Intelligent Payer: SHIF TO INSIGHT-DRIVEN FINANCE
The future for health payers is fraught with uncertainty. Business models are rapidly evolving and there is an urgent need to adopt digital technology. The roles and responsibilities of chief financial officers (CFOs) at payers are also evolving, and those keeping up with these changes are beating their plans.

Payer CFOs need to see far beyond the bottom line, and that presents an emerging world of opportunity for finance. Eighty-three percent of those able to produce insights around patient outcomes are exceeding revenue expectations. These payers are able to identify the value of digital technology investments. More than 90 percent of payers exceeding revenue targets had a finance function with strong capabilities in understanding, measuring and managing value across their ecosystems, including members, providers, pharmacy benefit managers, life sciences companies and technology companies.

THE PAYER CFO’S NEW ROLE

Accenture research revealed that finance is evolving its role from providing a “look back” account of the past to offering a proactive, scenario-based, future-state point of view.

The payer CFO is increasingly playing a more critical role in guiding strategic decisions, determining where to invest and guiding the business—whether toward digital tools, the right talent or partnerships (see Figure 1). While wearing this new hat, nearly half of CFOs (47 percent) are being asked to target opportunities to capture value across the organization and 88 percent are asked to help shape new business and care models.

This new role, and the role of finance as a whole, requires new skills. The most sought after skills for payer CFOs are long-term strategic thinking and problem solving. It is also important to have strategic business acumen to enable the payer organization to navigate today’s uncertain world. As payers pilot new capabilities and pursue innovative investments, business insight will allow the CFO to understand when the business must recalibrate or change its approach. This goes beyond core finance and requires deeper understanding of the products, lines of business and go to market decisions.

Figure 1. Payer CFOs are becoming involved in decisions that will lead the business forward

<table>
<thead>
<tr>
<th>New business / care model development</th>
<th>88%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core ERP replacement / move to the cloud</td>
<td>85%</td>
</tr>
<tr>
<td>Analytic and visualization tools</td>
<td>82%</td>
</tr>
<tr>
<td>Strategic partnerships for talent sourcing</td>
<td>82%</td>
</tr>
<tr>
<td>Community partnerships</td>
<td>82%</td>
</tr>
<tr>
<td>Digital talent or other non-traditional talent for the finance organization</td>
<td>74%</td>
</tr>
<tr>
<td>Intelligent automation technologies</td>
<td>74%</td>
</tr>
<tr>
<td>Mergers, acquisitions, joint ventures and other strategic partnerships</td>
<td>71%</td>
</tr>
</tbody>
</table>

Source: Accenture 2018 Healthcare Payer CFO Survey
EVOLVING RESPONSIBILITIES FOR AN EVOLVING ROLE

Others within the payer organization are making new requests of the finance organization.

Market data is the top business request of finance among payers. Clearly payers now have a dual function—evaluating the market in the near term while having a broader view of where the business should go for the long term. The finance organization must be poised to evaluate the market with a deeper understanding of the industry and a strong analytics capability to identify future value. In fact, 82 percent of payers see finance as much better at forecasting the long-term value of technology.

One of the top three reasons payer organizations go to finance for analytics is for horizon scanning (see Figure 2). They also request market insights to help with cost reduction and compliance. This requires new data structures and tools as well as talent. The merging of operational, financial and external data with market, analytic and core finance skills is the new finance formula.

Source: Accenture 2018 Healthcare Payer CFO Survey
Finance is not moving fast enough to meet the business’ demand to identify value. Less than one in five finance teams at payers say they are moving at the right speed to identify and unlock value from beyond the organization. Many payer survey respondents (82 percent) agree that finance skills will continue to move away from core finance to advanced digital, statistics, operational and collaborative talent.

Finance organizations unable to keep up with new roles and responsibilities must retool. Change will involve creating new capacity within teams, investing in the right areas and using technology to help identify new sources of value.

Here are some ways to get started:

**TAKE OWNERSHIP OF DATA.**

Position finance as the go-to resource for actionable insight, which builds a stronger business case for funding and continues to elevate the role of finance within the organization.

If the CFO is charged with identifying the value both across the organization and in the health ecosystem, then credible, actionable data must be used. The breadth of data finance owns continues to expand as insights into population health and clinical outcomes are used to identify and manage value.
WORK DIFFERENTLY.

The current finance organization cannot take on new roles and responsibilities without developing new skills and capabilities.

To ensure access to new and essential capabilities, the payer finance organization is making use of external experts (38 percent), removing traditional finance silos and pooling resources across departments (38 percent), and empowering the workforce to develop new skills (38 percent). Taking down silos, organizing in new ways and infusing new skills can change the game.

AUTOMATE TO ACCELERATE TRANSFORMATION.

Identify which manual tasks can be automated. This will free up employees to spend more time on building out capability and skills in the areas that are now in higher demand.

Currently, healthcare finance teams lag other industries (banking, consumer goods and services, insurance, retail, energy, metals and mining, communications and media, high tech and IT, and utilities) in terms of adopting key digital technologies that save costs and reduce manual effort. For instance, 32 percent of payers say they have not adopted robotic process automation (RPA) to any extent, compared to 11 percent across other sectors, and 56 percent have not adopted AI, compared to 13 percent of other sectors. Finance needs to be liberated from spreadsheet manipulation to provide better partnering insights and services. Automation is the accelerant.
There is no single approach that will work for all payers. However, the evolving role of the CFO in the data, analytics and automation agenda is beginning to prove a differentiator. Payers must begin to think about how they can keep up with the speed of change and address these new agendas with the right talent, rigor and speed.
ABOUT THE ACCENTURE 2018 HEALTH PAYER CFO SURVEY

Accenture Health asked finance leaders at 34 payers about their ambitions, priorities and challenges as CFOs in today’s business and technological climate. The goal of the research was to better understand how CFOs can create additional value for their businesses, drive new waves of efficiency and pivot the organization to a digitally enabled future. The research was conducted in August 2018.

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