

4 Ways the Hospital C-Suite Will Change Post-Reform

Written by Lindsey Dunn
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Hospitals today face a number of transformational changes as a result of healthcare reform and other initiatives to better coordinate and reduce the cost of care. As hospitals move away from fee-for-service models toward more accountable care, the characteristics of the hospital C-suite as well as the skills of those within it will need to change in order to ensure the hospital's success. Here, Mary Kate Scott, principle, Scott & Company, and an enterprise solutions expert for Nuuko, shares four ways the hospital C-suite will need to change in order to successfully adapt to the demands of reform.

1. Partnership skills will become critical. In the past, a hospital could get by with focusing on the operations within its walls alone, but new payment models make partnering with physicians and other providers essential to a successful hospital. The introduction of reimbursements and incentives tied to performance against core measures or other protocols means the hospital must partner with physicians more closely than ever. "The hospital doesn't deliver the care, physicians and providers do," says Ms. Scott.

The best hospital CEOs in the near future will have well-honed partnership skills and an ability to collaborate with, rather than dictate to, providers. "Traditionally the large hospital could dictate its terms for affiliated physicians, but in the future, hospital leaders will need to have different types of partnership skills," she says.

2. Physician leaders will be more diverse. Traditionally, physicians who moved into key leadership roles were encouraged to do so because they were some of the best physicians in the hospital, and they often came from critical service lines, such as cardiology and surgical specialties. However, a great physician doesn't necessarily mean the physician will be great at managing relationships, says Ms. Scott. As a result, hospitals should provide physician leaders opportunities to sharpen their collaborative skills.

In the future, Ms. Scott expects physician leaders with primary care and public health experiences will become more valuable. "If a hospital wants to become an ACO, it becomes incredibly important it works closely with primary care providers to drive down costs, says Ms. Scott. "We'll also see physicians with public health backgrounds and sets of skills associated with broad population health."

3. CIOs will be true members of the leadership team. While the chief information officer has been a part of hospitals' leadership for some time, efforts surrounding reform have brought this role front and center, says Ms. Scott. Electronic health records, business analytics systems and health status databases now directly impact a hospital's ability to improve quality and reduce costs — the key tenets of reform. Ms. Scott says this new role of the CIO is reflected in the change of the title by some systems from "chief information officer" to "chief innovation officer."

"Initiatives to coordinate care, monitor and manage protocols and share health data can't be done without appropriately managing IT," she says. "The CIO now truly has a hand in driving the hospital's agenda of quality and access."

4. C-suite executives will need a deeper understanding of financial information. Finally, all C-suite executives, not just the CFO, will need to fully understand the hospital's financial performance. Not only will reimbursements — at least from government payors — decrease, but

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new reimbursement models will require more complex financial transactions among various providers.

"It's one thing to read the financial statement, and another to engage in increased financial literacy," says Ms. Scott. "Leaders will need the financial acumen to understand drivers of cost and identify ways to improve the cost structure."

Ms. Scott founded Scott & Company in 2001 after seven years with McKinsey & Company. She is a health and business management consultant who has worked with healthcare stakeholders and leaders for over twenty years. Learn more about [Scott & Company](#).