



In Cooperation With:

Kurt Salmon 

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HOSPITAL SOLUTIONS WHITE PAPER SERIES

Hospital 100 Leadership Survey Results

Hospital 100

October 16-18, 2016


Hyatt Regency Lost Pines, TX

www.hospital100.com

INTRODUCTION

In January 2016, Hospital 100 conducted a survey of senior executives from hospitals and health systems, with the goal of identifying strategic priorities and challenges. Respondents included CEOs, COOs and CFOs of Hospitals and Health Systems from across the nation.

We're pleased to provide you with those results below. These findings are part of the continuing initiative by Hospital 100 to address the most important issues influencing hospitals and health systems, and will form the basis of the education program at the seventh annual Hospital 100 Leadership & Strategy Conference this October 16-18 at the Hyatt Lost Pines, outside of Austin, TX.

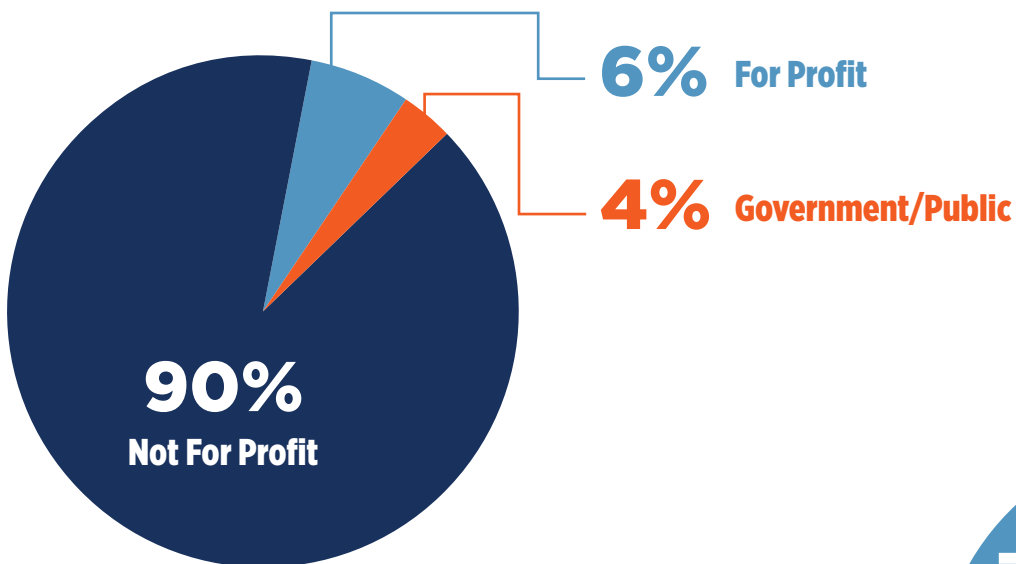


RESPONDENT DEMOGRAPHICS

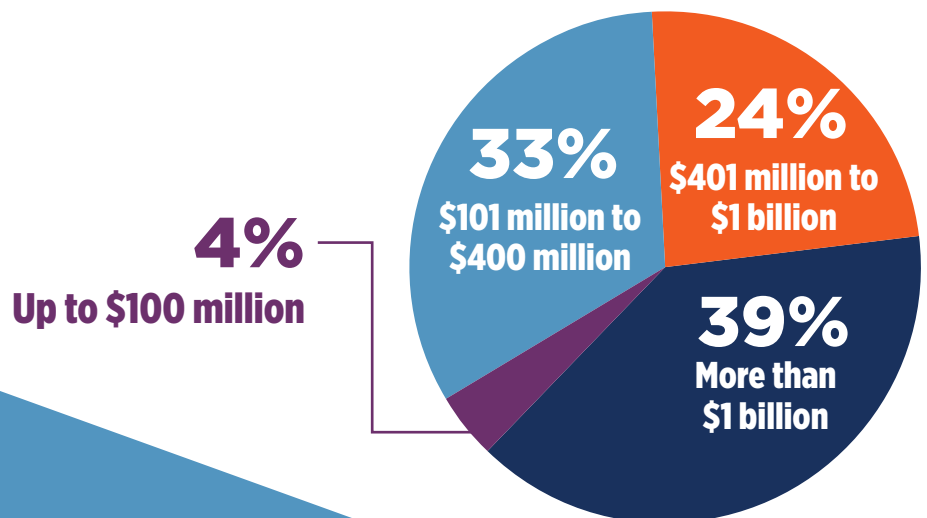
TYPE OF ORGANIZATION



TAX STATUS



ANNUAL REVENUE



STRATEGIC INITIATIVES


When asked to specify their three highest priority strategic initiatives for their organization, Physician Alignment, Patient Engagement, Quality, Growth, and Cost of Healthcare topped the list.



STRATEGIC INITIATIVES OF HOSPITAL LEADERSHIP

The following is a compilation of key initiatives as identified by hospital leaders.

In addition to the findings from Hospital 100, Kurt Salmon has provided supplemental context and insight for each initiative.



KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY

Priority #1: Physician Alignment

Physician alignment is the precursor to clinical integration and, ultimately, to being accountable for the cost and quality of care for defined populations. Hospital executives have realized in recent years that this effort will take more than employment or enhanced communication. It demands alignment on clinical activity and the patient care approach, a correlation of physician and hospital financial returns, and commitment to a shared vision that incentivizes active involvement in the future of the organization. As this becomes a reality, providers can move into clinical value management (CVM) to truly remove costs from care and improve outcomes.

Such alignment is crucial at every stage along the path to financially sustainable value-based reimbursement, as those farther along in the journey are realizing. As hospitals increasingly take on the care of defined populations, physicians' role in payer contract negotiations will grow: It'll be the clinicians who determine to what level costs can be managed down.

Key Initiatives Reported:

- Employ or partner
- Building a primary care network
- Aligned incentives/shared risk
- Governance
- New generation leadership
- Recruitment
- Contractual agreements that incentivize collaboration and identification of cost savings
- Clinical value management

Priority #2: Patient Engagement

Current realities demand a radically different care platform - one that is relational rather than transactional, personalized in its approach, and focused on improving, not just maintaining, patients' health.

Key Initiatives Reported:

- Consumerism
- Digital strategies
- Leveraging patient insights
- Personalizing relationships
- Developing a patient centered culture
- Refining the ideal patient encounter
- Incorporating new technologies, care protocols, and new care provider roles such as care coordinators or behavioral health specialists
- Empowering patients to be stewards of their own health information and more actively engage in their care decisions
- Centralized scheduling
- Making physical assets more patient-centric (e.g., family meeting rooms, private space for telehealth conferences, or larger screens to share and explain test results in person)

KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY (cont.)

Priority #3: Quality Initiatives

Over several years, hospital quality has evolved from a strict focus on advanced technology and highly trained personnel to also include process and outcome quality.


Key Initiatives Reported:

- Leadership, culture
- Safety
- Patient satisfaction/experience
- Clinical care outcomes
- Care access
- Identifying and measuring key quality performance indicators

Priority #4: Growth

A steady flow of mergers, acquisitions and partnerships has transformed the health care market, giving rise to networks that continue to grow in size, reach and power. As this consolidation plays out, hospitals and systems that are looking to expand must address a number of items to reduce long-term growing pains.

Key Initiatives Reported:

- Strategic acquisition
 - Build capacity
 - Create, expand network
 - Expand/create key service lines
 - Regional growth
 - New markets
 - Network strategy
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KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY (cont.)

Priority #5: Cost Management/Process Improvement

The third leg of the Triple Aim is to reduce the per capita cost of health care. While hospitals and systems are getting better at rooting out waste on the surface, going deeper to improve strategies for clinical value management and drive process improvement is extremely hard. Providers are investing in value-based care delivery models, but the large payoffs on any significant scale haven't come yet. Meanwhile, new technologies to improve care and patient access, like telehealth, cost money.

But once those base investments are made, health networks can start driving new sources of revenue, use data analytics to target care to individuals who use an outsized amount of the network's resources, and even create their own insurance plans (or partner with insurers) targeting their narrow network populations. Successful health systems with regional strength will turn the tables on payers and set the terms for narrow networks and direct-to-employer contracts. They will do this to secure and grow share, manage appropriate utilization, and take more risk—and share—of the premium dollar.

Key Initiatives Reported:

- Expense reduction
- Fixed vs. total cost of care
- Revenue cycle performance
- Sustained profitability
- Process improvement
- Alignment with system

OTHER PRIORITIES

Data

An integrated network with a comprehensive IT strategy and a complete understanding of its IT capabilities can perform effective risk stratification to direct care to high-risk, high-cost patients; automate outreach and guide patients to appropriate care settings; calculate and distribute value among new partners; evaluate and implement new physician alignment strategies and compensation models; and optimize the value of managed-care contracts.

Key Initiatives Reported:

- Data strategy: capture/cultivate/integrate
- Data analytics
- Inter-operable health records
- Leveraging informatics
- Leverage analytics to obtain, and then manage, competitive contracts
- Identify high-performing, cost-effective provider partners across the care continuum
- Risk stratify populations and target interventions
- Engage patients in culturally competent care and wellness

KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY (cont.)

Care Delivery

The industry has spent decades developing its fixed-asset platform for a fee-for-service model. Aligning physical assets with the volume-to-value push will take time. Exactly how that transition will happen and how quickly it will take place are unknown, but providers are approaching care delivery from a number of angles.

Key Initiatives Reported:

- Ambulatory services
- Community-based care
- Inpatient vs. outpatient
- Improved access
- Telehealth, RPM

Clinical Integration

Today's clinically integrated networks are often much more complex than what the industry could have dreamed up a few short years ago. To thrive in today's connected clinical environment, hospitals and systems must figure out how to deliver the right care, at the right time, at the right cost.

Key Initiatives Reported:

- Clinically integrated networks (create, launch, acquire)
- Service line pilots (identifying, creating, launching, replicating)
- Care teams
- IDNs
- Provider-driven health plans
- ACOs
- Preferred provider networks
- Retail/non-traditional integration partners (e.g., CVS Health, Walgreens, etc)

Staff/Employee Management

There is no shortage of industry roundups highlighting the "Best Places to Work" in health care. When evaluating whether their hospital makes the cut, health care executives will explore staffing at all levels.

Key Initiatives Reported:

- Recruiting
- Exceptional leadership development
- Employee engagement
- Training/education

KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY (cont.)

Partnering

Partnership efforts are expanding beyond the four walls of the hospital and even beyond provider-to-provider initiatives. Retail, community, and even technology incubator efforts are now the leading edge of health care partnership initiatives, even as hospitals continue to refine their provider collaborations.

Since backing out in the face of difficult decisions cannot be an option, these partnerships must be “sticky” enough to weather tough challenges.

Key Initiatives Reported:

- Affiliations with other hospitals/systems
- Construct best practices for partnerships
- Payer partnerships
- Post-acute partnerships
- Physician groups
- Other partnerships (retail, telehealth, ambulatory)
- Defining and distributing value
- Surviving a new player in your backyard
- Community hospital-AMC collaboration
- Venture capital investments in health technology innovation
- International research and teaching collaboration

Value-Based Payment

While related, population health and value-based care are not interchangeable terms. The former depends on successful execution, and continual refinement, of efforts in the latter.

The goal of value-based care is to improve the outcomes and reduce the cost of each individual episode of care. Doing so requires interdepartmental, cross-enterprise, and externally collaborative initiatives that will stand up to future reimbursement shifts and support the organization’s future fiscal stability. As providers grow to understand the key drivers of total medical expense across the continuum of care, they engage in a continual improvement process, using data and sophisticated analytics to minimize variations in the cost and quality of care delivery.

Key Initiatives Reported:

- Bundled payments
- Risk-based contracting
- Full capitation
- Direct contracting with employers
- Provider backed health plans
- Reference pricing
- Creation of provider gainsharing incentives to drive reform and improve the care delivery process
- Risk stratification of defined patient populations to focus disease management and patient engagement efforts
- Acute/post-acute care collaboration to reduce readmissions and other inefficiencies

KEY STRATEGY COMPONENTS FOR ORGANIZATIONS AROUND THE COUNTRY (cont.)

Population Health Management

The goal of population health management is to prevent disease, prolong life and promote healthy lifestyles and communities. This is a grand scale public health endeavor that includes influencing the social determinants of health in a community and finding more effective ways to deliver health – not just care. Collaboration between government, private sector and community constituencies is critical. Community health can be improved by improving public safety, education, access to primary and preventive care, and access to quality food and exercise options. Health care providers become important in terms of their contribution to the community mosaic and their ability to lead efforts associated with changes to care delivery that include chronic disease management and access to care.

Key Initiatives Reported:

- Creating infrastructure, including telehealth and care navigators to guide individuals to community resources and social programs
- Program development
- Community outreach and public collaboration on wellness initiatives
- Participation in grant-funded research to improve community health
- Big data analytics to identify and direct care to high-use populations

Operations

Too many organizations still look at efficiency of operations and processes from within department silos. The savviest are looking across the entire patient journey to identify room for improvement. An over-capacity emergency department, for example, may not be an indicator for more ED space, but for a more efficient patient transition processes.

Key Initiatives Reported:

- Process improvement
- Operational efficiency
- Alignment within system

Miscellaneous

Strategic hospital priorities don't stop outside the four walls of a hospital. They begin before the patient walks into the hospital and extend long after the patient leaves.

Key Initiatives Reported:

- Innovation
- Pre-acute/wellness initiatives
- Infectious disease management
- ED initiatives
- Behavioral health

STRATEGIC PRIORITIES OF HOSPITAL LEADERSHIP RANKED

The following is a ranking of priorities on a scale of 1 - 5 (1 = lowest priority; 5 = very high priority), based on each topic's "importance to the success of (the) hospital organization over the next 18 to 24 months."

Topic	Overall Score	Independent Hospitals	Systems (up to 5 hospitals)	Systems (5+ hospitals)	IDNs
Physician Alignment	4.61	4.60	4.63	4.58	4.63
Value Based Care Initiatives	4.19	4.00	4.24	4.16	4.42
Data Analytics	4.17	4.46	4.05	4.00	4.26
Patient Engagement Strategies	4.15	4.00	4.14	4.23	4.26
Population Health Management	4.14	4.07	4.33	3.95	4.47
Data Security	3.85	4.11	3.76	3.70	3.95
Telehealth	3.75	3.56	3.48	3.98	3.89
Managed Medicare/Medicaid	3.74	3.46	3.81	3.79	4.00
Consumer Behavior	3.66	3.76	3.38	3.65	3.89
Risk Strategies	3.56	3.38	3.62	3.56	3.78
Prioritize ACO's	3.53	3.56	3.62	3.37	4.16
Working with Skilled Nursing Facilities	3.52	3.37	3.71	3.44	3.68
Wellness Initiatives	3.48	3.50	3.62	3.40	3.50
Mandated Bundled Payments (CJR)	3.43	3.33	3.52	3.36	3.58
Behavioral Health	3.41	3.59	3.33	3.23	3.68
Working with Home Health Agencies	3.38	3.41	3.43	3.31	3.68
Medicaid Expansion	3.29	3.41	3.10	3.26	3.79
Home Based Care Strategies	3.25	3.30	3.24	3.16	3.67
Policy	2.96	3.27	3.00	2.90	3.11
Working with Assisted Living/ Senior Living	2.88	2.93	3.10	2.72	3.58
Provider Owned Insurance Plans	2.85	2.81	3.10	2.60	3.74