

For Immediate Release

Survey: Healthcare Finance, Safety and Quality Cited by CEOs as Top Issues Confronting Hospitals in 2016

**CHICAGO, January 31, 2017**—Financial challenges again ranked No. 1 on the list of hospital CEOs' top concerns in 2016, according to the American College of Healthcare Executives' annual survey of top issues confronting hospitals. Governmental mandates ranked second, closely followed by patient safety and quality.

"While financial concerns remain the top issue for CEOs, the survey results indicate that hospitals continue to have great interest in regulatory environment and are maintaining a consistent focus on improving patient safety and the quality of care," says Deborah J. Bowen, FACHE, CAE, president and CEO of ACHE. "Hospital leaders have been faced with an enormous challenge over the last number of years to put in place new strategies to meet a changing environment. That personnel shortages remain the number four concern for the second year in a row suggests that hospitals are keeping their attention on attracting and retaining a talented workforce to help them meet their goals."

In the survey, ACHE asked respondents to rank 10 issues affecting their hospitals in order of how pressing they are and to identify specific areas of concern within each of those issues. Following are some key results from the survey, which was sent to 995 community hospital CEOs who are ACHE members, of whom 383, or 38 percent, responded. The issues cited by survey respondents are those of immediate concern and do not necessarily reflect ongoing hospital priorities.

Issue	2016	2015	2014
Financial challenges	2.7	3.2	2.5
Governmental mandates	4.2	4.5	4.6
Patient safety and quality	4.6	4.2	4.7
Personnel shortages	4.8	5.1	7.4
Patient satisfaction	5.5	5.3	5.9
Access to care	5.8	6.2	---
Physician-hospital relations	5.9	5.7	5.9
Population health management	6.6	6.3	6.8
Technology	7.2	7.1	7.3

Issue	2016	2015	2014
Reorganization (e.g., mergers, acquisitions, restructuring, partnerships)	7.8	7.4	---

The average rank given to each issue was used to place the issue in order of how pressing they are to hospital CEOs, with the lowest numbers indicating the highest concerns.

The survey was confined to CEOs of community hospitals (nonfederal, short-term, nonspecialty hospitals).

Within each of these 10 issues, respondents identified specific concerns facing their hospitals. Following are those concerns in order of mention for the top three issues identified in the survey. (Respondents could check as many as desired.)

Financial challenges (n = 383)<sup>1</sup>

Medicaid reimbursement (including adequacy and timeliness of payment, etc.)	63%
Increasing costs for staff, supplies, etc.	60%
Reducing operating costs	55%
Bad debt (including uncollectable Emergency Department and other charges)	54%
Transition from volume to value	54%
Government funding cuts ( <b>other than</b> reduced reimbursement for Medicaid or Medicare)	48%
Competition from other providers (of any type—inpatient, outpatient, ambulatory care, diagnostic, retail, etc.)	44%
Medicare reimbursement (including adequacy and timeliness of payment, etc.)	44%
Revenue cycle management (converting charges to cash)	37%
Inadequate funding for capital improvements	36%
Managed care and other commercial insurance payments	36%

Financial challenges (n = 383)<sup>1</sup>

Moving away from fee-for-service	36%
Emergency Department overuse	31%
Pricing and price transparency	28%
Other	n=17

<sup>1</sup> If number of respondents is fewer than 50, only numbers are provided.

Governmental mandates (n = 383)<sup>1</sup>

CMS regulations	67%
CMS audits (RAC, MAC, CERT)	57%
Cost of demonstrating compliance	51%
Regulatory/legislative uncertainty affecting strategic planning	46%
State and local regulations/mandates	40%
Increased government scrutiny of accounting practices (e.g., IRS, Sarbanes-Oxley Act)	19%
Implementation of ICD-10	14%
Other	n = 28

<sup>1</sup> If number of respondents is fewer than 50, only numbers are provided.

Patient safety and quality (n = 383)<sup>1</sup>

Engaging physicians in improving the culture of quality/safety	59%
Engaging physicians in reducing clinically unnecessary tests and procedures	57%

Patient safety and quality (n = 383)<sup>1</sup>

Redesigning care processes	48%
Pay for performance	46%
Public reporting of outcomes data (including being transparent, fairness of measures, reporting burden)	43%
Redesigning work environment to reduce errors	39%
Compliance with accrediting organizations (e.g., Joint Commission, NCQA)	29%
Leapfrog demands (e.g., computerized physician order entry, ICU staffing by trained intensivists)	28%
Medication errors	20%
Other	n = 2

<sup>1</sup> If number of respondents is fewer than 50, only numbers are provided.

#### **About the American College of Healthcare Executives**

The **American College of Healthcare Executives** is an international professional society of 40,000 healthcare executives who lead hospitals, healthcare systems and other healthcare organizations. ACHE's mission is to advance our members and healthcare management excellence. ACHE offers its prestigious FACHE<sup>®</sup> credential, signifying board certification in healthcare management. ACHE's established network of 78 chapters provides access to networking, education and career development at the local level. In addition, ACHE is known for its magazine, *Healthcare Executive*, and its career development and public policy programs. Through such efforts, ACHE works toward its vision of being the preeminent professional society for healthcare executives dedicated to improving health. The Foundation of the American College of Healthcare Executives was established to further advance healthcare management excellence through education and research. The Foundation of ACHE is known for its educational programs—including the annual Congress on Healthcare Leadership, which draws more than 4,000 participants—and groundbreaking research. Its publishing division, Health Administration Press, is one of the largest publishers of books and journals on health services management including textbooks for college and university courses. For more information, visit [www.ache.org](http://www.ache.org).

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