



American College of
Healthcare Executives
for leaders who care

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***Becoming Board Certified in Healthcare Management and
a Fellow of the American College of Healthcare Executives***

Knowledge Area Covered in the Board of Governor's Exam:

Healthcare



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The traditional healthcare delivery system in the United States has been a “sickness system” model

- **Episodic**
- **Lacks the “continuum of care”**
- **Not focused on prevention or wellness**
- **Procedural/interventionally based**



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Peter Drucker said

Healthcare organizations
are one of the most complex
businesses in the world

Why is that?



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Due to the nature of the professionals who make up the industry

- Highly skilled
- Highly educated
- Require high degree of autonomy
- Scarcity of professionals
- Require a high degree of input into organizational decision making and resource allocation

Understanding healthcare terminology and the application of new technology is essential to be a successful healthcare leader

- Robotics
- Stem cell technology – genetic engineering
- Pharmacological agents
- New surgical techniques



The future of healthcare will be more focused on

- Health promotion
- Prevention
- Patient centered care
- More patient accountability
- Clinical outcomes
- Cost effective delivery of services
- More evidenced based treatment





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Healthcare executives will serve more in facilitator roles between clinical professionals as the system moves to a more clinically integrated delivery system.



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The national healthcare shortage is going to force new models of care and relationships between healthcare providers

- Primary Care Physicians and Nurse
- Practitioners / Physician Assistants
- RN's / LPN's / Nurse Technicians
- Pharmacists / Pharmacy Technicians

The professional autonomy for clinicians comes from strong and powerful professional organizations who aggressively lobby on their behalf

AMA – American Medical Association

AHA – American Hospital Association

ACHE – American College of Healthcare Executives

ANA – American Nurses Association

The rigid hierarchy and division of labor found in medical practice is sustained by legislation and regulations that are unique in the healthcare field

Clinical implications
Legal implications
Economic implications

Physician relationships – “As complex as they come”

- Most are not employed
- Most are independent contractors
- They control 75% of our hospitals’ costs by practice patterns
- They are your customer
- They are your competitor
- They can be affiliated with numerous other competitors



Healthcare as a continuum

Acute

Curative

Long-term care

Rehabilitation services

Custodial services

Long-term acute care

Skilled nursing facilities

Palliative care / Hospice care





The Acute Care Model

- Inpatient Care
- Outpatient Care
- Specialty Hospitals (Heart, Oncology, Orthopedic)
- For Profit
- Not-For-Profit
- Government Run Hospitals (VA, Indian Health Services, Military)



Healthcare facilities of the future

- Broader applications of technology
- More ambulatory in nature
- Satellite facilities
- More employed and clinically integrated physicians
- More clinical oriented healthcare leaders in the future
- More patients cared for in their homes and other non-institutional locations



Overall increase of healthcare spending has encouraged a lot of experimentation with different types of delivery systems;

i.e. “focus factories”
cardiac hospitals
orthopedic hospitals
cancer hospitals

The jury is still out on their success over acute care hospitals.





In the United States is healthcare business a System or Non-System?

It is best characterized as a conglomeration of multiple systems that vary greatly in their degree of completeness or integration.



Horizontal vs Vertical Integration

Horizontal Integration – larger systems of hospitals coming together to cover a broader market place and take advantage of economics of scale.

Vertically Integrated Systems - are focused on providing the full continuum of care. Inpatient, outpatient, rehab, long-term care, employed physicians, their own insurance products.

Managed Care

- Has not proved to be the panacea for controlling healthcare costs
- HMO (Health Maintenance organizations and PPO (Preferred Provider Organizations) attempt to control cost by controlling utilization and immediate access to expensive services/technology
- HMOs / PPO's have lost traction over the last decade. However, we may see a resurgence in their new era of health reform
- Government is more than likely going to play a bigger role in containing healthcare expenditures



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**The U.S. is beginning to see
how complex our industry
really is as health reform
plays out to our country.**



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As a Healthcare Executive, your job is to be:

Knowledgeable of the issues

Familiar with technology that will shape the future of the
delivery system

Understand the responsibilities of all of your
professional and nonprofessional staff

A master of communication skills

A great listener

An expert mediator

A decisive decision maker

Willing to work long hours

Committed to being a lifetime learner

A professional at all times

Take Aways

- The U.S. healthcare system is a conglomerate of multiple systems that vary greatly in their levels of integration
- Most healthcare professionals are highly skilled, well trained and require lots of autonomy in decision making
- The CEO's primary role is to evaluate problems and propose well thought out solutions
- The primary interest of the various alternative delivery systems is to, provide cost-effective healthcare services

Take Aways (cont)

- The major goal of any healthcare executive is to bring excellence to healthcare management
- The Governing Authority (Board) is ultimately responsible establishing policy, maintaining quality and providing competent leadership
- When a clinical activity is discontinued, it is usually due to technological advances that have made it obsolete

Take Aways (cont)

- Government payments to healthcare institutions represents a significant portion of the organizations' revenue
- Under capitated payment plans, utilization is expected to decrease primarily due to managed access to selected services
- In achieving the goals of an organization, the most important practice is to apply goals uniformly at all organizational levels.

Number and Percentage of Exam Questions For Healthcare Knowledge Area

28 questions 14%