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## Home and Abroad, CEOs Are Pulled in Many Directions

*CEOs reference a mix of financial, regulatory and workforce issues commanding their attention.*

Healthcare leaders around the globe face similar challenges. The International Hospital Federation's 2017 study of the top priorities of hospital CEOs from 21 countries reveals some overlap with ACHE's 2017 *Top Issues Confronting Hospitals* survey of U.S. community hospital CEOs. In both studies, CEOs reference a mix of financial, regulatory and workforce issues commanding their attention.

Following are highlights from these studies, accompanied by strategies for CEOs worldwide to help them lead with greater certainty.

*Tackling growing polarities may help CEOs worldwide grow as both mentors and mentees in many areas.*

### **Weathering Ongoing Financial Challenges**

Financial challenges are a top concern shared by almost all CEOs, although their priorities differ by location. Among ACHE survey respondents, 71 percent cited Medicaid as their chief financial concern. For international CEOs, the lack of access to capital is a key

financial challenge, making it difficult to guide organizations through change, according to the IHF report. This also is a concern for U.S. leaders, although ACHE respondents rate mounting bad debt, increased competition, reduced managed care payments and the value-based care transition as more pressing.

Following are actions CEOs can take to combat their financial challenges:

***Invest in revenue cycle strategies.*** Improved patient financial communications and more proactive, targeted collections practices can help organizations stave off the effects of high-deductible health plans.

***Drive pharmacy and technology investment value.*** In the U.S. and abroad, providers and payers are exploring innovative ways to take more control over their pharmacy and supply budgets. For example, a group of U.S. hospitals is launching their own generic drug company. (See "The Transition to Value-Based Care: A CEO Roundtable Discussion" in the July/August 2018 issue of *Healthcare Executive* for more information.)

Internationally, technology assessments are being used to gauge products' value. CEOs should follow the assessments' evolution and engage clinicians in value analyses to help standardize technology.

***Leverage risk-based models.*** U.S. providers' volume-to-value transition has been slow. Yet, according to a 2017 Healthcare Financial Management Association survey, nearly three-quarters of senior financial healthcare executives said they achieved favorable financial results from value-based programs.

Hospitals should leverage their risk-taking experience as they transition to other programs, including government-led payment models, and CEOs should strengthen their strategic collaborations with providers to solidify their network across the continuum of care.

***Invest in population health.*** Although EHRs and other

technology can help hospitals improve outcomes, CEOs should ensure they have the clinical and IT teams and workflows to maximize investments. Frustration continues to increase among executives who spend time and money on revising their EHR strategy only to find the impact on the organization or patients is not as beneficial as possible.

### **Managing Regulatory Burdens**

Globally, CEOs face a barrage of new regulations. In both surveys, CEOs cited managing regulatory burdens as the second largest issue they face.

In the U.S., chief concerns include Centers for Medicare & Medicaid Services regulations and audits and state and local mandates, according to ACHE's survey. The cost of keeping up with these rules also worries CEOs.

IHF's survey found that excessive government oversight also is frustrating for CEOs internationally, who believe legal constraints present the second greatest challenge to their ability to manage change. Protecting privacy is one compliance priority: In May 2018, the European Union implemented General Data Protection Regulation privacy standards that will impose hefty fines on companies that violate the rules.

To meet these demands, CEOs should take the following actions:

***Prioritize cybersecurity.*** Hacks against organizations put patients at risk and can lead to breaches. In the U.S., the ECRI Institute named

cybersecurity threats as the top health technology hazard for 2018.

CEOs everywhere should understand their organizations' risk profile and ensure they have the resources to respond to cyberattacks.

**Help staff manage changes from new rules.** In the IHF survey, approximately one-third of CEOs say inertia for change is their primary cause of frustration. They recognize that the barrage of internal initiatives and external mandates can cause fatigue for all staff.

To keep personnel engaged, CEOs should work with their human resources and marketing teams on change management strategies that communicate organizational priorities.

**Use your influence with policy-makers.** The ability to influence is essential for healthcare CEOs—and can make their roles more rewarding. CEOs should engage with community leaders and policymakers on key issues affecting their region. ACHE and IHF also offer forums, such as ACHE's CEO Circle Forum, where leaders can work collaboratively on shared concerns, and IHF's CEO Circle—a professional network for senior healthcare executives worldwide.

### Coping With Personnel, Quality Concerns

In both surveys, CEOs rank personnel third among leadership concerns. In particular, CEOs around the globe worry about how nursing shortages can affect patient safety. For example, a 2017 study of nine

countries published in the *International Journal of Nursing Studies* found that inadequate nurse staffing could increase patient mortality after surgery.

To ensure high-quality care when staffing issues exist, CEOs should consider the following tips:

**Strengthen physician leadership.** Enhancing physician leadership is important to driving care quality and efficiency as organizations bring physicians into the C-suite. Qualifications, not seniority, popularity or other factors, should determine who is eligible for leadership roles. Although formal and informal training is essential for leaders to be effective, many physicians serve as health leaders either within ministries of health or privately.

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**Ensure clinicians are practicing at the top of their licensure.** Adding support roles or changing workflows to ensure all staff are using their full education and training can help remedy staffing deficits.

**Help operational leaders manage staffing budgets.** Accountability is a key quality of effective leaders. The C-suite can empower service-line and department leaders with benchmarks and decision-support tools that help optimize their staffing mix

based on shifting volumes and minimize use of premium labor resources.

By taking these steps, CEOs can lead their organizations with greater assurance through future challenges.

### The Need for a CEO-Level Professional Exchange

IHF's survey revealed growing polarity between the public and private sectors. Representatives from private sector consulting firms and managerial functions are accustomed to discussing healthcare management, performance improvement and economics. Conversely, healthcare delivery organizations, such as publicly funded university hospitals, are closer to the clinical aspects of management. These outcomes signaled a missed opportunity to address this growing gap between CEOs from these distinct sectors.

IHF leaders aim to close this gap through various research activities and are considering a platform to allow members to learn from each other's strengths. Moving to a more interactive world fostering a rich exchange among peers requires considering the logic of a twinning program framework among CEOs. Tackling growing polarities may help CEOs worldwide grow as both mentors and mentees in many areas. ▲

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