

Most health systems plan to escalate their interoperability investments in 2023

Article

The news: Most health system executives plan to ramp up their investments in [interoperability solutions and services](#) this year, according to Health Gorilla's 2023 State of

Interoperability report.

The key findings: 55% of C-level executives at prominent health systems said they plan to spend 5% to 20% more on interoperability products and services in 2023 than they did last year.

- **43%** said they plan to **invest about the same** in interoperability year-over-year.
- **Not a single respondent forecasted less YoY spending** on interoperability-related initiatives.

What do interoperability investments entail? Interoperability is a broad term. In this context, we're referring to investments in solutions and services that:

1. Improve providers' ability to access and exchange health data from disparate tech systems.
2. Make it easier for patients to digitally retrieve their medical information.

Why is the healthcare ecosystem so fragmented? Electronic health record (EHR) vendors have "trapped" data in their tech systems, making it difficult for physicians to access patient information housed in different products.

Another factor is that patients aren't in control of their own data. When they ask for a copy of their medical records, hospitals and clinics typically make the process time-consuming and expensive. This prevents patients from bringing critical information like lab tests or medications to a new provider.

"The feds are making me do it": Government-induced pressure is being put on stakeholders to make health data more transparent and accessible.

An information-blocking regulation inside the 21st Century Cures Act requires EHR vendors to unlock data in their systems so providers and patients can easily access it.

- The rule also prevents hospitals and clinics from interfering with patients' rights to retrieve their health data upon request.
- As of October 2022, the regulation applies to all health data, with few exceptions. Violators will be penalized on a case-by-case basis.

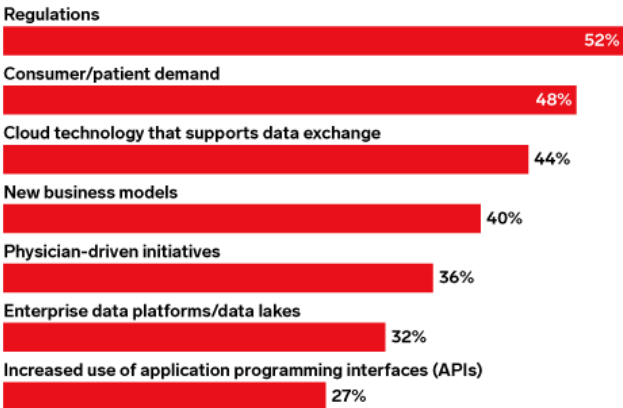
There are now ample market opportunities for startups and tech companies to create solutions that help EHR vendors and healthcare providers comply with new regulations. In 2021—the year the regulation first went into effect—VC funding for [interoperability and health data infrastructure startups](#) reached **\$2.2 billion**, approximately tripling 2021’s total, per May 2022 data from Rock Health.

Health systems and EHR companies are turning to cloud-based offerings from Big Tech players—including **Google Cloud, Amazon Web Services, and Microsoft Cloud for Healthcare**—for data storage, management, exchange, and remote access. They’re also partnering with third-party apps and platforms—including **Apple**—that enable consumers to access and download their data as they choose.

Go deeper with “[The Still Unconnected Healthcare System](#)” report to get more details on how providers and tech companies are strategizing to connect disparate sources of patient data.

Factors That Are Driving Healthcare Organizations to Push for More Data Interoperability According to US Healthcare Executives, Dec 2021

% of respondents



Source: Innovaccer, “Healthcare’s Data Readiness Crisis” conducted by Morning Consult, July 16, 2022

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