

For Immediate Release

Survey: Healthcare Finance, Reform Top Issues Confronting Hospitals in 2014

**CHICAGO, January 12, 2015**—Financial challenges again ranked No. 1 on the list of hospital CEOs' top concerns in 2014, according to the American College of Healthcare Executives' annual survey of top issues confronting hospitals. Healthcare reform implementation and governmental mandates ranked next in a tie for second, closely followed by patient safety and quality.

“The survey results show that these are challenging times for CEOs and leadership teams, and we are all expected to do more with less,” says Deborah J. Bowen, FACHE, CAE, president and CEO of ACHE. “Taking care of patients and improving patient safety and quality in their organizations is job No. 1, but CEOs acknowledge they must do so in a climate of complex payment reform, dwindling reimbursement and government mandates.”

In the survey, ACHE asked respondents to rank 10 issues affecting their hospitals in order of importance and to identify specific areas of concern within each of those issues. Following are some key results from the survey, which was sent to 1,118 community hospital CEOs who are ACHE members, of whom 338, or 30.2 percent, responded. The issues in the following table are listed by the average rank given to each issue, with the lowest numbers indicating the highest concerns.

Issue	2014	2013	2012
Financial challenges	2.5	2.4	2.5
Healthcare reform implementation	4.6	4.3	4.7
Governmental mandates	4.6	4.9	5.0
Patient safety and quality	4.7	4.9	4.4
Care for the uninsured/underinsured	5.5	5.6	5.6
Patient satisfaction	5.9	5.9	5.6
Physician-hospital relations	5.9	6.0	5.8
Population health management	6.8	7.6	7.9
Technology	7.3	7.9	7.6
Personnel shortages	7.4	8.0	8.0

The average rank given to each issue was used to place issues in order of concern 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 = 338)<sup>1</sup>

Medicaid reimbursement (including adequacy and timeliness of payment)	69%
Bad debt (including uncollectable emergency department and other charges)	67%
Decreasing inpatient volume	63%
Medicare reimbursement (including adequacy and timeliness of payment)	57%
Competition from other providers (of any type—inpatient, outpatient, ambulatory care, diagnostic, retail, etc.)	55%
Government funding cuts ( <b>other than</b> reduced reimbursement for Medicaid or Medicare)	55%
Increasing costs for staff, supplies, etc.	55%
Revenue cycle management (converting charges to cash)	39%
Managed care payments	37%
Other commercial insurance reimbursement	37%
Inadequate funding for capital improvements	32%
Emergency department overuse	26%
Other	n=22

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

#### Healthcare Reform Implementation (n = 338)<sup>1</sup>

Reduce operating costs	78%
Shift to value-based purchasing	66%
Alignment of provider and payor incentives	65%
Align with physicians more closely	54%
Develop information system integrated with primary care MDs	48%
Regulatory/legislative uncertainty affecting strategic planning	47%
Study avoidable readmissions to avoid penalties	46%
Hire one or more primary care physicians	35%
Obtain funding from the American Recovery and Reinvestment Act for electronic records (meaningful use)	32%
Study avoidable infections to avoid penalties	26%
Other	n = 17

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

#### Governmental Mandates (n = 338)<sup>1</sup>

CMS audits (RAC, MAC, CERT)	80%
Implementation of ICD-10	68%
CMS regulations	64%
State regulations	34%

## Governmental Mandates (n = 338)<sup>1</sup>

Increased government scrutiny (e.g., IRS, Sarbanes-Oxley Act)	32%
Other	n = 35

<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 more than 40,000 healthcare executives who lead hospitals, healthcare systems and other healthcare organizations. ACHE offers its prestigious FACHE<sup>®</sup> credential, signifying board certification in healthcare management. ACHE's established network of 80 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 goal of being the premier professional society for healthcare executives dedicated to improving healthcare delivery. 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 [ache.org](http://ache.org).

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