



American College of  
Healthcare Executives  
*for leaders who care*

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Fellow of the American College of Healthcare Executives

***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%