

# Healthcare and Life Science CIOs' COVID-19 Cost Optimization Action Plan

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Bryan Cole

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COVID-19 is putting healthcare providers, healthcare payers and life science manufacturers under significant financial stress. CIOs can use this research to optimize IT and business costs in line with their organization's strategic objectives.

The financial ramifications of the COVID-19 pandemic are myriad and fast moving, causing significant uncertainty about the future business environment globally. Healthcare and life science firms are facing unique and dramatic financial stresses including:

- Lost revenue from postponed elective procedures, delayed primary care and value-based rewards, large employer layoffs and small business closures, unfilled prescriptions and the suspension of in-office detailing.
- Increased costs of COVID-19 treatment and testing, staff time and supplies, chronic condition care costs, interrupted clinical trials and idled research staff.

CIOs must respond to CFOs and CEOs increasing demands of IT spending cuts with digital transformation and cost optimization strategies.

When responding to the pressing immediate needs arising from a shock like the COVID-19 pandemic, it is easy for business leaders to lose focus on the long-term gains possible through digital transformation. You must help them see the forest for the trees and remain focused on the key to durable healthcare and life science business success – reduction of medical costs. Smart cuts to some IT and administrative areas may be necessary in these extraordinary times, yet choosing those wisely will help ensure continuing progress on the initiatives you need to prosper in the long term.

In this research, we apply Gartner's cost optimization research to the specific needs of healthcare and life science organizations to three pandemic recovery phases:

- **Respond** – Short-term expense triaging
- **Recover** – Cost and business optimization
- **Renew** – Cost and business transformation

This presentation will help you collaborate with your business peers and IT team on how to cut and restructure costs wisely at this time of exceptional financial stress. Schedule an analyst inquiry call to tailor these recommendations to our organization's unique needs and speed execution.

Gartner interacts regularly with healthcare providers, healthcare payers and life science manufacturers. Their observations, challenges and successes form the primary source data for this research. Additional evidence was obtained from vendors in this space, industry inquiries, previous Gartner research, public sources and direct experience.

## Recommended by the Authors

["Healthcare and Life Science CIOs Drive Ongoing Cost Optimization Across the Enterprise"](#)

["Smarter Spending: Invest in Business Outcomes"](#)

["Driving Cost Optimization Across the Enterprise: An IT Perspective"](#)

["Three-Year Roadmap for IT Cost Optimization"](#)

["Toolkit: Gartner's Top 100 IT Cost Optimization Ideas"](#)

["IT Cost Optimization Should Be an Ongoing Discipline"](#)

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[Healthcare and Life Science CIOs Drive Ongoing Cost Optimization Across the Enterprise](#)

[Cool Vendors in Life Sciences](#)

[A CIO's Hype Cycle Reference Guide for the Healthcare and Life Science Industries](#)

[2019 Top Actions for Life Science CIOs: Engage Your Ecosystem](#)

[Healthcare Business Driver: The Health Cost Conundrum](#)

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