

# The Academy CFO Forum

Measuring the ROI of Digital Transformation | April 29, 2022

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The following is a summary of key initiatives and questions raised during The Academy's Chief Financial Officer (CFO) Forum discussion, held on April 29, 2022 with leading health system (LHS) members. Please share your questions or comments with The Academy Member Insights team at [insights@hmacademy.com](mailto:insights@hmacademy.com).

In this session, CFOs shared the different ways they defined the ROI of digital transformation, how consumerism is the driver of digital transformation, and how data and analytics and governance are necessary tools to advance strategy.

## Key Takeaways on How LHS are Viewing Digital Transformation

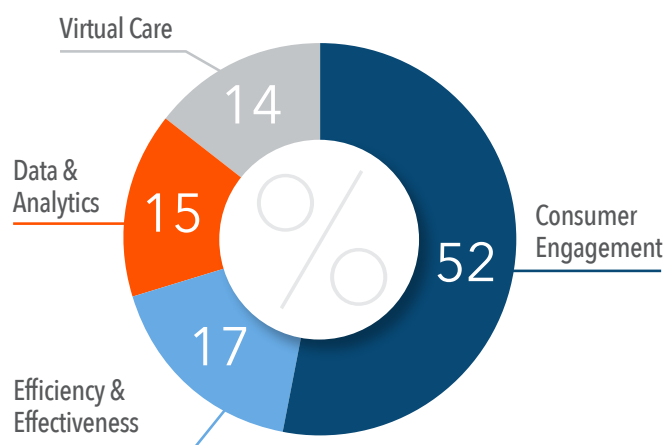
*"The challenge with ROI is deciding whether digital transformation is a project with a set goal or just the cost of doing business." - CFO, Leading Health System*

**CFOs recognize the importance of digital investments to advance strategy, yet most LHS are having trouble getting consensus across the organization about how they measure and define the ROI.**

- For many LHS, their foray into digital health was prompted by pandemic demand for telehealth and virtual care. Now CFOs are reevaluating how they can evolve their digital strategy to be an asset but are still trying to identify the ROI on digital initiatives.
- Defining the ROI is difficult because it requires a consensus around how it should be defined and measured. Without consensus, it can be challenging for LHS to organize their priorities or monitor their progress on digital initiatives.
- CFOs shared a variety of ways they are thinking about return on and need for digital investments, from capturing new patients to reducing health inequities, improving population health, or simply as necessary infrastructure.
- Data and analytics infrastructure is a key starting point for identifying the ROI on digital investments because it offers a baseline they can monitor for improvement. It can also help LHS identify and build a consensus on the metrics they need to measure ROI.

*"We need to make it easy for consumers to access the system and give them white glove treatment to keep them." - CFO, Leading Health System*

**What is your #1 priority for digital transformation?**  
 CFO Forum Live Poll



**Increasing consumer engagement is LHS biggest driver for pursuing digital transformation.**

- While LHS are still defining the ROI of digital strategies, CFOs agreed digital tools are an important vehicle for LHS to create less friction and more opportunities for consumers to interact with their LHS.
- LHS can also use digital to offer care experiences tailored to consumer preferences. But to scale digital care models, LHS have to figure out the overall trends in consumer preferences for digital care, which can vary depending on the type of care they seek and their access to technology.
- CFOs agree they still have a long way to go with offering customers seamless digital experiences because it requires them to have a digital front door that is integrated across the health system.
  - One CFO discussed how self-scheduling wasn't available for across their hospital locations, which leaders believe is contributing to declines in returning consumers.

## Developing a governance structure is key for LHS to create accountability and define their financial and long-term strategic objectives for digital health.

- Strong governance is essential for helping LHS develop and advance their goals for digital transformation, including identifying the metrics to measure the ROI and deciding which digital initiatives should be scaled across the system.
- Most LHS currently have a top-heavy governance structure in place, with a lot of involvement from senior leadership, but increasingly are looking for ways incorporate more team members and leaders into the process as their strategies continue to mature.
  - One LHS created small focus groups to get feedback on initiatives and is considering using their employees as a soundboard for patient feedback.
  - Another LHS is working to expand governance beyond senior leadership to instill greater ownership and accountability for leaders throughout the organization.

Additional resources are available at [The Academy's Member Insights homepage](#).

- [CMO and Medical Group Forums: Adoption of AI in Clinical Care Delivery](#)
- [Medical Group Forum: Sentara Restructures to Support Consumer-Centric Ambulatory Growth](#)
- [CMIO Forum: How the CMIO Role Can Facilitate Digital Transformation](#)

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