Inside the Chief Executive Office

Activity Overview

Effective communication and a strong relationship with the C-suite are keys to building the successful pharmacy enterprise. Clearly understanding issues of the C-suite and effectively communicating the unique role that integrated pharmacy services across the enterprise can provide to the organization is necessary for success of the pharmacy and the organization. Learn “what keeps administrators up at night” in this enlightening discussion.

Learning Objectives

After participating in this knowledge-based educational activity, participants should be able to

- Discuss the challenges of leading a hospital compared to a business.
- List the major challenges facing the hospital chief executive officer.
- Describe the major financial challenges that impact the decisions of hospital executives.
American College of Healthcare Executives

- Professional society of more than 40,000 healthcare executives—Leaders Who Care
- Board certification in healthcare management as ACHE Fellows (FACHE®)
- Foremost continuing educator for the field
- Leading healthcare management publications:
  - Journal of Healthcare Management
  - Frontiers of Health Services Management and Healthcare Executive
- Fulfilling our vision to be the premier professional society for healthcare executives dedicated to improving healthcare delivery

“The hospital—altogether the most complex human organization ever devised ...”

Peter Drucker

Inside the CEO

- What are the challenges of leading a hospital versus a business?
- Who is the CEO?
- Who are the CEO’s internal and external constituents?
- How does the CEO spend his/her day and make decisions?
- What are the major challenges facing CEOs?


What are the challenges of leading a hospital versus a business?

- Defining and measuring output are more difficult
- The work involved is more highly variable and complex
- More of the work is of an emergency and non-deferrable nature

Adapted from Shortell and Kaluzny, Essentials of Health Care Management, 1997

What are the challenges of leading a hospital versus a business?

- The work permits little tolerance for ambiguity or error
- The work activities are highly interdependent, requiring a high degree of coordination among diverse professional groups
- The work involves an extremely high degree of specialization
What are the challenges of leading a hospital versus a business?

- Organizational participants are highly professionalized, and their primary loyalty belongs to the profession rather than the organization
- Little effective organizational or managerial control exists over the group most responsible for generating work and expenditures: physicians

What are the challenges of leading a hospital versus a business?

- Some customers pay less than cost while others do not pay at all

Who is the CEO?

“The [hospital] CEO is uniquely responsible for leadership of the executive office, for representing the organization to the outside world, for relations with the governing board, and for the leadership of the organization as a whole.”

Griffith and White, The Well-Managed Healthcare Organization, 2002
Who is the CEO?

- Age
- Gender
- Ethnicity
- Education
- Experience

Who are the CEO’s internal constituents?

- Patients
- System Headquarters
- Board
- Other Executives
- Physicians
- Nurses

Who are the CEO’s internal constituents?

- Other Staff
- Volunteers
Who are the CEO’s external constituents?

- Insurers
- Employers
- Suppliers
- Other Providers
- Association Representatives

How does the CEO spend his/her day and make decisions?

- Individual and group meetings
- Bottom-up and top-down decision making
- Compromise and consensus
What do you feel is the number one issue facing your organization?

a. Financial Challenges
b. Healthcare Reform Implementation
c. Patient Safety and Quality
d. Governmental Mandates
e. Technology

What are the major challenges facing CEOs?

- Financial Challenges
- Healthcare Reform Implementation
- Patient Safety and Quality
- Governmental Mandates
- Physician-Hospital Relations
- Patient Satisfaction
- Technology
- Personnel Shortages

Financial Challenges

- Deficit reduction
- Medicare and Medicaid reimbursement
- Private insurance reimbursement
- Providing for the uninsured
- Bad debt
- Decreasing inpatient volume
- Access to capital
- Pay for performance
- Non-payment for "never events"
Over the last two years, has your hospital's operating margin

a. Increased  
b. Decreased  
c. Remained the same  
d. Not sure  

Healthcare Reform Implementation

- Reducing operating costs  
- Alignment of provider and payor incentives  
- Aligning with physicians more closely to prepare for medical homes and accountable care organizations  
- Hiring physicians  
- Avoidable readmission penalties  
- Avoidable hospital-acquired infections  

Patient Safety and Quality

- Engaging physicians in improving the culture of quality  
- Redesigning care processes and work environments to reduce errors  
- Compliance with accrediting organizations (e.g., Joint Commission, NCQA)  
- Medication errors
Governmental Mandates

- CMS audits
- CMS regulations
- Increased government scrutiny (e.g., IRS)

Physician-Hospital Relations

- Physician requests for payment for service to the hospital
- Creating win-win collaborations
- Clinical integration
- Medical staff structures/leadership
- Competition with physician-owned facilities/equipment; niche providers

How frequently does your CEO discuss and/or present HCAHPS-related information?

a. Once a week
b. Once a month
c. Once a quarter
d. Does not mention
Patient Satisfaction

- Perceived quality of care
- Demand for more personal attention from caregivers
- HCAHPS public reporting requirement

Technology

- Developing an information system integrated with physicians’ practices
- Obtaining funding from the American Recovery and Reinvestment Act for electronic records
- Computerized physician order entry
- Conversion to electronic medical records
- Implementation of ICD-10

Personnel Shortages

- Primary physicians
- Physician specialists
- Registered nurses
- Pharmacists
- Therapists
- Technicians