



# SURVEY REPORT: The Reasons Why Care Management Platform Implementations Fail

## Implementation Report



In the past few years, research studies have painted a grim picture of IT project implementations. In 2012, groundbreaking collaboration between McKinsey & Company and the University of Oxford showed that large IT projects ran 45 percent over budget, 7 percent over time, and delivered 56 percent less value than predicted.<sup>1</sup>

Data from the Project Management Institute suggested that implementation inefficiency plagues all industries. The 2018 Pulse of the Profession survey revealed that roughly \$2 billion a year is wasted globally on poorly executed project implementations. Nearly half of all projects are not completed on time and 43 percent run over budget.<sup>2</sup>

In healthcare IT, Casenet has bucked the trend, earning accolades for effective implementations and securing the coveted Best in KLAS award for the top Care Management Software Solution two years in a row.<sup>3</sup> In our effort to continually raise the bar on implementation effectiveness, we set out to understand where other care management platform implementations typically go awry.

Employing a combination of online and telephone surveys, our research team collected feedback from representatives of more than 50 health plans who were working with other vendors in the competitive care management software space. Our results reveal not only the most vulnerable points in the implementation process, but also the greatest opportunities for modifications and interventions.

### Executive Summary

Implementation success eludes several vendors in the competitive care management software industry. Our survey of more than 50 health plan clients working with other vendors revealed that 25 percent of implementations exceeded the budget and 46 percent ran behind schedule. Only 53 percent actually completed installation of all modules licensed, and 36 percent expected to reevaluate their chosen solution within the coming months.

Lack of alignment is a primary culprit, as expectations are not always clearly defined and as vendors struggle to provide experienced and knowledgeable implementation project managers. The lessons learned from the survey can improve product implementations not only in care management but in all of healthcare IT.

### Analysis

#### Uncovering the Causes of Delay

With 44 percent of implementations failing to be completed on time, our results echoed the Project Management Institute's global statistic of 48 percent. Of those implementations that ran long, fully 60 percent were delayed by more than three months.

Analysis of the reasons for delay suggest a lack of alignment between vendors and customers.

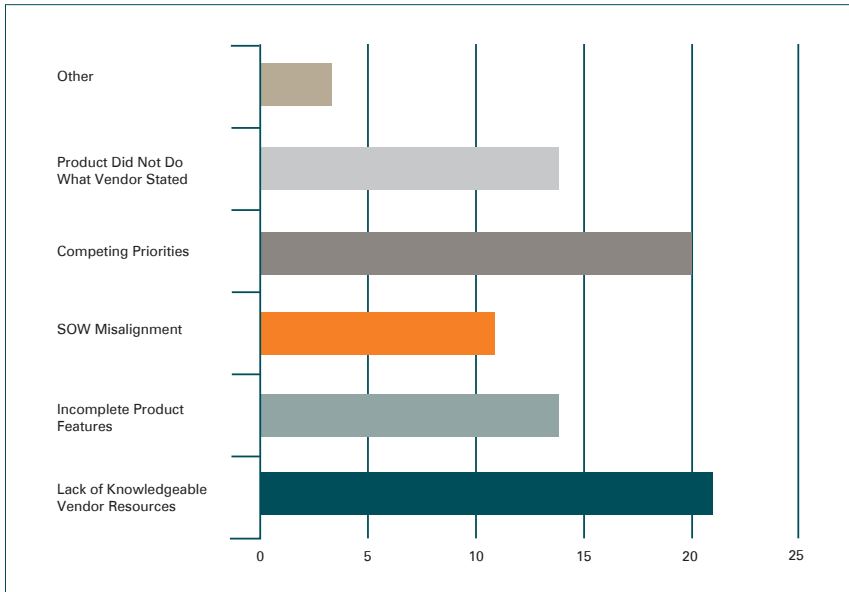
On the client side, Lack of Internal Resources (21 percent) and Competing Priorities (20 percent) indicate that expectations were not properly addressed before the start of the project.

Disappointment in the final vendor deliverables accounted for 56 percent of the delays, with responses including Incomplete Product Features (17 percent), Product Did Not Do What Vendor Stated (14 percent), Statement of Work Misalignment (11 percent), and Lack of Knowledgeable Vendor Resources (14 percent).

Responses reported as Other (3 percent) provided some additional clarity on the challenges of IT implementations. Complexity of culture change and the failure to include the right subject matter experts reveal the importance of top-down organizational commitment to IT implementations.

On the other end of the spectrum, data compatibility and setup/configuration issues demonstrate how the small details can derail a project.

Some respondents also noted that several of the promised features were still being built as the implementation proceeded—a testament to the rapid pace of evolution in healthcare IT technology or the approach of selling what does not yet exist.

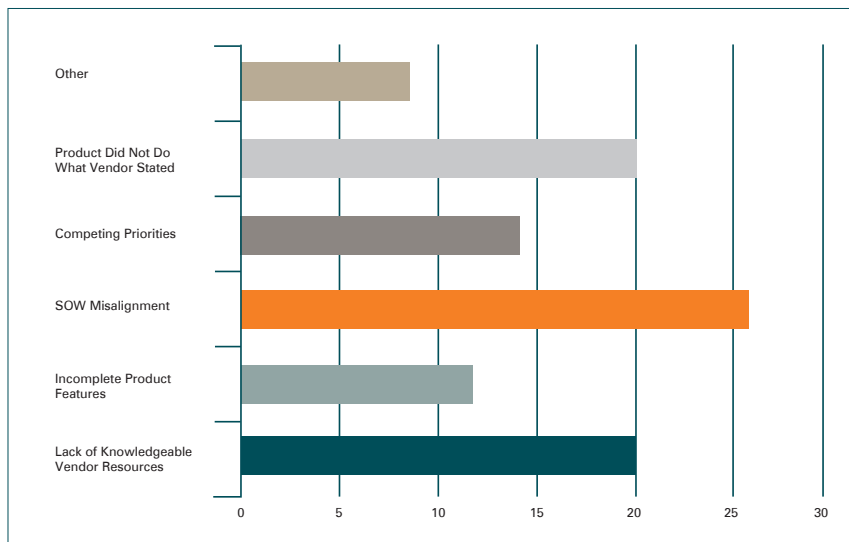


**Figure 1: Reasons for Implementation Delays**

### Budget Matters

As we might expect, the factors responsible for project delays also contributed to budget overages. However, here the survey responses were more strongly targeted at vendor performance. Product Did Not Do What Vendor Stated was cited by 20 percent of the respondents, as was Lack of Knowledgeable Vendor Resources. At 26 percent, Statement of Work Misalignment was the most frequently cited cause of budget overages. Incomplete Product Features were blamed in 12 percent of implementations.

Internal challenges on the client side emerged in the Other response, which accounted for 8 percent of the total responses. Incomplete staffing and underestimation of the internal systems resource requirements were two reasons offered.

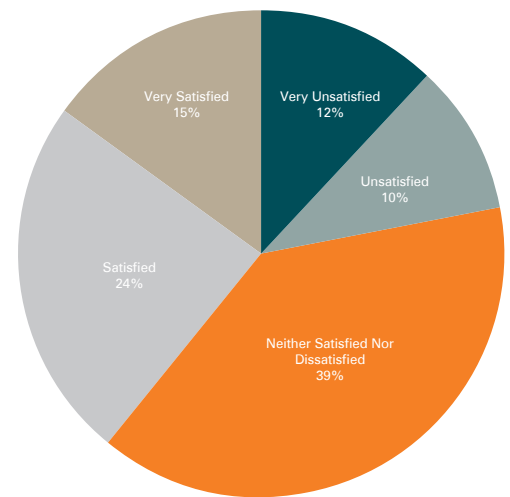


**Figure 2: Reasons for Budget Overages**

Overall, however, budget overages were slightly less of a problem in care management system implementation than time delays. Implementations exceeded the total budget 25 percent of the time, with 30 percent reporting unexpected individual cost overages. But notably, when projects did exceed the budget, it was often by quite a lot—a quarter of all over-budget implementations were off by 5 to 10 percent, and another quarter exceeded the budget by more than 25 percent.

### Delivering Value

Respondents were asked to gauge overall satisfaction with their recent care management system implementations using a five-point scale that ranged from Very Satisfied to Very Unsatisfied. Only 39 percent rated themselves as feeling Satisfied or Very Satisfied. The remaining 61 percent were Neutral, Unsatisfied or Very Unsatisfied.



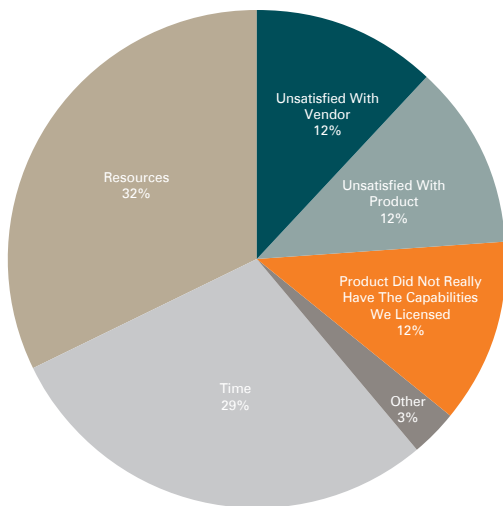
**Figure 3: Overall Satisfaction with Care Management System Integration**

A disconnect between the sales and implementation processes appears to account for some of the dissatisfaction. Twenty-three percent of respondents reported that the Statement of Work created during the sales process did not align with their business needs at go-live. Further, nearly 60 percent of respondents were disappointed with the capabilities of their chosen care management systems. The wide range of missing but desired capabilities included features such as:

- ▶ Broader integration with claims systems, hospital admission, discharge and transmit (ADT) data and other systems currently in place
- ▶ Better workflow integration
- ▶ More robust analytics reporting and dashboard functionality
- ▶ Streamlined automation of tasks, scheduling, etc.

A relatively high percentage of respondents (34 percent) were also seeking more training and expertise from their designated implementation teams. An alarming 26 percent believed that the implementation team did not understand their company's future business goals. They cited inexperience, poor communication, lack of expertise, and a constantly rotating team members as contributing factors.

As a result, only about half of the organizations completed the installation of all modules licensed. Of those, 36 percent were expressly dissatisfied with either the product or the vendor.



**Figure 4: Reasons Why All Modules Licensed Not Implemented**

## Conclusions

In all, lack of alignment between vendors and clients during the software implementation process led to a high degree of product turnover. Thirty-six percent of the respondents indicated that they were looking to reevaluate their care management solutions. Of those, 62 percent were committed to finding an alternative within the next six months.

Given the disruption involved in replacing a software solution, how might the implementation process be improved to deliver a more productive result? Based on the data, we draw the following lessons. They may be extended to improve implementation outcomes across all of healthcare IT.

### Implementation teams must be visible during the sales process.

Vendors who do not align their sales and implementation teams can expect disappointment at go-live. Close collaboration is required to ensure that Statements of Work accurately reflect the clients' business goals, that product features are delivered as promised, and that all the necessary technical support will be put into place.

During the sales process, clients should insist upon meeting their designated implementation teams to ensure not only that goals are clearly outlined and understood, but also that the team is capable of guiding the process. Transparency into the entire vendor organization will aid clients in ultimately selecting the right vendor partners.

### Implementation teams may be weak links for some vendors.

The 26 percent of clients who believed that their implementation teams did not understand their future business goals all expressed disappointment in the teams' level of expertise. Some noted specifically that their implementations seemed to be managed by a subsegment of the organization. Others pointed to a peculiarly high turnover rate of team members throughout the implementation process.

Software solutions may be particularly susceptible to this challenge as companies find themselves inadvertently prioritizing their development teams in order to keep up with the demands of rapidly changing technology. However, the strongest vendor partners are those that understand the critical role implementations play in the long-term success of both companies. The implementation team must be staffed by talented project managers who receive ongoing support and training from the entire vendor organization.

### Software technology may suffer from a degree of "over-promising."

A small but consistent theme throughout the survey was the

complaint that clients didn't receive all the features they expected or that they licensed. Of those who never fully installed the software, 12 percent said it was because the product did not really have all the capabilities they purchased. This is underscored by the respondents who noted project delays due to the fact that features were still being built during the implementation process.

Clients may avoid this outcome by looking beyond product demos when selecting a vendor. Utilize references and third-party assessments to determine if the vendor can offer an honest, ongoing partnership.

<sup>1</sup><https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/delivering-large-scale-it-projects-on-time-on-budget-and-on-value>

<sup>2</sup><https://www.pmi.org/about/press-media/press-releases/2018-pulse-of-the-profession-survey>

<sup>3</sup>Link to Best in KLAS promo piece on casenetllc.com.

## About Casenet

Casenet provides a comprehensive suite of extensible, enterprise care management software and services solutions for commercial, Medicaid, Medicare, TPA, provider/ACO and specialty provider organizations. These solutions enable our customers to improve care coordination and the quality and delivery of care through enhanced case, disease, utilization, and home and community-based services management, as well as tools for total population management. Casenet supports small to large enterprise customers that have many lines of business and require comprehensive configuration for each targeted member population. Casenet solutions enable organizations to meet their unique requirements and adapt quickly to changing market and regulatory dynamics, identify and target populations having unique risk characteristics, and deliver specific care management programs for those members—taking the first step toward better individual health and total population health management.



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