

## **Transcription:**

**VO:** Welcome to the Infosys Healthcare and Life Sciences Perspectives, the podcast and video interview series with thought leaders.

**Pramod:** My name is Pramod Pratap and I head marketing for Life Sciences and Healthcare verticals at Infosys. I'm very excited to introduce our guest for today, my good friend Amit Shukla, Senior Leader at Infosys Healthcare Practice. Amit, thank you and welcome to Perspectives podcast series.

**Amit:** Thanks for inviting. Glad to be here, Pramod.

**Pramod:** Wonderful to see you, Amit. I know we are already one month into 2020. That's the first question that everybody asks, "How does the year look like?" What is your foresight in terms of all the trends that are shaping up in the healthcare industry for this year?

**Amit:** Sure. Thanks for the question, Pramod. 2020, as you know especially in US, is the presidential election year. So, obviously a lot of healthcare companies will be on a watch mode in terms of what government policies will be coming out from a healthcare perspective. As you know that in US, last few years we saw a lot of MNA in healthcare. This year and the next year are the years when the street and those companies would be expecting to get returns from those MNAs which they promised- better access to care, reduced reduction of the quality, improving the quality of the care and reduction in the overall cost of the healthcare ecosystem. So, those are some of the trends which will continue to drive healthcare in 2020 and it will create tremendous opportunities for us.

**Pramod:** How does that political overturns actually impact the industry in general?

**Amit:** In general, as I said, 55% of the spending in healthcare is through government. Government, especially in CMS and HHS, which are the two governing bodies for healthcare in US, they have been at the forefront of driving a lot of innovation in healthcare. For example, HHS has been really pushing the healthcare companies to open up their data streams. They are asking the providers, hospitals and healthcare insurance companies to come together and start sharing their data, which they are collecting about the patients and their associated healthcare plans and some of those things. So, government will continue to push towards those things for more and more integration of healthcare ecosystem through data integration and then the private enterprises will follow. So, they will continue to invest more and more in data integration, investment in digital technologies as well as delivering more value to the consumers.

**Pramod:** For my next question as well, I know we are talking about data integration and digital transformation that's happening, very specifically to digital and healthcare industry, how is that permitting? What is your perspective of transformation that's happening in digital and its impact in healthcare industry?

**Amit:** I was talking to a CIO of a company who has recently bought a bunch of other healthcare companies. He was saying that, "We want to transform ourselves from a health benefits company to an overall healthcare digital benefits company. What it essentially means that, they want to really create assets using the data they have – the clinical data, the administrative data and some of the other big data that they have access to – and create products and services which they can offer to the entire spectrum of membership, across not only their own membership but other membership also. That is how digital is driving disruption within healthcare, through these larger payer organization, through these larger provider organizations and they are looking at all the assets and all the data they have and create digital products for the market.

**Pramod:** Sure. One of the things we see across the industry as well when the digital gets all permitting. There's a consumerization of digital technologies that's happening, the consumerization of industries is coming there. We've seen that in retail. We've seen that increasingly in financial services. Now, we are talking about consumerization in healthcare. Does that also have a big impact as you see and what does that mean for us as a service provider to our clients and prospects that we are talking about.

**Amit:** See, in healthcare, especially in US, I would not call it consumerization, I would call it personalization. One of the biggest challenges for healthcare companies in US is really increase their interaction with the end consumers. So, the objective of the larger employer group as well as manage care companies is to increase the personalization of interaction so that consumers will start interacting more with these larger healthcare organizations to really get value which they should be getting from the healthcare system. So, that's happening but it is being driven more by the healthcare organization as well as the employer groups.

**Pramod:** You make a very valid point. I'm talking about the personalization, I think if you take the next stretch, increasingly, people are asking for change of models. It's not volume driven. It's more about value driven. It's more outcome driven. Is that really putting a lot of pressure with healthcare organizations across and what do you see on the ground there?

**Amit:** See, if you look at healthcare globally, anywhere in the world, all the priorities for the healthcare industry and the governments across the globe is around three factors – essentially improve the access, reduce the cost and improve the quality. When people talk about value-based healthcare, ACO and PCMH and a lot of those kind of things, it's essentially taking steps driving certain measures to impact these three measures.

**Pramod:** I know you talk about access, you talk about quality, you talk about cost now and all of them really have a dependency on technology or technology can be a great enabler to that. Do organizations like Infosys and what do our clients expect integrators like us to bring in that value from a technology perspective on three fronts, all the three fronts – access, quality and costs.

**Amit:** The pressures on the economy within US because of the cost of healthcare is so high for the employers that the employers are really pushing hard on the healthcare players to reduce the cost, that is one. Second thing is that over the last few years, the cost share of healthcare on the employees has been going up a lot. Overall, because of all these pressures, there is so much of digitization that has happened over the last four to five years mainly through some of the government programmes like Hitech Act, where they actually started paying incentive to providers to digitize their electronic medical record and some of those kind of things. Now, we are at a point where we have a problem which is big enough and that has to be solved and then we have the underlying integration that has started to happen. For technology to really drive some of this digital disruption and impact those three metrics which we talked about. And, companies are doing it.

**Pramod:** Again, you raise a very valid point on digitization of the processes and digitization is bringing in a lot of data into the picture. Data can be the way you want to look at it. It can be a great enabler for you to do a lot of things. How is that perceived in the market, in the industry, in the consumer world? Data, privacy, is that really a concern that's happening there? Is that limiting in terms of technology companies like us playing a crucial role in enabling the data points to drive? Or is that more conservatively looked upon now?

**Amit:** I think there's a lot of legacy to it. If you remember in 1996 when HIPAA was passed, PHI, patient data privacy was actually one of the key tenets of that act and government was behind it.

But if you have been following what HHS has really pushing right now around interoperability of data, they are actually asking the healthcare organization to open up their data infrastructure to other trading partners. Originally, government was behind defining some of these rules behind PHI and some of those things but they themselves are driving it. So, I don't think it's an issue from a privacy perspective but obviously technology has to be tested. Customers are becoming a lot more open to adopting AI, drive personalization, leverage the data that they have whether it's clinical or administrative data and really start creating value for their end consumers.

**Pramod:** Absolutely. Again, to bring on to your point on access and quality, we've seen new technologies coming in, new interventions that can actually change consumer health and consumer behaviour. Increasingly, we are no longer talking about patient care but self-care that's coming there. So, are these technologies now more in the market in terms of connected care, self-care, incentivizing employees in general patient healthcare to promote your own health and thereby reduce the load on the system itself. Is that something that's been increasingly seen in trend as well?

**Amit:** I think if you look at the market data for variables, variables being shipped every year has been increasing at more than 30 to 35% every year. There are more and more variables being sold in the market. There are more and more health apps that are available in the healthcare ecosystem, Apple store and some of those things. The idea of wellness and promoting wellness, preventing people from getting into chronic diseases was always there. But what is happening is, now there are platforms available where an individual's entire healthcare data through the entire continuum is available and these variables can make management of their health more real time. In the past, it was all based on retrospective data, based on the claims or the encounters they had with the doctors and some kind of very static plans. But some of these variables like variable EKG or iWatch or some of these things are making people more aware of managing their own healthcare plus this data can be leveraged by care providers to really, proactively help them manage their health better.

**Pramod:** Ironically, we see so much of technology coming in. You're talking about variables and connected care, connecting to the patients through telemedicine, somewhere this has to actually reduce the cost of the healthcare system itself. But we don't see that. We still see the healthcare industry becoming more and more expensive. Is it largely to do with new diseases coming in, it's about patient care, what else can actually help us reduce the cost then?

**Amit:** I would say that a lot of digital health efforts still are focused on that 15 cents. How do I reduce the administrative cost, how do I reduce the cost of customer service, reduce the per member per month cost of paying claims and some of those things? The bigger bang for the buck will come when we really start addressing the 85 cents, the section of the pie chart. There are some companies who are doing a lot of work around that but we still have a long way to go. But what is really happening is, by the integration of some of these data, by driving these interoperability rules where data can be shared across different entities and really focussing on the top 10% of the cost drivers, this can be reduced. There are companies who are really focussing on that. If you look at it, 90% of the cost of healthcare is on the 10% of the really sick, chronic patients. So, there are companies who are picking up on very specific disease conditions, chronic disease conditions and they are driving a lot of comprehensive care plans, comprehensive care strategies to really address the cost on that front. That is where the value is. That is where technology can play a bigger role in reducing the overall cost.

**Pramod:** I think it's a very fascinating time to be in this industry as well. We see a lot of technology companies actually playing a role. The Amazons and the Googles have now increasingly started investing in this and the variable companies have, of course, always been there. Now, there is a very

thin line, who is a healthcare company and how do they do that. What do you see actually? Is that panning out in terms of how the industry changing the dynamics. Healthcare is not traditionally what it is. Is that something you also see on the ground when you're talking to your clients. Are they increasingly seeing mergers and acquisitions happening in this space? Has that actually changed the face of the industry itself?

**Amit:** I think the traditional healthcare structures are definitely in a flux. Traditional companies in the past would just be focussed on providing insurance, a company would just be focussed on providing pharmacy benefits or a hospital system or physician offices. Over the last few years, I think, hospitals have tried to acquire payers, payers have tried to acquire hospital systems, payers have acquired PBMs and hospitals are acquiring physician practices and some of those kinds of things. That is one aspect of vertical integration that is happening on the business side. There is something happening from the technology perspective also. A lot of these players are realizing that, "I have a lot of data, I have a lot of technology. So, I can actually play in the technology world also." Because they are really worried about the onslaught from the threat of competition, from Amazons, Berkshire Hathaway, GPMs of the world and Apples of the world. So, that is also happening. The market is definitely in a flux. There are a lot of underlying structures that are reshaping. And it will be interesting in the next few years to see how the healthcare industry would look like.

**Pramod:** Coming back to Infosys. We have very strong healthcare practices and it's growing. Where do you see our role actually coming in this space and what do you mark in terms of down the line or in terms of how Infosys can play a greater role in this industry.

**Amit:** I think Infosys is in a very unique position because when I speak to customers, customers have an understanding of some of these changing dynamics in the healthcare system. But they definitely don't understand what it takes to transform. From being a traditional healthcare organization with a traditional IT, to have an organization which actually creates differentiation through digital disruption and transformation. That involves a lot of things. That involves completely overhauling your infrastructure, completely looking at your business processes from an experienced perspective, from the perspective of those three dimensions which I talked about and how do you rescale your own people, internal people to become more digitally savvy, become more technologically savvy. And we can play in all of those things. Wingspan is a great example of helping them really rescale their employees.

**Pramod:** What's your final message in terms of the industry and where do you think we should be pushing ourselves, targeting that kind of a marketplace?

**Amit:** Don't assume that your customer knows where they'll end up from this disruption perspective. Be on the front. Have conversations with the customer. Share stories from other industries which have been ahead in the game from a digital disruption perspective. Just help them along, that's what I would say. We have all the capabilities that a healthcare organization would need to transform themselves. We just need to start having those navigation conversations with the customers.

**Pramod:** Thank you again, Amit for your time, valuable insights, great perspectives. As the name of our podcast series, Perspectives, we got a great conversation going with you. Look forward to meeting again and talking to you soon.

**Amit:** Thanks, Pramod. Great conversation.

**Pramod:** That's all from us for now. This is Pramod signing off for another edition of our podcast series. Do log in and join us next time.