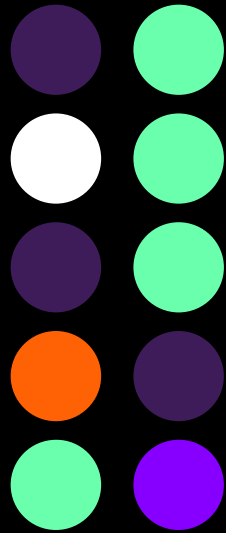




From Insight to Impact:

How Top Health Systems Use Data to Make Healthcare Financially Sustainable



HIMSS Market Insights research and real-world experience show how data analytics enable healthcare organizations to deliver better care, increase revenue, and reduce costs.

Healthcare organizations (HCOs) are under pressure to deliver high-quality care while managing costs and increasing revenue. Success in this environment depends on the ability to turn data into actionable insights — but many HCOs struggle to do so effectively.

To explore how organizations are using data, analytics, and AI to advance their goals, Arcadia partnered with HIMSS Market Insights to survey 100 healthcare leaders.¹ The research confirmed that improving care quality and managing costs remain top priorities. At the same time, it also pointed to areas of missed opportunity.

Arcadia's experts see the potential for HCOs to achieve their goals by applying data and analytics to domains such as risk capture, longitudinal patient records, specialist integration, network growth, and contract management. Together, these research findings and expert perspectives highlight opportunities for healthcare organizations to achieve their goals and deliver high-value care.



Be clear about organizational goals — and the data needed to achieve them

The majority of respondents (68%) said the most important use of data was to improve quality of care (Figure 1). Yet only 8% identified preventative care strategies as a priority — despite the direct relationship between preventative care and care quality.

“These results show that HCOs are choosing to use data and analytics in areas that feel closer to their sphere of control,” said Anna Basevich, Senior VP and GM, National Accounts at Arcadia. HCOs believe they have more control over — and more data about — quality of care and cost containment than they do for areas that require patient engagement, such as implementing preventative care strategies.

In an environment characterized by many competing priorities, HCOs naturally gravitate toward areas with a perceived greater ROI. The paradox is that there are significant opportunities for increasing ROI

via the lower-ranked priorities. With respect to social determinants of health (SDOH), for example, studies have shown that SDOH can account for as much as 50% of the variation in health outcomes.²

“Addressing SDOH can drive better long-term outcomes for patients, but it can be complex and challenging to capture and integrate that data,” said Mike Tiffany, Chief Operating Officer at Arcadia. “Many organizations haven’t yet developed a program or data strategy to address this.” As a result, HCOs must have both clarity around their goals and a deep understanding of the scope of data that drives the achievement of those goals.

Smaller organizations (less than 7,500 employees) are even less likely than larger organizations (7,500+ employees) to focus the power of data and analytics on lower-ranked areas that can directly impact quality of care and cost containment. For example, while 22% of larger organizations cite the importance of data in empowering chronic disease management, only 5% of smaller organizations said the same.

Figure 1. Nearly 7 in 10 leaders say the most important use of data for their business is to improve the quality of care it provides patients.



Total Respondents; n = 100

*Patient Stratification: (i.e., Assembling patient cohorts based on risk)

Tiffany noted this difference reflects both where organizations are in their respective data journeys, as well as the difference in resources available to larger organizations for broader data program coverage. One possible way to close this gap is using AI. “With tools like AI and agentic AI, even smaller organizations with fewer human resources can use tech-assisted staff augmentation to achieve data analytics goals,” he said.

Adopt AI solutions to support clinical workflows

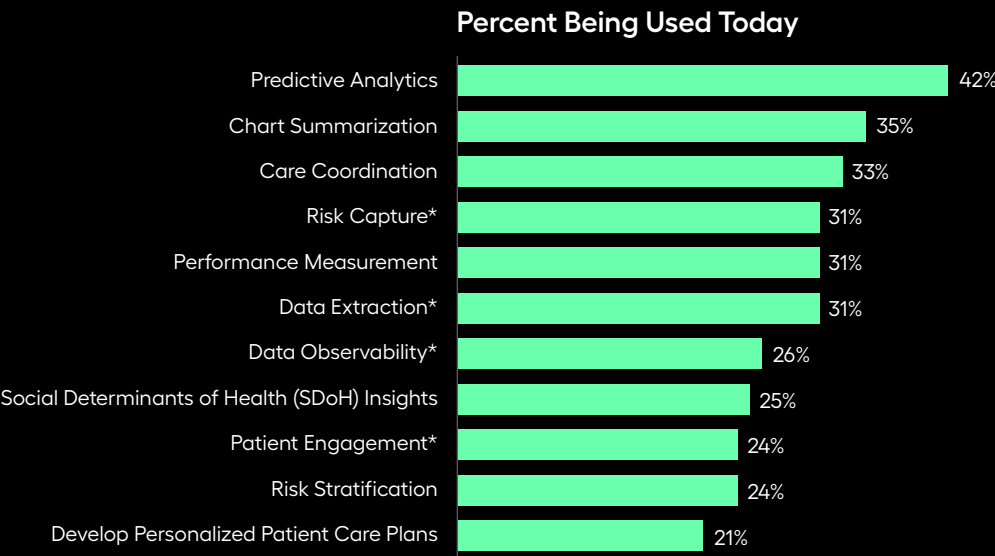
Many HCOs are still in the exploratory stages of AI adoption. When respondents were asked about implementation of AI across different use cases, only 4 in 10 (42%) said they were leveraging AI for predictive analytics and only 2 in 10 (21%) said they were using AI to develop personalized patient care plans (Figure 2).

Tiffany observed that HCOs are more likely to apply AI in operational or administrative use cases than to integrate AI into clinical workflows. He attributes HCOs’ reluctance to adopt AI in clinical practice to misconceptions about its intended use and potential benefits.

“AI can act as a copilot for clinicians,” Tiffany said. For example, AI can help identify at-risk patients by analyzing patterns across large, complex data sets. Undertaking this kind of analysis can be challenging for an individual clinician to do, especially when there are underreported conditions involved that may only be documented in claims data from outside organizations.

Tandigm, a population health management company, saw measurable returns from its data-driven approach when it rolled out a high- and rising-risk report to one of its accountable care organizations (ACOs). Built using tools available within the Arcadia data analytics platform, the report aggregated and analyzed patient data from internal and external sources.

Figure 2. Healthcare organizations most often leverage artificial intelligence for predictive analytics, chart summarization, and care coordination.



Total Respondents; n = 100

*Risk Capture: (i.e., AI-assisted medical coding)

*Data Extraction: (i.e., Converting images, scanned documents, and hand-written clinical notes into structured data that can be analyzed)

*Data Observability: (i.e., Detecting anomalies in data quality)

*Patient Engagement: (i.e., Using AI to develop campaigns, draft communications, etc.)

Tandigm developed a customized algorithm to provide risk information to care management staff, enabling them to identify and prioritize patients with high or rising risk, communicate proactively, and tailor care accordingly.

After the rollout, the ACO observed a \$3 million year-over-year increase in shared savings, suggesting a potential positive impact. “We help our providers manage patients in a holistic way,” said Tiara Swindell, Senior Director of ACO Operations at Tandigm. “The insights and tools we have in our data analytics program help us do that.” Advances in AI are poised to amplify the impact of programs like these.

Tiffany also sees the potential for AI to support the development of personalized care plans. When built on a high-quality, aggregated dataset, AI tools can surface valuable insights that enhance point-of-care decision-making. “The intention is not to take away the fact that the clinician is ultimately

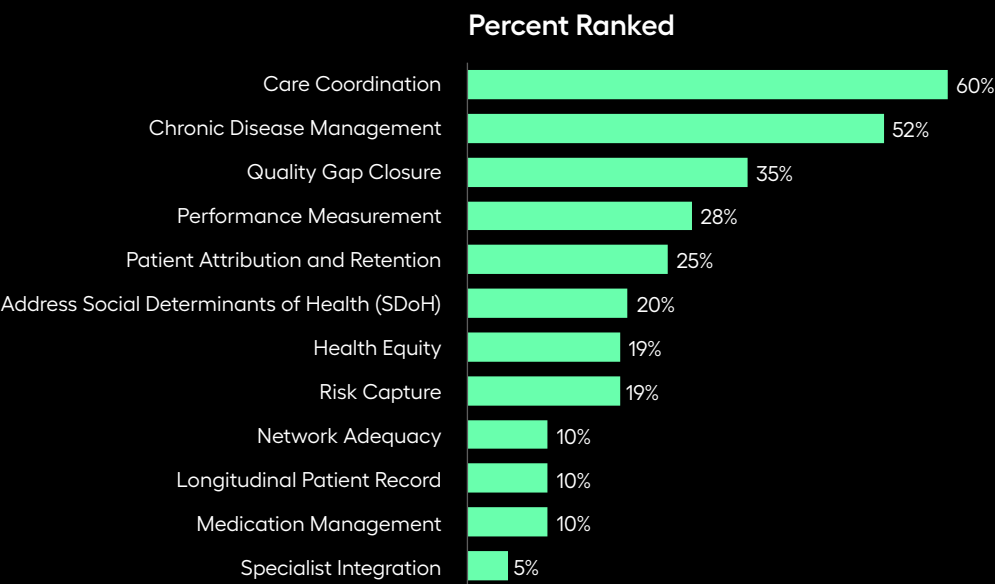
responsible for making the diagnosis and deciding on the care plan, but to integrate AI in a thoughtful, controlled fashion to provide the clinician with insights that otherwise might be difficult for them to see,” he said.

Use population health and value-based care (VBC) to drive fiscal sustainability

Long-term business sustainability is a key motivator for adopting population health strategies, especially among larger organizations — with 57% of those with 2,500 or more hospital beds citing it as a primary driver. Yet the success of initiatives focused on population health and VBC depends on the interplay of many variables.

Respondents ranked care coordination (60%) and chronic disease management (52%) as top priorities (Figure 3). However, elements like SDOH, risk capture, network adequacy, longitudinal patient records, and specialist

Figure 3. When considering their organization’s population health and value-based care initiatives, leaders say care coordination and chronic disease management are critical.



Total Respondents; n = 100

integration were rated lower — highlighting areas that may be undervalued, despite their potential to significantly influence outcomes and sustainability.

In reality, many of these factors are interdependent: data and insights from one area can contribute to success in other areas. For example, having a data platform that supports the integration of longitudinal patient data into the patient record can directly impact areas such as risk capture, care coordination, and chronic disease management.

Specialist integration, although ranked lowest in perceived importance, represents a missed opportunity with real potential to improve both patient outcomes and financial performance — as demonstrated by Arcadia client WakeMed Key Community Care (WKCC), an ACO that encompasses more

than 470 primary care providers. In addition, 1,500 specialty care providers participate in WKCC's High Value Specialist (HVS) collaboration.

As part of the HVS program, WKCC conducts cost data reviews to identify potential areas of cost savings. In the course of these reviews, WKCC discovered many dermatology practices were routinely using out-of-state pathology labs. Using these labs increased costs and delayed the turnaround time for results. After researching and finding an in-state pathology lab with high-quality results and a faster turnaround time, WKCC shared the information with its HVS collaborators. "We were able to open up conversations with them that ultimately led to changes in their processes that lowered costs and benefited patients," said Erica Robinson, Director, Population Health and Performance at WKCC.

What data should a complete longitudinal patient 360 profile include?

This comprehensive patient record should combine data from multiple sources across a patient's entire healthcare journey. This includes data from EHRs, scheduling systems, enrollment, labs, care management, claims, SDoH, episodes of care, and more. The record should be timely, relevant, and complete, not limited to the period when the patient was seen by a particular provider.

Based on this deeper understanding of their patient, HCOs can use patient 360s to allocate resources more efficiently, increasing engagement and thereby driving revenue.

Use data to drive ROI and sustainable, strategic growth

Enhanced analytics strategies drove improvements in performance measurement (85%), operational efficiency (81%), and patient engagement (77%) (Figure 4). Fewer respondents saw gains in network management (58%), contract management (50%), and risk-based contract bonuses (43%) — areas that depend on more advanced analytics and a stronger data infrastructure.

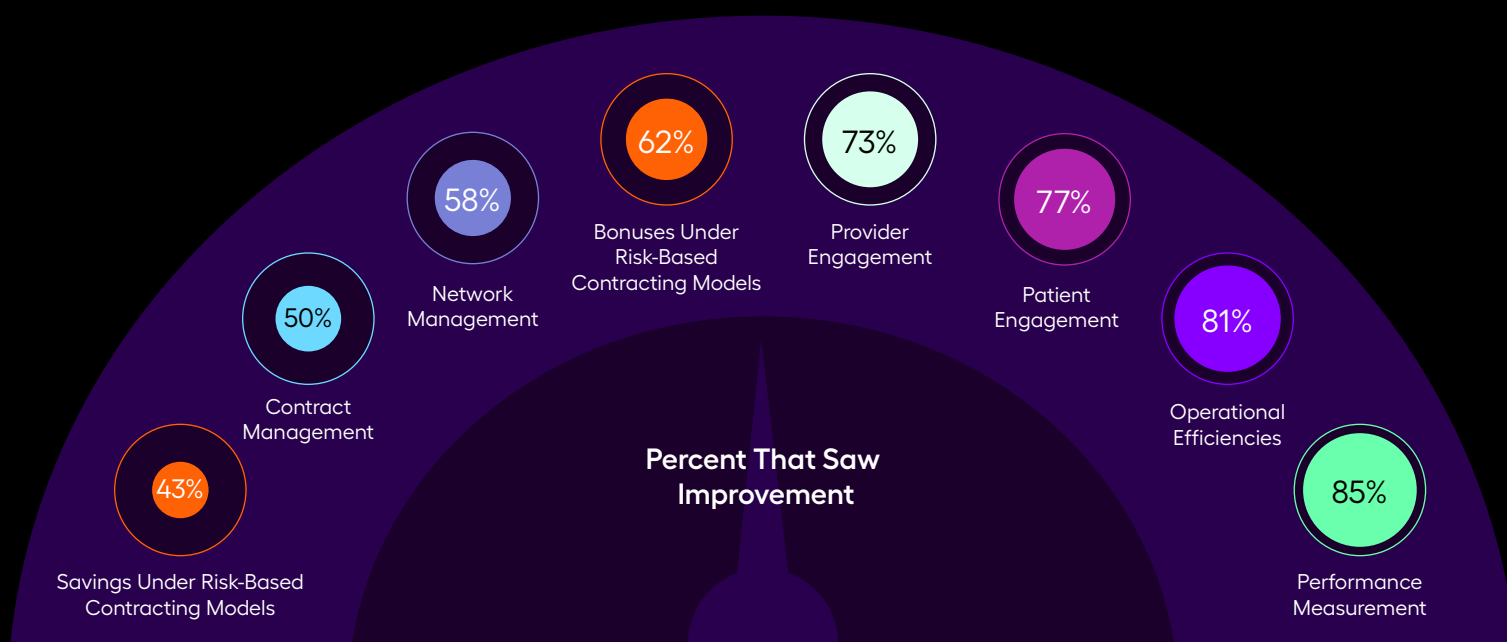
Tiffany pointed out three challenges to realizing results in network and contract management. First, interoperability issues make it difficult — especially for less data-mature organizations — to aggregate information at the level needed for effective oversight. Second, few have access to advanced, near real-time financial analytics to track performance against contractual benchmarks. Third, there's often a resource gap: successful contract management requires both financial and clinical data literacy, which many traditional teams lack.

As a result, organizations often rely on niche point solutions that aren't fully integrated into their broader analytics platforms.

Overcoming these barriers is critical because of the potential for increased revenue and managed costs via network growth (i.e., finding the right providers to bring into an HCO's network) and a solid contract strategy.

"A broader dataset is what tells you where your organization's opportunities lie," noted Basevich. She pointed to post-acute spending as an example. How can an ACO know whether it has meaningfully reduced post-acute care costs or if more improvement is possible? Access to real-time benchmark data on the performance of peers is key because it helps HCOs focus their efforts on the areas with the greatest potential for impact.

Figure 4. Implementing or improving data analytics strategies has led to meaningful improvements in areas including performance measurement, operational efficiency, and patient engagement.



Data and analytics drive success

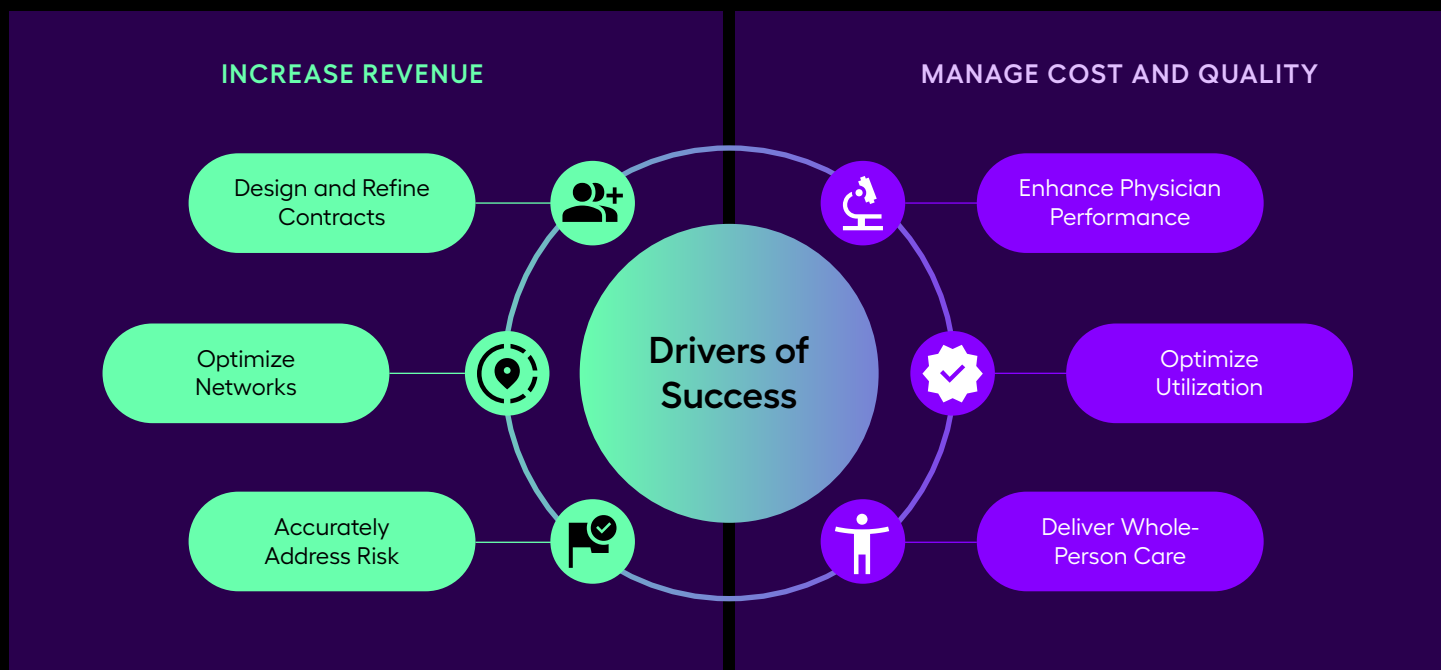
Whether the goal is better quality, lower costs, higher revenue — or all three — data and analytics are the foundation. Success depends on a high-quality, aggregated data platform paired with advanced analytics and the expertise to use them effectively.

The key is to take a comprehensive approach to data and analytics, as articulated in Arcadia's Drivers of Success Framework (Figure 5). High-performing organizations tackle all of these areas across the board, rather than focusing on just one or two niche areas.

"A healthcare organization's success tracks back to data," concluded Robinson. Organizations need to understand who their populations are, who their chronic patients are, who their most costly patients are, which specialty areas have the highest spend, where the organization is meeting quality measures, where there is a gap, how peers are performing, and more.

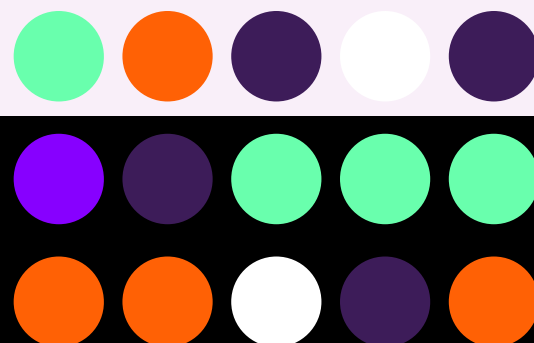
"All of these questions can be answered with data and through data analysis," Robinson said. "Data allows you to understand your patient population, which translates into better patient care, which drives costs down, and which ultimately drives improved financial performance, quality performance, and health outcomes."

Figure 5. Arcadia's Drivers of Success Framework



Source: Arcadia's Drivers of Success Framework is provided by Arcadia and is not derived from the HIMSS Market Insights survey results.

Learn how Arcadia can turn insights into action to help you improve care delivery and perform better no matter your journey in fee-for-service, value-based care (VBC), or beyond: arcadia.io/platform



Arcadia helps providers, payers, and government organizations transform healthcare data into predictive insights that drive better outcomes, increase revenue, and reduce costs. Our industry-leading platform amasses data from across the healthcare ecosystem and converts it into actionable analytics, AI-driven intelligence, and performance benchmarks, enabling smarter decisions and accelerating impact across the enterprise. National and regional health systems and payers, along with governmental organizations — including Aetna, Cigna, Highmark Blue Cross Blue Shield, Intermountain Health, Ochsner Health, and the State of California — trust Arcadia to operationalize their data and lead the way in data-driven healthcare. Visit arcadia.io for more information.

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