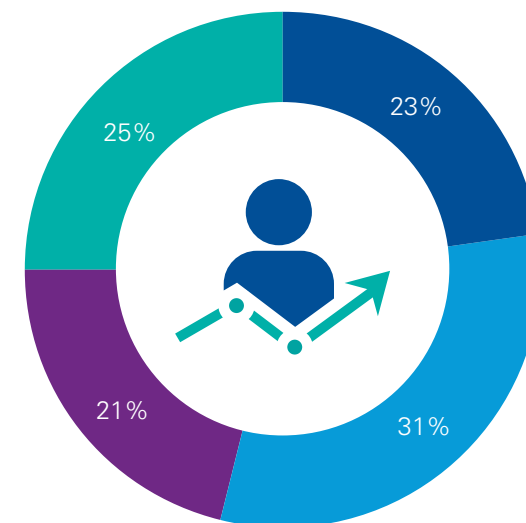
Successful CEO attributes by transformation persona



Note: May not add up to 100% due to rounding.

Source: 2021 Healthcare CEO Future Pulse

What does it take to be a successful CEO at your organization?



- Technology leader/visionary
- Clinical leadership/excellence
- Broad gauge leadership/excellence
- Community leadership/political skills

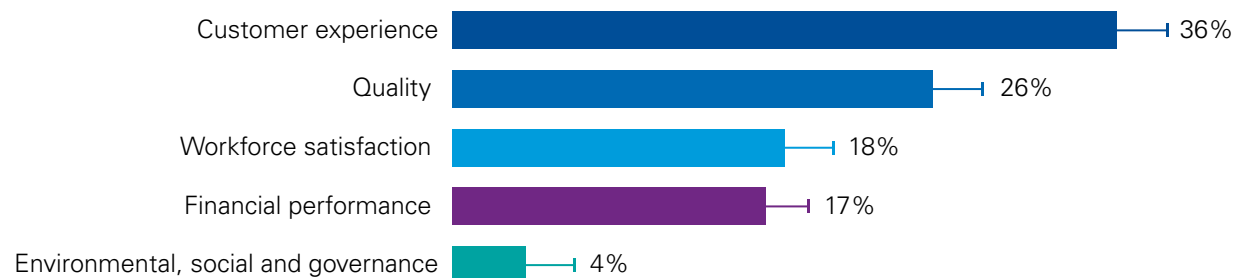
Source: 2021 Healthcare CEO Future Pulse



This suggests that **CEOs** will be evaluated for patient-centricity, while the broader social impact of their **leadership** is yet to be prioritized. When examining this topic by the self-identified organizational transformation personas, our innovators come out where we'd expect them, taking the lead on prioritizing ESG metrics.

Accompanying the shifting skillset is an evolving mindset. "I really hope that, before long, we can bring the next generation of leaders into positions of authority with decision-making abilities that are far more democratic," says Sarah Downey. "Keeping these decisions in the hands of people who only see things in a particular way, is not our path to transformation."

Key performance indicators in terms of importance

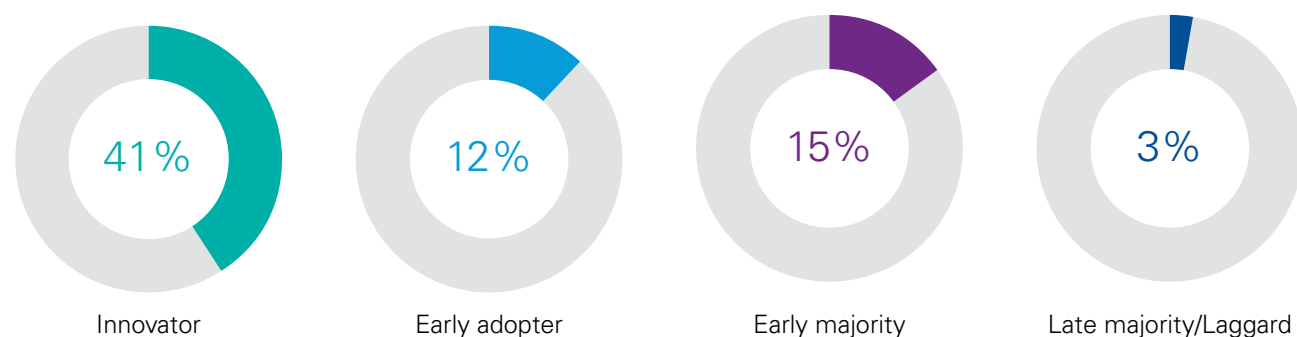


Source: 2021 Healthcare CEO Future Pulse

When CEOs were asked to rank their most important organizational key performance indicators (KPIs), customer experience took top spot (60 percent) followed by clinical quality (47 percent), workforce satisfaction (42 percent), financial performance (34 percent), and in last place the environmental, social and governance (ESG) metric that includes diversity and inclusion and addressing access issues (17 percent). This suggests that CEOs will be evaluated for patient-centricity, while the broader social impact of their leadership is yet to be prioritized. When examining this topic by the self-identified organizational transformation personas, our innovators come out where we'd expect them, taking the lead on prioritizing ESG metrics.

There's further recognition that patient-centered organizations need to not just empathize with community needs but be a product of it. "Your organizations need to reflect the communities you serve. We've been diversifying our board and management teams. It is entirely possible to find the talent you're looking for among diverse communities, you just might need to seek them out differently," says Downey.

Those prioritizing ESG KPIs



Source: 2021 Healthcare CEO Future Pulse

Key takeaways

- Health leaders, like their organizations, will need to demonstrate agility and diversity in their capabilities — clinical leadership will need to keep up with digital competency to lead transformation, while increased community-based care needs political leadership.
- KPIs continue to focus on the core functions of care — patient experience and clinical quality but thinking about roles outside of organizational walls will likely increase in importance.
- Leaders need to consider how the people they surround themselves with not only help give voice to their patient-customers but help build trust with the communities they serve.



How to take action

Health leaders of the future will need multi-dimensional skills for not only themselves but in the teams that surround them. Ensuring teams are diverse and inclusive will help leaders understand their role in broader society. Organizations' roles in this should also be translated into KPIs that are beyond traditional operational measures — including ESG, recruitment strategies that embed diversity in leadership, and ultimately visions that guide the organization to seek constant self-improvement and contribution to societal good.

10

The path forward: Be the master of your own destiny

Health leaders recognize the challenge ahead; but it will take a frank assessment to start the journey





Dr. Maurice van den Bosch
CEO
OLVG Hospital Amsterdam
(Netherlands)

The *2021 Healthcare CEO Future Pulse* demonstrates the case for transformation in healthcare is apparent. It's also imminent. Emerging from the pandemic, health leaders' agendas are full — with priorities to address delivery model reforms, digital enablement and workforce planning. Each of these requires leaders to make difficult decisions and convincing cases — to make investment, to guide their people through change, and to work with stakeholders to help make it happen.

How quickly, then, can we expect to see meaningful change in the sector? According to 79 percent of CEOs, within the next three years, nearly all aspects of care delivery models will have significantly transformed. If history is any indication, beyond shocks like pandemics — transformation is a much slower, deliberate process. Comparing this high ambition to the current state of a key enabler such as shifting to digital care delivery — where it sits in their strategies with 43 percent, on their agenda with 39 percent, and is non-existent in their plans among 11 percent. Only 7 percent have implemented this shift today. That shift from strategy to execution can be a long journey; further still is the shift from agenda to strategic imperative to execution.

But who exactly is struggling? Forty-four percent of healthcare executives describe their organizations as mainstream, late adopters and laggards when it comes to embracing new technology. For these, four in nine CEOs, reform is something that happens to them rather than is something they proactively plan for, adopt and action. While not everyone is expected to be an innovator, late adopters and laggards are far less optimistic in their ability to deliver on transformation elements such as shifting care into the community, focusing on prevention, adopting digital, aligning incentives to outcomes, and embodying a patient-centered paradigm.

Even the most conservatively-minded CEOs must take up the standard and lead the charge for change. Change is not a unanimous consent process, and there will be resistance from within, as Dr. Maurice van den Bosch explains with an example from his organization: "To be honest, 10 percent of the employees are embracing technological change, digital transformation or transformation in general. Then, I think, 10 percent are really blocking it. And then 80 percent are somewhere in between. This is a leadership opportunity. I try to use the first movers to convince the rest of the groups to participate in the change."

This last point is key. To effect meaningful change in their organizations — and more broadly across the industry — healthcare leaders must create coalitions that stretch beyond just their individual leadership and fellow executives to drive change from the top. The role of the health leader is to inspire and empower their people to lead change from the bottom-up and top-down.

"If you want to make transformation happen, it needs to be owned by the medical specialists themselves. They need to be part of it. One of the cornerstones for the pace of the transformation is to get the medical specialists on board as owners of the change process."

Finally, CEOs should re-examine conventional practices and business models in search of novel solutions to long-standing problems. While change appears to be the constant — the status quo seems to be the easiest path forward. To nudge organizations out of inertia and into action, incentivization appears to be critical. The consensus suggests that “you get what you pay for” when it comes to system transformation — with most (84 percent) believing it cannot happen without reforming the way care providers are incentivized, with 65 percent of respondents feeling strongly that their organizations are ready to address or are already working on aligning incentives to outcomes.

84%

Healthcare CEOs who believe that industry transformation cannot happen without reforming the way care providers are compensated

65%

Healthcare organizations are ready to address or are already working to align incentives to outcomes

Key takeaways

- Health leaders expect their organizations to transform significantly within the next five years; but few have built a mandate or plan to make it happen.
- Leading transformation is a team sport — and CEOs will need to determine how to empower their teams to be partners in change by getting them involved in shaping transformation, and by enabling them to action change and giving them responsibility in the transformation process.
- While transformation can happen with the initiative of health leaders and their teams, true reforms are best enabled when financial incentives are aligned to their success.



How to take action

Health leaders should reflect on their strategies to see if they are built for the future. The case for transformation in healthcare may be apparent, but this must be backed up with a clear strategy that provides a long-term vision that can weather the dynamics of technological change, customer-centricity, increased demand and complexity, and unforeseen shocks to the system. COVID-19 has elevated the ‘common denominator’ role of healthcare in society, so health leaders should engage, inspire and incentivize their organization and the broader ecosystem around them to align behind their visions — turning those raw ambitions into the future they own.

About the authors

As KPMG's Global Head of Healthcare, Anna oversees a team of more than 4,500 healthcare specialists in 45 jurisdictions and revenues of \$1.25 billion (USD).

Previously, Anna was Global Lead for KPMG's Care System Redesign network and worked extensively with clients on five continents to futureproof healthcare systems. As the former healthcare lead partner for KPMG in the Netherlands, she supervised a number of successful national and regional transformation programs based on design and implementation of new service delivery, reimbursement and governance models and physical infrastructures. She continues to be a respected partner for boards of larger health systems, teaching hospitals and academic centers in developing and implementing longer-term strategies.

The journey towards digital healthcare and the concept of connected healthcare infrastructure are central elements in her work. Anna is the author of several KPMG International publications on topics that include: COVID-19 recovery and resilience, value-based healthcare, out of hospital care provision, and technology-enabled care delivery systems. She is also a highly appreciated speaker at international industry events.

Anna has more than 30 years of healthcare experience in diverse managerial, board and consultancy roles. Her areas of expertise range from M&A to portfolio strategies, financial restructurings, governance model design, regional service redesign and digitized care delivery model development.

Prior to joining KPMG in 2011, Anna held senior-level positions at several hospitals and academic health sciences centers, where she led transformational projects. As CEO of the Dutch Diagnosis Related-Groups (DRGs) and pricing office, Anna was a major force behind the adoption of DRG systems for healthcare providers and the introduction of a new national healthcare payment system.

Anna has a PhD in Economic Sciences from Erasmus University Rotterdam.



Dr. Anna van Poucke

Global Head of Healthcare, KPMG
Healthcare Senior Partner, KPMG
in the Netherlands

E: vanpoucke.anna@kpmg.nl

T: +31 20 656 85 95

As KPMG's Global Sector Executive for Healthcare and Executive to the Global Head of Healthcare, Randall supports the development, execution, and growth driven strategy across the network of more than 45 KPMG firms. Randall's focus areas are on global proposition development, alliance partnerships, priority client relationships, co-leading the global COVID-19 network for KPMG Healthcare, and leading the global thought leadership agenda and content development, including as Editor-in-Chief of *Healthcare Foresight*, a digital magazine.

Randall draws on over a decade of experience advising executive-level clients across the 4Ps — from policymakers, payers, providers and patient groups in the healthcare continuum, to cross-sector collaborations with life sciences, retail, technology and telecommunications companies. His consulting work has spanned health system transformations, to hospital turnarounds, to development of behavioral-science based apps, to value-based payment reforms, and beyond, in jurisdictions across multiple continents.

Randall's experience beyond consulting includes venture capital in nascent industries including crypto, robotics and health gamification, as a Program Manager for Public Health Ontario's COVID-19 Lab Capacity, as well as a founder in the healthcare startup space — where he is a graduate of the Founder Institute, Creative Destruction Lab, and an award-winner from the US-based Pandemic Response Hackathon and EU Commission.



Randall Baran-Chong

Global Healthcare Sector
Executive and Executive to the
Global Head of Healthcare, KPMG

E: baranichong.randall@kpmg.nl

T: +31 20 656 88 86

Acknowledgments

KPMG would like to thank the following for their contributions:

Dr. Anton Decker

President
Mayo Clinic International

Sarah Downey

President and CEO
Michael Garron Hospital

Dr. Christian Elsner

Chief Financial Officer
University Medical Center of
Johannes Gutenberg University Mainz

Dr. Maurice van den Bosch

CEO
OLVG Hospital Amsterdam

Dr. Dawei Wang

President
Liaocheng People's Hospital

Rob Webster, CBE

Chief Executive
South West Yorkshire Partnership
Foundation Trust

Lead Chief Executive
West Yorkshire and Harrogate
Integrated Care System

Methodology and acknowledgments

About the KPMG 2021 Global Healthcare CEO Outlook

An online survey of 200 healthcare CEOs in eight jurisdictions, commissioned by KPMG and conducted by Forbes Insights from March to April 2021.

Regions surveyed and number of respondents:

Australia (N=24), Canada (N=24), China (N=24), Germany (N=24), Netherlands (N=10), Saudi Arabia (N=10), United Kingdom (N=24) and United States (N=60)

To participate in the survey, respondents met the following criteria:

- CEOs of hospitals, health systems and/or care provider networks
- Organizations with a minimum annual budget or revenue threshold of \$250M USD in the US, UK, Germany, China, and Canada or \$100M USD in Australia, the Netherlands and Saudi Arabia

References

- 1 Phillips, N. (2021 February 16). The coronavirus is here to stay — here's what that means. Nature. Retrieved from: <https://www.nature.com/articles/d41586-021-00396-2>
- 2 Elissen, A. et al. (2013 March 23). Is Europe putting theory into practice? A qualitative study of the level of self-management support in chronic care management approaches. BMC Health Services Research volume 13, Article number: 117 (2013), <https://bmchealthservres.biomedcentral.com/articles/10.1186/1472-6963-13-117>
- 3 House of Commons of the United Kingdom, Health and Social Care Committee (2021 June 8). Workforce burnout and resilience in the NHS and social care, Second Report of Session 2021–22. <https://committees.parliament.uk/publications/6158/documents/68766/default/>
- 4 Investing in social services as a core strategy for healthcare organizations: Developing the business case, KPMG LLP (US) and the Commonwealth Fund, March 2018. <https://www.commonwealthfund.org/publications/other-publication/2018/mar/investing-social-services-core-strategy-healthcare>
- 5 Stein, S. (2021 Feb 21). Selling Wellness: Retailers Like Best Buy, Walmart, and Amazon Are Turning To Health For Growth. Forbes. <https://www.forbes.com/sites/sanfordstein/2021/02/11/selling-wellness-retailers-best-buy-walmart-and-amazon-are-turning-to-health-for-growth/?sh=56789c696349>
- 6 Advisory Board. (2020 Feb 7). Is 'Big Retail' the next big health care disruptor? <https://www.advisory.com/en/daily-briefing/2020/02/07/retail-disrupt>

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Follow KPMG Healthcare on social media



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit home.kpmg/governance.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Throughout this document, "we", "KPMG", "us" and "our" refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity.

Designed by Evalueserve.

Publication name: 2021 HealthcareCEO Future Pulse

Publication number: 137631-G

Publication date: July 2021