



Why 2016 could be the best year ever for Healthcare IT spend

After years of underinvestment, CIO's in healthcare may have something to cheer about this year. The biggest trend seems to be the increased focus and investment in IT in healthcare enterprises. With more than \$30 billion invested in electronic health record (EHR) systems, and meaningful use (MU) requirements out of the way, we are seeing enterprises turn toward the more strategic aspects of IT in the ongoing transformation of the healthcare sector.

These investments, however, will follow the money. In other words, funding will focus on initiatives that have the biggest impact in terms of revenues, cost avoidance, and transformative potential. A recent survey by technology provider Healthedge suggests that investments among payers will be targeted at selective enhancements to the most critical systems that support business development, and not a wholesale upgrade of IT. This eBook discusses the key investment areas in healthcare IT today.

CLOUD COMPUTING:

The past few years have seen a steady uptick in the adoption of cloud computing across sectors. A recent survey indicates 93 percent of all enterprises are using some form of cloud technology.

However, adoption levels vary across sectors, and are driven by industry-specific considerations. Selective migration of workloads is happening, and more importantly, newer workloads related to analytics and digital initiatives may be "cloud first."

However, there will not be a wholesale migration to the cloud anytime soon. We are more likely to see steady shift toward the middle ground of hybrid cloud infrastructure with mission-critical systems sitting in enterprise data centers, or possibly a private cloud.

THE CHANGING ROLE OF THE HEALTHCARE CIO's:

In light of all these trends, it needs to be mentioned that healthcare CIO's are also likely to see significant changes to their role and expectations from their enterprises.

The proliferation of technologies, and the increased use of outsourcing and cloud-based/SaaS solutions means there is less to build and manage in-house, and more systems integration and vendor management.

Taking this one step further, the center of gravity of IT in the enterprise may no longer be the CIO. Cloud computing is empowering more and more business executives to start integrating technology into their businesses by building direct relationships with vendors.

An important part of the CIO's role may be to orchestrate the technology initiatives of their own peers this year.



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This paper has drawn on a wide variety of published sources including industry publications, company websites, news releases, and Damo Consulting Inc research and interactions with healthcare executives and technology firms.

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