

PLAYBOOK

Navigating Health Systems' Financial Challenges: A Comprehensive Strategy for Sustainable Growth



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Health systems today face significant challenges,

led by the increasingly complex post-pandemic healthcare landscape. Rising costs, new patient demands, a shortage of physicians and nurses, declining health plan reimbursement, as well as regulatory pressures and increasing competition from emerging retail clinics are bringing healthcare to an inflection point. Meeting these challenges and succeeding in this much more dynamic environment will require a strategic overhaul: from simply embracing AI-based platforms via single point solutions to making AI the mainstay of strategic growth, marketing, patient engagement, reputation management and overall healthcare delivery.

The potential of AI in healthcare is revolutionary. AI will transform healthcare delivery in the future and can be deployed across the continuum of care and operations to not only improve financial performance but also drive expansion of access, volume growth, staff retention and patient experience, setting new benchmarks for success in healthcare delivery. Technology serves as a co-pilot, delivering valuable insights and guiding the team towards effective solutions. The result is a digital transformation that redefines how a health system approaches strategy, growth, and care delivery.

As the fifth largest for-profit health system in the United States, Prime Healthcare took a forward-looking and innovative approach. To align patient needs and organizational requirements, the award-winning health system began strategically integrating AI early on and adopting a holistic digital-first strategy.

Through a partnership with Steer Health, Prime Healthcare has been able to tackle complex challenges and achieve sustainable growth through an exciting journey marked by innovation, collaboration, and resilience.

“In order to succeed in a rapidly evolving environment, health systems are forced to continuously improve and innovate. AI and digital strategies will likely be the greatest disruptors to care delivery and lead to a new future. Today, the road to providing exceptional clinical care and experience while expanding access, revenue and volume is a journey that must include leveraging technology to support our patients and their needs,” says Kavitha Bhatia, MD, MMM, FAAP, FACHE, President & Chair, Prime Healthcare Foundation and Chief Medical Officer of Strategy, Prime Healthcare. “Our focus is on constantly expanding access into our care delivery model, while streamlining operations to ensure consistent growth and exceptional quality of care. Our partnership with Steer Health began with a search for innovative solutions to achieve these goals.”



Prime Healthcare

As an award-winning health system headquartered in Ontario, California, operating 45 hospitals and more than 300 outpatient locations in 14 states, Prime Healthcare provides more than 2.6 million patient visits annually. Prime Healthcare is nationally recognized for award-winning quality care and has been named a Top 10 and Top 15 Health System.

Founded in 2021, Steer Health is a healthcare technology company that uses AI to drive growth, improve the patient experience, and contribute to cost savings for healthcare organizations and clinics. Like many startups that are making a difference in sectors like finance, education, and retail, health tech companies like Steer are essential to helping health systems integrate new technologies and transform their business for a dynamic future.

“The deployment of AI and Steer’s platform has been outstanding and early results are a testament to our commitment to innovation,” notes Dr. Bhatia. “We have seen improved volume, revenue, streamlined workflows and expanded patient offerings to ensure timely access to care. Moving forward, we aim to partner with Steer to deliver even more precise, efficient, and compassionate care to our patients, developing sustainable strategies to meet the challenges facing healthcare nationwide.”



Leaning forward instead of falling back

While many hospitals try to increase margins by first evaluating costs, that ends up being too short-sighted for managing today's healthcare challenges. A more holistic approach is needed to address financial challenges.

To not only recover but also emerge stronger and better prepared for a dynamic future, a health system needs to address the sources of stagnating growth and declining profit margins with a holistic approach that uses existing resources more effectively, understands underlying market dynamics and strategizes growth to make use of these dynamics. Integrating AI enables strategic choices that allow health systems to become more agile and better performing in the future.

Investing in AI to enhance the patient-centrism of operations will allow health systems to achieve three key outcomes:



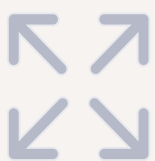
Attract more patients

Patients today seek out ease of doing business. They are leveraging more satisfying digital experiences from their healthcare journey that reflect their [daily use of consumer technology](#) in retail, travel and other consumer segments.

Patients are also more willing to invest in higher-quality healthcare services.

Technology also allows for greater options to receive care such as telehealth.

“Attracting more patients is not just about offering medical services, but also about providing a seamless, patient-centered journey,” says Dr. Bhatia. “By meeting patients where they are, expanding care offerings and providing personalized, high-quality healthcare services, we not only attract more patients, but also build lasting, trusting relationships.”



Expand into new markets

A more intuitive and convenient patient experience makes it easier for a hospital or health system to expand into new markets with new services or into new patient demographics, even attracting patients from competitors.

For example, some of the first hospitals to implement [AI-led primary care](#) have been seeing very positive feedback. As patients support their health goals with technology, the demand for these resources will break records.

“Patients are particularly frustrated with the fragmentation in care. We recognize that by making the patient experience more intuitive, unified and convenient, we not only meet current needs, but also position ourselves to succeed in new markets,” says Dr. Bhatia. “As patients increasingly use technology to support their health goals, we are creating new avenues for attracting patients seeking innovative and user-friendly healthcare solutions and building patient loyalty.”



Reduce the cost of providing services

A more streamlined patient journey reduces the cost of providing services. This approach also improves services and care to the point where hospitals deliver higher value – and higher margins associated with that value.

“AI and automation are not just about streamlining processes, but also about reshaping cost efficiency in healthcare,” says Dr. Bhatia. “The data these systems collect helps analyze gaps, understand roadblocks, and optimize processes constantly. By using these insights and new digital processes, we can not only reduce the cost of delivering services, but also direct our resources to what really matters: our caregivers focusing on what they do best, which is delivering high-quality patient care.”

Combined, these new capabilities help hospital systems not just achieve growth, but also become more resilient and more responsive to new challenges in the future.

“In today’s healthcare environment, resilience and agility are essential,” says Dr. Bhatia. “These attributes enable health systems to better succeed in the ever-changing landscape. It also means that we need to see today’s challenges as opportunities for growth by leveraging technology to provide the most appropriate care in the right setting at the right time.”



Overcoming challenges that limit revenue and volume growth

Every hospital and healthcare organization understands the importance of the patient experience. In fact, many of them already use technology to support it. But few have achieved the positive outcomes that are possible when supported by advanced AI technology. Instead, they grapple with common challenges that limit growth:



Lack of sophisticated technology

Patients take a digital-first approach to life, but the hospital or healthcare system doesn't. Healthcare providers don't have the tools or support they need to provide a streamlined, sophisticated experience.



Fragmented technology

Within the hospital or healthcare system, technology is fragmented and hit-or-miss. Tools and IT environments are not unified for patients and staff, which has a downstream impact on the patient experience.



Uncertain investment decisions

Organizational leadership doesn't have data or input from important milestones along the patient journey, so they are unable to apply that insight to investment decisions. Important opportunities for ROI are overlooked.



Lack of holistic growth

The tools that are deployed are not working together, which means they don't unite to support the overarching goal of growing the practice and simplifying the provider and patient relationship.

Dr. Bhatia notes that, to address today’s complex challenges, Prime Healthcare’s strategy focuses on two investments: technology and people.

“We are harnessing the power of advanced AI and automation through partnerships with industry leaders like Steer Health,” says Dr. Bhatia. “Throughout such partnerships, we embrace a multidisciplinary care approach and patient-centered thinking that helps us empower our patients and our staff simultaneously. This holistic approach creates a better healthcare experience for all while ensuring our goal of improving population health.”

Prime Healthcare’s strategy included a thoughtful rollout, starting with one community hospital and expanding throughout the system to 45 hospitals and hundreds of outpatient locations. Here’s a look at the important principles they used to enhance success:



KEY #1: **Digitizing patient engagement**

By digitizing the entire engagement with patients before they seek care, the care cycle becomes integrated into creating patient relationships. Patients get timely notifications about clinical activities, scheduling, self-service activities, and digital tools, as well as opportunities to take a more active role in their care. It simplifies the patient journey and helps the hospital grow volume.

“Digitizing patient engagement can play a part in humanizing healthcare delivery,” explains Sridhar Yerramreddy, CEO of Steer Health. “With AI as a co-pilot, we empower healthcare staff to magnify their productivity and enable a patient experience that is personalized to each patient, their family and their caregiver.”

KEY #2: **Automating the care cycle**

Beyond the intricacies of scheduling and communication, automating communication during the care cycle itself allows hospitals and health systems to deliver a better patient experience with follow-up messages and re-engagements, and even network referrals. This care integration improves clinical care and outcomes.

In a world where technology shapes our every step, automating the patient's journey throughout pre-care, during-care, and post-care is not just a nice-to-have; it's a necessity for healthcare organizations to sustain and thrive. It transcends convenience, offering a trifold benefit of informed care decisions, tailored patient education and continuous engagement, thereby transforming patients into proactive stakeholders in their own health journey.

“For post-discharge patients, offering interactive and contextual outreach and 24/7 virtual care is a steadfast assurance that whenever you or your loved ones need medical guidance during recovery, a trusted and compassionate partner is always by your side. Contextual outreach using AI is critical to reduce network leakage because it fosters continuity of care, helping to keep patients within the healthcare network for follow-up treatments and services all at a scale, thereby retaining revenue and improving patient outcomes,” says Yerramreddy.



KEY #3: **Holistic patient engagement approach**

Informed by real-time information about patient engagement activity, patient experience and marketing teams can make effective use of dynamic email, push and SMS campaigns to routinely target patients and direct them to recommended services and specialists within the network. The hospital system can then better integrate care and support patients across their care journey and ensure they return.

Patients also become accustomed to the convenience and familiarity of the hospital system's services. Tools such as virtual anytime-care create a sense of loyalty that patients will have a hard time replacing anywhere else.

“Healthcare isn’t just a service but is a lifelong relationship,” says Yerramreddy. “Hospitals must shift from transactional outreach to a holistic and personalized approach—promoting wellness, simplifying access for all avenues of care including urgent care, primary care and specialty care, and cultivating rapport and trust. It’s not merely about acquiring patients; it’s about retaining their faith in a system that puts their health and well-being above all.”

KEY #4: **Improved reputation management**

Integrating these processes, milestones and events into a unified system gives patients a more holistic experience, one that addresses their needs and puts them in the driver’s seat of their care. In combination with push notifications, reminders and post-visit surveys, this naturally increases the frequency of reviews across multiple platforms, allowing a hospital or system to manage its reputation more proactively. Reputation improvement can then lead to greater patient loyalty and demand, ultimately driving revenue and volume growth.

“Reputation is more than a first impression; it’s the currency that fuels growth,” says Yerramreddy. “A sterling online reputation not only attracts new patients but fortifies the trust of existing staff and becomes the beacon for hiring new and more skilled talent. During a time when patient expectations are constantly evolving, a hospital or health system’s success is often measured by the weight of its reputation.”

By addressing each customer’s unique needs, personalized outreach campaigns can lead to more effective interventions, better adherence to treatment plans, and ultimately, improved health outcomes.



Altogether, these shifts lead to the most important outcomes for hospitals under financial pressure: increased patient acquisition, improved payor mix, standing out amongst retail clinics and providers, enhanced patient retention and improved patient trust. In the end, these outcomes lead to financial sustenance and greater profit margins for the present and agility and resilience for the future.

AI breakthrough

The complex landscape of modern healthcare requires hospitals and hospital systems to rethink traditional approaches to care delivery and financial stability. In the face of new pressures and challenges, it's clear that AI will play a critical role in redefining the industry and providing valuable insights to navigate challenges successfully. AI technology, with its ability to analyze vast amounts of data and generate predictive modeling, can offer this much-needed support to improve clinical outcomes, operations, financial success, and experience both for patient and provider.



Hospital systems that forge this invaluable relationship between technology and growth and the patient experience will experience a pivotal transformation that directly contributes to improved revenue, clinical outcomes, and experience. By integrating a digital-first perspective, hospitals can significantly improve patient acquisition, foster patient trust and retention, and enhance their competitive edge. Additionally, AI enabled

platforms can contribute to the quadruple aims of healthcare by enhancing patient experience, improving population health, reducing costs, and elevating provider satisfaction through predictive and contextual member outreach, personalized treatment recommendations, and streamlined administrative tasks.

The effects of this transformation extend beyond numerical growth. A holistic, digital-first approach has the potential to redefine the patient experience, shifting from transactional interactions to meaningful relationships. In leveraging AI, healthcare systems and providers can better understand patient behaviors and needs, tailor services accordingly and create an integrated patient journey that inspires loyalty and trust. The result is that health systems will not only increase their competitiveness but also position themselves as patient-centric institutions where care and quality are at the forefront of their operations.



Steer Health is the first AI-fueled growth and automation platform that accelerates revenue growth by automating patient acquisition and retention while driving cost savings and improved patient experiences. Steer Health offers health systems and hospitals a single, cost-effective, comprehensive, and effortless solution for patient acquisition, retention, improved clinical and financial outcomes. Steer Health was recognized by KLAS Research as one of the Top 20 Emerging Solutions Providers in 2023.



As an award-winning health system headquartered in Ontario, California, operating 45 hospitals and more than 300 outpatient locations in 14 states, Prime Healthcare provides more than 2.6 million patient visits annually. It is one of the nation's leading health systems, with nearly 50,000 employees and physicians. Fourteen of the Prime Healthcare hospitals are members of the Prime Healthcare Foundation, a 501(c)(3) not-for-profit public charity. Prime Healthcare is nationally recognized for award-winning quality care and has been named a Top 10 and Top 15 Health System. Its hospitals have been named among the nation's "100 Top Hospitals" 68 times. To learn more, please visit primehealthcare.com.

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