INDUSTRY SURVEY
HEALTHLEADERS MEDIA 2011

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Quality Leaders

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Quality: Concerns of a Lesser Priority

OF
QUALITY LEADERS
SURVEYED:

43
PERCENT
Have a positive or very positive assessment of the Patient Protection Act

46
PERCENT
Say the main reason for lack of handwashing compliance is lack of spine to self-police and report colleagues

91
PERCENT
Say compliance with government regulations in the next three years will be challenging or very challenging

For healthcare leaders specializing in quality improvement, the past year has represented monumental change, and that fact was reflected in many of their answers to questions in the *2011 HealthLeaders Media Industry Survey*.

For starters, only 58% of those who responded listed quality and patient safety among their organization's top three priorities. That must mean that 42%, or nearly half, believe their organizations have subordinated quality as a priority. In 2010, 65% of quality leaders listed quality and patient safety among their top three priorities, and in 2009 it was 84%.

The other top three priorities for 2011 listed by quality leaders were patient experience or patient satisfaction (chosen by 44%), and developing an accountable care organization (24%).

Additionally, while 32% of quality leaders think the healthcare industry is on the right track, 39% put it on the wrong track.

Regarding healthcare reform, 43% have a positive or very positive view of the Patient Protection and Affordable Care Act (20% have a negative or very negative view), though 64% say reform has weakened morale at their organization. Only about one-quarter of those responding said they think withholding money from hospitals for "never events" is an effective way to improve quality.

With the prominence of quality measures now set in law, with each institution's scores being much more transparent and public, why aren't quality leaders ecstatic?

The answer may lie in the bill's unintended consequences, says David J. Shulkin, MD, president of 642-bed Morristown (NJ) Memorial Hospital.

There's a lot of irony at work here, he says. While the healthcare reform legislation's language is geared to quality improvement, it also aggressively targets reduced spending, and unfortunately, that's the impact that has every hospital executive's full attention, Shulkin says.

"If you're in the quality field, the real message in healthcare right now is that there's going to be a lot less money available, and the institutional thinking is becoming more bottom-line oriented. What's at stake is a potential loss of tens of millions of dollars to hospitals, and the quality component has been significantly dwarfed by that," Shulkin says. "It's fundamentally turned perceptions upside down."

That's a considerable change from the past for quality officials, he says. "There hasn't been a direct tie between support for quality initiatives to the finances of an institution. But now, as facilities become more financially stringent, that's been a distinct threat to people in the quality field."

Now, he says, "instead of having the imperative to improve because it's the right thing to do, we're seeing a shift, with institutions more concerned adjusting their cost structure, or their physician alignment strategies, or forming an accountable care organization."

Quality, he says, "has been replaced by these more dramatic imperatives, and they're seeing the ultimate future of healthcare under a very different light of how they'll be paid and how they'll have to perform in the future."

There were other findings from the survey that bolster Shulkin's perception that quality leader thinking has undergone a sea change.

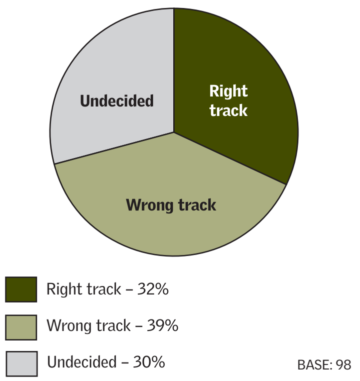
Two-thirds, or 66%, of quality leaders believe healthcare reform legislation has had a weakened their institution's financial position, a share significantly greater than top leadership, of whom 58% said the new law has weakened their financial position.

> "If you're in the quality field, the real message in healthcare right now is that there's going to be a lot less money available, and the institutional thinking is becoming more bottom-line oriented."

In general, however, quality leaders seemed to be slightly more positive about healthcare reform mandates than did executive leadership survey respondents. For example, of quality leaders responding, 45% said that increased regulatory scrutiny expected from the healthcare reform laws would have a negative or strongly negative impact on their organizations, while 62% of executive leaders responded that way.

—CHERYL CLARK

1. Overall, how do you assess the current state of the healthcare industry?



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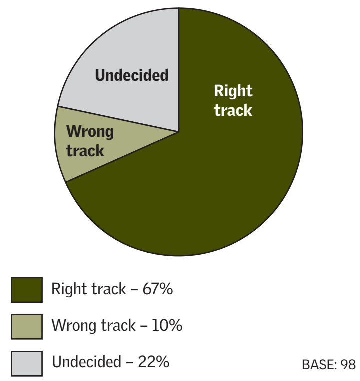
2. Overall, how do you assess the current state of your own organization?



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3. Rank your organization's top 3 priorities for the next 3 years.

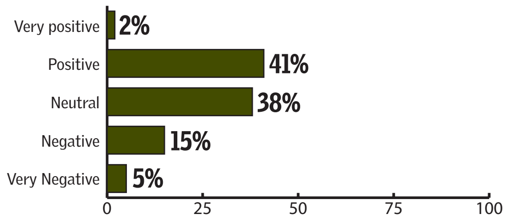
	Priority 1	Priority 2	Priority 3	2011 Percent selected	2011 Rank	2010 Percent selected	2010 Rank	2009 Percent selected	2009 Rank
Quality/patient safety	35%	10%	12%	58%	1	65%	1	84%	1
Patient experience/patient satisfaction [1]	14%	11%	19%	44%	2	54%	2	33%	2
Developing an accountable care organization	5%	13%	5%	24%	3	NA	NA	NA	NA
Cost reduction	9%	7%	6%	23%	4	29%	3	19%	6
Technology system/equipment	8%	4%	7%	20%	5	12%	9	11%	12
Reimbursement	6%	7%	6%	20%	6	23%	4	13%	9
Care coordination	3%	7%	3%	13%	7	13%	8	NA	NA
Dealing with uncompensated care	4%	4%	4%	12%	8	5%	16	NA	NA
Construction/capital improvements	2%	3%	7%	12%	9	14%	7	25%	3
Physician recruitment and retention	5%	1%	4%	10%	10	15%	6	22%	4
Mergers & Acquisitions	2%	3%	4%	10%	11	1%	19	NA	NA
Revenue cycle	1%	8%	1%	10%	12	9%	13	13%	10
New clinical products/services	2%	5%	2%	9%	13	9%	12	14%	8
Physician staff ventures/realignment	0%	3%	6%	9%	14	5%	15	10%	13
Leadership development	0%	5%	2%	7%	15	9%	11	12%	11
Episode of care/bundled payments	1%	2%	1%	4%	16	1%	17	NA	NA
Physician employment	1%	1%	2%	4%	17	NA	NA	NA	NA
RACs	0%	1%	3%	4%	18	11%	10	NA	NA
Nurse/staff recruitment and retention	0%	1%	2%	3%	19	7%	14	20%	5
Employee satisfaction	0%	1%	1%	2%	20	17%	5	15%	7
Base					97		150		118

[1] In 2009, asked as Consumer satisfaction

4. How will the following healthcare issues impact your organization in the next 3 years?

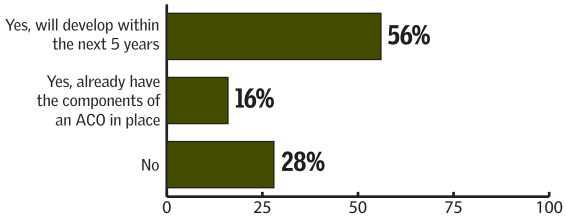
	Strongly Positive Impact	Positive Impact	Neutral	Negative Impact	Strongly Negative Impact	Base
Quality improvement initiatives	29%	59%	11%	1%	0%	95
EHR adoption	24%	54%	16%	5%	1%	95
Patient experience, patient-centered care	23%	63%	14%	0%	0%	95
Accountable care organizations	14%	38%	41%	7%	1%	96
Increase of insured patients	14%	59%	11%	9%	6%	96
Medical home	9%	34%	48%	8%	0%	95
Medicare/Medicaid/Tricare reimbursement rates	9%	15%	15%	41%	20%	94
Comparative effectiveness research	7%	43%	46%	3%	0%	95
ICD-10	7%	18%	52%	19%	3%	94
Meaningful use criteria	6%	45%	35%	14%	0%	95
Mergers and acquisitions	6%	22%	60%	11%	1%	95
Physician supply, primary care	6%	26%	33%	33%	2%	94
Uncompensated care	6%	4%	15%	35%	39%	93
Increased regulatory scrutiny	5%	15%	34%	34%	11%	97
Stimulus package	5%	26%	43%	23%	3%	96
Malpractice concerns	4%	6%	61%	25%	3%	96
Physician supply, specialty care	4%	27%	32%	33%	3%	93
Private payer reimbursement rates	4%	20%	26%	38%	12%	95
RACs	4%	12%	49%	26%	10%	94
Episode of care/bundled payments	3%	21%	39%	32%	4%	94
Nurse supply	3%	19%	56%	20%	2%	95
72-hour payment window	2%	26%	43%	26%	2%	95
Organized labor	1%	5%	48%	32%	14%	95

5. What is your assessment of the Patient Protection Act?



Base: 96

6. Will your organization be part of an accountable care organization within the next 5 years?



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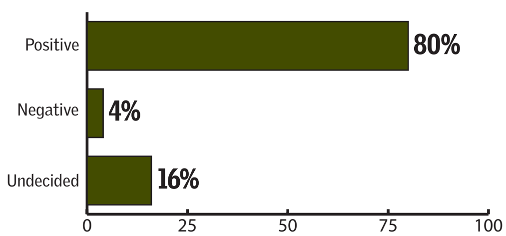
7. How do you view the growing role of mid-level providers in primary care?



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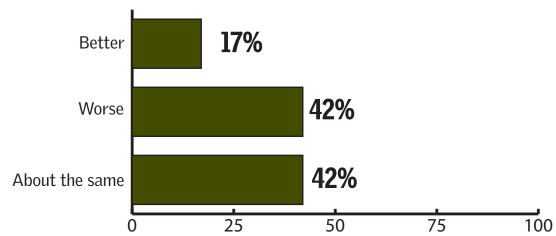
8. What is your expectation for your payer-provider relationships in the coming year?



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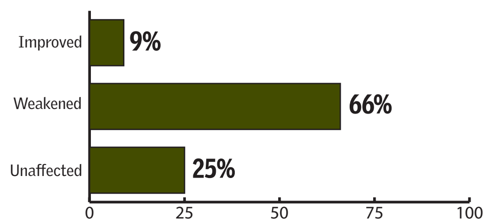
9. Rank your organization's top 3 drivers of healthcare costs.

	No. 1 Driver	No. 2 Driver	No. 3 Driver	2011 Percent	2011 Rank	2010 Percent selected	2010 Rank	2009 Percent selected	2009 Rank
Government laws and mandates	32%	19%	14%	65%	1	64%	1	61%	1
Labor costs	32%	13%	15%	59%	2	24%	7	44%	2
Clinical technology	14%	19%	18%	50%	3	25%	6	38%	3
Overutilization of service[1]	12%	14%	11%	36%	4	43%	2	18%	8
Pharmaceuticals	3%	7%	13%	23%	5	34%	3	29%	5
Patient lack of responsibility[2]	4%	8%	9%	21%	6	27%	5	14%	10
Health plan overhead	1%	4%	8%	13%	7	21%	8	23%	6
Medical devices	4%	5%	3%	12%	8	14%	9	19%	7
Physician inefficiency	0%	4%	6%	10%	9	13%	10	16%	9
Malpractice litigation	1%	5%	3%	9%	10	30%	4	29%	4
Hospital errors	0%	3%	0%	3%	11	4%	11	8%	11
Base				111		92			154

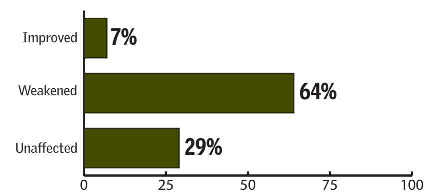
[1] In 2009, asked as Duplication of services
[2] In 2009, asked as Noncompliant patients

10. Describe the impact healthcare reform is having on your organization's financial position.



Base: 97

11. Describe the impact healthcare reform is having on morale at your organization.



Base: 113

12. How would you rate the current quality/status of these aspects of your organization?

	Very Strong	Strong	Neutral	Weak	Very Weak	Base
Dedication to mission	47%	43%	6%	3%	0%	97
Patient safety	24%	63%	11%	2%	0%	95
Medical quality	23%	64%	10%	3%	0%	96
Fiscal management	19%	56%	16%	8%	1%	95
Prospects for growth	19%	43%	27%	11%	0%	96
Construction/capital improvements	14%	45%	28%	13%	1%	96
Physician staff	13%	49%	31%	7%	0%	95
Nursing staff	12%	59%	23%	6%	0%	95
Care coordination	11%	56%	19%	14%	1%	95
Patient experience	8%	63%	16%	13%	0%	95
Physician recruitment and retention	7%	38%	36%	17%	2%	95
Dealing with uncompensated care	2%	29%	38%	28%	2%	95

	2011 Very Strong/Strong	2010 Very Strong/Strong	2009 Very Strong/Strong
Dedication to mission	90%	77%	82%
Patient safety	87%	NA	NA
Medical quality	87%	82%	85%
Fiscal management	75%	72%	77%
Nursing staff	71%	70%	64%
Patient experience	71%	78%	82%
Care coordination	67%	NA	NA
Physician staff	62%	65%	65%
Prospects for growth	62%	70%	82%
Construction/capital improvements	59%	NA	NA
Physician recruitment and retention	45%	NA	NA
Dealing with uncompensated care	31%	NA	NA

13. Describe your overall job satisfaction.

	2011 Percent	2010 Percent	2009 Percent
Very satisfied	28%	42%	32%
Satisfied	56%	44%	57%
Neutral	8%	7%	7%
Dissatisfied	6%	5%	3%
Very dissatisfied	2%	1%	1%
Base	97	151	118

14. Would you encourage your child to enter a career in the healthcare industry?

	2011 Percent	2010 Percent	2009 Percent
Yes	78%	85%	84%
No	22%	15%	16%
Base	96	149	117

15. Please rank the following service lines for growth potential within your organization in the next 3 to 5 years:

	Grow 6% or more	Grow 1%–5%	Remain flat	Decline 1%–5%	Decline 6% or more	Total Respondents
Emergency medicine	27%	48%	23%	2%	0%	92
Hospitalists	27%	44%	29%	0%	0%	91
Heart (cardiology, cardiovascular, pulmonary medicine, vascular surgery)	27%	39%	33%	1%	0%	92
Geriatrics	25%	54%	20%	1%	0%	93
Cancer/oncology	20%	41%	36%	3%	0%	92
Primary care	17%	57%	23%	3%	0%	90
Imaging/radiology	15%	60%	23%	2%	0%	92
Wellness	14%	58%	24%	3%	0%	91
Orthopedics	12%	57%	32%	0%	0%	92
Women's health, OB/GYN	12%	55%	31%	1%	0%	89
General surgery	11%	47%	38%	4%	0%	92
Intensive care	11%	38%	49%	1%	0%	91
Psychiatry	11%	30%	49%	9%	1%	91
Physical medicine and rehabilitation	10%	47%	39%	4%	0%	90
Pain management	9%	52%	37%	2%	0%	92
Pediatrics	9%	29%	47%	14%	1%	91
Sports medicine	7%	28%	59%	7%	0%	90
Transplant center	5%	6%	79%	6%	5%	85
Spine	4%	22%	70%	3%	0%	90
Sleep	3%	27%	63%	7%	0%	90
Neurosurgery	3%	24%	72%	1%	0%	89

16. How much autonomy do the service line leaders have to make strategic and purchasing decisions?

	Percent
Complete: Decisions can be made largely independent of other hospital initiatives and priorities.	4%
Moderate: Some independence, but major decisions must incorporate other hospital initiatives and priorities.	65%
Zero: Service line decisions largely driven by hospital-wide initiatives and priorities.	31%
Base	95

17. How effective are comanagement models for service lines?

	Percent
Very effective	5%
Effective	33%
Neutral	53%
Ineffective	8%
Very ineffective	1%
Base	93

18. How effective are the following measures in improving quality of care?

	Very effective	Effective	Neutral	Ineffective	Very Ineffective	Base
Improved communication among physicians and hospitals	40%	45%	13%	2%	0%	92
Care coordination teams	30%	62%	6%	1%	0%	93
Using technology such as EMRs and e-prescribing	29%	54%	16%	0%	0%	92
Better treatment guidelines or protocols	26%	62%	9%	4%	0%	94
Increased focus on preventive care and patient education	26%	56%	15%	3%	0%	93
Decision-support tools	22%	63%	13%	2%	0%	94
Transparency/public reporting	18%	43%	31%	8%	0%	93
Paying physicians based on quality measures	18%	43%	29%	10%	0%	93
Low nurse-to-patient ratios	16%	41%	26%	17%	0%	94
Medical home	14%	37%	45%	4%	0%	94
Comparative effectiveness	13%	62%	23%	2%	0%	93
Employing physicians to enhance alignment	10%	57%	29%	4%	0%	93
Remote patient monitoring	9%	39%	47%	5%	0%	92
Accountable care organizations	8%	47%	40%	5%	0%	91
Withholding payment for "never events"	4%	22%	42%	27%	4%	91

19. What is the primary reason behind the failure to achieve handwashing compliance?

	Percent
Lack of leadership to make it a priority	27%
Lack of adequate penalties	24%
Lack of convenient access to appropriate supplies	3%
Lack of spine to self-police and report colleagues' violations	46%
Base	94

20. Do you have a nursing or medical degree?

	Percent
Medical degree	3%
Nursing degree	60%
Other	47%
Base	87

21. How many hospital employees are considered part of your quality staff?

	Percent
0	7%
1 – 4	41%
5 – 9	20%
10 – 14	11%
15 or more	21%
Base	96

22. How many hospital employees are considered part of your infection control staff?

	Percent
0	10%
1 – 4	70%
5 – 9	11%
10 – 14	5%
15 or more	3%
Base	96

23. Which best describes how often you do "administrative rounds" to observe the kind of care that is being offered in your hospital's care units?

	Percent
Once a day	7%
Several times a week	25%
Once a week	16%
Once a month	13%
Quarterly	3%
Once per year	1%
I don't do administrative rounds	34%
Base	97

24. How challenging will each of the following be in the next 3 years?

	Very challenging	Challenging	Neutral	Not very challenging	Not at all challenging	Base
Compliance with government regulations	45%	46%	6%	2%	0%	93
Getting hospital staff and physicians to comply with the organization's quality and safety goals	28%	53%	13%	6%	0%	93
Improving safety with decreasing reimbursements	28%	51%	17%	4%	0%	90
Incorporating clinical decision-making in EMRs	20%	60%	15%	4%	0%	91
Hospital-acquired, antibiotic-resistant infections (C. diff, MRSA)	18%	52%	23%	7%	1%	91
Hiring qualified staff	14%	51%	27%	8%	0%	95
Staffing less popular shifts	10%	46%	40%	4%	0%	92
Transparency/public reporting	10%	39%	36%	13%	2%	92
Implementing best practices at your hospital	9%	59%	23%	9%	1%	92

25. What is the best way for hospitals to combat the spread of infection among hospital patients?

	2011 Percent	2010 Percent	2009 Percent
Improved/increased hand washing	61%	85%	72%
Adherence to safe procedure protocol	29%	9%	16%
Rapid testing on admission	3%	1%	3%
Aggressive cleaning with solutions, light, etc.	2%	1%	3%
Isolation of patients diagnosed with infection	1%	3%	4%
Other	3%	1%	1%
Base	95	150	118

26. Some quality programs require staff to call attention to violations of quality guidelines and procedures, even if it's a superior. In practice, will this work?

	2011 Percent	2010 Percent	2009 Percent
Yes, if leadership sets the tone	82%	89%	85%
Yes, if there is a significant penalty for failing to report	10%	6%	7%
No way, no how	9%	5%	8%
Base	94	150	118

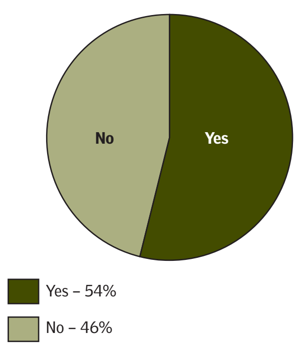
27. Which best describes your healthcare organization?

	Percent
Hospital or health system	70%
Critical access hospital	12%
Academic medical center	5%
Multispecialty group practice	4%
Ambulatory or outpatient center	4%
Single-specialty group practice	2%
Health insurance plan	1%
Disease management/wellness plan provider	1%
Base	93

28. Which best describes your organization by number of beds?

	Percent
1 to 25 (critical access)	16%
26 to 50	5%
51 to 200	39%
201 to 500	24%
501 to 1,000	13%
1,001+	4%
Base	83

29. Is your healthcare organization in a rural area?



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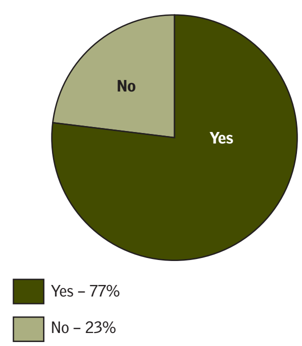
30. Is your hospital a community hospital?



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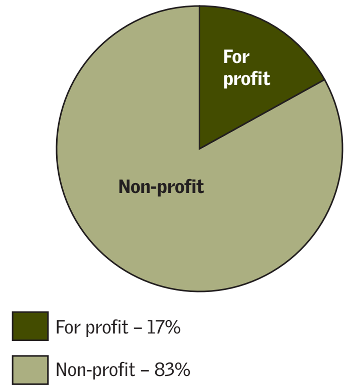
31. What best describes your primary market area?

	Percent
Northeast	16%
Southeast	20%
Midwest	39%
Southwest	3%
Northwest	10%
West Coast	8%
Other	4%
Base	96

32. Which best describes your type of organization?



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33. Please indicate your age range.

	2011 Percent	2010 Percent	2009 Percent
35 or younger	5%	2%	4%
36–45	15%	15%	18%
46–55	38%	43%	53%
56–65	39%	36%	23%
66 or older	3%	4%	3%
Base	95	150	118

34. What is your gender?

	2011 Percent	2010 Percent	2009 Percent
Male	20%	16%	13%
Female	80%	84%	87%
Base	94	150	115

