

Healthcare embraces cloud *as a legacy-buster*

Healthcare systems have an amazing challenge when it comes to technological advances.

As smartphones, cloud computing and the Internet of Things revolutionise the consumer space, care providers must now raise their own innovation to meet patient expectations while maintaining the integrity and privacy of patient data. Some systems sacrifice stability for progress, while others cling onto outdated processes.

According to the 2016 IDC Health Insights report, 40% of providers surveyed reported their IT budgets are still growing. Tellingly, only 25% said the increase was because of electronic health records. The IDC report said 50% of software spending growth is still directed toward on-premise investments. But survey respondents reported that 18% of new software spend is going into software as a service (SaaS) and 24% is going into projects that leverage managed hosting by a third party.

The tech budget figures are important for two reasons. First, half of all healthcare spending on software is going to off-premise solutions. Second, most of those tech needs have nothing to do with the expensive electronic health records transition process. Most health systems have already moved to or are about to complete their move to all electronic records, so the rising budgets must be dedicated to other, more innovative technologies – like cloud, big data and mobile.

Hospitals in particular are embracing the migration quickly. While 30% of the report's healthcare respondents said they were comfortable with the cloud in 2014, an additional 41.5% of respondents said they were comfortable in 2015.

Cloud-powered success

One Australian healthcare organisation has embraced the challenge, reinvigorating its aging infrastructure and keeping the data as secure as possible. Their strategy was further validated when Gartner recognised Mercy Health as the first integrated health organisation in Australia to completely migrate to the cloud.

At [Mercy](#), aging infrastructure led to frequent downtime, poor performance and IT budgets being wasted. Already limited IT resources were being consumed with basic maintenance of hardware and systems. The IT team lacked the skills and capacity to deliver value-add services to the business, whose ability to innovate was constrained by its IT environment.

An extended period of underinvestment in IT infrastructure left Mercy Health with outdated servers running 10-year-old operating systems.

As a result, more than half of the IT team was dedicated to ensuring the infrastructure was operational instead of providing value-add services to the business and supporting new capabilities and innovation. Not only did the environment result in both poor performance and frequent downtime, but the amount of IT budget focused on maintaining infrastructure was an inefficient use of already limited resources.

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In addition, due to the critical nature of Mercy Health's operations, it was crucial that no downtime was experienced during the transition.

Mercy Health's ageing infrastructure had been growing as new hardware was added during the past five years. Not only did 112 servers need to be migrated, but the applications running on these servers had to be mapped to the new cloud environment.

A hybrid cloud solution was developed in which all production workloads were moved into a private cloud within Dimension Data's Melbourne Managed Cloud Platform (MCP), with a disaster recovery site publicly hosted in Dimension Data's Sydney MCP.

More than USD 1.2 million dollars was saved, and the business has benefitted from vastly improved stability and end user experience. IT staff no longer need to focus on maintaining hardware and can now concentrate on providing more business value through application capabilities. The Board has been satisfied with the disaster recovery facility now in place. The result has enabled the IT team to re-establish credibility within the business.

Digital driving future of healthcare

Along with government and financial services, healthcare is one of the last bastions clinging to legacy technologies and antiquated systems. It's been for good reason, as patient care, HIPPA guidelines and other security concerns were rightfully paramount. Now, however, hospitals are realising that the benefits of the cloud are outweighing the potential downsides.

Successes like Mercy Health will become more common as, according to the IDC Health Insights report, more companies are investing in the cloud.

And the cloud is key to a new era that's approaching for healthcare. Today, 84% of people aged between 18 and 34 would prefer a medical consultation on a mobile-device to an office visit.¹ By 2019, there will be 3 million remotely monitored patients.² 95% of patients demand on-line access to their health records.³

Poised to proliferate are technologies like telemedicine, virtual patient observation, and wearables to track health and well-being. All powered by a digital infrastructure that leverages cloud, mobility, the Internet of Things, data analytics and security to provide organisational efficiencies, cost savings, enable innovation and above all, to ensure better patient outcomes.

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¹ <http://www.beckershospitalreview.com/healthcare-information-technology/the-rise-of-mhealth-10-trends.html>

² <http://www.businesswire.com/news/home/20160325005031/en/Growing-Demand-Remote-Monitoring-Significantly-Augment-Demand>

³ <http://www.mdconnectinc.com/medical-marketing-insights/the-consumer-driven-digital-disruption-in-healthcare>



