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FREE REPORT

INDUSTRY SURVEY

HEALTHLEADERS MEDIA 2013

Strategic Imperatives for an Evolving Industry

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Perspective

HEALTHCARE LEADERS KNOW THAT INDUSTRY SOLUTIONS ARE UP TO THEM

Throughout much of 2012, the healthcare industry had to operate in the dark. Our organizations faced challenges and had needs, but we didn't know how the election would turn out in November and what impact the results might have on the future of healthcare reform. So we made decisions as best we could and positioned ourselves for what we hoped would be clarity in 2013.

The new year has now arrived, but it appears the clarity we hoped for has not. Yes, the President's reelection has ruled out the repeal of the Patient Protection and Affordable Care Act, but we're still left to wonder whether the states will adopt health insurance exchanges or partner with the federal government. And regardless of how the states react, it seems that real, definite solutions on a broad basis are still some distance away. So what course will healthcare leaders follow now?

The results of the annual HealthLeaders Media Industry Survey give us some insight into the answer to that question. Although the survey was conducted before the election, it tells us the best healthcare executives will continue taking action themselves with or without direction from Washington, D.C. According to the survey, healthcare leaders have identified their priorities as developing and implementing plans to enhance the patient experience, increasing patient satisfaction, improving clinical quality, and reducing costs by improving processes—and they won't be waiting on the government or anyone else to fulfill these priorities for them.

In fact, while about half the survey respondents said they thought one political party or the other (33% Republicans, 22% Democrats) had the best chance of helping the industry resolve the cost-of-care quandary, nearly half would not pick either party; 15% said they did not know which party would be best, and 30% were very clear that neither party was in a position to do so We believe healthcare leaders know it's up to them and the teams they work with to solve their problems and address their challenges.

The survey reinforces the belief that strong healthcare executives know their priorities better than anyone else. They know outcomes are their responsibility and that it's up to them to act deliberately and courageously on behalf of their hospitals. They recognize it takes vision, passion, and a sense of urgency to fulfill their financial, clinical, and quality initiatives.

We hope you'll review the results of this survey to learn what other healthcare leaders are thinking and to confirm you're not alone in your quest for improved care coordination, better clinical quality, increased reimbursements, and more efficient operations. Together, we are making a difference in the quality of healthcare in America. Congratulations on your success, and best wishes.

Stephen Mooney
President & CEO
Conifer Health Solutions
Frisco, Texas

Foreword

ADAPTING IN A TRANSITIONAL INDUSTRY

The delivery, financing, and management of healthcare in the United States is clearly under tremendous change and stress. We've all heard the exasperated, "I didn't sign up for this" from time to time; however, the good news is we are adapting. This survey of healthcare leaders, on both the current and future state of the industry, demonstrates some very interesting results.

Out of 823 surveys completed, 39% of healthcare leaders believe the industry is on the wrong track, another 28% are undecided, and just 32% say we're on the right track. That is a bit of an improvement over previous years of this annual survey, but clearly a sign that leaders are unsatisfied with the big picture. If you compare this to their assessment of the current state of their own organization, 71% indicated that their own organization is on the right track, 15% were undecided, and another 14% said wrong track. The interesting piece of this is that leaders continue to rate their own organization much higher than they rate the industry in general.

If you look through the responses, I believe you will see some findings that suggest a similar disconnect. For example, in the November Intelligence Report, *Executive Compensation: New Metrics and Skill Sets*, industry leaders clearly cited the ability to align physicians and the hospital as the top skill needed by a CEO to succeed. And yet, in the annual Industry Survey, physician-hospital alignment places only fifth on the priority list.

As an industry we're obviously at another new beginning, creating an extremely exciting time for all of us. As we learn from each other, from other industries, and especially from our patients, I think we are going to find ourselves innovating even more and perhaps better. As we look toward physician integration, we will find new and improved opportunities benefiting all stakeholders. I recently heard some very bright executives state that truly becoming "physician-led and professionally managed" is a fantastic goal that will provide tremendous benefit to our patients.

It is important to thank the editors of HealthLeaders Media for developing this report. You'll find the following data and analysis very insightful and it will lend some additional thoughts and expertise as you develop your own strategies and tactics.

Timothy D. Ranney, MD, MBA
Vice President and Chief Medical Officer
Missouri Baptist Medical Center
BJC HealthCare
St. Louis
Lead Advisor for this Intelligence Report

LEARN MORE: CASE STUDIES, RECOMMENDATIONS, FURTHER SEGMENTATION

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Methodology

The 2013 Industry Survey was conducted by the HealthLeaders Media Intelligence Unit, powered by the HealthLeaders Media Council. It is part of a series of monthly Thought Leadership Studies. In October 2012, an online survey was sent to the HealthLeaders Media Council and select members of the HealthLeaders Media audience. A total of 823 completed surveys are included in the analysis. The margin of error for a sample size of 823 is +/-3.4% at the 95% confidence interval.

ADVISORS FOR THIS INTELLIGENCE REPORT

The following healthcare leaders graciously provided guidance and insight in the creation of this report.

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Vice President and
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Dennis Vonderfecht
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Mountain States Health Alliance
Johnson City, Tenn.

Timothy D. Ranney, MD, MBA
VicePresident and
Chief Medical Officer
Missouri Baptist Medical Center
St. Louis

Upcoming Intelligence Report Topics

Healthcare IT

Cardiology Service Line

Collaborative Care

ABOUT THE HEALTHLEADERS MEDIA INTELLIGENCE UNIT

The HealthLeaders Media Intelligence Unit, a division of HealthLeaders Media, is the premier source for executive healthcare business research. It provides analysis and forecasts through digital platforms, print publications, custom reports, white papers, conferences, roundtables, peer networking opportunities, and presentations for senior management.

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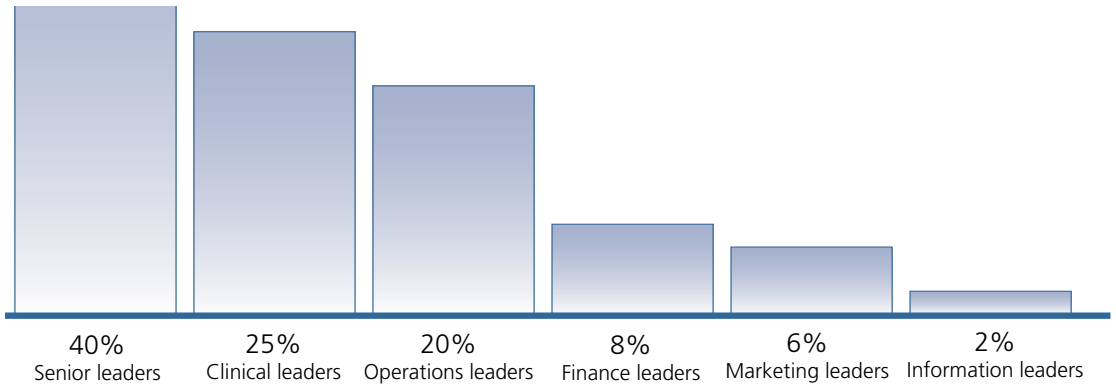
Respondent Profile

Respondents represent titles from across the various functional areas, including senior leaders, clinical leaders, operations leaders, finance leaders, marketing leaders, and information leaders. They are from a variety of healthcare provider organizations.

Title

Base = 823



Senior leaders | CEO, Administrator, Chief Operations Officer, Chief Medical Officer, Chief Financial Officer, Executive Dir., Partner, Board Member, Principal Owner, President, Chief of Staff, Chief Information Officer

Clinical leaders | Chief of Orthopedics, Chief of Radiology, Chief Nursing Officer, Dir. of Ambulatory Services, Dir. of Clinical Services, Dir. of Emergency Services, Dir. of Nursing, Dir. of Rehabilitation Services, Service Line Director, Dir. of Surgical/Perioperative Services, Medical Director, VP Clinical Informatics, VP Clinical Quality, VP Clinical Services, VP Medical Affairs (Physician Mgmt/MD)

Operations leaders | Chief Compliance Officer, Asst. Administrator, Dir. of Patient Safety, Dir. of Quality, Dir. of Safety, VP/Dir. Compliance, VP/Dir. Human Resources, VP/Dir. Operations/ Administration, Other VP

Finance leaders | VP/Dir. Finance, HIM Director, Director of Case Management, Director of Revenue Cycle

Marketing leaders | VP/Dir. Marketing/Sales, VP/Dir. Media Relations

Information leaders | Chief Medical Information Officer, Chief Technology Officer, VP/Dir. Technology/MIS/IT

Type of organization

Base = 823

Hospital	43%
Health system	23%
Physician org.	15%
Long-term care/SNF	7%
Ancillary, allied provider	5%
Health plan/insurer	5%
Government, education/academic	3%

Number of beds

Base = 350 (Hospitals)

1–199	48%
200–499	32%
500+	20%

Number of sites

Base = 191 (Health systems)

1–5	19%
6–20	35%
21+	46%

Number of physicians

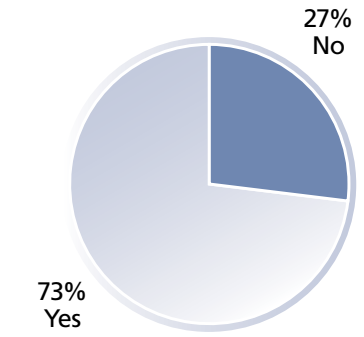
Base = 122 (Physician orgs)

1–5	34%
6–20	31%
21+	35%

Respondent Profile (continued)

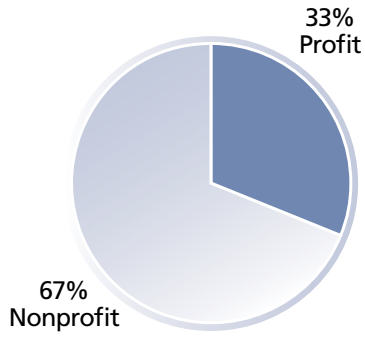
Community & Profit/Nonprofit

Community hospital



Base = 823

Profit/nonprofit



Base = 823

Age & Gender

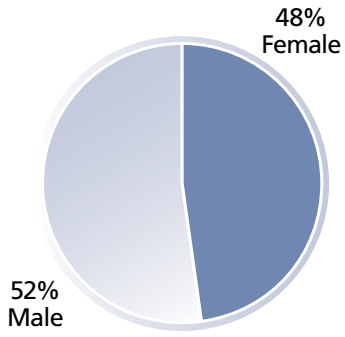
Age

Base = 823

35 or younger	3%
36–45	17%
46–55	39%
56–65	37%
66 or older	4%

Average age = 52 years

Gender



Base = 823

LEARN MORE: CASE STUDIES, RECOMMENDATIONS, FURTHER SEGMENTATION

INDUSTRY SURVEY ANALYSIS

Opportunities in an Evolving Industry

BY MARGARET DICK TOCKNELL

The overall state of the healthcare industry continues to confound and captivate healthcare leaders. Despite several years of preparing for healthcare reform standards such as care coordination, meaningful use, and value-based purchasing, leaders are still in a quandary: unhappy about the healthcare industry as a whole but convinced that their own organizations are moving in the right direction.

For the third consecutive year healthcare leaders view the industry as being on the wrong track, according to the 2013 HealthLeaders Media Industry Survey. If there is solace to be gained from these findings, it is that the tide appears to be turning—albeit slowly.

The percent of respondents who think the industry is on the right track increased from 25% to 32% from 2012 to 2013. Meanwhile, the percentage of naysayers dropped from 46% to 39% during the comparable time period.

At the same time, respondents continue to view their own organizations as being on the right track by a significant share (71%). For the most part they have confidence in the performance of their leadership and staff, as well as their organization's prospects for growth and fiscal management. From process improvement to population management and care coordination, survey respondents are aware of the opportunities (and threats) posed by the shifting healthcare landscape and they are taking the steps necessary to capitalize on the changes.

WHAT HEALTHCARE LEADERS ARE SAYING

"Inner-city social/family support structures don't support healthy lifestyles, and neither do they support post-discharge compliance with care instructions. That's problematic for readmissions."

—CEO for a hospital

"Getting all the information technology in place (e.g., EHR) to properly extract, report, and obtain reimbursement per VBP will be a challenge."

—CEO for a health system

"Making headway instead of losing ground in reimbursement."

—CEO for a hospital

"The theory of VBP is good, but measurement of results will be difficult because some patients don't want to improve or get better. I see this in workers' comp cases where the injured worker morphs a simple contusion, strain, or sprain into 'permanent disability,' so the worker no longer has to work for funds, but has an entitlement. ... VBP would punish us for not producing results."

—Administrator for a physician organization

"Being denied payment for services based on others' performance."

—Director of emergency service for a physician organization

"Lack of trust relative to government's real desire, which is to cut costs. (Quality is not their main concern)."

—CEO for a health system

We are concerned about the retrospective review and lack of information as to how we stand in comparison to others. The original analysis showed our organization to be a high performer. We improved outcomes but ended up as a low performer."

—CFO for a health system

Analysis (continued)

But Intelligence Report advisors and others note that the healthcare industry must approach all of these changes within an environment of reduced reimbursements and shifting payment models. That means healthcare leaders must balance the pace of change to maintain an adequate revenue stream.

"Our concern is, can we reduce our costs fast enough, as fast as reimbursements are coming down and as fast as volumes are coming down, and still have a positive bottom line," asks Dennis Vonderfecht, president and CEO of Mountain States Health Alliance, a Johnson City, Tenn.–based health system that serves 29 counties in Tennessee, Virginia, Kentucky, and North Carolina.

Most healthcare leaders seem to be optimistic that such a transition can be successfully navigated; indeed, 64% consider value-based purchasing their organization's greatest opportunity, just behind health information exchanges (78%).

Strategic planning

Vonderfecht says his organization began three years ago to prepare for population health management and the potential that MSHA could lose 30% of its inpatient volume with the change.

The organization's 10-year strategic plan shifts the patient treatment focus away from expensive episodic care in hospitals and emergency departments to more reliance on disease management protocols and frequent patient contact with primary care physicians. "It is common sense that you are trying to keep people healthy instead of trying to treat sick people," Vonderfecht says.

He adds that MSHA is more focused on ambulatory outpatient and retail medicine "than we have ever been in the past."

Priorities

The old adage about the squeaky wheel may apply here. Patient experience and satisfaction was included among the top three priorities by 54% of respondents, putting it at the top of the list for the second consecutive year. With the introduction of value-based purchasing and its link to HCAHPS, the federal Centers for Medicare & Medicaid Services has certainly turned up the heat to transform patient satisfaction from a marketing opportunity to a meaningful measure with clear fiscal implications. Healthcare leaders are responding, at least in the short term.

> "Our concern is, can we reduce our costs fast enough, as fast as reimbursements are coming down and as fast as volumes are coming down, and still have a positive bottom line."
>
> —Dennis Vonderfecht
> President and CEO
> Mountain States Health Alliance
> Johnson City, Tenn.

Indeed, the presence of care models (population health, medical home, etc.) registering as high as the fourth priority (27%) indicates seriousness about changing the industry's status quo. Still, two key priorities—clinical quality (48%) and cost reduction and process improvement (45%)—continue to earn prominence, capturing the second and third slots, respectively. Tied for fourth place, also with 27%, is physician-hospital alignment.

Analysis (continued)

While MSHA views population health as a key strategic path and is an early adopter, others may be taking a more measured approach to care models, explains Timothy D. Ranney, MD, MBA, vice president and chief medical officer at Missouri Baptist Medical Center, a 487-bed acute care hospital in St. Louis.

"Healthcare is still in a payment model that doesn't support population health," he notes, cautioning that "as you learn the competency, it is important that you don't transition so early that your revenue stream goes away."

Ranney expects care models to quickly move up the priority list over the next few years. As providers make the transition, he says they need to think about how different payment models such as bundled payments and commercial reimbursements will affect their care model, as well as how accountable care organizations might play into the mix. "How successful will some of those CMS programs become, and what will they look like? How will that impact payments?" Even within an ACO model, he says some will still be paid on a "semi-fee-for-service basis."

As Vonderfecht notes, "It gets down to how far out is your vision." Organizations that are thinking in the shorter term will have different priorities than organizations that are thinking about 2014 and beyond.

Care coordination, continuum of care

Viewed by many as future of healthcare and the process that will enable the realization of the triple aim—improving the patient experience of care (including quality and satisfaction), improving the health of populations, and reducing the per capita cost of healthcare—care coordination/continuum of care is ranked as the single greatest challenge for clinical quality improvement by 24% of survey respondents.

"Healthcare is still in a payment model that doesn't support the population health. As you learn the competency, it is important that you don't transition so early that your revenue stream goes away."

—Timothy D. Ranney, MD, MBA, Vice President and Chief Medical Officer Missouri Baptist Medical Center St. Louis

Shortages

While reduced reimbursements was the near-unanimous choice as the greatest threat facing organizations (92% chose it), second on the list was physician shortage, cited by 76% of respondents.

Analysis (continued)

Vonderfecht says that the shortage as a threat is only true if "our model for delivering healthcare is the same going into the future as it has been in the past." Moving to patient-centered medical homes and supporting physicians with care extenders will allow physicians to practice at the top of their license and "we may find that we actually have an adequate supply of physicians in most cases," he says.

But sometimes, finding the case managers (also known as care coordinators and nurse navigators) themselves is part of the challenge. Demand for that skill set exceeds supply in some areas thanks to healthcare reform trends in which case managers (usually RNs supplemented by social workers) are integral to population health management efforts and reducing 30-day readmissions.

Ranney explains that as recently as two years ago staffing companies could supply case managers for temporary and permanent work. But today the temp agencies have no one available. According to him, if you have a case manager position to fill, you have to "grow your own" or find the candidates yourself.

Louise Edwards, director of planning and business development for Bon Secours Virginia Health System in Norfolk, concurs that there is big demand for nurse navigators but notes that even hiring from within is becoming more difficult. The seven-hospital system, which is part of the six-state Bon Secours Health System, uses nurse navigators for its cancer program and has been unable to fill an open position for a lung cancer nurse navigator.

> The key is "involving frontline people in process improvement" and moving quickly.
>
> —Donna Poduska
> Vice President and
> Chief Nursing Officer
> Poudre Valley Hospital
> Fort Collins, Colo.

Cost control

As reimbursements change, reducing costs will play a prominent role for healthcare organizations. Process improvement (80%), labor efficiencies (62%), and supply chain efficiencies (57%) were the top three areas that respondents expect to focus on in the upcoming year to reduce costs.

A number of advisors mentioned their adoption of programs like Toyota Lean, which implements processes to optimize resources, assets, and productivity while improving quality. Vonderfecht notes that according to some literature there is 40% waste in healthcare processes.

At MSHA, a consulting firm has embedded full-time workers into the system to teach the Lean process and make it part of the culture. MSHA expects to have 2,000 of its employees involved in "rapid improvement events" associated

Analysis (continued)

with various value streams by midyear.

The key is "involving frontline people in process improvement" and moving quickly, says Donna Poduska, vice president and chief nursing officer at Poudre Valley Hospital, a 270-licensed bed regional medical center in Fort Collins, Colo. She explains that hospital officials might agree to change staffing for a few days to see whether the change is worthwhile. "We do it really fast. It could be a bust, so we don't wait and watch for a few months. Our decisions are faster."

Fueling growth

As the delivery of acute care medical services moves beyond hospital walls, it is not surprising that survey respondents identify among their top five methods to fuel growth expanding outpatient services (first, with 57%), entering into joint ventures (fourth, with 41%), and acquiring physician practices (fifth, with 38%).

Louis Papoff, vice president and CFO of ambulatory operations in the Chicago market of Nashville-based Vanguard Health Systems, credits accountable care organizations with the interest in outpatient services. The ACO approach of improving the quality of outcomes while cutting costs is "a value proposition. The objective is a reduction in bottom-line costs for the patient pertaining to an unnecessary or avoidable hospital admission."

He points to the consideration of service lines for behavioral health and nutritional counseling as "a confluence of multiple approaches that are beginning to gel into one prevailing trend."

As for joint venture and physician practice acquisition, Papoff says both actions are "tried-and-true" and reflect the need to get all the parties in a care continuum as closely aligned as possible.

> "It is common sense that you are trying to keep people healthy instead of trying to treat sick people."
>
> —Dennis Vonderfecht
> President and CEO
> Mountain States Health Alliance
> Johnson City, Tenn.

"It's relatively straightforward to assess a practice and to assess how we could improve operations." He says the medical home, which tries to provide for most, if not all, patient medical needs at one location with one coordination team, is "the more interesting approach," but without the track record "it's harder to get your mind around it. There's a level of uncertainty."

Margaret Dick Tocknell is health plans editor for HealthLeaders Media.

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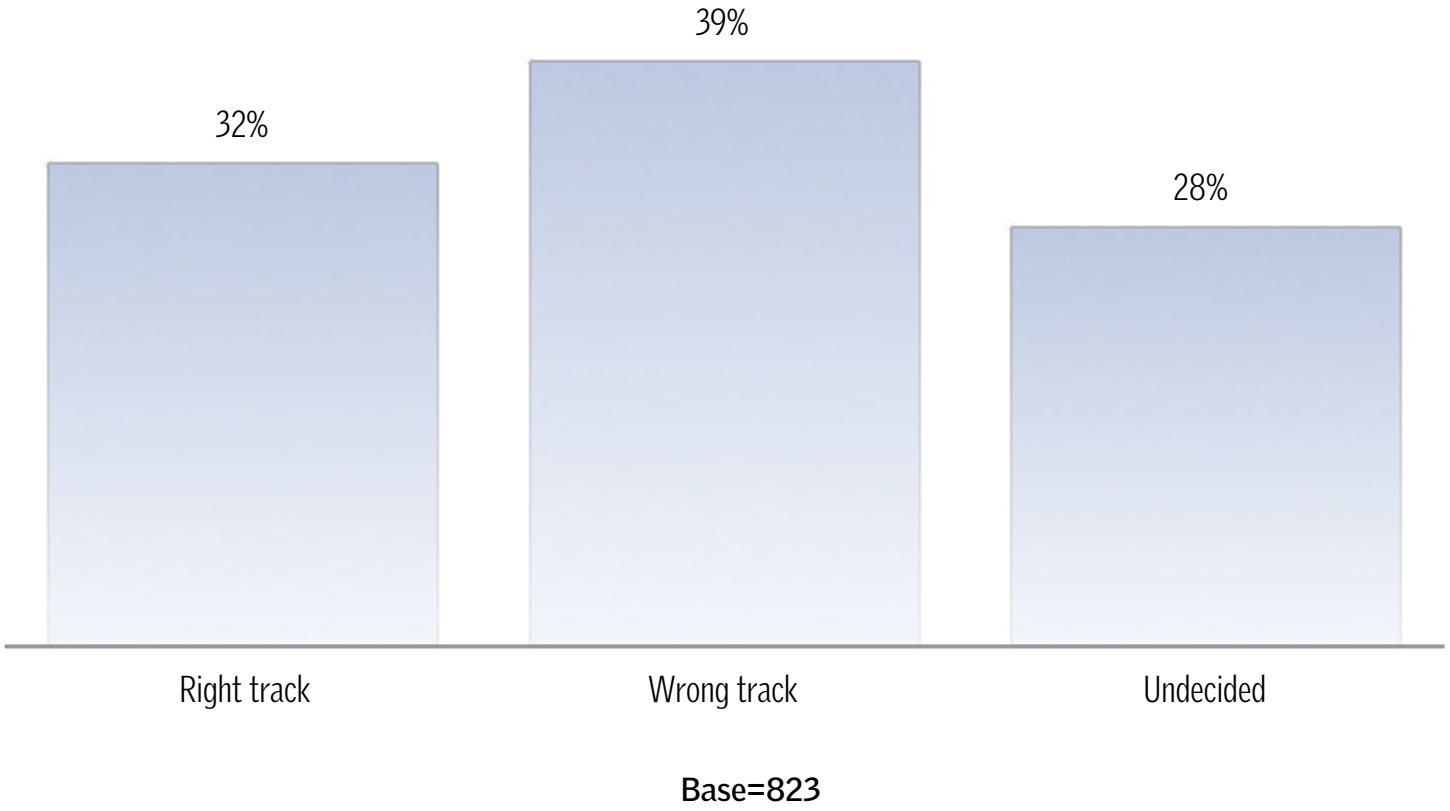
FIGURE 1 | Current State of the Healthcare Industry

Q | Overall, how do you assess the current state of the healthcare industry?

Total responses



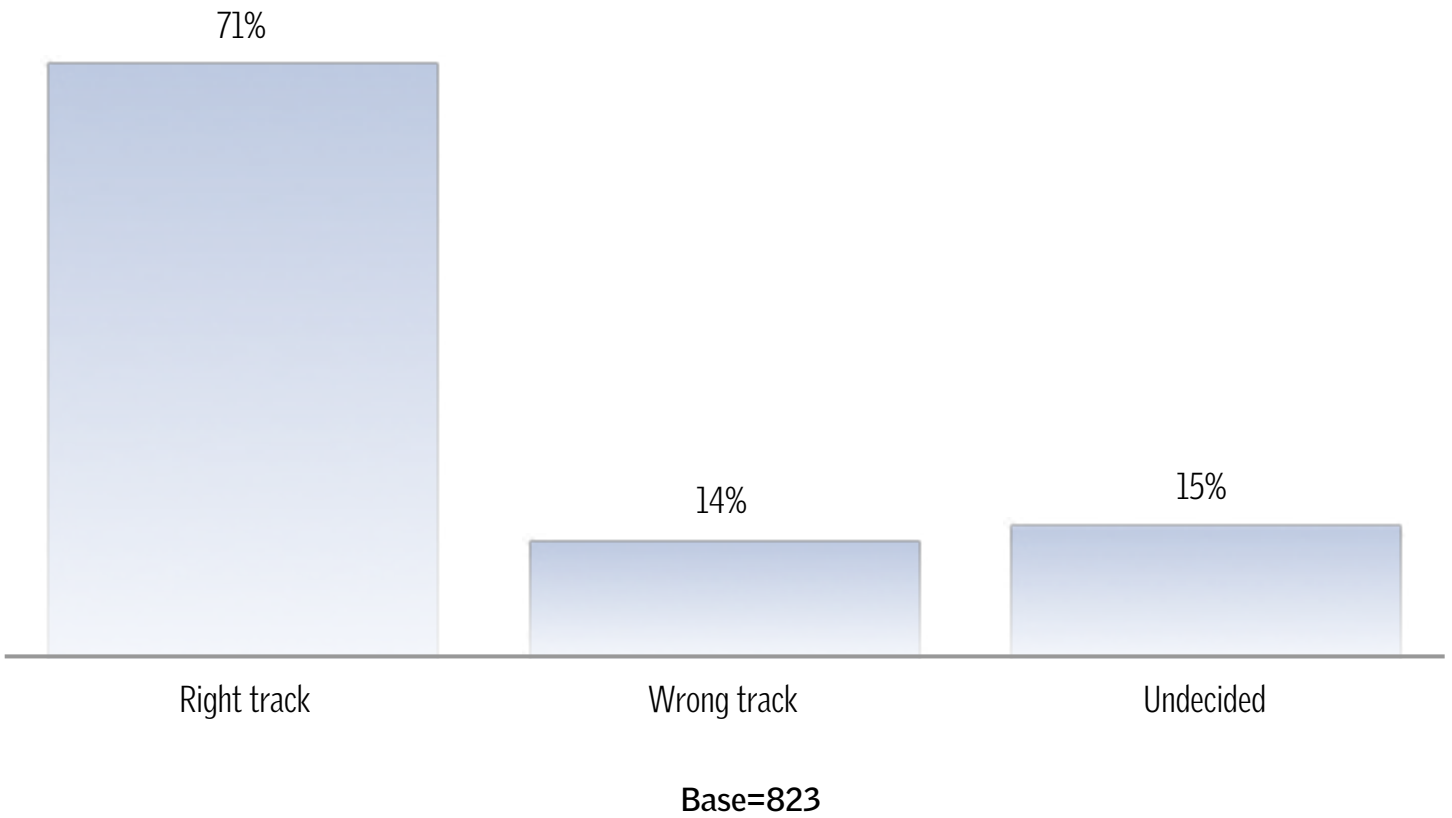
Click here to view TRENDING DATA

Click here to view 2013 DATA

FIGURE 2 | Current State of Your Organization

Q | Overall, how do you assess the current state of your own organization?

Total responses



Click here to view TRENDING DATA
Click here to view 2013 DATA

FIGURE 3 | Top Three Priorities for Next Three Years

Q | Please select your organization's top three priorities for the next three years.

Total responses

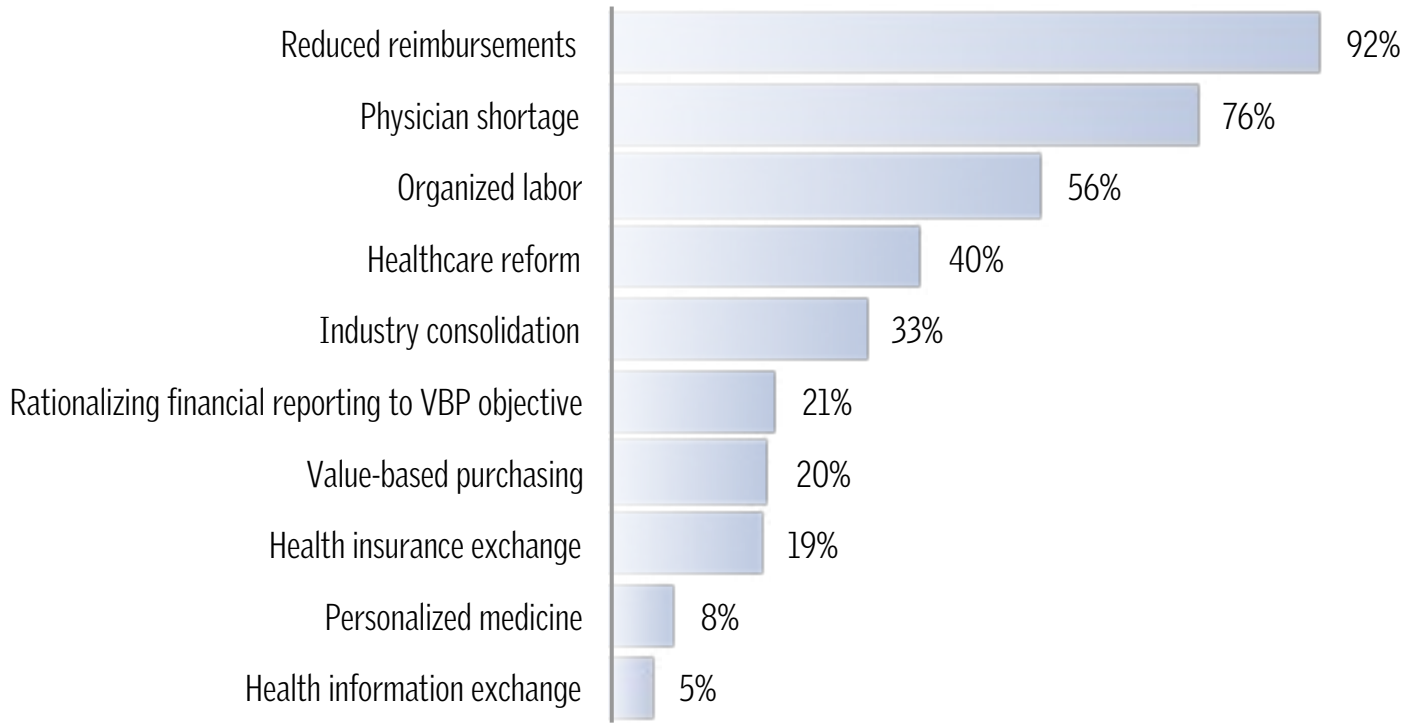
	Percent
Patient experience and satisfaction	54%
Clinical quality	48%
Cost reduction, process improvement	45%
Care models (population health, medical home, etc.)	27%
Physician-hospital alignment	27%
Information technology (clinical)	26%
Strategic partnerships	25%
Reimbursement models, shared risk	21%
Information technology (business)	8%
Access to capital	7%
Care continuum	7%

Base=823, Multi-Response

FIGURE 4 | Greatest Threats

Q | Which of the following does your organization consider to be a threat?

Total responses

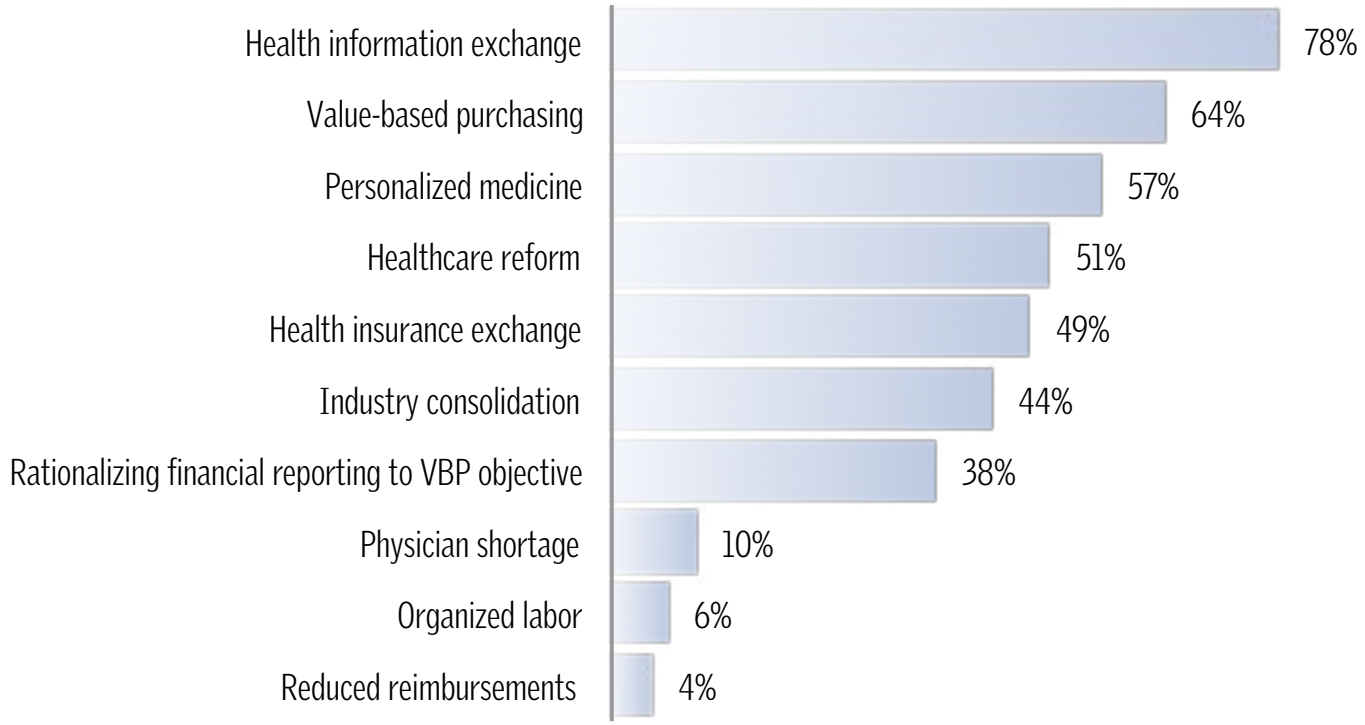


Base=823, Multi-Response

FIGURE 5 | Greatest Opportunity

Q | Which of the following does your organization consider to be an opportunity?

Total responses

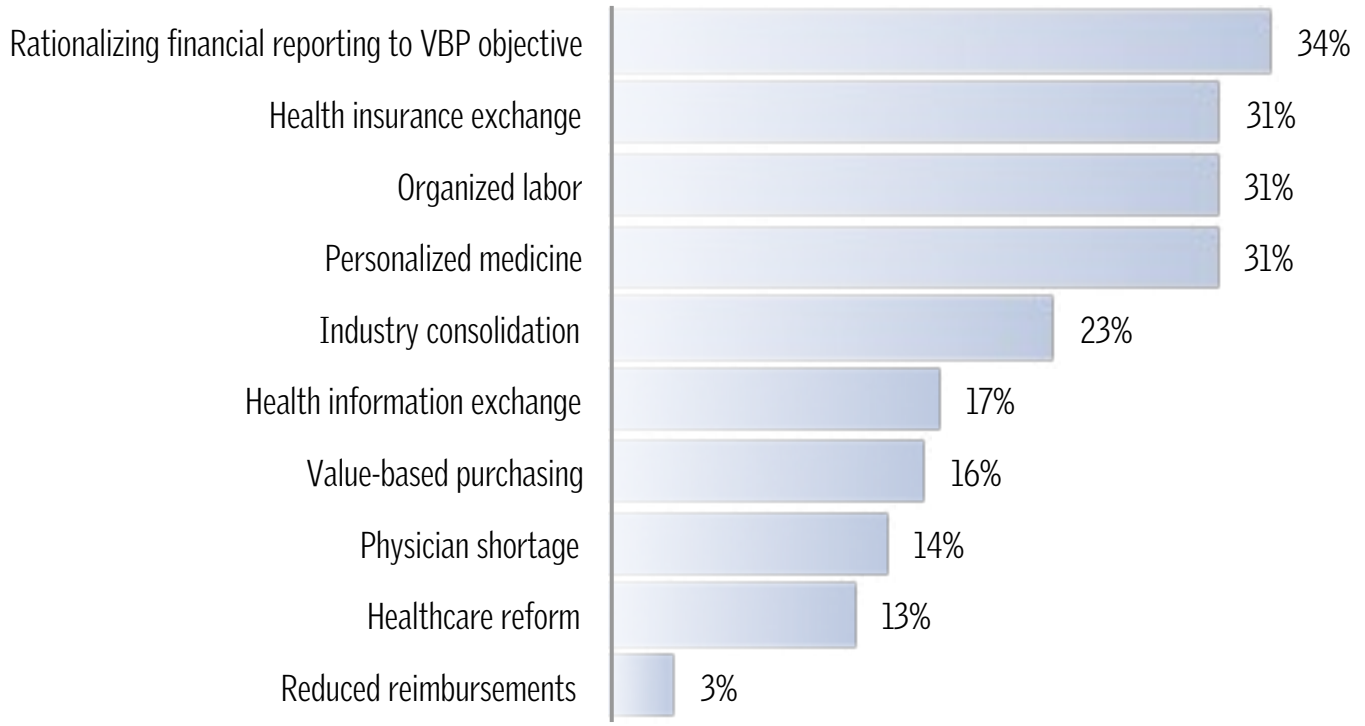


Base=823, Multi-Response

FIGURE 6 | Neither Threat nor Opportunity

Q | Which of the following does your organization consider to be neither a threat nor an opportunity?

Total responses



Base=823, Multi-Response

FIGURE 7 | Single Greatest Challenge for Clinical Quality Improvement

Q | Regarding clinical quality improvement, which of the following areas represents the single greatest challenge for your organization?

Total responses

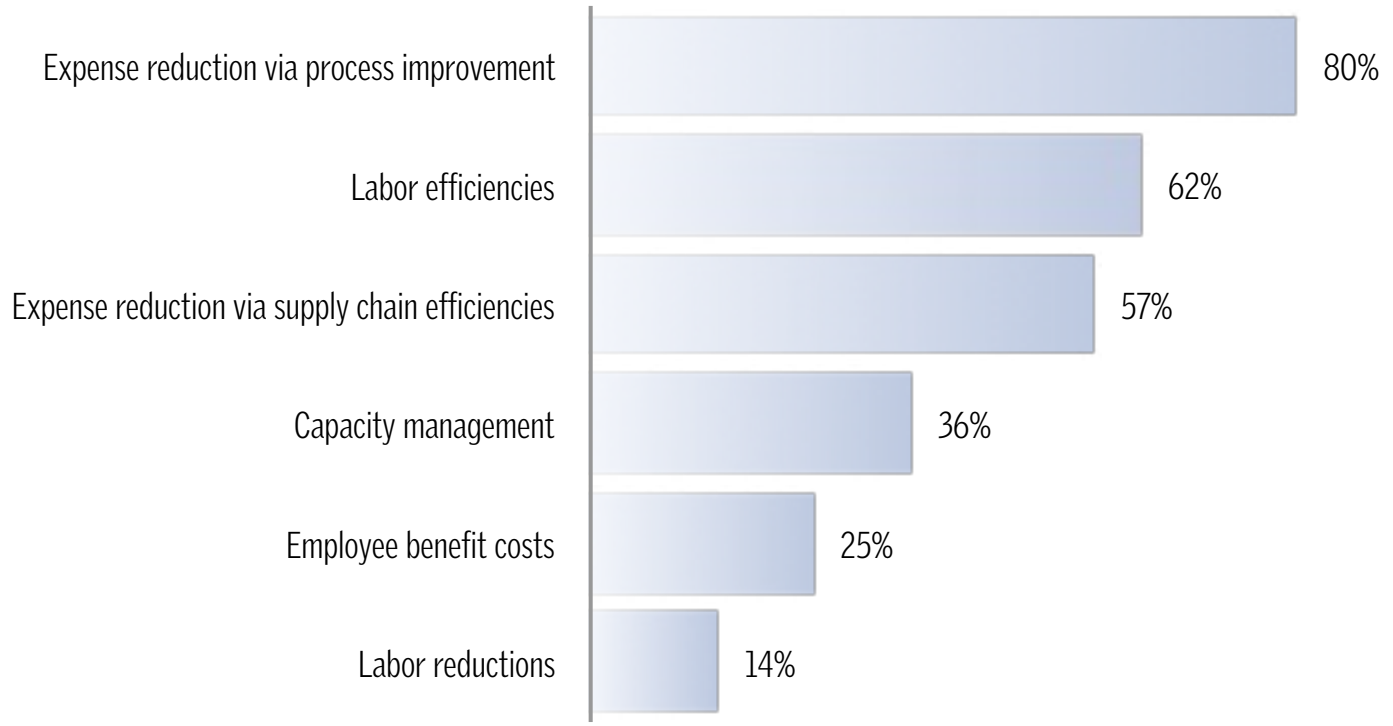
	Percent
Care coordination, continuum of care	24%
Population health management	14%
Readmissions	14%
Care episode payment bundling	12%
Clinical quality metrics	11%
Staff buy-in	10%
Patient experience	8%
Medical home	4%
Patient safety	2%
Other	3%

Base=799, Among applicable

FIGURE 8 | Top Three Focus Areas Next Year to Control Costs

Q | What are the top three areas you will focus on next year to control costs?

Total responses



Base=823, Multi-Response

FIGURE 9 | Cost Control Measures

Q | Which of the following cost control measures will likely be implemented or continued at your organization in the next year?

Total responses

	Percent
Reduced travel	43%
Change in employee health insurance plans	39%
Hiring freeze	26%
Reduced hours	25%
Pay freeze	24%
Reduced employee benefits	23%
Reduced training	19%
Permanent layoffs	14%
Unpaid furlough	4%
Pay cuts	3%
None	17%

Base=823, Multi-Response

FIGURE 11 | Current Overall Performance for Various Functions

Q | How would you rate your organization's current performance of the following functions?

Total responses

	Very strong	Strong	Neutral	Weak	Very weak
Leadership team	28%	46%	15%	8%	2%
Board of trustees	22%	42%	24%	9%	3%
Finance staff	20%	48%	24%	6%	2%
Nursing staff	15%	51%	26%	7%	1%
Physician staff	14%	42%	29%	13%	1%
IT staff	14%	41%	27%	14%	4%
Mid-level managers	11%	46%	30%	11%	2%

Base=823

FIGURE 12 | Current Overall Performance for Various Aspects

Q | How would you rate your organization's current performance of the following aspects of your organization?

Total responses

	Very strong	Strong	Neutral	Weak	Very weak
Dedication to mission	42%	37%	14%	5%	1%
Patient safety	32%	49%	16%	3%	1%
Clinical quality	29%	53%	15%	3%	1%
Patient experience	19%	45%	23%	11%	1%
HIT	14%	39%	32%	13%	3%
Care coordination	12%	45%	26%	15%	2%
Business intelligence, analysis	11%	33%	31%	20%	4%
Cost control, process improvement	10%	44%	29%	14%	2%

Base=823

FIGURE 12 | Current Overall Performance for Various Aspects

Q | How would you rate your organization's current performance of the following aspects of your organization?

Total responses

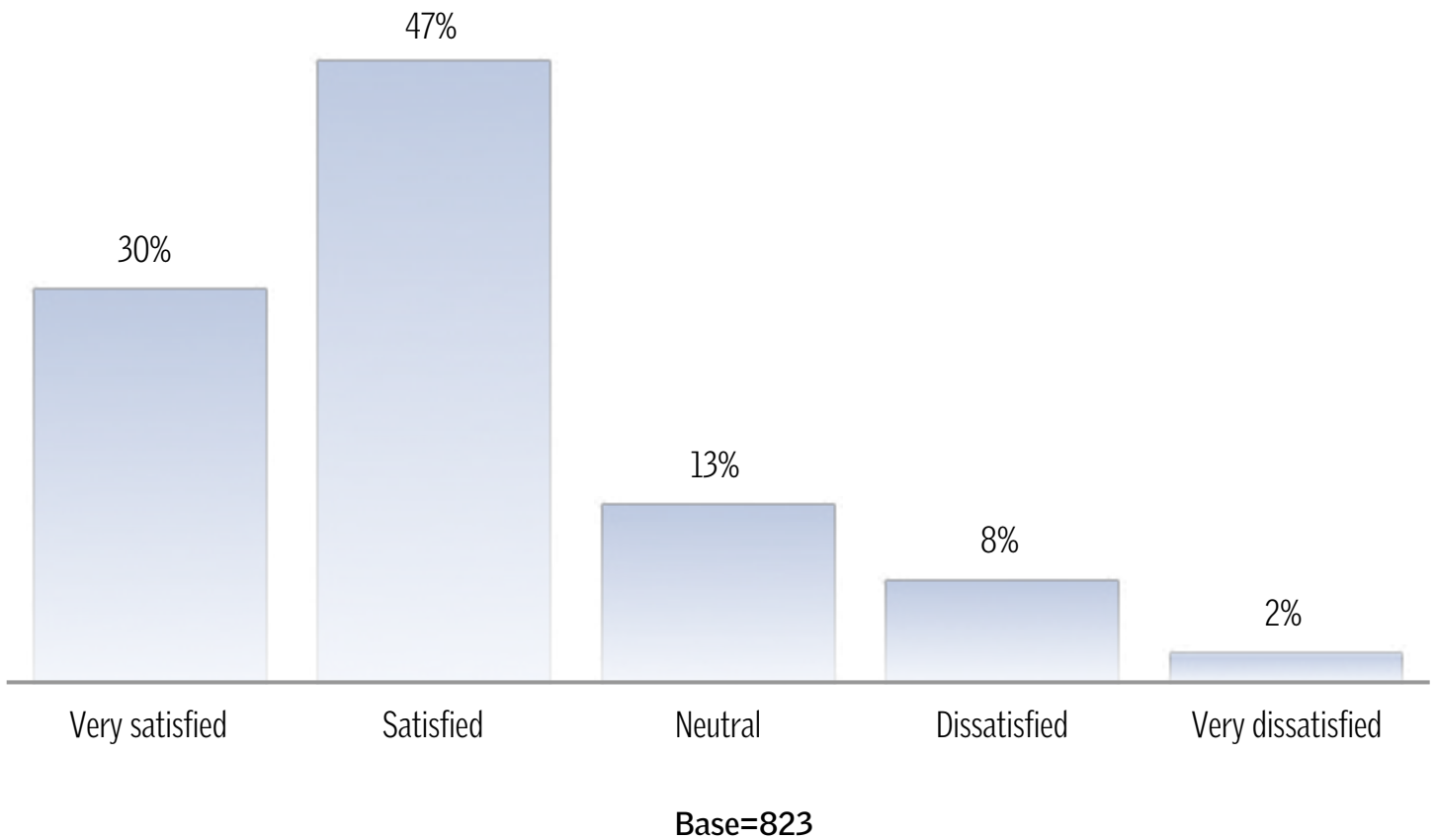
	Very strong	Strong	Neutral	Weak	Very weak
Prospects for growth	25%	41%	23%	11%	1%
Fiscal management	18%	53%	20%	7%	1%
Strategic planning	18%	44%	20%	13%	4%
Construction/capital improvements	14%	36%	33%	13%	4%
Physician recruitment and retention	12%	41%	32%	12%	3%
Strategic marketing	10%	32%	31%	21%	6%
Physician-hospital alignment	10%	37%	38%	13%	3%
Capacity management	10%	46%	31%	11%	2%
Price transparency	8%	29%	40%	18%	5%
Dealing with uncompensated care	7%	29%	44%	16%	4%

Base=823

FIGURE 13 | Job Satisfaction

Q | Describe your overall job satisfaction.

Total responses

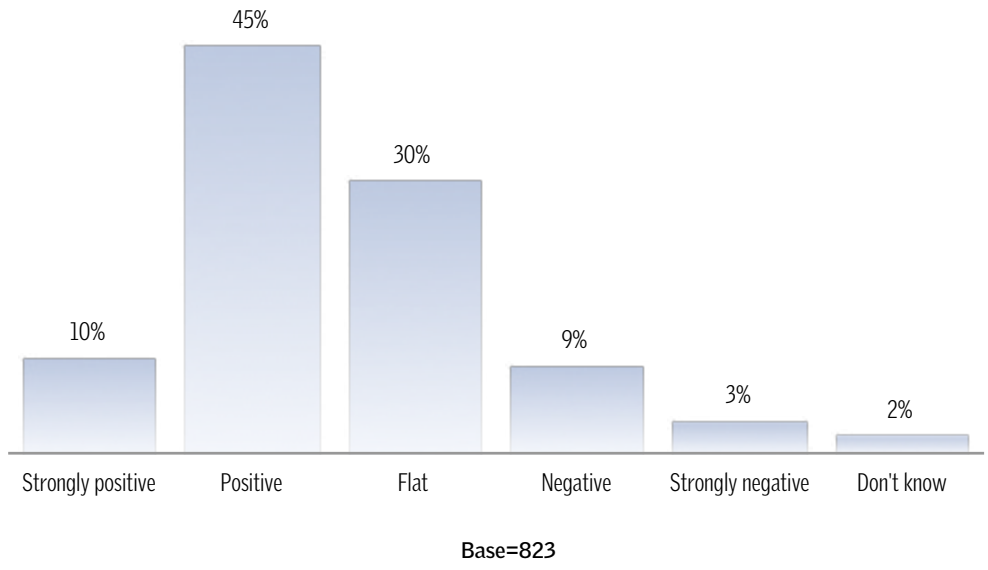


Click here to view TRENDING DATA
Click here to view 2013 DATA

FIGURE 14 | Organization's Financial Forecast for 2013

Q | What is your organization's financial forecast for the 2013 fiscal year?

Total responses



TAKEAWAYS

- Overall, 55% of health leaders peg their organization's financial prospects for 2013 as strongly positive or positive. There seems to be less optimism among executives from hospitals, with 48% saying their financial expectations are strongly positive or positive, compared to 61% from health systems and 65% from physician organizations.
- Just as there are fewer respondents from hospitals with a positive outlook on finances, there are more from hospitals with a negative outlook: 18% from hospitals say their financial prospects are strongly negative or negative, compared to 10% from health systems and 8% from physician organizations.

WHAT DOES IT MEAN?

With lower levels of positive responses and higher levels of negative responses, leaders from hospitals do not have the same level of confidence in what the future might bring as we see with executives from health systems and physician organizations. Many health systems are supported by more structured management processes and more robust infrastructure elements such as IT and financial and clinical reporting. In addition, as the industry moves toward value-based purchasing and influencing population health, smaller organizations such as stand-alone hospitals may be at a disadvantage if they have not forged a comprehensive set of alliances.

Click on these icons to dig deeper. VIEW BY SETTING | VIEW BY NUMBER OF BEDS | VIEW BY NUMBER OF SITES | VIEW BY NET PATIENT REVENUE | VIEW BY REGION | VIEW BY CEO | MAIN CHART AND TAKEAWAYS

FIGURE 14 *(continued)* | Organization's Financial Forecast for 2013

Q | What is your organization's financial forecast for the 2013 fiscal year?

BUYING POWER
Who controls the money? Click on the icons to learn how they think

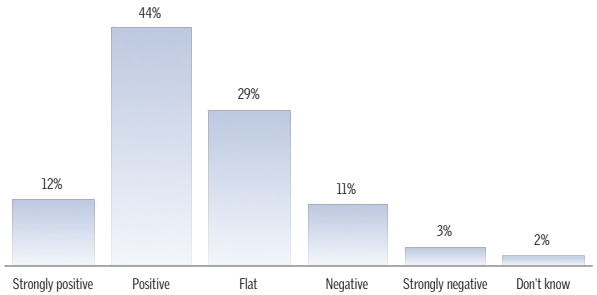
VIEW BY PRODUCTS/SERVICES
Indicates the type of goods or services the respondent is involved in purchasing

VIEW BY INVOLVEMENT
Indicates the role of the respondent in making purchasing decisions

VIEW BY DOLLARS INFLUENCED
Indicates the total dollar amount the respondent influences

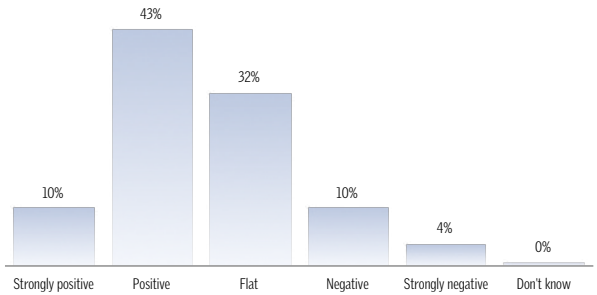
PRODUCTS/SERVICES

Clinical products



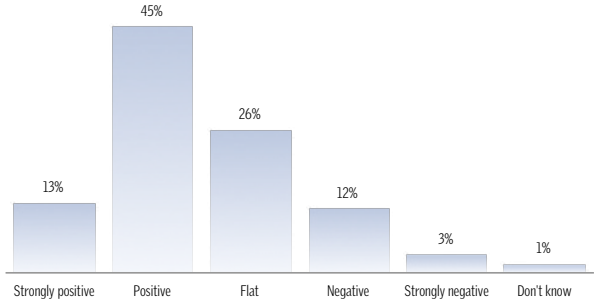
Base=434

Financial services



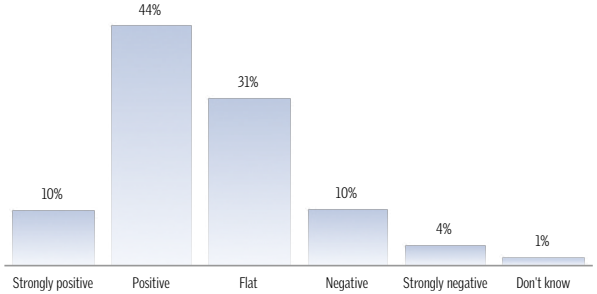
Base=231

Executive search



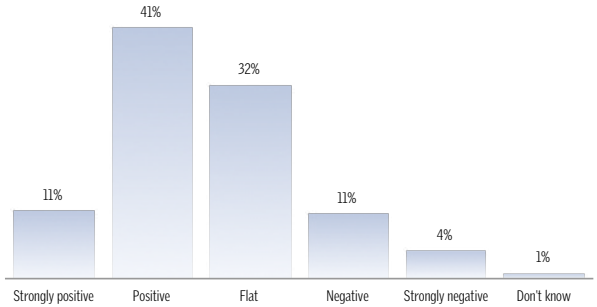
Base=284

Consulting services



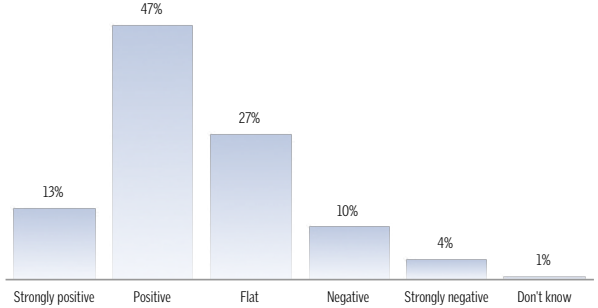
Base=359

Outsourcing services



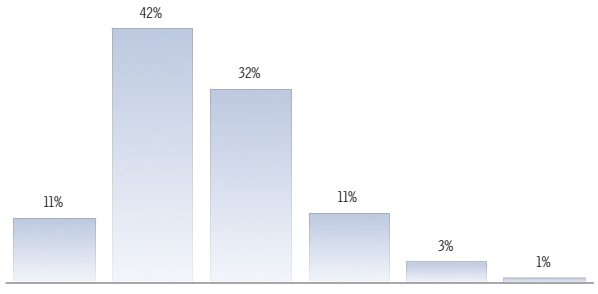
Base=273

Legal services



Base=199

Information technology



Base=444

FIGURE 15 | Areas Taking Up More Bandwidth Than They Should

Q | Which of the following areas are taking up more of your leadership bandwidth than they should?

Total responses

	Percent
Regulatory, compliance issues	55%
Physician relations	31%
Operations	28%
Payer-provider contracts	19%
Finance, accounting	18%
Political, lobbying matters	17%
Governance, board relations	15%
Strategic planning	10%
Clinical care	10%
Community outreach, public relations	9%
None of the above	11%

Base=823, Multi-Response

FIGURE 16 | Fueling Financial Growth Over the Next Five Years

Q | How will your organization fuel financial growth over the next five years?

Total responses

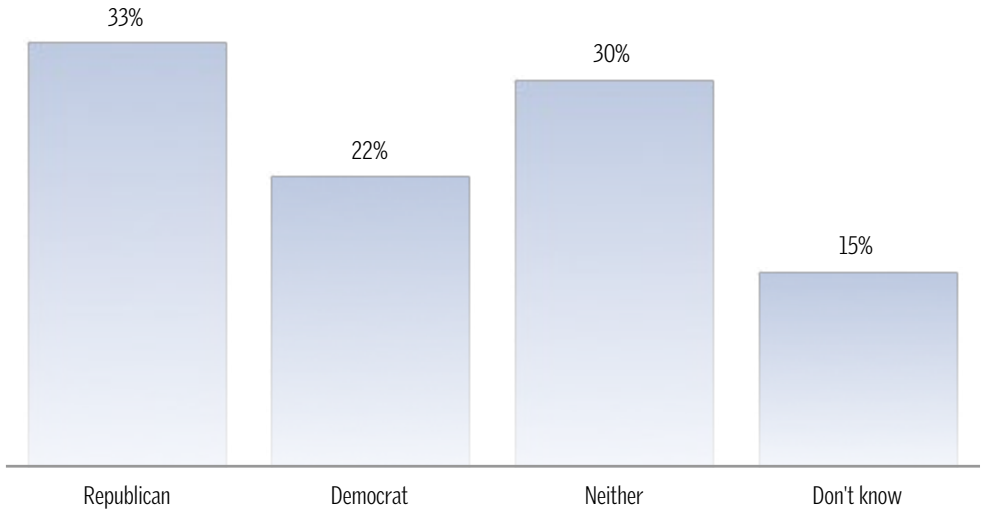
	Percent
Expand outpatient services	57%
Start or increase promising business or facilities	43%
Strategic marketing campaign for existing market	43%
Enter into joint ventures	41%
Acquire physician practices	38%
Develop or join an ACO or PCMH	35%
Strategic marketing campaign for new market	30%
Acquire or merge with competing or other hospitals	27%
Develop or partner with a convenient care facility	15%
Increase inpatient bed capacity	14%
Develop or grow non-healthcare-related business	11%

Base=823, Multi-Response

FIGURE 17 | Political Party With the Best Chance of Helping Healthcare Industry Resolve Cost-of-Care Quandary

Q | Which political party has the best chance of helping the healthcare industry resolve the cost-of-care quandary?

Total responses



TAKEAWAYS

- Democrats don't score as well as Republicans with healthcare leaders, at least when it comes to the cost curve. One-third (33%) say that Republicans have the best chance of helping the healthcare industry resolve its cost-of-care quandary, compared to 22% who say Democrats will have the answers.
- That said, neither party commands the majority, since 30% say that neither party has the answers. In fact, one-third of respondents (34%) from health systems say that neither party has the answer, outscoring both Democrats (28%) and Republicans (28%).
- The only segment where party preference is switched occurs among organizations with net patient revenue exceeding $1 billion, where 30% of leaders say Democrats have the best chance of helping the industry with cost-of-care issues, and only 22% say Republicans.

WHAT DOES IT MEAN?

As mentioned above, many in the healthcare industry feel that healthcare reform places unnecessary burdens on providers. During interviews, those who are distressed about the dollar investments and human-capital investments required often also seem certain the government cannot possibly succeed in its reform efforts. So we should not be surprised that there is no consensus favoring one party or the other, since many feel it is the government itself that is the culprit.

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