

# In the Trenches: Preparing for the Future

## Highlights from VHA Central Leadership Meeting

---

By: Adriane Willig, Consultant

VHA Central held their annual Spring CEO/Executive Leader meeting in Indianapolis, Indiana this year. Speakers highlighted challenges that hospital executives will face given the advent of healthcare reform and also provided examples of how some hospitals have taken steps to develop sustainable (hopefully!) models.

Given the dynamic changes coming our way, healthcare leaders will be challenged to set a clear vision for success in a somewhat murky environment. CEOs and senior management teams are faced with the decision of acting now or taking a wait and see approach. While certainly less risky, many would argue that the wait and see approach has more drawbacks than acting now. There is little disagreement that the current state of healthcare is not sustainable for the future and leaders will increasingly be called upon to make decisions without having all the information. Even so, CEOs will be held accountable for their decisions and navigating these waters will require leaders to often step beyond their comfort zone. The VHA Central meeting offered some highlights to help senior leaders guide their organizations in the right direction.

The opening speaker, Ken Kaufman from KaufmanHall, reported that consolidation will continue and that bigger will indeed be better. Kaufman cited how healthcare is an anomaly as compared to other U.S. industries with the following examples:

- The five largest banks in America control 46% of all deposits
- The 15 largest pharma companies control 95% of all prescriptions
- The 15 largest airlines control 90% of all passenger seats
- Yet, the 15 largest hospital companies control only 21% of all beds.

With many independent hospital CEOs in the audience, one can imagine that there was much consternation over this perspective.

Arthur Nichols, Chief Administrative Officer from Keene Health Alliance in New Hampshire and John Schlegelmich, MD, President and Chief Medical Officer from Cheshire Medical Center in New Hampshire provided insight into the medical home model. This model hinges on the team concept and uses resources differently, both of which are crucial to success. The model calls for a greater use of panel management where a team of healthcare professionals share in the

responsibility of managing the health of a panel of patients. Patient care providers beyond the medical doctor are utilized to the “top of their license.” Nichols noted that PCPs estimate that 50 percent or less of their time is actually spent doing things that require their medical license. The medical home model attempts to change the dynamics of how and by whom care is provided.

The final discussion highlighted the need to have a strong information technology (IT) platform available to support the number of reform changes that are quickly heading our way. Not only do hospitals and health care providers need to demonstrate and report quality outcomes, but HIPAA, meaningful use, digital identification and security concerns add additional levels of complexity to an already complex (and costly) initiative.

While information technology continues to be a focus of health systems, our patient population is incredibly active in IT. A 2010 Harris Interactive poll reported that 78% of adults in the U.S.

---

## The Well-Tempered Candidate

### What recruiters and hiring organizations wish they could tell you

have looked online for health information. The adult community has high expectations for how they should be able to communicate with their health care provider(s). HHS has recently established a healthcare media resource that provides guidance for hospitals communicating via various web portals/social media outlets. That site can be found at [newmedia.hhs.gov](http://newmedia.hhs.gov).

All of these examples point to the fact that healthcare executives will need to determine the risks versus rewards of getting involved now and to what extent.

There are certainly those out there who feel as if “this too shall pass.” Not to be a doubting Thomas, but I doubt it. The healthcare enterprise is being redefined. No longer will business as usual be acceptable. Leaders will need to be visionary and willing to “experiment” with different strategies from physician relations, payment structures, medical alliances and technologies. Mistakes can be costly, but it certainly appears that one strategy will not fit all. Healthcare leaders will need strong skills in pulling together a historically fragmented system and be comfortable in taking some risk.

President Harry S. Truman once said, “Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better.” Given the dynamic changes impacting healthcare, executive leaders will need a great deal of courage!

---

#### Locations Nationwide:

Oak Brook, IL	Atlanta, GA	Minneapolis, MN	Philadelphia, PA
Emeryville, CA	Burlington, MA	St. Louis, MO	Pittsburgh, PA
Irvine, CA	Nantucket, MA	New York, NY	Houston, TX
Denver, CO	Bethesda, MD	Toledo, OH	Seattle, WA