



Quality in the eQuation

Profitable Patient Care = Quality + Metric + Reimbursement

Results of Experienced Resources' 2010 annual survey are complete. Every good survey, much like every good picture, tells an individual story, and Leadership Perspectives on Health Care does just that. The following analysis provides an overview of our January 2010 survey results.

Forthcoming health care reform, hastily applied quality metrics by commercial payers and others, and a persistently recessive economy have contributed to the creation of what one participant described as "the perfect storm."

According to our respondents, the eye of that storm is quality. The survey identified the following 10 priorities rated top 1, 2, or 3 among respondents:

Reimbursement	59.4%	The introduction of external metrics has assigned quality a different role in the equation - different than patients might expect and certainly expanded from its historical role. The advent of Physician Quality Reporting Initiative (PQRI), pay for performance and other quality metrics has helped redefine quality as inseparable from reimbursement and profitability.
Quality	58.6%	
Overhead and Profitability	45.7%	
Strategic Planning	27.2%	
MD Recruitment/Retention	24.6%	
Technology	24.3%	
M&A	20.9%	
Market Share	19.8%	
Staffing	15.9%	
Consumerism	11.8%	

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58.6%

of leaders chose
Quality as their
#1, 2 or 3 priority.



An imminent trend, from a Twin Cities metro physician: *“An increased emphasis on reporting various dimensions of quality, however, this will not result in improvement in overall outcomes of care.”*

What do leaders say about quality?

Leaders participating in the survey report their sincere commitment to quality. They also feel the need to develop an equation that provides profitable and high quality patient care. Additionally, this care must meet metrics of service and determined levels of reimbursement guidelines.

An administrator participating in our 2009 survey, speaking to a more traditional definition of clinical quality, predicted, “Quality (as we know it) will start to move into a distant third after reimbursement and profitability. High quality should be a given not something we aspire to.”

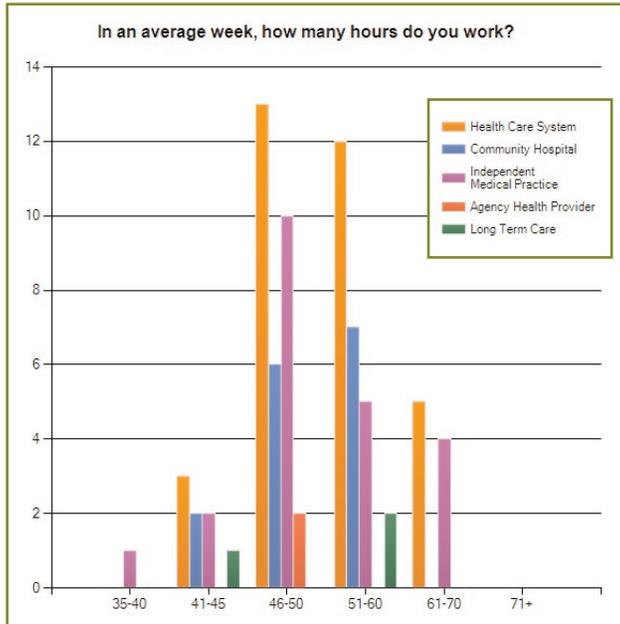
Over the past three years, quality has moved to “job number one” solidly paired with reimbursement and profitability. This clearly supports the shift of the role of quality from a clinical, moral goal to a factor statistically integrated into an equation for fiscal success and profitable care.

Health care leader’s working environment reflected in survey questions:

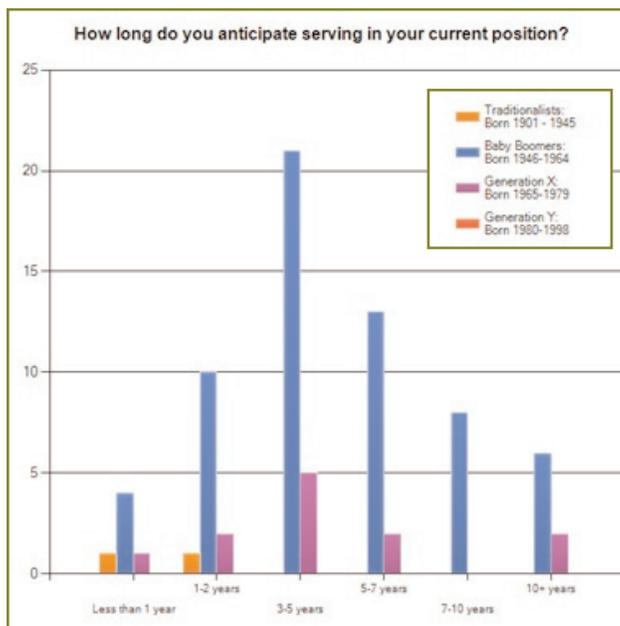
- In an average week, how many hours do you work?
- How long do you anticipate serving in your current position?
- During the past two years, has your own engagement on the job increased, decreased or stayed the same?

Top Three Priorities 2008-2010	
2010	
Reimbursement	59%
Quality	58.6%
Profitability	45.7%
2009	
Profitability	67.9%
Reimbursement	67.6%
Quality	54%
2008	
Reimbursement	82%
Technology	65%
Consumerism	48%

Practice administrators comprise 27.6 percent of our total respondents. Of these, 38 percent work 51-70 hours per week; 19 percent work 51-60 hours, and another 19 percent work 61-70 hours; 14.3 percent expect to stay in their current position 10 plus years.



An additional 9.5 percent of administrators expect to remain in their position 7-10 years. Significant here is the fact that 24 percent expect to stay for 7 plus years - a long time in today's career world; 14.3 percent



say their engagement has decreased. 47.6 percent of the group said their engagement increased; 38.1 percent of the group said their engagement stayed the same.

Clearly, for these participants, working long hours does not negatively impact their willingness to continue to serve or their satisfaction with doing so.

In other demographic analysis, we see that 21.4 percent of our CEOs expect to remain in their current position 7-10 years; 93 percent of these CEOs are baby boomers, and 72 percent currently serve community hospitals and health care systems; 43 percent of these CEOs work 46-50 hour work weeks; 35.7 percent report working 51-60 hours; and 14.3 percent work 61-70 hours weekly; 100 percent of these CEOs say their engagement on the job has increased or stayed the same over the past two years.

The group choosing the longest tenure option, 10+ years, consists of 75 percent baby boomers and 25 percent Gen Xers; 50 percent work in independent medical practices; 43 percent work 51-60 hours a week; and 87.5 percent report increased engagement with the balance citing no change in their job satisfaction.



93%
of the CEOs surveyed are baby boomers.

Knowledge transfer and succession planning

Our survey posed two questions relative to formal plans in place for the eventual departure of leaders. The responses to both questions show a health care community ill-prepared for the departure of current executives, through attrition, promotion or retirement. With nearly identical

percentages, 86.7 percent of organizations lack a formal plan to transfer knowledge upon the executive's departure. Similarly, 86.8 percent of participants do not have a succession plan in place for their position.

In an industry in which nearly 85 percent of its leaders qualify as baby boomers and older, this absence of planning presents a significant gap.

During the past 12 months, what have been the most significant changes in your roles and responsibilities?

“Working a lot more at trying to get the organization to move forward instead of just sitting and waiting.”

“Greater emphasis on innovation, collaboration among groups - both independent and systems.”

“It just seems as though the intensity of the work has escalated and the number of day-to-day problems has grown significantly.”

“We accomplished the major goals that were developed and agreed upon.”

Conclusion

Health care organizations face a new era of change and challenge. Our 2010 survey reveals an uncertain path for leaders, though this emerging path also offers opportunity for those determined to thrive rather than simply survive. Whether you are working to reshape your financial picture, refine your operations, or

implement new services, the work must get done – and done well. How successful you are at sustaining first-rate, cost-effective patient care will depend on how astutely you assess and prioritize your organization's needs and positively address those needs.

To view in-depth results and analysis of this year's results, visit our website at www.flexgener.com. If you would like more information or to discuss the survey with us, please contact Mary Christensen, President at 952.888.4635.

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Getting to succession planning...

“We have an in-depth succession plan in place due to the fact that the CEO, COO and CFO all retire within a two year period.”

64%
of leaders report significant changes in their roles and responsibilities over the past 12 months.

