Transforming Healthcare HCM

A changing healthcare workforce calls for new and improved capabilities in healthcare organizations' human resources IT.

Lisa Massman is a principal and Oracle Healthcare Industry leader at KPMG LLP, the audit, tax, and advisory firm that delivers a set of multidisciplinary services based on deep industry knowledge. Massman discusses how the changing face of the healthcare industry is leading organizations to transform and obtain more value from their human capital management (HCM) systems.

Q: How is the trend of convergence playing out in the healthcare industry?

A: Healthcare convergence is a trend where all stakeholders in the healthcare ecosystem—payers, providers, and life sciences organizations—will increasingly need to work more closely together to achieve one aim: better patient outcomes at lower cost. This trend has been driven, in part, by the recognition that the US market forces are fundamentally changing the business of healthcare into an outcomes-based system that compensates organizations based on the effectiveness of a product or service rather than simply the consumption of it. At KPMG, we believe that convergence will ultimately create a more effective, accountable, and efficient system for providers, payers, manufacturers, and patients, but we expect significant disruption as new complex business models are developed.

Lisa Massman, Principal, KPMG LLP

Q: How is convergence affecting the human resources space within healthcare?

A: Companies that are moving toward convergence are requiring a broader variety of skills and experience in their workforce to be able to provide various types of patient-centric services. They will continue to need professional employees in the provider space, but will need professional, hourly, and contract employees to fill skill gaps they have never had in the past. In the life sciences space, they will have to work with manufacturing and distribution companies, which could potentially mean working with organized labor where they may not have had to in the past. Companies will need a strong talent management capability to attract, retain, develop, and manage this diverse pool of workers.

Q: How are companies using HCM to manage a diverse pool of talent?

A: As the healthcare industry transforms, healthcare organizations also need to transform their HCM systems in order to keep up with the competition, as well as source, employ, and retain the best talent. Many healthcare organizations today are running disparate technologies across the different functions. For example, they may track learning and development data in one application, performance data in another application, and compensation data in yet another—making it challenging to get a holistic, 360-degree view of the employee. Without a holistic, 360-degree view of such a diverse group of employees, it's extremely hard to provide actionable information that alerts executives and managers to challenges so that they can be proactive in managing their workforce. The key to success in this new paradigm is being able to not just track data for employees, but to manage the workforce through enterprise-class HCM technology. In the past, HCM technology was focused on tracking the workforce on a global basis across all departments and entities. With Oracle's investments in HCM technology, managing people through the talent lifecycle becomes possible. The type of employee, the skill sets required, learning, development, performance, and compensation come to center stage, enabling an organization to transform from "tracking" to "managing" the workforce on a more holistic level.

Q: How can HCM help with talent acquisition?

A: Organizations need technology that provides potential candidates an easy end-user experience to access and navigate information leveraging a variety of platforms, including mobile devices. Many of these people in the target candidate pool are in patient-facing roles, and are not in front of computers during their normal workday—they're nurses, doctors, and technicians. The acquisition and onboarding process needs to be very simple, streamlined, and automated from the candidate and employee perspective, as that is what potential employees of most organizations have come to expect.

Q: How does KPMG bring value to healthcare organizations in the HCM space?

A: KPMG provides services throughout the human resources transformation lifecycle. We have an entire change practice that is solely focused on business process transformation and optimization across all of the HR functions that works seamlessly with our technology enablement team to bring holistic process improvement and technology enablement

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services to the marketplace. Today, our clients are clearly articulating they want to leverage robust, proven, and enterprisewide HCM technology solutions to help drive business process change and leverage industry best practices inherent in these solutions. By taking a process-based approach with a lens toward technology capabilities, we help customers achieve the maximum business benefit from their technology solutions while significantly lowering the overall total cost of ownership of these enterprise-class HCM solutions.

Q: Why have you chosen to partner with Oracle to serve your healthcare customers?

A: Oracle has significantly invested in the healthcare industry, having doubled their market share in the last six years. In addition, approximately 40 percent of their acquisitions operate within the healthcare space, which demonstrates their continued focus on this critical and

KPMG helps Scott & White transform its HR business process with Oracle's PeopleSoft 9.2

Scott & White Healthcare is a non-profit collaborative healthcare system in Texas serving more than 215,000 health plan members. Over the last several years, Scott & White executives have embarked on an aggressive growth strategy. As a result, HR business processes and functionality requirements evolved more rapidly than their highly customized HCM system could efficiently accommodate. To address this challenge, executives selected Oracle's PeopleSoft Human Capital Management 9.2 as their go-forward human resources information systems (HRIS) platform, and turned to KPMG to lead this strategic initiative.

With help from KPMG's consultants, Scott & White's team was able to standardize, streamline, and simplify business processes by adopting industry-leading practices inherent in Oracle's PeopleSoft application. The out-of-the-box features and functionality including Pivot Grids, Related Content, Activity Guides, and Approval Workflow Engine improved usability.

The new HRIS platform is a tightly integrated system upon which increased business intelligence and analytics functionality can be assessed and deployed. The highly scalable platform is capable of supporting additional business expansion through mergers and acquisitions. Numerous manual processes were automated, especially in the recruiting area. PeopleSoft's Position Management functionality now enables HR managers to better manage their budget in accordance with the positions within the organization. In addition, KPMG was able to expand and integrate the functionality of Scott & White's benefit plans with their finance system, which is also a PeopleSoft solution.

"Because of all of the investments in the healthcare area that Oracle has made through PeopleSoft Human Capital Management, we were able to reduce customizations by 85 percent for Scott & White, significantly lowering the total cost of ownership of their HCM system," says Lisa Massman, principal and Oracle Healthcare Industry leader at KPMG LLP. "In addition, Scott & White achieved significant business value from the implementation, which resulted in a win-win for the entire organization."

rapidly changing industry. KPMG's experience has shown that Oracle's comprehensive suite of products brings significant business value to organizations looking for an enterprise-class set of solutions that can easily integrate across all their business functions. As noted by industry analysts, Oracle's HCM solutions have been leaders in the marketplace for many years and Oracle continues to significantly invest in the capabilities in order to most effectively handle the changing needs of healthcare organizations. ▪

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