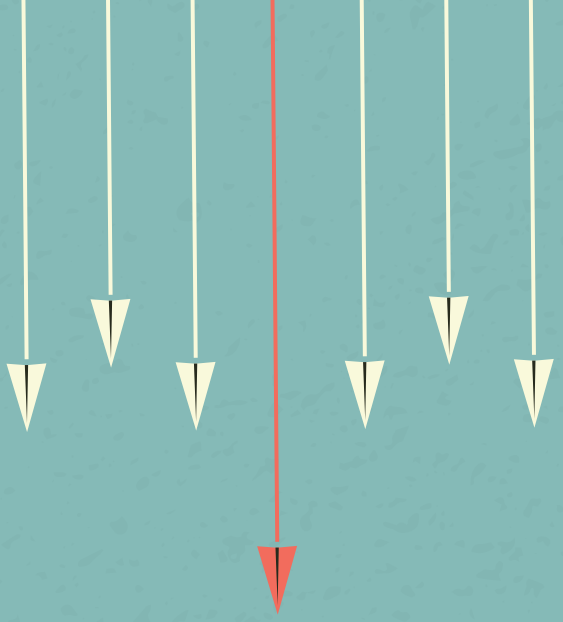
HEALTHCARE CHANGES AND NEW C-SUITE ROLES

BY BRIAN JUSTICE



The healthcare industry is predicted to represent 20 percent of GDP in the United States by 2025. Given the economic and societal import of that fact, and the role healthcare executives play in the well-being of the population, the successful navigation of a landscape beset by disruptors is more crucial than ever.

A wide range of forces are buffeting our industry, including changing delivery models, the rise of value-based care and the omnipresence of data. Private industry is stepping in and causing jitters, too.

Amazon, Berkshire Hathaway and JPMorgan announced a joint venture in January 2018, designed to slow rising healthcare costs. CVS made news with the announcement of its intended purchase of Aetna, and Comcast and Apple are bringing radical change to how they deliver healthcare to their employees.

To meet these challenges, health systems have created a new slate of C-suite roles, including chief innovation officer, chief experience officer, chief transformation officer, chief strategy officer, chief informatics officer and chief population health management officer. The nascent state of these roles is recognized by many in the healthcare industry, including Kimberly A. Smith, managing partner in Academic Medicine and Health Sciences Practice, Witt/Kieffer, Oakbrook, Ill., and an ACHE Member.

"These roles are emerging rapidly, and they are much, much more prevalent than they were just a year or two ago," she says. "What continues to be less clear is the definition of what each of these roles is. There is variability across them, but certainly what is happening in healthcare is what is driving these roles."

In 2015, ACHE conducted a survey of executive search firms that are members of the ACHE/Executive Search Firm Exchange on trends in recruiting healthcare leaders. The survey was the first of its kind developed by ACHE.

Forty-three executive search firms were surveyed, with 35 responding. The results shed light on how healthcare's senior leadership teams are changing, the factors driving such change, the challenges of finding qualified senior leaders to lead healthcare organizations, and the competencies most in demand for healthcare's senior leaders.

Additionally, survey results reveal that healthcare organizations are streamlining or consolidating senior leadership roles and are centralizing roles.

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"When I started in the industry, you had a CEO, system administrators and maybe a chief medical officer," says Christopher D. Van Gorder, FACHE, president and CEO, Scripps Health, San Diego. "But we are evolving, and we are seeing another evolution in the C-suite roles."

Christina Terranova Asselta, managing director of healthcare consulting firm SullivanCotter says, "The context of these roles is no longer just running a hospital. While that's still important, what everybody is attempting to do is position themselves successfully in the face of healthcare reform, which is essentially managing the health of a population while improving the patient experience and reducing costs."

Adding another layer of complexity is that the role and responsibilities of the same title may vary widely from organization to organization, and some may combine any number of these roles into one. And, finally, throw in the new inflection point of increased consumer expectations that crosses almost all industries now, including healthcare, which is transforming the way care is provided.

"We're not accustomed to consumers showing up with their phones in hand, asking why their MRI costs what it does, when one down the street is half as much," says Tom Kruse, chief strategy, integration and innovation officer, CHI Franciscan, Tacoma, Wash. "Consumers now have a heightened sensitivity to cost and price transparency, and the industry as a whole is becoming increasingly transparent in terms of objective measures of performance."

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In particular, millennial healthcare consumers have a very different view of care than previous generations. "It's not important to the millennial population to have a primary care physician," says Trisha Cassidy, executive vice president, chief physician alignment and ambulatory services officer, AMITA Health, Arlington Heights, Ill. "They want to get things taken care of in a way that is convenient for them, like Uber and Amazon, and we need to be responsive to that population."

Who Does What, Now?

Helen Macfie, chief transformation officer, MemorialCare Health System, Fountain Valley, Calif., says she readily acknowledges that what she does for MemorialCare may not overlap exactly with what a counterpart at another organization does.

"I tell everyone that if you've seen one chief transformation officer, you've seen one," she says. "While there likely are some intersecting commonalities, we probably are all different in terms of what our roles and responsibilities are."

According to Macfie, the parameters of the CTO role largely depend on the populations served by any given organization. MemorialCare, for instance, manages a number of accountable care organizations with both HMO and PPO populations, a health plan that provides services primarily to the Medicaid population (Medi-Cal California), and an exclusive contract with Boeing to offer its employees a customized health plan designed to improve quality and service, and reduce costs.

"We want to customize our offerings to the needs of patients and their demographics, age, social determinants and diseases," she says. "And then meet the needs of whoever is paying for their care."

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To Macfie's point, Mark Rumans, MD, CMO, SullivanCotter, says, "People in these roles are thinking about how to align all these different groups and strategies across the continuum [of care]. Not everything has to be owned, but the care must be integrated and coordinated to develop best practices throughout all the steps of service. That is critical for these officers."

New stakeholders crucial to positive outcomes must now be considered by these new C-level executives, and those are often employees of healthcare organizations themselves. "Workforce satisfaction has been found to be just as important as these other factors in delivering high-quality care," Rumans says.

Ghazala Sharieff, MD, FACHE, corporate vice president and chief experience officer, Scripps Health, is charged with focusing on the patient experience throughout an organization that includes five hospitals, approximately 30 ambulatory clinics, 15,000 employees, 3,000 physicians and 2,000 volunteers.

Scripps Health looks at healthcare coordination across the system, which includes providing care that is seamless, from the first phone call patients make, and throughout their journey as they encounter inpatient teams, outpatient clinics, home health and rehabilitation, and the volunteer who greets them at the front door.

"We could have a great inpatient experience, but when the patient gets to the billing department and they are unhappy or don't understand it, it can ruin the entire journey," Sharieff says.

Key to her efforts at Scripps is the incorporation of physicians into her initiatives.

"We need our physicians to be the face of the patient experience," she says. "It was very clear that physician-to-physician communication is vital to changing the environment because when staff see the physicians on board, they come on board as well. And because it is still all about bedside manner."

Delivery Models Determine Responsibilities

The overall approach that an organization takes to care delivery is a primary driver of what these executives deal with and how, according to SullivanCotter's Asselta. Some organizations will continue offering a traditional model of care that is specialty driven: medicine, surgery,

and surgery subspecialties. Others are advancing their population health strategies through ACOs or have taken a more aggressive approach by offering insurance products and structuring their clinicians around them to deliver population health to distinct segments of patient communities.

"All of these things impact how organizations structure these roles, and drive their choice of people to populate them," Asselta says.

Care coordination traditionally was about the inpatient and how to get that patient ready for discharge. Now it often involves providing value-based care and improving quality at a lower cost to patients with multiple chronic conditions. That, according to Rumans, must occur across all the settings in which patients receive care and that no longer is exclusively inside the hospital.

"Now care coordination follows the patient, wherever they are, and that's a different way of thinking," Rumans says. "Some organizations are trying to manage larger populations. They may have more risk contracts in place, they may be Medicare ACOs, for example, so they are trying to manage care at different levels. That said, the care model of the organization is what drives the need and parameters of these positions."

CHI National is a case in point. It views itself as a microcosm of the national healthcare system. Its parent is Catholic Health Initiatives, but CHI National also has joint operating agreements with organizations across the country. "You have 10 or more major enterprises like CHI Franciscan across all time zones, and we are primarily in some of the most distinctly regional and cultural geographies in the country," says Kruse.

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Macfie addresses issues around access, albeit on a smaller scale than Kruse's. MemorialCare's system includes four hospitals and approximately 200 ambulatory care sites, but her concerns around consumer preferences are just as germane.

"My 87-year-old mother would rather book online," she says. "Others want to talk on the phone, some would rather show up in person, and there's everything in between. We are doing a lot of work around redesigning our front end to make sure that we are our best possible selves no matter how people reach us."

IT's Role in the New C-Suite

As in virtually every industry these days, technology seems to be driving everything. In healthcare, it goes far beyond the preferences in simple access that Macfie mentions. It is vital that the executives functioning in these new roles have the support of those developing, managing and implementing IT.

"They really go hand in hand because the strategies needed to revolutionize care delivery require a new way of thinking," says Terranova. "It requires doing things at a

higher level of quality with fewer resources, and that requires a significant reliance on data analytics."

Transparency and security both depend on technology, and to further complicate matters, Robin W. Singleton, FACHE, partner and practice leader, DHR International North America Healthcare, Chicago, says "Healthcare possesses so much personal information on people. We are seeing a huge uptick in the need for cybersecurity individuals and other IT C-suite leaders because the systems have grown so big and so fast because of all of the consolidation."

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She sees the integration of various IT systems as an ongoing challenge for leaders in that area. "Your average system with six to 10 hospitals has not really been able to keep up, plus they are being brought in to manage a multitude of systems that do not talk to each other. They all have the same issues, whether they are an academic organization or public entity."

If there's any consensus to be drawn from industry experts and service providers it is that these C-suite roles are constantly evolving to meet the needs and advance the strategies of healthcare organizations, their populations and stakeholders.

"Modern healthcare was built over the last 70 years, and we have been operating in buildings that were built somewhere during that timeframe, with processes that may have provided short-term solutions but may not add value now," says Macfie. She is aligning MemorialCare's strategy as per the Institute of Healthcare Improvement's Triple Aim. "My role in our system is to improve the health of our populations, improve the care experience of our patients and reduce capital costs. The Triple Aim helps us operate within the context of this role."

And while organizations demonstrate that they are providing efficient, high-quality care at a lower cost, everyone in these new roles needs to understand the big picture: where healthcare is, the current trends and the best practices, says Singleton. "They've got to be able to focus on quality, efficiency, security and safety, all at the same time, whether they are in a technology role, an operational role or nursing."

One overarching issue throughout the industry that Singleton references—and she is quick to point out that it is one with a relatively available solution—is what seems to be organizational difficulties with empowering C-level executives to make decisions in a timely fashion.

"We've moved over the last decade to emphasizing inclusivity and transparency among everybody who could impact a decision, and that's good, but organizational structures are not in place, in most cases, to designate somebody empowered and accountable to make decisions."

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Increasingly, there is a heightened expectation of a general level of business acumen among senior executives in the various fields. "Strategy is rapidly becoming a focused profession," Kruse says. "The decisions we make, the patient with whom we make those decisions and the ability to move rapidly must mimic the consumer world instead of the traditional bureaucratic healthcare world, and I think that strategy officers are driving it."

And the future of these roles?

Mergers, acquisitions and consolidations that show no sign of slowing down anytime soon present unique opportunities for health systems. "How do we present a package of offerings to employers and those who are contracting to cover lives that demonstrates our value proposition for different organizations—but as one system?" Kruse asks. "How do you put yourself out there as one package to the consumer, with a brand promise that we deliver on, regardless of who provides the care? I think that's where integration is going."

The answer is for these executives to harvest best practices from within their own system, whether it is a relatively small, traditional organization or one that sprawls across geographies, myriad partnerships and diverse patient populations. Kruse continues, "How do we transfer value back and forth without having to own each other? How do we collaborate without somebody having to be the boss of the other one?"

The new paradigm in which these new roles must exist, says Van Gorder, "is that patients must be seen *today*. Our competitors are going to make sure that they get in today or tomorrow." Scripps has instituted walk-in clinics at roughly half of its sites. "That is an absolute response to consumerism, a desire for access that is driven by our ambulatory managers and chief experience officer."

Hospitals are still vitally important to the healthcare system. "We have 19 of them, and over the last five years in Illinois they have experienced reductions in admissions and readmissions, and that is a very good thing," Cassidy says. "Organizations like ours have been looking for ways to meet the market focus in a value- and consumer-based setting because younger patients are seeking care in a different way."

The evolution and proliferation of new C-suite roles in healthcare is ongoing, Witt/Kieffer's Smith says. "The pace is going to accelerate, and I think that we have only seen the tip of the iceberg in these kinds of roles. The main challenge for everybody is going to be finding enough talent to fill the demand over time."

Brian Justice is a freelance writer based in Chicago.